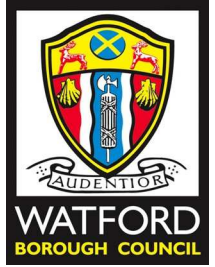


Appendix A

Voluntary and Community Sector [VCS] Commissioning Framework

2013 -2016



DRAFT

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1.0 Introduction

Watford has a rich history of widespread community activity which adds value to the quality of lives of its residents and their neighbourhoods. Supporting this activity is a thriving voluntary and community sector (referred to within this document as VCS), which is actively engaged in providing services and support to a broad range of communities and individuals.

The groups that make up this sector are as varied as the services and activities they offer. They can range from small volunteer/single worker organisations to large and complex organisations with links to national agencies. The broader voluntary and community sector includes registered charities, voluntary organisations, community groups, and faith groups engaged in voluntary social action, not-for-profit organisations and social enterprises.

Watford Borough Council (referred to within this document as the council) recognises the value that the VCS brings to the borough and aims to work with the sector to the benefit of local residents and the community overall.

The council's Commissioning Framework sets out how it will support the work of the VCS and the relationship between the sector and the council. The framework aims to provide a new level of clarity, focus and approach in response to the many significant challenges and pressures that local councils like Watford and the VCS jointly face, which are described below.

The current economic climate means that all organisations, whether they be public, private or VCS, are having to look at the way they do things and consider what will best ensure long term sustainability for those services and activities that are important to local people and the community.

What is clear is, given the current and future pressures, the council cannot be all things to all people or provide the answers to, or solve all issues.

By working together in a collaborative way, including the statutory, non statutory and commercial sectors, different ways of working can be explored to ensure a healthy local voluntary sector continues to exist.

This Commissioning Framework, therefore, provides a strategic framework to take us forward and build a foundation for future resilience and sustainability.

2.0 Background

A successful community has a sense of its identity and of belonging; access to a range of clubs and societies and voluntary organisations; cares for its poor and vulnerable; and is characterised by altruism and neighbourliness. These things are often generated by voluntary organisations.

Watford is fortunate to have up to 400 VCS organisations. Only a small number of them receive direct funding from the council. The council will continue to encourage and nurture voluntary activities not just through funding, but also by sharing resources and skills, removing barriers, and building partnerships.

A healthy voluntary sector makes a significant contribution to a wide range of social and community benefits, such as:

- a sense of pride and ownership
- community spirit
- caring and helping others
- representation
- information sharing
- sharing of resources
- compassionate communities
- togetherness
- happiness
- well-being
- health
- inclusion
- empowerment

In addition, the council recognises that VCS are sometimes best placed to deliver services, this is due to their:

- ability to deliver user focused services
- insight into the needs of service users
- ability to encourage a high level of user and community involvement, particularly with vulnerable people
- independence from existing models of service delivery that enables innovation
- ability to draw in external funding and volunteer resources, adding value to the local community
- experienced and committed local leadership
- high level of local knowledge and data gathering

3.0 What is Commissioning?

There are many definitions of commissioning, but for the purpose of this new framework it is proposed that the following is used:

Commissioning is the process for ensuring that quality services meeting the identified priority needs of the community are provided by the best placed organisation to do so at an affordable cost to the council.

The commissioning process can be seen as a cycle of activity that works together and interactively to deliver the desired outcomes. The key steps in a commissioning cycle are:

- analyse from evidence what needs to be provided
- identify what finance and resources are available
- identify and specify what services can be delivered
- put in place the best method to obtain that service: options could include:
 - internal (council) service delivery
 - outsourced service delivery through a procurement process and contract from the commercial or VCS sector
 - grant funding a VCS organisation to deliver a specified service
- monitor and review the delivery of that service

4.0 Current approach

The council currently commits significant resources to supporting the VCS. These are summarised below.

£880,895*	-	3-Year Grant Funding Programme
£425,580	-	Community Centres
£53,500	-	Sports Commissioning
£37,000	-	Culture and Arts
£50,000	-	Small Grants Fund
£205,413*	-	Discretionary Rate Relief [NDR] (loss of income)
£1,652,388	-	TOTAL

* *Appendix 1* – provides more details on the current position above and outlines other factors that potentially impact on the funding available to the VCS.

The current Commissioning Framework moved the council away from a purely grant process by establishing three key “preferred provider” partners who received a grant based on a negotiated sum determined by the level of service provided and key outcomes delivered. These were:

- Watford Council for Voluntary Service
- Watford Citizens Advice Bureau
- Watford Palace Theatre

5.0 The case for change

Although the previous Commissioning Framework has 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 needs 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.

