

<b>Subject:</b>	<b>Third Sector Investment Programme 2017-2020</b>		
<b>Date of Meeting:</b>	<b>11 July 2016</b>		
<b>Report of:</b>	<b>Acting Director of Public Health</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Michelle Pooley</b>	<b>Tel: 29- 5053</b>
	<b>Email:</b>	<b>Michelle.pooley@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

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**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 and commissioning arrangements to ensure they are delivering maximum value for money, meeting community need and effectively supporting the Sector to improve and thrive.

1.3 Improvements in our Third Sector investments were made in 2013 through the first Communities and Third Sector Commissioning Prospectus (2014-2017). In July 2015, NCE committee approved the development of a second Communities and Third Sector Commission drawing in more funding streams from our partners and from across the council, including the Three Year Discretionary Grants Programme. Officers were also instructed to review and ensure that the annual grant scheme continues to be effective in meeting the needs of communities and third sector groups in the city.

1.4 This report sets out the arrangements and funding outcomes of the proposed new Third Sector Investment Programme 2017-2020. It includes details on the programme's two constituent parts: a second Communities and Third Sector three year commissioning prospectus and an annual Communities Fund.

1.5 The proposal has been developed in collaboration with the community and voluntary sector (CVS) through a range of meetings and discussions between October 2014 and June 2016 including dialogue specifically with current commissioned providers, large events open to CVS organisations of all sizes, and locality based evening drop-ins for small groups facilitated by community development providers.

## **2. RECOMMENDATIONS:**

- 2.1 That committee approves, in principle, the Communities and Third Sector commissioning principles and outcomes as set out in appendix 1 subject to a final review and deliberation by the Members Advisory Group (MAG) in light of the Fairness Commission report and recommendations.
- 2.2 That committee approves, in principle, the new annual Communities Fund (from 2017) as set out in 3.4 and detailed in appendix 2, to complement the second Communities and Third Sector Commission, subject to a final review and deliberation by the Members Advisory Group in light of the Fairness Commission report and recommendations.
- 2.3 That committee notes the continued pooling of budgets from the Council and NHS CCG for community engagement and infrastructure support which enables more joined up provision by the chosen providers and more seamless experience for communities, maximising the impact of the funding. BHCC Adult Social Care has also included their engagement commissions.
- 2.4 That delegated authority be granted to the Chief Executive to:

Use the outcomes agreed above to procure, in partnership with NHS CCG, the third sector infrastructure, community development and engagement, financial inclusion, Healthwatch and NHS ICAS and strategic investment in the community and voluntary sector, using a commission prospectus approach and subject to final review by MAG and budget setting agreements.

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

- 3.1 The Neighbourhood, Communities and Equalities Committee on 20th July 2015 approved the creation of a second Communities and Third Sector Commission commencing in April 2017 made up of funding from across the council our partners including the Three Year Discretionary Grants Programme and review of the Annual Grants programme to ensure its continued effectiveness in meeting the needs of communities and third sector groups in the city.
- 3.2 The proposal is for a Third Sector Investment programme that consists of the Communities and Third Sector Commission and an annual Communities Fund. It builds on the achievements and learning from the council's discretionary grant programme, the current Financial Inclusion Commission, the existing Communities and Third Sector Commission 2014-2017 and other relevant commissions. It has also been shaped through dialogue with the Third Sector and public sector partners including commissioners in the council and the CCG since October 2014.

### Communities and Third Sector Commission

- 3.3 In summary the Commission comprises a set of funding principles that apply across a series of 'lots'. These 'lots' are:
  - Strategic investment

- Infrastructure, community development and community engagement
- Financial inclusion
- Healthwatch and NHS ICAS

Further detail on the 'Lots' and the Funding Principles are provided in appendix 1.

### Communities Fund

3.4 The Communities Fund consists of three funding streams:

- Engagement
- Resilience
- Collaboration

Within each fund applicants must delivery at least one of three outcomes:

- Improving Wellbeing
- Building Cohesion
- Promoting Fairness

To maintain accessibility and responsiveness it is proposed that each stream has a different application and timescale to reflect the target audience and purpose of the stream.

Further detail on the Communities Fund is provided in appendix 2.

