

PART A

Report to: Cabinet
Date of meeting: 8 October 2012
Report of: Head of Community Services
Title: Voluntary and Community Sector Commissioning Framework 2013 - 2016

1.0 SUMMARY

- 1.1 The current 3 year Voluntary and Community Sector [VCS] grant funding programme ceases on March 31st 2013. This report sets out the case for a new VCS Commissioning Framework and changing to a commissioning approach as opposed to an open grant application process. It also identifies the priorities for commissioning services with the limited funds available.
- 1.2 The Commissioning Framework is set in the context of the economic situation, budget pressures and public sector funding cuts. The council continues to have to make significant savings over the next few years with an additional £2m savings required but not yet identified. The council is continuing to take a hard look at its own services that it provides and making tough decisions given the limited resources available. The financial future is uncertain and the council has a responsibility to balance competing needs and to be clear about the affordability of any proposals this equally applies to the council funding of the VCS.
- 1.3 The draft Commissioning Framework document was prepared by officers and the process and documents were scrutinised by a Scrutiny Task Group of councillors prior to going out to public consultation between 25th June – 10th September 2012
- 1.4 The purpose of this report is to
- present the final draft of the Commissioning Framework document
 - examine the Scrutiny Task group recommendations
 - summarise and consider the feedback from the public consultation
 - request Cabinet to approve amendments to the Commissioning Framework document and agree the commissioning priorities in light of the feedback and recommendations

2.0 RECOMMENDATIONS

2.1 Cabinet are recommended to:

- 2.2 • Agree amendments to the draft commissioning framework [2013 - 2016] as identified in this report.
- 2.3 • Agree the service commissioning priorities as identified in 3.4 of this report.
- 2.4 • Agree the continuation of the Small Grants Fund and make recommendations for the outcomes to be achieved for 2013/14 taking account of the recommendations of the Scrutiny Task Group and public consultation identified in 3.5.1.
- 2.5 • Delegate responsibility to the Head of Community Services in consultation with the Portfolioholder to approve the eligibility criteria for the Small Grants Fund.
- 2.6 • Delegate responsibility to the Head of Community Services in consultation with the Portfolioholder to finalise the wording of the Commissioning Framework prior to publication
- 2.7 • Delegate responsibility to the Head of Community Services to implement the commissioning process for the service priorities identified in 3.8 to ensure services are in place from April 1st 2013, subject to Council approval of the Budget for 2013/14

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Report approved by: Cate Hall Executive Director – Services

3.0 DETAILED PROPOSAL

3.1 Background summary

- 3.1.1 The council's current 3 year grant funding programme and the Commissioning Framework that supported that process ends on the 31st March 2013. The council intends to continue supporting the voluntary and community sector (VCS) recognising that they are sometimes best placed to deliver services. However there is a need for a change in approach and a wider understanding of the range of resources committed to supporting the VCS.
- 3.1.2 A draft Commissioning Framework document was prepared that identified the reasons for change; the range of support to be covered and the identified priorities for commissioning specific services from the VCS. This document was prepared by officers and was subject to input from the Scrutiny Task group and was circulated for consultation from the end of June to the 10th September.
- 3.1.3 Although the previous Commissioning Framework served the council well to date, it is clear from an analysis of the current context in which we are working, and feedback on the framework itself, that, in order to be fit for purpose for the challenges ahead, it

needed to be reviewed.

Previous comments/feedback

There have been issues raised regarding the current three year grant funding programme, including that it:

- favours those who have already successfully applied for grant in the past
- creates a dependency culture on council funding for those groups heavily reliant on core funding
- gives no flexibility to commission new activity when new priorities emerge
- stifles innovation and collaborative working
- requires significant commitment and time resource from applicants to complete an application process with no guarantee of funding at the end of the process
- requires significant time resource from the council to process applications.

Financial constraints

The council has long standing and positive relationships with VCS organisations and it deploys a significant proportion of its budget to support a number of them in a variety of ways.

However, in view of the economic situation, budget pressures and public sector funding cuts, the council continues with having to make significant savings over the next few years.

The council has already identified, and is on its way to achieving, over half of the £5 million saving it is required to achieve by 2014/15, but an additional £2 million needs to be identified.

The council is continuing to take a hard look at its own services that it provides, deciding what its future priorities are, and making tough decisions, given the limited resources available. The financial future is uncertain and the council has a responsibility to balance competing needs and to be clear about the affordability of any proposals. This applies to council funding of the VCS.

There is a need to understand that expenditure in one area of activity will potentially require cuts in other areas of activity; and also that new priorities may emerge over time, as well as new organisations capable of delivering services.

