Herefordshire Council

Review of Third Sector Support and Development Services

25 November 2010
Final Draft

Contents

Grant Thornton

Section 1: Executive Summary

"We recognise and value the special ability of voluntary and community organisations to mobilise and support people, particularly those who sometimes struggle to find a voice. We want to harness their power to find better solutions to our social problems. Our vision is for the sector, as a resilient and independent partner, to play an even more influential role in shaping a stronger sense of society and improving people's lives.

The sector cannot be immune from reductions in public expenditure because the scale of the challenge to reduce the national deficit is so great. The government recognises that this is a particularly challenging time for charities, social enterprises and other voluntary organisations. Badly handled public sector cuts could significantly alter the ability of the sector to nurture social capital and support some of the most vulnerable people in society just at a time when we want to build that social capital and encourage those local support networks."

- Building a Stronger Civic Society (Cabinet Office, October 2010)

Context

Context

Third sector support services provision has become an integral part of the frontline public service offer operating within Herefordshire. Shifts at the national level are reflected in the current direction of service provision. Key factors include:

- Total Place - already embraced in Herefordshire e.g. through the creation of HPS
- a shift to a commissioning rather than a provider focus and towards more locally focussed provision
- adoption of Compact Principles
- significant resources pressures on local public services

The current trends are likely to accelerate and encompass the 'Big Society' and the Government's desire to balance fiscal tightening with the protection of the front line. The agenda going forward is aimed at minimising the impact of fiscal tightening by focusing and prioritising outcomes for Herefordshire.

The Third Sector Support Services Review (TSSSR) Working Group

The TSSSR Working Group has been established to manage the review of Third Sector Support Services (TSSS) provision in Herefordshire. Its overall objective is to achieve a consensus on the future provision of services, resources and delivery, which will lead to:

•Comprehensive, high quality support services that meet the identified and anticipated needs of front line third sector organisations.

•Inclusive and flexible support services that are available, accessible and affordable to all front line third sector organisations across the county, and meet the varying support needs of different organisations.

•Sustainable and effective delivery of support services that reflects good practice, eliminates duplication, fills gaps and provides value for money.

Our Role

We have been engaged to support the TSSSR in realising its objective, by developing the principal options for the future shape and resourcing of support and development services to the third sector, for the TSSSR working group to review, to determine a consensus for implementation from April. Our scope has been provided by Herefordshire Public Services (HPS) and by the six Local Support and Development Organisations (LSDOs) commissioned by HPS to provide TSSS.

Our Approach

Our Approach

Our brief was agreed by the TSSSR Working Group, which is chaired by David Powell of Herefordshire Council, and which contains representatives from the six TSSS providers in Herefordshire.

Stakeholders were engaged throughout the review via a number of mechanisms: in-depth interviews, workshops, and teleconferences. A list of those consulted is included at Appendix 1.

We have also drawn on the mapping and needs surveys undertaken by HPS as part of a desk-top review of assorted key documents provided by stakeholders. A list of documents consulted is included at Appendix 2.

Following this analysis stage we identified and developed a set of options for future TSSS provision and an evaluation framework by which the options would be appraised. The evaluation framework and a short list of options were agreed by the TSSSR working group. Grant Thornton then evaluated these options, which informed the TSSSR working group's ranking of the options.

Structure of Our Report

Our report structure is set out on the right of this page

A number of acronyms and other terms are used in the context of this review. A glossary of terms is included at Appendix 3.

Current TSSS deployment: overview

Our analysis of the current model identified:

- the current cost of TSSS provision represents about 20% of the total turnover of the Front Line Organisations (FLOs) who responded to the Needs Survey (the value of volunteer time was not included in the survey).
- the data suggests that LSDOs are generally meeting the needs of those that use them, but usage is low, and there may be unmet need as FLOs have yet to understand the relevance of the current services, or the impact of the forthcoming changes.
- the multiplication and greater specificity of provision has increased the impact of support on particular areas
- there is a mix of generalist and specialist support
- this support is provided across the LSDOs and HPS
- there is no overall co-ordination of generalist support
- this lack of co-ordination leads to duplication, poor branding and consequent lack of market penetration
- there is no co-ordination of specialist support
- possible gaps in provision, and consequent gaps in market penetration
- much of the leveraged funding is time-limited and originates from funding sources which are themselves under increasing resource constraints. It is therefore reasonable to assume that there will be reduced ability to leverage additional funds, and that existing resources will be increasingly time limited.
- the total cost of TSSS activity may therefore be reduced over time.

Stakeholder and working group consultation

The stakeholder consultation that followed this analysis, confirmed widespread agreement of the need for change, but not the form this should take, only a consensus that change should be made soon.

We developed an evaluation framework and series of options, based on this stakeholder consultation and our wider understanding of the coalition government's policy agenda. The TSSSR Working Group then reviewed, amended and agreed the options they wanted to short list for evaluation, and the evaluation framework to be applied.

Grant Thornton then evaluated these options, which informed the TSSSR Working Group's discussion of the options, and led to an agreed ranking of the options by the working group, which is set out below.

Criteria	Key evaluation questions	Option 1 Single Provider	Option 2 TSSS Board	Option 3a In & out source	Option 3b In & out source (BO only)	Option 4 Hub & Spoke	Option 5 Hybrid of 1 and 4
RANKING		**2**	**4**	**6**	**5**	**3**	**1**

A summary of the ranking agreed is set out below. Further detail on the evaluation framework is included in Section 3, and on the evaluation in Section 4.

Conclusions: Overview

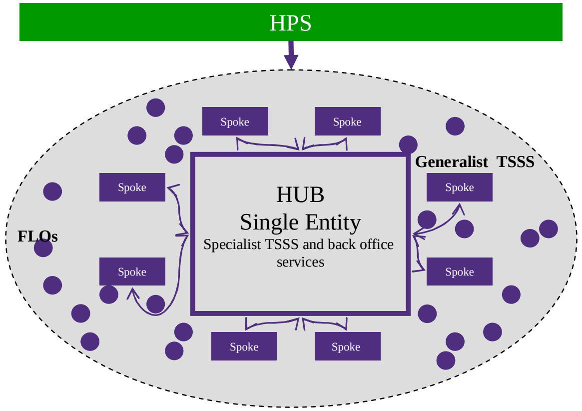
The TSSSR Working Group considered the options. Following the first review it was agreed that:

•Options 3 a and 3b should be discounted. It was recognised that these would offer some economies of scale, and so cost savings through shared services. However, it was unclear that the approach would be welcomed by all FLOs, and it was recognised that little extra value would be delivered.

•A new option was identified, combining a single entity with some local presence (see Option 5 above). This was considered preferable to Options 1 and 4, due to combining the benefits of both.

The Working Group tended to focus on two options (2 and 5). The Working Group did not reach a clear consensus, although it should be noted discussion did not divide on sector that lines (there was not a separate HPS and sector view).

The sense of the meeting was that **Option 5** was preferable to most, but not all members of the Working Group. It was recognised that there were significant issues to be addressed. These included the viability of the predecessor organisations (if Herefordshire TSSS provider elements are removed) and the need to structure it in a way that maximises the potential to lever funding and additional resources. There are various organsiational models that may reflect different types of integration with varying degrees of impact upon exiting bodies.



Equally there was consensus on a localities focus as the preferred direction of travel, which is consistent with likely developments in the county (and nationally). However there were some concerns about the feasibility of implementing local 'spokes' in terms of implementation complexity and potential cost - these could be **progressively implemented** as the entity matures, the wider locality approach is developed and affordability confirmed.

A minority on the group tended more to **Option 2**, feeling it offered greater flexibility, and suggesting that it may be more likely to secure the commitment of some stakeholders.

Section 2: Analysis of the Current Position

FLOs in Herefordshire

	No.	%
Charity	165	54
Voluntary Organisation	111	36
Community Organisation	101	33
Co-Operative	3	1
Community business/enterprise	10	3
Social enterprise	17	6
Umbrella group/development org	4	1
Partnership organisation	6	2
User led	22	7
Membership org	47	15
Housing Association	2	1
Social/hobby group	35	11
Other	42	14
Total	306	
Not answered	15	
Total survey respondents	321	

Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Note: some survey respondents indicated more than one type of category, so the total in the above table relates to the total number of respondents, and does not represent the total of different types of categories. The % column follows the same principle.

Observations:

- There were 321 respondents to the needs survey, self categorised as per the table to the left.
- There were in the region of 1,500 FLOs operating in the county in 2007*. Assuming FLO numbers have remained constant, this indicates the needs survey generated a sample size of approximately 21%.
- FLO turnover in the county was in the region of £95 million* in 2007. Extrapolating the needs survey returns, the turnover for those who replied is in the region on £11 million. This excludes the value of volunteer time.

* "Valuing the voluntary and community sector in Herefordshire and Worcestershire" (Sustain Consultancy, January 2007)

Research

To provide an evidence base for this review, two research exercises were undertaken. These were:

- a services needs survey of FLOs, conducted by HPS, to which there were 321 respondents, and
- a service mapping survey carried out by the six LSDOs and by HPS on TSSS.

The six LSDOs also provided a separate paper, setting out the results of their review of future TSSS needs.