6.0 Way forward – Commissioning

With limited resources at the council's disposal, taking on board the feedback on the previous grant funding programme and the national and local context, the council needs to deploy an alternative approach. The new approach needs to be robust, open, fair; yet radical enough to ensure it meets its service delivery priorities efficiently and effectively. This is why the council is moving towards a **fully commissioned** approach for future funding and will no longer have a 3 year grant bidding programme.

Below is an overview of the national and local context that provides a framework for the council's move to a fully commissioned approach.

i. National Context

Partnerships with the VCS are particularly important in the context of new legislation and guidance.

The *Localism Act 2011* and the *Public Services (Social Value) Act 2012* provide new powers for local government and for local communities and also some new duties, while *Best Value Statutory Guidance 2011* requires local authorities to be “responsive to the benefits and needs of voluntary and community sector organisations of all sizes (honouring the commitments set out in local compacts)” and not to pass on “disproportionate” reductions in funding.

The Public Services (Social Value) Act 2012

When times are economically tough it's important we get the most value from all public spending. This Act asks each local authority to consider the social value of each decision it makes. So in terms of commissioning services, the social value and benefits will be formally considered. This will ensure a joined up and collaborative approach for both the VCS and statutory agencies.

In addition the Local Government Association [LGA] developed a pledge which was recommended by the National Association for Voluntary and Community Action [NAVCA].

The following paragraphs are an extract from the LGA Procurement pledge 2012.

“Council spend in the private sector is worth over £62bn each year – councils recognise the need to maximise the opportunities that procurement provides in ensuring value for money, and in helping support their local economy. This is particularly so as councils wrestle with an average 28% reduction in their funding during the current spending review period, as well as the wider economic downturn.”

“The changing landscape of council contracting arrangements includes increasing numbers of shared service arrangements and pooling of resources. Reductions in funding mean that councils are seeking better value for the tax payer as services are reconfigured, and there is more co-production with citizens and the voluntary sector. “

“Any initiative that helps procurement to drive efficiency savings, achieves better outcomes, and makes it easier for councils and local providers to do business by reducing bureaucracy and simplifying processes should have the support of the sector.”

Our proposed way forward supports these national requirements.

ii. Local Context

The current Commissioning Framework and 3-Year Grant Funding Programme cease on 31 March 2013.

In the context of the impact of the economic climate, recession and the significant impact of public sector funding cuts, it is appropriate for the council to revisit its support for the VCS and ensure it has in place a clear understanding of its priorities and commissioning objectives.

This framework has been scrutinised by a group of councillors. Additionally there has been consultation and engagement with the wider VCS and the general public.

New Commissioning Framework

It is proposed that under the new Commissioning Framework the council moves to a fully commissioned approach with service delivery priorities identified, and a process to identify the preferred delivery partner rather than an “open grant application” approach.

Benefits of a fully commissioned approach

This framework and the move towards a fully commissioned approach will assist in the following:

- provide clarity over our current priorities
- make best use of limited resources
- provide clarity for the voluntary sector
- prevent unnecessary work for organisations
- reduce bureaucracy
- a streamlined process
- transparency
- contributions focused on a few priority areas of activity
- as new priorities and potential funding resources emerge it provides a way to commission new service provision

7.0 The priorities going forward

Apart from its statutory and non-statutory services that the council has currently chosen to deliver in-house, the council believes that the VCS is often better placed than the council to deliver in some or all of the following areas of district council activity:

- 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

Small Grants Fund

However, it is also recognised that the small grant fund provides a degree of flexibility in responding to smaller yet evidenced very local needs.

It is, therefore, proposed to maintain a small grants fund to allow VCS groups the opportunity to apply for a grant.

The consultation on the future of a Small Grants Fund and the views of the Scrutiny Task Group highlighted a wide number of issues that could be taken into account when creating the criteria for applications:

- 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
- It should be clear what achievements the Council is looking for from funding small projects
- The Small Grants Fund and its achievements should be reviewed annually before agreeing the next years funding and criteria.
- 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 for groups to drive down their costs

The criteria for applications will be developed once Cabinet has identified the key outcomes and achievements required from the use of this fund.

8.0 Proposed priorities and their supporting evidence

The priorities identified were those that were existing priorities, are not the lead commissioning responsibility of another funder and were supported by clear evidence of need.

i. Infrastructure support to the VCS

The council will continue our support to developing and supporting the local voluntary sector infrastructure.

This service will be provided via a quality accredited and approved provider.