An updated version of the document taking on board feedback from the consultation and Scrutiny Task Group is attached to this report as Appendix A

3.2 Scrutiny Task Group

- 3.2.1 At the Overview and Scrutiny meeting held on the 22nd December 2011 there was a resolution that Overview and Scrutiny be involved in the development of the new Commissioning Framework. A Scrutiny Task Group was set up and met initially in May 2012 and then held a series of meetings up to the 5th September. A report on the work of the group is attached at **Appendix B**

3.2.2 During the course of the Scrutiny Task Group's work, members :

- examined in detail the background to the proposed introduction of a new Commissioning Framework in the context of financially constrained circumstances
- obtained a greater insight into the working of the wider voluntary and community sector and the environment in which those organisations operate
- received information on the methods used to monitor the outcomes and performance of organisations receiving council funding and the intention to re-focus and stream-line the approach in the future
- examined in detail the Council property related issues relating to the occupation by voluntary and community organisations
- received a report on the reasons for delaying the review of the policy for non-domestic rate relief in light of future government changes
- explored with officers the content of the draft Commissioning Framework and inputted into the final version that was consulted upon
- received a report on the feedback obtained through the consultation process and in the light of that feedback re-examined the priorities proposed and the issues relating to the small grants fund
- overall were content with the thrust of the Commissioning Framework

The recommendations of the Scrutiny Task Group are detailed in Appendix B and have been taken into account when making the final amendments to the Draft Commissioning Framework and recommendations to Cabinet.

They are summarised below;:

1. The Small Grants Fund should be continued.
2. The total Small Grant Fund should be £50,000.
3. The limit for individual small grants should be £2,000.
4. Application criteria should include projects and 'invest to save' initiatives
5. The process for Small Grant applications should encourage match funding.
6. The priorities in the draft Commissioning Framework document as detailed below are supported:
 - Infrastructure support to the voluntary and community sector
 - Enabling people with physical mobility problems to access services in the town centre
 - Advice services
 - Arts and Culture
 - Community Centres
 - Sport

3.3 Public Consultation

3.3.1 At the end of June 2012 the public consultation started and ended on September 10th 2012. The documents were made available on the WBC and the WCVS internet and sent out to key organisations and networks. A variety of mechanisms for feedback were provided and encouraged including

- completing a survey on line
- sending in comments by e-mail or post
- telephone discussion with one of the WBC funding Team.
- attending a consultation session with one of the WBC funding team

3.3.2 A summary of key issues raised is attached as **Appendix C**. The following action has been taken in response to the consultation.

- Amendments have been made to the draft document to incorporate issues raised whilst balancing the different views on the level of detail required within the document
- Officers will prepare an “easy-read” version of the final approved document to take account of a view that there was too much detail and jargon within the document
- Feedback received on the continuance of the Small Grants Fund and views on future criteria have been incorporated into the document. Later in this report members are asked to comment on the support for a Small Grants Fund and the purpose for which it should be used to enable officers to develop eligibility criteria.
- There were views expressed on expanding the service commissioning priorities identified in the document, in particular in relation to evidence of service needs relating to women at risk of domestic abuse. In response officers have undertaken further investigation into the commissioning responsibilities for domestic abuse services and obtained further understanding of the local evidence for service provision. The outcome of that investigation is included later in this report for members to agree a way forward.
- In response to feedback regarding the issue of the coverage of council-owned community centres across Watford, officers undertook a review of the relationship between the geographical spread of community centre provision and Indices of Multiple Deprivation (IMD) 2010. (see mapping document at **Appendix D**.)The outcome of that review has resulted in an amendment to the Commissioning Framework document to ensure there is adequate provision commissioned.
- The importance was expressed of services provided being targeted at the more vulnerable local population including elderly, sick, those with mental health problems, ethnic minorities and children. Also that services provided should be sensitive to the cultural and social needs of the community. It is proposed that, when specifying services to be commissioned, specific reference is made to meeting the needs of vulnerable service users and being sensitive to cultural and social needs.
- There were a range of views on the importance of arts and culture activities when balanced against the service needs of vulnerable people. It is proposed that the commissioned services are identified as separate funding streams within the overall council budgets to ensure separate identification of the cost of

provision.

