

Subject:	BHCC Third Sector Investment Programme		
Date of Meeting:	21st January 2019		
Report of:	Executive Director for Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Emma McDermott	Tel: 01273 296805
	Email:	emma.mcdermott@brighton-hove.gov.uk	
Ward(s) affected:	(All Wards);		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report provides committee with the findings of an independent evaluation of the first year (2017/18) of the Council's and Clinical Commissioning Group's Third Sector Commission (TSC) 2017 – 2020. The Commission along with the council's annual grant programme – the Communities Fund - forms the BHCC Third Sector Investment Programme (TSIP).
- 1.2 The Commission was a new approach to grant making and the majority (88%) of the TSIP budget is awarded through the Commission. In January 2017 twenty-six Community and Voluntary Sector (CVS) partnerships were awarded three year grants through the commissioning process. The grant agreements end in March 2020.
- 1.3 An independent evaluation was commissioned after the first year (2017/18) to assess the new model in terms of the impact on community and voluntary sector organisations and on the council of: the commissioning process, the new performance monitoring process and most importantly the impact of the investment on the city, its residents and the CVS.
- 1.4 This report seeks committee approval to update the commissioning process using the learning from the evaluation and produce a 2020 – 2023 Third Sector Commissioning Prospectus.
- 1.5 The intent is that the Communities Team, following an extension consultation process between January and July 2019, with the community and voluntary sector, elected members and commissioners in and external to the council, will produce and publish a Third Sector Commissioning Prospectus for bids in September 2019, award decisions in December 2019/January 2020 and new grant agreements from April 2020.
- 1.6 During the consultation process we will also be seeking feedback about the Communities Fund. The Fund was modernised at the same time as developing the TSC 2017-2020. This included introducing new funding schemes as well as a

new on-line only application process. As part of developing the new on-line application there was been regularly feedback from bidders and user testing and while 2017/18 was a highly developmental year, 2018/19 has run well and the bidders feedback has been very positive. Therefore we will be checking in with groups on any other further improvements we can make to the Communities Fund.

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the findings of the evaluation report (appendix 1).
- 2.2 That the Committee approves the creation of a 2020-2023 Third Sector Commissioning Prospectus as described in paragraphs 1.4 and 1.5.
- 2.3 That Committee agrees to receive a further report 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.
- 2.4 That subject to fulfilment of recommendation 2.3 and budget setting arrangements, Committee delegate authority to the Executive Director for Neighbourhoods, Housing and Communities to use the 2020-2023 Third Sector Commissioning Prospectus to invest in the community and voluntary sector of Brighton & Hove as per timetable in paragraph 3.20.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Between 2014 and 2016 the city council and the CCG reviewed, with the community and voluntary sector (CVS), its third sector investment arrangements to ensure they were delivering maximum value for money, meeting community need and effectively supporting the CVS to continue to improve and thrive. In doing this the council at its Neighbourhood, Communities and Equalities Committee in July 2016 agreed a Third Sector Investment Programme which has two constituent parts; a three-year (2017-2020) Third Sector Commissioning Prospectus and an annual Communities Fund.
- 3.2 In December 2017 through the 2017-2020 Third Sector Commissioning Prospectus the council awarded funding for three years to 26 CVS partnerships. Current funding agreements end in March 2020. To inform the next commissioning prospectus an independent evaluation of the first year to 18months of the 2017-2020 awards was commissioned.

3.3 Evaluation Process

An evaluation framework was agreed by a Third Sector Commission Steering Group (Emma McDermott (BHCC), Jane Lodge (BHCCG), Jessica Sumner (Community Works), Dr Mary Darking (University of Brighton) and Sam Warren (BHCC)). The framework sought to address the following core lines of inquiry:

- Overall outputs and outcomes delivered by the commissioned partnerships and per commissioning outcome
- No. and type of beneficiaries of the commission and how they have benefitted

- Cost impact analysis:
 - A review of subsidy per head of beneficiary
 - A review of social value created
- Efficacy of contract monitoring and evaluation system
- Strengths and weaknesses of the commissioning model
- Strengths and weaknesses of the 'co-production' model

3.4 Key Findings from the Evaluation

3.5. Outcomes were a central focus of the TSC and the range and diversity of outcomes has been extensive. TSC has supported activity that has impacted on a wide cross section of the community and which has focused on **people with multiple and complex needs**. Indeed, partnerships have reported that in the most of cases these needs were greater and more complex than was anticipated at the bidding stage.

