

CABINET Cabinet	DATE 17 th October 2018	ITEM NO
TITLE Third Sector Commissioning Framework 2019-2023	WARD (S) ALL	
CHIEF OFFICER Director of Communities and Environment	CABINET MEMBER Cabinet Member for Culture, Leisure and the Third Sector	
DECISION CLASSIFICATION Key		

1. **Decision required**

This report makes the following recommendations to the decision-maker:

- 1.1 Approve the Final Prospectus (Appendix 1) setting out the funding available, priorities, timetable, process and outline specifications for the 2019-2023 Third Sector Commissioning cycle.
- 1.2 Approve the updated application form, guidance document and evaluation matrix as attached as appendices 2, 3 and 4.
- 1.3 Agree the final budget for the 2019-2023 Third Sector Commissioning cycle as set out in section 5.3 and note that grants applications will open on October 19th 2018 as per the timetable in section 8.
- 1.4 Note that an estimated £1.4m of public health funding which was available in 2015-19 has been cut following government reductions.
- 1.5 Note the comments at Appendix 5 from the Voluntary and Community sector made online and following seven facilitated events.
- 1.6 Note the outcome of the first stage Equalities Impact Assessment provided in full at Appendix 6 and the Council's approach which is summarised in section 7.

2. **Links to the Royal Greenwich high level objectives**

- 2.1 This report relates to the Council's proposed high level objectives as follows:
 - A Healthier Greenwich
 - A Safer Greenwich
 - A Great Place to Grow Up
 - A Cleaner, Greener Greenwich
 - Economic Prosperity for All

- A Great Place to Be
- A Strong, Vibrant and Well-Run Borough.

2.2 The Third Sector Commissioning Framework 2019-2023 supports seven of the eight of the Council's proposed high level objectives. This is set out clearly in the draft Prospectus (see Appendix I), the outline service specifications and will be reflected in the service delivery plans submitted by applicants.

2.3 A strong and vibrant Voluntary and Community Sector is viewed as an essential partner for the Royal Borough of Greenwich both in terms of ensuring the development of stronger, more resilient communities but also in terms of meeting the needs of our diverse populations.

3. **Purpose of Report and Executive Summary**

3.1 The Third Sector Commissioning Framework has traditionally operated on a four-year cycle and with each new cycle there is an opportunity to align the priorities to the updated Council priorities as well as the available budget.

3.2 In addition, in the light of monitoring and review, best practice, feedback from the sector, review by commissioning directorates and the Internal Audit report we have redesigned the system to facilitate a sharper focus on the principles and objectives outlined in the Voluntary and Community Sector Strategy approved in September 2017.

3.3 Given the above context, the importance of the sector in the Royal Borough of Greenwich and the significant investment made by the Council in the Voluntary and Community Sector, Cabinet approval to open the revised Third Sector Commissioning Framework 2019-2023 to applications is requested.

4. **Introduction and Background**

4.1 The Voluntary and Community Sector Strategy agreed in 2017 and the accompanying action plan contained an ambitious set of principles and programme for action to transform the way the VCS and the Council work together:-

“In the future, closer working with the VCS and other partners will be central to co-producing new models of service delivery, funding and commissioning. Better engagement and collaboration with the community, VCS and local business will help the Royal Borough of Greenwich continue to grow.”

4.2 The strategy considered the challenges facing the sector and included the impact of the hostile funding environment arising from continuing austerity and the subsequent increases in demand stemming from rising levels of need experienced by communities in Greenwich.

4.3 As a result of concerns arising out of the Scrutiny Review of Greenwich Mind, Overview and Scrutiny Committee, in March 2018, received a report from the Director of Communities and Environment outlining steps to improve the financial monitoring and review of the VCS in Greenwich. The report recommended an additional range of

support initiatives that would be incorporated into the 2019-2023 grants cycle and approach to working with the VCS in general.

