BRISTOL CITY COUNCIL
CABINET

25 MARCH 2010

Report of: Graham Sims, Director, Neighbourhoods

Title: **Commissioning VCS Infrastructure Support Services**

Ward: Citywide

Officer Presenting Report: Graham Sims

Contact Telephone Number: 23290

RECOMMENDATION

1. That the Council adopts the Commissioning Strategy for Voluntary and Community Sector Infrastructure Support Services recommended in the report.

2. That the Strategy includes a commitment to fund the new VCS Infrastructure Support Services for a minimum of three years with a possibility of a further extension of two years to introduce stability in support for the sector.

3. That the Council agrees a change in use of Investment and Grant Strategy 2008-2011 funding to allow for the possibility of VCS organisations outside Bristol to submit proposals in order to achieve a competitive selection process.

Summary

The report describes the results of a review of the infrastructure support needs of Bristol's Voluntary and Community Sector and proposals to improve the sector's sustainability and effectiveness through more co-ordinated infrastructure support services.

The Commissioning Strategy's key Strategic Goal is the creation of a co-ordinated, coherent, customer-focused set of services with common referral, recording and impact measurement processes and shared quality standards. This will enable the effective demonstration of the accumulated impact of VCS Infrastructure Support Services in supporting a thriving Voluntary and Community Sector in Bristol.

a. Voluntary and Community Sector (VCS) Infrastructure Support Services deliver practical support to VCS groups to enable them to develop their organisational competency and skills to deliver their services. Typically they

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include legal and governance advice; volunteer recruitment and good practice guidance; financial advice and bookkeeping support; a range of training support; good practice guidance on policies; Equalities and community cohesion skills building; fundraising and income generation support; business planning and organisational development support; employment and HR support. They also include the organisation of strategic representation of the sector in the city, networking and information sharing services and provide a platform for the varied voices of the sector to inform policy and development of good practice.

b. Bristol City Council has financially supported a number of organisations through the Community Investment Strategy which deliver different elements of the above services (Voscur; Black Development Agency; Bristol Community Accountancy Project; Volunteering Bristol; Avon and Bristol Law Centre). In addition Health & Social Care grant fund The Care Forum to provide strategic representation & networking to the health & social care VCS.

c. In 2008 the Council decided to move to commissioning VCS Infrastructure support services, including a review of the VCSs priorities for support over the next 5 years, with the intention of purchasing a set of services to meet those needs.

d. Work on developing a Commissioning Strategy began in January 2009. A Needs Assessment, developed through a series of meetings with current providers of VCS Infrastructure Services, took place in Summer 2009. It consisted of an on-line survey, a series of focus groups and interviews with current providers and commissioners. This resulted in a Draft Commissioning Strategy which went out for Consultation from 19 October 2009 to 22 January 2010. The results are reflected in the final Commissioning Strategy and in the Specification which is being developed.

e. The Specification Development Group includes representation from VCS groups and has started work on the Specification (from 12 January). It is taking into account the consultation described below.

h. A recommendation on the funding methodology (procurement or funding agreement/grant) was agreed by the Project Board on 27 January 2010, taking into account advice from Legal Services (see 5.3). The recommendation is to fund the future VCS Infrastructure Support Services via a competitive Funding Agreement process, open to relevant organisations.

i. The Bristol Partnership through the Thriving Neighbourhoods Board has been engaged in the work and discussions are taking place with NHS Bristol about potential additional funding into the work. The BP is represented on the Specification Development Group.

j. The Strategy will include a commitment to fund VCS Infrastructure Support Services for a minimum of three years with a possibility of a further extension of two years to introduce stability in support for the sector.

h. The new Infrastructure support service is anticipated to start delivery from January 2011.

The significant issues in the report are:

a. **The Final Commissioning Strategy has been amended to take account of Consultation Results:** These are reflected in the Final Commissioning Strategy. A general picture of responses can be summarised as follows:

b. The Commissioning Strategy recommends seeking providers of a co-ordinated set of VCS Support Services using a competitive Funding Agreement/Grant process open to national bidders. The Specification for the services is based on delivery around 5 Outcomes to meet the reported needs of VCS groups to help them develop over the next 3-5 years.

c. **VCS groups:** in general VCS groups have mostly welcomed the concepts of co-ordinated set of services and consistent assessment and tracking of needs; mostly welcome 'single main provider' but with reservations about potential creation of a monopoly at the expense of smaller and niche providers.

Some concern expressed that 'nothing will change'.

Some BME groups are very concerned that the needs of BME VCS will not be adequately addressed - although the Consortium Of Black Groups meeting identified particular support areas that need to be delivered by BME providers. Some concern expressed that the future of BDA and other current providers is threatened by the proposal.

d. **Commissioners:** in general Commissioners welcome the co-ordinated delivery and the accountability of a single main provider but are concerned about the potential loss of valued current providers which may emerge out of the unpredictability of a competitive process. The Need to ensure benefit to Equalities Groups emphasised.

e. **Current Providers:** the strongest negative responses are from current providers of VCS Infrastructure support. They are critical of the fact that the Draft Commissioning Strategy proposes a service model, rather than focusing purely on Outcomes; that the model isn't costed but represents an ideal set of services; that the preferred 'single main provider' delivery model may result in increased administration and management costs with a resulting reduction in resources available for delivery; that a single main provider which sub-contracts will upset the equality which currently prevails between providers through the ChangeUp Consortium; That there is insufficient funding going into the proposal to produce a step change in effective support (less than 1% of the total BCC annual spend on VCS organisations)

e. Equalities Impact Assessment: the Final Strategy details how Infrastructure Support Services will have to demonstrate benefit to Equalities Communities VCS groups, in particular to BME and Disabled VCS groups, based on the feedback received during the Consultation process

d. These services will require a financial commitment for a minimum of three years with potential to extend for an additional two years in order to deliver the stability of support which the VCS needs to thrive.

