

<b>Subject:</b>	<b>BHCC Third Sector Commissioning Prospectus 2020-2023</b>		
<b>Date of Meeting:</b>	<b>16<sup>th</sup> July 2019</b>		
<b>Report of:</b>	<b>Executive Director for Neighbourhoods, Communities &amp; Housing</b>		
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<b>Ward(s) affected:</b>	<b>(All Wards);</b>		

## **FOR GENERAL RELEASE**

### **1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Council has a clear and strong commitment to the Third Sector in Brighton & Hove as set out in its Corporate Plan and Communities and Third Sector Policy.
- 1.2 Public services are under increasing pressure as a result of both demand and reducing resources. The Third Sector remains key to helping the council and its partners respond to this challenge. To support the required changes the council has reviewed its' Third Sector investment arrangements to ensure they are delivering maximum value for money, meeting community need and effectively supporting the Sector to improve and thrive.
- 1.3 The council invests in the Third Sector through its Third Sector Investment Programme (TSIP) which consists of two parts: a three year Third Sector Commission and an annual Communities Fund. This report is concerned with the Commission and sets out the arrangements, principles and funding outcomes of the proposed new Third Sector Commissioning Prospectus 2020-2023.
- 1.4 The Third Sector Commission 2017-2020 was approved by NICE in July 2016. In December 2016 the council awarded grant funding to 26 CVS partnerships, with projects running from April 2017 to March 2020.
- 1.5 In January 2019 NICE committee approved the development of a new Third Sector Commissioning Prospectus 2020-2023 and requested a further report be brought to Committee in summer 2019 outlining the commissioning outcomes and principles developed through the consultation process, for their approval ahead of the Prospectus being published for bids in September 2019.

1.6 The new Commission has been developed using the learning from the independent evaluation of the first year of the current 2017-2020 commission, and through a range of meetings and discussions between February and June 2019 with existing funded organisations and partnerships, large events open to CVS (community and voluntary sector) organisations of all sizes, and smaller sector specific meetings with CVS organisations, for example arts and culture organisations, green spaces and BME and refugee groups as well as regular meetings with the cross party Members Advisory Group to the TSIP.

## **2. RECOMMENDATIONS:**

2.1 That committee approves the principles and outcomes for the BHCC Third Sector Commissioning Prospectus 2020-2023 as set out in Appendix 1 and as endorsed by the cross party Members Advisory Group.

2.2 That committee notes the intention to continue to pool budgets from the Council and Brighton & Hove NHS Clinical Commissioning Group (CCG) for third sector infrastructure and the inclusion of BHCC Adult Social Care funding for community engagement and BHCC Public Health funding for healthy neighbourhoods.

2.3 That delegated authority is granted to the Executive Director for Neighbourhoods, Communities and Housing to use the 2020-2023 Third Sector Commissioning Prospectus to invest in the community and voluntary sector in Brighton & Hove.

## **3. THIRD SECTOR INVESTMENT PROGRAMME**

3.1 The proposals build on the existing Third Sector Commissioning Prospectus 2017-2020, the external evaluation of the First Year of the current prospectus, and have been shaped through dialogue with the Third Sector and public sector partners including commissioners in the council and CCG since February 2019. In addition, the recently agreed Joint Health & Wellbeing Strategy has provided a clear driver for the Outcomes within the Prospectus along with other key strategic commitments by the council for example the Cultural Framework Daring to be Different, the city's Economic Strategy and the council's Whole Family Strategy.

3.2 In summary the prospectus comprises a set of funding principles that apply across a series of commissioning outcomes that prospective bidders submit their bids against. Within the prospectus these are called 'lots' and are as follows:

- Strategic outcomes
- Third Sector infrastructure
- Community development and engagement
- Community banking

Details of the proposed commissioning outcomes and the funding principles are provided in Appendix 1.

### Risks and Opportunities

3.3. The current prospectus has enabled both small and large CVS organisations to be funded through the partnership approach. In addition, the Council continues to invest in smaller CVS organisations through the Communities Fund.

