

29th October 2019

Agenda Item No. 7

Support for Voluntary Organisations

Report by: Carrie Lindsay, Executive Director (Education & Children's Services Directorate)

Wards Affected: All

Purpose

This report provides information on the independent review of Third Sector commissioned services and options for efficiency savings and future commissioning arrangements.

Recommendation(s)

It is recommended that Committee:

- (1) Consider which option to approve to achieve the efficiency saving of £410,000, as set out in Section 3 of this report.
- (2) Consider which option is to be explored regarding further savings, leading to a sustainable and efficient commissioning model within Education & Children's Services

Resource Implications

The report to Committee in September confirmed the total award for grant funded organisations by Education & Children Services in 2019/20 was £3,901,371. This included commitments to Third Sector organisations funded by Criminal Justice Social Work, Our Minds Matters, and Pupil Equity Funding.

The total expenditure for Third Sector services in scope for the independent review is £3,676,574

Legal and Risk Implications

This report is based on ongoing discussions with those who undertook the independent review and outlines the risk implications based on the reported findings.

Impact Assessment

An EqIA was completed and submitted with the Committee report in March 2019.

Consultation

The appointment of independent consultants to undertake the review has been overseen by a Steering group with representation from the Third Sector and Officers within Fife Council. The review process has included individual meetings with all Third sector organisations in scope; 2 workshop sessions with Third Sector and Fife Council representatives; meetings with stakeholders including Health, Education and Social Work colleagues.

Data and background information has been provided to the consultants to ensure there is awareness and consideration of previous thematic reviews and outcomes. The Final Report is to be further considered by the Steering group and will be shared with all Third sector organisations who took part in the review to ensure transparency.

It is of note that there are a number of third sector organisations, who sit outside the scope of this review. Whilst opportunity has been afforded to share information, it would be prudent to advise that their views are not represented within this independent report.

1.0 Introduction

- 1.1 A report was presented to Education & Children's Services Committee on the 19th of March 2019. The decision at Committee was to proceed with an independent review to secure efficiency savings of £410,000 and support future commissioning arrangements. On this basis, there was no change made to Third Sector awards, pending the outcome of the review.
- 1.2 Reports to Committee have provided information on previous thematic reviews. They have also set out the current monitoring and evaluation framework that is in place to review the impact of commissioned services, contributing to the objectives and outcomes within the Education & Children's Services Plan. As previously reported there is a long history of partnership working in Fife with the Third Sector and many of the current services commissioned by Education & Children's Services have been in place for a significant period of time. The partnership in Fife has led to several innovative approaches including the Partners for Change programme, Public Social Partnership initiatives and consortia involving Third sector organisations with the aim of developing an efficient and coordinated approach to service delivery; with a focus on meeting the needs of vulnerable children and families.
- 1.3 In its Revenue Budget for 2017 -2020, the Council approved a budget saving of £900,000 in respect of support provision across Education, Social Work and the Third Sector. A saving target of £450,000 was attributed to both Fife Council Family Support Services and grant funded Third sector organisations, to achieve a total saving of £900,000.

- 1.4 In 2018, Family Support Services within Fife Council were subject to redesign and achieved a saving of £450,000, leading to a more streamlined and efficient service, working collaboratively across children's services. However, only £40,000 of the savings attributed to third sector organisations was approved. A shortfall on this part of the saving of £410,000 therefore remains.
- 1.5 Funding from Fairer Fife was confirmed in March 2019 to appoint external consultant/s to undertake an independent review working closely with Council Officers to consider current commissioning arrangements. The aims of the review were to undertake:
- Mapping of existing resources
 - Examination of trend data and outcomes
 - Engagement with Third sector organisations and key service leads in Fife Council
 - Consideration of delivery models
 - Complete an options paper with recommendations
- 1.6 The timescale for completion of the review was 6 months. Whilst there was a delay in commencing the programme of work this has now been completed within the agreed timescale, subject to final sign off of the report. The independent consultants have maintained a focus on the immediate issue of achieving a £410,000 efficiency saving considering the impact on current provision alongside consideration of a more transformational approach to support a wider review of commissioning arrangements to achieve a more sustainable model.

2.0 Review programme and emerging themes

- 2.1 The review process has enabled a 'conversation' to develop regarding the current delivery models within Fife, taking account both the Third sector landscape and the interface with universal and statutory services. Individual interviews with Third sector organisations and 2 workshop opportunities identified a number of challenges as well as opportunities. The review report will be made available to the steering group and all 3rd sector organisations that have been involved, on completion. However, key findings have been shared and a number of themes have emerged, largely drawn from the engagement with Third sector services.
- 2.2 Themes drawn mainly from the 3rd sector include:
- Levels of need appear to be high which can limit the opportunity for early intervention and preventative work
 - Due to a combination of the complexity of need and levels of poverty, short term programmes do not always lead to sustainable change for some families who may require longer term support other than crisis support
 - Current service configuration is fragmented with wide ranging service and accessibility criteria.
 - Funding streams for example access to Pupil Equity funding and Our Minds Matter presents challenges
 - Many Third sector organisations report that they deliver services beyond current service level agreement outputs/outcomes and often add value because of accessing external funding
 - Lack of clarity regarding models/ approaches/outcome and impact measures

- Although there may be some misconceptions across the partnership, at a local level there are strong relationships
- The Commissioning model adopted by the Alcohol and Drug Partnership is seen as effective and subject to continuous review and improvement
- Third sector organisations report that they have considered all opportunities for efficiency savings with some now working to a reduced workforce and limited availability i.e. operating over a 4-day week
- Awards to organisations receiving funding over £100,000 were reduced by 1% in 2018/19

3.0 Short & Long-term options

3.1 Short Term Options:

The review process focused on the impact of the efficiency saving of £410,000 previously approved at Committee and the independent consultants have put forward options for consideration. These range from:

1. No deduction from the E&CS budget but consideration to securing the saving from another part of the Council
 2. Partial saving i.e. less than £410,000
 3. 11.2% reduction across all Third sector organisations in scope
 4. Proportionate reduction based on size of award
 5. Merging of organisations
 6. Back office efficiencies
- 3.2 Committee are invited to consider which option would be the preferred choice to deliver the required efficiency savings of £410,000.
- 3.3 The independent consultants note that 'if the full saving of £410,000 is taken there will be a reduction in the services currently offered by the Third Sector and there will be reductions in staffing'. However, this hasn't been quantified. They consider that this will impact on increased demand for council services.
- 3.4 If the decision is made to take a proportionate cut based on the size of award the following financial impact would be incurred out of a sample of grant awards;
- 1 service receives £749,162 (over 5 workstreams) a cut of £89,900
 - 1 service receives £512,320 (over 6 workstreams) a cut of £41,000
 - 1 service receives £510,000 a cut of £61,000
 - 1 service receives £300,000 (over 3 workstreams) a cut of £36,000
 - 1 service receives £219,104 (over two workstreams) a cut of £26,000
 - The lowest saving to be achieved would be from a service that receives £14,000 a cut of £1,120
- 3.5 It is of note, that over the last year, there have been increases in the number of children whose names have been placed on the child protection register and increases in the number of children being placed in residential care. Whilst the impact of poverty is known to affect these percentage figures, there is less firm evidence to suggest a direct correlation between a reduced voluntary sector provision and an increase in demand for statutory services. This hasn't been borne out in Fife to date.

- 3.6 However, there is general agreement that pathways into services, the positioning of services and service specific measures of impact that align to strategic priorities would greatly assist in providing a sound evidence base of the significant value of third sector provision, whilst also recognising the additionality they can bring.
- 3.7 Long term options- Early negotiations regarding an independent review to support a more effective commissioning model in Fife was based on a shared perspective across the partnership that a more sustainable, efficient and effective set of arrangements were required. Previous collaborative reviews have highlighted areas of strength across the partnership, however, there remain challenges in terms of best value; overlap and duplication of services, models of delivery, evidence of impact and outcomes and maximisation of resources. The independent consultants were asked to consider commissioning models across Scotland and any learning that could be transferable to the Fife context including the current range of Third sector organisations.
- 3.8 The independent consultants set out a perspective on the guiding principles required to effectively commission services, highlighting a requirement for shared outcomes, relationships, strategic needs assessment and a formalised framework. Examples given were:
- Recommissioning of current Third Sector services within a clear budget and informed by an assessment of need and evidence of effective delivery models
 - Joint arrangements through a Hub model based on a locality approach
 - Maintain current commissioning arrangements but increase the Third sector's involvement the identification of need
- 3.9 Committee are invited to consider which approach they would choose to explore further to ensure that the required transformational change can progress, leading to a more effective and sustainable commissioning model, to meet the needs of vulnerable children and families in Fife.
- 3.10 The current position has created levels of uncertainty across the third sector, with both providers included within the scope of this review and those that sit out with this, being challenged in how their services can move forward to meet increasing levels of need without a clear strategy or agreed plan. This places sustainability, the ability to secure additional funding, recruitment and retention and evidence of impact at risk; exposing the very core of third sector provision.

4.0 Conclusion

- 4.1 The current review process has confirmed a number of findings from previous thematic reviews, however, the involvement of independent consultants has enabled an opportunity for open dialogue supported by governance through the Steering group
- 4.2 The solution to achieving the budget saving of £410,000 remains challenging and rooted in the need to develop a significantly different commissioning strategy and relationship with the Third Sector.

- 4.3 The independent consultants have confirmed a preference, that should this efficiency saving be required, that proportionate cuts across services based on size of award would have the least impact, but note this is not without risk.
- 4.4 There is agreement that the longer-term option of recommissioning, if agreed, should be developed around a strategic needs assessment to ensure that the strategy is fit for purpose, providing a sustainable model that can also be responsive to changing need.
- 4.5 The Independent consultants have confirmed a view that change is required, and that transformational change could offer the route into a more sustainable and effective relationship, with services that provide a better fit.
- 4.6 If decisions regarding the short term saving and/or the longer-term options, are delayed, consideration will need to be given to the associated costs this will incur. both in terms of budgets, but also the development of a more cohesive suite of supports to vulnerable children and families. There is some urgency around this. Ongoing uncertainty for Third Sector providers in terms of future planning is also a pressing matter.

Background Papers

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act, 1973:

- Policy Paper: Review of Support for the Voluntary Sector – Policy and Resources Committee, Fife Council 16.02.06
- Code of Guidance on Funding External Bodies and Following The Public Pound - COSLA/Accounts Commission 1996
- Voluntary Sector Monitoring & Evaluation Framework

Report Contact:

Kathy Henwood
Head of Education & Children's Services (Enhancing Opportunities for the Vulnerable)
Education & Children's Services Directorate
Rothesay House, Glenrothes
Telephone: 03451 55 55 55, Ext 441189
E-mail: Kathy.henwood@fife.gov.uk

Lynn Gillies
Service Manager- Children & Families
Education & Children's Services Directorate
Fife House, Glenrothes
Telephone 03451 55 55 55, Ext 443043
E-mail: lynn.gillies@fife.gov.uk