- There was a recognition of the importance of completing an Equalities Impact Analysis. This has been completed and published on the internet.
- A number of comments were received on the Small Grants Fund. These are covered later within this report.
- There were comments supporting the continuation of applying the Non Domestic Rate Relief. These have been referred to our colleagues in Finance who will be reviewing this in line with the introduction of Local Business Rate Retention in April 2013. A separate report on any change to policy as a result of the review will be taken to Cabinet in due course

3.4 **Priorities**

3.4.1 There was general agreement on the importance of the priorities identified in the document. The identified priorities as listed below are therefore recommended to Cabinet for approval

- infrastructure support to the voluntary and community sector
- enabling people with physical mobility problems to access services in the town centre
- advice services
- arts and culture
- community centres
- sport

The feedback did specifically indicate a need to consider adding an additional priority regarding the provision of service delivery for victims of domestic abuse. A report on the additional officer review undertaken in response to this feedback is attached as **Appendix E**. Cabinet is asked to consider the detail in that report and the officers recommendation below

Domestic abuse is not the commissioning responsibility of the District Council but it is clear from our Equality Impact Analysis that there would be a disproportionate impact on a protected characteristic group if services were reduced ahead of any decision being made by the primary commissioning organisations regarding the long term support for these services.

Members are therefore recommended, in order to mitigate the EIA risks identified, to agree to provide funding support for 12 months to ensure service provision remains whilst Herts County Council and the local Community Safety Partnership are encouraged to consider the local service needs and priorities, particularly in the light of the positive impacts identified in relation to Children's Services.

3.4.2 Other priority issues raised during the consultation related to the need for services to support families and vulnerable people and those with mental and physical health issues. The primary commissioning responsibilities for support to individuals and families rests with Herts County Council from a social care and public health perspective and with GP commissioning bodies in respect of health support and not with the district council.

3.5 **Small Grants Fund**

3.5.1 The consultation on the future of a Small Grants Fund and the views of the Scrutiny Task Group highlighted significant support for continuation of this funding stream and a wide number of issues that could be taken into account when creating eligibility criteria for applications. The consultation feedback stressed the importance of the Council being clear what it would seek to achieve with this funding stream however there were many views on how the fund should be deployed and these are detailed as follows:

Suggestions made were that:

- The limit for individual small grants should be £2,000.
- Application criteria should include projects and 'invest to save' initiatives
- The process for Small Grant applications should encourage match funding.
- The fund should support innovation
- The fund should be deployed to undertake the following
 - Projects to support local individuals and families in need of support
 - Projects to improve the environment
 - Small very local projects that bring communities and residents together
 - Assist organisations to survive and continue the good works they do
 - Projects to support people through the current economic difficulties
 - Projects to support re-use and recycling
 - Support for events that bring different groups of people together
 - Support to help groups drive down their costs
- That the Small Grants Fund and its achievements are reviewed annually before agreeing the next years funding and criteria.

With so many diverse views on how the fund should be deployed it is important for Members to clearly define what they wish the expenditure to be focussed on and what needs to be achieved in 2013/14 as a deliverable outcome.

Cabinet is asked to consider the views above and decide

- 1) whether to agree a Small Grants Fund as a priority
- 2) if yes to identify the key outcomes and achievements that should be the target for 2013/14
- 3) delegate the responsibility to the Head of Community Services in consultation with the Portfolioholder to draw up the eligibility criteria

3.6 **General Principles underpinning the Commissioning Framework**

3.6.1 The following is a list of general principles and issues which have either influenced and or supported the development of the final version of Commissioning Framework

These are;

- a focus on existing council supported services,
- not supporting priorities where the commissioning responsibilities lie with other lead agencies e.g. health; social services etc.
- recognising that the responsibilities and resources of district councils in providing statutory and non statutory services are limited

- that in Hertfordshire, Hertfordshire County Council has the primary commissioning responsibility for a range of services
- feedback from public consultation and an internal Scrutiny task group and their recommendations,
- diminishing council funds due to current and future public sector funding cuts

3.7 Use of Council Owned Property by VCS Organisations

3.7.1 The Scrutiny Task Group undertook a review of the terms under which VCS organisations leased premises from the council. This established that the current policy agreed by cabinet in 2006 relating to leasing premises to VCS organisations was being implemented by Property Services as far as was practical when leases were either being renewed or granted for the first time. The review identified a few cases where it had not been practical to apply this policy. This was largely due to the state of the premises being let and the need for the organisation having the lease to commit a large capital resource to refurbish (Palace Theatre)(Scenery Store letting to Presence Retail Ltd /Presence Charitable Trust), or where the organisations original premises had prior to 2006 been used by the Council to support a redevelopment and the organisation had required to be accommodated elsewhere (Sheltered Workshop). It was also noted that the Council still had a number of historically long leases that had not come up for renewal since 2006 and the lessees were paying only a nominal rent (Exchange Road).

3.7.2 Some organisations were receiving support through the current grant process to assist them to meet their rental commitments under the terms of their leases and where in the future organisations receive support under the Commissioning Framework that support will continue.