3.4 The prospectus presents the following opportunities for the Third Sector:

- It has tailored assessment criteria to recognise and preserve localness, creativity, and the added value of third sector providers
- It manages performance against outcomes
- It allows applicants to demonstrate how a public contribution in the form of grant assistance will enable and/or enhance the delivery of the city's desired outcomes through their organisation's work
- It provides investment to lever in additional resources and investment from without the city

3.5 For the council, it provides the following opportunities:

- There is a clear and straightforward administrative and performance management framework

It's a transparent and robust process that enables fair decision making based on evidence of need and the organisation's ability to deliver against council priority outcomes.

### Timetable

3.6 The prospectus will be published in September 2019, with awards made in early January 2020 and funding agreements to start in April 2020. The council's procurement team has been involved in designing the timetable, grant award process and relevant documentation for the prospectus.

3.7 The bids will be evaluated by a series of evaluation panels that will include officers with specialist knowledge relevant to the 'lot'. The outcome of the evaluations will be presented to the Members Advisory Group for information and comment in December 2019.

## **4. CONSIDERATION OF ANY ALTERNATE OPTIONS**

4.1 Alternative options include using the 2017-2020 Third Sector Commissioning Prospectus without any updates, to commission for 2020-2023. This option is not recommended as the learning cannot be applied to improve the process for the CVS and the council, and to strive for better outcomes for residents of the city.

4.2 Another option would be not to proceed with the Third Sector commissioning approach and revert to a more traditional pared back grant making approach. This option is not recommended as the Evaluation report has highlighted the added value created through a programme that focusses on outcomes allied to the Joint Strategic Needs Assessment, the Council and CCG's priorities, with delivery through collaborative partnerships that have created improved responses to the ever changing needs of the city, and an ability to respond efficiently to the increasing complexity of need of many of the city's residents.

4.3 A third option would be to launch a competitive tendering process to award contracts to deliver specific services. This would allow the council to be more prescriptive about what and how the available funding was used for but the process could not be closed to all but the third sector organisations. It would reduce the CVS's ability to innovate and flex to the needs of the city over the funding period and reduce the it's ability to lever in additional funding. Through the security of core funding the council's current investment approach has enabled the sector to triple the money invested by the council (Appendix 3 - An Evaluation of the First Year of the Third Sector Commission 2017-2020).

4.4. A fourth option would be to allocate the budget to individual directorates to invest in the CVS as best suits their directorate requirements rather than through the Third Sector Investment Programme. This option is not recommended because the Third Sector Commission has created service delivery efficiencies through the focus on a number of key strategic objectives, with an ability to monitor and manage multi organisational costs. The process of management, centred through the Communities, Equalities and Third Sector team has enabled officers to have an improved grasp of cost management across the various organisations commissioned through the Third Sector Commission, ensuring that duplication and double funding are identified and managed effectively.

## **5. COMMUNITY ENGAGEMENT AND CONSULTATION**

5.1 Two consultation events were held with the CVS sector in preparation for the development of the new prospectus. The first in March 2019 involved the 70 CVS organisations currently funded through the 26 partnerships within the current commission. The second, in April 2019, involved 85 CVS organisations not currently funded through the current prospectus. In addition, a further 12 small group consultations took place between February and May 2019. In June 2019, 90 CVS organisations attended a further event where feedback was given to the sector on the how their feedback had informed the shape of the new commissioning prospectus and additional comments were received on this from the sector.

5.2 The cross-party Members Advisory Group (MAG) was consulted and informed about the findings of the first year evaluation of the current commission and the proposal to update the commissioning process and carry out a 2020-2023 Third Sector

Commissioning Prospectus. MAG were supportive of a 2020-2023 Third Sector Commissioning Prospectus providing there was robust and inclusive consultation process with the CVS and the learning from the evaluation was applied. Over the course of four meetings starting with a presentation of the learning from the independent evaluation of the first year of the current commission through to debating the feedback from the sector in April 2019 and consideration of the final draft principles and outcomes in June 2019 the MAG has retained oversight of and guided the development of the new Third Sector Commissioning Prospectus.

## **6. SUPPORT FOR THE SECTOR**

6.1 Community Works, the city's Third Sector infrastructure support organisation, has developed workshops, online and web based support for the sector that will help with bidding to the council's Third Sector Commission but also other funders. Key areas of support have been on building and managing effective partnerships, managing finances and bid writing.

