



Report of

**THE VOLUNTARY, COMMUNITY AND
FAITH SECTOR COMMISSIONING
INFORMAL TASK GROUP**

Lancaster City Council
December 2017



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Chairman's Foreword

Our District has a diverse range of inclusive charities and volunteer groups who work tirelessly to support the communities they are involved with. An insightful recent joint report by the Charities Aid Foundation, Institute of Fundraising and CharityComms, found charities spend £136.4 million every day, improving the lives of residents in their communities. If we break this expenditure down, we find it is equivalent to £1,578 every second, a huge contribution to communities across the country.

In the Lancaster District, the positive impact of charities and volunteer groups could not be clearer. One charity the Task Group examined, which is also a charity this Council currently financially supports, was Citizens Advice North Lancashire. In the charity's 2016-2017 annual review, they explained in those twelve months they gave advice to 6,277 residents, helping resolve 18,457 unique issues. Some of these problems included Universal Credit difficulties, unfair dismissal cases, housing problems, and even family break-down. The charity further reported that after receiving advice, 4 out of 5 clients stated they felt the advice improved their lives, with 78% of clients explaining they would have been unable to resolve their issues without this support.

This task group was established with the aim of exploring Lancaster City Council's support for the voluntary, community and faith sectors, and identifying where efficiencies could be made to maximise the impact of the Council's support. Through the course of our meetings, with cross-party input, we heard directly from both organisations we fund and funding organisations. It became apparent that as a Council we are struggling to provide the level of support needed due to lack of resources and officer time. This report is the culmination of a process of enquiries and helps to identify where we can go next to continue providing vital support for the important local voluntary, community and faith sectors.

I want to take this opportunity to thank the Officers and Councillors who worked on this task group, along with all the local charities that contributed, including Citizens Advice North Lancashire, Lancaster District Community and Voluntary Solutions, Age UK Lancashire, Samaritans, and Victim Support. I would also like to thank Lancashire Volunteer Partnership and Community Foundation of Lancashire and Merseyside for their insightful contributions.

Councillor Oscar Thynne
on behalf of the Task Group



Summary of Recommendations

Recommendation 1

That the Marsh Community Centre and the Ridge Community Centre be included on the list of Voluntary, Community and Faith Sector (VCFS).

Recommendation 2

That Option 2, in addition to the fund management outlined in Option 1, submitted by the Community Foundation for Lancashire and Merseyside (CfLM), as set out below, to include an assessment of youth funding opportunities, be recommended to the Overview and Scrutiny Committee.

Option 1 - from 1 April 2018

Process payments to VCFS' partners:

All grant payments are managed by our finance team and tracked through our database as each grant awarded has its own record. Grant payments are sent to successful applicants via Bacs or a cheque if required. Grant payments can be split into 2 payments if required based on successful completion of interim monitoring

Monitoring projects:

All grants we manage are monitored both in terms of checks on spend and a review of their social impact. Depending upon the size and nature of the grant and the donor's wishes this can be provided at end of project, at mid-point or on a quarterly basis. We can carry out on site visits to each group to check on the performance of the group and to build up a relationship with the partners and to find out more about what the needs and the issues are in the area.

We currently use an online end of grant monitoring form and we can design a specific monitoring form for each group asking them to report against the outcomes which were originally identified. Receipts and evidence of expenditure along with case studies and photographs can all be uploaded online.

We collect data on the use of the grant, the difference it has made to the lives of beneficiaries and ask for case studies to be provided. We collect beneficiary statistics based upon demographics such as ages, ethnicity, project location and social issues being tackled. All information is then collated for reporting for the donor.

We will check that the overall activity and outcomes are in line with what was agreed in the original contract.

Respond to queries:

Your designated fund manager will be on hand to respond to any queries the organisations may have on their funding, whether this is related to a change in use or specific outcomes. We are committed to ensuring that the group achieves the best possible outcomes and that any changes or risks are adequately managed.



Reporting:

We will produce a report twice a year detailing the achievements and outcomes of each organisation, with specific case studies where appropriate. We will detail the achievements, concerns and progress of each commissioned organisation.

Option 2:

In addition to the fund management outlined in Option 1 we would also be happy to provide a review of current arrangements and make recommendations for the way forward from March 2019.

In order to justify further funding for the VCFS sector going forward from 2019 it is necessary to reassess need to ensure that outcomes and measures remain relevant, provide value for money in the investments made and are in line with the Council's priorities.

CfLM will compile a report suggesting the way forward with regards to commissioning VCFS partners in the future. In order to do this, we need an understanding of the needs of the local community, what is already out there and what are the opportunities. We will do this by undertaking research to establish:

- What are the issues?
- Where are the needs/gaps?
- What needs addressing?

How will we find out?

- Use information gained from existing VCFS partners (based on monitoring and evaluation of previous awards).
- What has changed since last commissioning framework, which may impact on both the VCFS sector and its beneficiaries i.e. government reforms.
- Discuss with other partners, service providers and agencies.
- Survey local community to find out what they think the issues and concerns are.
- Consult local statistics/reports.
- Existing providers – what is already out there.

We know what the issues are. How do we find the organisations that can help solve these issues?

- Mapping exercise to find out who already works on the identified issues
- Research other groups that may be able to expand their services
- Tender exercise – target specific groups
- Undertake a commissioning exercise to have arrangements in place for the 2019/2020 financial year

From 2019/20:

The Community Foundation would be able to support Lancaster City Council by providing ongoing budget, payment and monitoring, including social impact on an annual basis at a fee to be determined in 2018/19.



Recommendation 3

That options be considered for budgetary provision, including options that do not reduce VFCS funding, for the fees proposed by CfLM as set out within the report.

1. Introduction

The Overview and Scrutiny Committee first discussed the creation of an Informal Task Group to consider Voluntary and Faith Sector Commissioning on the 21st September 2016. A scoping document setting the scope, purpose of the Task Group and Terms of Reference for the Group was then agreed at the December 2016 meeting of the Committee. Details are provided below.

2. Role of the Task Group

The Task Group was set up as an opportunity to investigate the City Council's commissioning of Voluntary, Community and Faith Sector (VCFS) organisations.

2.1 Terms of Reference

The following Terms of Reference for the Task Group were agreed by the Overview and Scrutiny Committee:

1. To identify whether the Commissioning Framework is still relevant and to identify any changes required.
2. To ascertain what VCFS organisations feel is required.
3. To identify what service users think is required.
4. To consider joint commissioning between the City Council, County Council, NHS, CCG and other partners.
5. To make recommendations to the Overview and Scrutiny Committee on a revised Commissioning Framework.

2.2 Membership of the Group

The Task Group comprised of Councillors Oscar Thynne (Chairman), Jon Barry, Ian Clift and Robert Redfern.

The Task Group was supported by Suzanne Lodge – Chief Officer (Health and Housing), Mark Davies – Chief Officer (Environment), Andrew Clarke – Financial Services Manager, Robert Bailey – Organisational Development Manager, Paul Thompson – Accountancy Manager, Chris Hanna – Principal Housing Manager, Julie Raffaelli – Principal Accountant, Stephen Metcalfe – Principal Democratic Services Officer, Jenny Kay – Civic and Ceremonial Democratic Support Officer and Sarah Moorghen - Democratic Support Officer.

The Task Group gratefully acknowledges the contributions and evidence freely given by:

Ian Sewart	Chief Inspector, Early Action Lancashire Police.
Gary Tunstall	Chief Inspector, Lancashire Police.
Jacqui Thompson	Senior Manager, Planning and Partnership, NHS Lancashire North Clinical Commissioning Group.
Jane Williams	Prevention Support Manager, Lancashire Fire & Rescue Service.



Dianne Gardner Public Health Specialist, Lancashire County Council.
 Misbah Bhatti Senior Democratic Services Officer, Lancashire County Council
 Karen Morris Community Foundation of Lancashire and Merseyside.
 Joan Ford Community Foundation of Lancashire and Merseyside.

2.3 **Timetable of Meetings**

Date of Meeting	Who Gave Evidence?	Issues Scrutinised
23/02/2017	Jenny Kay – Civic and Ceremonial Democratic Support Officer Suzanne Lodge – Chief Officer (Health and Housing) and Bob Bailey (Organisational Development Manager)	Terms of Reference and Methodology of Evidence Gathering. The Current Position in the District and the Way Forward.
22/03/2017	Ian Sewart – Lancashire Police Jacqui Thompson – Lancashire Clinical Commissioning	Presentation on Lancashire Volunteer Partnership. Discussions with Funders.
15/08/2017	Karen Morris and Joan Ford - Community Foundation of Lancashire & Merseyside Robert Bailey – Organisational Development Manager	Community Foundation of Lancashire & Merseyside. Performance of Existing VFSC Organisations in 2016/17.
12/10/2017	Robert Bailey – Organisational Development Manager	Proposals for the management, monitoring and commissioning of VFSC organisations.

3. **Documentary Evidence Considered**

The Task Group received evidence and heard presentations from the City Council's Organisational Development Manager, the Lancashire Volunteers Partnership and the Community Foundation of Lancashire & Merseyside (CfLM).

Other evidence and documentation was provided by colleagues from Lancashire County Council and NHS Lancashire North Clinical Commissioning Group and from previous performance reviews of existing VCFS organisations.

4. **Status of Report**

This report is the work of the Informal Task Group, on behalf of the Overview and Scrutiny Committee, and where opinions are expressed they are not necessarily those of Lancaster City Council.



5. Background and Context

At the September 2016 meeting the Overview and Scrutiny Committee agreed to add the topic of Voluntary and Faith Sector Commissioning to its Work Programme and in December 2016 the Terms of Reference for an Informal Task Group to investigate the commissioning of VCFS organisations was agreed.

The City Council currently allocates £250,000+ to this sector to deliver key activities as a contribution towards the achievements of outcomes in the Corporate Plan. In 2013, following a commissioning exercise, funding was awarded to seven VFSC partners and contracts drawn up for a three year period ending 31st March 2016. Following consideration of a detailed report, Cabinet determined to extend this to 31st March 2017 and since then funding has been further extended until 31st March 2018. As part of the budget exercise Cabinet will again be asked to consider its approach to commissioning of the sector.

6. Information Gathering

At the first meeting the Terms of Reference for the Informal Task Group were agreed. The Task Group considered the list of VCFS Partners and agreed that the Marsh Community Centre and the Ridge Community Centre should be included.

Members agreed to consider whether commissioning was the best method of funding and that grants be considered as an alternative. It was also agreed to consider a more collective approach by pooling funding with other funders across the district.

6.1 Lancaster Volunteer Partnership

At the second meeting Mr Ian Seward, Chief Inspector, Early Action Lancashire Police, gave a presentation on the Lancashire Volunteer Partnership. The Partnership aims to implement a multi-agency strategy with integrated leadership, commissioning, teams, workforce development, data sharing and ICT systems.

The Partnership is made up of Lancashire Police and Crime Commissioner, Lancashire County Council, Lancashire Fire and Rescue, Blackpool Council, Lancashire Constabulary, Blackburn with Darwen Borough Council, Preston City Council and Neighbourhood Watch.

There are over 3,500 volunteers registered across partner organisations and 124 volunteering opportunities available within Lancashire.

6.2 Discussions with Funders

Jacqui Thompson, from the NHS Lancashire North Clinical Commissioning Group, gave details on the funding commissioned by the organisation. Written responses were received from colleagues at Lancashire County Council.

6.3 Community Foundation of Lancashire & Merseyside

At the third meeting of the Task Group Karen Morris and Joan Ford, from the Community Foundation of Lancashire & Merseyside (CfLM), provided an overview of the CfLM. They advised that the Foundation monitored and administered the commissioning of small grant funding on behalf of high value individuals, trusts and foundations. The Foundation also has experience of working with local authorities, recently having worked alongside Knowsley Council.



The CfLM can administer the funds on behalf of, and work alongside, the City Council and also with providers to check and monitor the use of commissioned funds. In addition the CfLM can research the needs of the district and establish how funding can be targeted more effectively to the needs of the district and the requirements of the City Council.

6.4 Dormant Funds

The Group has also considered whether there are any dormant funds currently held by the City Council which can be utilised. Evidence was obtained and circulated to the Group, as follows:

That following Cabinet's decision, at its meeting on 19th April 2011 (minute no. 126 refers), to transfer the City Council's dormant charity and trust funds to the CfLM to establish a grant-making fund for the benefit of the District (noting that this took place during 2012/13), there are no further dormant funds currently being held by the City Council.

The City Council remains responsible for the administration of a number of 'live' bequests, endowments and trust funds on behalf of their specified trustees, however, of which there were 12 as at 31st March 2017. Listed below are those where the Capital value exceeds £1,000:

- Ashton Memorial
- Williamson Park
- William Smith Festival
- Whalley Playground
- Lune Bank Gardens
- Crook of Lune

The City Council also holds other capital funds in a separate 'Marsh' reserve. The monies held in this reserve came from the proceeds of land sold on the Marsh, as set out by the Lancaster Corporation Act 1900. The Act determines that the interest generated on this reserve be applied in perpetuity to the annual payment to the freeman of the City, noting that no changes to its use are permitted.

6.5 Performance of Existing VFCS Organisations in 2016/17

The Task Group was provided with a report of the Organisational Development Manager on the Voluntary, Community and Faith Sector (VCFS) Review of Activity. This set out the performance and activities of VCFS organisations during 2016/17.

The City Council contracts with VCFS partners for delivery of the following main areas of investment:

- Advice and Information.
- Infrastructure Support.
- Volunteering Coordination.
- Small Grants (Note: this element of the VCFS funding is administered on the Council's behalf by the Community Foundation for Lancashire).

The Organisational Development (OD) Team have met with organisations and monitor performance around the management of each contract and overall activity in line with outcomes and measures. These are as set out in the contracts agreed in 2013/14.



The Task Group has been informed that the VCFS partners have performed reasonably well with some notable achievements. Going forward, should funding continue beyond 2017/18, the Group noted that it would be necessary to reassess needs to ensure that outcomes and measures remained relevant and provided value for money in the investments made.

6.6 Proposals for the management, monitoring and commissioning of VCFS organisations

The Task Group has also considered a report on proposals for the management, monitoring and commissioning of VFSC organisations. A report from the Community Foundation for Lancashire and Merseyside (CfLM) was circulated to the Group. The report contained a number of options for the management and monitoring of the VCFS organisations currently funded by the City Council.

The Task Group requested that the following options be explored:

- (a) CfLM initially take on the management and monitoring of the funds and outcomes as currently administered by the City Council.
- (b) Option (a) with the addition that this be followed by a review/report (probably during 2018/19) by the CfLM that covers an assessment of need and where the gaps in evidence and service provision are and to provide some suggestions on the most cost effective way to commission in the future, and;
- (c) CfLM to undertake a full review now and provide suggestions/recommendations on the best way forward.

A report was provided for the Task Group. A full copy is provided at Appendix 1. The Task Group agreed:

Attached to this report are the detailed proposals and proposed methodology received from CfLM as requested and the fee, as a percentage of the total annual VCFS budget that they are asking for in order to carry out these functions and responsibilities on the Council's behalf.

Broadly this is: -

- a fee of 5% of the VCFS budget to process payments and manage the monitoring and reporting of the performance of VCFS organisations commencing 1st April 2018;
- to provide a full review of current arrangements; reassess the districts needs and determine value for money investments in line with corporate priorities and make recommendations on the way forward from March 2019 a fee of 12% of the VCFS budget is requested.



7. Financial Implications

Financial Year	Current Budget £	Proposed Fee £	
		Option 1 (5%) £	Option 2 (12% 2018/19 5% 2019/20 onwards) £
2018/19	263,600	13,180	31,632
2019/20	269,900	13,495	13,495
2020/21	275,900	13,795	13,795
2021/22	225,900	11,295	11,295
Total	1,035,300	51,765	70,217*

Decision	Total Fees (4 Year Period) £
If Option 1 Agreed.	51,765
If Option 2 Agreed	70,217

* Assumes no change in priorities or budget, however this could increase, subject to the outcome of the CfLM review from 2019/20 onwards.

The Task Group has requested that options be considered for budgetary provision including options that do not reduce VFCS funding, for the fees proposed by CfLM, as set out within this report.

8. Conclusion

CfLM has provided detailed proposals based on the options requested and have the necessary experience, knowledge and resources needed to fulfil these obligations on the Council's behalf and in line with corporate priorities.

VCFS organisations currently provide a range of advice and information, infrastructure support and volunteer coordination services to vulnerable people in line with corporate priorities in the 2016 – 2020 Corporate Plan and those being developed as part of the emerging 2018 – 2022 Corporate Plan

The Task Group considered these and determined a preferred recommendation(s) for the future management, monitoring and commissioning of VCFS organisations to the Overview and Scrutiny Committee meeting on 6th December 2017.



9. **Recommendations**

Set out below are the recommendations that have emerged from the Task Group's work.

Recommendation 1

That the Marsh Community Centre and the Ridge Community Centre be included on the list of VCFS Partners.

Recommendation 2

That Option 2, in addition to the fund management outlined in Option 1, submitted by the Community Foundation for Lancashire and Merseyside (CfLM), as set out below, to include an assessment of youth funding opportunities, be recommended to the Overview and Scrutiny Committee.

Option 1 - from 1 April 2018

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All grant payments are managed by our finance team and tracked through our database as each grant awarded has its own record. Grant payments are sent to successful applicants via Bacs or a cheque if required. Grant payments can be split into 2 payments if required based on successful completion of interim monitoring

Monitoring projects:

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We currently use an online end of grant monitoring form and we can design a specific monitoring form for each group asking them to report against the outcomes which were originally identified. Receipts and evidence of expenditure along with case studies and photographs can all be uploaded online.

We collect data on the use of the grant, the difference it has made to the lives of beneficiaries and ask for case studies to be provided. We collect beneficiary statistics based upon demographics such as ages, ethnicity, project location and social issues being tackled. All information is then collated for reporting for the donor.

We will check that the overall activity and outcomes are in line with what was agreed in the original contract.

Respond to queries:

Your designated fund manager will be on hand to respond to any queries the organisations may have on their funding, whether this is related to a change in use



or specific outcomes. We are committed to ensuring that the group achieves the best possible outcomes and that any changes or risks are adequately managed.

Reporting:

We will produce a report twice a year detailing the achievements and outcomes of each organisation, with specific case studies where appropriate. We will detail the achievements, concerns and progress of each commissioned organisation.

Option 2:

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- What are the issues?
- Where are the needs/gaps?
- What needs addressing?

How will we find out?

- Use information gained from existing VCFS partners (based on monitoring and evaluation of previous awards).
- What has changed since last commissioning framework which may impact on both the VCFS sector and its beneficiaries i.e. government reforms.
- Discuss with other partners, service providers and agencies.
- Survey local community to find out what they think the issues and concerns are.
- Consult local statistics/reports.
- Existing providers – what is already out there.

We know what the issues are? How do we find the organisations that can help solve these issues?

- Mapping exercise to find out who already works on the identified issues.
- Research other groups that may be able to expand their services.
- Tender exercise – target specific groups.



- Undertake a commissioning exercise to have arrangements in place for the 2019/2020 financial year.

From 2019/20:

The Community Foundation would be able to support Lancaster City Council by providing ongoing budget, payment and monitoring, including social impact on an annual basis at a fee to be determined in 2018/19.

Recommendation 3

That options be considered for budgetary provision, including options that do not reduce VFCS funding, for the fees proposed by CfLM as set out within the report.



Appendix 1

Lancaster City Council Proposal

Submitted by the Community Foundation for Lancashire



Introduction:

We are very pleased to have the opportunity to provide you with a quote for the management and monitoring of the Voluntary, Community and Faith Sector (VCFS) organisations currently funded by Lancaster City Council.

This proposal provides an overview of our offer and quote from the Community Foundation for Lancashire in administering the Funds in 2018/19.

We have also provided a quote for carrying out a review during 2018/19 of your current commissioning arrangements, where we will look to do an assessment of the needs in your area and to provide suggestions on the best way to commission services in the future.

We look forward to hearing your thoughts on working together on managing your commissioning arrangements.

Background to the Community Foundations:

As a registered charity, the Community Foundations for Lancashire and Merseyside is one of the UK's leading and most innovative group of Community Foundations. Our charitable work is about growing stronger communities together, and through this work we offer community giving and funding opportunities for individuals and organisations who want to support local causes. We connect donors and funders to the community, and invest their funding with their direction or on their behalf via donations and grants.

Community Foundation for Merseyside was established in 1999 and Community Foundation for Lancashire was established in 2008. Since 1999, we have distributed nearly £50 million (both areas combined) to 13,000 community projects in collaboration with 70 donors and organisations. We are audited annually to satisfy Charity Commission requirements and audited on a tri-annual basis as Community Foundations via UK Community Foundations' Quality Accreditation process.

We administer 50 funds and foundations in collaboration with individuals, families, companies, trusts and statutory bodies. Some current fund holders include:

- Comic Relief
- ENI (formerly BHP Billiton)
- Hill Dickinson
- Home Office
- Jamie Carragher
- Liverpool ONE
- Knowsley Council
- John Laing Charitable Trust
- Innogy Renewables
- New Progress Housing
- Peel Ports
- Sir Michael Bibby
- Sir Terry Leahy
- Tilney Best Invest
- United Utilities
- W O Street Foundation



Working with Lancaster City Council

Management and monitoring of current funds – BASED ON CURRENT GROUPS

Lancaster City Council has identified that a key objective of all the partners 'is the achievement of improved social capital in the district by supporting local people, groups and organisations to take an active part and influence what happens in their local area.

Lancaster City Council commissions partners from the VCFS sector to deliver key activities as a contribution towards the achievement of outcomes in the Corporate Plan. The main areas of investment are for the following:

- Advice and Information
- Infrastructure Support
- Volunteering Coordination
- Small Grants fund

Advice and Information is currently being provided by the following organisations:

- Age UK Lancashire
- Citizens Advice
- Samaritans (Lancaster District)
- Victim Support
- Community Advice Network (CAN)

Infrastructure Support is provided by:

- Council for Voluntary Services (Lancaster District)

Volunteering is provided by

- Council for Voluntary Services (Lancaster District)

Small Grants fund is provided by:

- Community Foundation for Lancashire

In response to your requirements for the management and monitoring of the funds and outcomes from April 2018 to March 2019.

OPTION 1 - from 1 April 2018

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Your designated fund manager will be on hand to respond to any queries the organisations may have on their funding, whether this is related to a change in use or specific outcomes. We are committed to ensuring that the group achieves the best possible outcomes and that any changes or risks are adequately managed.

Reporting:

We will produce a report twice a year detailing the achievements and outcomes of each organisation, with specific case studies where appropriate. We will detail the achievements, concerns and progress of each commissioned organisation.

Finance:

We currently receive a fee of 12% of the value of the Small Grants Fund we manage on behalf of Lancaster City Council. To deliver **Option 1**, as outlined above, we would ask for a **fee of 5%** of the total annual VCFS budget and this would include the management of the Small Grants Fund.

OPTION 2

In addition to the fund management outlined in Option 1 we would also be happy to provide a review of current arrangements and make recommendations for the way forward from March 2019.

In order to justify further funding for the VCFS sector going forward from 2019 it is necessary to reassess need to ensure that outcomes and measures remain relevant, provide value for money in the investments made and are in line with the Council's priorities.

- CFLM will compile a report suggesting the way forward with regards to commissioning VCFS partners in the future. In order to do this, we need an understanding of the



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WE KNOW WHAT THE ISSUES ARE? HOW DO WE FIND THE ORGANISATIONS THAT CAN HELP SOLVE THESE ISSUES?

- Mapping exercise to find out who already works on the identified issues
- Research other groups that may be able to expand their services
- Tender exercise – target specific groups
- Undertake a commissioning exercise to have arrangements in place for the 2019/2020 financial year.

Finance:

To deliver Option 2 in addition to Option 1 would ask for a **fee of 12%** of the total annual VCFS budget in 2018/19.

From 2019/20:

The Community Foundation would be able to support Lancaster City Council by providing ongoing budget, payment and monitoring, including social impact on an annual basis at a fee to be determined in 2018/19.

