

Part 1 – open to the Public	ITEM NO.
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REPORT OF THE STRATEGIC DIRECTOR FOR PLACE AND PEOPLE

TO

Procurement Board

11 March 2020

TITLE: Approval for an extension of contract for – Strategic Development of the VCSE sector through engagement, support and influence and promoting volunteering in Salford - Current provider Salford Community and Voluntary Services (SCVS)

RECOMMENDATION:

1. That Procurement Board notes that:
 - (a) The Strategic Director for People, in exercise of the powers conferred on this position by the City Councils Constitution has approved the allocation of two year funding in respect of Safeguarding and Vocal (Non Integrated Funding) £31,706 for 1 April 2020 to 31 March 2021 and £31,706 for the period 1 April 2021 to 31 March 2022 and has recommended that Procurement Board approves the 12 month contract extension (1 April 2020 to 31 March 2021)
 - (b) The Chief Accountable Officer, NHS Salford Clinical Commissioning Group, in exercise of the powers conferred on this position has approved the allocation of two year funding in respect of Safeguarding, Vocal and Adult Social Care (Integrated Funding) £62,300 for 1 April 2020 to 31 March 2021 and £62,300 for the period 1 April 2021 to 31 March 2022 and has recommended that Procurement Board approves the 12 month contract extension (1 April 2020 to 31 March 2021)
 - (c) That Lead Member for Housing and Neighbourhoods on 18 February 2020 has approved the budget provision of £171,562 in order to extend the current contract for Strategic Development of the VCSE Sector, Volunteering Brokerage and Training and Support to VCSE's - 1 April 2020 to 31 March 2021 and budget provision of £171,562 for the period 1 April 2021 to 31 March 2022 and has recommended that Procurement Board approves the 12 month contract extension (1 April 2020 to 31 March 2021)

2. That Procurement Board:

- (a) Procurement is recommended as agreed on 8 March 2017 to approve the extension of contract - Strategic Development of VCSE's, Volunteer Brokerage, Training and Support to VCSE's with an annual value of £171,562. The contract will be delivered from 1 April 2020 to 31 March 2021
- (b) Notes that a further report will be submitted to Procurement Board if appropriate in relation to extending the contract for a further 12 months 1 April 2021 to 31 March 2022, subject to funding available and performance
- (c) Notes that the Strategic Director will determine the future of this service to ensure preparation is in hand for any further procurement of the service.

Detail required	Example		
Contract Reference			
Title/Description of Contracted Service/Supply/Project	Strategic Development of the VCSE Sector through engagement, support and influence and promoting volunteering in Salford		
Name of Contractor	Salford Community and Voluntary Sector (SCVS)		
Type of organisation	Registered Charity		
Status of Organisation	SME		
Value of Contract Extension	£265,568		2020-2021
	£265,568		2021-2022
Existing Contract Term	1 April 2017	to	31 March 2020
Extension Period Requested	1 April 2020	to	31 March 2022 (budget provision only)
	1 April 2020		31 March 2021 (contract extension)
Contact Officer (Name & number)	Sandra Derbyshire Tel. 0161 793 2570		
Lead Service Group	Neighbourhoods and Communities		
Funding Source	Neighbourhoods and Communities/Integrated and Non Integrated Budget		

EXECUTIVE SUMMARY:

SCVS is the city-wide infrastructure organisation for the Voluntary, Community and Social Enterprise sector (VCSE); providing specialist information, advice, development support and opportunities for influence and collaboration within the city of Salford.

As a membership organisation, SCVS's key relationships lie with its member organisations and with the wider VCSE sector in Salford, which comprises of 1,513 voluntary, community and social enterprise organisations.

SCVS provides a range of services fully accessible at a local level through the Volunteer Centre functions, development / information, advice and guidance, 1-2-1 and group support, back office services, non accredited and bespoke training. Their considerable range of voice and influence work enabling VCSE's to articulate their views provides a strategic interface between Salford VCSE's and Salford public sector organisations as well as being engaged in GM level work.

A review was undertaken in 2013/14 regarding the commissioning arrangements with SCVS. The focus of the review was to maximise the effectiveness of Council funding in providing a range of VCSE services in Salford and also to demonstrate that the Councils commissioning arrangements with SCVS represented value for money, that SCVS was the most appropriate organisation to deliver the required service and that funding was allocated in accordance with our rules and regulations for procurement. The review in 2013/14 concluded the following:

To further market test the delivery of the required services through competition could result in the re-fragmentation of the strands of delivery, so losing the benefits of the integration process. Previous market testing of VCSE infrastructure services via "The Chest", Salford's procurement portal, has shown that there is likely to be little or no appetite for these contracts in the market with no other providers submitting an application to deliver the required service when it was put out to tender. This also takes into account consideration of the relatively low value of the services once re-fragmented and the complexity of integrating across the whole sector in the City, whilst taking on TUPE obligations.

