

Report of: Assistant Chief Executive Planning Policy and Improvement

Report to: Safer and Stronger Communities Scrutiny Board

Date: 14th November 2011

Subject: Update on the Council review of third sector relationships

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

This report provides Scrutiny with an update on the review of the council's relationships with the third sector and specifically whether our internal arrangements are fit for purpose to meet our needs and our expectations of the sector.

The report includes some of the interim findings. The key message is about future coordination and coherence of the councils consideration of third sector issues.

This initial review is drawing to a conclusion and recommendations for action and further work will be developed and presented to appropriate forums for consideration.

Recommendations

Scrutiny members are invited to:

- Note the content of the review update
- Provide comments on the strengths and areas for improvement of internal arrangements, communication, coordination and decision making in respect of the third sector
- Provide comment and views on some of the emerging issues

1. Purpose of this report

- 1.1 To provide Scrutiny with an update on the review of the council's relationships with the third sector.
- 1.2 To invite members to provide their perspectives on the strengths and weaknesses of the council's internal arrangements, communication, coordination and decision making in respect of the third sector
- 1.3 To invite comment and views on some of the emerging issues.

2. Background information

2.1 The origins of the review

- 2.1.1 In 2009 the City and Regional Partnerships Scrutiny Board recommended that the Compact for Leeds, which is, the agreement that provides a framework for relationships between the public and third sectors should be refreshed and that the council should assess itself against the revised standards.
- 2.1.2 A partnership led by the third sector and supported by the council, led the Compact refresh process and in autumn 2010 the council endorsed the revised Compact for Leeds. This was followed by a council wide rapid self assessment which identified a number of specific areas for development. These have been included in a council Compact Implementation Plan.
- 2.1.3 As part of that self assessment process, Councillor Yeadon who is the member with lead responsibility for the third sector requested that colleagues were also invited to comment on how 'joined up' the approach to the third sector is across the council.
- 2.1.4 The council's internal Strategic Planning and Policy Board (SPPB) led on the Compact assessment. On the basis of the Compact findings, the SPPB determined the need to review how fit for purpose the council's approach and working relationships are with the third sector. Within the context of the current pressures on public finances and the council's ongoing commitment to working pro-actively with the sector, improving the quality of both strategic and operational relationships is key. A review was initiated to facilitate this.

2.2 The review aims and focus

- 2.2.1 To consider the council's approach and working arrangements with the third sector, to ensure that we can work together effectively, strategically and operationally and deliver the vision, the outcomes of the city priority plans and the council's business plan.
- 2.2.2 To identify key challenges and ideas for action, with any proposals then presented to Corporate Leadership Team (CLT) and Members as appropriate in early 2012.

2.2.3 Directorate Management teams and others who have been involved in the review have been asked to:

- identify challenges in our working relationships with the third sector;
- consider how effective and fit for purpose the council's internal systems, protocols, networks, communication, decision making and accountability arrangements are in our work with the third sector; and
- identify any ideas and opportunities to strengthen and develop current approaches and arrangements and to clarify or agree any necessary accountabilities, protocols and responsibilities.

2.3 The review approach and process

2.3.1 A review task group was established led by Kathy Kudelnitzky, Chief Officer Localities and Partnerships.

2.3.2 **The approach has been to:**

- build on what is already known and what has been done before e.g. the Compact discussions;
- draw together issues and ideas for action from other forums and discussions where there is an overlapping or related agenda e.g. the council's community engagement review discussions, locality developments, discussions with the third sector about supporting their relationships with the private sector;
- invite colleagues, members and the third sector to provide input; and
- make it clear that the review is not about creating 'new structures', but about identifying opportunities to strengthen or adapt existing structures, relationships and working arrangements.

2.3.3 Clearly there are issues to be addressed within the third sector itself, however, the primary focus of this review is about assessing the council's internal arrangements and approaches and identifying recommended actions to strengthen their effectiveness.

2.3.4 **The participants in the review**

- Directorate Management Teams have been invited to discuss the issue and to identify specific officers and other forums to be involved in the review (see appendix 1)
- Third Sector Leeds has also been invited to provide a perspective and set out examples of some of their own issues in relation to the working relationships with the council (see appendix 2)
- Members are being invited to contribute to the review

2.3.5 **The timeline**

A report to Strategic Planning and Policy Board will be considered at its meeting to be held on 2 December. It will set out the key issues that have arisen so far, proposals for action and next steps. An update to the Third Sector Partnership will

be presented on 6 December 2011 and a further report to the Safer and Stronger Scrutiny Board will be presented at a future meeting. The final report will be considered by CLT in early 2012.

