

FOR INFORMATION ONLY

**Report of: Executive Member for Tenants, Residents and Communities
Executive Member for Finance and Performance**

Meeting of:	Date	Agenda item	Ward(s)
Voluntary and Community Sector Committee	16 July 2013	C1	All

Delete as appropriate		Non-exempt
------------------------------	--	------------

SUBJECT: Supporting the Voluntary and Community Sector through Procurement – response to the report of the Communities Review Committee

1. Synopsis

- 1.1 Islington Council is experiencing the biggest cut in funding that local government has ever faced and is anticipating the need to find further substantial savings over the next few years. In addition to large reductions in the Council's funding in 2013/14 and 2014/15, already announced as part of the Local Government Finance Settlement, the one-year Spending Review, to be finalised in 2013, for 2015/16 is likely to reveal further significant cuts to non-protected government departments such as Communities and Local Government. It is therefore more important than ever that the Council obtains best value for its limited funds, both in financial terms and for the benefit of communities across the borough.
- 1.2 This report was considered by the Executive on 11 July 2013 and is being presented as an information item because of its relevance to the remit of the VCS Committee. It sets out a series of proposed changes to procurement arrangements in Islington following the Communities Review Committee's review on 'Supporting the local Voluntary and Community Sector (VCS) in Islington through procurement'. The Committee which reported its recommendations to the Executive in September 2012 suggested how help can be provided for small local VCS organisations to demonstrate community benefit and engage effectively in procurement processes, so that procurement decisions are based on value for money and what is best for Islington and its residents. This report accepts the recommendations in full and proposes the adoption of a VCS Procurement Action Plan developed jointly by council officers and representatives of the local voluntary and community sector.

2. Recommendation

- 2.1 To accept in full the recommendations of the Communities Review Committee's review on 'Supporting the local Voluntary and Community Sector (VCS) in Islington through procurement' and agree the adoption of a VCS Procurement Action Plan as set out in Appendix A.

3. Background

- 3.1 Islington's Voluntary and Community Sector (VCS) is vibrant and diverse, ranging from organisations with a turnover of a few thousand to millions of pounds a year. The borough has always fostered smaller community organisations, in a belief that organisations established by Islington residents, employing or offering volunteering opportunities for Islington residents, and providing services to Islington residents can meet a need that may be neglected otherwise. Reductions in public expenditure and increases in demand for services are creating a very challenging environment for the local VCS to operate in and, without appropriate support and development, there is a risk that many of these organisations could disappear, leaving vulnerable residents isolated and exposed.
- 3.2 In September 2011 the Communities Review Committee commenced a scrutiny, with the overall aim of establishing the extent of local community benefit in Islington as a result of VCS activity in the borough and exploring how this might be further developed. The objectives of the review were as follows:
- Establish the facts on VCS organisations in the borough and on Islington Council's funding to them.
 - Assess what the VCS in Islington contributes to Islington's community, beyond the requirements of service contracts e.g. how effectively does the sector engage with and involve local people, employ Islington people as staff and volunteers, and in what ways is it accountable to the local community?
 - Recommend ways in which Islington's VCS might develop in order to optimise levels of local community involvement, engagement, volunteering and benefit.
- 3.3 The review received evidence from a number of Council commissioners and voluntary sector organisations in the borough, and reported its recommendations to the Executive in September 2012. The Committee, while recognising in the current financial climate the Council has to achieve value for money when commissioning contracts, were of the view that more could be done to assist local organisations, particularly in the procurement process, where small organisations often have limited time and resources compared to larger national organisations.
- 3.4 In addition the Committee were of the view that there should be more assistance given to support local organisations to enable them to be aware of opportunities to work with other organisations when procuring services and to be more aware of what the Council values in terms of community benefit. The Committee hoped that its recommendations would establish a more level playing field for local organisations which would enable them to bid more successfully for tenders and use their local knowledge and experience for the benefit of the residents of the borough.

Response to the recommendations

- 3.5 We are grateful to the Communities Review Committee for its report and recommendations. The Committee has examined an important issue which has a direct bearing on the health of Islington's voluntary and community sector and the wellbeing of local residents. All of the recommendations have been accepted and the responses to the specific proposals are set out in a VCS Procurement Action Plan at Appendix A.
- 3.6 The action plan has been developed jointly by council officers and representatives of the local voluntary and community sector. Each of the Committee's recommendations has its own section in the plan:
- Forward planning procurement
 - Long term planning
 - Proportionate procurement processes
 - Specify community benefit
 - Demonstrate impact
 - Gap analysis
 - Closer collaboration

A number of actions have been agreed within each section of the plan. Lead departments/organisations have been identified for every action as well as timescales for achievement.

- 3.7 Progress in implementing the action plan will be reviewed annually by the Council's Third Sector Strategic Forum, an officer group which has senior management representation from across all of the main commissioning areas. Feedback from VCS organisations will be an essential component of these reviews and will be coordinated by Voluntary Action Islington and Islington Community Network.

4. Implications

4.1 Financial implications:

The proposals detailed in the action plan will be delivered using existing budgets.

4.2 Legal Implications:

The Council has the power to carry out all the proposals detailed in the action plan under the general power of competence (Localism Act 2011, section 1). All the proposals, apart from those related to recommendation 3 of the action plan (related to Proportionate Procurement Processes) are such that there are no existing statutory restrictions that will apply when relying on the general power of competence. The proposals related to Proportionate Procurement Processes (recommendation 3) will need to be carried out in compliance with the requirements set out in the Public Contracts Regulations 2006 and the Council's procurement rules.

4.3 Environmental Implications:

None

4.4 Equality Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

No EIA has been done and none is required in respect of the action plan. However, it is worth noting that the recommendations in this report promote local involvement in procurement processes and are likely to result in positive outcomes for groups of residents with protected characteristics. The VCS Procurement Action Plan has been developed with the involvement of Voluntary Action Islington and Islington Community Network, whose membership includes representation from BME, faith, refugee, disability, homelessness, health, advice, and age related forums.

5. Conclusion and reasons for recommendations

- 5.1 The Committee's recommendations for supporting the local voluntary and community sector through procurement are positive and welcome. They have led to a review of the Council's procurement arrangements and the development of an action plan which promotes value for money and community benefit, and assists local organisations in ways that are fair and affordable.

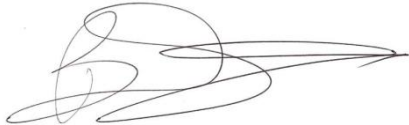
Appendices:

Appendix A – VCS Procurement Action Plan

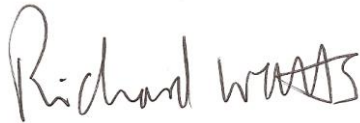
Background papers: None

Final report clearance:

Signed by:



Executive Member for Tenants, Residents and Communities 4 July 2013



Executive Member for Finance and Performance 4 July 2013

Received by:

Head of Democratic Services

DATE

Report Author: Giles Rankin
Tel: 020 7527 3159
Email: giles.rankin@islington.gov.uk