- 4.4 Cabinet in September 2018 received a report detailing the key issues arising from feedback from the sector and the experience from the 2015-2019 framework.
- 4.5 Cabinet also agreed that model 2 (co-production) be further developed into a working model and consulted upon with the sector with a final report brought back for consideration and approval in October.
- 4.6 Co-production has a wide definition and represents a continuum of activity. For the purposes of the Third Sector Commissioning Framework 2019-2023 RBG has adopted a definition as follows: -

“Co-production means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change.” (p.11, Nesta 2013)

- 4.7 The Prospectus at Appendix I sets out the process and principles of how co-production will work for Greenwich and the timetable allows enough time for this to include a range of stakeholders.
- 4.8 To support the application process as well as updating the Prospectus to include feedback from the consultation process, a new guidance document has been produced as well as an evaluation matrix which will enhance the transparency and clarity of the grants allocation and decision making process.

5. Funding

- 5.1 Since the September 2018 Cabinet report further analysis of the available budget has been conducted which has resulted in a small increase in the total annual budget to £2.923m. Compared with the 2015-2019 framework this represents a decrease of £1.246m which is attributable to the loss of public health funding from central government.
- 5.2 This reduction of approximately £1.246m annually has been split between directorates according to the level of public health funding originally apportioned in 2015. The exception is the Arts and Culture stream which has shared the reduction originally solely apportioned to the Community Support and Community Centres funding stream.
- 5.3 As a result of internal and external consultation adjustments have been made to the funding priorities and allocations to the individual funding streams. In addition, where spend restrictions apply as a result of the funding source this has been made clear.
- 5.4 The table below summarises the previous 2015-2019 budget and the final annual budget provision for the period 2019-2023, less public health funding, across each of the third sector commissioning areas:

Commissioning Department	Allocated Annual Award 2015-19	Proposed Annual Award 2019-23	Percentage reduction
Health and Adults Services*	£1,031,700	£687,140	33.4%
Arts and Culture	£459,900	£350,640	23.76%
Children's Services*	£886,730	£485,140	45.29%
Community Support and Community Centres**	£1,464,700	£1,073,960	26.68%
Housing and Safer Communities (GF)	£236,550	£236,550	0%
Housing and Safer Communities (HRA)	£90,000	£90,000	0%
TOTALS	£4,169,580	£2,923,430	29.86%

* HAS has decommissioned some services whilst Children's services reprovided services in 2016-17 so for the latter their actual reduction is from £612k not £886k.

** Funding streams mostly similar and reductions applied on a percentage basis to each

6. Outcome of the consultation process

6.1 Seven consultation events were held over a ten-day period and this was augmented via an online consultation. Levels of engagement were high and attendance at the events totalled almost 200.

6.2 The consultation events that took place are listed below:-

Date	Consultee sectoral focus
12 th Sept 2018	Health and Wellbeing
13 th September 2018	Arts and Culture
14 th September 2018	BAME
17 th September 2018	Community Centres
17 th September 2018	Voluntary Sector Leaders
20 th September 2018	Open session
21 st September 2018	Children's Services

6.3 Comments and feedback received have been collated together with the response from services and is set out in summary form at Appendix 5. Many comments and suggestions have been incorporated into the Prospectus, Guidance document and Evaluation matrix.

6.4 The comments were varied and included concerns expressed over the size of the reduction in public health funding from central government, questions over the preferred model for consortia based applications, questions on the timetable and the capacity of the council to support the co-production model during the service delivery plan phase.

6.5 Generally many consultees supported the move towards co-production although the flexibility of the process itself caused some anxiety. There was also considerable support for a less bureaucratic process and consultees were pleased the council had listened to feedback from the sector arising out of the Voluntary and Community Sector Strategy consultation that took place in 2017.

7. Equalities Impact Assessment

- 7.1 There will be an ongoing analysis of equalities implications throughout the application and commissioning process. The approach to Equalities Impact Assessment has followed corporate procedure and the approach adopted includes a three stage approach.
- 7.2 Firstly, the model and general principles have been assessed and this is included at Appendix 6. Stage two will include an Equalities Impact Assessment on the initial recommendations made to the Leader and Cabinet member on 15th December and stage three will accompany the report to Cabinet on 23rd January 2019.
- 7.3 The initial stage one findings for the EIA shows that the model itself is more inclusive and improves access to the grant making process as it removes the implicit bias towards long established organisations by focusing on the sustainability and viability of future plans.
- 7.4 However a reduction in grant funding of this size, without mitigation measures, is likely to have an impact on the ability of groups to continue working in some areas. Mitigation will need to include encouraging groups to work together and to share costs. Further analysis on the impact will be conducted at the assessment stage and a review of the submissions themselves.

