

Cabinet (Resources) Panel

9 February 2015

Report title	Commissioning and Procuring Voluntary Sector Services – 2016/17 onwards	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor John Reynolds City Economy	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Keren Jones, City Economy	
Originating service	Economic Inclusion	
Accountable employee(s)	Martha Cummings	Voluntary Sector co-ordinator
	Tel	01902 555929
	Email	Martha.cummings@wolverhampton.gov.uk
Report to be/has been considered by	Executive Team	1 February 2016
	Wolverhampton Voluntary Sector Council	20 November 2015
	Strategic Executive Board	10 November 2015
	Corporate Leadership Team	9 November 2015
	People Leadership Team	9 November 2015
	Place Leadership Team	2 November 2015

Recommendation(s) for action or decision:

Cabinet (Resources) Panel is recommended to:

1. Agree that, where funding is available, and the service still meets City Strategy and Corporate Plan priorities, the responsible Directorate may extend existing Voluntary and Community Sector (VCS) grant agreements for a period not exceeding 31 March 2017.
2. Approve that from 1 April 2017, all services that the Council requires to be provided by the VCS should follow the processes set out in the City Boards Commissioning Cycle and Charter and the Council's Procurement Strategy 2015-18. To achieve this all

agreements for services required from the VCS would be obtained through a transparent commissioning and procurement process with all grant funding arrangements ceasing by 31 March 2017. The implementation will be overseen by the Strategic Director of Place Leadership Team.

Recommendations for noting:

Cabinet (Resources) Panel is asked to note:

1. Project review work and discussions that have already taken place with Heads of Service who now have responsibility for the 12 voluntary sector funded organisations previously administered by the disbanded Community Initiatives Team.
2. The Commissioning Board Cycle and Charter which were developed in partnership with VCS.
3. City of Wolverhampton Council's Procurement Strategy 2015-2018.
4. The Policy Team's Project Monitoring Review.

1.0 Purpose

- 1.1 To present a proposal that formalises funding to the VCS and aligns future processes to the City Board's Commissioning Cycle and Charter, and the Council's Procurement Strategy 2015-18.

2.0 Background

- 2.1 On 6 March 2014 Cabinet agreed a proposal, as part of the Council's Five Year Budget Strategy, to reduce the voluntary sector grants budget previously managed by the Community Initiatives Team (CIT) by £1.6m by 31 March 2016.
- 2.2 In addition, the team was disbanded and all commissioning duties of the remaining funded groups transferred to the service area where the service being delivered 'best fit'.
- 2.3 Twelve of the CIT agreements continue to be in place with current funding expiring on 31 March 2016. The organisations are listed below with a summary of the project review outcome at Appendix A:

	Provider	Directorate	Funding Allocation
1	Access to Business	Place	£56,010
2	Age UK Wolverhampton	<i>People</i>	£48,050
3	African Caribbean Community Initiative	<i>People</i>	£56,440
4	Citizens Advice Bureau	Place	£358,200
5	Good Shepherd Ministry (Little Brothers)	<i>People</i>	£53,410
6	Haven Wolverhampton***	<i>People</i>	£175,000 ends 31 March 2016
7	Heath Town Senior Citizens Welfare Project*	<i>People</i>	£116,780
8	Job Change	Place	£59,290
9	St Columba's Day Centre*	<i>People</i>	£51,360
10	Wton City Credit Union**	Place	£35,000 ends 31 March 2016
11	Wton Voluntary Sector Council & Youth Organisations Wolverhampton	Place	£100,000
12	Wolverhampton Volunteers Service	Place	£90,000

*The 2 organisations are no longer grant funded as they are providing contracted day services and the CIT grant funding was incorporated into the contract in 2013. All Day services are currently under review and will be subject to a re-commissioning exercise in April 2016.

** Funding comes to a natural end on 31 March 2016 as per the agreed innovative business model developed by Credit Union's Board of Directors in conjunction with Wolverhampton City Council.

The aim of the model was to enable the organisation to become financially sustainable, and thereby eliminating any risk to the organisations ability to continue to grow and serve local people who are financially excluded.