Our terms of evidence categorises TSSS as follows:

- development support
- legal and technical
- practical assistance
- learning and development
- strengthening voice
- partnership building and brokerage and
- research and policy development

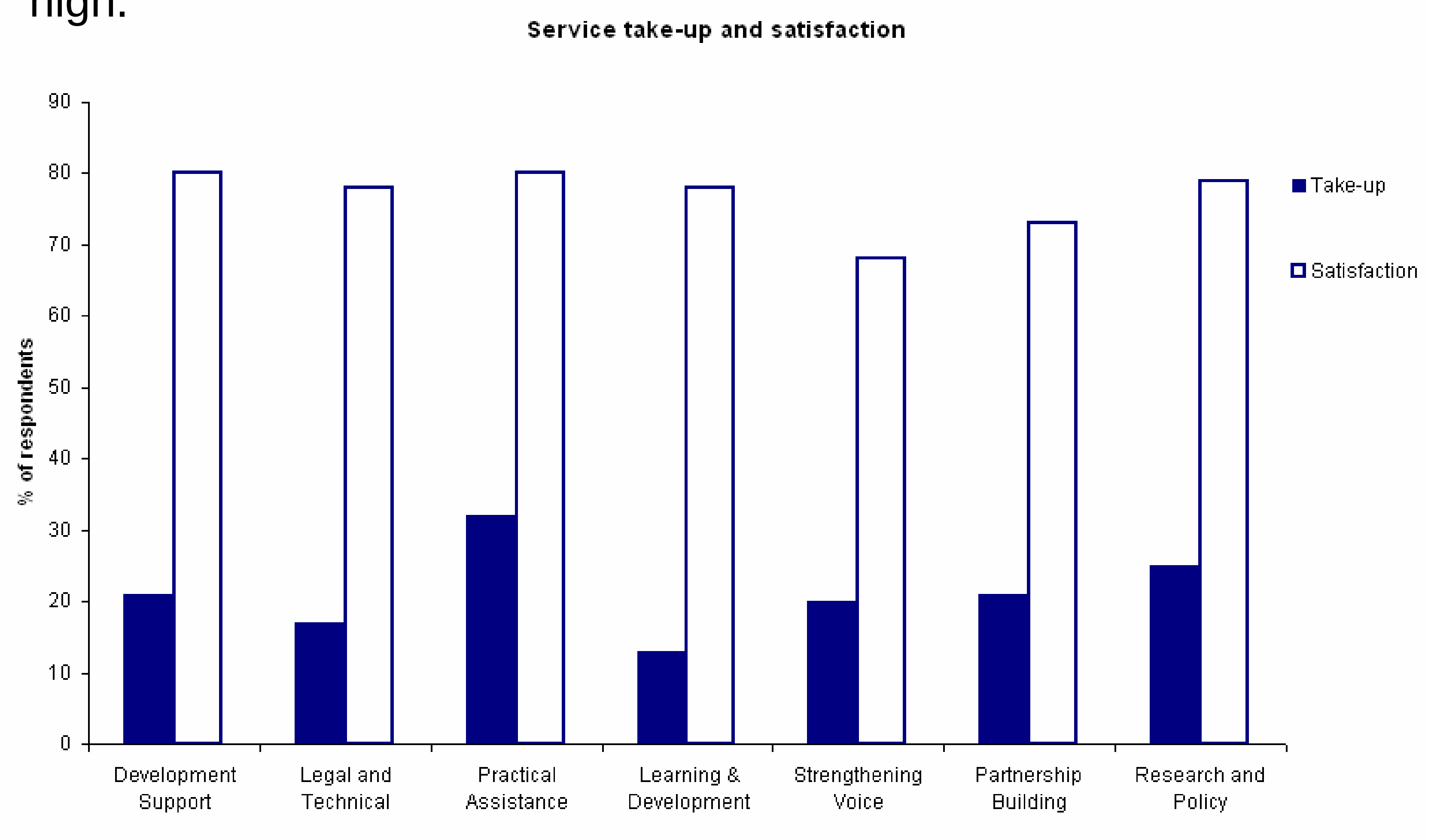
During the course of our review the TSSSR Working Group agreed to a further category: shared services (see Appendix 4).

The evidence base is needs led, and therefore looks at the demand for, and supply of, TSSS across these categories, but it should be noted that the mapping analysis did not adopt the full seven categories noted above.

The evidence necessarily also reflects the current level and deployment of TSSS provision, and therefore incorporates evidence of what is currently provided by whom, and how this is funded. The evidence base is not complete, but its scope and depth are richer than any pre-existing available baseline. It therefore provides as good a basis as is available to analyse TSSS, and reach conclusions about where they are now, and where they need to be in the future.

Take up of TSSS and Satisfaction Levels

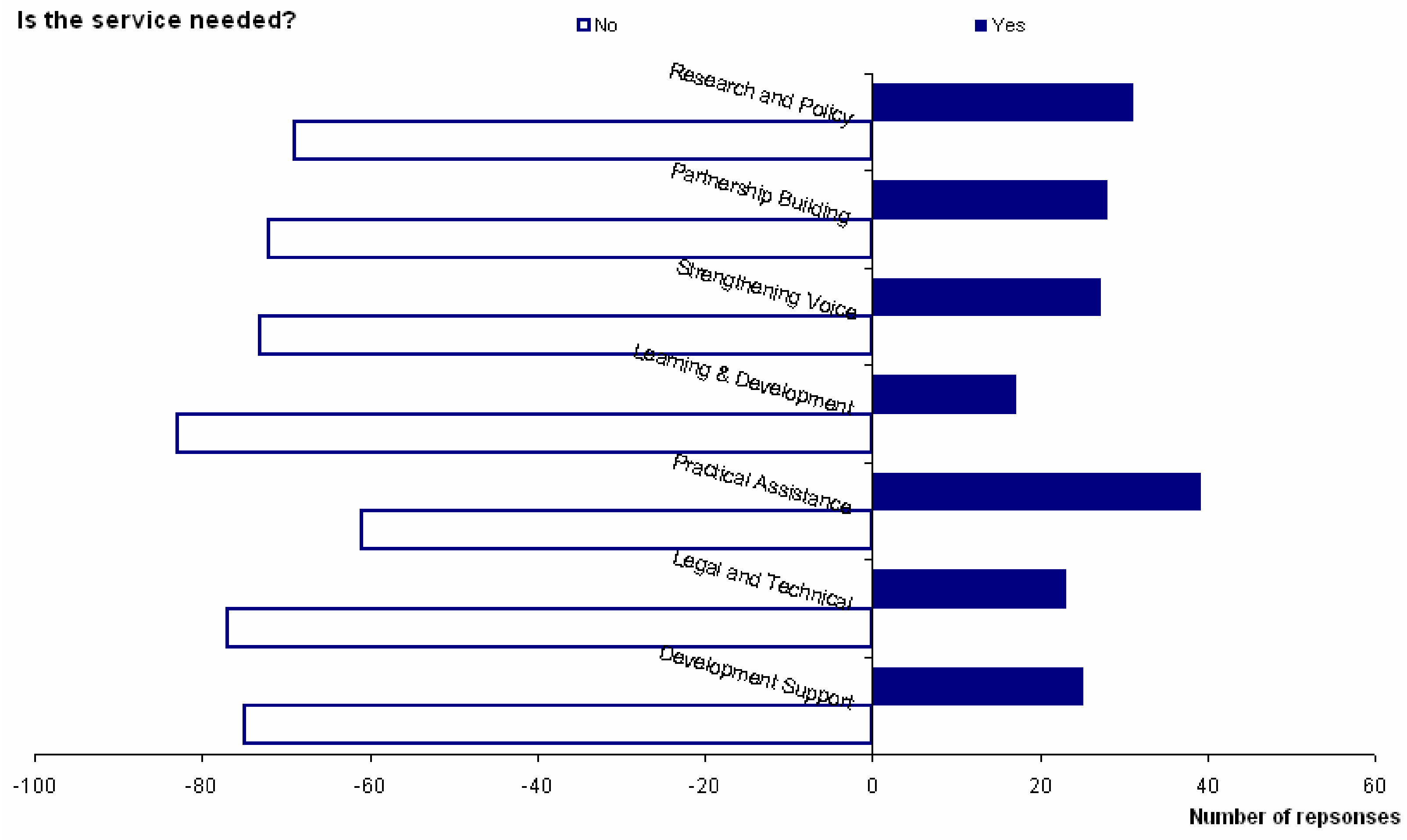
The take up of services by FLOS is low, but satisfaction with them is high.



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

The need for services

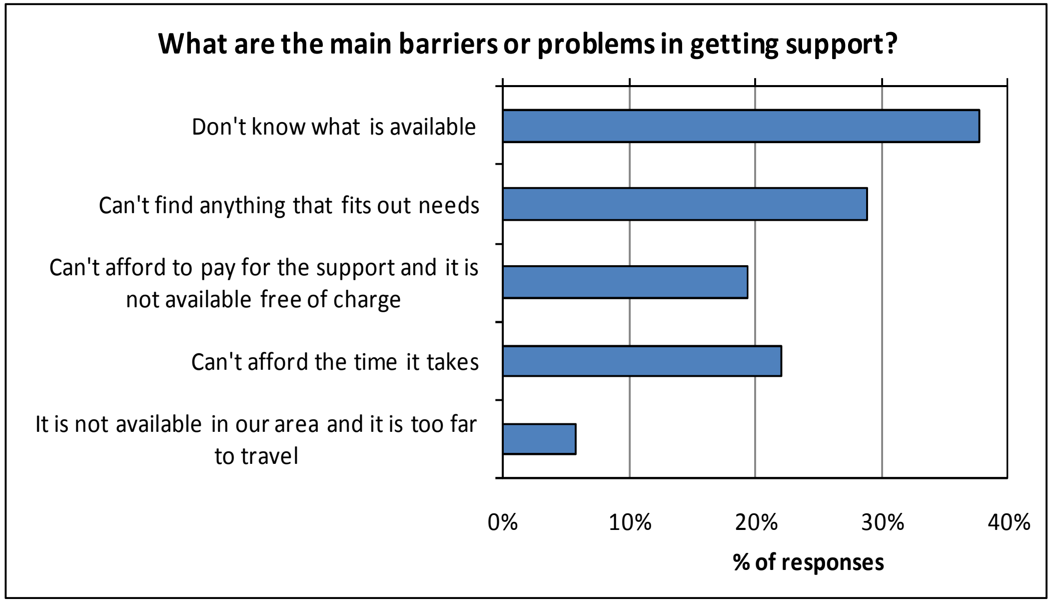
This appears largely because, at the moment, the services are not seen as being needed by FLOs.



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Barriers to demand

However, this may in part be because of lack of information, suitability, money and time, leading to demand being ineffective.



