

Report for:	Cabinet – 14th July 2015
Title:	Voluntary Sector Commissioning Framework
Report Authorised by:	 Zina Etheridge, Deputy Chief Executive
Lead Officers:	Charlotte Pomery, Assistant Director for Commissioning Sanjay Mackintosh, Head of Strategic Commissioning
Ward(s) affected: All	Report for Non Key Decision

1. Describe the issue under consideration

- 1.1 This report introduces a new commissioning framework for the Voluntary and Community Sector (VCS) – attached as Appendix 1.
- 1.2 The framework complements the Community Strategy and Community Buildings review, by setting out a new relationship with the sector and the approach the Council will take to commissioning the VCS.

2. Cabinet Member introduction

- 2.1 This voluntary sector commissioning framework outlines how we will achieve the outcomes of our corporate plan, *Building a Stronger Haringey Together*, which sets out a model of working together with residents. We will do this by working closely with the voluntary sector and by offering the sector more opportunities to directly deliver services for Haringey residents.



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2.2 The sector's independence enables it to be closer to Haringey residents than the Council. We will continue to have a dialogue with the sector and invest in it to build its capacity to meet future challenges, whilst respecting this independence. We will take a consistent approach to directly commissioning VCS organisations to deliver services for the Council. This framework explains the approach we will take.

3. Recommendations

3.1 Members are asked to approve the Voluntary and Community Sector Commissioning Framework as set out in Appendix 1.

4. Alternative options considered

4.1 The option of not setting out this new framework was considered and discarded, based on the need to reframe the Council's relationship with the sector in light of the new Corporate Plan *Building a Stronger Haringey Together* and a need to be clear on the Council's commissioning approach with the sector.

5. Background information

5.1 The voluntary and community sector commissioning framework sets out a new relationship between the Council and the sector in Haringey. It explains our strategic commissioning approach, from investment in developing capacity and resilience through our new strategic partner, to investment in prevention and early help through, for example an integrated Information, Advice and Guidance service for the borough. It also sets out at a high level our commissioning intentions under the five priorities in the corporate plan. Lastly, the paper outlines our commissioning approach – based on delivering outcomes and demonstrating social value – plus our commissioning process using the 4-point commissioning cycle.

5.2 The framework complements the Community Strategy and Community Buildings Review, by setting out the important role the voluntary and community sector will play going forward and explaining the Council's approach to enabling the sector to grow.

6. Comments of the Chief Finance Officer and financial implications

6.1 The Council has a dedicated budget of £2.8m in 2015/16 for commissioning the Voluntary and Community Sector. This is a reduction in budget of £200k and there are further planned reductions of £1.2m over the next two years. However as described in this report the Council does also commission a wide range of services from the voluntary sector – this is estimated as around £18m of spend per annum. This will continue over the Medium Term Financial Plan period and



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it is likely that the Council's service transformation plans will create new opportunities for closer working with or commissioning from the voluntary sector.

6.2 This paper sets out the commissioning framework and the high level commissioning intentions for the MTFP period. As such it does not require any additional resources. However it should be noted that the provision of support and resources to the sector at no or discounted charge and especially the offer of a reduced rent do represent a subsidy to the sector and an opportunity cost to the Council. It is therefore important that this is only offered after a careful cost benefit analysis.

7. Comments of the Assistant Director of Corporate Governance and legal implications

7.1 The commissioning framework is within the Council's legal powers and would facilitate the discharge of the Council's functions. But its application on a case by case basis must ensure compliance with public procurement rules as set out in the Public Contracts Regulations 2015 and the Council's Contracts Standing Orders and must not offend the rules on state aid (distorting competition).

8. Equalities and Community Cohesion Comments

8.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackling discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

8.2 These elements of the public sector duty will be considered for each individual component of the overarching voluntary and community sector commissioning framework. Separate Equality Impact Assessments (EqIAs) have been undertaken for the Community Strategy, the Community Buildings Review and will be undertaken for the commissioning of Information, Advice & Guidance services. These will accompany the respective Cabinet reports. In addition, an initial EqIA screening ought to be undertaken for each of the specific tender opportunities for the VCS sector identified in the framework and for when the Council tenders for a strategic partner to develop skills and capacity of the local VCS.