8. Grant process and timetable

- 8.1 The timetable for the grants process includes the different stages of implementation from application, initial evaluation and interview as well as informing unsuccessful applicants.
- 8.2 The model agreed by Cabinet in September 2018 includes a period of time to enable co-production of the final service delivery plan for each grant applicant. Final service delivery plans to be agreed with officers and by mutual consent can be updated through the life of the grant programme to reflect changing need and circumstances.
- 8.3 The evaluation criteria and matrix at appendix 4 clearly sets out the factors that will drive the decision making process. It should be emphasised that there has been an attempt to balance the importance of providing information that satisfies governance requirements with the need to support new organisations and encourage innovation.
- 8.4 Assessment and interview panels will also include sector representatives and experts as required. This will ensure that the best possible decisions are made.

MODEL TWO TIMETABLE - CO-PRODUCTION

Date	Activity
28 th Aug– 30 th Sept 2018	Consultation on draft prospectus and outline specifications (including 7 events and online form)
12 th September 2018	Cabinet agreed priorities, high level prospectus and model
17 th October 2018	Cabinet approves report and document pack
19 th October 2018	Applications open. Notice of grant termination to current recipients.
16 th November 2018	Applications close
16 th – 29 th November 2018	Assessment and evaluation of applications
30 th November 2018	Applicants unsuccessful at first sift notified of outcome and informed about appeals process
7 th December 2018	Appeal deadline closes
3 rd – 12 th December 2018	Interviews with shortlisted grant applicants
15 th December 2018	Services make recommendations to Leader and cabinet member following interviews
18 th , 19 th and 20 th December 2018	Appeals of initial decisions heard at Overview and Scrutiny and recommendations made to Cabinet.
23 rd January 2019	Cabinet reviews completed EIA and approves final awards. Co-production starts with each organisation to produce a four-year service delivery plan.
April 2019	Revised arrangements commence and first grant awards made

9. **Preferred Option and reasons for recommendation**

9.1 Cabinet selected model two – co-production as the preferred model in September 2018 and is now asked to approve the commencement of the applications process using the documents appended to this report.

10. **Cross-Cutting Issues and Implications**

Issue	Implications	Sign-off
Legal including Human Rights Act	This report seeks approval of the proposed Third Sector Commissioning Framework 2019 to 2023 proposed commissioning priorities, principles, process, budget and timetable Funding Power The power to make grants to voluntary organisations is contained in Section 1 Localism Act 2011. This gives the Council the same general power of competence to act that an individual has. The power does not need to be exercised for the benefit of any particular place	Azuka Onuorah 31 st August 2018

or group, and can be exercised anywhere and in any way. In exercising the power, the Council must act in accordance with any restrictions applying to existing powers that are overlapped by the general power. The Council may not use the power if prevented by any express limitation made before Section 1 came into force, or by any express limitation made subsequently.

Other funding powers contain no express limitations. They include section 142 Local Government Act 1972, which permits the Council to assist voluntary organisations to provide information concerning individuals' rights and obligations, and Section 179 Housing Act 1996, which requires the Council to ensure that free advice and information concerning homelessness and its prevention is available to everyone in the area, and which permits the Council to give grants or loans to anyone who provides it.

Value for money

In using the general power, Members must consider the need for the Council to use its resources economically, efficiently and effectively, and to obtain best value for Council taxpayers.

Equalities

In considering the recommendations, Members should be aware of the Council's equality duties as set out in the Equality Act 2010 namely to have due regard to the need to:-

- (a) Eliminate, discrimination, harassment and victimisation;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it – this includes having due regard to the need to remove or minimise disadvantages, take steps to meet different needs and encourage persons to participate in public life or in any other activity where participation is disproportionately low;

(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it – this includes having due regard to the need to tackle prejudice and promote understanding.

The Council is required to assess the impact that its decisions could have on different equality groups in a fair, transparent and accountable way. An equality impact assessment will be required to inform the decision-making process in respect of funding allocations for 2019 /23. Members will need to take account of the equality impact assessment and note where proposals for funding allocations may adversely affect protected groups. Where a negative or adverse impact is thought likely, Members should consider the measures which are aimed at reducing or eliminating the impact. This will ensure the Council's grant functions are provided in an inclusive, accessible and non-discriminatory manner, and with due regard to the Council's equalities duties.

