

Subject:	Third Sector Commission Planning Schedule		
Date of Meeting:	25th November 2021		
Report of:	Executive Director of Housing, Neighbourhoods and Communities		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The report sets out the proposed planning schedule for the Third Sector Commission (TSC) 2020-23 and beyond.
- 1.2 The report proposes changes to the period of the current (2020-23) TSC, and to the length of future TSCs.

2. RECOMMENDATIONS:

- 2.1 That the Committee agrees to extend the current (2020-23) TSC by two years, and to introduce a four year commissioning cycle going forward from 2025 as set out in the report.
- 2.2 That the Committee delegates authority to the Executive Director for Housing, Neighbourhoods and Communities to implement the changes outlined in paragraph 2.1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The TSC forms the major part of the Third Sector Investment Programme. The other part is the annual community and voluntary sector grant programme, the Communities Fund.

The TSC is the Council's principal grant investment with the community and voluntary sector. The current TSC runs from April 2020 to March 2023, and follows on from two previous TSCs (2014-17, 2017-2020). Investment has run at £1.9m pa since 2017. The current budget is £1,985,041 (£1,935,041 BHCC, £50,000 Brighton & Hove Clinical Commissioning Group).

The TSC funds four distinct elements:

- A set of strategic outcomes based on the council's Corporate Plan, or in the case of the current TSC, the most up to date corporate document

available at the time of commissioning (in the current TSC this is the Health & Wellbeing Strategy).

- Funding for CVS infrastructure support.
- Funding for Community Development and Community Engagement.
- Funding for a Community Banking partnership.

- 3.2 The Corporate Plan is the council's principal policy document. It sets out the Administration's priorities for the city. The Corporate Plan is usually developed within six months of the start of a new Administration's term of office, and is renewed and refreshed every four years after elections.

In the current TSC cycle, the development and publication of the TSC prospectus came before a new Corporate Plan had been developed. The most recent principal planning and strategy document was the Health & Wellbeing Strategy 2019-30, and it was this document that drove the strategic outcomes within the TSC.

- 3.3 The development period for any new TSC is a minimum of 15 months, with an optimum period of 21 months. This period includes discussion and agreement with Executive Directors, consultation with the Lead Member, discussion with the All Party Members Advisory Group, approval from the Tourism, Economy, Culture and Communities Committee and the Policy & Resources Committee, consultation with the community and voluntary sector on priorities and structure, drafting, publication, bid deadlines, appraisals and project starts.
- 3.4 There are no financial consequences of the proposals set out in this report. The ongoing investment for the commission will be subject to budget setting in February 2022 and to annual budget setting thereafter.
- 3.5 The All Party Members Advisory Group's meeting of 21st October 2021 unanimously supported the Recommendation as set out in paragraph 2.1.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 It is considered desirable that any new TSC should be developed after the most up to date Corporate Plan is available, as this would ensure that the priorities set within the Corporate Plan are reflected in the TSC. This would normally be every four years.
- 4.2 **Option 1** would be to move to a four year cycle of TSC rather than the current three year cycle. The TSC would be developed on the CP agreed by a new Administration. Given the 21 month optimum development period described above, this would mean that the Corporate Plan agreed in December 2023 would enable a new TSC to start in April 2025.
- 4.3 The advantage is that the new Administration would be able to clearly set its priorities within the forthcoming TSC. There would be consistency for the TSC moving forward as it would have cyclical alignment with elections and Corporate Plans. Not moving to a four year cycle would risk the repeat of the current TSC which is based on the Health & Wellbeing Strategy rather than a Corporate Plan. In addition, a four year funding period would provide greater stability to the successful projects.

- 4.4 The Administration formed in May 2023 would have to work to the previous Administration's TSC priorities for the period remaining of the current TSC, as would any subsequent Administration. This would give it time to understand the investment and properly prepare for new investments. The incoming Administration would also set the agenda for the next four years, giving time for the changes to make an impact in the city.
- 4.5 There is an additional element to this option, how best to re-align the periods? The following options explore the advantages, disadvantages and risks.
- 4.6 **Option 1a** would be to run a two year TSC from April 2023 to March 2025, followed by the new four year TSCs.
- 4.7 The advantages of this are that this would enable the refreshed Corporate Plan currently being developed to form the basis of this two year funding programme.
- 4.8 The disadvantages are:
- Cost and resources involved in the process, for both officers and the sector in developing and procuring a new TSC for only two years. For the sector in particular, there is a very considerable amount of work going into the development of bids, especially if the current partnership project proposal element is continued. This would create extra pressure for the sector, especially at a time when they are still managing the pandemic impact of delivery and increased demand on services.
 - The lack of security and sustainability for the sector from a two year TSC, especially as they recover from the pandemic. It is considered that the sector would be very resistant to this option.
 - Setting up and closing new projects within a two year period will mean optimum delivery for a shorter period of time, resulting in poorer value for money for the council's investment.
- 4.9 **Option 1b** would be to extend the current TSC 2020-23 for a further two years to enable alignment with the election cycle. An outline timetable is at Appendix 1.
- 4.10 The advantages are:
- All new Administrations set their Corporate Plan priorities within a new TSC.
 - There would be stability for the sector as it deals with the aftermath of the pandemic.
 - It provides additional time for new CVS organisations to be supported to be 'commission ready'. This would include use of the annual grant programme, the Communities Fund.
 - It would enable the CVS sector to focus on delivery of the projects rather than the re-commissioning work, ensuring that the capacity of the sector was utilised for optimum benefit for the city.
 - The proposed timetable allows more time for the CVS to develop their bids.
 - There is longer appraisal time for officers.

