



# Cabinet



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<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Voluntary and Community Sector Commissioning – Grant Approach
<b>Date:</b>	12 December 2023
<b>Report on behalf of:</b>	Councillor Sheron Wilkie , Portfolio Holder for Place
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	1. Service Review Findings 2. Community Impact Assessment
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	VCS – Voluntary and Community Sector

## Report Author / Responsible Officer

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<b>Corporate Priorities</b>	Building strong and vibrant communities Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All

<p><b>Purpose of the report:</b></p>	<ol style="list-style-type: none"> <li>1. To seek agreement for the proposed direct grant approach to the Voluntary and Community Sector.</li> <li>2. To agree the next steps for the development of a grant scheme and agreements, to be developed in consultation with the Voluntary and Community Sector.</li> </ol>
<p><b>Recommendation (s) to the decision maker (s):</b></p>	<p>. Cabinet to:</p> <ol style="list-style-type: none"> <li>1. Endorse the principle of a direct award grants based approach to funding the Voluntary and Community Sector as set out in the report</li> <li>2. That awards be made to the following organisations for a three year period, with an option to extend for a further two years upon review, for the sums set out in section 5.1: <ul style="list-style-type: none"> <li>(a) Citizens Advice Dacorum</li> <li>(b) Community Action Dacorum</li> <li>(c) Herts Age UK</li> <li>(d) Relate Dacorum, Watford and Three Rivers with Mediation Hertfordshire</li> </ul> </li> <li>3. Delegate any decision to implement the two year extension to the Portfolio Holder for Place</li> <li>4. Recommend to Council that authority be delegated to the Monitoring Officer and the Head of Commercial Development to amend the Procurement and Commissioning Standing Orders to allow for a direct award approach to grant funding</li> </ol>
	<p>Annual review reports to Housing and Community Overview Scrutiny Committee</p>

## 1. Introduction/Background:

- 1.1. In 2016, the Council agreed to formalise its relationship with the voluntary sector through contracts rather than grant giving and the Council's standing orders were updated to reflect this change. A procurement process was undertaken to commission Voluntary and Community Sector (VCS) providers to deliver a range of services.
- 1.2. Four contracts were commissioned:
  - Information, Advice and Advocacy, delivered by **Citizens Advice Dacorum**
  - Supporting the Voluntary Sector, delivered by **Community Action Dacorum**
  - Reducing Social Isolation for Older People, delivered by **Age UK Dacorum**
  - Promoting Healthy Relationships, delivered by **Relate London North West and Hertfordshire, and Mediation Herts.**
- 1.3. These contracts were awarded in 2016 on a 3 year plus 2 year extension basis and were further extended due to COVID-19.
- 1.4. Approval was given to extend the contracts to March 2024 to allow for a review of services to determine the best commissioning approach and subsequently undertake a commissioning process.
- 1.5. The review included a council facilitated VCS conference in May 2023 and a summary of the findings is attached at Appendix 1.
- 1.6. It was clearly identified that there is a need to ensure a mature, flexible, targeted and sustainable approach to supporting our VCS partners.
- 1.7. The recommended approach applies only to the four main current contracts and does not take into account separate commissions with the VCS partners.

## 2. Issue/Proposal

- 2.1. Following further consultation, research and internal engagement with the AD Housing Operations and Safe Communities, it is recommended that a direct grant be awarded to the four existing contract holders (Citizens Advice Dacorum, Community Action Dacorum, Herts Age UK and Relate/Mediation).
- 2.2. This approach will come with a strict and in depth monitoring process to ensure the funding will support intended target groups and provides desired outcomes.
- 2.3. By implementing a robust monitoring approach, we will also be able to more effectively identify gaps in delivery and through the use of other grant funding, engage (where relevant) other VCS partners to deliver services to meet such gaps. Examples include delivery of activity for Humanitarian Response Programme, targeted skills based development, mental health and empowerment and support to developing social enterprise.
- 2.4. It is recommended that the grant awards are made for a period of 3 years with an option to extend for 2 years upon review.
- 2.5. This provides a mature approach to supporting the sustainability and resilience of our VCS partners, enabling them to plan in a longer term way. These points were raised at the VCS Conference in May 2023.
- 2.6. The council has developed a close working relationship with all four organisations who are experts in their fields and have local knowledge of local needs.