Policy
1. Key Policy and Strategic Drivers within the City which the Project supports

1.1. **Bristol City Council Transforming Business Programme**

Bristol City Council is moving towards becoming a Commissioning Council as part of its Transforming Business Programme. Specifically the Enabling Commissioning Programme aims to deliver the following benefits:

'improved ability to meet the assessed needs of citizens in the best way at the best cost, which can be tracked and demonstrated'

'clarity around the nature, quality and cost of services, which will provide robust justification for each service commissioned'.

Developing a commissioning approach to VCS infrastructure provides the Investment and Grants team within Community Development with the opportunity to apply these benefits to a vital set of services for the Voluntary and Community/Third Sector in the city.

1.2. **Local Area Agreement Designated Target NI 007**

In the LAA 2008-2011 BCC is committed to delivering against National Indicator 007 – Environment for a Thriving Third Sector: 'the contribution that local government and its partners make to the environment in which independent third sector organisations can operate successfully.'

The Delivery Plan to address NI 007 includes a commitment to review the needs of the VCS sector around Infrastructure support, 'including support to organisations led by and delivering to equalities groups (e.g. BME, Disabled people)' and to commission a set of services which are designed to secure the maximum benefit for the sector by addressing their current and future needs.

1.3. **Bristol's Sustainable City Strategy: the 20:20 plan**

The 20:20 plan, the Sustainable City Strategy, includes the following commitment under its Stronger & Safer Communities strand:

We will value and support Bristol's voluntary, community and social enterprise sector (third sector), which enables people to play an active part in their communities, both individually and together. A thriving third sector supports voluntary action for its own sake, promoting social justice, cohesion and opportunity.

Consultation

2. Internal

2.1 During the Needs Assessment in-depth interview were undertaken with all key BCC departments which have service delivery relationships with VCS organisations & the Executive Member for this area of work.

2.2 The Draft Commissioning Strategy has been consulted on internally by questionnaire and a consultation meeting with all key BCC departments.

3. External

3.1 The original Needs Assessment heard from 219 VCS Groups by on-line survey and 76 other groups in focus meetings in the development of the Draft Commissioning Strategy.

3.2 The Consultation on the Draft Commissioning Strategy which was drawn up from the Needs Assessment has gone to external BP partners; on-line feedback form; a series of consultation meetings: 4 general (including additional meeting in response to criticism that there was short notice of the earlier meetings); meetings with all Equalities VCS groups plus additional specialist meeting (COBG; Somali Forum). A total of 15 different consultation events have been held drawing comment from over 80 VCS organisations.

Context

4 Background and context for the Voluntary and Community Sector and VCS Infrastructure Services over the next five years

The VCS Infrastructure Support Services Commissioning Project sits within a coherent national and local strategy and policy context:

4.1. **National Policy**

The current government has placed a strong emphasis on the role of the Third Sector in delivering innovative and effective public services.

4.2. **National Indicator 007: Environment for a Thriving Third Sector**

Bristol's result for the key headline question: *Taking everything into account, overall, how do the statutory bodies in your local area influence your organisation's success?* Was **14.7%** (i.e. 14.7% of survey respondents answered 'very positive influence' or 'positive influence'. This contrasts with a national average of 16. 2%. Bristol now has a target of **19.1%** to achieve over the next two years. This is a target in the city's 2008-2010 Local Area Agreement.

4.3. **Capacity Builders Change Up Programme**

In the South West Region the ChangeUp programme's strategy vision (developed by the South West Infrastructure Development Partnership) is:

'*By 2014 the needs of frontline voluntary and community organisations in the South West will be met by support which is available across the region, structured for maximum efficiency and offering excellent provision which is accessible to all and sustainably funded. Support will be provided in ways which meet the particular needs of groups in urban and rural areas. Support for BME and other equality groups*

through mainstream and specialist provision will be consistent across the region but delivered in ways appropriate to and determined by those communities.'

4.4. **Bristol's Local Area Agreement 2008-2011**

A number of National Indicators within Bristol's LAA are either directly focused on the VCS/Third Sector or can be significantly influenced by investment into the sector: NI007 has already been mentioned above; in addition the VCS can influence delivery around the LAA's Safe and Healthy; Thriving Neighbourhoods; Learning City and Prosperous and Ambitious Indicators.

4.5. **Bristol's 20:20 Sustainable City Strategy 2009-2019**

The 20:20 Sustainable City Strategy sets out a vision for the city with 4 primary Objectives:

·   Reduce health and wealth inequality

·   Raise the aspiration and achievement of our children, young people and families

·   Making our prosperity sustainable

·   A city of stronger and safe communities

The city's VCS impacts on all these Outcomes.

4.6. **Bristol's investment in the Voluntary and Community Sector**

While there are no figures available for the total Statutory sector investment into the VCS in Bristol, the largest funding agency is Bristol City Council. The investment/spend into the VCS by Bristol City Council in 2009/2010 totals **£38,056,676**, funding 267 individual VCS organisations.

One measurable impact of this investment appears in Bristol results from the 2008 Place Survey, where Bristol has a higher rate of regular volunteering at 24.1% of the population than either comparable Core Cities (20%) or the national average (23.2%)

4.7. **Bristol's Neighbourhood Partnerships and Locality Governance Arrangements**

Bristol is moving to strengthen the influence of its 14 Neighbourhood Partnerships and to devolve increasing decision-making powers and budgets to them, increasing both the opportunity and pressure on the VCS to participate at this level. The Children's Trust arrangements have also created Locality Governance arrangements with ambitions to commission services within 10 localities. These too are arenas which the VCS can both influence and potentially benefit from as deliverers of local services.

4.8. **Bristol City Council Transformation agenda and Enabling Commissioning**

The City Council is undergoing a process of organisational and service delivery transformation, a key element of which is its transformation into becoming a Commissioning Council. The City Council is in the process of developing a consistent commissioning practice for its service delivery. This is a potential source of opportunity and threat too for the VCS. There is concern by some within the sector that grant-making to the VCS may be threatened by a shift into procurement by competitive tendering and the sustainability of smaller, niche organisations may be compromised if grants are reduced. The current VCS infrastructure services are actively developing the Compact to negotiate with the Statutory services how 'intelligent commissioning' can preserve the positive impacts of the VCS in the city while offering new opportunities to win contracts and develop the business skills of the sector to thrive within this new environment.

