

AGENDA ITEM: 9

SUMMARY

Report for:	Cabinet
Date of meeting:	20 October 2015
PART:	1
If Part II, reason:	

Title of report:	VOLUNTARY SECTOR FUNDING – CHANGES TO GRANT ARRANGEMENTS FOR THE STRATEGIC PARTNERS
Contact:	<p>Portfolio Holder: Cllr Neil Harden (Portfolio Holder for Residents and Corporate Services)</p> <p>Author: Claire Lynch, Team Leader (Community Partnerships)</p> <p>Responsible Officers: Matt Rawdon, Group Manager (People) and Steve Baker, Assistant Director (Chief Executive's Unit)</p>
Purpose of report:	To seek the agreement of Cabinet for the introduction of a commissioning approach to the funding of the Council's voluntary sector Strategic Partners with effect from 2016/17 and to seek delegated authority for the Portfolio Holder for Residents and Corporate Services to make various decisions for the implementation of the commissioning process.
Recommendations	<p>That Cabinet be recommended to-</p> <ol style="list-style-type: none"> 1. Replace the existing core funding arrangements for the Council's Strategic Partner voluntary sector organisations with an outcome based commissioning model with effect from 2016/17. 2. Approve the proposed financial envelope of £619,000 and the revised distribution of those funds between the services from 1 April 2016 as set out in Appendix 2. 3. To approve the new groupings of services as set out in the Appendices. 4. To approve the contract duration of a minimum of three years with an option to extend for up to a further 24 months based on the performance of the contract.

	<ol style="list-style-type: none"> 5. To approve the phased implementation timetable as set out in Appendix 3. 6. To approve the service outcomes for the Advice, Information and Advocacy Service as set out in Appendix 1a. 7. To give delegated authority to the Portfolio Holder for Residents and Corporate Services to make all future decisions relating to the commissioning of voluntary sector services in 2016/17. This will include decisions on the service outcomes (except for the Advice, Information and Advocacy Service), any variations or amendments to the tendering timescales and contract awards.
Corporate Objectives:	<ol style="list-style-type: none"> 1. Community Capacity: enabling self-help and volunteering to build communities. 2. Regeneration: developing skills and aspirations of local people. 3. Dacorum Delivers: developing more effective ways of delivering services which meet customer expectations.
<p>Implications:</p> <p> </p> <p>'Value For Money Implications'</p>	<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> <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 for 2014-15 (not including £105,500 in reduced income from full market rent and £20,750 in reduced business rates) is £687,550 (£627,550 from the general fund, £60,000 from the HRA).</p> <p>The proposal is that this is reduced by 10% to £619,000 for the financial year 2016/2017.</p> <p>(NB the £618,795 has been rounded up to £619,000)</p>

Risk Implications	<ul style="list-style-type: none"> • Some of the Strategic Partners may not be ready for the commissioning process but this has been mitigated by the holding of workshops, the consultation process and the phasing of the tendering exercise throughout 2016/17 to enable more preparation time. • Some of the current Strategic Partners may not be commissioned to carry out the new services and therefore may not be able to continue to operate.
Equalities Implications	Equality Impact Assessment carried out on 2 October 2015
Health And Safety Implications	Nil
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>This report has been prepared under the supervision of the Monitoring Officer.</p> <p>Deputy S.151 Officer</p> <p>The proposals submitted align with the available funds submitted through the draft MTFs and budget setting.</p>
Consultees:	<ul style="list-style-type: none"> • Service users - currently funded through the Strategic Partner Programme • DBC Staff • Strategic Partners • Cabinet members and CMT • Finance and Resources OSC 7 October 2015 • Housing and Community OSC 14 October 2015
Historical background (please give a brief background to this report to enable it to be considered in the right context).	<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"> • Age UK Dacorum • Citizens Advice Bureau (CAB) • Community Action Dacorum (CAD) (Including shop mobility) • DENS action against homeless (Including Dacorum Rent Aid) • Druglink • Mediation Hertfordshire • Relate Dacorum, Watford and Three Rivers • Signpost (formally known as Urban Access) • The Centre in the Park • Volunteer Centre Dacorum <p>Cost</p>

	<p>The overall annual cost to the Council for these services, which is committed until 31 March 2016 is £813,800. £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>Background papers:</p>	<p>Nil</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>SPP – Strategic Partner Programme</p> <p>CAD – Community Action Dacorum</p> <p>HMO - House in Multiple Occupation</p>

1. Commissioning

- 1.1 The Council agreed that funding for the Strategic Partner Programme 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:
 - 1.2.1 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.
 - 1.2.2 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).
 - 1.2.3 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:

- 2.1 CMT discussions were held on 23 June and 21 July 2015 on options around grouping contracts, project timescales and agreed recommendations for members.
- 2.2 Workshops were held jointly with members of Cabinet and CMT on 3 July and 6 August 2015 to discuss grouping contracts, service outcomes, project timescales, and finances.
- 2.3 Draft service outcomes were developed with voluntary sector, service users and DBC staff. These are set out in the attached appendices: Appendix 1a, Information, Advice and Advocacy; Appendix 1b, Voluntary Sector Support; Appendix 1c, Living Stable Lives; Appendix 1d, Reducing Social Isolation in Older People and their Carers; Appendix 1e, Preventing Relationship Breakdown.
- 2.4 Proposals for groupings, a phased approach to tendering and redistribution of the total amount of funding were agreed in principle by CMT and Cabinet Members and presented to the Strategic Partners for comments before moving into the wider consultation phase.
- 2.5 The development of the service outcome framework and added value table by the project team.

