

# Report to Scrutiny Commission

Health and Wellbeing Scrutiny Commission

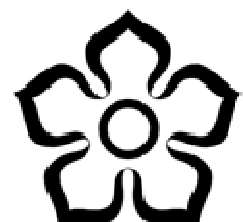
26<sup>th</sup> November 2013

---

Response to the Review of 'Voluntary & Community  
Sector Groups who have raised concerns about  
Funding, Commissioning and Tendering issues

Report of the Director of Tracie Rees & Sarah Prema

---



Leicester  
City Council

**Useful Information:**

- Ward(s) affected: ALL
- Report author: Mercy Letts-Charnock (Lead Commissioner for Early Intervention and Prevention)
- Author contact details 252 6812

**1. Report**

- 1.1 The review, which commenced in November 2012, in response to concerns from the Voluntary and Community Sector (VCS) about funding cuts, tendering and commissioning processes, identified a number of actions. A response to these actions was provided by Adult Social Care (ASC) and the Leicester City Clinical Commissioning Group (CCG) as part of the review.
- 1.2 This report provides a further update of progress against the identified actions.
- (i) Some clarity about the basis upon which Leicester City Council (LCC) and Leicester City Clinical Commissioning Group engages with VCS.**
- 1.3 Further to the numerous examples of engagement that were provided in the review whereby the VCS had been actively engaged in the development of key strategic documents, including the Joint Strategic Needs Assessment, the Health and Well-Being Strategy, Mental Health, Learning Disabilities, Carer's, and Dementia strategies; and a number of forums where the VCS were active participants, Adult Social Care continues to work in this way with a commitment to engagement with the sector.
- 1.4 Key forums that provide engagement with the VCS are the Learning Disabilities Partnership Board; The forum for Older People; and the Carers Reference Group. Since the review the Adult Social Care Transformation Steering Group has ceased to run, but this has been replaced by a VCS Adult Transformation Group that is supported by LCC. The first meeting took place 22<sup>nd</sup> October, and Tracie Rees was in attendance along with other senior officers representing ASC. In addition the Mental Health Partnership Board had its first meeting on 23<sup>rd</sup> October, and this forum also engages with the VCS.
- 1.5 In addition to the specific engagement with Adult Social Care, the council has contracts in place with VCS providers for infrastructure support for the VCS and for representation and engagement with specific communities, and through the contractual requirements this acts as further engagement with the VCS. This support is the subject of a review which has just commenced with consultation on proposals running from 28<sup>th</sup> October until 17<sup>th</sup> January 2014. Health also contributes to this grant.
- (ii) Value for money from relationships with VCS, including positive partnerships, effective and efficient delivery of contracts, or no relationship where there is nothing to be gained from having one.**
- 1.6 Value for Money is addressed through commissioning reviews, whereby proposed service models will consider efficiency, effectiveness, and economy. This is always taken into consideration in our redesign processes. Through

the procurement process the weighting used to evaluate prospective service providers by the Council is considered as part of each exercise. Historically the 'standard' was 60% quality and 40% price. However, in recent procurement exercises the weighting has moved to 80% quality and 20% price; and has also included 90% quality and 10% price. As part of our commissioning processes we must consider the social impact of our proposals in line with The Public Services Social Value Act (2012), and therefore all commissioning proposals and associated tenders take into consideration the collective benefit to the community, beyond the monetary evaluation.

The relationship with the provider and the management of the contract is important to the Council and each provider has a named Contract Assurance Manager who leads for contract performance and quality assessment and also acts as a point of contact for providers during the contract period. Regular contract reviews are undertaken with the provider to look for how the service is performing to contract, celebrate good practice and if issues are found take early action where necessary.

- 1.7 The CCG has arrangements in place to manage voluntary sector grants, those Leicester City specific are managed by the CCG and those that are LLR wide are managed by East Leicestershire and Rutland CCG on behalf all three local CCGs.

**(iii) Fair, transparent and consistent approaches to VCS commissioning, procurement and funding arrangement across the council and lead commissioners**

- 1.8 The City Council works to a set of Contract Procedure Rules that outline the process that must be used and applies to all purchases, including the award of grants or funding to organisations in consideration for the provision of goods or services and where appropriate the Council can use grant funding approaches, rather than a full procurement exercise. Recent discussion has begun with Corporate Procurement regarding the most suitable approach. The Council commissions' services from VAL and Case-Da to support the local VCS in tender applications; this has been widely communicated to the sector.