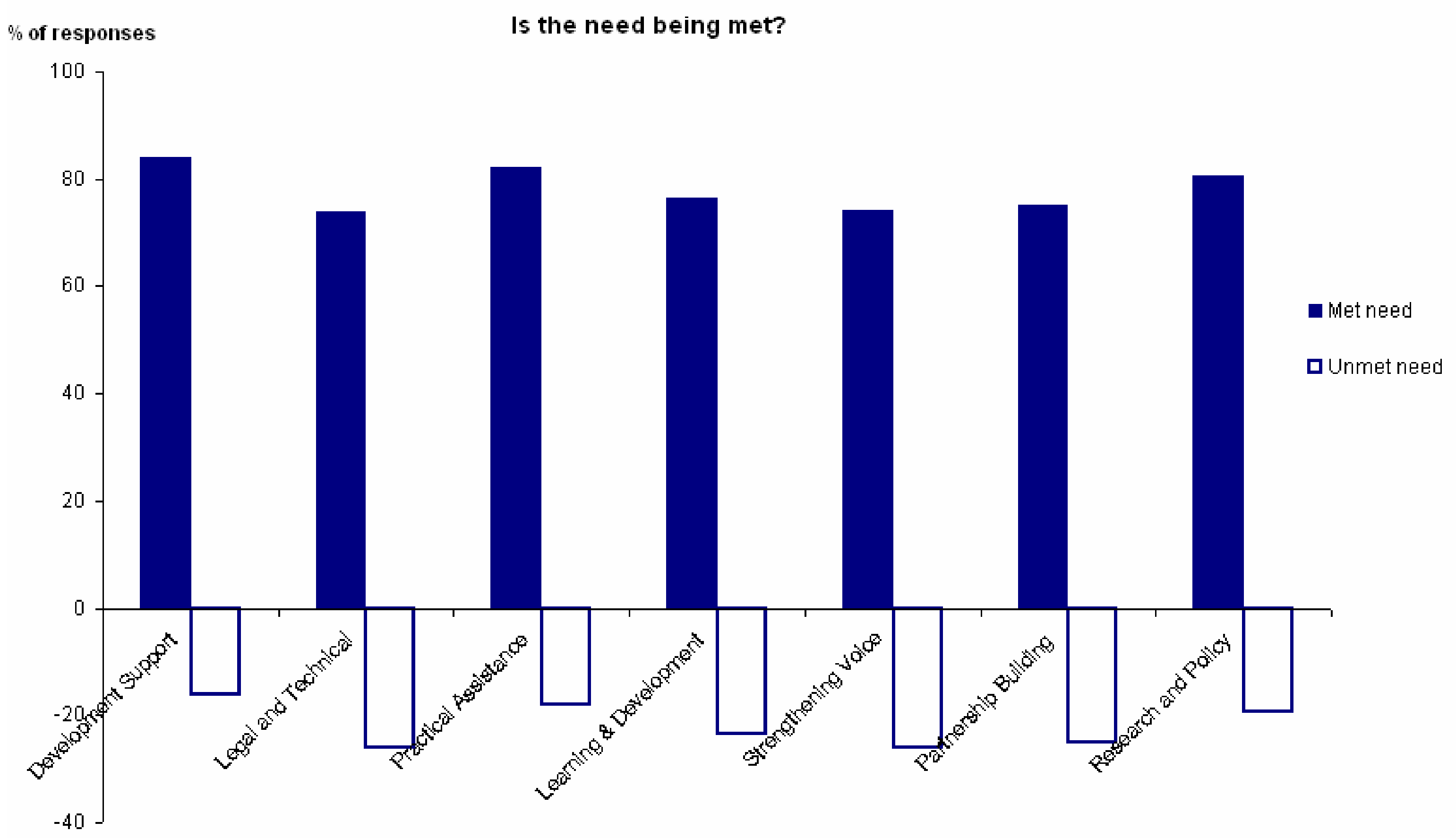
Observations:

- Communication may be improved?
- Is needs assessment effective?
- Is there full geographical coverage?

Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Is demand being met?

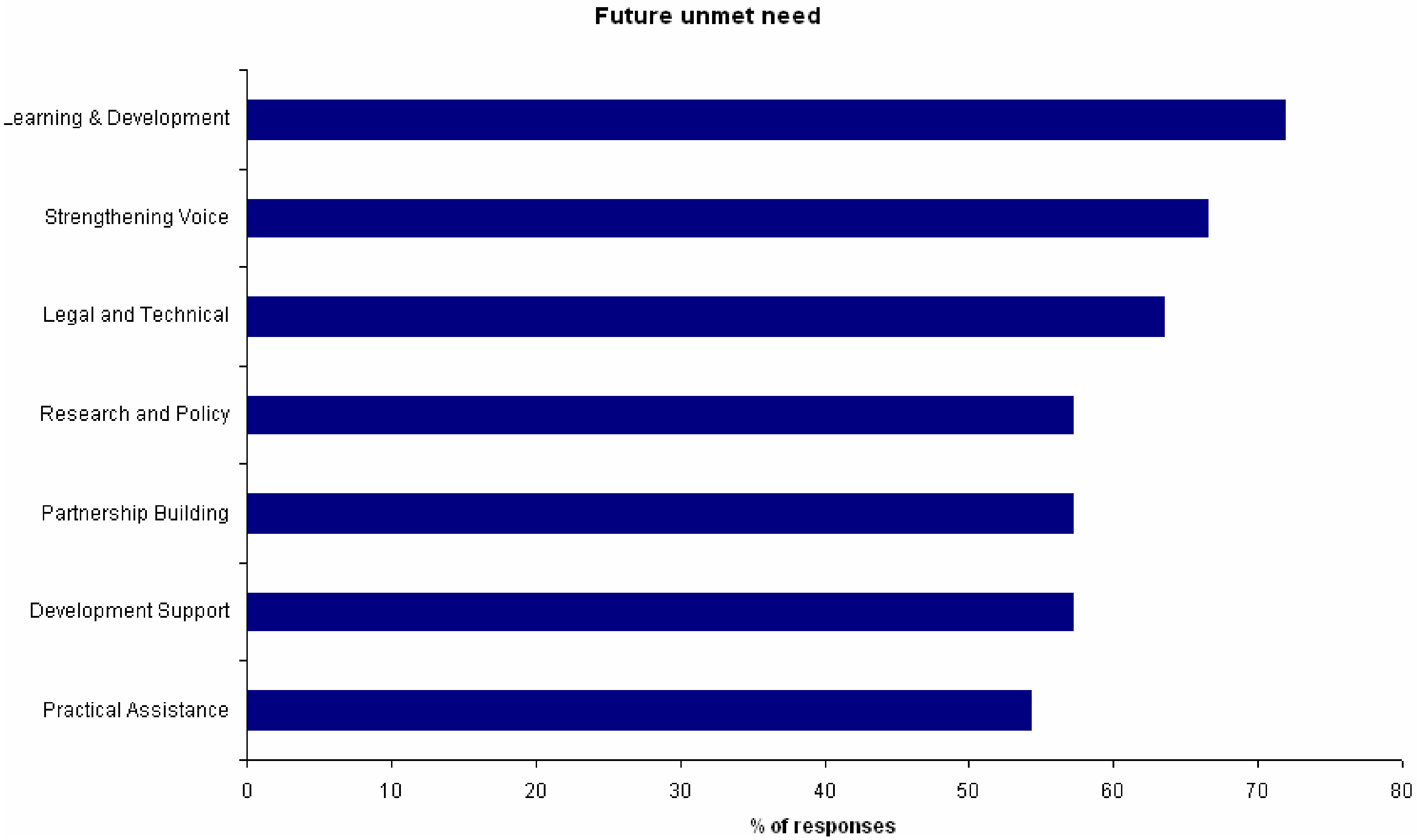
Therefore, at this level of take-up, the majority of demand is met, but the minority of unmet demand is still significant



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Future unmet demand

However, this level of unmet demand is anticipated to increase in the future, and in two years time the majority of demand could be unmet, stalling the capacity of FLOs to grow.



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Future needs

The needs survey data suggests that those who use the services are broadly happy, but their relevance to the wider community of FLOs is unclear.

At the moment this is not a significant problem – the majority of perceived needs are being met – but it could be so in the future. FLOs may not have significant needs now but they expect that they will have in two years time. This indicates that the level of unmet need will grow, and if it does, dissatisfaction with provision can be expected to grow with it, if the way TSSS is provided does not change.

This will impact on HPS, LSDOs and FLOs. More widely, it may limit the extent to which civil society organisations are able to respond to the changes in public service provision and to the Big Society agenda.

Local and national policy suggest a key role for voluntary, community and social enterprise organisations, with an increasing role in mixed economy, locally focussed provision. Public, private and third sector organisations will have to demonstrate:

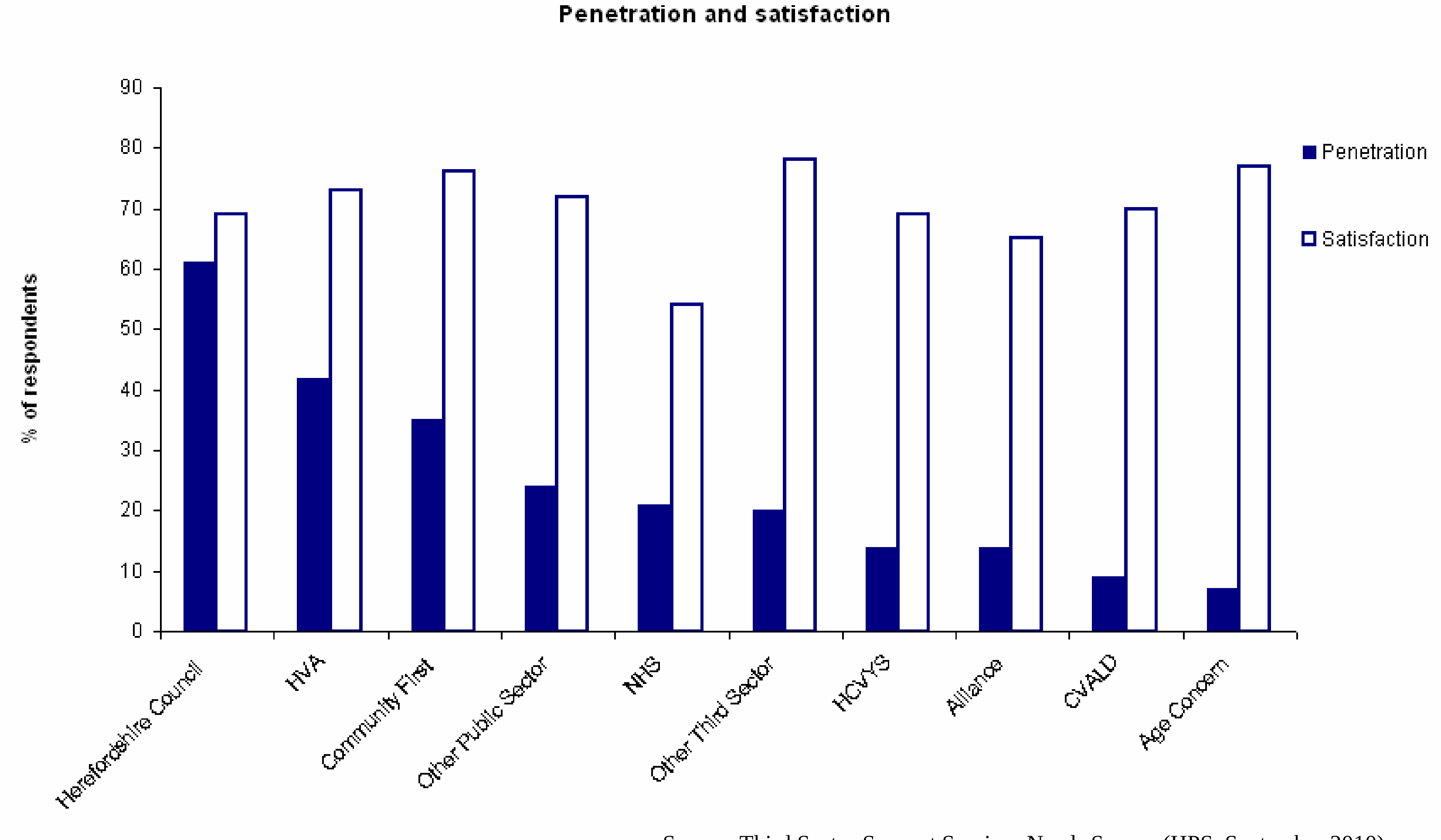
•maximum efficiency by minimising overhead and back office costs,