As such, there is no adverse impact as a result of this decision as Wolverhampton City Credit Union successfully achieved its goal to become financially sustainable as reported in its 12th Annual Report of 24 February 2014.

*** Current level of funding ends 31.03.16 – Additional funding amount of £50k from 01.04.16 to 30.09.16 put in place and agreed with the Haven to support the organisation through a transitional period.

- 2.4 This proposal affects all 12 providers named above and has wider implications across the Council for the future commissioning and procurement of services from the VCS.
- 2.5 Due to historic arrangements which allows for in-service contracts and grant funded agreements, the Council is now faced with an incomplete picture of funding to the VCS across Council Services. This makes decisions about future funding and possible duplication very difficult to assess. The process of commissioning being proposed here will provide for a far more accurate, effective and therefore transparent representation of services being procured and funded via the VCS.
- 2.6 The first stage of this process has been a review of current funding by individual budget holders. This has been undertaken in line with the process and timeframe provided by the Policy Team.
- 2.7 Project officers as part of the project management process will already be in regular dialogue with VCS organisations which includes managing the relationship, collecting and analysing information in order to evidence on-going satisfactory delivery against agreed funding outcomes. This also means advising organisations of any changes or concerns that may come to light and following up with the appropriate action including actual or recommended mitigation, again whilst maintaining open channels of discussion with the organisation.
- 2.8 In addition to this on-going project management, a template for completion was sent to all relevant budget holders on 21 May 2015 with a further reminder sent on 2 November 2015 requesting the document is completed no later than December 2015.
- 2.9 This additional process aimed to ensure a consistent approach was taken to decisions around funding to the 12 organisations post March 2016, whilst also checking that we have practices in place that will make this process both transparent and robust.
- 2.10 The Equalities team co-ordinated the gathering of this information, although responsibility sat with the relevant service areas to prepare the relevant submission(s).
- 2.11 Having discussed the outcome with the organisation and on completion of any follow up action, employees have now reported back to the Policy team evidencing how decisions have been reached to continue funding not exceeding 31 March 2017.

2.12 From 1 April 2016 – 31 March 2017, there will follow a period of development in order to implement new processes that will come into use from 1 April 2017.

2.13 The new process will utilise the commissioning and procurement processes recently agreed by the Council and by wider partners, including the VCS at the City Board.

3.0 Progress - Commissioning Cycle, Charter and Procurement Strategy 2015-18

3.1 The commissioning process consists of three elements – commissioning, procurement and contract management.

3.2 The City Board Commissioning Cycle and Charter were developed in partnership with the VCS as a result of joint-working with the Inclusion Board and subsequent endorsement by the City Board.

3.3 The purpose of the approach outlined in this report is to provide clarity and transparency around the first element of the commissioning process in relation to VCS service provision.

3.4 To effectively commission, factors have been defined in the Commissioning Cycle around '*planning*', '*doing*', '*reviewing*' and '*analysing*' which guides the commissioner through the various stages.

3.5 The remaining two elements - procurement and contract management are outlined in the Council's Procurement Strategy 2015-18 which altogether provides a framework which aims to ensure we deliver the best possible outcomes for residents.

3.6 This is detailed in the procurement vision emphasising the importance of;

- Equal treatment and fairness
- Transparency and openness
- Value for money
- On-going commercial management
- Partnerships and collaboration
- Stakeholder engagement
- Market engagement
- Regulatory compliance and governance
- Risk management
- Technology and efficiency

3.7 The primary aim of this proposal is to align current processes for VCS service provision to approved commissioning and procurement models demonstrating a 'One Council' approach to VCS funding.

3.8 Following discussions with Wolverhampton Voluntary Sector Council, it was agreed that a series of master classes on procurement processes will be made available for VCS

organisations, in order to ensure that we maximise potential high quality local submissions from the VCS.