### Risks and Opportunities

3.5 Early concerns about the move to a Third Sector Investment Programme were around the impact on small groups, stifling the creativity and flexibility of the sector, the challenge for the sector to build and administer partnerships and keeping a community-led focus. These concerns were listened to, addressed through the development of the Communities Fund in particular the engagement fund and the collaboration fund and through the funding principles of the commission.

3.6 The Commission in particular presents the following opportunities for the Third Sector:

- It can have tailored assessment criteria to recognise and preserve localness, creativity, added value of third sector providers
- It manages performance against outcomes not services providing flexibility
- It allows applicants to offer and demonstrate how they can deliver several commissioning outcomes within their organisation's work
- It's one process to apply and report to
- Provides investment to take risk against and lever in additional resources

3.6 For the council it provides the following opportunities:

- It maximises council funding by pooling funding streams
- It's one process to administrate and performance manage
- It's a transparent and robust process that enables fair decision-making based on evidence of need and organisations' ability to delivery against council priority outcomes

## Timeline

3.7 The Commission will be published for bids in September 2016, with awards made in early January 2017 and funding agreements to start in April. The council's procurement team has been involved in designing the timetable, grant award process and relevant documentation for the commission.

3.7 The Communities Fund will be launched in early 2017 following budget setting.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 Continue with the separate array of commissioning processes and funding stream including discretionary grant programme. This prevents the joining up and pooling of budgets and outcomes to maximise the impact of the funding and the commissioned work to the benefit of residents.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 The proposal has been developed in collaboration with the community and voluntary sector (CVS) through a range of meetings and discussions between October 2014 and June 2016 including dialogue specifically with current commissioned providers, large events open to CVS organisations of all sizes, and locality based evening drop-ins for small groups facilitated by community development providers.

## **6. CONCLUSION**

6.1 The continued development and improved co-ordination of the council's approach, in partnership with the CCG, to investing in the third sector means that the council can be reassured that it is maximising its investment in the community and voluntary sector, streamlining the process for council officers and the CVS as well as maximising the impact for citizens.

6.2 Following in-principle approval to the Third Sector Investment Programme the Members Advisory Group will convene to assess the programme against the findings and recommendations of the Fairness Commission. Subject to their comments and recommendations the Chief Executive will, under delegated powers, procure the commissioning outcomes. The recommendations of the evaluation panel will be referred to MAG, for comment.

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

### Financial Implications:

7.1 The provisional third sector investment for 2017/18 is £2.583m, which consists of Council funding of £2.267m and CCG funding of £0.316m. The latest 4 year service and financial plans show a reduction in Council funding of £0.131m in

2017/18, reflected in the figure quoted and a further £0.100m in both 2018/19 and 2019/20.

*Finance Officer Consulted: Mike Bentley*

*Date: 28/06/16*

Legal Implications:

- 7.2 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. The recommendations at 2.1 to 2.4 which the Committee is asked to approve are within its powers.

*Lawyer Consulted:*

*Name Liz Woodley*

*Date: 15/06/16*

Equalities Implications:

- 7.3 An equality impact assessment has been completed as part of developing the commissioning principles and outcomes and the Communities Fund.

Sustainability Implications:

- 7.4 The third sector can act without the constraints public organisations are subject to, enabling it to be more creative in its responses. It creates added value and can draw in additional resources, particularly those not accessible or funded by local government. In recognising the value and asset of the sector and by investing in its skills and expertise, the council aims to help harness and develop them for the benefit of local people.
- 7.5 By doing so, the council is able to maximise the impact of public funding, achieve added value and better ensure value for money. This in turn enables additional resources to be levered into the city and helps to meet the needs of citizens who might not access public services.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. BHCC Communities and Third Sector Commissioning Principles and Outcomes 2017 -2020
2. BHCC Communities Fund

Crime & Disorder Implications:

- 1.1 Recognition of the role CVS plays in reducing crime and disorder and promoting community safe and well-being has been incorporated into the strategic investment outcomes.

Risk and Opportunity Management Implications:

- 1.2 See main body of the report

Public Health Implications:

- 1.3 Recognition of the role CVS plays in achieving public health outcomes has been incorporated into the strategic investment outcomes. The NICE guidance on engagement has been taken into account when developing the community engagement outcomes.

Corporate / Citywide Implications: