

Birmingham City Council

Report to Cabinet

21st March 2023



Subject: VARIATION TO HEART OF ENGLAND COMMUNITY FOUNDATION CONTRACT

Report of: Richard Brooks
Director for Strategy, Equality and Partnerships
Professor Graeme Betts, CBE
Strategic Director Adult Social Care

Relevant Cabinet Member: Cllr John Cotton - Social Justice, Community Safety & Equalities
Cllr Mariam Khan – Health & Social Care
Cllr Yvonne Mosquito – Finance & Resources

Relevant O & S Chair(s): Cllr Sir Albert Bore - Co-ordinating
Cllr Mick Brown – Health & Social Care
Cllr Akhlaq Ahmed – Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011124/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 This is a joint report of Richard Brooks, Director for Strategy, Equality and Partnerships, as lead for the Cost-of-Living Crisis Strategic Response Group, since the project is funded from the £5m Cost of Living funding and Professor Graeme Betts, CBE, Strategic Director Adult Social Care, as an Adult Social Care agreement is being varied to enable the required activity to be undertaken.
- 1.2 Authorisation is sought to vary the Neighbourhood Networks Service (NNS) agreement with Heart of England Community Foundation to enable brokerage and management of Cost-of-Living Information, Advice and Guidance with Voluntary and Community-based organisations in Birmingham. This activity will support and enhance the increased activity undertaken by the Birmingham City Council Neighbourhood Advice and Information Service (NAIS) and the Contact Centre, plus the 50% expansion of the accredited legal entitlements contracts, managed by the NAIS service. Approval for this project has been received from the Cost-of-Living Strategic Response Group.
- 1.3 Heart of England Community Foundation would be expected to broker and manage the grants and issue payments to the providers.
- 1.4 The period for each small grant awarded would be for a maximum of 12 months, but this period may be less dependent on the timescales of applications made by individual organisations.
- 1.5 Heart of England Community Foundation will be responsible for ensuring all due diligence checks for the successful providers and deal with any under-performance issues on behalf of the City Council. This would be highlighted at the review meetings with Birmingham City Council contract manager.
- 1.6 Heart of England Community Foundation would be required to provide monthly monitoring information, including income maximisation figures, to Birmingham City Council.
- 1.7 Birmingham City Council Contract Manager will manage the activity through monthly reporting by Heart of England Community Foundation and the data will be used as the basis for review meetings between Heart of England Community Foundation and Birmingham City Council Adult Social Care Prevention and Commissioning team contract manager. City Observatory Financial Resilience Toolkit and Mapping data will be utilised throughout the funding period, ensuring commissioned services continue to provide a focused and flexible service that meets the changing needs of the communities, localities and cohorts of population supported throughout the Cost-of-Living Crisis.
- 1.8 Community level feedback will also be gained by services brokered and managed by Heart of England Community Foundation will be a vital resource to ascertain the impact of the Cost-of-Living Crisis within communities across Birmingham. This will be shared with Birmingham City Council through Heart of England Community Foundation as part of the review process.

- 1.9 An independent review is also being considered for the entire workstream to capture overall impact and to consider approaches for sustainability and legacy planning under the Early Intervention and Prevention Programme.
- 1.10 The Cost-of-Living Strategic Response Group will have sight of performance monitoring and, if there are any issues, be assured of robust corrective action taken.

2 Recommendations

2.1 That Cabinet:

- 2.1.1 Authorise the variation of the NNS Heart of England Community Foundation contract to enable them to broker and manage community-based focused Cost of Living Information, Advice and Guidance services for targeted communities across Birmingham at a total cost of £676k, inclusive of brokerage fee of 10%, for a period of 12 months.
- 2.1.2 Authorise the contract to be monitored via Adult Social Care Prevention and Communities Commissioning team which will include instructions to Heart of England Community Foundation for any changes relating to the siting of community-based services required as per evolving insights from the City Observatory.
- 2.1.3 Note the longer-term requirements to develop a sustainable approach to the Cost-of-Living Crisis response through alignment to the Early Intervention and Prevention Programme.

3 Background

- 3.1 Adult Social Care Prevention and Commissioning team holds a contract with Heart of England Community Foundation through its NNS provision to the value of £2,127,299. The aim of this core contract is to administer small grants to community organisations following the identification of needs.
- 3.2 Heart of England Community Foundation is recognised as a known and very experienced community funder, focusing on distributing donor funds to communities of need across the West Midlands. On behalf of donors, they manage grant programmes to support the positive impact of community and voluntary groups. The organisation is also very adept in securing match funding for community organisations in order to secure additional social value. **(Appendix 3)**
- 3.3 The existing contract with Adult Social Care is to manage part of the NNS grant fund which they have managed effectively since 2019. The current contract duration is April 2022 – March 2027, with an option to extend for a further two years, subject to satisfactory performance and available funding. The activity and outputs achieved by this provider have been attached to this report **(Appendix 1)**.
- 3.4 The core business activity of Heart of England Community Foundation Trust and the specification of the core contract lends itself naturally to the business requirements under the Cost-of-Living crisis to deploy urgent advice funding through local community and voluntary sector organisations.

- 3.5 Varying the contract to enable provision of a total funding package of £676,000 would enable Heart of England Community Foundation to establish a grant programme which they will broker and manage activity of community-based organisations. Small, medium, and larger organisations will be able to apply for this funding, enabling advice to be provided to communities of greatest need across Birmingham.
- 3.6 A total of £67,600 would be awarded to Heart of England Community Foundation to cover the brokerage and management costs of the contracts on behalf of Birmingham City Council and the remaining £608,400 would be used to fund community-based organisations to provide Cost of Living income maximisation related Information Advice and Guidance. Where appropriate, these agencies may refer on into other specialist advice support agencies e.g., Tribunals service.

Activity	Total Funding
Brokerage of community-based outreach services in key areas of Birmingham	£608,400
Brokerage fee (8-10%) maximum cost to cover administration	£67,600 (maximum)
Total funding required	£676,000

- 3.7 The current contract contains variation clauses that permit the Council to uplift the agreement. Procurement has confirmed that this uplift would not require any additional procurement exercise. Once approval is provided, Heart of England Community Foundation will mobilise a grant bidding process.
- 3.8 The services and organisations commissioned through this funding will be targeted at those communities that are relatively less-well served by existing provision. This currently includes our two physical NAIS centres, our phone advice lines, and our directly commissioned advice services. In order to improve equity and meet the diverse needs of the city, new provision commissioned through this grant programme will be targeted at communities of place, identity or experience based on evidence, including the pattern of existing provision and use of services.
- 3.9 The fee to broker these arrangements will be up to 10%, a maximum of £67,600.
- 3.10 As the size of the organisations is unknown until applications have been received by Heart of England Community Foundation the following outputs are worst case scenarios. Once applications have been received the outputs will be reassessed with Heart of England Community Foundation to ensure they are realistic and achievable.

“Prevention First” Outcomes		Aligned outcomes	Outputs
System – Council and NHS	Increased capacity to respond to increased demand relating	Reductions and changes to the projected need/demand based on the mapping data	Total income maximisation approximately £6M based on total grant allocated.

	to COL income maximisation and welfare rights	of the City Observatory Financial Resilience Toolkit to ensure activity is focused on communities of greatest need.	<p>This grant programme will involve commissioning of approximately 10 small, medium and large organisations, (dependant on the amount of funding applied). Each applicant organisation would be expected to provide a focused outreach income maximisation Information, Advice and Guidance service for citizens.</p> <p>Providers will require time to mobilise services in areas of greatest need and to be flexible of the changing needs.</p>										
Citizens	Maximised income	Positive changes to citizens focused on areas and communities of greatest need across Birmingham to maximise income during the Cost-of-Living crisis	<p>Number of citizens supported with advice over 12 months:</p> <table><tr><td>Money advice</td><td>550</td></tr><tr><td>Benefits advice</td><td>670</td></tr><tr><td>Appeals</td><td>125</td></tr><tr><td>Referrals to Specialist services</td><td>250</td></tr><tr><td>Other</td><td>250</td></tr></table>	Money advice	550	Benefits advice	670	Appeals	125	Referrals to Specialist services	250	Other	250
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Communities	Access to a relevant and diverse community offer	Signposting of citizens to appropriate community- based services and support.	Based on City Observatory Financial Resilience Toolkit and mapping data providers will be expected to work with a flexible approach at venues										

			across the city to reach targeted communities of greatest need, including those using Warm Spaces.
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- 3.11 A grants prospectus, alongside associated communications and market briefing would be deployed by Heart of England Community Foundation. These would be clearly laid out by the Adult Social Care through the contract variation.
- 3.12 Flexibility in grant provision through Heart of England Community Foundation is essential to ensure communities with greatest need across Birmingham can to access support required during the Cost of Living Crisis. This will be managed through considering support required across the city, from small community-based organisations to larger services and is likely to vary between wards. Every effort will be made to encourage small community organisations to bid from wards of greatest need, particularly organisations that are less likely to apply for Council funding.
- 3.13 Heart of England Community Foundation will provide financial and governance advice and support to small community organisations who are part of this programme as required. This will empower them when applying for future funding.
- 3.14 Where appropriate, the locations of these services will be linked to the Warm Spaces and other community-based geographical locations, through focus on population-linked data mapping using the City Observatory Financial Resilience Toolkit to actively support siting of services in the City, ensuring maximisation of impact for communities of greatest need.
- 3.15 Heart of England Community Foundation may be required to supply support to providers. This may vary, dependant on the needs of the communities supported as some providers may be small, community-based organisations who provide support to their community but have not managed a contract previously. It is essential that the flexibility of services remains paramount to adapt to the changing needs of the communities supported, as reflected by ongoing data resources from City Observatory.
- 3.16 Heart of England will monitor the activity of the providers and the Adult Social Care, Prevention and Communities Team contract manager will monitor the reporting of Heart of England Community Foundation and quarterly reports will be shared with the Cost-of-Living Strategic Group.

Reporting	Timescale
Heart of England Community Foundation to receive report from provider	Monthly
Heart of England Community Foundation to undertake monitoring meetings with provider organisations	Monthly

Heart of England Community Foundation to provide verbal update to Benefits and Money Advice IAG workstream meeting	Monthly
Report sent to Birmingham City Council Contract Manager	Quarterly
Monitoring/update meetings BCC and Heart of England Community Foundation	Monthly
Report to Cost-of-Living Strategic Response Group	Quarterly
Heart of England Community Foundation evaluation	End of programme

3.16 Heart of England Community Foundation will be required to produce an evaluation report at the end of the funding period that will form part of the evaluation of the wider impact made in Birmingham relating to the Cost-of-Living Crisis and proposed recommendations for future advice services in the city. This will be supported by a film and be made available on the BCC webpage for Cost-of-Living Programme. The evaluation report, supported by an independent resource, will include the following topics:

- Overview of activity undertaken
- What worked well?
- What could have been done differently and how?
- What would you have liked the Council to have done differently and why?
- Partnerships
- Best practice
- Case studies

4 Options considered and Recommended Proposal

4.1 Do nothing, this is not the preferred option given that additional capacity is needed across the City in order to offer income maximisation support.

4.2 To undertake procurement of services within Adult Social Care, Prevention and Communities team. Given the urgency of the cost-of-living crisis, and the need to get funding out to community and voluntary organisations, the existing team does not have capacity to undertake procurement and management of services due to the current commissioning rounds in progress.

4.3 Preferred option – to fund Heart of England Community Foundation to procure information, advice and guidance services through grant funding arrangements and manage the activity and reporting of activity undertaken by each provider. Birmingham City Council contract manager would manage Heart of England Community Foundation, reporting outcomes quarterly to the Cost-of-Living Strategic Group.

4.3.1 The benefit of utilising this method is that it; -

- 1) will bring capacity into the City quickly

- 2) would enable small, medium, and large community-based organisations to apply for the funding, including grassroots community organisations already trusted by the communities supported.

Some of the small community-based organisations may not have had opportunity to manage a grant agreement previously. Heart of England Community Foundation would provide Financial and Governance advice as required, in addition to supporting these organisations to effectively monitor the services.

- 4.3.2 An independent review is being considered for the entire workstream to capture overall impact and to consider approaches for sustainability and legacy planning under the Early Intervention and Prevention Programme. The evaluation report will be part of the overall evaluation of the Cost of Living programme evaluation. Heart of England Community Foundation will also produce a video to provide visual evidence of activity undertaken and include feedback from citizens using the service. This would be added to the Birmingham City Council Cost of Living webpage.
- 4.3.3 A brokerage fee of up to 10% of the funding for each organisation will be charged by Heart of England Community Foundation to cover their administrative costs. This is within the funding for the programme.
- 4.3.4 The urgency of securing permissions to enable this variation to be undertaken has highlighted the need for agility within the existing governance processes. Legal advice will be sought to explore how internal processes could be streamlined whilst meeting the required due diligence.

5 Consultation

- 5.1 The need for community-based Information, Advice and Guidance services focusing on communities of greatest need has been recognised as required by members of the Cost-of-Living Benefits and Money Advice Information, Advice and Guidance workstream.
- 5.2 The evidence of need is supported by data produced by the City Observatory.
- 5.3 Feedback from the NAIS service and Contact Centre is supported by the increase in numbers accessing the Contact Centre. Over 18,000 calls have been received relating to Cost-of-Living since the increased offer in November 2022. Calls have ramped up to 1,600 calls per week in January 2023, 3 times more calls than this time last year. Since NAIS extended their hours on 11th November 2022, they have reported an increase in income maximisation for citizens by £585,646 to date, with the largest single amount of income maximisation for a citizen being £25,000 over a 12-month period. These statistics evidence the need for focused community-based Information, Advice and Guidance services to enhance activity undertaken by these services to maximise the number of citizens accessing support during the Cost-of-Living crisis.
- 5.4 Existing commissioned services providing Information, Advice and Guidance across the City have reported an increased demand in Information, Advice and Guidance services.