•increasing agility in reshaping around a locality focus, and responding to a changing policy context

•better joint working through streamlining and proportionate, outcome focussed commissioning

Penetration of and satisfaction with TSSS provision

TSSS is currently deployed in ten main blocks. The contribution of each to meeting demand varies widely, based on those who replied to the survey. Satisfaction is good, but there is still significant dissatisfaction. The survey does not permit analysis in terms of relative value for money of the provision, whether to satisfied or non satisfied FLOs.



Source: Third Sector Support Services Needs Survey (HPS, September 2010)

Activity to meet needs

•The way in which these needs are currently met is via a broad range of activities, most of which are undertaken by providers in the scope of this review. The mapping survey identified the distribution of activities as set out below.

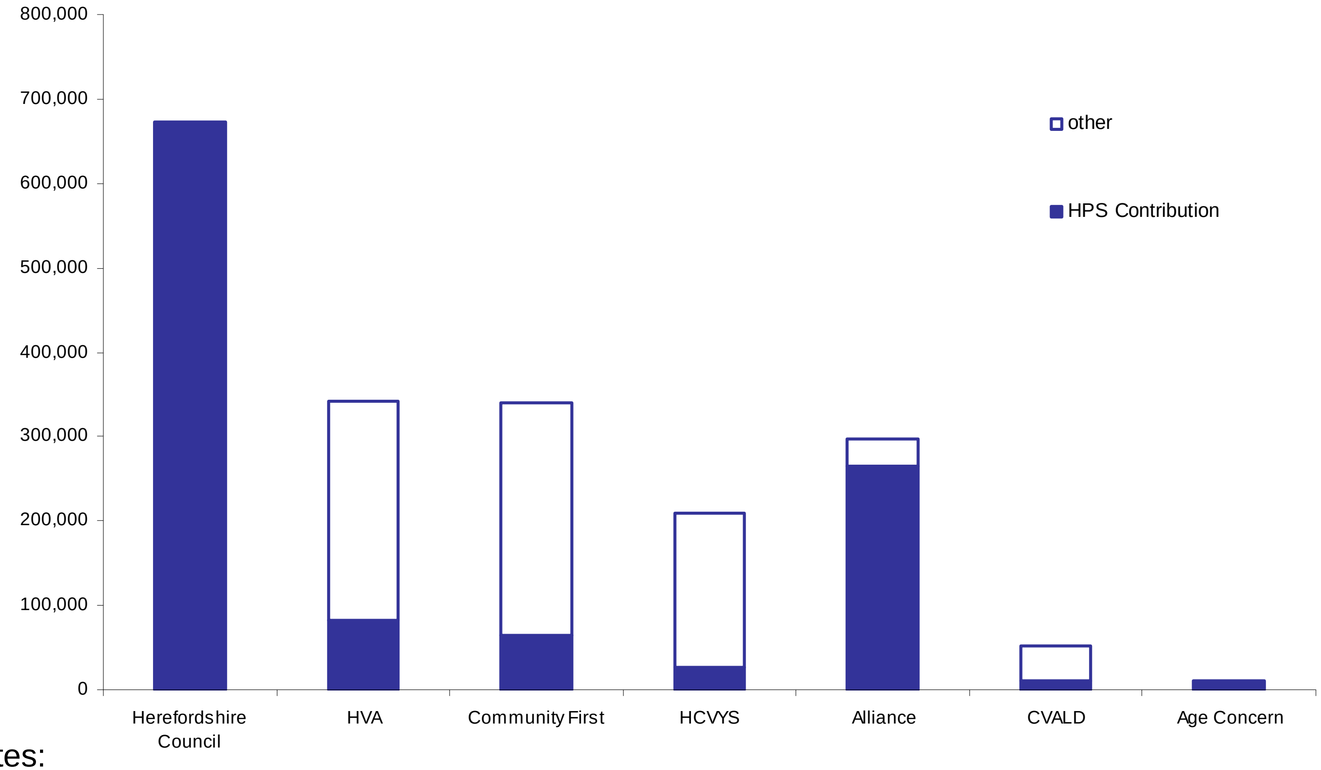
Activity	HPS	HVA	CF	HCVYS	The Alliance	CVALD	Age Conc.
Information and advice	Y	Y	Y	Y	Y	Y	Y
Start up / development support	Y	Y	N	Y	Y	Y	N
Strengthening voice	Y	Y	Y	Y	Y	Y	Y
Practical assistance / resources	Y	Y	Y	Y	N	Y	Y
Other	Y	Y	Y	Y	N	Y	Y

As suggested by the preceding slides, the take up of TSSS varies, but on average this take up is low, and the uptake of TSSS is between approximately 15 and 30%. While the table above shows the distribution of relevant activities, it is not clear that there is capacity or critical mass to undertake them on a larger scale.

Source: Mapping of Third Sector Support Services (HPS, September and October 2010)

Sources of Funding

The cost and source of funding of these activities varies widely, as does the leverage which those in scope are able to generate. However, the main provider and funder is HPS.



Notes:

a) Total forecast TSSS income of the six LSDOs in 2010/11 is £1.251m, of which HPS funding totals £460k. HPS direct spend is £674k. HPS therefore fund approximately £1.134m of the total £1.925m TSSS spend. Note that CVALD figures require sign off.

b) HPS directly delivered TSSS will face a reduction of £228k following the restructure of Early Years and Extended Services within CYPD

c) We cannot identify in any detail how the funding aligns to the categories of TSSS provision identified in the needs survey.

Sources: Mapping of Third Sector Support Services (HPS, September and October 2010) & TSSSSR Paper (LSDOs, October 2010)

Characteristics of current TSSS deployment

Although the way in which HPS and the LSDOs operate financially does not allow us to attribute cost to the seven main areas of TSSS activity. It does, however, allow us to determine certain characteristics of its deployment. These are that

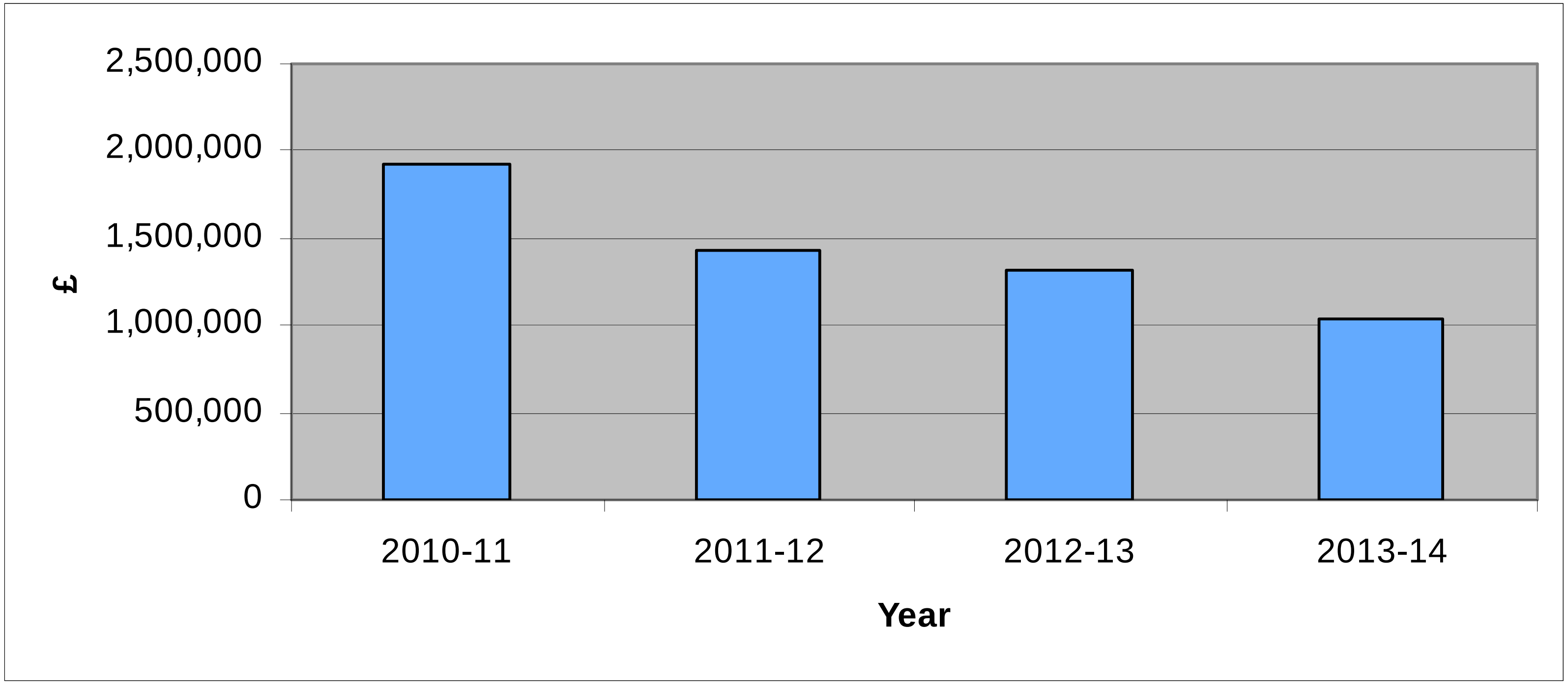
- the current cost of TSSS provision represents about 20% of the total turnover of the FLOs who responded to the Needs Survey (the value of volunteer time was not included in the survey).
- the data suggests that HPS and LSDOs are generally meeting the needs of those that use them, but usage is low, and there may be unmet need as FLOs have yet to understand the relevance of the current services, or the impact of the forthcoming changes.
- the multiplication and greater specificity of provision has increased the impact of support on particular areas
- there is a mix of generalist and specialist support
- this support is provided across the LSDOs and HPS
- there is no overall co-ordination of generalist or specialist support
- this lack of co-ordination leads to duplication, poor branding and consequent lack of market penetration
- there are possible gaps in provision, and consequent gaps in market penetration
- much of the leveraged funding is time-limited and originates from funding sources which are themselves under increasing resource constraints. It is therefore reasonable to assume that there will be reduced ability to leverage additional funds, and that existing resources will be increasingly time limited.
- the total cost of TSSS activity may therefore be reduced over time