**(iv) Some strategic alignment between the VCS and the city council in order to ensure that organisations are working towards similar outcomes.**

- 1.9 The VCS is always consulted in the development of strategies for ASC, giving them the opportunity to ensure there is strategic alignment, and that the desired outcomes are in sync.

**(v) Recognition of the value of VCS, through appropriate and fair remuneration, as many VCS groups are best placed with the knowledge, skills and support to provide quality and value for money services in Leicester.**

- 1.10 The value of the VCS is widely recognised. Including social impact within our commissioning and procurement processes translates this recognition, and provides opportunity for the VCS in tendering / procurement processes. There is some additional investment in the voluntary sector through ASC early

intervention and prevention, which demonstrates our commitment to this. In undertaking the review of Voluntary and Community Sector (VCS) preventative services, the sector was engaged via workshops (per service area) at the start of the review so that they could inform the service priorities which were then included in the final recommendations. This recognized the position the sector has in identifying gaps and barriers as well as good practice within their areas of expertise. The review has recommended procurement options that support the sector – including grant funding and consideration of accessible procurement options and support for the sector in preparing for procurement. This will enable the sector to be well placed to apply for or bid for future work.

- 1.11 There has been an ongoing dialogue between the Local Authority and the CCG about joint commissioning and the recommendations from the commissioning review of VCS preventative services. The proposals have been developed with Health partners fully informed about proposals and how they can in turn consider these when finalizing their own review proposals.
- 1.12 On 25<sup>th</sup> July the initial ASC VCS preventative service report was taken to an informal briefing meeting of the Executive and it was noted that it was important to engage with the sector when services were being re-commissioned.

**(vi) Recognition of the importance of keeping services local and valuing the contribution of local people as volunteers.**

- 1.13 In line with the Mayors pledge to implement new procurement processes in support of this, the commissioning and procurement processes that ASC utilize support this, with the inclusion of regard to social impact. A recent example of where a targeted approach to this has been successfully implemented is in the procurement of contracts for substance misuse. Through Voluntary Action Leicester/shire (VAL) the VCS was targeted to attract them to consider a consortium arrangement in support of the main community contract to deliver clinical services to adults with substance misuse problems in the community. As a result of this the successful tender was awarded to Leicestershire Partnerships Trust, supported by a consortium of 22 local VCS organisations.

**(vii) Some pooling of resources within the VCS, where appropriate and necessary.**

- 1.14 The VCS are encouraged to consider consortia arrangements, as the example of substance misuse contracts demonstrates.

**(viii) Improved training programmes to assist VCS in securing contracts to deliver services, especially for smaller organisations to compete for public sector contracts.**

- 1.15 The CCG and Leicester City Council commission procurement support for the VCS from VAL the Community Social Enterprise Development Agency. The Councils Planning and Economic Development Division also lead a project called “selling to the public sector” as part of the Councils initiative to help

local businesses to win Public Sector contracts with information tips and guidance available to Leicester based businesses. The review of infrastructure support will also consider the best model for the Council corporately to support the VCS in terms of training and development.

**(ix) Future Commissioning to include site visits to help commissioners understand the characteristics of an organisation, and future commissioning of contracts must not discount organisations that provide individualised care for marginalised groups. Contracts must allow for specialism and expertise to shine through.**

1.16 Commissioners do undertake site visits and these have also included visits from the Deputy City Mayor, Assistant City Mayor with the Lead for ASC and senior officers.

1.17 Commissioning is needs led, and where the needs assessment suggests that specialism is required this is reflected within the procurement process, and tender documentation and specifications will reflect this. Contracts for community based services are outcome focused with the aim of encouraging innovation and creativity in meeting these outcomes to be identified by the potential provider.

## **2. Recommendation(s) to scrutiny**

2.1 To note progress against the findings

## **3. Supporting Information**

3.1 None

## **4. Financial, legal and other implications**

### 4.1 Financial implications

4.1.1 Awaiting Information

### 4.2 Legal implications

4.2.1 Awaiting information

### 4.3. Climate Change implications

4.3.1 Awaiting information

#### 4.4 Equality Impact Assessment

4.4.1 A separate EIA would be completed for any commission review.

#### 4.5 Other Implications

(You will have considered other implications in preparing this report. Please indicate any which apply?)

None

**5. Background information and other papers:**

**6. Summary of appendices:**

**7. Is this a private report ? No**

**(If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)**