

Subject: Review of Commissioning Process for Voluntary and Community Sector Support Services

Report to: Audit and Risk Committee – 10th July 2017

Report by: Emma Hodds, Head of Internal Audit

SUBJECT MATTER/RECOMMENDATIONS

To report back to the Audit and Risk Committee on the commissioning process followed for voluntary and community sector support services as requested at the meeting on 6th March 2017.

The Committee are requested to note the report.

1. INTRODUCTION/BACKGROUND

- 1.1 On the 6th March 2017 a report was received by Committee, as requested through the Housing and Neighbourhoods Committee – “Review of Commissioning Process for Voluntary and Community Sector support services”.
- 1.2 The Committee resolved that “the Internal Audit Consortium Manager to re-look at the report and to encompass, through the Chairman, issues raised by the Committee”.
- 1.3 On the 29th March 2017 a meeting was held with the Chairman of the Audit and Risk Committee – Cllr K Grey – where it was agreed that discussions would be held with the members on the panel to gauge their individual opinions and that the issues raised in the minutes of the meeting held on the 6th March 2017 would also be addressed.

2. MAIN BODY

2.1 Summary outcomes from meetings with Members

Individual meetings were held with each Member and the following points are the key messages from these discussions:

- The staff were exemplary in the explanation of the scoring and criteria applied to the applicants and how the scoring conclusions for 1 – 10 were reached.
- Presentations from the top applicants would have been beneficial.
- Clarity is needed when such a sub-group is set up re the terms of reference / purpose of the group.
- Clarity was needed in relation to the change in terms of budget available and term of the award.
- There is a need to look at different approaches for supporting the voluntary and community sector, this needs to be wider and not just financial support.

2.2 Issues raised from meeting held on 6th March 2017

Minute	Response
The Chairman reported that she was disappointed that the Panel Members had	Members were not initially interviewed as this was not an investigation, it was a

not been interviewed prior to the production of the report which did not reflect what had transpired during the process.	review of process for the award of the grants, however the Head of Internal Audit has subsequently had discussions with all three members, the conclusions of which are noted above.
Cllr Waters-Bunn reported that she felt section 2.5 of the report was incorrect as the outcome was discussed at Group Leaders meeting prior to being discussed at EMT.	<p>Section 2.5 of the report explores each step in the process.</p> <p>The process itself i.e. scoring and criteria was followed, as confirmed by members through discussions and though the review of the process.</p>
Cllr Grant reported that the process had been correctly followed but the problems had arisen when the funding pot had been increased and a fourth award put into the melting pot which put the Panel Members under intense pressure.	<p>The previous report covers the increased pot of money.</p> <p>The fourth placed applicant was then also awarded funding – importantly there was <u>no</u> change in the ranking of the applicants at any time.</p>
<p>Cllr Walch reported that the whole process for awarding the grants was flawed.</p> <p>The Panel had been informed that they would score the applications and the top three would be successful and awarded funding from the £50k pot for a three-year period.</p> <p>It was acknowledged that the successful Charities would be asked to reduce their funding requirement to ensure that the total did not exceed the total amount.</p> <p>However, as the process unfolded, a further £40k was found and awarded to the fourth rated charity and all awards would be for a period of one year only.</p> <p>The decision to increase the funding pot should have gone to the H&N Committee for approval in the first instance.</p>	<p>Discussion with members and the conclusions for the previous audit report indicate that in relation to the process, and specifically the scoring criteria, this was followed.</p> <p>The panel were there to ratify the officer decision. Review of documentation and review of agenda items and minutes confirm that it was a budget to be allocated, not a “number”. In terms of the change in funding period this was covered in the January 2017 report to H&N, and covered in the report to A&R in March 2017.</p> <p>All four were requested to re-submit budget proposals on 13 December 2016.</p> <p>See other notes.</p> <p>The recommendation to amalgamate the general fund & HRA was agreed at EMT and then taken through to H&N for information.</p>
Cllr Robinson-Payne reported that the process had been flawed from the outset as Members had requested that the application process be opened as wide as	As explained at the time to the Committee the portal was used, together with an advert on the Council's website and through the VCS network to ensure a wide