The evidence supporting this priority area is summarised in the following documents;

Commissioning Framework 2010-13

The current framework recognises the importance of focusing on building the Voluntary and Community Sector's capacity to support and promote itself and the benefits of an active thriving VCS. This support needs to be provided in the shape of:

- funding support [helping with collaborative bids, funding applications]

- training, [legal, human resources, financial requirements]
- office resources [sharing office space and support services]
- website including on-line forums and networks
- volunteering support e.g. Time bank
- quality accreditation [governance, systems]
- supporting and considering alternative delivery models e.g. social enterprise
- support for business planning and enabling organisations to be self-reliant

National Council for Voluntary Organisations

Recent research for the National Council for Voluntary Organisations [NCVO] indicates that the voluntary sector nationally is expecting a significant fall in public funding overall. This presents a real challenge for the sector and highlights that it will need to look at how it operates, and how it can do things differently to maintain services to the community. It will also need to consider whether there is scope for consolidation/closer working to improve effectiveness and efficiency and to make the most of reducing resources.

A recent analysis of the voluntary sector in Watford shows that there is a complex range of organisations operating within the sector, from those with over £1million turnover to those with little or no funding. This complexity means that those within the sector have very different experiences, face very different issues and have varying degrees of organisational structure and governance.

A key component in maintaining provision of infrastructure support to the community of VCS organisations is the grant funding currently used to secure the services described above.

In addition the Council will continue to enable and engage with forums and partnerships that bring VCS organisations together to work in a multi-agency way on a range of key issues such as housing, health, environmental and community safety issues.

ii. Enabling people with physical mobility problems to access services in the town centre

The council proposes to continue our support to ensure that our town centre and all its associated services, and retail outlets are accessible to people with physical mobility problems, seven days a week.

The supporting evidence for this is summarised below:

National statistics

Around 20% of the population in Britain has a disability of some sort: this figure increases to 33% in the age range 50-64.

The percentage of people with mobility difficulties in the general population is 14%. Mobility difficulties tend to affect older people more than younger people. 45% of those

aged 70 or over have problems walking or using a bus, compared with 5% of those aged 16 to 49.

Disabled people drive cars a lot less and are less likely to have one in their household. 60% of disabled people have no car available to their households, compared to 27% of the overall population.

Local profile

Watford has a vibrant and diverse retail, eating and drinking and entertainment offer within its town centre. The town centre also provides services for the community such as libraries, advice services, dentists, opticians etc. However, a large shopping mall such as the Harlequin Centre and even the current layout of Charter Place does make it more difficult to access all areas of the town for those with mobility impairment. A review of similar schemes throughout the county evidenced that this is a service significantly commissioned and funded by local district councils.

A key component in improving access to the town centre for those with mobility difficulties is the grant funding currently used to enable the use of mobility scooters and other equipment in the town.

iii. Advice services

The council proposes to continue support for a universal advice service, which can also provide appropriate support for Watford's diverse community and vulnerable groups.

This service will be provided via a quality accredited and nationally approved provider.

The evidence supporting this priority area is summarised in the following documents:

Commissioning Framework 2010-13

The importance of a provision of universal advice and guidance for a community the size of Watford was identified in the current framework document. However, since then the need for advice has increased as a result of the impact of the economic crisis and significant changes to welfare benefits, housing and other national policy changes.

National trends

Evidence from the national Citizens Advice Bureau, which collates statistics on the demand for advice/information, indicates that as of 2009, debt and benefit problems were growing at an annual rate of 21%. Fuel debt leading to fuel poverty has also been identified as an increasing problem nationally.

Local trends

Evidence for Watford indicates that the borough is in line with national trends. Fuel

poverty is estimated to be 9.5% of all households (2,988), of which 54% were identified as vulnerable (1,611): stock condition survey (2009). Homelessness is increasing: e.g. from 1 April 2010 to 31 March 2011 there were 117 households accepted as homeless compared with 70 in 2009-10.

A key component in maintaining a quality accredited provision of universal advice and guidance is the grant funding currently used to secure the provision of an advice service in Watford.

iv. Arts and Culture

The council proposes continuing our funding in arts and culture. This will mean continuing our support to town centre events and activities, including the world class performance on our streets at the Imagine Watford festival.

In addition, continuing support to the Watford Palace Theatre and Watford Colosseum, which bring cutting edge theatre and a wide range of entertainment to the town.

Finally, we propose to continue to enhance the proposed town centre improvements with a range of alternative markets and events.

