



**Committee: CABINET**

**Date: TUESDAY, 6 OCTOBER 2015**

**Venue: MORECAMBE TOWN HALL**

**Time: 6.00 P.M.**

## **A G E N D A**

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 1<sup>st</sup> September, 2015 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 10 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None

Reports

6. **Cable Street Lease Termination – Relocation of Council Housing Offices (Pages 1 - 4)**

**(Cabinet Member with Special Responsibility Councillor Bryning)**

Joint Report of Chief Officer (Resources) & Chief Officer (Health & Housing)

7. **Storey- Tasting Garden (Pages 5 - 10)**

**(Cabinet Member with Special Responsibility Councillor Hanson)**

Report of Chief Officer (Environment)

8. **Voluntary, Community and Faith Sector - Future Commissioning Arrangements (Pages 11 - 18)**

**(Cabinet Member with Special Responsibility Councillor Pattison)**

Report of Chief Officer (Governance)

9. **Canal Corridor North Development**

**(Cabinet Member with Special Responsibility Councillor Hanson)**

Report of Chief Executive (Report to follow)

## **ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Abbott Bryning, Darren Clifford, Karen Leytham, Richard Newman-Thompson, Margaret Pattison and David Smith

**(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

**(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

MARK CULLINAN,  
CHIEF EXECUTIVE,  
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Published on Thursday, 24<sup>th</sup> September, 2015.

<b>CABINET</b>
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**Cable Street Lease Termination –  
Relocation of Council Housing Offices  
06 October 2015**

**Report of Chief Officer (Resources) and Chief Officer (Health  
and Housing)**

<b>PURPOSE OF REPORT</b>			
To advise Members of the relocation of council housing services away from Cable Street and into Lancaster Town Hall, given the forthcoming early termination of the lease and as part of the rationalisation of accommodation to deliver efficiencies.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
		<b>Referral from Officer</b>	<input checked="" type="checkbox"/>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public.</b>			

**OFFICER RECOMMENDATION:**

1. **That Cabinet notes and endorses the arrangements for relocating Council Housing Services currently provided from Cable Street, Lancaster, into Lancaster Town Hall, in view of the early termination of the lease.**

1 **Report**

- 1.1 Within the Corporate Plan, as one of its success measures the Council aims to “rationalise our property holdings, to deliver better value for money”.
- 1.2 Cabinet may be aware that for a number of years, Council Housing Services have been based at Cable Street, Lancaster. The property is not owned by the Council; but currently occupied under a 9 year lease, which is due to end in October 2016.
- 1.3 Much has changed in terms of service provision in the intervening years, including customer service arrangements, and clearly financial pressures have increased enormously in that time. Linked to this, and the need to rationalise the property portfolio, for some time there has been a working assumption that on the termination of the Cable Street lease, relevant services would be relocated within Lancaster Town Hall.

- 1.4 Recently, however, the landlord of the Cable Street property has been in negotiations with another party regarding redevelopment of the property. The upshot of this is that subject to the sale being agreed, Officers have verbally agreed to the early termination of the lease between the City Council and the landlord and at the time of writing all the indications are that this will happen before Christmas 2015. This means that the City Council will save on rent and service charges for the remaining term of the lease and also avoid any potential liabilities in respect of dilapidations (that is, the works required to leave the property in a good state of repair and decoration, as is generally required under such a lease).
- 1.5 Officers have already determined that there is sufficient space within Lancaster Town Hall to accommodate staff. Although it is envisaged that further moves and property works will be required at the Town Hall over time, existing specific facilities (such as customer services receptions areas, interview facilities, etc) are considered adequate to meet current needs.
- 1.6 The relocation of Council Housing Services will inevitably pose some short term disruption and incur some minor one-off costs, but nonetheless, overall it presents real opportunities to improve overall customer service in due course, through better co-ordination and integration, as well as delivering ongoing efficiency savings for both Council Housing Services and General Fund. Some of these savings (the property driven ones) will be immediate; other organisational proposals will take a little longer to develop.
- 1.7 Good planning, management and communication of the changes, for customers, staff and other stakeholders alike will be crucially important if the move is to go smoothly, and Officers are already working on these aspects. The production and consideration of this report is an important first step.
- 1.8 The move also represents a positive step in property and accommodation rationalisation, in line with corporate aims and objectives.