Future funding flows

The current resourcing profile suggests that the current deployment is likely to contract sharply through to 2013/14. Whilst the level of future HPS funding has not been confirmed, it is anticipated that it will reduce by 24% by 2013-14, following the recent government Spending Review.

There is also likely to be a reduction in funding secured by LSDOs from other sources, but the levels of this funding is currently unknown.

The table below reflects all known TSSS funding for services either directly provided by HPS or those being delivered by the LSDOs.



Source: TSSSSR Paper (LSDOs, October 2010)

Meeting future needs

We would concluded that TSSS may not be able to respond to future needs and its longer term sustainability is uncertain. These services may not provide the platform necessary to meet the twin challenges of the Big Society and deficit reduction.

Given increasing resource constraints, it is unlikely that increasing the level of resources to grow existing TSSS deployment to meet increasing demand will be possible. Instead the existing deployment will need to change so that:

- the strategic rationale underlying the deployment is priority-driven
- productivity of the deployment is improved
- duplication is taken out of the deployment, whilst recognising that devolution of service delivery is recognised as appropriate
- the deployment is made more market-responsive as needs change and grow
- new, lower cost models of support are able to be developed and delivered

This implies that the organisations through which TSSS is deployed will need to change. The scale of change needed is likely to be significant and therefore must soon be implemented, if future demand is to be met. At the minimum strategic level changes to the deployment should be in place for 2011/12, and the detail of their marshalling be settled for 2012/13.

Changing national picture

Capacitybuilders funding will end in March 2011 and the Coalition Government is consulting* on future national support for LIO services. Priorities set out in the document include:

- More joined up provision of online support, possibly facilitated by the Office for Civil Society
- Better local brokerage of peer to peer, pro bono and mentoring support between organisations and across sectors
- Rationalised provision of infrastructure
- Direct support to frontline organisations to support change

The document also sets out the following three components of the Big Society policy agenda:

- **Empowering communities**: local councils and neighbourhoods having more power to take decisions and shape their area.
- **Opening up public services**: government reforms will enable third sector and private sector bodies to compete to offer high quality public services.
- **Promoting social action:** encouraging and enabling volunteering and philanthropy.

The consultation document also signals that ‘there could be time-limited consolidation grants to enable infrastructure to implement merger or substantial collaboration’…where the action is part of locally agreed plans for the reconfiguration of plans with continued local authority support or targeting improved quality of services to the frontline or to support frontline groups.

The Spending Review of 20 October confirmed £470m over the review period will be made available to support third sector capacity building, and a £100m Transition Fund will be created to support third sector organisations providing public services.

The national picture, which includes the anticipated content of the *Decentralisation and Localism Bill* to be published in late November, is in line with the terms of this review. That fit, and depending on the option decided, could unlock funding to support change involving collaboration or merger of organisations.

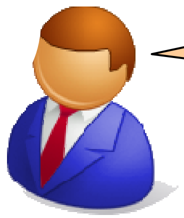
* "Supporting a Stronger Civil Society: An Office for Civil Society consultation on improving support for frontline civil society organisations" (Cabinet Office, October 2010)

The current model has its strengths…

"…there is a desire to support diverse and disparate front line organisations…"

"…there is detailed specialist support available…"

"…there is a high propensity for volunteering in Herefordshire…"



"…there is good partnership working between HPS and other TSSS providers…"

"…the model has developed organically, so it has strong community buy-in…"

".. there are good examples of shared delivery, such as community buildings…"

"…different sources of funding can be accessed - we have "more bites at the cherry"…"

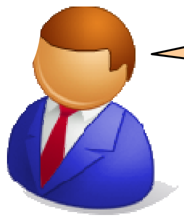
Source: Stakeholder consultation, September and October 2010.

…but some examples of why things need to change

"…I don't know what support services are on offer…"

"…the same service is provided by different providers…"

"…the current providers need to be more joined up…"



"…I receive multiple newsletters and don't have the time to read any of them…"

"…Herefordshire is small; so the current set up seems overly complicated…"

".. there seem to be gaps in service provision…"

"…there is a cost to managing the boundaries and interfaces between the different providers…"

Source: Stakeholder consultation, September and October 2010.

Stakeholder consultation - key themes

This need for change has been echoed in our stakeholder consultation which found that::

- the current model can and should be improved
- there are efficiencies to be made via improved working (shared back office, accommodation, removal of duplication, etc)
- LSDOs agree there needs to be "One Sort of Something"
- the future model needs to be "rural proofed" and ensure diverse communities are supported
- FLOs find the duplication of activities and communications confusing
- a priority for FLOs is bidding for funds, often unsuccessfully. A concerted effort to reduce this burden may be preferable to finding ways to sustain it.
- the future model needs to align to the new localities principles
- priority for FLOs is sustainability / securing funding
- Herefordshire has good track record of volunteering, but there are concerns over its sustainability…and that
- this review is an opportunity, but we need to get it right.

The TSSSR Working Group agreed a series of options to appraise, and agreed an evaluation framework as the basis for this appraisal. This is set out in the next section.

Section 3: The Evaluation Framework and Options Development

Introduction

The TSSSR Working Group agreed to evaluate the options for future TSSS delivery. An evaluation framework was agreed that set out:

- evaluation criteria, and
- the approach to scoring.

The Chairs and Vice Chairs of the LSDOs were consulted on this framework, and it was updated to reflect their comments.

The TSSSR Working Group also discussed a long list of options to evaluate. The long list was developed by Grant Thornton, and a short list of options, including two new options, was agreed by the Working Group via two challenge workshops.

The agreed evaluation framework and options are set out on the following slides.

Please note that the arrows included on the structure charts for each option indicate commissioning relationships. We recognise that there are other important functions, such as a single sector voice and sector views, but these are not represented on these structures.

Evaluation Framework: Decision Criteria

Criteria	Criteria elements	Associated questions
Strategic fit	Alignment with the strategies and values of Herefordshire third sector and other community stakeholders.	Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?
	Alignment with HPS delivery model	Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?
	Considers and supports the strategic direction of public services and civil society across the county.	Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities? *
Service quality	Meets needs and expectations of third sector organisations	Does the option manage the needs, expectations, and focus on delivering the needs of the third sector?
	Equality and diversity of the third sector in Herefordshire	Can the option support the diversity of the third sector, and provide an equitable level of service across the county?
Cost	Cost of implementation / change, and future delivery ?	What are the implied cost of changes associated with the option, and are they affordable?
		Does the option deliver better value for money and release efficiencies?
Risk	Impact on key stakeholders	Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)
	Feasibility	How feasible is the change, and does the capacity and capability exist to support implementation?

* This question incorporates the LSDOs added value principles (where not covered by other criteria questions) - see following slide.

LSDO Added Value Principles

Beyond the Terms of Reference for the review, the LSDOs believe strongly that 'added value' should be at the heart of a change process that seeks to put in place the optimum support services for the available resources, that are consistent with the following principles:

- Responsive, flexible and easily accessible
- Inclusive and equitable – reaching organisations according to their need and locality across the county
- Professional, knowledgeable and skilful staff, in touch with the sector
- Sustainability of services for the sector
- Innovative, pro-active and forward looking
- Specialist and generalist services for addressing sector needs
- Providing community leadership, including leaders and advocates who understand, are committed to, and can speak up for the sector

Source: TSSSSR Paper (LSDOs, October 2010)

Evaluation Framework - Scoring Approach

The TSSSR Working group agreed the following approach to scoring the options, which was used by Grant Thornton to undertake the initial evaluation of the options:

5 = option has very high acceptability to the criteria

4 = high acceptability

3 = medium acceptability

2 = low acceptability

1 = very low acceptability

The working group felt that all evaluation criteria were of equal importance, so no weightings were applied to these scores.

Long list of options

The following list of options was considered by the TSSSR working group on 7 October 2010:

Options	High level description
0. Status quo	Continue to provide TSSS as-is, with HPS commissioning from 6 providers and providing TSSS direct.
1. Commission a single provider	Full commissioning of existing TSSSR provided directly by HPS or commissioned by HPS, from a single entity.
2. Commission multiple providers via a single TSS Board	Re-tender all TSSS contracts and stimulate competition for providing TSSS and invite new market entrants including private sector organisations to deliver TSSS. This can include local, regional and national providers.
3. In-sourced TSSS delivered by HPS	Build capacity within HPS to deliver all TSSS currently funded by HPS in-house.
4. Mixed in-sourced and outsourced TSSS provision	HPS integrate back office and generalist TSSS provision into HPS shared service centre, and commission specialist support via a range of providers.
5. Hub and spoke / Localities model	Deliver a core/generic cross sector TSSS at a county level via a single hub (merging levels of provision by current providers) with access to specialist support - providing access to the hub via small spokes based in service provision localities.
6.Dispersed localities model	Deliver the same level of provision across each of the 9 Service provision areas.
7. HPS Ceases Funding	HPS stops funding any TSSS activity.