- 5.5 The Prevention First Vulnerable Citizens Panel are in full support of this initiative to enhance community-based Information, Advice and Guidance in focused areas of the city in community-based venues.
- 5.6 BVSC has confirmed the need for community-based services through feedback from NNS and early help service providers.

Risk Analysis			
Identified Risk	Likelihood	Impact	Actions to Manage Risk
Bias or a lack of understanding of need in deciding which organisations get the money	Low	Medium	Heart of England Community Foundation has almost 30 years' experience of brokering services and supporting third sector organisations. This knowledge and experience will enable them to offer agreements to the most appropriate applicant organisations.
Not all funds allocated	Low	Medium	A minimum of 10 organisations will be allocated funding. However, if some applicants choose not to apply to undertake funding for the total 12 months available Heart of England Community Foundation will use the remaining funds to enable additional organisations to be funded. This flexible approach will enable maximum allocation of funds whilst ensuring the requirements of small community organisations are considered.

Monitoring challenges as some organisations are small and resource poor	High	Low	Small, medium, and larger organisations will be able to apply for the funding. It has been envisaged that some of the smaller organisations may not have experience of managing a contract and support will be provided by Heart of England Community Foundation to enable them to effectively monitor their contract and report on their outputs. Heart of England Community Foundation will be able to provide Finance and Governance advice and support to the funded organisations as required.
Geographic spread of organisations – focus on certain areas	Medium	Medium	City Observatory Financial Resilience Toolkit and data from mapping undertaken by the team will be utilised and regularly reviewed to ensure communities of greatest need are able to access services. We will be able to dictate specific venues where services need to be sited, including Warm Spaces, libraries, community-based venues, faith venues etc. These will increase and may change during the period of the contract based on the data provided by City Observatory.

Dependency on the Council in the future to continue funding	Medium	Medium	It will be made clear at all stages that this is a one-off funding source to support activity relating to the Cost-of-Living Crisis. Heart of England will require the organisations to prepare an exit strategy from an early stage as this funding is non-reoccurring.
Outputs not achieved	Low	High	Initial outputs have been established at a minimum level and will be reviewed with Heart of England Community Foundation once applications have been received. Heart of England will undertake monthly update meetings with each provider and providers will submit quarterly data monitoring. Heart of England will discuss this and any issues with the BCC contract manager. The contract manager will also share City Observatory data and highlight any additional venues where we want to ensure a service is available.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 Variation to Heart of England Community Foundation contract to enable brokerage and management of Cost-of-Living Information, Advice and Guidance with Voluntary and Community organisations in Birmingham links to the Council's priorities through the Cost-of-Living and Early Intervention and Prevention.

7.2

7.3 Legal Implications

- 7.3.1 There are no legal implications directly arising from this report. However, legal advice will be provided as or when necessary and or appropriate.

7.4 Financial Implications

- 7.4.1 The NNS programme and the contract under review with Heart of England is primarily funded from ASC budgets to the tune of £2.1m. This paper seeks to vary this existing contract as per paragraph 2 above at the additional cost of £676k which will be funded from Cost-of-Living pot sitting in Council Management. There are no further financial implications to consider.

7.5 Procurement Implications

- 7.5.1 NNS Heart of England contract value is £2,127,299. This funding of £676,000 is within the 50% PCR Reg 72 tolerance.

7.6 Human Resources Implications (if required)

- 7.5.1 N/A

7.7 Public Sector Equality Duty

- 7.7.1 The purpose of this report is to ensure the local authority can discharge its responsibilities under the Equality Act through the provision of support for the most vulnerable in the City.
- 7.7.2 The cost-of-living crisis will significantly impact those already living in poverty. Within Birmingham there is a concentration of poverty in key ethnic groups and those impacted by multiple disadvantages, including disability. The funding set out in this report seeks to reduce the impacts of the crisis on these cohorts by delivering immediate support which will provide information, advice and guidance to enable citizens to link to support resources available, benefit maximisation and money advice.
- 7.7.3 An Equality impact Needs Assessment has been undertaken and is attached to the report (**Appendix 2**).

7.8 Environmental and Sustainability Implications

- 7.7.1 N/A – This is a financial report with no sustainability/environmental implications.

8 Appendices

- 8.1 Appendix 1 - Activity and data of current NNS agreement for Heart of England Community Foundation
- 8.2 Appendix 2 – Equality Assessment
- 8.3 Appendix 3 - Background Evidence relating to the Heart of England Community Foundation

9 Background Documents

Cabinet Report 11th October 2022: Cost-of-Living Emergency Programme
(Decision Reference 010636/2022)