A large amount of shared experiences and processes between The Council the Clinical Commissioning Group and SCVS have been built up in the process of contract alignment to date and the shared "intellectual capital" built up would have to be rebuilt with a new provider or providers, risking current and future delivery on key agendas and the added financial value of the efficiency of SCVS delivery and the extra pots of funding that SCVS secures and taps into around key agendas.

Loss of these contracts would destabilise SCVS and VCSE's in Salford at a very difficult time of budget cuts, with the council making a further £15.8m in savings next year alone.

On 8 March 2017, Procurement Board approved an exception to CSO's and awarded

a three year contract to SCVS 1 April 2017 to 31 March 2020 with an option to extend for a further 12 months 1 April 2020 to 31 March 2021 and then a further 12 months 1 April 2021 to 31 March 2022.

SCVS continue to provide excellent value for money. Overachieving in all KPI's and outcomes set in the service specification and leading and delivering in the area of social value.

Funding in relation to this contract with an annual value of £265,568 is complex and investment is received from SCC Housing and Neighbourhoods, Integrated Children's Funding, Non Integrated Children's Funding and Integrated Adult funding and approval for a further 2 years is as below:

Funding Source	Investment £	Service	Responsibility for approving further 2 years funding
Housing and Neighbourhoods	85,000	Strategic Development of the VCSE sector	Lead Member for Housing and Neighbourhoods
Housing and Neighbourhoods	28,314	Volunteer Brokerage	Lead Member for Housing and Neighbourhoods
Housing and Neighbourhoods	58,248	Training and support to VCSE's	Lead member for Housing and Neighbourhoods
Integrated Children's Funding	£22,489	Support to VCSE's to ensure compliance with Safeguarding Standards and to support the	The Chief Accountable Officer, NHS Salford Clinical Commissioning Group
Non Integrated Children's Funding	£31,706	VOCAL Children and Young Peoples Group	SCC - Strategic Director People
Integrated Adult Funding	£39,811	Adult Social Care	The Chief Accountable Officer, NHS Salford Clinical Commissioning Group
TOTAL INVESTMENT	£265,568		

However, as the contract for these services sits with Salford City Council SCC Procurement Board are responsible for making the decisions to extend this contract.

The contract for all services (as described above) are due to expire on 31 March 2020 with provision within the contract to extend for a 12 months and then a further 12 months.

Therefore, Procurement Board is recommended to approve a 12 month extension to the current contract for Strategic Development of the VCSE Sector, Volunteering Brokerage and Training and Support to VCSE's 1 April 2020 to 31 March 2021.

BACKGROUND DOCUMENTS:

Report of the Strategic Director for Environment and Community Safety - Voluntary Sector Grant Review on 8th January 2013

Report of the Strategic Director for Environment and Community Safety and the Strategic Director for Children's Services - Award of contract for Third Sector Infrastructure on 11 June 2013

Report of the Strategic Director for Environment and Community Safety and the Strategic Director for Children's Services – Salford Community and Voluntary Services (SCVS) Future Commissioning Arrangements January 2014

KEY DECISION: YES

1. Background

1.1 A robust review was undertaken in 2013/14 regarding the commissioning arrangements with SCVS. The focus of the review was to maximise the effectiveness of Council funding in providing a range of services to VCSE's in Salford and also to demonstrate that our commissioning arrangements with SCVS represented value for money, that SCVS was the most appropriate organisation to deliver the required services and that funding was allocated in accordance with our rules and regulations for procurement.

1.2 The review concluded the following:

- To further market test the delivery of the required services through competition could result in the re-fragmentation of the strands of delivery, so losing the benefits of the integration process.
- A large amount of shared experiences and processes between The Council and SCVS have been built up in the process of contract alignment to date and the shared "intellectual capital" built up would have to be rebuilt with a new provider or providers, risking current and future delivery on key agendas and the added financial value of the efficiency of SCVS delivery and the extra pots of funding that SCVS secures and taps into around key agendas.

- Loss of these contracts would destabilise SCVS and VCSE's in Salford at a very difficult time of budget cuts, with the council making a further £15.8m in savings next year alone (2014/15). This is another reason mitigating against change of the established provider.
- Previous market testing of VCSE infrastructure services has shown that there is likely to be little or no appetite for these contracts in the market, considering the relatively low value of the services once re-fragmented and the complexity of integrating across the whole sector in the City, whilst taking on TUPE obligations.
- On the balance of the evidence of market analysis SCVS are the only provider in the market that is in a position to deliver the level of outcomes and benefits across the range of themes that is demanded by the current contracts.
- The Council and CCG have subsequently aligned resources and integrated the SCVS contract with joint contract management arrangements and a single specification and monitoring template. Financial and monitoring outcomes are now integrated to ensure the SCVS work is focused on City priorities and delivers best return on investment.
- The Council and CCG review budget contributions and the level of investment into the SCVS contract on an annual basis, alongside monitoring of performance and delivery of outcomes. As part of this process, commissioners regularly consider scope for potential efficiencies and/or stretch in contract targets and outcomes. Wherever possible, this means we continue to challenge the provider to deliver best value and to focus delivery and outcomes around current/emerging City and GM priorities. We also continue to push for evidence of the 'added' and 'social' value that SCVS facilitates through their work.
- Continued and sustained funding of the SCVS contract is not just about maintaining organisational sustainability. A fundamental aspect of the contract is about supporting local VCSE organisations to ensure a robust sector. The Council's investment therefore enables SCVS and the VCSE sector to lever in more money (match) to Salford – Salford State of the Voluntary Sector 2017 report illustrated that in 2014/15 the total income for the sector in Salford was £165m).
- Any further reductions in funding on any element of the contract would render the service unable to deliver on City priorities and outcomes and would require the cutting of services to the VCSE sector and staff redundancies. Furthermore, the impact of any further reductions would be felt much wider and impact on the VCSE sector and local economy as a whole. The Council agreed to maintain the current budget to ensure that SCVS is able to continue to deliver services.

- 1.3 Following the above findings from 2013/14, which were re examined in 2017 and remained mainly unchanged, Procurement Board at its meeting on 8 March 2017, approved that a further 3 year contract be awarded to SCVS (1 April 2017 to 31 March 2020) with and option to extend for 12 months (1 April 2020 to 31 March 2021) and then a further 12 months (1 April 2020 to 31 March 2022) subject to funding available and performance.

2. Current Service Delivery

- 2.1 The one merged contract which is due to end on 31 March 2020 delivers a variety of VCSE capacity building and engagement functions across partnership themes as below:

Service/funder	Contract Purpose
Strategic Development Funded by SCC Housing and Neighbourhoods £85,000 p.a	To facilitate the Strategic Development of the Third Sector in Salford to ensure that it is contributing to a key range of themes and partnerships enabling SCVS to promote the collective interests of Salford VCSE organisations. This includes co-ordinating the VCSE Leadership Group, informing and educating the sector on local, regional and national policies and funding opportunities, giving a voice to the VCSE Sector across a number of local themes and partnerships, facilitating collaboration and providing key back office support on issues such as payroll and Disclosure and Barring Service.
Adults Social Care - £39,811 p.a Funded by Adult Integrated Budget	To support VCSE's to have a voice and influence in delivering this agenda, providing development and support to enable organisations to take an active part in the of health and well being services and participate in the development, implementation and delivery of provision, thus helping the Council to fulfil it's Statutory Duties in relation to Adult Social care.
Vocal Children's Services (£ 31,706) Funded by Children – Non Integrated Budget	To provide a forum for bringing together VCSE groups working with children, young people and families in Salford, for organisational and service user consultation, representation, support and capacity building and development of good practice, ensuring the VCSE sector representation at all key boards and strategic forums and groups.
The Volunteer Centre Funded by SCC Housing and Neighbourhoods (£28,314)	To increase the number and quality of volunteering opportunities and improve the skills and experience for volunteers. This is facilitated by maintaining a register of volunteering opportunities and providing a local agency to link volunteers to volunteering opportunities and providing support to organisations to improve their volunteer practice and policy.

<p>Third Sector Training and Development</p> <p>Funded by Housing and Neighbourhoods £58,248 and £22,489 by Childrens Integrated Budget</p>	<p>To inform and enable VCSE Infrastructure Training and Development of organisations and their Trustees with focus on supporting new and existing VCSE organisations to be 'commissioning ready' through training, development, advice, support on funding, good practice and policy. This includes a particular emphasis on training to meet statutory obligations in the Safeguarding of children and vulnerable adults.</p>
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3 Added Value

- 3.1 SCVS also play an important role in relation to Social Value and work in close partnership with the Council to make Salford a Social Value City. This means embedding a social value approach into every organisation in Salford no matter what its size in the sector.
- 3.2 SCVS are also members of the Social Value Alliance, The Social Value Core Group and represent the sector at the Great Manchester Social Value Network.
- 3.3 SCVS continue to design, manage and administer the NHS Salford CCG supported Third Sector Fund, and have secured a further 5 year settlement of £5m. Delivery of this programme is driven by the strategic and development work that SCVS are commissioned to deliver by Salford City Council.

4 The rationale for extending the current contract with SCVS

- 4.1 The VCSE is clearly an important sector for the local economy, Council and City Partnership and the State of the Sector 2017 report also shows that the VCSE in Salford is diverse, disproportionately fragmented into smaller potentially more vulnerable and hard to reach organisations; with the Sector as a whole increasingly financially unstable.
- An estimated 1,513 organisations (1,376 in 2013) provide 2.4 million interventions with Salford residents each year
 - The total income of the sector in the City was an estimated £165 million in 2011/12 (£145 million in 2013)
 - An estimated 37,300 volunteers contribute an estimated 137,000 hours of their own time each week valued at £122.7 million worth of Gross Value Added to the economy (£121.7 million in 2010)
 - There are an estimated total of 5,300 total employees in the sector whose contribution is valued at £111.2 million p.a

- 69 per cent of organisations are micro organisations with an annual income of under £10,000
- 43 per cent of organisations had reserve levels of less than one month's expenditure, this has increased from 19 per cent in 2013
- The Report also highlights the powerful contribution of collaboration both within the sector and with public sector partners to the continued success of organisations and communities in the City.

5 Future service delivery

5.1 Service delivery from 1 April 2020 will include the following:

- A united voice for VCSE's in Salford facilitating contributions from, and partnership with, the Sector involving the Council and partnership boards across the City and supporting and up skilling of the sector organisations in the area of operational and policy best practice for the Sector
- Increased knowledge in the sector of regional and national issues and policies through briefings across the range of Partnership themes by providing briefings (e.g. Strategic Voice briefing) on the key agendas including developments in the wider City Partnership and Community Health and Social Care and Children's Services agendas
- A channel for VCSE organisations to articulate their views and influence at a strategic level through SCVS involvement across Council and Partnership Boards and forums including the City Partnership and VCSE Leadership Group, as well as at GM level. SCVS has engaged in much of the GM level work and is seeking to influence the GM devolution agenda on behalf of the VCSE sector as well as a strong voice for Salford.
- VCSE involvement in Health and Well Being agendas through co-ordination and engagement in a range of health partnership boards.
- VCSE involvement in the Children's Service agenda through the Vocal provider's network and involvement with the Children's Trust Board and Salford Safeguarding Children's Board, facilitating the Vocal forum.
- Leadership and development on key Council and partnership themes including work with the VCSE Leadership Group in the delivery of the actions in the VCSE Investment Strategy.
- Aligning with partners and helping the VCSE sector to deliver on statutory obligations such as Safeguarding and the involvement of the voice of the child in policy and practice.

- Co-operation and collaboration between leaders in the Sector in Salford including engagement of representatives from different organisations on Council and Partnership Thematic bodies.
- Facilitation to increase the number and quality of volunteering opportunities through providing the Volunteer Centre and related training on volunteering practice
- Training and development of Salford’s VCSE organisations to help them to operate more efficiently in key operational areas and also to be able to compete and be ‘commissioning ready’ and able to meet the Salford Safeguarding Standards.
- Funding opportunities through information, briefing, training and advice.
- Key operational support services to VCSE organisations e.g. financial management, providing holding accounts, independent examinations, Disclosure and Barring Service checks, Organisational Personalisation Health Checks payroll services, TUPE advice, etc

5.2. The service specification from 1 April 2020 will focus on SCVS delivering four key outcomes as below:

Outcome 1	The VCSE sector is engaged and involved in locality, city partnership and GM work, understands and actively contributes to and influence key priorities and Salford’s Great 8 priorities
Outcome 2	The VCSE sector is supported and enabled to operate robustly within the Salford social, economic and political environment”.
Outcome 3	People in Salford are able to access a diverse range of volunteering opportunities
Outcome 4	Added value and details of other activity not directly commissioned by this contract and the resulting impact

6 SCVS Relationship with GMCVO

- 6.1. The relationship between SCVS and GMCVO is set in the context of the relationships between the localities and the city region. SCVS have a close working relationship, but complementary skills, knowledge and capabilities.
- 6.2. GMCVO provides voice, advocacy and brokerage for VCSE organisations with regard to Greater Manchester level institutions and partnerships, and delivers information, networking and signposting with regard to Greater Manchester level. It provides some specialist services only viable on a Greater Manchester footprint, in particular accredited training, lead and accountable body for large

scale partnership projects, host for pan-GM networks and GM research. GMCVO does not provide development support for VCSEs or 1-2-1 information, advice and guidance. GMCVO do not operate a Volunteer Centre and provide no frontline volunteering services. Neither do GMCVO provide voice and influence work at the local level in Salford. SCVS works collaboratively with GMCVO and other GM VCSE infrastructure organisations to provide voice and influence for Salford VCSEs at the GM level.