## **2 Options and Option Analysis**

- 2.1 Unusually, there are no options presented for Cabinet's consideration; this report is for information only. Officers have accepted terms for the termination of the lease under delegated powers, on the basis that there is no case for not doing so. Furthermore, as there is sufficient space within Lancaster Town Hall to accommodate staff and services, there are no alternative options presented in that regard.

## **3 Details of Consultation**

- 3.1 There has been no formal consultation undertaken given the circumstances. The negotiations with the property landlord have been bound by commercial sensitivity.

## **4 Officer Preferred Option**

- 4.1 In the circumstances, Cabinet is recommended only to note and endorse the planned relocation of services.

**RELATIONSHIP TO POLICY FRAMEWORK**

As outlined in the report, the proposal fits with current corporate aims regarding property rationalisation and securing value for money.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability etc)**

There are no significant impacts expected arising from the relocation, given that in distance terms, the physical move is relatively small and Lancaster Town Hall already has adequate facilities to meet relevant needs.

**FINANCIAL IMPLICATIONS**

As a result of the lease terminating early, overall the Council will save c£20K in the current year and c£82K annually thereafter in respect of rent and service charges on the Cable Street property. Furthermore, any potential liabilities for dilapidations will be avoided.

There will be one-off incidental costs arising from the move, potentially including those in relation to moving ICT equipment. Such costs are not expected to be significant and these can be met from existing budgets.

In terms of where the savings will fall (between Council Housing and General Fund), both are expected to benefit, as an appropriate proportion of Lancaster Town Hall costs will be recharged into Council Housing, but at this point in time it is not possible to quantify the share of savings for each Fund. This will be calculated and reported in due course, through financial monitoring and/or the budget.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources/Information Services/Property/Open Spaces:**

Property matters are covered in the report.

**HR Comment:** The terms under which all Council employees are engaged, provide for staff to operate from any Council site within the district. That said, early consultation with staff and trade unions will ensure the motivation for the move and time frame in which we must operate are clearly understood. This process will help towards ensuring staff are fully engaged both during and after the relocation process. All accessibility issues will be addressed as part of the relocation planning process. It is anticipated that on vacating the building, cleaning support arrangements will no longer be required at Cable Street. Therefore, consultation with the staff affected by the cessation of this work, and the Trade Unions has commenced. Due to the contractual arrangements of the staff affected and options for redeployment, where appropriate, it is not expected that any redundancy will arise out of the closure of the Cable Street Office.

**ICT Comment:** There will be no additional ICT equipment required for this move as the existing equipment will be moved and reused. There will be an annual saving on connection to Cable Street but this may not be realised before 2016/17 due to the notice period required for disconnection. Some phone lines will need to be moved. Some additional ICT staff may be required to assist with the movement of equipment. This will cost up to £3k.

**SECTION 151 OFFICER'S COMMENTS**

The S151 Officer has produced this report, which is in her name in part (as Chief Officer (Resources)).

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have confirmed that they will deal with any necessary documentation to document the early termination of the lease.

**DEPUTY MONITORING OFFICER'S COMMENTS**

The Deputy Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

None

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<b>CABINET</b>
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**STOREY- Tasting Garden  
6<sup>th</sup> October 2015  
Report of Chief Officer (Environment)**

<b>PURPOSE OF REPORT</b>			
To seek a decision on the future of the tasting garden			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
		<b>Officer Referral</b>	<b>X</b>
<b>Date of notice of forthcoming key decision</b>	NA		
<b>This report is public</b>			

**RECOMMENDATIONS OF CHIEF OFFICER (Environment)**

- (1) That Cabinet decides 'in principle' on the best option for the future of the Storey Tasting Garden.
- (2) That once an in principle decision has been made further reports on the how the decision will be delivered will be brought back to Cabinet, as required, and during the current budget process as appropriate.