4.9. Challenges and Opportunities facing the VCS over the next five years

4.9.1 The Economy and Recession: It is expected that the squeeze on public finances will impact on funding available to the VCS and through Trusts. Income generation is also under pressure, particularly in deprived neighbourhoods.

4.9.2 Policy developments: Putting People First radically shifts funding from VCS providers to individual budgets, with VCS groups having to market themselves to win customers to survive; Single Equalities Scheme developments will want to consult with the sector; representation through Neighbourhood Partnerships is an opportunity and a pressure.

4.9.3 Demographic changes: new communities arriving and an aging population – community cohesion will continue as a strong theme.

4.9.4 Funding – pressure on reduced public funding, changes to how funding is accessed, through commissioning and competitive tendering and some opportunities for new funding.

4.9.5 Legal and governance: – new legal identities being introduced which VCS groups will want to explore and adopt, increasing need for advice and support

4.9.6 Environment – sustainability and environmental impact will be increasingly demanded of the sector.

Proposal

5. The **Final Commissioning Strategy** proposes the following:

5.1. Issues which the Project is addressing:

5.1.1 6 Infrastructure organisations are currently grant-funded at £402,879 a year (plus @ £45,000 for Children and Young People's networks) to provide 'main offer' VCS Infrastructure services. BCC

wants to use this funding to provide a consciously designed, city-wide set of services around VCS Infrastructure Support.

5.1.2. Changes in how BCC Community Development Teams work means there is less general support for VCS organisations in the city.

5.1.3. The VCS/Third Sector is facing funding changes in the form of commissioning and the challenge of the recession. The new service will be based on what the Sector says it needs to survive and thrive in this new context.

5.2. **Intended benefits of the Project**

5.2.1. A more sustainable VCS sector in Bristol

5.2.2. A stronger voice for the VCS in Bristol

5.2.3 Improved continuity of funding and service planning for Infrastructure Support Services – a minimum three year contract with potential further two years.

5.3 **What the Needs Assessment said:**

The Survey (219 responses) said:

5.3.1. Satisfaction expressed with current information and advice services; training; funding advice, networking, volunteer support and governance and legal support

5.3.2. Improvements asked for include more clarity about the services available; access to services outside work hours; more tailored and more practical services; more specialised support and more awareness on specific equalities issues.

5.3.3. **Key Priorities for future Infrastructure support**

·   Improving funding and financial stability
·   Providing better services
·   Increasing your influence
·   Some Equalities VCS groups have additional priorities

5.3.4. **How the VCS would prefer Infrastructure Support to be delivered**

·   Overall, **face to face**, followed by **On-line and e-mail advice, Training, courses and learning events, tailored training and consultancy, Forums and networking** and **Outreach.**

·   Some Equalities VCS groups do rank these differently – eg. BME VCS prefer face-to-face and outreach styles to on-line support

5.3.5. **Qualities wanted in the delivery of VCS Infrastructure**

support from providers

- Open and transparent
- Flexible and responsive
- Effective at getting Voluntary, Community and Social Enterprise (VCSE) voices heard and listened to by key decision-makers
- Convenient and easy to access
- Reliable and good quality
- Well networked with local groups, agencies and partnerships

5.3.6 Focus Groups and interview respondents said they wanted:

- improved clarity about what services are on offer and easier access to them – a 'one-stop shop' approach
- Have layers of service organised around needs of VCS groups at different stages of their development
- Improved access to Specialist services – eg, HR, buildings support
- Consistent high quality from services and reducing duplication of services
- Explore the correct balance between practical, 'hands-on' support services and influencing/strategically-focused services
- Increase skills around commissioning, tendering for services and partnerships to win contracts
- More tailored work to support equalities VCS groups
- a Community Development type, 'on-going support' service

5.4. VCS Infrastructure Support Services will deliver the following Outcomes

The key Strategic Goal of the Strategy is the creation of a co-ordinated, coherent, customer-focused set of services with common referral, recording and impact measurement processes and shared quality standards. This will enable the effective demonstration of the accumulated impact of VCS Infrastructure Support Services in supporting a thriving Voluntary and Community Sector in Bristol.

Outcome 1
The Bristol VCS has increased Capacity, Sustainability and Quality

The Voluntary and Community Sector in Bristol becomes more effective, efficient and sustainable

Outcome 2
The Bristol VCS is well-informed and well-connected

There is improved information sharing, partnership working and collaboration between VCS organisations and the Business, Public and Social Enterprise sectors

Outcome 3

Bristol VCS groups have a strong and influential voice

There are structured routes for consultation and dialogue within the VCS that enable the diverse voices of the VCS to be heard

VCS Infrastructure support services facilitate dialogue, consultation, influence and feedback.

Outcome 4

The Bristol VCS has Strategic Involvement

The VCS is represented and is influencing planning and policy making at strategic levels as a result of infrastructure support activities

Outcome 5

Bristol VCS groups contribute effectively to meeting the changing needs of communities in the city

VCS groups are supported to develop and innovate to meet changing needs and to identify patterns of need to feed into strategic needs assessments in the city

5.5. Proposed '*Bristol VCS Support Service'* Model (see accompanying diagram in Executive Summary)

The proposed service model is an 'ideal' service. The Specification will define the balance of services, drawing on feedback from the Consultation about how the VCS and commissioners want to prioritise where available funding should be focused.

The key Strategic Goal of the Strategy is the creation of a co-ordinated, coherent, customer-focused set of services with common referral, recording and impact measurement processes and shared quality standards. This will enable the effective demonstration of the accumulated impact of VCS Infrastructure Support Services in supporting a thriving Voluntary and Community Sector in Bristol.