7 Conclusions

- 7.1 A robust review process has been undertaken in 2013/14 and having re-examined the findings of that review the conclusions remain unchanged in 2020.
- 7.2 On the balance of the evidence of market analysis SCVS are the only provider in the market that is in a position to deliver the level of outcomes and benefits across the range of themes that is demanded by the current contracts.
- 7.3 The current contract delivery provides significant added and social value for the level of Council investment and value for money, whilst providing a high level of specialist and experienced service for end users.
- 7.4 SCVS have overachieved in the delivery of all outcome's and KPI's as set in the services specification and maintaining the current contract funding levels are will help to ensure organisational and sector viability, which is critical at a time that the Council continues to face financial challenges and make savings. The VCSE sector are essential to supporting local residents when some Council services may be reducing, and plays an important part in our local economy.
- 7.6 It is therefore recommended that Procurement Board approve the first year contract extension with SCVS for the period 1 April 2020 to 31 March 2021:

KEY COUNCIL POLICIES: A Strategy to end Family Poverty; Council Policies on Health and Well-being Community Engagement and Social Inclusion.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

ASSESSMENT OF RISK:

LEGAL IMPLICATIONS Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323

When commissioning goods, services or works the Council must comply with the Public Contract Regulations 2015 (PCR) and its own Contractual Standing Orders (CSO's) failing which the award of a contract may be subject to legal challenge. In that regard, the SCVS services described in the report were procured in 2017 for a 3 year period with the option to extend for up to 2 further years.

It is an established principle that an existing public contract is capable of being extended (or modified providing any modification does not affect the overall nature of the contract), where the original agreement makes provision for the extension. CSO's also set out circumstances where contract extensions may be made.

When the contract was originally awarded, it was made clear that the initial term would be subject to a potential extension of two years, hence any risk that any extension granted could be subject to realistic challenge by an aggrieved provider, on the basis that it ought to have been put out again to tender and advertised in accordance with PCR and CSO's, is extremely low, and the option to extend within the agreement is now being properly exercised.

Also in accordance with CSO's, where provision is made within an existing contract for an extension to the term, and the value is over £150,000 approval should be made by Procurement Board.

Once approved the extension will commit the Council to the one year period outlined in the report, with reference to a further report to be submitted to extend beyond that for 12 months if appropriate.

FINANCIAL IMPLICATIONS Supplied By: - Stephen Thynne, Strategic Finance Manager, Tel: 0161 778 0244

This report covers contracting intentions in relation to the contract for Strategic Development of the VCSE sector held by Salford Community and Voluntary Services (SCVS). The annual value of the contract is £265,568 and approval is sought for a 1 year extension from 1st April 2020. Funding for the contract is from a range of sources – Adults Integrated Fund £39,811, Children's Integrated Fund £22,489, People Children's revenue budget £31,706 and Place revenue budget £171,562. The Lead Member for Housing and Neighbourhoods is asked to approve the budget provision in relation to the Place revenue budget to allow the 1 year extension in 2020/21 and budget provision only for 2021/22.

PROCUREMENT IMPLICATIONS Supplied by: Christopher Conway, Tel 0161 686 6248, Date Provided. 06.02.2020

Procurement are happy to approve the recommendation to take up the option to extend the current contract for an additional 12 months for period 1st April 2020 to 31st March 2021 (as requested in the PB report), however it is noted that there is a further option to extend for an additional 12 months for period 1st April 2021 to 31st March 2022 that could be requested separately at a later date.

Procurement would recommend to Adult Social Care that during this initial extension period an options appraisal should be undertaken with regards to outlining future options for the retendering of these services should the additional option to extend not be undertaken.

HR IMPLICATIONS Supplied by : N/A

OTHER DIRECTORATES CONSULTED:
Community Health & Social care, Environment and Community Safety and Children's Services

CONTACT OFFICERS: Sandra Derbyshire- Principal Officer Neighbourhoods and Communities/ VCSE Commissioning Manager

WARD(S) TO WHICH REPORT RELATE(S): The services provided through the contracts discussed cover the whole of the City of Salford.