Note: it was felt that the evidence on the current model, and the need for change, was such that it should not be evaluated. However, it was further agreed, that the Status Quo should be used as the baseline against which the short-listed options would be evaluated.

Short list of options

The TSSSR working group agreed on 7 October the following list of options to evaluate.

Options	High level description
1. Commission a single provider	Full commissioning of all TSSS activity currently provided by the existing 6 providers and HPS via a single entity (this could be, for example, via a joint venture, potentially including the merger of part or all of existing commissioned providers).
2. Commission multiple providers via a single TSS Board	Re-tender all TSSS contracts and stimulate competition for providing TSSS and invite new market entrants including private sector organisations to deliver TSSS. This can include local, regional and national providers.
3a. Mixed in-sourced and outsourced TSSS provision	HPS integrate core/generic TSS provision into HPS shared service centre (**back office and front line generalist support**), and commission specialists support via a range of providers.
3b. Mixed in-sourced and outsourced TSSS provision	HPS integrate core/generic TSS provision into HPS shared service centre (**back office only**), and commission specialists support via a range of providers.
4. Hub and spoke / Localities model	Deliver a core/generic cross sector TSSS at a County level via a single hub (merging levels of provision by current providers) with access to specialist support - providing access to the hub via small spokes based in service provision localities.

Following further review on the 21 October, the TSSSR working group agreed the further option.

5. Single provider with hub and spokes structure **(New Option)**	A hybrid of options 1 and 4, with a single entity with a central hub (including shared back office and potentially some specialist services) with local spokes providing other, potentially more generalist services. Balance of central and local delivery to be determined, and a phased approach possible, reflecting wider role out of localism principles and practical constraints.

These are set out in more detail on the following slides. Further detail on the discounted options is located at Appendix 5.

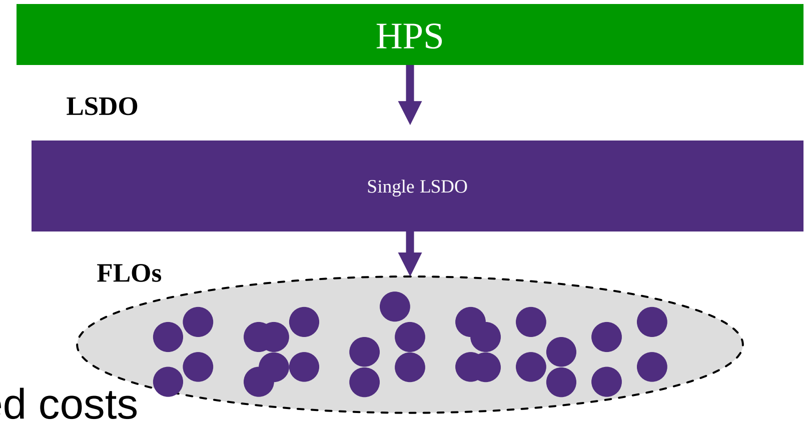
1. Commission a single provider

Overview

• All TSSS currently provided by HSP or commissioned from the 6 LSDOs is commissioned via a single, merged provider.

Function	Delivered by
Development support	Single provider
Legal & technical information, advice and guidance	Single provider
Practical assistance and resources	Single provider
Learning and development	Single provider
Strengthening voice	Single provider
Strategic partnership building and brokerage	Single provider
Research and policy development	Single provider
Shared Services	Single Provider?

Structure



Implied costs

• Merger and integration costs could be significant
• Assume lower long term running costs due to merged functions and removal of duplication

Implied benefits of option

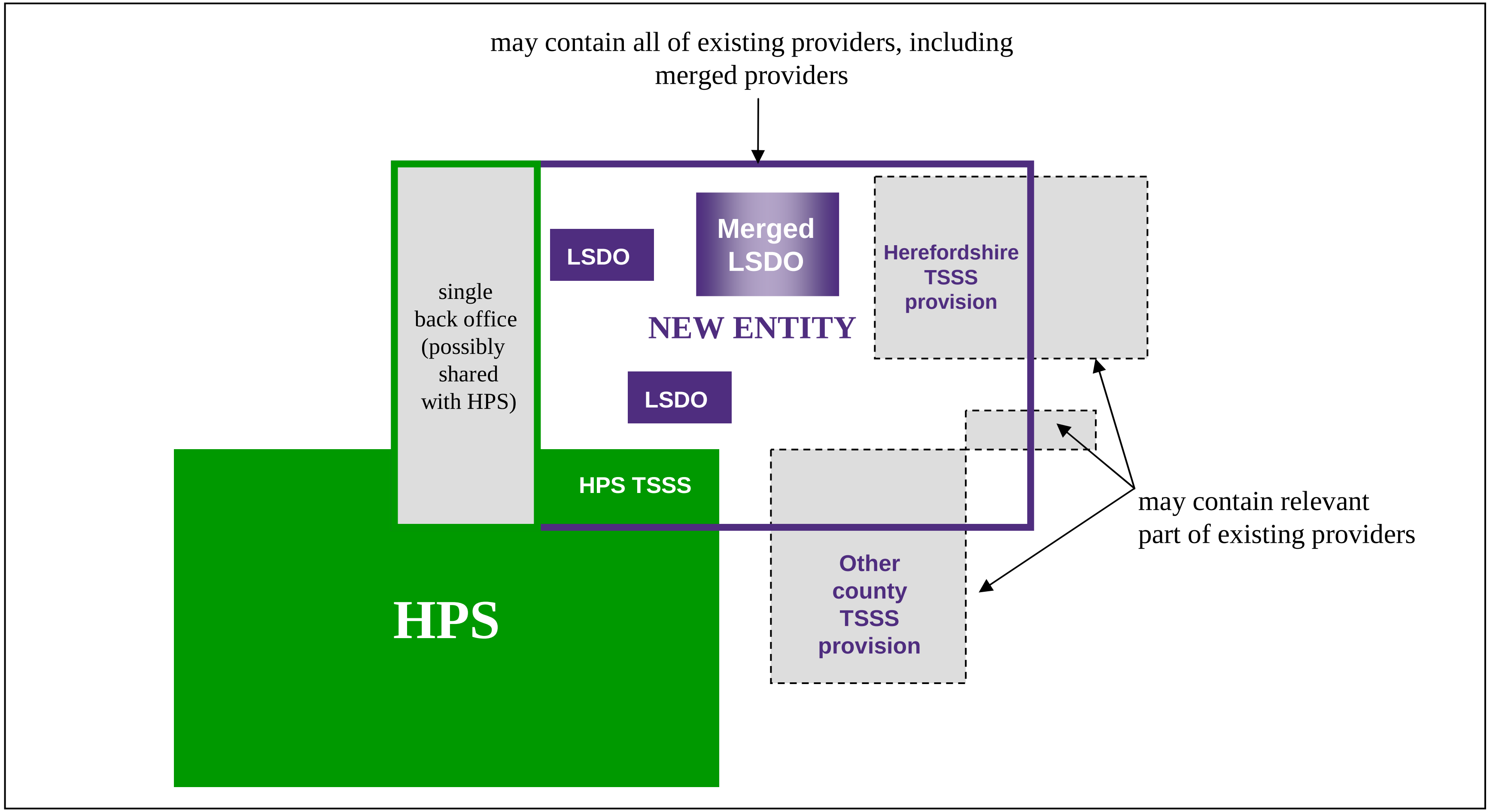
• Remove duplication of activity - efficiencies
• Enhance single voice of third sector in Herefordshire
• Single access point / one stop shop for FLOs, less confusion
• Simpler commissioning and reporting arrangements
• Easier to re-direct resources across areas / services in response to changing needs.

Implied risks

• Potential loss of key staff, knowledge and experience
•Failure to successfully merge LSDOs
• Loss of focus and specialist support services
• Unable to meet needs of diverse third sector
• Unable to provide services across county
• Single voice not representative of third sector

Option 1: Further illustration of structure

The TSSSR Working Group identified that the form of the single provider / entity does not have to relate to a full merger of existing LSDOs. The form of the single provider is further illustrated below. This new entity, for example, could take the form of a Joint Venture Partnership.



2. Commission multiple providers via a single board

Overview

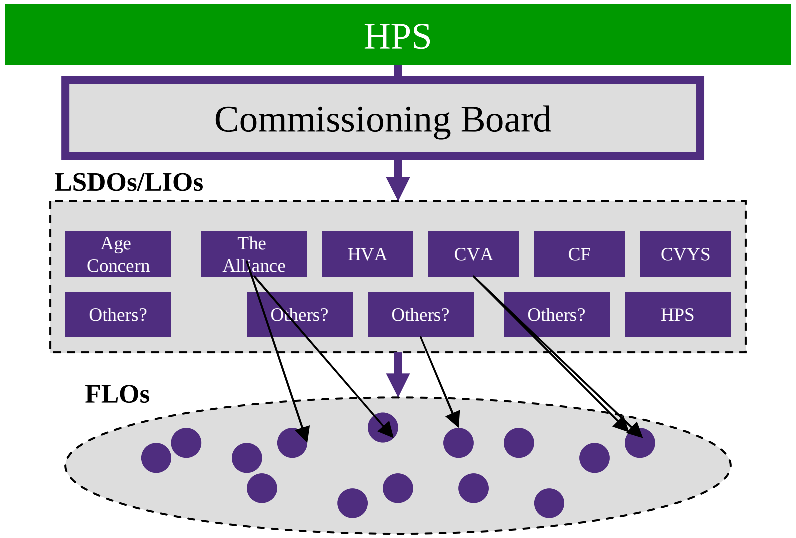
•Full strategic commissioning of existing TSSS currently provided or commissioned by HPS to a County TSSS Commissioning Board.
•Board members make operational commissioning decisions.
• Stimulate competition of market.

