

TELFORD & WREKIN COUNCIL

CABINET – 13th JULY 2010

BUILDING A STRONGER WORKING RELATIONSHIP WITH THE VOLUNTARY SECTOR

REPORT OF HEAD OF ECONOMIC DEVELOPMENT

1.0 PURPOSE

- 1.1 To set out proposals for building stronger working relationships with the Third sector, enabling the Sector to support Council priorities in both the design and delivery of Council services

2.0 RECOMMENDATIONS

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- i. **To delegate authority to the Head of Economic Development, in consultation with the Cabinet member with responsibility, to develop and sign a Third Sector Strategy (and a refreshed local Compact Agreement) - to clarify the strategic relationship between the Council and the Third Sector;**
 - ii. **To delegate authority to the Head of Economic Development, in consultation with the Cabinet member with responsibility, to establish a Third Sector Chief Executive forum and Third Sector Assembly to improve communication, consultation and accountability links between the Third Sector and the Council and to agree and sign Terms of Reference for each of these forums;**
 - iii. **To develop a common corporate commissioning framework maximising the effectiveness of public expenditure.**

3.0 PROPOSALS

- 3.1 Due to pressures on public finances there is a need to work in a more innovative way to address Telford & Wrekin's social and economic issues. The third sector plays a major role in delivering services for local people and also makes an important contribution to helping to build sustainable and vibrant communities and neighbourhoods. The Council values its relationship with third sector organisations and recognises the need to improve and strengthen its approach to ensure consistency and openness. It is proposed to change the Council's relationship with the sector from providing individual grants to organisations, to a service commissioning approach where the Council would purchase services from the sector to help deliver Council and community priorities. There are two components to this approach:

3.2 Strategy

Developing a Third Sector Strategy and refreshed Compact Agreement will aim to clarify the strategic relationship between the Council and the Sector. This would set the context for improved communications and commissioning as set out below.

The Refreshed National Compact (December 2009), replaced the 1998 National Compact agreement and its five codes of practice with seven new principles, the new guidance has a stronger focus on funding arrangements and commissioning processes. Telford & Wrekin's local compact was originally written in 2004, it now needs to be refreshed to reflect the new guidance.

3.3 Communication

Establishing a Third Sector Chief Executive forum and Third Sector Assembly to improve communication, consultation and accountability links between the Sector and the Council.

3.4 The Chief Executive forum would be an extension of the existing consortium, expanded to more fully reflect the Sector in the Borough, and with representation from regional and national Third Sector organisations as appropriate. Council representation on the forum would be at Senior Officer Level and Cabinet member with responsibility.

3.5 The Assembly would be an open forum for Third Sector organisations, to disseminate information, and as a vehicle for consultation. Ideally this forum will meet annually and at most bi-annually. The Assembly should have the authority to formulate sub groups, for more detailed work, as and when necessary or if appropriate.

3.6 Commissioning

Developing and implementing a common corporate commissioning framework. This would be developed with, and endorsed by, the Chief Executive forum and Assembly.

3.7 No additional costs would arise for the Council or Third Sector partners from the implementation of these proposals.

4.0 **RATIONALE**

4.1 With a tighter financial climate for public services and given the economic downturn, the effective use of resources across the Council becomes even more critical. Developing a more consistent approach to commissioning, offers the opportunity for more effectiveness and consistency and efficient use of public funds.

4.2 Residents, our partners and external inspection agencies will want to be assured that resources are targeted at delivering the Council's priorities, that the services we deliver are based on good evidence of

what works, and give the best possible value for money irrespective of the provider.

- 4.3 The development of a Third Sector Strategy, will clarify the Council's long term strategic relationship with the third sector and set the context for this new commissioning approach.

5.0 EQUAL OPPORTUNITIES

- 5.1 Many Third Sector Organisations focus upon disadvantaged communities and individuals and aim to address inequalities, the new commissioning approach would continue to support the Sector to achieve these objectives

6.0 ENVIRONMENTAL IMPACT

- 6.1 There are no direct environmental implications arising from this report

7.0 LEGAL COMMENT

- 7.1 Current agreements with Third Sector organisations run till 31st March 2012 (core budget). Other relevant existing agreements will be identified and considered as part of the review.

- 7.2 The Council will need to ensure that its Contract Procedure Rules and any applicable European Procurement Rules are adhered to throughout development of the Third Sector Strategy, the forum and assembly and the proposed common corporate commissioning framework. Legal Services will provide support to project officers in partnership with the Corporate Procurement team.

8.0 LINKS WITH CORPORATE PRIORITIES

- 8.1 These proposals support the delivery of all Priority Plans, in particular the Efficient and Effective Council Priority Plan.

9.0 OPPORTUNITIES AND RISKS

- 9.1 This report aims to address the key risks associated with our current lack of a common and consistent approach to Third Sector working across the Council. Failure to address these risks could lead to:
- Less value for money as a result of duplication of effort and funding and inefficiency in our dealings with the third sector.
 - A lack of clarity about how some funding to the Sector is targeting local priorities.
 - A failure to fully support the development of capacity and diversity across the Sector.
 - Weakened council relationships with the Sector and local communities.

9.2 A potential risk is a lack of engagement with Third Sector partners with our proposed approach.

10.0 FINANCIAL IMPLICATIONS

10.1 To understand how much funding is diverted from the Council into the Third Sector, the procurement team have collated funding from all Council service areas committed to the Third Sector. The table below outlines their initial findings, however, it is recognised that this provides a general overview, further investigation is needed to understand the purpose and reasoning for levels of funding commitment.

Initial sweep of Council funding into the Third Sector	2009/10
<ul style="list-style-type: none">Initial investigation of funding into the third sector, funding identified in this initial feedback is inclusive of all commissioned, procured and grant funding support to third sector organisations in 2009/10	
TOTAL	£17,028,310.15

10.2 The review and development of a new commissioning system of funding for council services through the third sector will be met within existing resources. It is anticipated that the review, consultation and implementation of a corporate commissioning approach is expected to take 18 months but will be implemented before March 2012.

10.3 It is anticipated that funding for the Third Sector (including core budget) will reduce in future years to enable corporate savings targets to be met.

11.0 WARD IMPLICATIONS

11.1 The proposals will benefit the whole of the Borough, in particular disadvantaged Wards.

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