**1.0 Introduction**

1.1 Following consideration of the report 'Storey- Tasting Garden' at Cabinet (2nd December 2015) the following decisions were made-

- (1) *That a further report be prepared with information on governance/land ownership issues, and a timescale together with a masterplan with two options: one option being the reinstatement of the artwork, the other a more broadly based opportunity for people to use the Storey Gardens.*
  - (2) *That if following consideration of the report and masterplans, the decision is taken to restore the Tasting Gardens, the Council will not look to do that itself but would expect the supporters of the Tasting Gardens to undertake this recognising that there would be a cost implication to the City Council which would be responsible for any ongoing maintenance costs.*
- 1.2 The work on the two masterplans is currently underway. Cllr Blamire has however requested that an early report be brought to Cabinet so that positive direction on their preference for the future of the gardens can be provided.

- 2.0 Part of the Council's ethos as set out in the corporate plan is that of stewardship. This involves ensuring the social, economic and environmental wellbeing of the local area. In practice active stewardship involves a number of things including taking the key role in engaging, co-ordinating and mobilising other public, private and voluntary bodies in delivering the council's strategic objectives for the place. How stewardship is exercised is a local issue and needs to be determined by the Council in partnership with local citizens.
- 2.1 The Council has a clearly defined interim strategy for the Storey Institute up to 2017/18, and this includes the recognition that the gardens are an integral part of the business plan for the facility. Prior to 2017/18, a formal review must be completed to evaluate performance and take account of any changing circumstances, particularly at the Castle.
- 2.2 As a means of promoting economic growth in the District, the Council directly contributes to a number of artistic and cultural activities.
- 2.3 Since the writing of the report in December 2014 there is now more certainty as to the financial future of Local Government. This being that the future financial position of the Council is very bleak with the need to reduce overall spending by up to £4million per year.
- 2.4 Based on previous reports and meetings with interested parties there are essentially two different views as to the future use of the Tasting Garden-
- That Mark Dion's art installation is reinstated
  - That the Tasting Gardens is 'developed' to a Masterplan as a garden that complements the Storey Institute and can be enjoyed by the public-when the Storey is open.
- 2.5 Neither option has either funding or resource allocated to it presently. Cabinet's intention with regards to first option was that it would need to be funded externally and the fundraising and subsequent bidding would need to be undertaken by the community group who desired to see this option.

### **3.0 Proposal Details**

- 3.1 It has already been established that Mark Dion's artwork cannot be replicated in another location in the District.
- 3.2 Parties interested in restoring the artwork tell us that funding may be available for restoration of the artwork in its current location.
- 3.3 With regards to external funding the usual model is that for a community group to make a bid; what it requires is the support of the landowner and an assurance that ongoing maintenance and revenue costs will be covered in the future. Clearly the ongoing maintenance and revenue costs could be covered by the community group that submitted the project but generally any funder would want reassurance that in the event this was not sustained the landowner would take over the liability.
- 3.4 As was made clear in the previous report there is a polarisation of views on this subject, and there still is. In essence some people would like to see the art installation restored to how it was originally intended. Some take the view that this is unrealistic and the best thing to do is to make the best use of this space in a way that it can be enjoyed by our citizens and complement the wider business plan of the Storey Institute.
- 3.5 Restoring the art work and then ensuring the Tasting Garden could be enjoyed by our citizens and complement the wider business plan of the Storey Institute is clearly the ideal solution, although based on the current financial context of



the Council not necessarily a realistic one.

- 3.6 It needs to be remembered that the reason why the artwork and garden is in its current condition is not because the Council has been neglectful in its duties but because for a significant period, the Storey was undergoing refurbishment and thereafter, it was outside of the Council's direct management and control. There appears to have been no major outcry regarding the condition of the Tasting Gardens during this time. Furthermore, over many years now the Council has been forced to make very difficult decisions on how it prioritises its scarce resources, and this situation will continue for the foreseeable future
- 3.7 The harsh realities of the process of prioritisation of resources become more and more apparent as funding available to Local Government is further and further reduced. The reality is that the Council will be forced to cut or cease all together the provision of some services. This will have a very real impact on our citizens. It will also provoke debates about where the Council should be focussing diminishing resources. Therefore, this issue provides an example of the difficult decisions that Councils are forced to make, albeit one that will not have as detrimental an impact on our citizens as some of the others that will be required further on.
- 3.8 In determining the best way forward in this situation Cabinet have the following options-
- 3.9 **OPTION 1- Consider that restoration of the artwork is a priority for the Council and that in its role as a steward the Council should properly lead on it.**