Termination of existing funding

Members are asked to approve the notice of termination letters to be sent to voluntary sector providers who received a grant in the cycle ending March 2019. The Council is entitled to bring the funding to an end however Members should also consider whether in relation to any specific organisation there are exceptional reasons which would justify continuing funding and in this regard consider representations from the organisation before any final decision is made.

Consultation

Members should note the consultation that has already taken place and the feedback received as well as the proposals for further consultation.

Whilst there is no statutory duty to consult in this instance, it is good practice to consult those likely to be affected by a proposed strategy.

	<p>Consultation must be fair and effective. Effective consultation means that:</p> <ul style="list-style-type: none"> - those consulted with must be provided with information which is accurate and sufficient to enable them to make a meaningful response. - they must be given adequate time to respond - there must be adequate time for their responses to be considered - the responses must be considered with a receptive mind and in a conscientious manner before a decision is made. 	
<p>Finance and other resources including procurement implications</p>	<p><i>Significant cuts in public health funding from the government have arisen over the previous grant period, leading to a substantial reduction in resources available for future rounds</i></p> <p><i>Precise amounts available are subject to continuing review by the Director of Finance in conjunction with the relevant Directors</i></p> <p><i>This is a four-year funding cycle and members are reminded that government allocations of public health funding to authorities are only valid until 2019/20, after which time, the level of grant funding is uncertain. The government has indicated that it would look to roll this grant into mainstream local authority funding, whereby authorities would be able to retain an increased percentage of their business rates. There are no firm details available at the current time</i></p>	<p>Damon Cook, 3rd September 2018</p>
<p>Equalities</p>	<p>The development of option two into a full model is in line with the Council's aims under the Public Sector Equality Duty (s149 of the Equality Act 2010). The key umbrella organisation working with end users potentially affected by equality issues have been involved in the development of the options and the consultation events have sought the views of a wide range of provider organisations. Analysis of impact on equality will be reflected, as applicable, before during and after the grants application process and the co-production methodology is intended to encourage applications from new and under-represented sections of the community. An EIA exercise</p>	<p>Takki Sulaiman, Interim Assistant Director – Communities Culture and Leisure 25th September 2018</p>

	will be conducted continually during the process. Section 7 in the main report provides a summary of the approach taken and the findings are contained at Appendix 6.	
Health and wellbeing	Across the programmes being funded there will be a range of positive impacts on Health and wellbeing. From seeking to reduce social isolation by funding community centres that encourage social interaction to providing advice and support to vulnerable people the VCS grants programme can make a significant contribution to wellbeing and will be measured by programme.	Takki Sulaiman, Interim Assistant Director – Communities Culture and Leisure 25 th September 2018

11. **Report Appendices**

11.1 The following documents are to be published with and form part of the report:

- *Appendix 1: Final Prospectus for the Third Sector Commissioning Framework 2019-2023*
- *Appendix 2: Short ‘open’ Application Form*
- *Appendix 3: Guidance document for grant applicants*
- *Appendix 4: Evaluation approach and criteria*
- *Appendix 5: Consultation: feedback and responses*
- *Appendix 6: Equalities Impact Assessment (first phase)*

12. **Background Papers**

Cabinet Papers: -

July 2014 – ‘Third Sector Commissioning 2015/19’ (item 14)

December 2014 – ‘Third Sector Commissioning 2015/19’ (item 8)

September 2018 – ‘Third Sector Commissioning Framework 2019-2023 (item 13)

Overview and Scrutiny Committee

March 2018 - Review – Voluntary and Community Sector

Report Author: Takki Sulaiman, Assistant Director - Communities, Culture and Leisure

Tel No. 020 8921 3545

Email. takki.sulaiman@royalgreenwich.gov.uk

Reporting to: Katrina Delaney – Director, Communities and Environment

Tel No. 020 8921 8192

Email. katrina.delaney@royalgreenwich.gov.uk

Chief Officer: Katrina Delaney, Director of Communities and Environment

Tel No. 020 8921 8192

Email. katrina.delaney@royalgreenwich.gov.uk