5.5.1 **Service identity and Access into it**: The '*Bristol VCS Support Service'* should have its own 'brand' identity and its own website through which all services can be viewed and accessed. It should be promoted as an integrated support 'offer' to the Bristol VCS. VCS groups should be able to access services through its website, by phone, e-mail, drop-ins and referral. Appropriate accessibility options for disabled users should be in place

5.5.2 **Service Levels**: The '*Bristol VCS Support Service'* should offer the following tiers of service to meet the different needs of groups as they develop:

· **Enquiry and Assessment service:** consistent assessment of need

and referral within the wider service as appropriate; possibly some evening and weekend availability;

· **Community Development 'wrap-around' Service:** support to provide capacity-building on on-going basis to newer groups and developing groups, groups from new communities, equalities VCS and user-led groups; hot-desking and practical support on offer, as well as access to all the specialist support and training

· **Established VCS groups development service:** support with crises, specialist support from HR, fund-finding services etc., training, tailored training packages

· **Established VCS Groups Service:** support with training, tailored training, specialist services

· **Strategic development, Representation, Policy and Sector Promotion:** networking, influencing, advocacy, representation and sector promotion takes place through all levels of the '*Bristol VCS Support Service*'

5.6. Delivery Models for the '*Bristol VCS Support Service*'

5.6.1 The City Council will consider delivery models, including proposals from consortia, which can demonstrate that they can deliver against the Strategic goal of:

The creation of a co-ordinated, coherent, customer-focused set of services with common referral, recording and impact measurement processes and shared quality standards.

5.6.2 **A single Proposal and Lead Organisation**

Regardless of the delivery model that sits behind it, The City Council will require all bids to be presented in a single proposal with a Lead Organisation in place which will co-ordinate delivery .

5.7 Funding Method for the service

5.7.1: Following advice from Legal services the Project Board decided on 27 January 2010 to recommend a Funding Agreement funding method to secure the VCS Infrastructure support services, rather than a procurement method. It is recommended that this should be open to proposals from national VCS organisations in order to explore Best Value, promote contestability and mitigate the risk of

State Aid. The present services are mainly funded under the Community Investment Fund, which is only available to local Bristol-based VCS groups.

5.8: **Specification Development**

5.8.1The Specification Development Group is working to develop the the Specification for these services, picking up feedback from the Consultation

Other Options Considered

6. Potential Delivery Options for the '*Bristol VCS Support Service'*

6.1. **Option one: A Provider Partnership**

Seek a number of provider organisations to provide services into the **Bristol VCS Support Service** model and require them to work together in a confederation to deliver this integrated service model. Potential providers would submit their service proposals separately to Bristol City Council. BCC would enter into separate contractual relationship with each provider and successful organisations would then work together in partnership.

Advantages:

- Enables a number of organisations of different sizes to provide services into the model

Disadvantages

- lack of clarity about who holds overall responsibility for successful delivery of the service

- requires considerable input from BCC to contract manage a lot of providers and to ensure that the partnership working delivers the service model

- strong risk of the integrated delivery set out in the **Bristol VCS Support Service** model being frustrated by the complexities of negotiating delivery within a partnership

- Strong risk of conflicts arising between the delivery goals of the integrated service and the individual organisational goals of the separate providers, requiring considerable input to negotiate

6.2. **Option Two: Single Main Provider Organisation**

Seek proposals from a single main provider organisation which negotiates sub-contracting relationships with other providers to deliver the **Bristol VCS Support Service** model. The Bristol City Council enters into a single contract with the main provider organisation which is responsible for co-ordinating delivery of the entire service. BCC has one contractual relationship and contract management arrangements with the single main provider

Advantages:

- Enables a number of organisations of different sizes to provide services into the model, subject to them being selected by the main provider organisation

- There is clarity about responsibility for management of the integrated service with the main provider organisation, increasing the likelihood of successful delivery of the model

- BCC has a clear Contract Management role in relation to the single main provider focused on setting Outcomes and their delivery

- Accountability for the service delivery lies with the single main provider which manages relationships with its sub-contracting organisations

Disadvantages:

- This model represents a big change in the culture of VCS Infrastructure delivery in the city and the relationships between different provider organisations and may be difficult for them to negotiate sub-contracting relationships with a main provider organisation.

- Single main provider organisations has to hold considerable responsibility for delivery standards and holding sub-contractors to account for their delivery which may be off-putting to potential main provider organisations

- Proposing this as the preferred delivery method in the Draft Commissioning Strategy was strongly criticised as contrary to good practice

Risk Assessment
7. Key Risks:

7.1. Future Pressures on resources over the coming 3/5 years: impacts would include reduced service support to the city's VCS during a very difficult period; potential reduction in NI7 score. **Mitigating actions:** The Specification and Funding Agreement will be written to build in flexibility to allow for different funding levels.

7.2. The transition from the current Infrastructure delivery to the new set of services may not be smooth, risking disruption in support to VCS groups. Mitigating actions: within the Specification ask tenderers to to set out how they will manage the transition

Equalities Impact Assessment

8. The Consultation on the Draft Strategy focused on the needs of Equalities VCS groups as a priority. The results are reflected in the Part 2 EIA which is part of the final Commissioning Strategy. The EIA particularly focuses on the impact on BME and Disabled VCS groups,

but all Equalities Groups have indicated ways the VCS Infrastructure support services can be commissioned in order to improve benefit to them. These are being taken up in Specification Development.

Environmental checklist - see attached
The significant impacts of this proposal are

Both Infrastructure Support Service provider(s) and Bristol VCS groups will:

- Consume electricity, water, gas, non-renewable materials and transport fuel
- Produce waste
- Potentially cause pollution and impact upon biodiversity.

The proposals include the following measures to mitigate the impacts

The specification and selection process will include appropriate requirements to ensure that Infrastructure Support Service provider(s) take active steps to:

- Reduce their own impacts
- Signpost VCS groups to best practice advice
- Raise performance levels of VCS groups in this area and report their progress.