In order to arrive at this option Cabinet would need consider the following-

- What actual evidence is there that this is generally what our citizens want?
- How would the restoration be funded? If the Council was to allocate resources for the Garden, in effect they would need to be redirected from another initiative or activity. Realistically, the Council does not have the resources to directly fund restoration and if so, external funds would need to be raised. We have been told that there are likely to be funds available out there. Experience tells us that obtaining external funding is a complicated and time consuming exercise and match funding may well be required.
- How would the project be resourced? As stated above just raising the funds is likely to be time consuming and complicated. Due to the need to prioritise and focus on core activities the Council does not currently have available officer time or expertise that could be allocated to this, if such a route was chosen. Therefore, in theory Cabinet would need to consider this as an area for growth. In practice budget reductions from central government mean that 'growth' is not an option that can be realistically considered, so Cabinet would have to consider redirection of resource.
- How would the restored project be maintained? The ongoing maintenance of the artwork would be intensive and would again require ongoing growth – this need is a very real difficulty given the financial outlook and the same point referred to above would apply.
- Even if external funds are available obtaining them could take a number of years, depending on the route chosen, and in any event the timescales would not fit with the review of the Storey operation, required

by 2017/18. What does the Council do with the garden in the interim and how will that support the Storey business plan? What about the future? What would need to change?

3.10 **OPTION 2- Consider that restoration of the artwork is a priority for the Council, but only on the firm basis that it was resource- and risk- free for the authority, and so could only take place if full responsibility could be transferred, in some way, to a third party.**

There are some examples of this type of model that work well within the District (e.g. Fairfield). Typically land is leased to a community group for a specific purpose, with strict stipulations. However, the examples we have are ones where the risks are much less than this and the projects are of much lower profile.

In order to arrive at this option Cabinet would need to consider the following-

- The Council are properly stewards of the garden. How would transferring/delegating this responsibility to a third party fit with that?
- What evidence is there that the general desire of our citizens is that a valuable space is delegated to a third party to manage in the hope that funds can be raised to restore the artwork therein?
- What would happen if the third party lost interest in the project, or got into difficulties, especially bearing in mind previous experience?
- How would the long term maintenance of the project be funded and managed?
- How would this fit in with the business plan of the Storey, and the requirement for the operation to be reviewed prior to 2017/18?
- This is the most risky of all the options. Does the Council really want to agree to a project that creates so many potential risks?

Cabinet need to be aware that gaining satisfactory answers to these questions may prove impossible – there is no guarantee that this option is viable and it could tie up much Officer time pursuing it, to no avail.

3.11 **OPTION 3- Consider that restoration of the artwork is a priority for the Council but on the basis that the work involved in identifying funding and then bidding for it is undertaken by a specifically constituted 'Friends of' group, supported by an officer. In this case the ownership and ongoing management would still rest with the Council.**

In order to arrive at this option Cabinet would need to consider the following (much of which is in common with the considerations of previous options)-

- Where would the funds and resources for the long term maintenance of the project come from?
- What would happen if there was not enough interest to form a Friends Of group and if formed there was not sufficient capacity to identify and put together funding bids etc. This would be supported by an officer but the Officer would only have time to advise as opposed to doing the actual work. Were the Officer to do the actual work then it would be effectively OPTION 1.
- How would this fit in with the business plan of the Storey, and the

requirement for the operation to be reviewed prior to 2017/18?

3.12 **OPTION 4- Accept that ideally the artwork would be restored and would support the wider aims of the Storey and provide an attraction for our citizens but that the reality is that the policy and financial context of the Council mean that this is an unrealistic option. Therefore the most pragmatic option is to make the very best of the gardens, within the resources we have, and in a way that goes to meeting the needs of our citizens and the business plan for the Storey. The details to be determined through the master planning process that Cabinet have already agreed.**

In order to arrive at this option Cabinet would need to consider the following-

- What is the current and future financial position of the Council and what are the competing priorities?
- This option may be seen by some as not supporting wider aims and objectives for arts and culture in the District. However, this needs to be balanced by the fact that the Council already provides considerable ongoing support to arts and culture within the District.
- The view expressed by many citizens is that what really matters is that the gardens are brought back into use. Done properly this option could support the wider plans for the Storey and could (subject to testing through the masterplan process) reasonably include use of the garden to promote arts and culture.
- There is already an active 'Friends of' group who the Council could continue to work with to improve the gardens in the short term and deliver aspects of the masterplan once agreed.
- This option is based around the current financial realities facing the Council so would be designed to be delivered within existing resources, and could fit with the future review of the wider Storey operation.
- As this option would be accompanied by a Masterplan it provides the opportunity for the Council and Friends Of Group to bid for funds as they become available. Working in this way is far less intensive and resource draining as the options that are focussed on the main aim of restoring the Tasting Garden.