Function	Delivered by
Development support	Range of providers
Legal & technical information, advice and guidance	Range of providers
Practical assistance and resources	Range of providers
Learning and development	Range of providers
Strengthening voice	Range of providers
Strategic partnership building and brokerage	Range of providers
Research and policy development	Range of providers
Shared Services	Some / No providers?

Implied costs

•Limited costs of change
•Possible shunting of transaction costs to single provider
•Additional costs of setting up and running commissioning board

Structure



Implied benefits of option

• Limited disruption to current level of support services
• No gaps in provision and increased choice for FLOs / clear boundaries between providers
• Assumes strengthening HPS commissioning model and clearer focus on commissioning against HPS priorities
• Assume increased competition will improve quality of provision
• Strengthens ability to meet support requirements of FLOs

Implied risks

•Continued duplication and overlap in delivery - do not realise efficiency potential.
• Lack of appropriate commissioning skills
•Concerns over sustainability of model (funding and quality)
•HPS funding likely to be required to make savings/cuts
• Implies FLOs not able to demonstrates delivery contribution to HPS commissioning priorities will no longer get same levels of support
• Failure to create a "level playing field" for providers

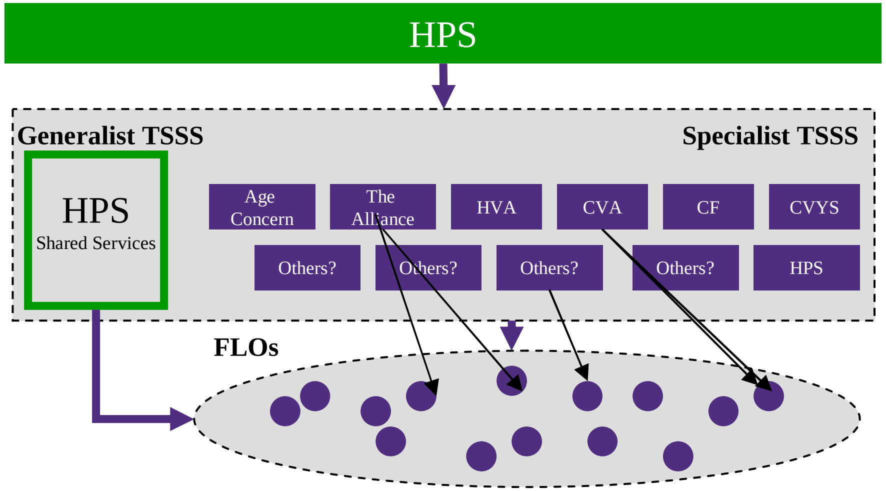
3a. Mixed in-sourced and out-sourced TSSS

Overview

• HPS provides core cross sector / generic TSSS via a single shared service centre.
• Commission specialist support via range of LSDOs
• HPS provide back office support services to FLOs and LSDOs

Function	Delivered by
Development support	Range of Providers
Legal & technical information, advice and guidance	Range of Providers
Practical assistance and resources	Range of Providers
Learning and development	Range of Providers
Strengthening voice	Range of Providers
Strategic partnership building and brokerage	Range of Providers
Research and policy development	Range of Providers
Shared Services	Single Provider

Structure



Implied costs

• Additional costs to establish shared service centre

Implied benefits of option

• Economies from shared service
• Potential shared service provision to FLOs, to support capacity across the county.
• Centre of excellence for generalist support

Implied risks

- Continued duplication in specialist services
- Initial disruption to current provision
- HPS fails to develop capacity.
- Loss of locality base for some core / generalist services.

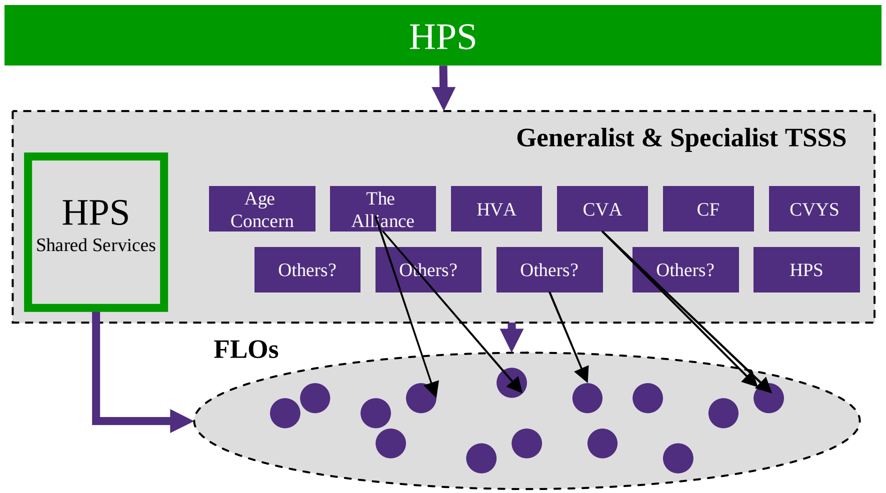
3b. Mixed in-sourced and out-sourced TSSS

Overview

•Commission specialist and generalist support via range of LSDOs
• HPS provide back office support services to FLOs and LSDOs

Function	Delivered by
Development support	Range of Providers
Legal & technical information, advice and guidance	Range of Providers
Practical assistance and resources	Range of Providers
Learning and development	Range of Providers
Strengthening voice	Range of Providers
Strategic partnership building and brokerage	Range of Providers
Research and policy development	Range of Providers
Shared Services	Single Provider

Structure



Implied costs

• Additional costs to establish shared service centre

Implied benefits of option

• Economies from shared service (but not as great as including shared generalist support)
• Potential shared service provision to FLOs, to support capacity across the county.
• Alignment to HPS direction of travel.

Implied risks

• Continued duplication in specialist services
• Initial disruption to current provision
• HPS fails to develop capacity.
• Loss of locality base for some core / generalist services.

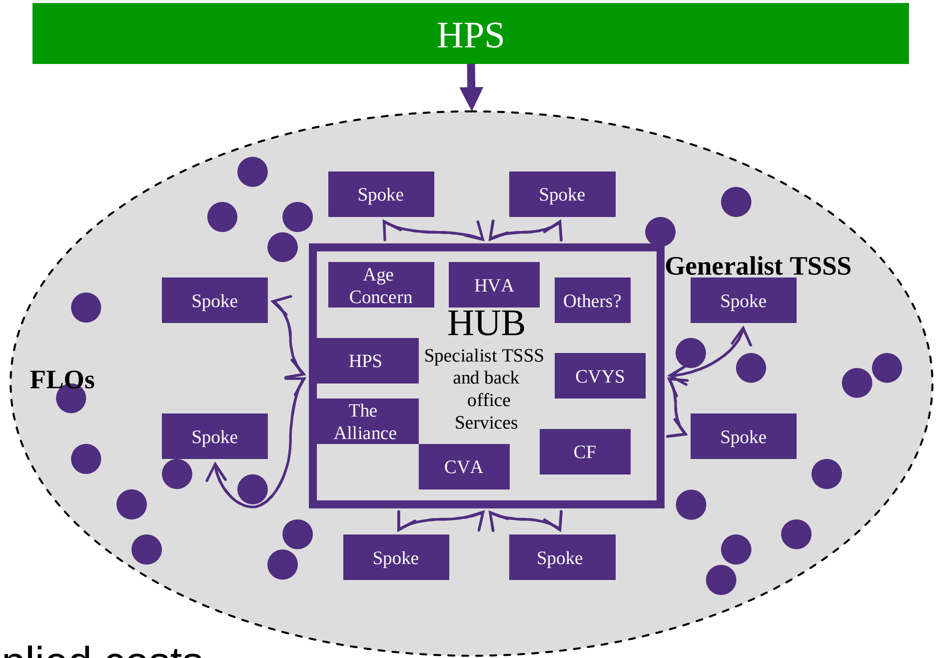
4. Hub and spoke / localities model

Overview

• Deliver core / specialist TSSS at county level via single "hub" (merging levels of provision by current providers) with provision generalist support in localities via smaller "spokes". Spokes can access central support from the "hub". This is a geographical model, ensuring provision can be made in localities across the county.

Function	Delivered by
Development support	Hub and spokes
Legal & technical information, advice and guidance	Hub and spokes
Practical assistance and resources	Hub and spokes
Learning and development	Hub and spokes
Strengthening voice	Hub and spokes
Strategic partnership building and brokerage	Hub and spokes
Research and policy development	Hub and spokes
Shared Services	Hub / No provider

Structure



Implied costs

• Potential cost of alternate accommodation for hub and spokes.

Implied benefits of option

• Economies from merged activity in single hub and single locality sites.
• Removal of duplication, and clarity to FLOs.
• Maximise potential for diverse and county wide coverage.

Implied risks

• LSDOs find merging provision difficult due to cultural or other barriers.

5. Single Provider with hub and spoke / localities model

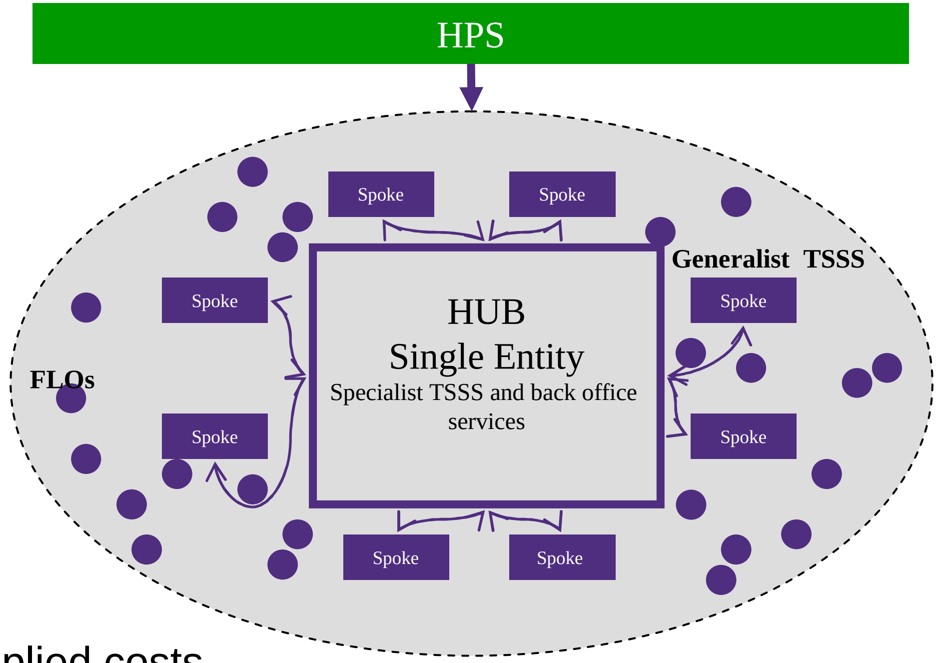
Overview

• A hybrid of options 1 and 4, with a single entity with a central hub (including shared back office and potentially some specialist services) with local spokes providing other, potentially more generalist services.