The evidence supporting this stems from our Cultural Plan (2011) and our Purple Flag status (2012), both of which recognise the contribution arts and culture bring to the town. A summary of this is illustrated below:

Cultural Plan

The Cultural Plan (2011) was underpinned by a robust needs analysis and assessment. This identified a strong interest in participation in arts and culture in Watford but also the need to support what is termed the 'creative industry' sector.

The Cultural Plan analysis/assessment also identified the potential for growth within the town's night time economy, particularly in ensuring the development of the cultural offer with the recognition of the contribution this makes to employment and the local economy.

Purple Flag accreditation

The Purple Flag award (2012) identified the range of the town's arts and culture offer as a strength for Watford and highlighted the importance of ensuring there is a balanced offer within the night time economy as to the type of arts and culture available.

A key component to continue to deliver the Cultural Plan and maintain Purple Flag status is the council's commitment to financially supporting a regional theatre as a key delivery partner.

v. Community Centres

The council proposes continuing our support to community centres provided in council buildings to provide programmes of activities designed to meet the needs of the community they serve.

A key component to maintaining the provision of community centres is the funding committed to the not-for-profit organisations commissioned to manage them.

The supporting evidence for continuing a funding commitment is summarised below:

Cabinet report

In December 2010, a report was presented to Cabinet as to the future provision of community centres in Watford. This drew on the council's own review of community centres and on the Quirk Review on Community Management and Ownership of Assets.

The recommended approach, agreed by Cabinet, identified the benefits of encouraging greater community management of assets as a means of creating more stable and vibrant communities, as well as providing the potential to access external sources of funding.

This approach has since been developed nationally through the government's localism agenda.

Deprivation analysis

A review has been undertaken relating to the location of council owned community centres mapped in relation to the areas within the borough in most need in relation to deprivation. This evidenced that a number of community centres are located in or adjacent to areas where deprivation is potentially an issue for the communities they serve. The areas of deprivation differ between the communities but include:

- health and disability deprivation
- education and skills deprivation

The council will continue to commission VCS organisations to manage council owned-community centres to provide programmes of activities designed to meet the needs of the community they serve in areas which will support known areas of deprivation.

vi. Sport

A key component to supporting the delivery of the Sports Development Framework and supporting key priorities within the Watford and Three Rivers Health & Wellbeing Partnership is the financial support delivered through the sports development budget.

The council proposes to continue our commitment to sport through the sports development budget, which helps to support the local infrastructure and focuses on increasing participation, particularly from hard to reach groups.

In addition, the council intends to continue to commission, free swimming and free gym for children and young people during the school holidays.

There is supporting evidence for this priority area contained in the following key documents listed below:

- The Sports Development Framework
- Sports Facilities Study

These two documents are supported by a robust evidence base and reflect the benefits to physical health, particularly tackling obesity and mental well-being.

9.0 The Commissioning mechanism

Having identified the priority needs from evidence provided, the commissioning process will ensure that quality services meeting these priority needs are provided by the best placed organisation to do so, at an affordable cost to the council.

The key steps to this process are:

- i. Identify the finance and resources available to support the provision of services
- ii. Identify and specify what services are to be delivered through a *Service Level agreement*:
 - incorporating appropriate quality standards, including robust governance and finance systems
 - a sustainability plan including invest to save proposals and efficiencies required over the life time of the agreement
 - and performance monitoring information required
- iii. Choose the best method to obtain that service:
 - identify suitable providers
- iv. Invite them to submit proposals:
 - to demonstrate their ability to prove they can deliver the service required to an agreed standard based on the outcomes outlined in the service specification
 - to demonstrate they have mechanisms in place to deliver the performance monitoring information at the outset.
 - To demonstrate how they will work with service users to design and monitor their services to meet the Council's deliverables
- v. Negotiate on the final service delivery plan and finance available
- vi. Agree the following:

- grant to be provided over what period
 - service level agreement
 - service specification
 - performance monitoring information
- vii. Award funding
- viii. Commence monitoring
- ix. Review delivery of service
- x. Continue to support or commence new process to decommission or identify alternative provider.

10.0 Future Commissioning within the Framework

This document focuses on identifying the priorities established in 2012 for 2013/14 however the principles explained in the framework will be the foundation for the future commissioning and de-commissioning of services over the 2013-16 period.

In practice this will mean that, as the Council is made aware of new priorities for service delivery or where funding becomes available for specific initiatives that are thought to be best provided by the voluntary and community sector, the commissioning mechanism described above will be implemented unless a more formal procurement/tendering process is required under the Council's Contract Procedure Rules or EU rules.

11.0 Equality Impact Analysis [EIA]

In parallel with developing this Commissioning Framework and incorporated into the consultation, an EIA has been completed and published on the Council's website.