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9. Head of Procurement Comments

- 9.1 The new framework includes a focus on the way in which the Council will lease its buildings to community providers, adopting an outcomes-focused Community Model Lease approach. The proposal includes a discount on the market-rate to provide their services for a council building.
- 9.2 Where a lease agreement will be a feature of a contract to be awarded then the evaluation will need to consider the impact of the financial benefits so that competition is maintained in the market.
- 9.3 The use of community buildings should take account of any opportunity to reduce their energy costs and carbon emissions. Grants or contracts prepared should include working with the Council to install energy efficient equipment wherever possible. The installation of energy efficient equipment will be subject to the availability of external grants that are successfully applied for by the Council.

10. Policy Implication

- 10.1 The Public Services (Social Value) Act 2013 requires those who commission public services (including local authorities) to consider how they can also secure wider social, economic and environmental benefits. The legislation aims for commissioners to secure more value for money out of procurement.
- 10.2 The Council has adopted a social value checklist which is an essential component underpinning the Voluntary Sector Commissioning Framework. The Council's approach to social value commissioning complements and reinforces core policy priorities within our Corporate Plan, including prevention and early help, enhancing equality and cohesion, addressing health inequalities and building more resilient communities.

11. Reasons for Decision

- 11.1 The Voluntary and Community Sector Commissioning Framework is a key document linked to the Community Strategy and Community Buildings Review and sets out how we will work with and commission the sector directly in line with the approach set out in *Building a Stronger Haringey Together*.

12. Use of Appendices

- 12.1 Appendix 1 – Voluntary Sector Commissioning Framework.

13. Local Government (Access to Information) Act 1985

N/A

APPENDIX 1

Voluntary and Community Sector Commissioning Framework

INTRODUCTION

Haringey is a borough of growth. We believe that through growth we will facilitate successful places which are built on strong, resilient and empowered communities. Our approach is founded on embracing growth – in community capacity, family resilience, quality of life and aspiration to achieve greater equality across Haringey’s communities. Alongside this, we will embrace growth in high quality housing, business, jobs and transport infrastructure which will see our local population increase by 10,000 over the next 20 years.

Haringey’s 3-year corporate plan *Building a Stronger Haringey Tomorrow* sets out how the Council will use its resources to facilitate this, with defined outcomes, priorities and delivery plans that underline the Council’s developing role and reflecting a shift from deliverer and provider to commissioner and enabler. The challenging financial climate means that we cannot do things in the way we have before – and there are certain things which we can no longer do at all. But we want to enable the voluntary and community sector VCS to support the needs of Haringey people through a combination of directly commissioning the sector and helping to build capacity in these organisations.

This Commissioning Framework sets out the way in which the Council intends to work with the VCS in the borough and is not reserved only for those organisations currently commissioned from specific budgets or parts of the Council.

BOROUGH PROFILE AND THE VCS WITHIN HARINGEY

Haringey is one of the most diverse boroughs in London. It has a highly transient population of over 260,000 residents and is the 17th most populated borough in London. 20% of the population are 0-15 years old which is in line with the London average and 9% are aged 65 or over, which is lower than the London average of 11.4% and England average of 17.4%. The population is roughly 50% male and 50% female, which is in line with the London average.

But it is Haringey’s diversity that stands out most. 65% of Haringey residents are from a non-white British ethnic group - the 7th highest out of all the London Boroughs. The top 3 non White British Ethnic Groups are Other White (23%), Black African (9%) and Black Caribbean (7.1%). Haringey has the 3rd highest proportion of Other White population in London. Over 190 different languages are spoken in the borough.

While Haringey is a borough of opportunity, it does face challenges in deprivation, health and employment. Haringey is one of the most deprived authorities in the country, ranking 13 out of 326 English authorities. In 2007, it was ranked 18th most deprived. Haringey is the 4th most deprived borough in London, behind Hackney, Newham and Tower Hamlets. In 2007, it was ranked the 5th most deprived in London, made up of barriers to housing services (4th in England), crime and income (both 6th in England). The domains where Haringey ranks the least deprived are Education, Skills and Training (229th in England), Health and Disability (82nd in England), and Employment (63rd in England). 12 Super Output Areas (small areas) are within the most deprived 5% in England, located mainly in Northumberland Park and Tottenham.