3.6 Partnerships have provided evidence of the financial leverage and added value they have been able to generate. Of the £2.24M allocated to the TSC, a **further £6.27M was generated by partnerships**, through finance that partners had secured in contracts and through additional funding applications. This shows that in 2017-18 there was a ratio of levered in funds where **for every £1 of TSC funding a further £2.80 was secured through additional/external resource generated**. This is a strong level of leverage, showing excellent return on investment for the council and CCG and local residents.

3.7 Partnerships set targets for the numbers of people they would provide services for in year one and collectively this target has been exceeded. The target set was for 25,283 residents of the city to benefit from activity, however in the first year of the programme, monitoring information has shown that, **35,959 residents benefitted**, exceeding the target by 142%. Interestingly this equates to 12.6% of the city's population. The number of times that these residents participated in services was even greater with **144,660 sessions of activity**, this shows a strong volume of individual impact. 3.8 The number of residents that benefited from services funded by the programme and the frequency of their participation can also be used to assess the programme's value for money, in terms of the subsidy provided per head of beneficiary. In 2017-18 the subsidy per head of beneficiaries based on the TSC budget that delivered services was **£31/beneficiary** and **£5.8/beneficiary episode**.

3.10 A focus of the evaluation was an assessment of the extent to which the TSC has met the priorities of the city council and CCG. This can be confirmed in two ways. Firstly, the design of the TSC was based on the priorities and needs assessments of both organisations and as such the Prospectus reflected these priorities. Secondly, the delivery of the Prospectus through the application and funding process and subsequently through the monitoring of partnerships has demonstrated that activities are aligned to the priorities of the council and the CCG.

- 3.11 The TSC has provided many opportunities and has clearly delivered strong levels of social value to the city. Partnerships have reported many examples of social value including but not exclusively:
- Training and employment, internships, student placements and volunteering
 - Health gain via the reduction of risk of social exclusion and isolation and by building resilience, independence and connections
 - Improvement in our environmental footprint through waste reduction
 - Purchasing with local businesses and inter-sector collaboration
 - In kind contributions and volunteer hours
 - Increased funding to the city
- 3.12 TSC has provided a secure three-year funding programme for the third sector which has enabled them to plan resources and build their capability to deliver services to communities with multiple sets of need. Indeed, the **allocation of core funding has enabled partnerships to develop innovative approaches to engaging communities with multiple needs developing a wider set of preventative services and supporting public sector efficiencies.**
- 3.13 The sector has supported communities in a constantly changing and demanding environment. TSC has supported services for individuals and communities that are experiencing complex health, social and economic needs. Indeed, evidence from the service user surveys conducted has shown that it has helped many people to be more resilient, tackling social isolation and supporting people in their pursuit of improved health and wellbeing.
- 3.14 TSC has been successful in safeguarding the commitment of the city council and CCG to support a thriving community and voluntary sector. The aim to secure the benefits the sector can deliver to the community has been proven by the **large volume of outputs and outcomes that the programme has generated.**
- 3.15 There are some aspects of the programme which could be addressed going forward in particular some refocusing of needs to reflect current challenges facing the city and its communities, finer tuning of monitoring and reporting, feedback on engagement activity and a refreshing of the future application process. However, in summary TSC has had a strong and positive impact on the third sector and residents in the city. The programme is developing the third sector to be much more sustainable so that it will continue to support people to become healthier, more resilient, better engaged and equipped to fulfil their potential and to have better life experiences.

3.16 Development of the 2020-2023 Third Sector Commission

- 3.17 The planning schedule for the development of a new three year Third Sector Commission is shown below. Subject to approval from this Committee, the work will commence immediately, with plans to commission between September and December 2019, and new projects to start in April 2020. The lessons learned from the current commission and the priorities drawn out in the Evaluation report

will form a key part of the process of review and application in the design of the new prospectus.

3.18 The consultation process will run between January 2019 through to July 2019, with a number of events with the community and voluntary sector across the city. In addition, internal BHCC and CCG officer briefings and consultations will take place in the same period. There will be regular consultation with the all party Members Advisory Group (MAG), culminating in the presentation of an report to NICE Committee in June/July 2019 on the commissioning outcomes and principles for approval.

3.19 The consultations will be testing the following key concepts, and will be based on the latest Joint Strategic Needs Assessment for the city.

- Is the current (TSC 2017-2020) commissioning structure correct, with investment being spread across a range of Strategic Outcomes, Third Sector Infrastructure, Community Development, Community Engagement and Community Banking?
- Are the current Strategic Outcomes still valid?
- Are there new/different commissioning principles to be applied, for example how can digital delivery of services be enhanced through the TSC?
- The current prospectus required bidders to apply in partnership structures. Should this requirement be continued in the next TSC 2020-2023?
- The current prospectus funds both core organisational costs and project delivery costs. Should the current balance be maintained, or should greater emphasis be placed on investing in organisational core costs to enable greater funding leverage to be gained?
- What improvements should there be to the application form?
- What are the advantages and disadvantages to the existing funding period of three years or should a longer funding period (four years or more) be considered?

