

THURSDAY, 26 NOVEMBER 2015

REPORT OF THE LEADER OF THE COUNCIL**VCS AND LOCALITY COMMISSIONED SERVICES CONTRACT REVIEW****EXEMPT INFORMATION****PURPOSE**

To inform Cabinet and seek approval where necessary on decisions relating to Commissioning Cycle 2 – Tamworth Borough Council VCS funding contracts and Locality Commissioning – multi-agency funding contracts.

Investment in services provided to Tamworth residents through these contracts will automatically cease on 31 March 2016 unless the decision is taken to take up the option to extend for a further one year.

RECOMMENDATIONS**That Cabinet:****Commissioning Cycle 2 – Tamworth Borough Council VCS funding**

1. authorises officers in conjunction with the portfolio holder for Communities and Public Health to take up the option to extend five contracts named in Appendix I for a further one year to automatically cease as of 31 March 2017 and one contract for a minimum of a further 6 months.
2. authorises officers in conjunction with the portfolio holder for Communities and Public Health to terminate the contract with Business Development Services Ltd for an 'Infrastructure Support to the Business and Third Sector' service in line with the commencement of the Staffordshire County Council (SCC) infrastructure support contract
3. authorises officers in conjunction with the portfolio holder for Communities and Public Health to use the funding released from the termination of the 'Infrastructure Support to the Business and Third Sector' contract to purchase additional support for Tamworth from the successful SCC infrastructure support contract holder on an as and when basis
4. authorises officers in conjunction with the portfolio holder for Communities and Public Health and the portfolio holder for Economy and Education to develop a new business support service with a proposal to be brought to a future Cabinet for approval
5. delegates authority to the Director of Housing and Health in conjunction with the portfolio holder for Communities and Public Health to manage the contracts set out in Appendix 1 during the final year of operation.

Locality Commissioning – Multi agency funding

6. endorse the 6 month performance data for the 12 contracts provided in Appendix 2
7. endorse the Director of Housing and Health in conjunction with the portfolio holder for Communities and Public Health and the Commissioning Hub partners to decide on

the roll over into year 2, termination or amendment to the contracts listed in Appendix 2 based on satisfactory service delivery and performance of the contracts, the availability of funding and the agreement of all Parties

8. requires the Director of Housing and Health to provide an update to Cabinet on the decisions as soon as practicably possible.

EXECUTIVE SUMMARY

Commissioning Cycle 2 – Tamworth Borough Council VCS funding

The contracts set out in Appendix 1 have been monitored on a quarterly basis and have provided acceptable levels of performance. Officers propose that Cabinet agree to take up the option to extend for an additional one year as set out in the contracts. Should Cabinet agree to take up the option of the additional one year, these contracts will automatically cease as of 31 March 2017.

The extension of these contracts will allow officers to prepare for a new commissioning exercise based on the needs identified by the EJSNA and our demand management working model during 2016. A report setting out the new commissioning timetable and commissioning proposals will be taken for approval to Cabinet in April 2016 with the intention that new contracts be in place for April 2017.

It is requested that Cabinet authorise officers to terminate the contract with BDS Ltd, under clause 12.5 of the contract. This will allow Tamworth Borough Council (TBC) to align investment in VCS infrastructure support with the investment from Staffordshire County Council and achieve maximum outcomes whilst removing duplication of provision within Tamworth. Currently both SCC and TBC fund infrastructure support to the VCS/Third Sector and this is provided by two different contract holders. This arrangement has led to confusion and duplication in the market. TBC has been invited to work closely with the County on its re-commissioning of their infrastructure support contract and officers now consider an arrangement whereby TBC purchases additional support from the successful County provider on an as and when basis to achieve best value for Tamworth. Officers have been in discussions with BDS Ltd and have advised that the likely termination date will be 31 July 2016.

Officers appreciate that a Business Support service is still required in Tamworth to support the desire for managed economic/business growth. Officers will be working on the design of a new innovative approach for this service and will bring proposals to a future Cabinet in early 2016.

Locality Commissioning – Multi agency funding

Following a report by the Chief Executive of TBC to the Staffordshire Health and Wellbeing Board on the role of Districts in the delivery of wellbeing outcomes, most Districts established Commissioning Boards/Hubs. These commissioning bodies oversaw the development of locality commissioning supported by a number of partner funding streams (see resource implications below for details on Tamworth's funding). Underpinning this work was the belief that shared priorities and shared commissioning activity would deliver better and more cost effective outcomes. In Tamworth the decision was made to pool funding and a multi agency evaluation panel awarded 12 contracts to a wide range of organisations to deliver an extensive range of interventions and support packages to Tamworth residents (see Appendix 2 for details on the services purchased).

The intention when the Commissioning Prospectus was issued was that these contracts would be for 2 years, however in order to de-risk the process for Tamworth Borough Council as the contract holder, the contracts were let on a one plus one basis.

TBC is currently seeking confirmation of the availability of funding for year 2 from partners. Details on the current financial position are set out in Resource Implications.

OPTIONS CONSIDERED

Once funding is confirmed from partners, TBC will be able to consider a range of options (not restricted to but examples could include:

- Roll over all contracts in to year 2
- Roll over some contracts in to year 2 and de-commissioning other contracts
- Seek an agreement from contractors to reduce contract values with an agreed amendment to delivery model
- Roll over contracts for less than 12 months
- Roll over those contracts most closely aligned to the outcomes required from the partners who have provided the funding for year 2

The Commissioning Hub will balance the performance of the contracts, value for money and the availability of funding in coming to a decision on the option of a second year for all the contracts. Contractors will need to be informed of the decision by the end of December 2015 in order to provide 3 months notice.

RESOURCE IMPLICATIONS

Commissioning Cycle 2 – Tamworth Borough Council VCS funding

The funding for Commissioning Cycle 2 VCS contracts is identified in the Council's MTFS.

Locality Commissioning – Multi agency funding

The current financial position is as set out below:

	Funding received £	Year 1 contract values £	Year 2 promised funding £	Year 2 contract commitments £
Public Health	114,644		114,000	
CCG	75,000		75,000	
PCC	35,000		35,000	
SCC - BRFC	67,000			
TBC (Spearhead and Community Cohesion)	40,000			
Community Safety	14,583		25,000	
SCC – Mental Health	15,000			
Schools			3,000	
Total	361,227	272,136	252,000	311,403
Carry over yr 2			89,091	
Potential Total funding pot yr 2			341,091	
Surplus			29,688 (to fund new priorities based on EJSNA)	

Some of the funding identified as already received was in respect of 2 year contracts. Some

partners may wish to reconsider their position if the promised year 2 funding is not secured.

LEGAL/RISK IMPLICATIONS BACKGROUND

Commissioning Cycle 2 – Tamworth Borough Council VCS funding

Tamworth Borough Council has engaged Support Staffordshire to consult with current contractors and to undertake an evaluation of the impact of the commissioned services and to identify implications of any de-commissioning decisions in line with Compact principles. The report from Support Staffordshire is attached as Appendix 3. Due consideration has been given to any TUPE implications. If it is the Council's intention to extend the contracts for a further one year period, the Council is contractually required to confirm this intention in writing at least 3 months prior to the contract expiry date (31 March 2016). Therefore written notification to contractors will need to be sent by 31st December 2015.

Locality Commissioning – Multi agency funding

Tamworth Borough Council has engaged Support Staffordshire to consult with current contractors and to undertake an evaluation of the impact of the commissioned services and to identify implications of any de-commissioning decisions in line with Compact principles. The report from Support Staffordshire is attached as Appendix 3. This will ensure that the Commissioning Hub has an independent analysis of the impact of the commissioned services and the impact of any de-commissioning decisions in order to aid the decision making process.

Confirmation of funding from the CCG and Staffordshire Public Health for year 2 has not been received by TBC. It is therefore difficult to identify in this report the funding available for year 2 of the contracts set out in Appendix 2. Although contractors have clearly been advised that the contracts have been entered into on a one plus one basis, there is a significant risk to the reputation of TBC and its funding partners should there need to be a large decommissioning exercise carried out based solely on the withdrawal of funding. Additional work will need to take place by all partners to ensure that the beneficiaries of any contracts which are terminated are appropriately supported by some other route.

SUSTAINABILITY IMPLICATIONS

With the current financial constraints it is difficult for local government to commit to long term contracts and this is especially the case with multi-agency funded commissioning. However, wherever possible Tamworth Borough Council should seek to enter into contracts for more than one year in order to allow contractors to plan, develop and provide services that deliver measureable outcomes for our more vulnerable residents.

BACKGROUND INFORMATION

Commissioning Cycle 2 – Tamworth Borough Council VCS funding

Following an extensive needs analysis and competitive process, the 7 contracts in Appendix 1 were awarded by the Council under Commissioning Cycle 2 and commenced in April 2014. Performance management reports have been received on a quarterly basis and a 6 monthly performance report was taken to Cabinet in December 2014. These contracts are fully funded by Tamworth Borough Council and will automatically cease as of 31 March 2016 unless the option to extend for a further year is taken up. The VCS Commissioning Board was closed down in December 2014 and therefore decisions on these contracts rests with Cabinet.

Locality Commissioning – Multi agency funding

Cabinet on 11 December 2014 established a Locality Commissioning Hub with appropriate delegations to Council officers; the Chief Executive and the Director for Housing and Health, to manage multi-agency locality commissioning in line with the Council's financial guidance. The principles underpinning the locality commissioning approach is to enable public sector partners to better co-ordinate decisions on commissioning priorities and how we use our resources to achieve them. One element to this work is to achieve better investment decisions on funding used by all partners to support the early intervention/prevention 'wellbeing' agenda. TBC on behalf of funding partners (SCC, public health, CCG, police and TBC) undertook a commissioning process using a single set of commissioning priorities. The outcome of this exercise was reported to Cabinet on 12 March 2015. The report set out the 11 contracts commissioned by the Council on behalf of partners to run from April 2015 to 31 March 2016 with an option to extend for a further one year until 31 March 2017.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

Tamworth Borough Council Commissioning Review & Commissioning Intentions 20 June 2013
Tamworth Borough Council Commissioning Programme Update – Cabinet 24 October 2013
Locality Commissioning – Single commissioning process – Cabinet 20 October 2014
Public Sector Commissioning Progress Report – Cabinet 11 December 2014
Improving Wellbeing in Tamworth Commissioning Prospectus Outcome – Cabinet 12 March 2015
Locality Commissioning – Emotional Wellbeing Services for children and young people in Tamworth – Cabinet 9 July 2015

APPENDICES

Appendix 1 – Commissioning Cycle 2 – Tamworth Borough Council funding
Appendix 2 – Locality Commissioning – Multi-agency funding
Appendix 3 - Impact Assessment on Commissioning Cycle 2 and Locality Commissioning Contracts

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