3. Main Issues

3.1 Current arrangements relating to the third sector

- 3.1.1 The Third Sector Partnership Group was launched in 2010 and is chaired by Councillor Yeadon and is attended by Senior Officers from across the council, as well as, representatives from the third sector, NHS Leeds and the Police. The principle objective of this group is to develop collaborative action to maintain and develop a thriving third sector in Leeds.
- 3.1.2 Third Sector Leeds (TSL) is aiming to establish itself as a federation of third sector interests, providing a strategic voice and acting as a key vehicle for providing third sector representation in city wide, locality and strategic partnerships.
- 3.1.3 Third Sector Leeds is a primary route for liaison between the third sector and the council.
- 3.1.4 A partnership European Year of Volunteering Steering Group has been chaired by Councillor Yeadon. This group has successfully driven a programme of activity to promote volunteering and increase volunteering opportunities in the city.
- 3.1.5 Sandie Keene, Director of Adult Social Care, has been identified as the Corporate Leadership Team third sector lead officer. Kathy Kudelnitzky, Chief Officer Localities and Partnerships, is the Chief Officer with responsibility for this area of activity. Officers in the Leeds Initiative provide support to the Third Sector Partnership and provide a route for some day to day communication with the sector and a limited programme management function.
- 3.1.6 Currently there are no corporate or strategic forums with a specific third sector remit. Also other than the general framework provided by the Compact, there is no council wide agreed strategy or approach to ensure there is coordination or consistency around our relationship with the third sector.
- 3.1.7 Responsibilities for and relationships with the third sector are generally embedded in services and are driven by the focus of activities.
- 3.1.8 A number of council forums and boards discuss third sector issues, but generally within the context of their wider remit and the discussion focus is limited to specific themes and activities. For example, the council's Corporate Commissioning Group brings together the senior commissioners from each of the directorates and from time to time provide a forum for discussions around resourcing issues and the multi funding of single organisations, but they do not have a remit to consider the wider issues relating to our approach to the third sector.

3.2 Issues emerging from the review

3.2.1 A number of issues, some ideas and areas for further consideration have emerged from this review to date. There is a growing understanding of the complexity of this agenda and how issues relating to our relationships with the third sector impact on or are central to many areas of work.

3.2.2 **The main issues emerging from the review are highlighted below and have been grouped in to themed areas**

Council's internal arrangements for managing relationships with the third sector

- § The Third Sector identify that there is a lack of clarity about the council's internal arrangements for liaising with and relating to the third sector.
- § There is no council corporate or strategic forum with a specific third sector remit. We have only partial and disjointed arrangements for maintaining a corporate overview of third sector related activities, relationships and developments across the council.
- § There may be a role for third sector key account management – based on significance of the organisation or activity to the city, not necessarily based on the monetary value of a contract.

Understanding, knowledge, intelligence and systems

- § The Finance system acts as a proxy management information system – it is interrogated retrospectively to provide an analysis and understanding of the amount and target of council funding to the third sector, but analysis in terms of the type of activity and links to city priorities is limited.
- § The term third sector may not help us to understand what organisations and activity we are talking about and where resources are targeted e.g. the definition used by finance to identify third sector organisations includes social enterprises, working men's clubs, large housing associations and major arts bodies like West Yorkshire Playhouse and Opera North so we may need some different classifications set through clear criteria.
- § The council does not have one definitive 'database' of third sector organisations and there is no comprehensive 'mapping' of the sector and its contribution – there are many databases that are partial; locality mapping of third sector organisations is limited; evaluation of the contribution of the sector and specific organisations is limited.

Role of Members

- § There is a need for clarity about the distinct and appropriate roles, responsibilities and authority of officers and members in respect of third sector funding.

- § Members have significant knowledge of local communities and the third sector organisations in areas – but this is not captured and used to its full potential.

Money and the third sector

- § The terminology and guidance around commissioning and procurement is not necessarily easily understood or helpful.
- § There is criticism from the third sector about some council commissioning practice, including: lack of consistency, variable standards of practice and poor coordination. TSL are currently finalising a Commissioning Statement, with proposals for action that they are inviting the Council to discuss and negotiate around.
- § There is a need to agree and implement a ‘council wide’ understanding of ‘social capital’ to help deliver the type of services by the type of organisations that we want.
- § There is a need to ensure that there is coordination where there is multi funding of a single organisation by different services across the council.

Non monetary assets and the third sector

- § The council’s non-monetary or in-kind support to some third sector organisations may raise some questions about fairness, equity, transparency.
- § There is a need to ensure that all the Council services who may be impacted by or have an interest in any Community Asset Transfers are identified and involved.
- § There is a need to ensure that the “community centre review” is set within the context of a knowledge of all community facilities so that the sustainability of third sector organisations and facilities is not undermined.