6.2 A detailed Glossary of Terms will accompany the Prospectus once published, supporting the sector to understand language and terms used within the prospectus.

## **6. CONCLUSION**

6.1 The evaluation of the first year of the current Third Sector Commission (2017-2020) reported that the programme was a success. It identified the huge diversity of outcomes achieved for residents, significant additional funding levered from the council's investment, the exceeding of targets for the number of residents benefitting from the prospectus' funding, and the low cost per beneficiary of the programme.

6.2 The principles and outcomes set out in Appendix 1 are the result of the comprehensive consultation process and applying the learning from the evaluation, which will enable the creation of a new Third Sector Commissioning Prospectus that will further deliver to the city's residents and actively supports the health of the city's voluntary and community sector.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

7.1 The current third sector investment for 2019/20 is £2.104m, which consists of Council funding of £1.935m and CCG funding of £0.169m.

The level of investment for the next 3 year commission will be subject to budget setting in February 2020 and to annual budget setting thereafter. The latest 4 year budget assumptions show a challenging 'budget gap' across the council of

approximately £38m from 2020/21 to 2023/24. The gap for next year is approximately £15m, dropping to approximately £8m for the following 2 years.

*Finance Officer Consulted: Michael Bentley*

*Date 21<sup>ST</sup> June 2019*

Legal Implications:

- 7.2 Under Section 137 of the Local Government Act 1972, the Council has the power to incur expenditure which in its opinion is in the interests of and will bring direct benefit to its area of any part of it or all or some of its inhabitants.
- 7.3 The Committee's Terms of Reference include the power to develop, oversee and make decisions regarding the implementation of the council's Communities and Third Sector Policy, investment in and support to the community and voluntary sector.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 05.06.19*

Equalities Implications:

- 7.3 An Equality Impact Assessment has been completed as part of the development of the new TSC. (Appendix 2)

Sustainability Implications:

- 7.4 Recognition of the role CVS plays in improving sustainability has been incorporated into the strategic investment outcomes. In addition, the council's commitment to sustainable communities and city is recognised and reflected in the principle and the strategic outcomes.

Crime & Disorder Implications:

- 7.5 Recognition of the role CVS plays in reducing crime and disorder and promoting community safety and wellbeing has been incorporated into the strategic commissioning outcomes.

Risk and Opportunity Management Implications:

- 7.6 There may be additional financial management requirements set out for applicants and successful bidders.

Public Health Implications:

- 7.7 Recognition of the role the CVS plays in achieving public health outcomes has been incorporated into the strategic commissioning outcomes. The NICE Guidance on engagement has been taken into account when developing the community development outcomes.

Corporate / Citywide Implications:

- 7.8 The commission will continue to seek a pooled approach between Brighton and Hove City Council and Brighton and Hove CCG, subject to their agreement.

## **SUPPORTING DOCUMENTATION**

### **Appendices**

1. Draft Funding Principles and Commissioning Outcomes
2. Third Sector Commission 2020-2023 Equality Impact Assessment
3. First Year Evaluation of the Third Sector Commissioning Prospectus 2017-2020

### **Appendix 1**

## **Draft Principles and Outcomes for BHCC Third Sector Commissioning Prospectus 2020-2023**

### **1. The Principles**

Through the consultation process the Council has agreed the following principles. All bids will be assessed against these criteria. Applicants should be aware that these principles will need to be clearly evidenced in the bid.

1. All project proposals need to be made by partnerships between two or more third sector organisations.
2. These partnerships will:
  - a) Have equality, diversity and inclusion embedded in their activities, governance and management arrangements
  - b) Protect against inequality and poverty
  - c) Promote family and community resilience with the focus on a whole family approach
  - d) Promote a culture of collaboration and joint working with public services
  - e) Contribute to social, environmental and economic value in the city.
3. Partnerships will use models of delivery that:
  - a) Strengthen community engagement and enhance community cohesion
  - b) Use an asset based approach
  - c) Provide opportunities for public involvement and for volunteering.
4. Partnerships will show how they plan to make service delivery improvements throughout the period of funding.

