



## AGENDA ITEM: 9

### SUMMARY

<b>Report for:</b>	Finance and Resources Overview and Scrutiny Committee
<b>Date of meeting:</b>	Wednesday 7 October 2015
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	Voluntary Sector Funding – Changes to grant arrangements
Contact:	<p><b>Portfolio Holder:</b> Cllr Neil Harden</p> <p><b>Author:</b> Claire Lynch (Community Partnerships Team Leader)</p> <p><b>Responsible Officer:</b> Matt Rawdon (Group Manager – People) and Steve Baker (Assistant Director – Chief Executive’s Unit)</p>
Purpose of report:	<ol style="list-style-type: none"> <li>1. To outline the new commissioning approach</li> <li>2. To outline the proposed financial envelope, distribution of funding between services, proposed services and phased approach</li> </ol>
Recommendations	<ol style="list-style-type: none"> <li>1. For Overview and Scrutiny Members to review the report and provide feedback to the project team on the proposals so that they can be fed into the October Cabinet Report.</li> </ol>
Corporate objectives:	<ol style="list-style-type: none"> <li>1. Community Capacity: enabling self-help and volunteering to build communities.</li> <li>2. Regeneration: developing skills and aspirations of local people.</li> <li>3. Dacorum Delivers: developing more effective ways of delivering services which meet customer expectations.</li> </ol>
Implications:	<p><u>Financial</u></p> <p>The overall cost to the Council for these services, which is committed until 31 March 2016 is £813,800 per annum.</p>
‘Value For Money Implications’	<p>£753,800 from the General fund (£627,550 per annum in grant funding , £105,500 in reduced income from full market rent and £20,750 in reduced business rates) and £60,000 from the Housing Revenue Account (HRA).</p>

	<p><u>Value for money</u></p> <p>The new proposal is to move to an outcome based commissioning model which looks to improve citizens outcomes in the most efficient, effective and sustainable way.</p> <p>The new model will give service providers the opportunity to be creative and come up with new ways of meeting service outcomes for local people. The focus on outcomes should see long term improvements for local people which will reduce dependency on services in future.</p> <p>The total financial envelope (not including £105,500 in reduced income from full market rent and £20,750 in reduced business rates) is £627,550. The proposal is that this is reduced by 10% to £619,000 for the financial year 2016/2017</p>
Risk Implications	Risk assessment – created in April 2015. Last reviewed on 23.09.2015.
Equalities Implications	In progress
Health And Safety Implications	Nil
Consultees:	<p><b>Complete:</b></p> <ul style="list-style-type: none"> <li>• Service users - currently funded through the Strategic Partner Programme</li> <li>• DBC Staff</li> <li>• Strategic Partners</li> <li>• Cabinet members and Senior Management</li> </ul> <p><b>To do:</b></p> <ul style="list-style-type: none"> <li>• Wider voluntary sector organisations</li> </ul> <p>Stage 2 – staff, residents and Councillors</p>
Background papers:	Nil
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	<p>Dacorum has funded ten voluntary sector organisations through the Strategic Partner Programme (SPP) since 2011. The SPP replaced existing core funding arrangements and had the aim of ensuring that the voluntary sector carried out work which supported the Council’s vision and priorities. The 10 partners supported through core funding remained the same for the Strategic Partner Programme and are outlined below;</p> <ul style="list-style-type: none"> <li>• <a href="#">Age UK Dacorum</a></li> <li>• <a href="#">Citizens Advice Bureau (CAB)</a></li> <li>• <a href="#">Community Action Dacorum (CAD)</a> (Including shop mobility)</li> <li>• <a href="#">DENS action against homeless</a> (Including Dacorum Rent Aid)</li> </ul>

	<ul style="list-style-type: none"> <li>• <a href="#">Druglink</a></li> <li>• <a href="#">Mediation Hertfordshire</a></li> <li>• <a href="#">Relate Dacorum, Watford and Three Rivers</a></li> <li>• <a href="#">Signpost</a> (formally known as Urban Access)</li> <li>• <a href="#">The Centre in the Park</a></li> <li>• <a href="#">Volunteer Centre Dacorum</a></li> </ul> <p><b>Cost</b></p> <p>The overall annual cost to the Council for these services, which is committed until 31 March 2016 is £813,800.</p> <p>£753,800 from the General fund (£627,550 per annum in grant funding , £105,500 in reduced income from full market rent and £20,750 in reduced business rates) and £60,000 from the Housing Revenue Account (HRA).</p> <p>(Appendix 1: Strategic Partner financial values for 2015-16)</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>SPP – Strategic Partner Programme</p> <p>CAD – Community Action Dacorum</p> <p>HMO - House in Multiple Occupation</p>
Appendices	<p>Appendix 1: Strategic Partner financial values for 2015-16</p> <p>Appendix 2: Full breakdown of tender timescales for each service</p> <p>Appendix 3a-3e – draft outcomes for services) (appendix 3a. Information, advice and advocacy/ 3b. Voluntary Sector Support/ 3c. Living Stable Lives/ 3d. Reducing Social Isolation in Older People</p> <p>Appendix 4 – Proposed future funding arrangements</p>

## 1. Commissioning

1.1 The Council agreed that funding for the SPP would cease in the financial year 2016/2017 and a commissioning model would be adopted. The Commissioning and Procurement Standing Orders were agreed by Cabinet in June 2014; the agreed model focuses on the delivery of outcomes in support of the Council's vision and priorities.

1.2 The Council's Commissioning and Procurement Strategy, sets out the following approach:

- Identify the need - Look at the "as-is" provision, consult with stakeholders, forecast and manage demand, take account of any value add or Business Process Re-engineering, analyse and forecast spend, express as an outcome.
- Commercial Assessment - Identify the market (national/regional/local), undertake risk assessment, market development or shaping, generate options

to satisfy need, compare & challenge, review sources of funding (capital, revenue, grants), business case (sustainability & affordability).