**4.0 Details of Consultation**

4.1 Consultation has taken place to get the report to this stage.

**5.0 Officer Preferred Option (and comments)**

5.1 The Cabinet agree in principle the way forward. Whatever option is chosen it is expected further more detailed reports will be brought back to Cabinet.

**RELATIONSHIP TO POLICY FRAMEWORK**

As outlined within the report

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

As outlined within the report

**LEGAL IMPLICATIONS**

There are no direct legal implications arising from the report.

**FINANCIAL IMPLICATIONS**

There are no direct financial implications arising at this time, but clearly there could be in future, depending on what option is chosen.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None

**Information Services:**

None

**Property:**

As outlined within the report

**Open Spaces:**

As outlined within the report

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and her comments reflected within the report. In short, this is another matter that Cabinet needs to consider during the 2016 budget, i.e. in context of spending priorities/needs and what is affordable in the longer term, and in the interests of council tax payers generally. A whole life approach should be considered, taking into account future management and maintenance requirements.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

none

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**Ref:**

**CABINET**

**Voluntary, Community and Faith Sector – Future  
Commissioning Arrangements  
06 October 2015**

**Report of Chief Officer (Governance)**

<b>PURPOSE OF REPORT</b>				
To outline options with regards to the future provision of support to the Voluntary, Community and Faith Sector beyond current commissioning contracts which expire in March 2016				
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>	<b>Referral from Cabinet Member</b>
				<b>X</b>
<b>Date of notice of forthcoming key decision</b>				
<b>This report is public</b>				

**RECOMMENDATIONS OF COUNCILLOR MARGARET PATTINSON**

- (1) That Cabinet determine whether to invest in the delivery of key services by the Voluntary, Community and Faith (VCFS) Sector through:
- a) a one year extension to existing commissioning contracts to 31 March 2017, subject to budget requirements or;
  - b) a refresh of the commissioning framework and delivery plan commencing from April 2016 for a three year period, subject to an annual review of budget requirements, or;
  - c) withdraw support for the Voluntary, Community and Faith (VCFS) Sector commissioning, or;
  - d) develop a suitable grant funding arrangement, if/where appropriate

**1.0 Introduction**

- 1.1 For some years the council has invested in important services delivered by the voluntary, community and faith sector (VCFS), to improve the quality of life and the health and wellbeing of local people.
- 1.2 In January 2012, Cabinet approved a commissioning approach to replace Service Level Agreements providing a more robust method of determining the award of funding and clarity on outcomes being achieved that best meet the needs of the district.
- 1.3 The Council's Commissioning Framework was subsequently developed, defining commissioning as being, "*the process of specifying, securing and monitoring services to meet people's needs at a strategic level and in an efficient, effective, equitable and sustainable way*"
- 1.4 Since then, the *Ensuring Council* model has been adopted as the ethos of the Council and this is reflected in the 2015 – 2018 Corporate Plan adopted by Council in March 2015 including the principles of '*working with a range of service providers in a collaborative basis rather than through competition*' and securing '*value for money focusing on economy, efficiency and effectiveness*'.