From April 1st those organisations that are not supported under the Commissioning Framework, and who currently receive support will be responsible for paying the rent and their outgoings set out in their lease from their own resources.

3.8 Conclusions

3.8.1 The Commissioning Framework identifies the current priorities for the commissioning of services through the voluntary and community sector. It sets the framework for the future commissioning of services as new priorities emerge and funding resources become available.

3.8.2 As a result of adopting the Framework the services detailed below will continue to be provided to members of the community for a period up to April 2016 but will be subject to the availability of funding during that period as set out in the council's Medium Term Financial Strategy and annual budget setting process. The quality of the services will be monitored and the continuation of the service delivery as a priority for the council will be kept under review. Should the services commissioned be considered below quality or the need for the service reduced then the Service Level Agreements with the organisations commissioned will enable the council to de-commission or reduce funding as appropriate. In addition the negotiations on the affordability envelope for the commissioned services will ensure value for money at the outset and will include an expectation on services to deliver cost efficiencies during the commissioned period.

3.8.3 The services to be commissioned are:

- Community Centres in the following areas Meriden: Orbital; Radlett Rd; Holywell; West Watford; Leavesden Green
- Provision of motorised scooters to enable people to access shops, businesses and services including advice, health and leisure services in the town centre
- A quality accredited generic advice service with particular emphasis on benefits, immigration, debt and housing advice
- Infrastructure support to the voluntary and community sector to increase its capacity to promote and support itself
- Provision of a regional theatre and outreach programme ensuring a programme which meets the diverse needs of the community
- Support to develop the capacity of sports clubs and organisations to increase community participation in physical activity and sport to contribute towards a healthy town for Watford residents

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that it is anticipated that the financial support for commissioning the priority services identified within the Commissioning Framework will be contained within the Council's budget envelope for 2013/14 when approved.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that the Council has a wide variety of legal powers that are available to it to provide both financial and physical assistance to the voluntary and community sectors to enable them to undertake their functions. The priorities identified within the Commissioning Framework are all covered by those powers. The Council must have due regard to the Equality Impact Analysis and the effect of this Framework on those with protected characteristics and any mitigation before adopting the Framework as a new policy

4.3 **Equalities**

Watford Borough Council is committed to equality and diversity as an employer, service provider and as a strategic partner. In order to fulfil this commitment and its duties under the Equality Act 2010, an Equality Impact Analysis (EIA) has been developed and is published on the councils internet.

The new Commissioning Framework includes a number of proposed priorities which if not included would have a severe negative impact on service users as identified in the EIA. These priorities are advice services and services to enable people with physical mobility problems to access services in the town centre.

The service area that has not been included in the proposed priorities is support for domestic abuse issues. Domestic abuse is not the commissioning responsibility of the

District Council but it is clear from the previous EIA that there would be a disproportionate impact on a protected characteristic group if services were reduced ahead of any decision being made by the primary commissioning organisations regarding the long term support for these services. It is recommended that domestic abuse service provision should continue to be funded short term, to mitigate the risk, whilst further discussions take place to consider the local service needs and priorities

4.4 Potential Risks

| Potential Risk | Likelihood | Impact | Overall score |
|--|------------|--------|---------------|
| Priorities not agreed at Cabinet | 1 | 4 | 4 |
| Funding not/ not all available for 2013/14 | 2 | 4 | 8 |
| Future funding not/ not all available beyond 2015 | 3 | 4 | 12 |
| | | | |
| | | | |
| <i>Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.</i> | | | |

4.5 Staffing

4.5.1 There are no staffing implications contained within this report.

4.6 Accommodation

4.6.1 There are no accommodation issues contained within this report

4.7 Community Safety

4.7.1 The issues relating to domestic abuse contained in this report have been identified through the Watford Community Safety Partnership and Herts County Council Domestic Violence and Hate Crime Unit where a multi-agency approach is undertaken.

4.8 Sustainability

4.8.1 The proposals in this report accord with the Council's approach on sustainable procurement to consider the social and economic impacts of the procurement or commission. Small firms, voluntary and community organisations and social enterprises are innovative and add value with an important role in the local economy and contribution to social cohesion.

Appendices

- A. Final draft VCS Commissioning Framework document and its appendix
- B. Scrutiny Task Group report and recommendations
- C. Summary of consultation feedback

- D. Community Centres map and deprivation indices
- E. Domestic abuse review

Background Papers

Scrutiny Task Group minutes and reports
Watford Cultural Plan
Sports Development Framework
Equality Impact Analysis

File Reference None