The advice of the Departmental Environmental adviser will be used to develop the specification and selection process

The net effects of the proposals are

Although difficult to quantify at this stage, it is anticipated that the environmental impact of Infrastructure Support Service provider(s) and VCS groups will be reduced as a result of the mitigation measures that are included as part of this proposal.

Verified by Alex Minshull 19th February 2010, Environment and Sustainability

Legal and Resource Implications

Legal

1.1 Because this is support to the Voluntary and Community Sector rather than to service users or service needs, this expenditure can only be incurred under the well-being power in the Local Government Act 2000. This gives power to do anything the Council considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

1.2 Before incurring any expenditure under this power, the Council must take into account its own community strategy under s 4 of that act. Para 13 of the current version of that strategy includes a commitment to value and support the city's third sector.

1.3 Because of the way the third sector works, that most organisations

providing support to it are themselves third sector entities, the involvement of some charities, and the nature of the relationships being supported and by which support will be given, conventional procurement is not suitable and not really compatible with this project.

1.4 Nevertheless, in selecting one entity to provide the support, the Council needs to ensure that (inter alia)

1.4.1 The selection method does not infringe European Union rules on State Aid;

1.4.2 The entity selected has the power to enter into an agreement with the Council to provide the full range of funded activities; and

1.4.3 It is clear that all those actually providing infrastructure support services owe their primary duties to the organisations actually receiving the services and that the Council does not owe any duties to them in respect of these activities.

(Advice provided by Dru Brooke-Taylor for Head of Legal Services)

Financial

(a) Revenue

The report acknowledges the difficulties around committing to funding for a minimum of 3 years. This is a critical issue which is being addressed by the Third Sector Commissioning Select Committee via their oversight of the Enabling Commissioning Programme.

The consolidated infrastructure arrangement will be let and managed within existing grant management resources. Through consolidation of the grants there may be a small saving to the Council through a single point of contact (infrastructure grants are currently made from two directorates to 6 organisations).

The potential for legal challenge has been raised in the report. This could have significant financial implications as evidenced by recent cases in other authorities (eg: Ealing Council).

The report draws attention to the opportunities for funding from other Bristol Partnership Agencies.

(b) Capital

No capital implications

Land

Not applicable

Personnel

Not applicable

Simon Bowker, Finance Business Partner

Appendices:
Commissioning Strategy Executive Summary v1.1

Appendix A: VCS Main Offer Infrastructure Support Service Funding 2008/2009 & 2009/2010

The Final Commissioning Strategy for VCS Infrastructure Support Services can be viewed at www.bristol.gov.uk/vcssupport

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
Background Papers:**
Local Government Act 2000 ss 2-4, Office of Public Sector Information (www.opsi.gov.uk/acts/acts2000/ukpga_20000022_en_1)

Bristol 20:20 Plan (Sustainable City Strategy) (www.bristolpartnership.org)

Draft Commissioning Strategy for Voluntary and Community Sector Infrastructure Support Services V.1.1 October 2009
(www.bristol.gov.uk/vcssupport)

National Survey of Third Sector Organisations 2008 (www.nstso.com)

Cabinet Office of the Third Sector
(www.cabinetoffice.gov.uk/third_sector/about_us.aspx)
Destination 2014 Our strategy for the delivery of ChangeUp
(www.changeup.org.uk/documents/Destination2014.pdf)

Infrastructure Strategy South West
(www.southwestforum.org.uk/index.php?content=isp_issw)

Bristol ChangeUp Consortium Infrastructure Business Plan 2008-2011
(www.changeupbristol.org.uk/system/files/WSbustemplate2.pdf)
Bristol's Local Area Agreement 2008-2011 (www.bristolpartnership.org/laa-a-caa)
Putting People First in Bristol (www.bristol.gov.uk/ccm/content/Health-Social-Care/ppfb/putting-people-first-in-bristol.en)
Hearts and Minds: Commissioning from the Voluntary Sector Audit Commission (www.audit-commission.gov.uk/nationalstudies/localgov/Pages/heartsandminds.aspx)

Financial relationships with third sector organisations. A decision support tool for public bodies in England
(www.nao.org.uk/guidance_and_good_practice/toolkits/better_funding.aspx#toppage)

Final Commissioning Strategy for Voluntary and Community Sector Infrastructure Support Services

Executive Summary

The Final Commissioning Strategy is the result of a Needs Assessment which Bristol City Council's Community Development Investment and Grants Team did as part of the Commissioning VCS Infrastructure Support Project and Consultation on a Draft Commissioning Strategy which set out the City Council's proposals in response to the Needs Assessment. The Draft Strategy was out for consultation from 19th October 2009 to 22nd January 2010.

This Commissioning Strategy represents the final proposal for commissioning VCS Infrastructure support and informs the Cabinet Report which will be presented to Bristol City Cabinet on 25th March 2010. Bristol City Council is proposing to commission these services to start from Quarter 4 2010/2011.

1. **Issues which the Project is addressing:**

   1.1. 6 Infrastructure organisations are grant-funded at £402,879 a year (plus @ £45,000 for Children and Young People's networks) to provide 'main offer' VCS Infrastructure services. BCC wants to use this funding to provide a consciously designed, city-wide set of services around VCS Infrastructure Support.
   1.2. Changes in how BCC Community Development work means there is less support for VCS organisations in the city
   1.3. The VCS/Third Sector is facing funding changes in the form of commissioning and the challenge of the recession. The new service will be based on what the Sector says it needs to survive and thrive in this new context.

2. **Intended benefits of the Project**

   2.1. A more sustainable VCS sector in Bristol
   2.2. A stronger voice for the VCS in Bristol
   2.3. Improved continuity of funding and service planning for Infrastructure Support Services – a minimum three year contract with potential further two years.

