

TITLE	Strategic Review of Voluntary Sector Services
FOR CONSIDERATION BY	The Executive on 30 March 2017
WARD	None specific
DIRECTOR	Judith Ramsden, Director of People Services
LEAD MEMBER	Keith Baker, Leader of Council

OUTCOME / BENEFITS TO THE COMMUNITY

- Ongoing investment in the voluntary sector will be more clearly linked to the achievement of outcomes for Wokingham's residents.
- The review intends to deliver a clear and improved 'offer' from the voluntary and community sector that delivers against a range of priorities and outcomes which have been jointly developed by the Council and the sector.
- Currently many Providers are struggling with annual grant funding, making it difficult to plan for the future. This review will provide the opportunity for a longer term contractual arrangement, supporting sustainability and market development within the sector

RECOMMENDATIONS

The Executive is recommended to:

- 1) approve a strategic review of Voluntary and Community Sector services funded by Wokingham Council which will be founded on the following principles:
 - The development of measurable outcomes for each voluntary sector provider to achieve which will focus on the difference made to the service user
 - The formation of a clear relationship between the council's contracting and/or grant funding of voluntary sector services and the achievement of measurable outcomes
 - The increased use of longer term contracts rather than annual grants for voluntary sector services in order to provide longer term stability for funded organisations;
- 2) delegate authority to the relevant Director and Lead Member to approve outcomes from individual voluntary sector reviews.

SUMMARY OF REPORT

Project Overview

Wokingham Borough Council is committed to a council-wide approach to a partnership with voluntary and community organisations that measures and secures the value the

sector brings to the residents of Wokingham as well as offering sustainable support to individual organisations within the sector.

This report recommends the following approach to future investment in voluntary sector services:

- The introduction of measurable outcomes for each commissioned or grant funded voluntary sector service
- The establishment of a clear relationship between the council's continued grant funding of a voluntary sector service and the achievement of measurable outcomes
- A programme of outcome focussed reviews of current investments in the voluntary sector (where an appropriate set of measurable outcomes will be determined for each service)
- Transitional support arrangements for any current service which is recommended for decommissioning or where grant funding will not be renewed
- The increased use of contracts rather than grants for voluntary sector services
- The development of investment priorities to help shape future commissioning of voluntary sector services

BACKGROUND

This report recommends undertaking a strategic review of the voluntary and community sector. It will be a council wide endeavour to ensure there is a more effective and joined up approach to investment in the voluntary and community sector, focusing on outcomes, avoiding duplication and providing clarity on accountability both for the Council as commissioner and for service providers.

The proposals provide opportunities for the council to build a stronger strategic partnership with providers, as well as share and discuss its overall direction of travel for services. It is vital that Wokingham's voluntary sector is clear about the council's commissioning intentions so that they are able to develop and adapt in order to respond to the identified needs of our service users.

The council will therefore strengthen the work and engagement with the voluntary and community sector in order to ensure the sector is

- aware of the council's key priorities and outcomes
- aware of how the council intends to commission against these outcomes
- supported through periods of change, in order to build capacity and sustainability.

This is also an opportunity for the council to collate intelligence about the services it commissions to inform not only funding decisions but also future service design and explore opportunities for joint commissioning with other local authorities and CCG's.

Funding the achievement of outcomes

Wokingham's voluntary sector provides a range of valued services to the residents of the borough, either grant funded or formally contracted by the council.

During a period of reducing public expenditure, it is critical that the council's investment is focused upon services that:

- Deliver upon the strategic priorities determined by the council and
- Successfully deliver a positive impact upon the lives of Wokingham's residents.

All future commissioning or grant funding of voluntary sector services will establish measurable outcomes that the provider is required to achieve in order to be deemed successful in achieving service objectives.

The appropriate measurable outcomes for each service will be determined as part of a phased series of reviews, each focused on a particular contracted or grant funded voluntary sector service.

Reviews of services

The reviews proposed within this report will be focused on determining (a) the core priorities and outcomes that services need to deliver in order to be effective, (b) whether the services we commission and grant fund are successful in delivering these and (c) feedback from service users and stakeholders.

In advance of the reviews commencing, existing arrangements (including grant funded services) will be extended to enable the reviews to take place during 17/18. Extensions of contracts or grants will be made up to a period of one year, as appropriate.

Each individual service review will lead to recommendations covering a wide spectrum of options including:

- No change – continue with existing arrangements
- Reduce/increase the scope of the service
- Identification of performance issues that need to be resolved via an improvement plan
- Move from grant funded arrangements to contracted arrangements (see *Approach to future commissioning and procurement*)
- Increased or reduced grant funding
- Expose the service to external competition
- Decommission the service

The impact on the provider, customers and stakeholders will be carefully considered and, where changes are proposed, officers will recommend a transitional arrangement pertinent to the particular nature of the service. Recommendations will be focused on the appropriate service future for the next 2-3 year period, with transitional steps therefore where appropriate e.g. transitional contract for year one, market procurement in year 2. In the case of service decommissioning, providers will be given notice between 3-6 months as well as support in finding alternative funding sources.

Approach to future commissioning and procurement

Where individual service review recommendations include commissioning and procurement activity, officers will ensure that:

- The commissioning approach is proportionate to the cost, volume and nature of the service being commissioned e.g. small scale services will have simple contracts as well as appropriate requirements for performance monitoring
- Any recommended procurement is phased following the review outcome so that the procurement activity can be managed effectively and efficiently.
- Voluntary sector organisations are supported to competitively bid for contracts, thereby promoting sustainability, capacity and ensuring that we protect our local specialist provision under our duties outlined in the Care Act. To aid this, there will be a series of 'how to bid' workshops running from April – July 2017 for providers.

Decision-making and oversight

For all contracts over the EU threshold, (£589,000) approval for individual service review recommendations will be sought from the Executive in accordance with the Procurement and Contract Procedure rules. For contracts below this threshold, the Executive are asked to delegate this decision to the relevant Director and Lead Member.

The Leader of the Council, as voluntary sector champion, will be provided with regular briefings on the progress of the Strategic Review including a detailed implementation plan following the Executive meeting in March.

An annual report will be produced detailing the deliverables achieved from these new commissioned arrangements.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

N/A

Cross-Council Implications

This will be a council wide approach to ensure that there is a more effective and joined up corporate approach to the voluntary and community sector investment which avoids duplication and provides clarity on accountability.

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