

Part A

Report to:	<i>Cabinet</i>
Report author:	<i>Community Commissioning Lead</i>
Report sponsor:	<i>Associate Director of Environment</i>
Portfolio holder:	<i>Councillor Aga Dychton</i>
Report title:	<i>Voluntary Sector Commissioning Framework (2024 - 2028)</i>

1.0 Executive Summary

The key focus of the Voluntary Sector Commissioning Framework (VSCF) 2024-2028 is on achieving positive outcomes for the residents of Watford and supporting the voluntary and community sector (VCS) to provide services that are fully responsive to local needs going forward.

- 1.1 The council recognises and values the range of skills and experience offered by the town's VCS organisations. The VCS is often best placed to deliver vital support and activities for local people. The VSCF sets out our approach and key principles to commissioning services from the VCS, which respond to our community's needs and deliver a range of community, socio-economic and cultural benefits.
- 1.2 The last iteration of the VSCF was approved by Cabinet in January 2019 and was intended to be implemented over a four year cycle., However, due to the impact of the Covid 19 pandemic, where some services were partly suspended or closed, a further one year extension was approved on the 13 June 2022 to enable the council time to review and evaluate the impact of the current framework and reassess future priorities.
- 1.3 The council has long standing and positive relationships with VCS organisations and it allocates a considerable proportion of its budget to support a number of groups and organisations operating in Watford in a variety of ways. However, like councils across the country, Watford is facing significant budget pressures and this, combined with public sector funding cuts, means future funding to the voluntary sector needs to be considered in the context of an overall reduction in the council's budget.
- 1.4 The need to review the grant funding the council has available for commissioning services through the VCS, brings an even greater focus for efficiency, value for money, clear and measurable outcomes and an increase in partnership working and co-production.

2.0 Recommendations

- 2.1 To approve the Voluntary Sector Commissioning Framework 2024-2028 priorities and principles identified in section 5.13 and 5.15 and Appendix 1 of this report.
- 2.2 To approve the budget profile 2024-2026 as set out in section 5.28 of this report.
- 2.3 To delegate the responsibility to the Community Commissioning Lead in consultation with the Portfolio Holder for Community to implement the next steps, key milestones and actions identified in sections 5.11 and 7.0 are in place from the 1 April 2024.

3.0 Report pathway

- 3.1 Review body: *Not applicable:*
- 3.1.1 Indicative date: Not applicable
- 3.2 Final review body: *Cabinet*
- 3.2.1 Indicative date: 30 October 2023

3.2.2 Contact Officer:

For further info contact: Community Commissioning Lead

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Reviewed and signed off by: Paul Stacey Associate Director of Environment

4.0 Detailed proposal

Why we need a Voluntary Sector Commissioning Framework

- 4.1 The council has a positive and productive partnership with Watford's VCS. The council recognises the unique position and role of the sector and the critical role it plays in supporting some of the most vulnerable people in our communities.
- 4.2 Our longstanding commitment to a Voluntary Sector Commissioning Framework (VCSF) recognises the contribution that VCS groups, organisations and networks make to Watford. The sector plays a vital role in maintaining and empowering strong local communities, reaching residents that some statutory services may struggle to reach.
- 4.3 The commitment is reflected in the fact that we have continued to invest in this sector, through grants, commissioning and subsidies that include reduced rents for council owned buildings and discretionary rate relief.

Despite significant challenges to our budget in recent years, we have managed to protect the grants programme budget,

- 4.4 The current VSCF (2019-2023) sets out the council's strategic approach and priorities that support a broad range of community, socio-economic and cultural benefits delivered by VCS organisations on behalf of the council.
- 4.5 Three iterations of the VSCF (2013, 2016 and 2019) have been in place since 2012. In 2012 the Voluntary and Community Sector Commissioning Framework 2013-2016 was approved by Cabinet, which saw the council change from an open grant application process to a commissioning approach, which has informed subsequent versions of the VSCF.
- 4.6 The partnership between the council and the voluntary and community sector has been positive and productive for many years. The council acknowledges within this, the VCS has a unique place in helping some of the most vulnerable people in our communities. However, we also need to find new ways of preventing people from needing to rely on public services over the long term. The council seeks to understand some of the underlying issues driving demand and pressures on services such as mental and emotional ill health, poverty and debt, housing and inequalities. We also need to identify ways of promoting self-help and early intervention, preventing the reliance on these support services over the long term.