3. **Needs Assessment Methods used**
   3.1. A Survey: 219 VCS groups responded
   3.2. Focus Groups: 99 people attended, representing 79 organisations.
   3.3. In-depth interviews: with current providers, statutory funders and commissioners

4. **Consultation Methods used**
   4.1. An online response form: 13 VCS groups responded
   4.2. General and Equalities-specific Consultation meetings and consultation through existing Equalities VCS events: 80 organisations were represented at 15 consultation events
   4.3. Written representations received: 4 written responses received
   4.4. Responses from service commissioners: NHS Bristol; Government Office of the South West; BCC Childrens and Young People Services; BCC Health and Social Care; BCC Economic Regeneration

5. **Context in which VCS Support will operate over the next five years**
   - The Economy and Recession

- Policy developments: Putting People First; Single Equalities Scheme; shift to commissioning and contracting and changing ways of funding the VCS
- Demographic changes: new communities arriving and an aging population – community cohesion will continue as a strong theme.
- Funding – pressure on reduced public funding, changes to how funding is accessed, through commissioning and competitive tendering and some opportunities for new funding
- Legal and governance: – new legal identities being introduced which VCS groups will want to explore and adopt
- Environment – sustainability and environmental impact will be reflected in quality service provision

6. Needs Assessment Headline results

The Survey said:

6.1. Satisfaction expressed with current information and advice services; training; funding advice, networking, volunteer support and governance and legal support
6.2. Improvements asked for include more clarity about the services available; access to services outside work hours; more tailored and more practical services; more specialised support and more awareness on specific equalities issues.

6.3. **Key Priorities for future Infrastructure support**
- Improving funding and financial stability
- Providing better services
- Increasing your influence

- Some Equalities VCS groups have additional priorities

6.4. **How the VCS would prefer Infrastructure Support to be delivered**
- Overall, **face to face**, followed by **On-line and e-mail advice, Training, courses and learning events, tailored training and consultancy, Forums and networking** and **Outreach.**
- Some Equalities VCS groups do rank these differently – eg. BME VCS prefer face-to-face and outreach styles to on-line support

6.5. **Qualities wanted in the delivery of VCS Infrastructure support from providers**
- Open and transparent
- Flexible and responsive
- Effective at getting Voluntary, Community and Social Enterprise (VCSE) voices heard and listened to by key decision-makers
- Convenient and easy to access
- Reliable and good quality
- Well networked with local groups, agencies and partnerships

Focus Groups and interview respondents said they wanted:

6.6.
- improved clarity about what services are on offer and easier access to them – a 'one-stop shop' approach
- Have layers of service organised around needs of VCS groups at different stages of their development

- Improved access to Specialist services – eg, HR, buildings support
- Consistent high quality from services and reducing duplication of services
- Explore the correct balance between practical, 'hands-on' support services and influencing/strategically-focused services
- Increase skills around commissioning, tendering for services and partnerships to win contracts
- More tailored work to support equalities VCS groups
- a Community Development type, 'hand-holding' service

7. Consultation Headline Results
Summary of responses

VCS groups:	City Council response:
In general mostly welcome concepts of co-ordinated set of services and consistent assessment and tracking of needs; mostly welcome 'single main provider' – that is, the idea of co-ordination of the infrastructure support offer - but with reservations about potential creation of a monopoly or dominant organisation.	In response to consultation, City Council is no longer preferring a particular delivery model; is happy to accept consortia proposals but all bids should be in a single bid with a clear Lead Organisation
Some concern expressed that 'nothing will change'; has the decision already been made	The City Council is taking most suggestions forward to the Specification Development Group to be reflected in the Specification
Some BME groups are very concerned that the needs of BME VCS will not be adequately addressed - although the Consortium Of Black Groups meeting identified particular support areas that need to be delivered by BME providers. Some concern expressed that the future of BDA is threatened by the proposal	The City Council accepts that BME representation should be delivered through BME channels; accepts that cultural competence is essential in delivery of services to BME communities and will assess proposals against their effectiveness to do this
Commissioners: in general Commissioners welcome the co-ordinated delivery and the clear accountability for service delivery. Need to ensure benefit to Equalities Groups emphasised.	The City Council is working more closely with strategic partners to explore increased funding of the Infrastructure services and to work together to design the Specification and selection process
Current Providers:	
They are critical of the fact that the Draft Commissioning Strategy proposes a service model, rather than a purely Outcomes-based process	The City Council is focusing Specification development on Outcomes; however the model proposed does express ideas derived from the Needs Assessment; The specification will not require replication of it but that a co-ordinated model is proposed within available resources.
that the preferred 'single main provider' delivery model will result in increased administration and management costs with a resulting reduction in resources available for delivery	City Council is no longer preferring a particular delivery model; is happy to accept consortia proposals but all bids should be in a single bid with a clear Lead Organisation. The City Council is exploring increased funding of the Infrastructure services.
That there is insufficient funding going into the proposal to produce a step change in effective support (less than 1% of the total	The City Council is exploring increased funding of the Infrastructure services

BCC annual spend on VCS organisations)	
that the model isn't costed but represents an ideal set of services	The Specification will specify minimum levels of service and indicate the spread of investment between direct support and representation services
Re-draft the commissioning strategy to be 'outcomes-led' and go back out for a further 3 months of consultation.	The City Council does not accept this request
If not, would like to see NHS Bristol play an active part in Project Board	The City Council accepts this – NHS Bristol are represented on both the Project Board and the Specification Development Group
Delay the release of the VCS Infrastructure Commissioning until the Third Sector Strategy has been agreed and adopted by Bristol Partnership	The City Council does not accept this request – they are developing together
Have a longer timetable to allow consortia to be formed	The City Council accepts this and has build in time and some support for this
Want to see the services funded by Grant/Funding Agreement	The Cabinet report recommends this as most appropriate to the nature of the relationship being created. Recommends the opportunity being open to organisations outside Bristol to get a competitive selection process
Want acknowledgement that some current providers bring in additional funding to add to the BCC funding they receive to enhance services.	The City Council accepts this and wishes to work with the service providers to support maximise the opportunities to bring additional funding into the city
That Council can demonstrate how all equalities perspectives will be reflected in the Specification	The Consultation produced a wide range of recommendations which are referred to the Specification Development Group to be taken up
That a single provider can't reflect BME needs and want to know how they would meet their RRA duties	The City Council will expect providers to comply with Race Equality and any other Equality duties that apply to public bodies. This will be made clear in the Specification.
Want to be assured that the decisions are not already taken – that the consultation period will influence the final Strategy	The City Council has made changes as a result of the Consultation

8. Proposed Service Model and Delivery method

8.1. Proposed VCS Infrastructure Service Outcomes

The key Strategic Goal of the Strategy is the creation of a co-ordinated, coherent, customer-focused set of services with common referral, recording and impact measurement processes and shared quality standards. This will enable the effective demonstration of the accumulated impact of VCS Infrastructure Support Services in supporting a thriving Voluntary and Community Sector in Bristol.