Unemployment remains a challenge in the borough. In April 2015, 5,438 people claimed Job Seekers Allowance (JSA). This is 2.8% of the 16-64 population and is the 2nd highest rate in London behind Hackney. 622 (6.3% of the 16-64 population) of the Northumberland Park ward claim JSA. This is the highest rate in London. 790 (3.4%) of 18-24 year olds in Haringey claim JSA, which is the 6th highest in London. The median weekly income in Haringey is £574.60, which is the 7th lowest in London (London £617.80, England £523.60), with the median weekly income in Tottenham being £478.40 - the lowest in London.

The Voluntary and Community sector

Over 900 VCS organisations are registered with the Council's current strategic VCS partner – HAVCO. These organisations cover a diverse market. In 2014/15, 130 grants and contracts were awarded for the first time or extended with existing providers across 108 VCS organisations in the borough. These organisations delivered a range of services for children, adults, the environment, community safety, housing and public health, largely working with cohorts of people who feature in the most deprived areas of our borough profile.

The sector has been able to demonstrate that it is often better positioned than the Council to deliver services, as it is independent from the Council, closer to local assets, needs and demands and agile enough to respond quickly and support these. It is for this reason that we see the VCS as well placed to deliver more services commissioned by the Council, whilst recognising that organisations will need support in order to do this, through a new relationship with the Council.

A NEW RELATIONSHIP WITH THE VOLUNTARY AND COMMUNITY SECTOR

With the backdrop of financial challenges and our borough profile, we realise that our relationship with the voluntary sector is more critical than ever. From a commissioning perspective, we see the sector as a key partner to in transforming the

way services are delivered locally and we also know that the sector can be closer to the people they currently work with than we are, so they also know about local assets, needs and desired outcomes and how these change even within a short period of time.

We have sought to define our relationship through a new *Community Strategy*, whilst also focusing on specific support we can provide through, for example, better use of community buildings via the *Community Buildings Review*. We see this framework as complementing both of these pieces of work to set out the vision for the community and leveraging opportunity via its physical assets.

Community Strategy

Haringey's Community Strategy will support the Council and partners to engage differently and more fully with communities, to complement the delivery of Haringey's Corporate Plan and to build a new partnership with residents at a significant moment of change, challenge and opportunity. At a time when traditional ways of supporting communities, and working with the voluntary sector, are changing, the Community Strategy is a positive strategy for achieving outcomes in a different way. It is through working with communities that we feel we are best placed to make the marked change in outcomes which we know some parts of the borough need.

Our vision on how to achieve this transformation is set out in the Corporate Plan 2015-18: Building a Stronger Haringey Together:

“Haringey will work with communities to achieve their ambitions, by making best use of the strengths of the borough and ensuring that we build capacity and foster independence and self-reliance”

The strategic priorities of the Community Strategy were developed in the Corporate Plan, based on the issues that are most important to residents when getting involved. Our strategic priorities are:

1. Increase community participation for residents by providing opportunities to connect people to their communities – **support one another**
2. Deliver open and customer-led services that enable residents to participate in the design and delivery of the services that support them – **design local services**
3. Increase independence and self-reliance within communities – **embrace opportunities**
4. Facilitate positive community conversations that support residents to make socially responsible and sustainable choices – **love where you live**

5. Becoming an enabling, collaborative organisation that creates the culture where communities are confident to lead positive change and have 'can do' approach to problem solving – **supportive council**

Community Buildings Review

The Community Buildings Review sets out the Council's new strategic approach to managing and leasing buildings that provide services to the community. If we are asking the sector to deliver more for us, we want to make it easier for the sector to have suitable physical space in which to deliver services to local people. When we seek to lease buildings to the sector and providers from other sectors, we will follow these principles:

- i. We will work with communities to achieve their ambitions, by making best use of the strengths of the borough and ensuring that we build capacity and foster independence and self-reliance
- ii. Opportunities for regeneration and potential change of premises use which meet the demand for housing, education or health, or where they form part of a wider regeneration programme are paramount
- iii. Opportunities to make more effective use of community assets for the wider benefit of local residents and communities, including sharing community space and more efficient management, will be prioritised
- iv. Opportunities for asset transfer to organisations, whereby they take on full responsibility for buildings through a Trust arrangement, will be considered according to a set of criteria currently being developed
- v. Opportunities to increase the universality of community provision will be maximised in order to enable a more equitable distribution of and access to community assets across Haringey, in recognition that community buildings are a valuable asset for local communities, both neighbourhoods and communities of interest
- vi. Opportunities to increase community participation for residents by providing opportunities to connect people to their communities will be maximised.

A critical part of this new strategy focuses on the way in which we lease our buildings to providers. We will now seek to lease buildings using an outcomes-focused Community Model Lease approach. This means that where a provider can demonstrate the outcomes they are achieving or going to achieve for people in Haringey, they will receive a discount on the market-rate to provide their services for that building. By focusing on improving outcomes for people in Haringey, we know

that costs to either the Council or other public services will start to decrease, so we want to help facilitate that by looking at our cost more holistically but giving the sector a chance to maximise the funds they have to work with as many people as possible.

Commissioning approach

Over the last three years, the way the Council allocates funding to the voluntary and community sector has increasingly been through contract awards following a competitive tender process. Going forward, there is limited opportunity for grant giving or for maintaining historic patterns of support. The Council remains dedicated to working in partnership with the voluntary and community sector, building local capacity to strengthen residents, families and communities. We will use our resources alongside those of the sector, building strong alliances to tackle inequality and poor outcomes and maximising alternative income sources focused on identified need. These will include alternative funding from sources such as charitable trusts, social finance, philanthropy and private sector corporate social responsibility activity. Some organisations locally are very effective at raising funds from other sources, often based on a small amount of seed funding from the Council. These organisations are thriving and sustainable and offer a model to the wider sector. We want all organisations in the borough to learn from their peer organisations and support each other to benefit from wider opportunities available.

We are keen to work together with communities to build community capacity and resilience, as set out in the Community Strategy. We want local residents and organisations to feel equipped with the skills, confidence and tools to do more and to be less reliant on the Council's interventions. We will, for example, seek to work with local, whether established or emerging, organisations to develop bids for external funding and to build their capacity to attract contracts and work for particular services.

The VCS will be a key partner in transforming local services and forging new relationships between the Council and local residents. Voluntary organisations are well positioned to respond to the challenges ahead – notably to develop services for prevention and early intervention and to build capacity within local communities to promote resilience and make improved outcomes sustainable. In addition, they will be well positioned to deliver services which directly support legislative requirements in the Care Act 2014 and the Children and Families Act 2014 such as improved information, advice and guidance, a strong local offer and advocacy. All these enable children, young people and adults to exercise choice and control over their own care and support.

But it is the way we commission services that will change most. We will ask providers to demonstrate the outcomes they are achieving for the people they work

with rather than just, for example, how many people they work with. This will require both the Council and providers to look beyond just the day-to-day interaction with customers and users and help them understand how they will help them improve their lives. We will look for providers to demonstrate social value, in line with Haringey's social value framework, based on recommendations from the Marmot Review (2010).

Where we directly commission the sector to provide services, we will ensure that the activity:

- Focuses on **prevention and early help** to ensure people in Haringey lead long and fulfilling lives and the need for intervention from the Council when things go wrong starts to decrease
- **Tackles inequality** in the borough, ensuring whatever the activity is it helps people to be healthier and happier with greater equity and social inclusion through, for example, public health commissioning to improve life expectancy or generating local employment or volunteering opportunities
- **Strengthens community capacity** to ensure communities become more resilient to the challenges they face and helps them to help each other whilst reducing the need for the Council to help directly.
- Supports the development of **partnerships** with other organisations in the sector, outside the sector and across borough boundaries
- Focuses on the **customer** at all times, by understanding what people need and designing specifications to meet that need
- Achieves **value for money** not just for the Council, but for other public services and for local communities