The proposed VSCF 2024-2028 sets out how the council will target its limited resources to best address these issues.

How we developed this framework through research and consultation

- 5.0 In June 2022, Cabinet agreed a one-year extension to the current, 2019-2023 framework in order "to allow the council time to conduct a review of the framework going forward to meet the Council Plan priorities and actions". This was in recognition of the impact and pressures Covid-19 had on the VCS and that an additional year would allow for a period of stabilisation and renewal after a very difficult period.
- 5.1 To guarantee our commissioning model and priorities are fit for purpose and responsive to future need, the council and its partners explored a wealth of rich insights into our community and services, linking to the Council Plan aspirations. Continually building on this knowledge is crucial to effective commissioning and a key part of the "community needs analysis" stage of the commissioning cycle. This framework has been informed by

evidence-based research and engagement including but not limited to the following:

- **Local needs-** based on demographic and socioeconomic and qualitative insights about our communities.
- **Local priorities-** based on the political direction set out by our Elected Mayor, and in line with feedback from our residents and partners.
- **Existing provision-** review of the existing service level agreements and key performance indicators of the commissioned organisations over the previous four years.
- **Opportunities for development-** based on national and emerging trends, best practice inside and outside of the council and current service delivery and offers.

- 5.2 The research and engagement undertaken found that, during the current climate of change and uncertainty, our communities have an increased dependency on a number of the services we commission. Local intelligence and the monitoring of key performance indicators shows that all currently commissioned VCS organisations have not only experienced an increase in demand since 2019, but the impact of the cost of living crisis has led to more complex interconnected problems, with the marginalised most effected. The 2021 Census data revealed that almost half of the residents of Watford fall into at least one of the four dimensions of deprivation, education, employment, health and housing.
- 5.3 A recent survey by Watford’s Citizens Advice showed one in four local residents are accessing foodbanks, over half are struggling with debt and nearly 70% are reporting detrimental effects on their mental health.
- 5.4 Further inquiry of our existing local priorities mapped against the 2021 Census data found that the priorities identified in the previous framework, 2019-2023, continue to align with the current and future needs of the community and our Council Plan commitments.
- 5.5 In April 2023, a Members Steering Group was established to review the current VSCF and make recommendations to Cabinet for its next iteration. The group held a series of meetings between May and September 2023 with structured discussions to understand the current output, demands, needs, opportunities and risks from the current providers, reflect on their delivery and performance, and agree the approach to discussion, review and negotiation to co design future delivery and evaluate how the council and VSCF providers could achieve the financial targets.

- 5.6 Information relating to the work of the group is referenced in the background papers to this report.
- 5.7 To ensure a comprehensive understanding of the organisations currently commissioned within the current framework, officers led a series of structured meetings held between July and September 2023 in order to build a profile of the following:
- How the organisations have sought to innovate / add value during the period of the Framework to the benefit of the Watford community.
 - Where the council's funding sits within the organisations overall funding, what other funding the organisations are receiving and if they are maximising income raising opportunities.
 - What processes and changes organisations have been implemented in order to become more sustainable and less reliant on the funding
 - The funded organisation's vision, objectives and future priorities
 - Understanding of how commissioned organisations can support the wider local voluntary sector, as enablers for further services
 - To seek their feedback on the current VSCF and how it has supported their service delivery
 - Review of the proposed framework and alignment with the business plans
 - Understand their risk and issues to service delivery
- 5.8 In June 2023 the council hosted an open invite Community Network event, offering the local voluntary and community organisations the opportunity to network, contribute to the development of various key initiatives and strategies relevant to the VCS and discuss any key challenges they were experiencing.
- 5.9 The event was attended by over 40 small, medium and large organisations. A number of key themes that emerged from the engagement have helped to provide a shared direction of travel and define the principles included within new iteration of the framework and informed a number of emerging strategies.