Outcome 1: The Bristol VCS has increased Capacity, Sustainability and Quality

Outcome 2: The Bristol VCS is well-informed and well-connected
Outcome 3: Bristol VCS groups have a strong and influential voice
Outcome 4: The Bristol VCS has Strategic Involvement
Outcome 5: Bristol VCS groups contribute effectively to meeting the changing needs of communities in the city

8.2. **Proposed *'Bristol VCS Support Service'* Model** (see accompanying diagram)
The proposed service model is an 'ideal' service. The Specification will define the balance of services, drawing on feedback from the Consultation about how the VCS and commissioners want to prioritise where available funding should be focused.

- **<u>Service identity and Access into it</u>**: The *'Bristol VCS Support Service'* should have its own 'brand' identity and its own website through which all services can be viewed and accessed. It should be promoted as an integrated support 'offer' to the Bristol VCS. VCS groups should be able to access services through its website, by phone, e-mail, drop-ins and referral. Appropriate accessibility options for disabled users should be in place

- **<u>Service Levels</u>**: The *'Bristol VCS Support Service'* should offer the following tiers of service to meet the different needs of groups as they develop:

- **Enquiry and Assessment service:** consistent assessment of need and referral within the wider service as appropriate; possibly some evening and weekend availability;

- **Community Development 'wrap-around' Service:** support to provide capacity-building on on-going basis to newer groups and developing groups, groups from new communities, equalities VCS and user-led groups; hot-desking and practical support on offer, as well as access to all the specialist support and training

- **Established VCS groups development service:** support with crises, specialist support from HR, fund-finding services etc., training, tailored training packages

- **Established VCS Groups Service:** support with training, tailored training, specialist services

- **Strategic development, Representation, Policy and Sector Promotion:** networking, influencing, advocacy, representation and sector promotion takes place through all levels of the *'Bristol VCS Support Service'*

8.3. **Delivery Models for the '*Bristol VCS Support Service'* Model**

The City Council will consider delivery models, including proposals from consortia, which can demonstrate that they can deliver against the Strategic goal of:

 The creation of a co-ordinated, coherent, customer-focused set of services with common referral, recording and impact measurement processes and shared quality standards.

8.4 **A single Proposal and Lead Organisation**

Regardless of the delivery model that sits behind it, The City Council will require all bids to be presented in a single proposal with a Lead Organisation in place which will co-ordinate delivery.

8.5 The *Bristol VCS Support Service* must deliver effective, outcome-evidenced support to BME-led; Disabled-led and other Equalities-led VCS groups.

9. Funding Method for the service

Following advice from Legal services the Project Board decided on 27th January 2010 to recommend a Funding Agreement funding method to secure the VCS Infrastructure support services, rather than a procurement method. It is recommended that this should be open to proposals from national VCS organisations in order to explore Best Value, promote contestability and mitigate the risk of State Aid. The present services are mainly funded under the Community Investment Fund, which is only available to local Bristol-based VCS groups.

10. Commissioning VCS Infrastructure Support Project activities timetable, March to January 2011

The following key activities will take place during the period March 2010 to the beginning of January 2011:

Cabinet decision on Commissioning Strategy: 25th March 2010
Specification approval: End of April 2010
Potential Provider meetings and Consortia development support: April/May 2010
Issue of Specification and invitation for proposals: June
Deadline for proposals: mid-August
Selection and appointment of new providers: September 2010
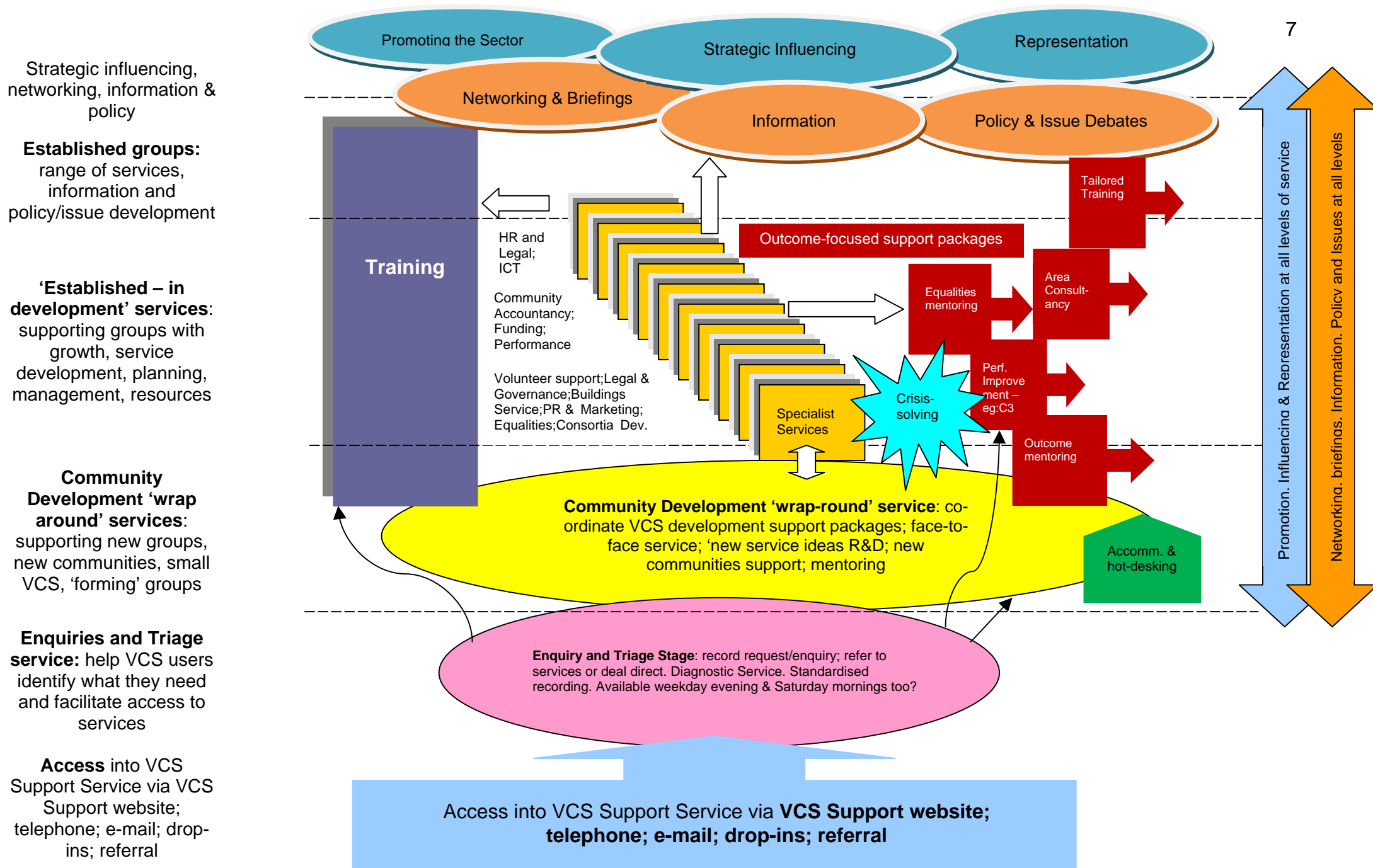**Contract negotiation and preparation:** October-December 2010
New contract begins: January 2011

11. The Final Commissioning Strategy

The full Final Commissioning Strategy is online at the following website:

www.bristol.gov.uk/vcssupport

Strategic influencing, networking, information & policy

Established groups: range of services, information and policy/issue development

'Established – in development' services: supporting groups with growth, service development, planning, management, resources

Community Development 'wrap around' services: supporting new groups, new communities, small VCS, 'forming' groups

Enquiries and Triage service: help VCS users identify what they need and facilitate access to services

Access into VCS Support Service via VCS Support website; telephone; e-mail; drop-ins; referral

Promoting the Sector

Strategic Influencing

Representation

Networking & Briefings

Information

Policy & Issue Debates

Training

HR and Legal; ICT

Community Accountancy; Funding; Performance

Volunteer support;Legal & Governance;Buildings Service;PR & Marketing; Equalities;Consortia Dev.

Outcome-focused support packages

Tailored Training

Area Consult-ancy

Equalities mentoring

Perf. Improvement – eg:C3

Specialist Services

Crisis-solving

Outcome mentoring

Accomm. & hot-desking

Community Development 'wrap-round' service: co-ordinate VCS development support packages; face-to-face service; 'new service ideas R&D; new communities support; mentoring

Promotion. Influencing & Representation at all levels of service

Networking. briefings. Information. Policy and Issues at all levels

Enquiry and Triage Stage: record request/enquiry; refer to services or deal direct. Diagnostic Service. Standardised recording. Available weekday evening & Saturday mornings too?

Access into VCS Support Service via **VCS Support website; telephone; e-mail; drop-ins; referral**

Appendix A: VCS Main Offer Infrastructure Support Service Funding 2008/2009 & 2009/2010

Organisation	Services funded	Amount in 2008/2009	Amount in 2009/2010*	By whom:
Black Development Agency	BME-specific Services: Information service (inc. newsletters), development support, funding advice, finance forum, office services, support accountable structures for Partnership, facilitate consultations, members network, training needs survey, training delivery, regional and national strategic & training forums.	£123,871	£125,729	Community Development (N'hoods)
Voscur	Information service (inc. newsletters), development support, funding advice, finance forum, office services, support accountable structures for Partnership, facilitate consultations, members network, training needs survey, training delivery, regional and national strategic & training forums.	£160,000	£162,400	Community Development (N'hoods)
The Care Forum	Information, representation, support of VCS 'reps, networks, consultation – health & social care specific.	£30,089	£30,841	Health and Social Care
Bristol Community Accountancy Project	Telephone helpline for frontline orgs, website with FAQs, legislative changes communicated to orgs.	£12,389	£12,574	Community Development (N'hoods)
Volunteering Bristol	Promote volunteering through outreach and fairs. Maintain & promote database. Increase by 50% no. volunteers from disadvantaged groups. Programme of network meetings and seminars for groups. Provide volunteer framework and standards for new orgs.	£45,366	£46,046	Community Development (N'hoods)
Avon & Bristol Law Centre	Community Groups Legal Advice & training – charity law and roles & responsibilities of management cttees.	£24,916	£25,289	Community Development (N'hoods)
	TOTAL CONTRACT VALUE	**£396, 631**	**£402,879**	
Voscur	Voluntary and Community Sector Children and Young Peoples Network	£20,000	£38,000***	Connexions YPS (now CYPS managed contract)
The Care Forum	Children and Young People's Voluntary Sector Network for Bristol	Region of £25,000 p/a	£46,000****	NHS Bristol
	Total Value of CYPS contracts**	**@ £45,000**	**£84,000**	
	* pro-rata from April 2009 to end September 2010			
	** Subject to a separate, but related commissioning process which is being undertaken by CYP&S			
	*** covers period April 2009 – June 2010			
	**** covers period April 2009 – June 2010, plus funding for VCS Back-filling Project			