4.0 Financial implications

- 4.1 The report proposes that all grant funding arrangements currently in place are terminated by March 2017 and replaced through commissioned and procured contracts. This report does not preclude any decisions by individual commissioners to reduce funding to groups that sit within their service area budgets in advance of the introduction of the new commissioning model. This decision remains with individual commissioners/service areas. The report does not therefore delay actions which are required due to budget constraints, changing priorities or any other pressing concern within budget holders' service area.
- 4.2 The Council previously agreed to act as 'guarantor' for some VCS organisations that have 'Admitted Body' status within the West Midlands Pension Fund (WMPF). Under the terms of that guarantee if an organisation is unable to meet its pension obligations following the withdrawal of Council grant, liability could fall to the Council. At February 2014 the maximum pension exposure was £13,000. [MF/20012016/L]

5.0 Legal implications

- 5.1 The Legal implications of terminating, amending or continuing funding for each of the grants will need to be determined on a case by case basis and appropriate advice given. [RB/18012016/Q]

6.0 Equalities implications

- 6.1 This report requests approval for a period of continuing funding for those organisations already supported by the Council and listed above at paragraph 2.3. The 12 remaining organisations are those that equalities analysis deemed the strongest in relation to the requirements of the Equality Act 2010.
- 6.2 Subsequently, employees in the Council's Equalities Team have worked in partnership with the VCS Equality and Diversity Forum to develop 'A journey to Equality' that provides a framework for organisations to work towards in embracing best equality practice.
- 6.3 The framework can be further developed with the Inclusion and City Boards to ensure it is fit for the new purpose of evaluating funding outcomes. By aligning it to the commissioning process, already supported by its own equality analysis the Council will be able to demonstrate clear, consistent and transparent methods of how it has reached its funding decisions whilst exercising its responsibilities to eliminate discrimination, advance equal opportunities and foster good relations. Councillors can be confident that the process as a whole will produce outcomes that will satisfy the requirements of the General Equality Duty as established by the Equality Act 2010.

7.0 Risk Implications

- 7.1 This proposal whilst sensitive aims to manage and reduce any risk to the Council by building in sufficient lead in time prior to utilising consistent and transparent approaches.
- 7.2 There may be some risk in terms of possible concerns from the funded organisations which will be mitigated by having early discussions with Wolverhampton Voluntary Sector Council (WVSC) around taking this forward.

8.0 Environmental implications

- 8.1 There may be some environmental implications as some of the funded groups deliver recycling based initiatives.

9.0 Human resources implications

- 9.1 Any loss or reduction of funding to the 12 organisations will potentially result in a loss of posts within that organisation.
- 9.2 As such, there are no Human Resources implications for the Council. [HR/SB/30102015]

10.0 Corporate landlord implications

- 10.1 A small number of the providers occupy Council owned buildings and if there are any future changes to this occupation Corporate Landlord will manage this process and assist providers.

11.0 Schedule of background papers

- 11.1 25 February 2014 Cabinet – Voluntary Sector Community initiatives Grant Funding 2014/15 and 2015/16
- 22 February 2015 Confident, Capable, Council Scrutiny Panel - Future Practice – Procurement Strategy Principles

Project Review Summary

APPENDIX A

How services link to current City targets:

Number	Corporate Priority:
1	Delivering effective core services that people want
2	An environment where new and existing businesses thrive
3	People develop the skills to get and keep work
4	People live longer, healthier lives
5	Adults and children are supported in times of need
6	People and communities achieve their full potential
7	Future Council - stronger council ready and able to deliver change

Name of Organisation & Details of Services Provided	Service Implication End, Reduce, Continue	Specific Focus	Corporate Priority Areas	Ward
Access to Business Support disadvantaged people in Wolverhampton and the wider black Country towards employment with a specialism for supporting people with disabilities and health problems.	Continue to March 2017	Provides city-wide support specifically tailored around employment to this client group, drawing on initiatives and opportunities locally and wider	1,2,3,4,6	City-wide
Age UK Wton Support and develop initiatives that increase the wellbeing of older people in Wolverhampton.	Continue to March 2017	Specialisms in a range of areas in relation to older peoples support	1,2,4,5,6	City-wide