Key themes delivered by council officers at the event included:

- Access to grants and funding
- Access to community space

- Access to corporate businesses
- Celebrating achievements and promotion of impact
- Supporting collaboration and sharing best practice

5.10 A post event survey revealed that organisations found it difficult to know what support was available and how to access it at the right time. Smaller groups in particular were looking for more 1:1 advice and help with filling in fundraising applications, and more opportunities to network and share information with each other. There was a common desire to find more affordable spaces for groups to share – desk space with meeting space and event space – close to where their communities are based. There was also a strong desire to collaborate and for the council to play a key role in enabling this across the VCS.

5.11 Following the event and the feedback from the survey, the council is taking forward the following actions:

Table 1 actions

A council led stronger VCS digital presence in the borough, with introduction of more interactive web material and VCS case studies
An enhanced community web page on WBC website to publicise information about available buildings, including their location and how they can be accessed by VCS organisations
Increasing the VCS’ role in consultation and engagement in order to amplify residents’ voices, by making use of its strong roots with local communities to ensure the community intelligence that they have is at the heart of consultation and engagement in the borough to support the development of new local policies and strategies.
Improving data sharing across the borough. Maintaining a live community needs document/map that can assist VCS organisations with prioritising service requirements and funding application.

5.12 Engagement with the VCS has enabled the council to develop a better understanding of the sector’s resilience and their views on intervention and strategic support needed. The council has also considered its own strategic objectives and the future direction of its support and investment, driven by wider corporate and community priorities, including the need to find further savings.

Priorities and principles of the framework

- 5.13 The research and engagement undertaken found the existing priorities and commissioned organisations identified in the previous framework, 2019-2023, remain aligned with the current and future needs of the community and our Council Plan 2022-26 commitments. In the wake of the Covid-19 pandemic and as the cost of living crisis deepens, there is a need for the council to continue working closely with the VCS to protect our residents from the impact of the pressures they are facing. Any major changes to the current commissioned providers could destabilise the effective delivery of targeted and effective crisis support and put many households at greater risk of both immediate hardship and reduced opportunity and wellbeing. Therefore, at this time we will not be entering into a new commissioning exercise for the VCSF.

The commissioning priorities and organisations for this framework will remain as:

- **Infrastructure support to the voluntary and community sector**

We will continue to support and strengthen the VCS in Watford, developing and supporting the local voluntary sector infrastructure. This service will continue to be delivered by Watford and Three Rivers Trust (W3RT) who have extensive networks across the voluntary, statutory and business sectors within the town and beyond.

- **Advice and support services**

We will continue to support a universal advice service, which can provide detailed and expert advice and support for Watford's diverse community and, particularly, our vulnerable residents. This service will continue to be delivered by Watford Citizens Advice, who have a proven track record in the advice and support sector and who we will work closely with to address and respond to any emerging national issues, legislative or policy changes that may impact local people.

- **Support services for families**

We will continue to provide targeted support for families, to help parents cope with the many difficulties life can bring ensuring that they have the skills, confidence and strength they need to nurture their young children. This service will continue to be commissioned by Home Start Watford and Three Rivers, whose trained volunteers will continue to provide early intervention by supporting families in a variety of emotional and practical ways.

- **Mobility services**

We will continue to support services that allow independence and enhanced living for anyone with limited mobility, whether it be temporary or permanent. This service will continue to be commissioned to Shopmobility

Watford who have the experience and infrastructure to deliver a range of mobility services to ensure that our town centre and all its associated services, and retail outlets remain accessible to people with limited mobility.

- **Arts and culture**

We will continue to support access to arts and culture ensuring that is accessible for all of its residents. Watford Palace Theatre and the Pump House Theatres will continue to be commissioned to deliver arts and culture services through a range of theatre productions and performances, projects and outreach programmes that bring people together and support the health and wellbeing of people of all ages and backgrounds.

- **Community centre provision**

We will continue to support the management of four council owned community centres across the town to provide a programme of activities designed to meet the needs of the community they serve. The following centres will continue to be commissioned by:

- Holywell Community Centre- Watford and Three Rivers Trust (W3RT)
- Orbital Community Centre- One YMCA
- Meriden Community Centre - Watford FC Community Sports & Education Trust
- West Watford Community Centre- West Watford Community Association

5.14 This approach will allow the council and the commissioned organisations to build on the lessons learnt during the response to the Covid-19 pandemic and the impact of the cost of living crisis.

5.15 To ensure that the framework fully meets our ambitions we have developed four key principles to support collaborative commissioning and improvements in outcomes for the providers and our residents. The principles have been informed by reviewing the existing framework, analysing the current and future needs of the community and the findings from our engagement with the VCS. The defined deliverables demonstrate the expected outcomes for funding and offer a structure for measuring impact alongside bespoke Service Level Agreements and Key Performance Indicators:

Principle 1: Community Cohesion

Deliverables

- ✓ Provide our residents with accessible advice and support services, training and education, art, culture, leisure and wellbeing opportunities to build healthier, more resilient and connected communities.
- ✓ Provide spaces and programmes that promote neighbourliness and activities for all ages and interests.

- ✓ Seek opportunities to work in partnership with community and voluntary organisations to harness corporate social responsibility.

Principle 2: Enable opportunities

Deliverables

- ✓ Address inequalities, focusing on those in greatest need
- ✓ Support community-based models of prevention, self-help and early intervention activities which help build resilience, improve quality of life by reducing the negative impacts of poverty, disability and ill-health.
- ✓ Support strategic partners to identify and connect with groups within our community who are not yet known to us.
- ✓ Value the work of grassroots organisations, recognising and enabling their contribution to our shared outcomes
- ✓ Make best use of technology to deliver more effective and efficient solutions

Principle 3: Community capacity and Impact

Deliverables

- ✓ Provide access to information, advice and tools to build capacity, where volunteering is promoted and developed, and communities are supported and empowered to find their own solutions.
- ✓ Support greater partnership working and co-production, working collaboratively with the voluntary and community sector to address long term challenges.
- ✓ Encourage our commissioned organisations to support each other, promoting best practice, sharing of skills and a space for strategic conversations
- ✓ Commission projects via existing funding streams that seek to broaden engagement and improve participation from hard-to-reach groups
- ✓ Diversify income sources to best meet community need
- ✓ Assess delivery and outcomes in terms of social value and the most efficient use of public money

Principle 4: Environmental Sustainability

Deliverables

- ✓ Make sure commissioned organisations contribute to the council's Environmental Strategy, working to targets and deliverables outlined in the people power theme, and our overarching borough targets.

- ✓ Use voice and influence to provide community leadership on sustainability initiatives and addressing our borough wide targets.
- ✓ Influence meaningful change on addressing our key sustainability targets.
- ✓ Support disadvantaged people / communities to benefit from sustainability initiatives. Provide advice, information and signposting, where appropriate, on addressing the climate change and ecological emergency issues and impacts; including reduction, mitigation and adaptation.

5.16 The framework does not sit in isolation and should be read and enacted in conjunction with council's wider strategies, including but not exclusively:

- The Council Plan 2022-2026
- The Community Participation and Engagement Strategy 2023-2027
- Environmental Strategy 2023-2030
- Economic Growth Strategy 2021-2025
- Equality, Diversity and Inclusion Policy 2023-2027
- Community Asset Strategy (in development)

5.17 These strategies and frameworks provide a toolkit for change that will support the delivery of projects and aspirations through shared vision and goals.

Revised Governance

5.18 Recognising and monitoring the contributions and quality of services commissioned by the council is an essential part of the framework. In order to provide a clearer account of the impact of the commissioned organisations, we will review and refresh how we gather data, create more transparency within the governance arrangements by making changes to the process for collecting, analysing and presenting performance data. We have identified the need to incorporate both qualitative and quantitative data and insights into the monitoring, and we will also continue to capture the social value.

The data will form part of the council's quarterly performance report

Proposed pathway for data returns



Future funding

- 5.19 The current Medium Term Financial Strategy sets savings targets of £50,000 in 2024/25 rising to £100,000 in 2025/26 for the council's community commissioning budget, to be achieved by working with the voluntary sector to identify alternative sources of finance, which will provide improved finance resilience and organisational sustainability .
- 5.20 Having assessed the impact of community need going forward it is clear that some services will need to take a higher overall reduction of funding than others. We understand the value of Arts and Culture within the town and economic and quality of life benefits the sector delivers. However, in the context of the cost of living crisis faced by our communities, we must prioritise the advice and support services to ensure that the most vulnerable can be helped.
- 5.21 Despite the savings targets, this iteration of the VCSF must respond to the current climate and anticipate the future needs of a community in crisis. It must ensure that all our residents have access to multiple points of intervention by providing a wide range of support groups, detailed expert advice and deliver a range of community socioeconomic and cultural benefits to all residents whilst protecting the most vulnerable from the worst effects of deprivation.
- 5.22 Nationally the number of people whose monthly income isn't enough to pay for their essentials has more than doubled in the last two years, from 1 in 20 to 1 in 10 UK households. Locally we are seeing a spiralling number of people struggling with negative budgets. The socioeconomic profile of those struggling has changed, its people in full-time work, people with a steady normal income who just can't make ends meet.

- 5.23 The results of a survey launched by Citizens Advice Watford, in December 2022, made clear the devastating impact that rising prices is having on the financial security of the residents of Watford. The survey and subsequent reports have highlighted the increased demand that the Citizens Advice Watford is experiencing.
- 5.24 The VSCF budget profile 2024-2026 demonstrates our commitment to address inequalities and respond to the needs of our residents, based on the evidence presented during the structured discussions with the members steering group, a recommendation was made that the Citizens Advice funding should be protected.
- 5.25 A consistent and fair approach was taken in assessing the future funding for the commissioned organisations. A funding matrix was used during the assessment process, officers applied set scoring criteria, which included a number of weighted questions that ensured a transparent, unbiased formula to rank how any funding reductions would impact the organisations ability to support the delivery of the framework.
- 5.26 The level of funding reductions, was considered on a case by case basis using evidence and information, provided by the organisations during the consultation process.
- 5.27 Consideration was also given to organisations that will continue to receive discounts from full market rent through the lease agreements that are in place.
- 5.28 See the table below for the budget profile 2024-2026. Due to the financial uncertainty we face, we are unable to forecast or provide any certainty for these or future funding arrangements.

	2023/24 Management grant	Accommodation grant	% Reduction year 1 from 23.24 grant	Year 1 Management grant	Cash reduction	% Reduction year 2 from 24.25 grant	Year 2 Management fee	Cash reduction	Overall reduction over 2 years	% total reduction in funding from 23.24 grant
Watford Palace Theatre	£231,957	Lease at peppercorn rent	9.00%	£211,081	£20,876	9.50%	£191,028	£20,053	£40,929	17.6%
W3RT - Holywell Community Centre	£76,680	£21,000	8.25%	£70,354	£6,326	8.25%	£64,550	£5,804	£12,130	15.8%
One YMCA -Orbital Community Centre	£72,965	£25,000	8.25%	£66,945	£6,020	8.25%	£61,422	£5,523	£11,543	15.8%
WFC Community Trust - Meriden Community Centre	£72,159	£19,750	8.25%	£66,206	£5,953	8.25%	£60,744	£5,462	£11,415	15.8%
Homestart	£30,000	£0	8.0%	£27,600	£2,400	8.0%	£25,392	£2,208	£4,608	15.4%
Pumphouse	£25,773	£0	7.0%	£23,969	£1,804	7.50%	£22,171	£1,798	£3,602	14.0%
Citizens Advice	£204,190	£39,500	0.0%	£204,190	£0	0.0%	£204,190	£0	£0	0.0%
W3RT	£79,173	£0	6.0%	£74,423	£4,750	7.75%	£68,655	£5,768	£10,518	13.3%
West Watford Community Centre	£23,415	£4,300	4.0%	£22,478	£937	5.0%	£21,354	£1,124	£2,061	8.8%
Shopmobility	£36,459	£0	4.0%	£35,001	£1,458	5.0%	£33,251	£1,750	£3,208	8.8%
Total	£852,771	£109,550		£802,247	£50,524		£752,757	£49,489	£100,014	
Savings				£50,524			£100,014			
Existing Budget		£962,321								
Accommodation grant				£109,550			£109,550			
New VSCF Budget				£911,797			£862,307			
Total funding to VSCF		£1,071,871		£1,021,347			£971,857			