2.7. The proposed principles for this approach are as follows:

- Support a wider range of services and groups to ensure all sections of the community benefit from the grants scheme and address the challenges facing Dacorum residents.
- Support services and activities that are inclusive and promote cohesion
- Provide long-term funding to VCS organisations in return for efficient and effective services
- Provide VCS partners with flexibility in the operations of their services, providing agility to respond to changing and emerging priorities and facilitate innovation (which might otherwise be constrained by strict adherence to commissioning based KPIs)
- Achieve value for money
- Improve partnership working between local VCS organisations and support the long term sustainability of the sector.

2.8. VCS partners will be required to:

- Provide detailed demographic data of clients and identify trends to be able to shift and flex provision
- This will also support decisions around targeting relevant council services
- This information will also support local GPs and health providers making decisions around targeted outreach or community based initiatives
- Work with existing outreach networks across the council and partners to ensure maximum reach and engagement with all residents.
- Provide strategic governance and policy statements including but not limited to safeguarding policies, engagement policies and annual reports and work programmes.

2.9. The council will need to

- Increase engagement with VCS partners and other council services such as Housing, as well as external partners such as local GPs and health providers to ensure a coordinated approach to the delivery of services that will avoid duplication and maximise outcomes
- Develop a detailed monitoring and engagement plan and procedure to ensure sustainable and effective funding agreements and performance monitoring
- Provide regular reports to SLT and members
- Monitor trends and ensure VCS services are targeted accordingly.

2.10. The new funding agreements effective from 2024/25 will have outcomes based on the current services provided under the current contracts, allowing for the flexibility to respond to emerging issues described above.

2.11. The four funding agreements proposed are:

2.11.1 Information, Advice and Advocacy – Citizens Advice Dacorum

- Citizens Advice Dacorum provide general advice and information to local residents across a variety of areas and issues, and in particular over the last year in relation to the cost of living (including energy advice) and mental health. In particular there has been an increase in support sought from the 'Just About Managing' group of residents
- Required outcomes:
  - Residents can access information, advice and advocacy to resolve issues

- People are able to resolve issues in the future
- The Information, Advice and Advocacy offered has a positive impact on resident's health and wellbeing
- The Information, Advice and Advocacy offered has a positive impact on resident's financial circumstances
- Information, Advice and Advocacy can be accessed by all local people
- People have access to additional support services following the Information, Advice and Advocacy they receive
- People are satisfied with the service they receive
- Dacorum Borough Council Housing tenants are supported to maintain their tenancy.

#### 2.11.2 Supporting the Voluntary Sector – Community Action Dacorum

- Community Action Dacorum works closely with local organisations to ensure they are supported and sustainable
- Required outcomes:
  - Funding advice and guidance is provided to partners and local organisations
  - Support is provided to volunteering in the borough including recruitment and training
  - Local DBS checking service provided
  - Governance advice is provided to local charities and organisations
  - Connecting local charities with businesses
  - Helping people back into work or training
  - Giving learning to those who lack opportunities.

#### 2.11.3 Reducing Social Isolation – Herts Age UK

- Target group is older people and funds Centre in the Park to provide day centre services to the elderly such as hot food, hairdressing, chiropody and bathing facilities
- Other required outcomes:
  - Handy man service providing general repair and garden services
  - Outreach services such as coffee and chat mornings at residential care homes and supported housing
  - Information and sign posting in particular in relation to benefits and energy advice.

#### 2.11.4 Promoting Healthy Relationships – Relate Dacorum, Watford and Three Rivers with Mediation Hertfordshire

- Required outcomes:
  - To support residents in Dacorum to develop skills to effectively improve their relationships at home, in the community and in the workplace
  - Services to have a positive impact on people's mental health and drive positive behaviours, creating strong and vibrant communities
  - Also focussed on supporting Dacorum BC tenants and in particular in relation to neighbourhood disputes
  - Relationship and couple guidance.

2.12 These outcomes will be further refined to align with the demographic data, trend analysis etc. that will be reporting requirements within the funding agreements.

### 3. Options and alternatives considered

3.1. Commission new contracts through a tendering process.

This option will involve a full procurement process which the VCS consider too lengthy and time and resource intensive. Furthermore, it may not guarantee the flexibility to deliver the required outcomes over the contract period as the council will procure a specific output, which may or may remain the same over the contract period. Alternatively, the specification may have to be very loose in order to be flexible enough to adapt to changing demands from residents over the contract period However the VCS in question may not be able to deliver this as part of the contract and can argue that they have delivered what was agreed in the original contract.