Although the Council will have less funding available through its dedicated voluntary sector budget/which is reserved for the sector alone, we recognise that there are many opportunities for the sector in delivering the wider outcomes of the Corporate Plan, *Building a Stronger Haringey Together*. We are keen to use our wider Council resources both to invest in building the sector's skills and capacity to do more for people in Haringey and in commissioning provision to meet the outcomes we have identified. For example, the Investment Fund will be coming to an end in the summer of 2015 and so we will no longer continue to support VCS organisations commissioned through this fund in the way we did previously. But although we have had difficult choices to make, we still want to invest what we do have in the sector in a strategic way, where we begin to build the sector's sustainability and resilience.

Strategic Commissioning Framework

Where we directly commission the sector to deliver services on behalf of the Council, we will follow a 4-point commissioning framework:

1. **Understand** the needs of our local population:
 - a. Identifying the issues are we trying to address and the outcomes we want to achieve
 - b. Interpreting national and local policy, as well as legislation
 - c. Assessing assets and strengths – e.g. community buildings or maturity of provider market
 - d. Capturing available resources to meet the need
 - e. Bringing together data and information from a variety of sources, analysing and providing insight
 - f. Benchmarking with neighbours and identifying good practice
2. **Plan** how we will meet these needs and achieve desired outcomes:
 - a. Setting vision, objectives and priorities
 - b. Defining projects to deliver the vision and objectives
 - c. Planning
 - i. Definition
 - ii. Benefit realisation
 - iii. Dependencies
 - iv. Stakeholders/partners
 - v. Resources
 - vi. Risks, aligning needs/outcomes
 - vii. Lead and lag KPIs
 - viii. Timescales
 - d. Identifying delivery vehicle
 - e. Engagement with partners and communities to set outcomes and define social value
 - f. 3-5yr financial and social impact modelling
 - g. Understanding best practice and what works
3. **Implement** chosen model to meet these needs:
 - a. Commission/de-commission provider to deliver – develop SLA/contract terms, run fair and transparent process to secure services of provider, sign contract/SLA
 - b. Ensure the market is available at right price, quality and social value
 - c. Incentivise providers to deliver – reward and penalty
 - d. Enhancing role of citizen as commissioner – supporting providers to engage with citizens directly

- e. Focus on achieving outcomes not outputs
- f. Encouragement of innovation

4. **Monitor** and evaluate commissioned services to assess whether outcomes have been achieved:
 - a. Regular contact with providers and contract/SLA management
 - b. Challenge and support to providers to support delivery
 - c. Reward and penalty focused on achievement of outcomes
 - d. Amending/updating contractual terms to ensure outcomes are achieved
 - e. Decommission and re-commission if outcomes are not met
 - f. Evaluating impact against need and outcomes
 - g. Governance shaped around achievement of outcomes

When we seek to commission services, we will work to a set of principles which include:

- Transparency of available funding, resources and opportunities
- Equity of approach, recognising range of resources and assets in the community
- Alignment with the principles in the Community Strategy and Community Buildings Strategy
- Maximising the role of the voluntary sector in delivery of the outcomes of the wider Corporate Plan Building a Stronger Haringey Together
- Together drawing in additional investment and new funding sources
- Delivering excellent information, advice and guidance
- Driving innovation and new thinking

Voluntary sector engagement

Together with the new strategic partner, we will establish a working relationship where the Council can learn from the sector and vice versa. At a refreshed VCS forum in June 2015, the sector told us that they would like to interact with us and each other more regularly through different approaches and communication channels. Using this feedback, the Council and the strategic partner will:

- Create a **quarterly forum** for all VCS providers in the borough, where all commissioners in the borough of Haringey, not just the Council, can have early dialogue with the sector to help shape commissioning intentions
- Help establish **networks of VCS organisations** on specific topics, subject matter or clients groups they work with, in order to collaborate, partner and avoid duplication

- Establish **new ways of communicating** within the sector and with the Council, for example using social media to have open Q&A in early market engagement on a potential commissioning opportunity

Through these different ways of engaging, we would like to create a dialogue where the sector is able to shape our commissioning intentions, as well as collaborate themselves without Council involvement.