possible to allow all charities the opportunity to apply and this had not transpired.	range of charities were able to respond. See conclusions at 5.1.
The Chairman reported that Cllr Carpenter had asked her to report that she had grave misgivings as to the commissioning process and that she had asked for this to be suspended pending consultation with the CEO.	The same comments were provided during the discussion with Cllr Carpenter however the decision has now been made.
Cllr Hammond reported that the process had highlighted the need for all meetings to be recorded to enable accurate minutes to be produced.	Outside of the scope of this report.
The Chairman reported that she knew nothing of the problems which had been encountered by Panel Members until the matter was discussed at Group Leaders meeting, as the Panel Members had been reminded of the need for confidentiality throughout the process. The Group Manager, Housing Services reported that the Panel Members were reminded of the confidentiality clauses as the process was highly confidential to prevent any leaks to the press, but the Panel Members were not forbidden to talk to their Group Leaders.	This is a Group issue and outside of the scope of this report.
The Director of Housing & Neighbourhoods reported that it had not been a perfect process and following the outcome of this report and a period of reflection, an improved process would be implemented.	Options for the next steps are documented below and the H&N now need to conclude on a way forward. See conclusions at 5.1.
Cllr Robinson-Payne reported that the next Panel should be privy to all information to ensure that they could reach the correct decisions. Cllr Robinson-Payne reported that she had requested that each charity attend a Panel meeting to give a presentation but that this has been refused but she would like this to be included in the next process.	Discussions with the Members on the panel indicate that the officers took them through the conclusions and scoring in an exemplary manner. To be considered once a decision as to the next steps have been decided.
The Chairman reported that she had asked for sight of the Head of Terms for the Panel, but to date she had not received them.	Covered as a recommendation going forwards, although the report to H&N was clear in that member's role was to ratify the decision.

<p>Cllr Jeal asked if there would be a further cost implication to produce another report and how much had been spent on the commissioning process.</p>	<p>In relation to the internal audit cost of a further review this has been minimised as much as possible.</p> <p>In terms of officer time on the commissioning process this is not known.</p>
<p>Cllr Waters-Bunn proposed that as the commissioning process had been flawed from start to finish and the goal posts changed mid-way through the process, the report should be re-visited and the Panel Members interviewed as they had been an integral part of the process. The Section 151 Officer reported that she would discuss this and add this to the programme of work.</p>	<p>The report has been revisited and discussions have been held with the three members. Concluded within this report, also refer to 5.1.</p>

3 **FINANCIAL IMPLICATIONS**

- 3.1 Annual available budget of £80,000 from the general fund (£50,000) and the housing revenue account (£30,000).

4. **RISK IMPLICATIONS**

- 4.1 This report addresses the members concerns regarding the risks associated with the process not being open and transparent.

5. **CONCLUSIONS**

- 5.1 It is important to recognize the stepped improvements within this area, historically grants were provided to organisations year on year, with no set criteria to determine how these would be awarded or importantly to ensure that the organisations helped to achieve the Council's objectives and that clear measures and outcomes were monitored to ensure delivery for the funds provided.
- 5.2 It is clear from the discussions with all members on the panel that there was confusion over what the role/remit was. Going forwards there needs to be absolute clarity as to what members need to do when sitting on a panel and terms of reference / purpose need to be written up, explained and signed up to.
- 5.3 The discussions with Members highlighted some key points, see paragraph 2.1, that need to be considered by officers going forwards.
- 5.4 It is also recognized that wider County work is underway with regards to how all voluntary grants are provided across the board, and the wider remit of support generally.
- 5.5 Officers now need to determine what to do post 31st March 2017, through reports to the Housing and Neighbourhoods Committee. Options are, but not restricted to:
- The current award of grants for the 2017/18 financial year to be extended for a year to allow the County work to be explored.
 - A process be developed for the award of grants for 2018/19, taking on board the points raised within this report and for a time frame to be determined by officers.
 - No award of grants during 2018/19 whilst the County options are being explored.

RECOMMENDED ACTIONS

- 6.1 For officers through the Housing and Neighbourhoods Committee to determine the next steps in grant funding for Voluntary and Community Sector, taking on board the points raised within this report and the report dated 6th March 2017.

BACKGROUND PAPERS

- 7.1 Commissioning Voluntary Sector Support – Report to Cabinet 11 November 2015

Voluntary and Community Sector support services – commissioning process – Report to Housing and Neighbourhoods Committee 15 September 2016

Procurement documentation for Voluntary, Community and Social Enterprise Sector

Voluntary and Community Sector support services – commissioning process – Report to Housing and Neighbourhoods Committee 19 January 2017

Review of Commissioning Process for Voluntary and Community Sector Support Services – Report to Audit and Risk Committee 6 March 2017

Area for consideration	Comment
Monitoring Officer Consultation:	Yes
Section 151 Officer Consultation:	Yes
Existing Council Policies:	N/a
Financial Implications:	Covered in the report
Legal Implications (including human rights):	N/a
Risk Implications:	Covered in the report
Equality Issues/EQIA assessment:	Already covered in earlier / other reports
Crime & Disorder:	Already covered in earlier / other reports
Every Child Matters:	Already covered in earlier / other reports