- 2.6 Completion of the stage 1 consultation with residents and all Strategic Partners.
- 2.7 Completion of the stage 2 consultation with staff and Strategic Partners in relation to the Advice, Information and Advocacy Service.
- 2.8 The stage 2 consultation in relation to the other services will continue until 6 November 2015.

3 Proposed finances;

The table in Appendix 2 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 with an option to extend for up to a further 24 months based on the performance of the contract.

5 Phased approach:

A phased tendering approach based on the tender readiness of the Strategic Partners and taking into account the changes to the services which has been proposed. See Appendix 3 for a full breakdown of the tendering timescales for each service. Members will see that the Information, Advice and Advocacy Service will be the first service to be tendered with tenders for this service to be released in November 2015. The completion of the stage 2 consultation in respect of the Information, Advice and Advocacy Service means that the service outcomes for the service have been agreed. This service is now ready to be tendered.

6 Rationale for the grouping of contracts and the redistribution of funding

6.1 Voluntary Sector Support
(Currently CAD & Volunteer Centre Dacorum grants)

6.1.1 Hertfordshire County Councils Community Wellbeing Team (CWB) will be commissioning the following, countywide services:-

- a service that supports small charities and social enterprises to set up and develop capacity and sustainability, including help securing funding; and
- a service that will support, develop and promote local volunteering and timebanking opportunities, including the coordination of a volunteer recognition scheme and improving access to volunteering opportunities.

6.1.2 £263,000 per year is being made available by the County for these services. This will result in approximately £26,000 worth

of additional funding for the Dacorum area which has not been invested in the area in the past.

- 6.1.3 The high overheads, back office and management costs of small organisations are not cost effective.
- 6.1.4 We believe efficiency savings could be realised if CAD and Volunteer Centre Dacorum worked more closely together.
- 6.1.5 We have learned that it is best practice to commission Voluntary Sector Support and Infrastructure Support by combining them as a single service.

6.2 Living Stable Lives

(Currently Druglink & DENS (including Rent Aid) grants)

- 6.2.1 During the stage one consultation phase it was identified that supporting people after the point of crisis was problematic. Spectrum CRI and The Elms provide support at the point of crisis.
- 6.2.2 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.
- 6.2.3 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.
- 6.2.4 Druglink have begun to go into partnership with private landlords to utilise existing HMO's for 'move on' accommodation, which forms part of the Oxygen pathway.
- 6.2.5 After consultation with staff in 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.
- 6.2.6 DENS and Druglink both follow a 'pathway' model which works with people beyond the point of crisis towards stabilising lives in the long term. There would be efficiencies and improved outcomes for service users with complex needs if this pathway model cut across existing services.
- 6.2.7 Stage 2 consultation has identified that there is a gap in provision with regards to homelessness prevention with people living in the private rented sector. Further work will be carried out with partners and service users to shape the direction of this service.

6.3 Preventing relationship breakdown

(Currently Mediation Hertfordshire & Relate grants)

- 6.3.1 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.
- 6.3.2 A Lottery funded project worked on by Mediation Hertfordshire was to support children who have experienced problems due to parental disputes. 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
(Currently AgeUK and Centre in the Park)

- 6.4.1 National and local statistics show projected increases in the number of older people with dementia.
- 6.4.2 It is good practice to demonstrate the benefits of having a pathway of care for older people.
- 6.4.3 National and local statistics show that the number of unpaid carers is higher in Dacorum than in the rest of Hertfordshire and nationally.

6.5 Work to action:

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

6.6 Supporting young people

- 6.6.1 The funding to Signpost (£10,500 per year) was significantly lower than for other services.
- 6.6.2 Signpost deliver a great deal in comparison to the size of grant they receive.
- 6.6.3 In the recent service user and residents consultation carried out by the Council, the statement '*we are mentally and physical healthy*' had the second highest rate of support (175 people representing 56% of the responders).
- 6.6.4 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.

6.7 Work to action

Changes to the welfare system and an increase in young people's homelessness has been identified during the stage 2 consultation as an area of concern. Further consultation is to be carried out and a decision is to be made about whether this funding should be allocated as a separate grant or included as part of the 'Preventing Relationship Breakdown' or 'Living Stable Lives' contracts,

6.8 Domestic Violence/ Safe Lives
(currently delivered by CAD)

6.8.1 The recent staff consultation carried out by the Council identified that funding which currently goes towards the Domestic Violence Forum does not achieve the desired outcomes.

6.8.2 SafeLives (Co-ordinated Action Against Domestic Abuse) a Countywide Review has presented opportunities to deliver a project locally.

6.8.3 An annual grant of £9,500 which was allocated to the Sunflower Centre to provide refuge for women fleeing domestic violence was stopped in 2014. Support for victims of Domestic Violence is provided by the anti-social behaviour team however no additional funding is allocated to support victims of domestic violence.

6.9 Work to action:

6.9.1 Further consultation is to be carried out and a decision is to be made about whether this funding should be allocated as a separate grant to an external provider or delivered through the Community Safety Partnership.

6.9.2 Further discussion needed with the Council's Anti-Social Behaviour Team and the Homelessness Team about pathways when local residents need support.

7. Overview and Scrutiny

The Finance and Resources Overview and Scrutiny Committee considered a report in substantially the same form at its meeting on 7 October 2015. The report was positively received and the comments made by that Committee have been incorporated into this Cabinet report. The Housing and Community Overview and Scrutiny Committee are due to consider the same report at its meeting on 14 October. Any comments or recommendations made by that Committee will be reported to the Cabinet meeting on 20 October.

8 Recommendations

Members are requested to agree the recommendations as set out on page 1 of the report.