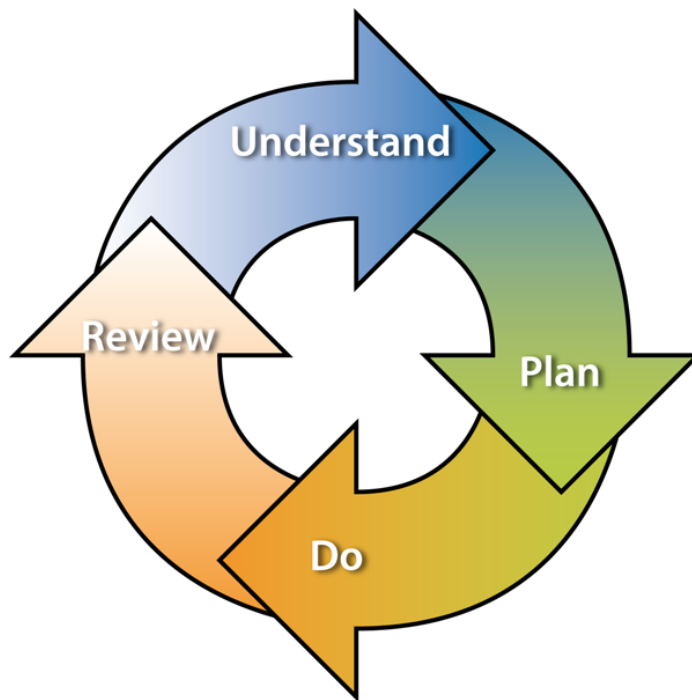
- 1.5 The current Commissioning framework set out five key principles (citizen focused; value focused; working together; transparency; engagement) which formed the basis of engagement with a range of stakeholders and a review of the existing provision in the sector which identified gaps in delivery. This, in turn, helped to draw up a Commissioning and Delivery Plan to support procurement in the following four main areas of investment:
- **Advice and Information** - specialist advice and information services to help reduce levels of debt, poverty, personal distress and isolation; increase access to existing services and help reduce the need for other crisis services. The main aims being to focus on early intervention and prevention, helping to avoid crisis needs with the associated effect on the lives of families and individuals and reduce the potential need for mainstream and crisis services.
  - **Infrastructure Support** - to help secure the future capacity of the VCFS to deliver important services in the district by supporting VCFS organisations to contribution to the development and resilience of the sector as a whole and to deliver assured services that are relevant to the needs of the district.
  - **Volunteering Coordination** - to increase levels of volunteering in order to: increase the capacity of the VCFS to deliver services in the district and provide effective coordination of volunteers at a central point in support of a wide range of VCFS organisations.
  - **Small Grants** – for the support and development of VCFS organisations and community groups; to protect or develop critical local services and test the feasibility of new local initiatives.

An underpinning objective was the achievement of improved social capital in the district by supporting local people, groups and organisations to take an active part in, and influence what happens in, their local area.

- 1.6 Procurement focused on deliverability, quality, value for money, sustainability and collaboration, with contracts being awarded to those organisations who successfully met the evaluation criteria. Subject to the annual budget process, contracts were for a three year period commencing 1<sup>st</sup> April 2013 with a total investment of £252,800 per annum. All of these contracts are now in their final year.
- 1.7 Budget and Performance Panel considered a report in February 2015 outlining the performance of the commissioning contracts to 31 December 2014 and highlighting the contribution that each has made towards the delivery of corporate plan success measures.
- 1.8 The report provided, in some detail, an insight into the changing nature of demand in the VCFS sector and positive feedback on the revised commissioning approach which partners feel is a more robust and transparent process than has previously been the case and provides more opportunities for open and honest dialogue. This has allowed for a better understanding of what is happening within the sector and more proportionate performance monitoring, as well as, an enhanced chance of value for money being realised. This work fulfilled the 'review element of the commissioning cycle as outlined in the Commissioning Framework (see below).

Since the establishment of the Lancaster Community Fund (Individual Cabinet Member Decision December 2013 refers) the Small Development Grants element of the commissioning funding has been administered by the Community Foundation for Lancashire. The grant funding arrangements are currently limited to the delivery of discretionary services and are of small value.