3.20 Third Sector Commission 2020-23 Timetable

Action / Event	Start Date	End Date
NICE Committee	21 January 2019	21 January 2019
Current TSC partnership meeting to inform of new TSC, review existing TSC documentation and process	late January/early February	late February 2019
Wider Community and Voluntary sector consultation	February	Mid April
First draft of new Prospectus	End of January	End of February
Internal drafting of outcomes	End of January	End of February
Circulate internal first draft for comment	End of February	mid March
MAG	27 February	
Budget Council	28 February	
Circulate second draft outcomes	Mid March	End of March

Individual officer and commissioner consultations	March	March
Local elections	02 May	
Lead member briefing	late May/early June	pre NICE
Procurement Advisory Board (PAB)	JUNE/JULY exact date TBC	
NICE (update paper)	JUNE/JULY exact date TBC	
Finalise Prospectus documentation	late August	late August
Tender Out	early September	late October
Closing date for submissions	late October	
Bid evaluation	early November	early December
MAG decision review	mid December	
Executive Director sign off	Late December	Early January 2020
Implementation Period	January2020	March 2020
Service Start	April 2020	

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Alternative options include using the 2017 – 2020 Third 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 even better outcomes for residents of the city.

4.2 Another option would be to abandon 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 objectives allied to the Joint Strategic Needs Assessment, the Council's 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 create and run a Third Sector Commissioning Prospectus that awards funding via contracts as opposed to grants. This would allow the council to be much more prescriptive about what and how the funding was used for by third sector organisations. However, it would reduce the sector's ability to innovate and flex to the needs of the city over the three year period and reduce the sector's ability to lever in additional money. Through the security of core funding the council's current investment approach has enabled the sector to triple the money.

4.4 A fourth option would be to dismantle the Third Sector Investment Programme and allocate the budget to individual directorates to invest in the sector as best suits their directorate requirements. This option is not recommended because TSC has created service delivery efficiencies through the focussing 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 TSC, ensuring that duplication and double funding are identified and managed effectively.

5 COMMUNITY ENGAGEMENT & CONSULTATION

5.1 In depth engagement with the funded partnerships was carried out as part of carrying out the independent evaluation.

5.2 The cross-party Members Advisory Group (MAG) was informed and consulted about the findings of the evaluation 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 Prospectus providing there was robust and inclusive consultation process with the CVS and the learning from the evaluation was applied.

5.3 A further period of engagement and consultation will take place with the city's community and voluntary sector during the period late January to April 2019.

6. CONCLUSION

6.1 The Evaluation finds the first year of the 2017-2020 TSC success. Identifying the achievement of huge diversity of outcomes achieved for residents, significant additional funding levered from the TSC investment, the exceeding of targets for the number of residents benefitting from the TSC projects, and the low cost per beneficiary of the programme.

6.2 Using the TSC Evaluation learning and findings, and with a comprehensive consultation process, it will be possible to create a new TSC Prospectus that will further deliver to the city's residents and actively support the health of the city's voluntary and community sector.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 In total, including funding via the Council and via the CCG, £2.24m was allocated to the third sector through the TSC programme in 2018-2019. This represents £1.814m from the Communities Equalities and Third Sector budget, £0.070m from Adult Social Care, £0.050m from Public Health and £0.286m from the CCG.

7.2 Funding for the final year (2019/20) of the current TSC programme is expected to be broadly in line with the 2018/19 allocation, but is subject to annual budget approval for both the Council and CCG.

Finance Officer Consulted: Michael Bentley

Date: 11/12/18

Legal Implications:

- 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. The recommendations which the Committee is asked to approve are within its powers.

Lawyer Consulted: Elizabeth Culbert

Date: 07/12/18

Equalities Implications:

- 7.4 An Equality Impact Assessment will be completed as part of the development of the new TSC.

Sustainability Implications:

- 7.5 None

Any Other Significant Implications:

- 7.6 Please see detail in Appendix 1

SUPPORTING DOCUMENTATION

Appendices

1. BHCC & CCG Third Sector Commission First Year Evaluation Report 2018

Background Documents

1. BHCC and CCG Third Sector Commissioning Prospectus 2017-2020.

Appendix 1

Crime & Disorder Implications:

Consideration of any crime and disorder implications facing the city will form part of the decision making for outcomes of the commission.

Risk and Opportunity Management Implications:

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

Public Health Implications:

Public Health considerations will form part of the new commission

Corporate / Citywide Implications:

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

