

PROPOSALS FOR COMMISSIONING OF SERVICES FROM THE VOLUNTARY SECTOR

Cabinet Member(s)	Councillor Douglas Mills
Cabinet Portfolio(s)	Cabinet Member for Corporate Services
Officer Contact(s)	Sarah Baker, Transformation
Papers with report	Equality Impact Assessment for Integrated Carers contract

HEADLINES

Summary	<p>This report develops proposals for the commissioning of services from the voluntary sector, aligned to service needs, for Cabinet consideration as requested by Cabinet in December 2022.</p> <p>It sets out:</p> <ul style="list-style-type: none">• The first commissioning approach to be taken to deliver the new operating model;• The immediate arrangements for the Integrated Carer's Support contract;• The longer-term approach and plans for commissioning with the voluntary sector.
Putting our Residents First Delivering on the Council Strategy 2022-2026	<p>The local voluntary sector provides a vital contribution to supporting residents and helps the Council to achieve its commitments in the Council Strategy (2022-2026).</p> <p>A strong and enabled sector promotes active, resilient communities, leading to better outcomes for individuals and reduced pressure on statutory services.</p> <p>This report supports our ambition for residents / the Council of: Stay living independently for as long as they are able</p> <p>This report supports our commitments to residents of: Safe and Strong Communities</p>
Financial Cost	<p>The budgeted cost of the Integrated Carers Support contract for the period 1st October 23 to 31st March 25 is £1,114,548.50 with a further £19,000 from the Integrated Care Board (ICB) for 2024/25 being under review.</p>

	<p>The total cost of the remaining contracts to be based on the specifications and are anticipated to be within the allocated budget for the financial year 2024/25.</p> <p>Each will be subject to approval in the usual way in accordance with the Council's constitution, financial planning and schemes of delegation.</p>
<p>Relevant Select Committee</p>	<p>Finance and Corporate Services Select Committee Health and Social Care Select Committee (Carers contract)</p>
<p>Relevant Ward(s)</p>	<p>N/A</p>

RECOMMENDATIONS

That the Cabinet:

1. **Agrees to the direct award of the Integrated Carers Support Contract to the Hillingdon Carers Consortium for a period of up to 18 months from 1st October 2023 at a total cost of £1,114,548.50 with a further £19,000 from the Integrated Care Board for 24/25 being under review.**
2. **Notes the update confirming that 3 organisations will receive their final payment for 23/24 as set out in paragraph 14.**
3. **Notes the transfer of the responsibility of the service provision of 2 organisations to the Council's Place Directorate as set out in paragraph 16.**
4. **Agrees, in principle, that to protect service delivery during the transition that contracts be commissioned via a direct award for a period of up to 12 months for the groups set out in paragraph 17 below from 1st April 2024 to 31st March 2025. That specifications and contract payments be developed in discussion with relevant internal and external stakeholders.**
5. **Agrees to a series of fully open and competitive tenders to follow the periods of direct award contracts set out in recommendation 4. The tenders will result in longer term contracts which reflect identified service needs and opportunities for collaboration and transformation.**
6. **Delegates approval of contract awards to organisations, once the specifications and contract values are known, to the Leader of the Council and relevant Cabinet Member (Health and Social Care or Children, Families & Education) as appropriate or the Corporate Director of Adult Services and Health where in accordance with the Council's Procurement Standing Orders.**

Reasons for recommendations

1. To deliver on the Council's stated intention to maximise the benefits from investment in the Borough's voluntary sector through encouraging activity that; supports residents, reduces

demand on Council services and provides best value for money and a greater focus on positive outcomes.

2. To achieve this through a departure from providing core grants, by transitioning to a commissioning model.
3. The Integrated Carers Support Contract Carers will commence on 1st October 2023 for a period of up to 18 months to align the end date with the other direct award contracts which will commence in April 2024.
4. The value of the Carers Contract is significant and has been developed collaboratively with the Carers Trust, who act as the lead provider working with a range of organisations, to ensure that it meets the Council's expectations and focusses on meeting the desired outcomes of Hillingdon carers.
5. The remaining direct award new specifications will be developed in partnership with relevant stakeholders to reflect service needs and reduce the risk of existing local providers being unsuccessful when bidding for long term opportunities.
6. The approach also enables officers to explore longer term models that could go further in supporting residents, reducing demand on Council services and to offer better value for money.

Alternative options considered / risk management

1. The alternative of delivering a series of fully open and competitive tenders now, presents risks that key groups might become destabilised, should external bids be successful. We know that there is a strong social return on investment from current grants and that this "levers in" additional finance to the benefit of residents. Further service delivery must be protected during any transition period and moving too quickly may risk that continuity.
2. The alternative of doing nothing would leave key groups without funding from April 2024 and lead to reduced support for residents and probably increased demand on Council services.

Democratic Compliance / previous authority

3. Hillingdon's Cabinet agreed in December 2022 that the Council's support for the voluntary sector should move towards commissioning aligned to service needs and away from dependence on annual core grant. Cabinet also agreed a grants programme for 2023/2024 to support groups during a transition year but stated clearly that the grants programme would not run beyond March 2024. It was also agreed that groups should be advised accordingly and that officers should return to Cabinet in September 2023 with proposals for the commissioning of services, thereafter. It should be noted that this revised approach was communicated to all those organisations receiving grants when the decision was taken in December 2022.

Select Committee Comments

4. None at this stage.

SUPPORTING INFORMATION

Background

5. The Council's discussions with Hillingdon's voluntary sector on a new approach to support began in June 2022. A decision was taken to move away from a core grant-based model for supporting the voluntary sector towards more targeted commissioning of services aligned to service needs. The December 2022 Cabinet report set out the rationale for this new approach, set out the transition programme of grants for a final year (2023/24) and pointed towards commissioning intentions thereafter being set out for a report in September 2023.

Overall Approach

6. The Council's approach is based on ensuring a smooth transition of service provision as we move from the grant-based model to one which develops commissioning. To ensure this is established and impact is assessed, and reputational risk is managed, the approach is to take a phased approach:
 - Planning Phase – this phase commenced when agreement was given by Cabinet to move to the commissioning model in December 2022 and included decisions on the final year of grant awards for 2023/24. This phase is now complete.
 - Transition Phase – this phase has now commenced and will run for 6 months between June and November 2023.
 - Implementation Phase – this phase will run from December 2023 to March 2025, when the project will move to the new commissioning model and become business as usual.

Planning Phase

7. The planning stage commenced when groups were advised of the Council's intention to move away fully from core grants to a commissioning model. This was shared with groups during June 2022 and further re-enforced following the Cabinet recommendations (Dec 2022) for the 2023/2024 programme. A programme of 17 grants was agreed for the final year (2023/2024) totalling to £1.615m.
8. The programme to withdraw completely from grants and to see arrangements with the voluntary sector delivered through services via commissioned contracts and over a longer period is underway.
9. During this planning stage a dedicated Project Manager has been appointed to lead the project through the transition stage and to prepare for the longer-term approach.

Transition Phase

High Level Needs Assessment

10. The Project Manager has carried out an initial high-level assessment of the current arrangements in place with each of the providers. The main findings are as follows:
- Duplication – there are services which are duplicated both within the grants but also in wider commissioned services in the service areas e.g., advice and information, hospital to home service and carers respite.
 - Gaps – there are opportunities for more preventative support to be provided by the voluntary organisations e.g., connecting community groups and supporting communities to be more resilient.
 - There are opportunities to provide support differently even in the short term, e.g., a more innovative befriending offer that builds longer term relationships and promotes independence.
 - Resource issues to robustly manage the contracts going forward, as this has not been done effectively in the past.
 - Need clarification on the operating model (e.g., commissioners sitting in the service is likely to be the way forward).
11. A high-level needs assessment is also underway to establish the requirements from across the Council, along with considering the views of the residents of Hillingdon and the up-to-date population health needs data. This analysis will enable us to understand what the best offer would be from the voluntary sector (either existing or new) and what specific outcomes the council requires from any commissioning for these services going forward.
12. When carrying out a needs analysis, existing services provided by the voluntary sector will be included in baseline assessments. The analysis includes several factors that need to be established. These are: -
- Understanding and mapping who currently delivers services.
 - Understanding and evidencing the needs of the Council.
 - Understanding and evidencing the needs of residents.
 - Understanding and listening to the views of the voluntary sector.
 - Identifying unmet needs and gaps in service provision and considering how these gaps can be addressed.
 - Identifying duplication and services that may no longer be required.
 - Being clear and defining outcomes to be delivered.
 - Establishing any reputational risks, including where the move away from a grant-based approach to commissioning may lead to a third sector organisation no longer being financially viable.
 - Equalities Impact assessment for Carers support services.
13. The high-level needs assessment and approach will be used to inform the commissioning intentions in the transition phase.

14. Of the 17 groups awarded core grants in 23/24, three:

- Dovetail Community Outreach dining centre
- The Ruislip Northwood Old Folks Association dining centres
- The Hillingdon Brain Tumour and Injury Support Group

were awarded grant for a final year only.

15. The support for Carers Trust Hillingdon and to Harlington Hospice was set at 6 months in recognition that the wider integrated carer's support contract is due to end on the 30th September 2023. Specific proposals for carer's support are set out below at paragraph 25.

16. In addition, the nature of the work undertaken by the London Wildlife Trust and the Council's contribution to the Crane Valley Partnership, will continue outside of a grant scheme and be led from within the Council's Place Directorate.

17. The Council is proposing that new specifications based on needs are to be developed with the remaining 10 groups over the coming months. These are:

Organisation
Age UK Hillingdon, Harrow & Brent
Bell Farm Christian Centre
Centre for ADHD and Autism Support
Disability Advice and Support Hillingdon (DASH)
Heathrow Travel Care
Hillingdon Autistic Care & Support
Citizens Advice Hillingdon
Hillingdon MIND
Hillingdon Women's Centre
Home-Start Hillingdon

18. The specifications will also define how the outcomes will be monitored and reviewed. These will be based on the expectation that services should focus on early intervention and prevention, avoid duplication and offer best value for money. Our expectation is that these would result in direct award of contracts for 12 months. All decisions would be made in accordance with the Council's constitution and schemes of delegation and by the end of December 2023.

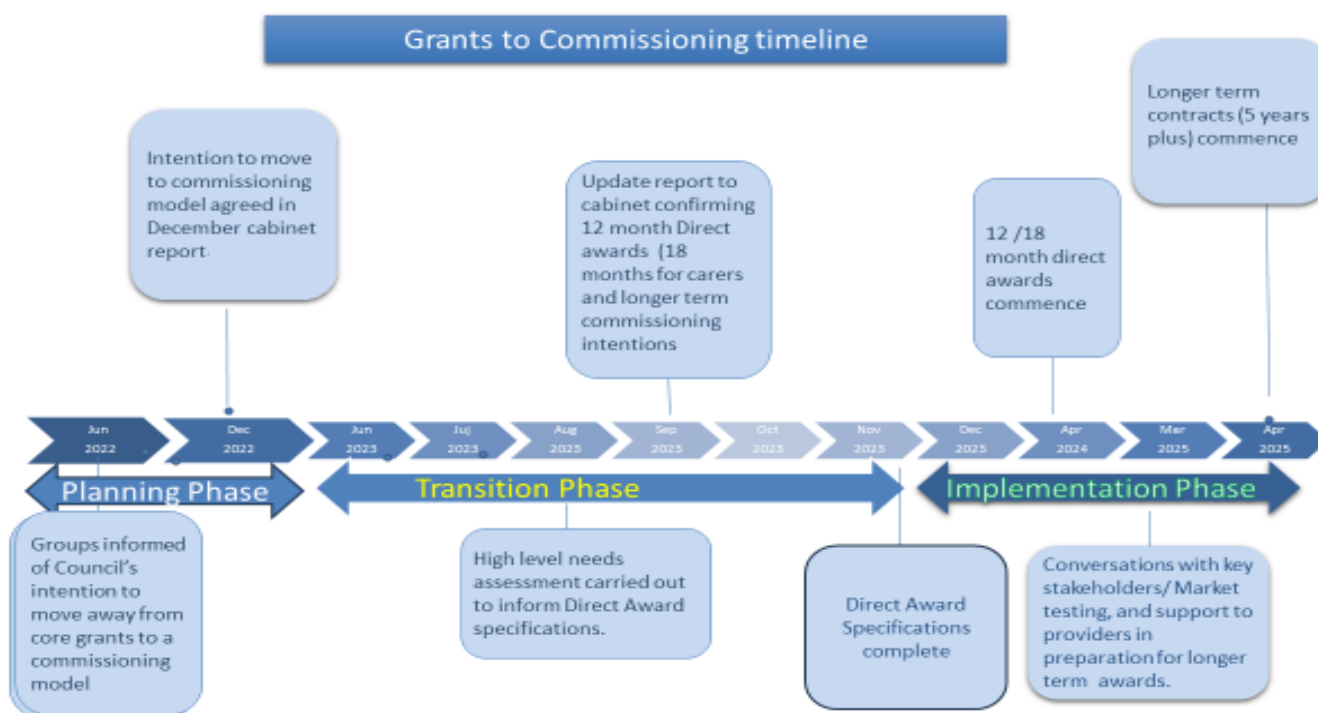
Implementation Phase

19. The Council wants to make sure that our commissioning of services enables the voice of residents to be clearly heard and valued, to support people and communities to be resilient and independent, and to deliver better outcomes for everyone who lives in Hillingdon.

20. The implementation phase will focus on embedding an operating model that offers preventative support and early intervention, establishing pathways and referral routes in

and out of the Council. During this phase, the overall approach to commissioning in Adult Social Care needs to be developed to ensure that it focusses on outcomes, creates community resilience, and ensures best value. It will be a key requirement that providers work with the wider community to utilise existing assets and services and not duplicate existing provision available to support residents in the Borough. Furthermore, the Council is keen to work with provider(s) who are continuously seeking ways to become more sustainable and are actively growing the offer to complement the commissioned services of support available for residents in Hillingdon.

21. The Council needs to ensure there is sufficient capacity within the Council teams to monitor outcomes against original objectives and to identify any necessary changes which are likely to inform future commissioning. This will involve capturing feedback from residents and other stakeholders and monitoring and reviewing performance.
22. During both the transition and implementation phase, the Council will advise the voluntary sector on how they can seek support to improve their business acumen and encourage business-like innovation. It is important to sustain a thriving and dynamic sector by equipping them with the skills and support to improve their business planning, fundraising strategies and financial management. This support will increase their chances of successfully bidding for a longer-term contract with the Council as well as enable them to seek alternative funding outside of the public sector.
23. The Implementation Phase will, therefore, create certainty for providers by delivering open and fully competitive tenders for longer periods, based on needs and supporting services through early intervention and prevention. They will be expected to consider opportunities for collaboration and innovation. Specifications will be co-produced with providers and residents.



Direct award of a Carers contract

24. The current Carers contract expires at the end of September 2023 and the proposal is to directly award an interim contract of up to 18 months. The contract will allow opportunity to work with stakeholders to develop longer term commissioning arrangements that best meet the requirements of Hillingdon's residents. In the interim the extension will maintain stability and ensure that Hillingdon can benefit from the significant knowledge and learning of the provider over many years to support that commissioning and specifying process. Officers are confident that through a direct engagement with the provider, they will be able to establish and evidence value for money on the interim arrangements.

25. The contract value for the 18-month period will be £1,114,548.50 with a further £19,000 from the Integrated Care Board (ICB) for 2024/25 being under review. A specification has been produced based on an analysis of need along with the intended outcomes of the Carers strategy and is focussed on meeting the desired outcomes of Hillingdon residents. An Equality Impact Assessment has been completed to ensure continuity of important carers support services, via a proven and effective delivery partnership.

Financial Implications

26. The cost of the proposed direct award for the Integrated Carers Support Contract recommended in this report covering the 18-month contract term 1st October 2023 to 31st March 2025 is £1.114m - £443k for 2023/24 and £671k for 2024/25. Costs include the ICB contribution for the six months 1st October 2023 to 31st March 2024, and will continue to

be funded through the approved revenue Adult Services & Health budget.

27. The total cost will increase by a further £19k to £1.133m if the ICB contribution is agreed for 2024/25.
28. The D&B score for the provider is 100 indicating a low risk of financial failure for the Council.
29. There are no financial implications arising from recommendations 2,3,5 and 6 which are Service delivery updates within approved budgets for noting by Cabinet.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

30. In moving to commissioning there will be some tough decisions as to what to specify and develop in contracts and what to leave to the voluntary sector to consider delivering not funded by contract or grant. Through engagement we need to capture the impact of change on existing grant supported activity. This would be included in an Equality Impact Assessment (EIA) to support each contract decision. The approach taken in the December 2022 cabinet report clarified that decisions on services would be for the management and trustees of charities, but that removal of grant funds might be expected to have certain consequences - whether service closure or even to put at risk future of organisations. We will seek to clarify likely impacts with groups and consult as necessary. EIAs would accompany contract decisions and then set out impact and what mitigating action was in place to meet needs.

Consultation carried out or required

31. No formal consultation has been undertaken at this stage on the proposals for agreement at this Cabinet meeting. The Council will engage with residents regarding future models of support as part of the preparation of the specifications.

CORPORATE CONSIDERATIONS

Corporate Finance

32. Corporate Finance have reviewed this report and concur with the Financial Implications set out above, noting the recommendation to agree a direct award to Hillingdon Carers Consortium for Integrated Carers Support for 18 months at a cost of £1,115k, increasing by £19k in 2024/25, with the increase to be funded by an ICB contribution. This contract meets the Council's supplier risk protocols.
33. Furthermore, it is noted that the remaining recommendations within this report have no direct financial implications, with associated spend remaining within the Council's approved budget.

Legal

34. The report seeks to depart from providing core grants to voluntary sectors and move to a commissioning model aligned to the service needs. To avoid de-stabilisation of current resident services whilst the transition takes place, the report recommends that direct awards are provided to the Hillingdon Carers Partnership for a period of up to 18 months and for the various groups set out in paragraph 17 for a period of up to 12 months. Further, the report seeks approval to commission voluntary sector services via open competitive tender process in the future/longer term.
35. The summary of each grant application, an assessment of whether it meets the grant criteria and recommendations on the amount of grant to be awarded was provided to Cabinet in the December 2022 report, along with the Equalities Impact Assessment (EIA) for each case. This report provides the EIA for the direct award to Hillingdon Carers Partnership for the consideration of the Cabinet.
36. As set out in the December 2022 report, section 137 of the Local Government Act 1972 enables the Council to, 'incur expenditure which in their opinion is in the interests of, and will bring direct benefit to, their area or any part of it or all or some of its inhabitants', provided that 'the direct benefit accruing to their area or any part of it or to all or some of the inhabitants of their area will be commensurate with the expenditure to be incurred.'
37. Section 1 of the Public Services (Social Value) Act 2012 enables the Council to move to a commissioning model, provided that having read this report, the Cabinet is satisfied that the move to commissioning will help 'improve the economic, social and environmental well-being' of the Borough and the conducting of any future procurement process will 'secure this improvement'.
38. In accordance with section 1(7) Public Services (Social Value) Act 2012, the Council must consider whether to undertake any consultation in respect of the move to commissioning. The report confirms that specifications and contract payments will be developed in discussion with relevant internal and external stakeholders. Further, the transition and implementation stages set out the assessments that are underway and the ways in which the stakeholders will be consulted, thereby complying with this requirement.
39. The Cabinet must also be mindful of the Council's public sector equality duty under the Equality Act 2010 in making any decisions.

Property

40. Of the ten groups set out at paragraph 11 above, three currently occupy and enjoy voluntary sector leases on Council owned buildings; Citizens Advice Bureau (CAB) have offices at the Civic Centre, AgeUKHHB have the building at Townfield Square and HACS are based in Harlington. The Council will wish to explore options for these sites as part of its Estates strategy, potentially looking at different options for service provision that would serve residents
41. In addition, the Council is considering options for the Ruislip Northwood Old Folks Association lease at the Elm Park dining club site in Ruislip Manor.

BACKGROUND PAPERS

Hillingdon Cabinet Paper December 2022, see item 8 here: [London Borough of Hillingdon - Agenda for CABINET on Thursday, 15th December 2022, 7.00 pm](#)