

TITLE	Strategic Review of Voluntary Sector Services
FOR CONSIDERATION BY	Corporate Overview and Scrutiny on 19 th June 2017
WARD	None specific
DIRECTOR	Judith Ramsden, Director of People Services
LEAD MEMBER	Mark Ashwell

OUTCOME / BENEFITS TO THE COMMUNITY

- 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
- The review will 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.
- The partnership arrangement with the voluntary sector will provide clarity on how the council and voluntary sector will work together as strategic partners in the delivery of key outcomes for Wokingham's residents.

RECOMMENDATION

For members of the Committee to note the commencement of a Strategic Review of Voluntary and Community Sector services funded by Wokingham Council which includes the following elements :

- The development of a co-produced Partnership Agreement between Wokingham Borough Council and local voluntary and community sector providers including the key priorities and outcomes required for service delivery
- A strategic review of voluntary and community sector funded services including the further development of commissioned services with established outcomes for Wokingham's residents
- The continued direction of travel from the award of grants to voluntary sector providers to the award of contracts.

SUMMARY OF REPORT

Project Overview

Wokingham Borough Council (WBC) is committed to a council-wide approach to a partnership with voluntary and community organisations that secures the value the sector brings to the residents of Wokingham as well as offering sustainable support to individual organisations within the sector.

This strategic review of voluntary sector services will measure and enhance the value the sector brings to the residents of Wokingham; assist the sustainability of voluntary

sector services and ensure that services are commissioned against a set of jointly developed priorities and outcomes.

Deliverable elements from the review include:

- 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

In summary, the "deliverables" are:

- Development of a co-produced Partnership Agreement
- Establishing priorities and outcomes for future investment in preventative services within adult and children's social care
- A programme of outcome focussed reviews of current investments in the voluntary sector.

BACKGROUND

The components of the Strategic Review reflect good practice being administered by local authorities across the country including:

- Increased use of contracts rather than grants for voluntary sector services
- Increased focus on developing measurable outcomes for service providers to achieve in order to focus on the difference made to the service user
- Forming a clear link between the council's view of an individual provider's quality of service to the achievement of these outcomes
- Ensuring that future commissioning/procurement of services conducted by the council and any continued grant payments are determined by the measurement and achievement of outcomes

Within Wokingham, the council needs to strengthen our work and engagement with the voluntary and community sector in order to ensure the sector is aware of our key priorities and outcomes, how we intend to commission against these outcomes and the timescales for our commissioning plans. Voluntary sector organisations also need to be supported through periods of change in order to build capacity and sustainability.

The review provides 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 “Partnership Agreement” referred to in this report is key to delivering these objectives. The agreement seeks to revitalise the dialogue between the council and the voluntary and community sector, outlining core values and principles and agreed ways of working together as strategic partners. Officers are currently working closely with INVOLVE and a Task and Finish Group of commissioned providers in order to develop a draft agreement.

This is also an opportunity for the council to collate rich 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.

The outline project plan is attached as **Appendix 1** with key steps and timescales.

Commissioning for 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 as well as 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

This Strategic Review follows a series of individual provider reviews conducted in 2015 within adult social care. A mixture of contracted and grant funded services were included. The reviews primarily focused on the *quality* of individual services, feedback from customers and key stakeholders, whilst at the same time identifying areas of potential duplication or opportunities for collaboration between providers.

The reviews proposed within this report will continue to explore quality and customer feedback, but will also be focused on determining (a) the core priorities and outcomes that services need to deliver in order to be effective and (b) whether the services we commission and grant fund are focused on delivering these.

In advance of the reviews commencing, officers have ensured that existing arrangements (including grant funded services) have been extended to enable the review to take place during 17/18. Extensions of contracts or grants will be up to a period of one year, as appropriate. The council will retain the flexibility to implement a range of potential outcomes of the reviews including issuing three month termination notices in the event that decommissioning is appropriate.

The review process

Reviews will be undertaken in two main phases with Phase 1 from June – September 2017 and Phase 2 from October 2017- January 2018.

The Strategic Review process overall commenced in January 2017. The June commencement date has enabled the development of the partnership agreement and the development of service priorities and outcomes, all of which are part of the framework on which the reviews are founded. Timing also enables the formation of the People strategy and commissioning function to be developed with a launch date of June 2017.

Each review of an individual voluntary/community sector service will follow this outline process which should be approximately *three months* in duration:

Meeting 1

This will be the core part of the service review and will cover the following areas:

- Service description and aims
- Governance arrangements
- Monitoring arrangements
- Outcomes identified, monitored and delivered
- Customer, carer and stakeholder feedback
- Potential opportunities for strategic alignment/partnerships with other providers
- Alignment to the Council's priorities and outcomes

Commissioning Analysis

Officers will consider the review material and propose recommendations for the service under consideration.

Meeting 2

The outcome of the review will be communicated to the provider via the second meeting.

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.

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 potential outcomes of the review will be discussed with providers in the interest of transparency and partnership. A draft review timetable will also be available, setting out the proposed timescales.

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.

Review approach to commissioning and procurement

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

- The commissioning approach is proportionate to the scale and nature of the service being commissioned e.g. small scale services will have appropriate requirements regarding performance monitoring
- Any recommended procurement is phased following the review outcome so that the procurement activity can be managed effectively and efficiently.
- Any procurement for small-scale funding will also be proportionate e.g. very light-touch process for procurement under 50k.
- 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 'how to bid' workshops for providers.

As part of the 21st Century Council, this project will be led by the People strategy and commissioning function.

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.

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
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N/A

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Date	Version No. 1.0

Project Outline

Key steps	Outcome	Actions	Deadline
Revitalise dialogue with the Voluntary and Community Sector (VCS) with engagement with INVOLVE	Clarity on how WBC and the VCS will work together as strategic partners through a co-produced partnership agreement	Launch event with VCS to introduce the strategic review project Task and Finish Group to develop partnership agreement	Mar 2017 Mar – May 17
Confirm priorities for investment and outcomes sought from services Carry out a programme of individual voluntary sector service reviews	A more robust and sustainable local sector WBC and VCS work in partnership to maximise the use of community resources Reviews inform how existing services meet identified priorities, VFM, and deliver outcomes Identify opportunities for organisations to collaborate, share resources and jointly aid future sustainability	Consult with VCS on priorities & outcomes and approach to service reviews Priorities and outcomes confirmed Phase 1 reviews Decisions for Phase 1 recommendations Phase 2 reviews Decisions for Phase 2 recommendations	Mar – May 17 May 2017 June – Sept 17 Sept/Oct 17 Oct – Jan 18 Feb 18

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