Locality working and localism

- § There is a need to clarify expectations and role of the third sector in localities and ensure that the necessary support is in place to deliver on expectations and needs.

Community and third sector capacity

- § There is a need to understand what third sector infrastructure is needed across the city and how the council and partners will support it, there are initiatives in place, but there is no overview or coordinated approach. There is a general issue around co-ordination and coherence of the council’s consideration of third sector issues.

3.3 Next steps

3.3.1 Corporate Commissioning Group discussions

The Corporate Commissioning Group will focus on the third sector issues at its November meeting. Third sector representatives are being invited to attend and together they will discuss the Third Sector Leeds commissioning statement, in addition to the funding issues that have emerged through this review process. The aim is to use this session to explore and agree specific actions that can be taken to strengthen and improve current commissioning arrangements. In addition the meeting is likely to identify a range of issues that will require further discussion which will be directed into the appropriate forum.

3.3.2 Strategic Planning and Policy Board

The final report on the third sector review will be presented to the December, Strategic Planning and Policy Board. They will consider the review findings and agree further work and any proposals that should be presented to CLT, the Third Sector Partnership Group and Scrutiny.

3.3.3 Elected member input

Members will have the opportunity to contribute further to the review and the development of next steps and actions. Councillor Yeadon is planning to invite Members to a Seminar and other opportunities may be arranged.

4. Consultation and Engagement

4.1 This exercise is an internal review of policy, practice, arrangements and culture. The primary consultation has been with officers within the council through management teams, corporate groups and individual interviews with key members of staff (see appendix 1).

4.2 This has been complemented by an invitation to Third Sector Leeds to provide a perspective and examples of issues .

4.3 The objective has always been to invite Elected Members to contribute their perspectives and this scrutiny represents the starting point.

4.4 Information and updates on this exercise have been provided to the Third Sector Partnership Group chaired by Councillor Yeadon.

5. Equality and Diversity / Cohesion and Integration

5.1 The review is seeking to ensure that the arrangements, culture , policy and practice are in place that ensures that issues of equality, diversity and cohesion are considered in relation to the third sector and the role that they can and should play in meeting the needs of all communities.

6. Council Policies and City Priorities

6.1 The Vision for Leeds and the delivery of the city priorities are dependent on the existence of a third sector which is fit for purpose and sustainable and engaged in effective partnership working with the council. This review is intended to ensure that as a council we are clear about our needs and expectations of the sector and

we have appropriate internal policies, culture and arrangements in place that allow us to have a constructive and productive relationship with the third sector.

- 6.1.1 The objective of the review is to identify any changes to policy that may be required to enable the council and the third sector to more effectively deliver the city priorities.

7. Resources and Value for Money

- 7.1 The objective of this review is to ensure that the Council is maximising the impact of the resources directed at the third sector, including funding, officer time and in-kind assets.

8. Legal Implications, Access to Information and Call In

- 8.1 There have been recent challenges to Local Authority decisions in respect of third sector funding and other relationships, both locally and nationally. It is clear that we need to ensure that the council has good practice, robust, accountable and transparent arrangements in place. The review may help to identify areas of weakness, with ideas for redress.

9. Risk Management

See above

10. Conclusions

- 10.1 The Third Sector review has identified a range of issues with some ideas for action.
- 10.2 There is a growing understanding of the complexity of this agenda and the way that issues relating to relationships with the third sector impact on or are central to many areas of work and discussions.
- 10.3 The fragmented nature of our consideration of third sector issues is clearly evident. Some agreement and clear communication about the council's internal arrangements for determining our policy and approach to the third sector is a priority.
- 10.4 There are many issues associated with commissioning and procurement that need to be addressed. .
- 10.5 Particularly relevant to members is the need to manage the tension between the individual Councillors role as advocate and champion for local groups and interests and the duty to provide corporate leadership and deliver transparent, fair and robust funding processes.
- 10.6 The current economic climate and emerging government and national agendas such as localism and personalisation as well as financial pressures, present both opportunities and challenges for the third sector and the local authority in working together productively.

10.7 The current review will draw to a conclusion with the report to Strategic Planning and Policy Board in December with a final report to be prepared in early 2012. The challenge then is to ensure that the issues are carefully considered in the appropriate forums and actions for further work are agreed.

11. Recommendations

Scrutiny members are invited to:

- Note the content of the review update
- Provide comments on the strengths and areas for improvement of internal arrangements, communication, coordination and decision making in respect of the third sector
- Provide comment and views on some of the emerging issues

Background documents

Appendix 1 – Review: list of contributors; Management Teams; Forums: partners

Appendix 2 – Third Sector Leeds: initial feedback to review