Name of Organisation & Details of Services Provided	Service Implication End, Reduce, Continue	Specific Focus	Corporate Priority Areas	Ward
<p>African Caribbean Community Initiative Support people from Afro-Caribbean background who have long term mental health needs to live in the community, to avoid admission to hospital and promote independence</p>	Continue to March 2017	To offer culturally specific emotional support, advice and guidance, support to carers and day time opportunities, access to work and independence training.	1,2,3,4,5,6	City-wide
<p>Citizens Advice Bureau To provide quality free advice to be offered in high volume to meet local needs for 4 welfare law subjects (Housing, Debt, Benefits, Employment) plus numerous general advice areas (Consumer, Immigration, Relationships, Education and Health), also improving the social policies which affect local people and helping volunteers from the community learn skills and offer services to their fellow citizens ("service users") Specialisms in Debt Advice and Housing Advice are offered using national resources.</p>	Continue to March 2017	Independent advice and support city-wide to people across all areas of welfare with particular specialisms in housing, debt, benefits, employment. Evidence gathering, campaigning and local trends are also a key feature of the service provision.	1,2,3,4,5,6,7	City-wide
<p>Good Shepherd Ministry (Little Brothers) To provide a food service and basic provision for homeless and vulnerable households.</p>	Continue to March 2017	Provision of food on a daily basis to large numbers of vulnerable and homeless people. Provide volunteering opportunities including supporting service users to volunteer.	1,2,4,5	City-wide

Name of Organisation & Details of Services Provided	Service Implication End, Reduce, Continue	Specific Focus	Corporate Priority Areas	Ward
<p>Haven Wolverhampton Provide support to women and dependent children who are vulnerable to violence and abuse by providing safe emergency accommodation and support services.</p>	<p>End 31.03.16 with transitional amount of £50k from 01.04.16 to 30.09.16</p>	<p>Provision of benefits and immigration advisers. The approach to future support has been negotiated and agreed with the current provider.</p>	<p>1,2,4,5,6</p>	<p>City-wide</p>
<p>Heath Town Senior Citizens Welfare Project Day Service Provision</p>	<p>Day services provision which are currently under review and will be subject to a re-commissioning exercise in April 2016</p>			
<p>Job Change Direct guidance, advice and training aimed at getting local unemployed people into work enabling job readiness and sustaining employment.</p>	<p>Continue to March 2017</p>	<p>To ensure that clients are aware of the employment opportunities using job search resources in addition to providing guidance, advice and training</p>	<p>1,2,3,6</p>	<p>City-wide</p>
<p>St Columba's Day Centre Day Service Provision</p>	<p>Day services provision which are currently under review and will be subject to a re-commissioning exercise in April 2016</p>			<p>City-wide</p>

Name of Organisation & Details of Services Provided	Service Implication End, Reduce, Continue	Specific Focus	Corporate Priority Areas	Ward
<p>Wton City Credit Union Provides affordable and ethical finance to people who live or work in Wton</p>	<p>End March 2016 – organisation business model successfully completed</p>	<p>To make financial options available to all primarily those in receipt of state benefits and/or low incomes including: Savings Accounts, Affordable Loans, Housing Benefit Accounts, Budgeting Accounts, Debit Cards</p>	<p>1,2,3,5,6,7,</p>	<p>City-wide</p>
<p>Wolverhampton Voluntary Sector Council and Youth Organisations Wolverhampton To improve the ability of voluntary and community organisations in Wolverhampton to deliver against the City Strategy. WVSC works to maintain and develop a thriving and diverse Voluntary and Community Sector. In order to achieve this, the following objectives have been agreed by the Board of Trustees.</p>	<p>Continue to March 2017</p>	<p>To improve the ability of VCS organisations in Wolverhampton to deliver against the City Strategy; give the VCS a voice by championing and representing on their behalf; bring funds from external sources to support local organisations to sustain their organisations and deliver to the City's priorities; lead on adults and children's safeguarding on behalf of the VCS.</p>	<p>1,2,3,4,5,6,7</p>	<p>City-wide</p>
<p>Wolverhampton Volunteers Service Support individuals into an array of rewarding volunteering opportunities. Working closely with VIO's (Volunteer Involving Organisations) across the City to secure the best experiences for individuals to gain new skills and invaluable progression routes.</p>	<p>Continue to March 2017</p>	<p>To promote volunteering city-wide to all potential volunteers and volunteering organisations, whilst supporting them both to achieve their goals.</p>	<p>1,2,3,4,6,7</p>	<p>City-wide</p>