## THE COMMISSIONING CYCLE



## 2.0 Proposal Details

- 2.1 It is now important to consider whether to continue within this cycle going forward, and if so to determine the next steps as the council moves back to the 'understand' stage ahead of any new potential arrangements.
- 2.2 In the 2015-2018 Corporate Plan reference is made to the VCFS, under the Community Leadership priority in which it details that:  
*"The council continues to support voluntary, community, faith, arts and culture groups and will work with these sectors to consider how together we can ensure important services for the district are delivered"*
- 2.3 In addition there is a specific success measure outlining the council's intent to, *"Maintain working arrangements with voluntary, community, faith, arts and culture groups in support of key service delivery"*.
- 2.4 In this context, Cabinet are asked to consider whether they wish to:
- extend existing commissioning contacts for a further year;
  - undertake a complete refresh of the commissioning framework and deliver plan for a three year period commencing 01 April 2016;
  - discontinue the commissioning of services from the VCFS;
  - develop an alternative grant funded system if/as appropriate and determine the approach going forward
- 2.5 Extending existing commissioning contacts for another year will enable organisations who are currently performing well and delivering corporate outcomes to continue for another year. This would also allow good working relationships to continue whilst staff, who will be responsible for the development and monitoring of commissioning contracts, develop their skills and capacity to take any future commission arrangement forward.
- 2.6 Should it be decided that commissioning as an approach should continue the existing Commissioning Framework will be revised and updated to ensure that it fits with the Ensuring Council ethos of the Council. Principally, this will include 'stewardship' of the social wellbeing of the local area and collaboration as an ongoing key component of the current Commissioning Framework. In due course, this will be supplemented by the development of a detailed Commissioning and Delivery Plan specific for the VCFS sector for April 2016 onwards.

2.7 The commissioning process involves intelligence gathering and carrying out a needs assessment being to identify services required; securing delivery of those services and monitoring and reviewing the delivery outcomes being sought. Services could also be delivered through a grant agreement with funding being subject to conditions that state how the grant should be used (for example to support the council’s wider objectives in the social, economic or environmental welling of the area).

**3.0 Details of Consultation**

3.1 The nature of the commissioning contracts means that more ongoing engagement and consultation is taking place with the sector than under previous arrangements. The nature and scope of consultation over the forthcoming months will be dependent on Cabinet’s decision on the way forward.

3.2 Consultation will also take place corporately to ensure that service delivery by the council and support to the sector are complementary.

3.3 In addition consultation will involve other potential providers of such services or funding opportunities, to ensure any proposals are complementary and add value. This could include, but is not limited to, potential co-commissioning and work with partners including Lancashire County Council, Morecambe Town Council and local public health bodies.

**4.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> To extend existing commissioning contracts for one year to 31 March 2017	<b>Option 2:</b> To refresh the Commissioning Framework and initiate an updated Commissioning Plan for 2016 - 19	<b>Option 3:</b> To consider withdrawing support from the VCFS sector	<b>Option 4:</b> To consider delivering services through a grant funding arrangement
<b>Advantages</b>	<p>Ensures that providers currently performing well continue to deliver corporate outcomes and services</p> <p>Allows good working relationships to continue whilst staff develop their skills and capacity to take any future arrangements forward.</p>	<p>Ensures the council builds on existing arrangements, past experience and intelligence to drive the delivery of outcomes that meet current and future demands in the district.</p> <p>Provides further opportunities to take advantage of the commissioning approach to reinforce positive engagement with partners</p>	<p>Potential to realise savings in future years (2015/16 budget is £252,800) and reduce resource requirements to carry out commissioning process that may protect other higher priority spending needs</p>	<p>Can be awarded subject to conditions requiring the achievement of specific outcomes</p> <p>May not be subject to complex procedure and procurement rules and appropriate where the council does not want a specific services delivered in a specified way but wish to support a particular activity or project.</p>



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<b>Advantages (continued)</b>	Provides additional time to consider future levels of support in the context of competing demands and financial constraints	Secures longer term planning opportunities for delivery partners.  Provides a robust framework in which to help demonstrate VFM, in accordance with statutory requirements		May be appropriate should Cabinet seek to reduce the amount of financial support available for VCFS
<b>Disadvantages</b>	Does not address longer term planning opportunities for the delivery of priority services  Less of a fit with the Ensuring Council ethos	Requires staff and financial resources to undertake the commissioning process and deliver commissioned contracts  Process needs to take account of significant changes in recent years including the impact of welfare reform and the ensuring council ethos  Less of a fit with the Ensuring Council ethos	Requires staff resources to consult and manage any withdrawal.  There would be adverse impact on meeting the needs of the district and future corporate plan expected outcomes would need to be amended.	Will not be possible to include specific delivery outcomes and needs or value for money objectives and requirements for the delivery of services.  The recipient of the grant is only obligated to return the grant without having delivered the services funded by the grant.  Requires staff resources to develop proposals and provide assurances on performance