- The current plan to have a new TSC from 2023-2026 would place pressure on procurement as the timetable overlaps with several other significant commissioning pressures.
 - There is longer lead in time for project closures and starts.
- 4.11 The timetable assumes that a new Corporate Plan is developed within six months of any new Administration being formed after elections. Delay to the creation and agreement of the Corporate Plan would put significant pressure on the TSC development timetable. This could be mitigated by adjusting the submission and appraisal timetables.
- 4.12 Another risk is that the current project work funded under the current TSC 2020-23 becomes out of date. This can be mitigated by a negotiated refresh of the agreements, with changes managed through a Grant variation if necessary.
- 4.13 **Option 2** is to keep the current three year cycle as it is. It would allow the current Administration to create a TSC from their Corporate Plan refresh, due to be agreed at the end of 2021. However, this would mean that a new Administration elected in May 2023 would be working to the previous Administration's Corporate Plan for the majority of their time in office, and continues the current challenges with a three year cycle of TSCs against a four cycle of elections.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 A questionnaire was sent to those community and voluntary sector organisations who had attended the various consultation events in the preparation of the current TSC. There was clear concern as to the timetabling from publication of the Prospectus (the formal launch of the bidding process) through to project starts, with most organisations who responded stating that insufficient time was available to develop partnerships and bids, that there was delay in the appraisal process (caused by officer capacity issues), with the resultant wind down of projects and start of new projects given insufficient time.
- 5.2 Consultation carried out as part of the development of the current TSC had a clear balance in favour of a longer time frame for the TSC, citing the costs to the sector of re-commissioning, the impact of effective delivery, improved staff retention, opportunities to embed projects, build reputations and respond to challenges in the sector. There was concern about longer agreements should a project not be working well, but this issue can be mitigated through the re-negotiation set out para 4.12 above.
- 5.3 Formal consultation with the community and voluntary sector about these proposals has not taken place due to time constraints.

6. CONCLUSION

- 6.1 Re-aligning the TSC to fit with the four year cycle of elections and Corporate Plans would ensure greater clarity in the priority setting for the funding released through the TSC. It would ensure that there is coterminosity between an Administration's priorities and the priorities for delivery for the community and voluntary sector through the TSC.

- 6.2 The four year funding agreement would enable greater sustainability for those organisations funded and maximise their ability to forward plan and draw in additional match funding to the council's investment.
- 6.3 The most effective, and fairest way to do this, would be to extend the current TSC by two years. Asking the sector to go into a new two year TSC would pose real challenges to the community and voluntary sector as it recovers from the pandemic, and potentially jeopardise the CVS ability to deliver services to some of the city's most vulnerable residents.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The current third sector commission investment for 2021/22 is £1.985m, which consists of Council funding of £1.935m and CCG funding of £0.050m.
- 7.2 The ongoing investment for the commission will be subject to budget setting in February 2022 and to annual budget setting thereafter.

Finance Officer Consulted: Michael Bentley

Date: 19/10/21

Legal Implications:

- 7.3 Under Section 137 of the Local Government Act 1972, the Council has the power to incur expenditure which in its opinion is in the interests of and will bring direct benefit to its area of any part of it or all or some of its inhabitants.
- 7.4 The Committee's Terms of Reference include the power to develop, oversee and make decisions regarding the implementation of the council's Communities and Third Sector Policy, investment in and support to the community and voluntary sector.

Lawyer Consulted: Alice Rowland

Date: 19/10/21

Equalities Implications:

- 7.5 An Equality Impact Assessment was carried out prior to the current TSC. This will be refreshed and renewed prior to the award of Grant variations to the existing granted funded partnerships.

Sustainability Implications:

There are no sustainability implications.

Brexit Implications:

There are no Brexit implications.

Any Other Significant Implications:

None

Crime & Disorder Implications:

There are no Crime & Disorder implications

Risk and Opportunity Management Implications:

Risks are set out in the body of the report

Public Health Implications:

The current TSC 2020-23 has been based on the Joint Health & Wellbeing Strategy 2019-30, which sets out the Council's priorities for public health and wellbeing.

Corporate / Citywide Implications:

The recommendation in the report will ensure more effective alignment with corporate priorities of the council.

SUPPORTING DOCUMENTATION

Appendices:

1. Outline timetable for the TSC showing re-alignment with recommended additional years, and future four-year cycle.

Background Documents

1. Third Sector Commission 2017-20 Final Evaluation, 2021, an external report by Ottaway Strategic Management, January 2021
2. Third Sector Commission 2020-23, First year progress and delivery report, October 2021