### **1. Overview of the Outcomes**

In this prospectus we are investing in partnerships between Third Sector organisations that bring significant changes for beneficiaries in at least one of the following areas:

- a) **Strategic Outcomes** – investment to fund core and /or project costs between two or more Third Sector organisations that are working or starting to work in partnership to deliver one of the stated strategic outcomes (see below).
- b) **Third Sector infrastructure** – to ensure that Brighton & Hove’s Third Sector groups and organisations in the city have access to high quality, local infrastructure support which will enable them to be more effective, equitable, efficient and sustainable in delivering change for residents of the city.
- c) **Community Development and Engagement** – delivers high quality community development and engagement provision, using an asset based approach that strengthens communities voices and influence on council decision making, improves community health, wellbeing and resilience and builds social value; with a focus on marginalised groups and communities – of both place and identity - and people not already involved.
- d) **Community Banking Partnership** – to enable not-for-profit organisations in the city to deliver a Community Banking Partnership which integrates provision to low income households and includes the provision of money advice, access to banking, credit, deposit, and education in terms of financial capacity, food and fuel efficiency.

## 2. Strategic Outcomes

This is the city’s principal grant investment to fund core organisational costs and/or projects between two or more Third Sector organisations that are working, or starting to work, in partnership to deliver one or more of the strategic outcomes.

The funding aims to maximise the use of existing strengths, assets and resources of Third Sector organisations for the benefit of local residents; improve life chances and opportunities for residents to ensure they are not held back because of identity, characteristics, neighbourhood or background and to increase opportunities for residents from different backgrounds

The four strategic outcomes are:

- a) To enable people, of all ages, with complex needs, or who are at risk of exclusion and social isolation, to improve their health and wellbeing and fulfil their potential socially and economically in the city, across all life stages: starting well, living well, ageing well, dying well.
- b) To create safe and inclusive neighbourhoods and community space that encourages greater use and ownership by residents. Encourages neighbourliness and community cohesion, the feeling of safety, reduces crime (especially hate crime) and disorder, and promotes and improves health and wellbeing.
- c) Enhanced community wellbeing and people’s sense of belonging through inclusive and innovative arts, cultural and leisure opportunities for people that improve their physical and mental wellbeing and resilience.

- d) Protecting and enhancing the health and wellbeing of residents and providing a robust response to climate change through a more circular, sustainable and resilient economy.

### **3. Third Sector Infrastructure**

The Council and NHS Clinical Commissioning Group want to grant fund a partnership which will provide a range of infrastructure support for the Third Sector.

Bidders should note that the Council will also be funding a Community Development and Community Engagement partnership across the city.

This investment will be offered through two distinct partnerships, but it will be a requirement of the grant funding that explicit and quantifiable arrangements will be in place prior to the commencement of the delivery that describe and evidence the collaboration that will take place between the two partnerships.

We will expect bidders for these elements of the Prospectus to describe the principles and experience that they will apply to creating this collaboration as part of their bid. Once grant decisions have been made, the council will negotiate the detail of these collaborative arrangements with the successful partnerships which will be written into the grant agreements.

Outcomes:

- a) Third Sector groups/organisations will have clear and understandable pathways of support, and the skills and knowledge to sustain their not-for-profit activities to complement public services within the city. Specifically, they will have:
  - i. Effective governance and management structures
  - ii. Appropriate knowledge, skills and qualifications amongst their Trustees, management, staff and volunteers
  - iii. The ability to deliver safe, sustainable and quality services
  - iv. The ability to fundraise and increase income generation from a variety of income sources
  - v. The ability to evidence and articulate their impact, value for money and social, environmental and economic value
  - vi. The ability to improve their equality and diversity practice across all groups and organisations to include a diversity of people within their own organisation; particularly BAME, LGBT, disabled people (including carers), and individuals of faith
  - vii. Increased their capacity to effectively and appropriately use digital, IT and social media.
  