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<b>Risks</b>	Possible concerns of current delivery organisations for the future support of the sector	May be insufficient internal capacity to carry out the engagement and development of the commissioning plan due to other council priorities.  May prove unaffordable, if sufficient savings are not made in other areas. Funding to deliver the commissioned services may not be available resulting in a withdrawn or reduced delivery of services.	May result in legal challenge, so imperative that Council undertakes appropriate consultation and an equality impact assessment.  A lack of support mechanisms elsewhere in the district may result in an increased demand for council support and a reduction in the wellbeing of vulnerable residents	May be insufficient internal capacity to develop arrangements and realise assurances on performance in line with the Council's statutory obligations regarding VFM (continuous improvement) and procurement.  Service delivered may not meet an identified need and not represent value for money

**5.0 Officer Preferred Option (and comments)**

5.1 A balance need to be struck between the advantages and disadvantages of commissioning versus grant funding. The council has a legal obligation for continuous improvement and value for money. In light of this, and in the context of competing demands and priorities and uncertainty around affordability, the officer preferred option is to extend existing commissioning contracts to 31 March 2017, subject to available funding, with the advantage that this will maintain delivery of services for another year whilst further consideration is given to continuous improvement and value for money in the investment of VCFS services in the future.

**6.0 Conclusion**

- 6.1 Over the last few years the council has invested in important VCFS services to improve the quality of life and the health and wellbeing of local people based on the needs and opportunities prevalent in the district at the time.
- 6.2 A review of the performance of the commissioned contracts has demonstrated a significant contribution towards the delivery of key services and Corporate Plan outcomes and have highlighted a number of areas where the demand for such services has changed and increased over the period. These contracts are due to end on 31 March 2016.
- 6.3 Members are asked to consider whether they wish to approve ongoing investment in the delivery of key services by VCFS, from 01 April 2016 for another year, subject to the annual budget process, through either a commissioning framework or a grants policy and delivery plan that reflects the ongoing and changing need for such services.

**RELATIONSHIP TO POLICY FRAMEWORK**

The 2015-2018 Corporate Plan makes reference to ongoing support to the Voluntary, Community and Faith Sector, with outcomes concerning this under the 'Community Leadership' priority. The current Commissioning Framework and Delivery Plan are in line with the Corporate Plan and council's Ensuring Council ethos

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

Any activity in relation to the support of this sector looks to ensure that the most vulnerable residents in the district are supported. Equality is a feature of the Commissioning Framework to ensure that both the process, and outcomes from it have only positive impacts.

**LEGAL IMPLICATIONS**

The current contracts with providers clearly state that they will come to an end on 31<sup>st</sup> March 2016. This report is seeking to determine a direction forward for support of the sector and as such is not proposing any firm legal commitment at this time.

**FINANCIAL IMPLICATIONS**

2015/16 is the third and final year of the current commissioning contracts, with the budget for the year being £252,800. Any continued support for the sector in terms of commissioning or grant programme would be dependent on available budget and outcomes considered in terms of their value against competing pressures on the council.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:** Should a commissioning approach be followed development of the Commissioning Framework and Delivery Plan; engagement during the commissioning process and subsequent support activities and performance monitoring arrangements will be provided by Human Resources & Organisational Development within existing staff resources.

**Information Services / Property / Open Spaces:** None directly arising from this report other than procurement of the services being facilitated through the online tendering system, *The Chest* and the fact that the organisation currently receiving the largest amount of funding rents a commercial premises from the Council.

**DEPUTY SECTION 151 OFFICER'S COMMENTS**

Cabinet is advised to consider future levels of support to VCFS in context of other competing demands and priorities and what is affordable. At the present time Cabinet is unlikely to have a clear picture of these factors, and so it should be acknowledged that even if Cabinet wishes to maintain current investment in VCFS services, there is the risk that this may ultimately prove unachievable.

If Cabinet is minded to maintain current levels of investment, the Deputy Section 151 Officer would advise Members to give due consideration to the relative advantages/disadvantages of the various options as regards their ability to meet procurement regulatory requirements and to deliver continuous improvement and value for money, in line with the Council's statutory obligations.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

none

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