- 5.29 The review highlighted funding as a key concern of Watford’s voluntary and community sector. In response whilst we will continue to operate a four-year commissioning framework as highlighted in 5.28 above, funding is only proposed at the level set out in the table above until 2026 but subject to an annual review. Our budgets will continue to be reviewed and, as with the previous frameworks, the council is not able to guarantee the level of funding across the framework term. Organisations directly affected by any changes will be given sufficient notice in order to manage their budgets.
- 5.30 As funding is reduced across the VSCF, if providers need additional help our Economic Development team will work with them to connect them with relevant business support services which could help them evolve their operating models.
- 5.31 Outside of the commissioning framework we will continue to support all voluntary sector organisations via a broad range of council led funding streams available annually as set out in the table below.

Funding opportunity	Timeframe
The Mayor’s Small Grants Fund	Annual
Neighbourhood Grant	Annual
Watford Community Lottery	Annual
The Community Fund	Annual

6.0 Implications

6.1 Financial

- 6.1.1 The Shared Director of Finance comments that there is an existing cash-limited budget for the Framework but that the current Medium Term Financial Strategy sets savings targets of £50,000 in 2024/25 rising to £100,000 in 2025/26, to be achieved by reducing dependency on council funding and working with the voluntary sector to identify alternative sources of finance.

6.2 Legal issues (Monitoring Officer)

6.2.1 The Group Head of Democracy and Governance comments that the council has a number of legal powers that enable it to provide financial and physical support to the community and voluntary sector, in addition to its general power of competence. It needs to have regard to its equality duty in developing the framework and an EIA has been prepared and will continue to be updated.

6.3 Risks

Nature of risk	Consequence	Suggested control measure	Response (treat, tolerate, terminate , transfer)	Risk rating (combination of severity and likelihood)
Impact to the voluntary sector and residents as a result of decisions made	Groups/organisations unable to deliver their services	An EIA is to be carried out	Treat	6
Impact to the voluntary sector and residents as a result of decisions made	Residents current priorities and needs not supported by the VSCF	Close alignment with the council plan and key areas of service delivery	Treat	6
Commissioned organisations do not deliver services outlined in the SLA	The facility or services is not available for residents and customers to use	Regular contract monitoring by the council to review the contract and KPI'S requirement are being met by the commissioned organisation	Treat	6

6.4 Equalities, Human Rights and Data Protection

6.4.1 An EqIA has been undertaken as part of this exercise and will be continually updated. Officers note the key risk that organisations require adequate time to carry out their financial planning, in the event of any changes to their funding arrangements.

6.4.2 Sustainability

6.4.2.1 The new VCSF principles demonstrate a number of clear outcomes and deliverables that are linked to the council's Environmental Strategy.

6.4.3 Data Protection Impact Assessment

6.4.3.1 Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

6.5 People Implications

6.5.1 There are no staffing implications arising from this report.

6.6 Community Safety/Crime and Disorder

6.6.1 The positive activities resulting from the services provided by many of the commissioned services particularly in relation to older adults and youth activities will contribute to a safer environment.

6.7 Property

6.7.1 Council owned community centres are currently in the scope of the commissioning framework and several commissioned organisations are currently tenants in council assets. There are, therefore, implications for Property and close alignment with the CFRB have been conducted.

7.0 Next steps should recommendations be approved

7.1 If Cabinet adopts this refreshed iteration of the fourth Voluntary Sector Commissioning Framework the following tasks will need to be completed prior to implementation on the 1 April 2024 with each organisation.

- Negotiate and enter into individual service levels agreements, service specifications and key performance indicators for each provider.

8.0 Appendices

Appendix 1 – Voluntary Sector Commissioning Framework 2024-2028

Appendix 2 – Equalities Impact Assessment

9.0 Background papers

- *Voluntary Sector Commissioning Framework: 2019 – 2023*
- *Extension of the Voluntary Sector Commissioning Framework (VSCF) for 1 Year: 1 April 2023- 31 March 2024*

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.