- b) Third sector groups/organisations develop effective partnerships and collaborations with one another and/or public sector organisations and/or businesses that:
  - i. Share knowledge, expertise and experience to enable change
  - ii. Maximise resources when delivering services and activity for residents of the city
  - iii. Maximise inward investment
  - iv. Sustain and enable trusted relationships and partnerships.
  
- c) Third sector groups/organisations:

- i. Provide more accessible, high quality volunteering opportunities for people by addressing particular barriers to volunteering for LGBT, BAME, and disabled people
- ii. Improve their volunteering recruitment practices, support and co-ordination of volunteers
- iii. Maximise opportunities for engaging volunteers from the business community.

#### **4. Community Development and Engagement**

- a) Delivers area focused asset based community development and engagement, improving community wellbeing and resilience and building social capital. This would include working with specific communities (LGBT, BAME, gypsy and traveller, disabled) within the project delivery.

As result of community development and engagement there is:

- i. Improved neighbourhood working approaches and partnerships that build on the skills, abilities and practical assets of residents, communities and neighbourhoods
  - ii. Increased understanding and practice of inclusion and equality in all community and neighbourhood activity
  - iii. Effective initiatives at a neighbourhood level that integrate with and deliver citywide strategic objectives.
- b) Building the capacity of communities of interest, identity and place to work collaboratively and to develop groups and services that identify and meet their need, independent of, and with, public services.

As a result of community development and engagement:-

- i. Complex community agendas are facilitated towards collective solutions where residents are leading the change
  - ii. People of identity/interest are able to participate individually and collectively, to address their priorities and drive change at a local level
  - iii. People and groups learn, use and share skills, knowledge, expertise and abilities through their community activity
  - iv. Residents will have improved access to and use of resources, information and training
  - v. Communities will have a clear achievable local plan that sets out the vision and priorities for the area
  - vi. Individuals are supported to be active citizens and volunteers
- c) Delivers activity which contributes and shapes community based working in conjunction with the city council.

As result:

- i. Communities, and in particular LGBT, BAME, gypsy and traveller, and disabled, are supported to research and articulate their needs and issues and feed them into decision-making mechanisms and structures
- ii. Individuals are supported to develop their capacity or access other development/capacity building opportunities
- iii. More residents and groups would have opportunities to develop co-production and collaboration approaches
  
- iv. A collaboration/partnership between carer organisations that enables the above outcomes to be delivered with an emphasis on the lived experience of all types of carers. There is an expectation that the engagement work supporting carers of people with learning disabilities and parent carers of children with learning disabilities will support the Learning Disabilities partnership Board
  
- v. Deliver effective citywide engagement activity that enables people with Learning Disabilities to evidence and articulate their needs, ambitions, and assets and support co- designed solutions. To work closely with the city council to use feedback to help improve the quality of services, and make better use of resources.
  
- d) The Healthy Neighbourhood Fund (HNF) contributes to reducing inequalities in health by ensuring resources are targeted to priority communities living in identified neighbourhoods. It contributes towards achieving the objectives of the council and CCG's Health and Wellbeing Strategy.

The successful partnership will manage the HNF funding allocation to the specified neighbourhoods in Brighton & Hove and work with the neighbourhoods to identify people / groups to deliver a participatory process for communities to access and allocate the HNF funds in line with the expected health outcomes.

## **5. Community Banking Partnership**

The outcomes described in this section will form part of a package of integrated services and solutions involving partnership between third sector organisations that cover the following areas:

- Money advice
- Banking: access to basic banking, bill and debt repayment services
- Credit: access to affordable loans
- Deposits: access to savings facilities and incentives to save
- Education: improved financial capability and money management skills, increased awareness of the dangers of loan sharking and illegal money lending
- Food and fuel: integrating work around fuel efficiency and healthy food as part of household budgeting

- a) Provision of community banking services to low income households that are seamless, high quality, effectively co-ordinated and sustainable
- b) Provide high quality accessible money advice that meets the needs of people and places and reaches communities experiencing the highest levels of financial exclusion
- c) Provides high quality financial capability programmes delivered in areas of groups experiencing the highest levels of financial and digital exclusion in the city
- d) Provides a capacity building programme which embeds financial inclusion skills, knowledge, policy and practice in key public, community, voluntary and private sector organisations.