3.1.1 In addition to the recommended direct grant approach, a grant approach was considered that provided for an application process to be followed.

3.1.2 During the consideration to this approach, and in discussion with the AD for Housing Operations and Safe Communities, some challenges to this approach were highlighted

- The amount of budget available for the grant process - to offer grants to any other VCS groups or services would mean a reduction in the grant funding available for the key services currently provided
- It is considered that any reduction in funding for these four main areas would result in a reduction in support from these four key partners and this would have a negative impact on residents and would likely increase the demand on council's statutory services and staff.
- An application process may raise expectations across VCS partners that cannot be met by allocating grant funding
- The outcomes and services as described in 2.11 are still the core services we need the VCS to support, allowing for the flex in target groups or issues as described and the current providers are considered the best local organisations to continue with this service provision.

### 4 Consultation

Consultation has taken place with all key stakeholders including:

- VCS partners and the wider Voluntary Sector
- Herts County Council
- Portfolio Holder
- Senior Leadership Team
- Commercial Board
- AD for Housing and Safer Communities

### 5 Financial and value for money implications:

5.1 If the recommended approach is approved grant payments for 2024/25, based on the provisional budget, are shown in the table below. The payments include an inflation provision.

	General Fund	HRA	Total
Citizens Advice Dacorum	184,200	26,500	210,700
Community Action Dacorum	150,200		150,200
Herts Age UK	83,500	29,500	113,000
Relate/Mediation	87,000	11,800	98,800
Total	504,900	67,800	572,700

5.2 These sums are included in the council's provisional revenue budget for 2024/25.

5.3 Closer working across services, with focussed monitoring and scrutiny will also ensure value for money more effectively measured for the General Fund and Homes Revenue Account (HRA).

## **6 Legal Implications**

Legal comments will be sought on appropriate documentation once approach is agreed.

## **7 Risk implications:**

There may be a risk that awarding grants rather than contracts could affect management of the delivery and the lack of legal recourse would not provide the Council with maximum ability to enforce the delivery of outputs. However, this would be mitigated by in depth discussions prior to awarding the grant to agree outcomes and timelines and an ensuing strict and effective monitoring process, as well as adoption of a grant funding agreement to document funding terms in accordance with the agreed grant scheme and process.

## **8 Equalities, Community Impact and Human Rights:**

8.1 Community Impact Assessment reviewed/carried out and attached in Appendix 2 - The proposed process of providing a direct grant will ensure flexibility and ability to act on emerging societal and economic emerging challenges by providing a more flexible approach.

8.2 Human Rights – There are no Human Rights Implications arising from this report.

## **9 Sustainability implications (including climate change, health and wellbeing, community safety)**

The process of awarding direct grants for a longer term i.e 3 years with a 2 year extension secures the sustainability of the organisations and achieves improved health and wellbeing outcomes for residents.

## **10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

No implication as the contracts will be managed by existing staff resources.

## **11 Statutory Comments**

### **Monitoring Officer:**

The terms of the funding will be documented in a formal grant funding agreement to ensure that the funding is applied to the particular purpose of the organisation and can be monitored by the Council.

The proposal for direct award of the grant funding will require an amendment to the Council's Procurement and Commissioning Standing Orders if the recommendations in this report are agreed.

### **S151:**

The 2024/25 budget setting process will set a budget in line with the grant awards for VCS and future annual budget setting cycles provide relevant inflation in line with the approved MTFS.

## 12 Conclusions:

- 12.1 The Council has the opportunity to review how it works with VCS partners and the recommendation to provide grants under a direct award approach is anticipated as providing a simplified and collaborative approach through grant funding agreements. It will ensure the Council continues to invest in the voluntary sector and achieve joint outcomes rather than procuring services and set outputs through a contractual approach, which may provide greater security for recourse. Cabinet is asked to agree to the proposed approach of a direct grant award.
- 12.2 In addition to this discussion point, the recommended inflationary uplift as agreed in the MTFS will support the sector to deliver in the face of higher inflationary costs. This will ensure the agreed delivery as per the grant funding agreements.
- 12.3 Next Steps
- There will be a continued engagement with the VCS partners to set the requirements of the grant funding agreement.
  - This will provide for an outcome based approach and allow the flexibility to the sector to respond to demand, whilst providing the environment for collaborative working