COMMISSIONING INTENTIONS

Our commissioning approach is built on developing capacity and capability to meet growing demand through a different relationship between the Council and the sector. We will be investing the limited budget available in strengthening capacity in the sector itself, using a new strategic partner; investing in a service that provides integrated information, advice and guidance for people to get the support they need when they need it, plus specifically commissioning some services as part of the delivery of *Building a Better Haringey Together*.

A strategic partner for the VCS

In 2015/16, we will tender for a strategic partner to help develop skills and capacity in the sector to meet the increased demand. The partner will itself be a charitable or voluntary organisation or social enterprise and will help both the sector and Council to work differently, for example joining resources to jointly bid for external funding sources as took place in 2014 with the partnership with Barnardos to bid for the Big Lottery Fund's 'A Better Start'.

The partner will build a sustainable voluntary and community sector in Haringey that will not only be able to bid for and deliver services for the council, but also source funding from other sources to support people in Haringey. This will enable us to plan more strategically to respond to new organisations which are evolving to meet immediate local need and to focus on prevention and early intervention and building resilience.

Integrated information, advice and guidance

Integrated information, advice and guidance (IAG) underpins our strategic commissioning. IAG on a broad range of subject matters will, for the first time, be provided in one place meaning people in Haringey will get the support they need when they need it, through different communication channels. In time, this will help people to help themselves and build their own resilience, which in turn will prevent issues escalating to a point where statutory services provided by the Council and its partners (e.g. the NHS) need to step in. The service will focus on achieving

outcomes for people who seek IAG and ensure we meet requirements Care Act 2014 and Better Care Fund.

We will begin the commissioning process for this new service in mid-2015 and expect the new service to be running in early 2016.

Building a Stronger Haringey Together

As well as cross-cutting commissioning, there will also be specific opportunities for the sector within each of the five priorities in the corporate plan. Below these are set out at a high level and where relevant are subject to consultation, with further detail coming as each service or package is commissioned.

Priority 1 - Giving children the best start in life

- Reconfiguring our current investment in the voluntary sector to improve our Early Help offer
- A new locality model for Children's Centres which roots them firmly in their local communities, co-ordinating a range of provision to build local capacity
- Commissioning some elements of services through the voluntary sector which we currently deliver in-house – for example, parts of the youth service
- Strengthening our focus on prevention and early intervention, both areas of strength for the voluntary sector.

Priority 2 - Empowering all adults to lead healthy, fulfilling lives

- A new service called Neighbourhoods Connect that links people in Haringey to prevent social isolation (already commissioned in 2015, jointly with Haringey CCG)
- Investment in health improvement services, for example Stop Smoking services, delivered in the local voluntary and community sectors
- Commissioning some elements of services through the voluntary sector which we currently deliver in-house – for example, some day service provision
- Recommissioning our carers contract
- Expanding our Shared Lives programme, through, for example, the creation of a new social enterprise or commissioning the service out
- Expanding the number of people moving into supported living
- Reshaping intermediate care through a reablement approach

Priority 3 - A clean and safe borough where everyone is proud to live

- Developing local ward based action plans so local communities take ownership of their area by changing behaviours
- Establishing local groups including a network of Young Environmental Champions
- Strengthening our commissioning approach to services to prevent and reduce Violence Against Women and Girls
- Ward budgets – opportunity to provide seed fund community-initiated ideas, where the Council can learn more about needs and demand, capture data and intelligence, and understand whether borough-wide commissioning needs to take place
- A ‘community in action’ pilot in Noel Park to target environmental crime and empower the community to act
- Shaping a new culture strategy which leverages the cultural assets in Haringey

Priority 4 - Driving growth and employment from which everyone can benefit

- Partnership working to deliver improved infrastructure to enable growth
- Investment in schemes to improve the borough’s business environment, working with the sector
- Improving our training, skills and support offer to local residents
- Delivering major regeneration of major benefit to local communities, including Tottenham and Wood Green

Priority 5 - Creating homes and communities where people choose to live and are able to thrive

- Preventing homelessness through improved housing options and advice
- New support pathways for people who want to remain independent
- Recommissioning housing-related support