- Solution Provision - In-house provision (skills & resource assessment), work with others and share service delivery, legal framework (delegation of duties, shared service, Joint Venture or committee), single or joint procurement (service delivery, supply, outsource), solution open to public/private/third sectors.

## 2. **Progress to date:**

- CMT discussions on 23 June/ 21 July 2015 on options around grouping contracts and project timescales and agreed recommendations for members
- Cabinet member/ CMT workshops held on 3 July/ 6 August 2015 to discuss grouping contracts, service outcomes, project timescales, and finances.
- Draft outcomes developed with voluntary sector, service users and DBC staff (appendix 3a-3e – draft outcomes for services)  
(appendix 3a. Information, advice and advocacy/ 3b. Voluntary Sector Support/ 3c. Living Stable Lives/ 3d. Reducing Social Isolation in Older People and their Carers/ 3e. Preventing relationship breakdown)
- Proposals for groupings, phased approached and re-distribution of finances agreed in principle by CMT and Cabinet Members. Then presented to Strategic Partners.
- Development of the service outcome framework / added value table by project team further to consultation
- Stage 1 consultation with all Strategic Partners completed.
- Stage 2 consultation with all Strategic Partners open until 6 November 2015

## 3. **Proposed finances;**

The table in appendix 4 outlines the existing funding arrangements for 1 year, the amount that would be funded if 10% was deducted and the amount that is proposed for the service based on evidence of need.

## 4. **Proposed length of contracts:**

The contract length is proposed to be a minimum of three years.

## 5. **Phased approach:**

A phased approach based on the tender readiness of existing providers and taking into account the changes in services has been proposed.

See Appendix 2 for a full breakdown of tender timescales for each service.

## 6. **Rationale for grouping of contracts and the redistribution of funding**

### 6.1 Voluntary Sector Support

Previously CAD & Volunteer Centre Dacorum grants

- Hertfordshire County Council are currently commissioning a countywide service for 'Supporting the Voluntary Sector' (£263,000 per year), this will result in approximately £26,000 worth of additional funding for the Dacorum area which has not been put into the area in the past.
- The high overheads, back office and management costs of small organisations is not efficient

- We believe savings could be realised if these two organisations worked more closely together
- It is best practice to commission Voluntary Sector Support and Infrastructure Support as one service

### **6.2 Living Stable lives**

Previously Druglink & DENS (including Rent Aid) grants

- CRI Spectrum are commissioned on a County wide basis to provide drug and alcohol support. County Council commissioners have identified that this is the County Council's statutory responsibility to provide these services and as such Dacorum Borough Council does not need to fund this service
- CRI spectrum now refer clients into the Oxygen pathway (the rehabilitation centre run by Druglink) and pay Druglink using funding from the County Council for the rehabilitation service
- Druglink have started to go into partnership with private landlords to utilise existing HMO's for 'move on' accommodation, which forms part of the Oxygen pathway
- DENS are contracted to manage The Elms to support people back into permanent accommodation
- Staff consultation – Strategic Housing: The Homelessness Team reported the issue of 'move on accommodation' as problematic when people leave The Elms. It is not cost effective for people to stay in that location so 'move on' accommodation is vitally important
- DENS and Druglink both follow a 'pathway' model which works with people beyond the point of crisis towards stabilising lives in the long term.

### **6.3 Preventing relationship breakdown**

Previously Mediation Hertfordshire & Relate grants

- Relate counsellors are trained, paid psychological therapists and Mediation Hertfordshire use volunteers who are trained in conflict resolution. We believe there could be efficiencies in working together to ensure families receive the correct level of support at the correct time through a potential pathway of support
- A Lottery funded project of Mediation Hertfordshire was to support children who have experienced problems due to parental dispute. The majority of referrals have come from families where parents are in dispute, which closely links to the work Relate carry out.

### **6.4 Reducing social isolation for older people and their carers**

Previously AgeUK and Centre in the Park

- National and local figures on projected increases for number of older people with dementia
- It is good practice to demonstrate the benefits of having a pathway of care for older people.
- National and local figures of number of unpaid carers (higher in Dacorum than Hertfordshire and National figures)

**Work to action:**

- Initial inquiries have been made to assess opportunities to pool budgets with the County Council as they also fund AgeUK and Centre in the Park.

**6.5 Supporting young people**

- The previous amount funded (£10,500 per year) to Signpost was significantly lower than for other services.
- Signpost deliver a lot in comparison to the size of grant they receive.
- In the recent service user and residents consultation the Council carried out – The statement ‘we are mentally and physical healthy’ had the second highest rate of support (175 people representing 56% of the responders)
- Suicide and self-harm in young people has been raised as an issue by GPs in Dacorum and presented to the Dacorum Strategic Network (DSN). Signpost received a small amount of funding from the DSN to pilot a support group for young people with social anxieties.

**6.6 Domestic Violence (currently delivered by CAD)**

- In the recent service user and residents consultation the Council carried out – The statement ‘we feel safe in our homes and community’ had the highest rate of support (254 people representing 82% of the responders)
- The recent staff consultation the Council carried out – identified that funding which currently goes towards the Domestic Violence Forum does not achieve outcomes
- SafeLives (CAADA) Countywide Review has presented opportunities to deliver a project locally
- £9,500 which was allocated to the Sunflower Centre was removed in 2014.

**Work to action:**

- Discuss with the Council’s Anti-Social Behaviour Team and the Homelessness Team about pathways when local residents need support

**7. Recommendation:**

- For Overview and Scrutiny Members to review the report and provide feedback to the project team on the proposals so that they can be fed into the October Cabinet Report.