• Balance of central and local delivery to be determined, and a phased approach possible, reflecting wider role out of localism principles and practical constraints.

Function	Delivered by
Development support	Hub and spokes
Legal & technical information, advice and guidance	Hub and spokes
Practical assistance and resources	Hub and spokes
Learning and development	Hub and spokes
Strengthening voice	Hub and spokes
Strategic partnership building and brokerage	Hub and spokes
Research and policy development	Hub and spokes
Shared Services	Hub

Structure



Implied costs

• Potential cost of alternate accommodation for hub and spokes.

Implied benefits of option

• Economies from merged activity in single hub and single locality sites, and from commissioning single entity.
• Removal of duplication, and clarity to FLOs.
• Maximise potential for diverse and county wide coverage.

Implied risks

• LSDOs find merging provision difficult due to cultural or other barriers.

Section 4: Options Evaluation

Evaluation Ranking

Scoring was undertaken by Grant Thornton against the evaluation framework agreed by the TSSSR Working Group (see slide 30).

The TSSSR Working Group then used these scores to inform their evaluation of the options, and to agree a ranking, as set out below.

Criteria	Key evaluation questions	Option 1 Single Provider	Option 2 TSSS Board	Option 3a In & out source	Option 3b In & out source (BO only)	Option 4 Hub & Spoke	Option 5 Hybrid of 1 and 4
RANKING		**2**	**4**	**6**	**5**	**3**	**1**

Further detail on the underlying assumptions against each criteria is contained in the following slides.

Option 1 - Commission a single provider

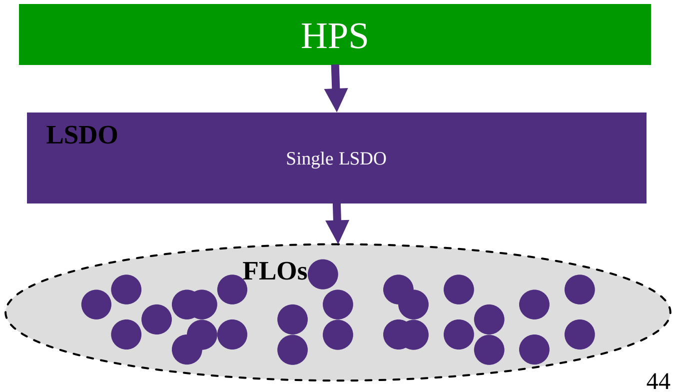
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assume that the single provider can be more agile in meeting priorities of other funders and stakeholders, but some providers may be resistant to merger.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assume that the single provider can be more agile in meeting priorities of HPS. Good fit to HPS direction of travel.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assume a single provider can provide a clearer and more focussed offering, and removal of overlap and duplication of activity. Single provider requires less coordination and management from HPS.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume that a single provider can enhance the management of expectations of 3rd sectors orgs through a clearer and more focused offering, and through less complicated relationships with HPS. However, the risk of disruption to existing networks and brands needs careful management.
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assume that single coordination of TSSS would be more efficient with a common standards and level of service County wide offering may be dependant on levels of funding and demonstrated need.
What are the implied cost of changes associated with the option, and are they affordable?	Assume significant cost of change and disruption associated with planning and implementation of merging functions of 6 organisations. However, this option is likely to be eligible for OCS transition funding.
Does the option deliver better value for money and release efficiencies?	Assumes significantly better value for money commissioning to single entity, but need to manage risks of merger activity effectively.
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Appears strong commitment for a more coordinated and focussed approach through single provider, however what this means for individual organisations may
How feasible is the change, and does the capacity and capability exist to support implementation?	Challenging to implement effectively, and would require a skilled merger team to manage risks and costs to deliver benefits

Overview

- All TSSS currently provided by HSP or commissioned from the 6 LSDOs is commissioned via a single, merged provider.

Key benefit assumptions

- Removes levels of duplication and overlap
- More focussed and common approach to service delivery
- Reduction in administration and management costs
- Longer term benefits outweigh the cost of change and merger
- Specialist support and knowledge is retained through merge process
- Potential to access OCS transitional funding.



Option 2 - Commission multiple providers via single Board

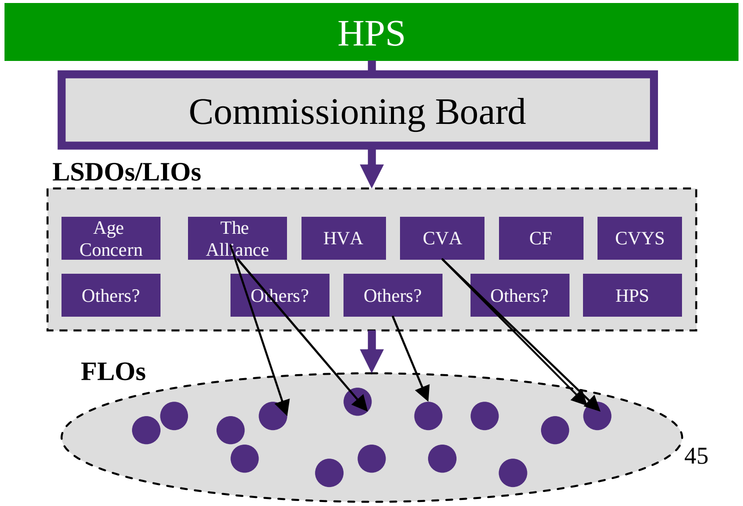
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assume the commissioning board is strong enough to ensure that sector priorities are clear and are regularly reviewed as part of the commissioning cycle.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assume that commissioning board is strong enough to ensure that HPS priorities are clear and are regularly reviewed as part of the commissioning cycle
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assume regular review of performance and commissioning cycles allows opportunity to flex support to match evolving markets. Need to effectively manage existing duplications and overlaps.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume this information is gathered at a local/regional and national level as part of commissioning cycle.
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assume, as above, this can be regularly reviewed, and maintaining separate providers can support diversity of provision.
What are the implied cost of changes associated with the option, and are they affordable?	Some initial development work required to set-up and service Board, and commissioning framework
Does the option deliver better value for money and release efficiencies?	Assume that strong commissioning Board and market management will help drive improvements and efficiencies
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Will create a more competitive market so there may be some resistance from LSDOs.
How feasible is the change, and does the capacity and capability exist to support implementation?	Limited change required, but strong commissioning skills required

Overview

- Full strategic commissioning of existing TSSS currently provided or commissioned by HPS to a County TSSS Commissioning Board.
- Board members make operational commissioning decisions.
- Stimulate competition within market

Benefit assumptions

- more focussed commissioning to deliver HPS priorities with flexibility
- Assumes a more competitive market will drive efficiencies and improvements
- Limited costs of change



Option 3a - mixed in-sourced and out-sourced TSSS (back office and generalist support)

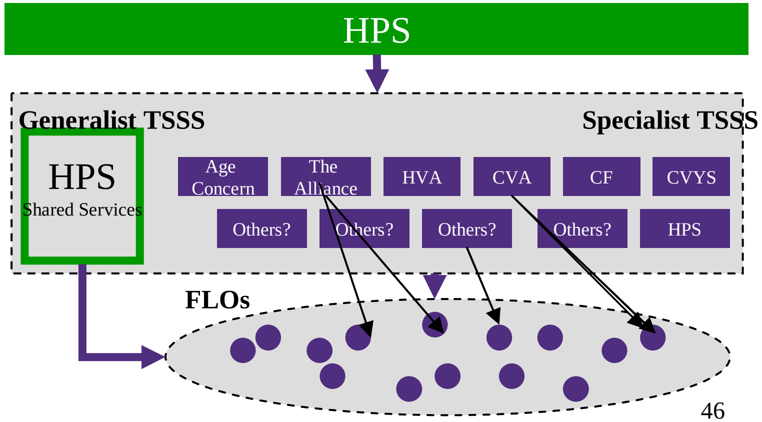
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assumes this option is too complex for providers and recipients of services, and stronger role from HPS will inhibit sector independence.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assumes a close relationship between HPS Shared Services, and commissioner of specialist providers therefore ability to focus on priorities, but also assumes market confusion impacting on ability to deliver.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assumes that core generalist support needs meet market needs and flexibility of specialist support determined through the commissioning cycle to a range of LSDOs, but risks that overly complex model will significantly inhibit opportunities.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assumes option would rely on specialist providers to provide insight and manage expectations outside of core/generalist provision
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assumes that diversity of sector and geography would be considered through the commissioning o specialist support
What are the implied cost of changes associated with the option, and are they affordable?	Assuming that generalist support services can be integrated in existing HPS shared service centre with limited cost implications.
Does the option deliver better value for money and release efficiencies?	implies cost savings through shared services arrangements, and better use of funding through commissioning focussed specialist support
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Shared back office aligned to key stakeholders' direction of travel, but not shared generalist support.
How feasible is the change, and does the capacity and capability exist to support implementation?	Requires further consultation and detailed integration planning with HPS shared services and generalist support. Strong commissioning skills also required

Overview

- HPS provides core cross sector / generic TSSS via a single shared service centre.
- Commission specialist support via range of LSDOs
- HPS provide back office support services to FLOs and LSDOs

Benefit assumptions

- range of providers to deliver specialist support to meet diversity of sector;
- strong HPS involvement in delivery, coordination and commissioning allows 'The centre' to manage expectation of centre and communication priorities
- savings delivered through shared service centre with mechanisms already in place



Option 3b - mixed in-sourced and out-sourced TSSS (back office only)

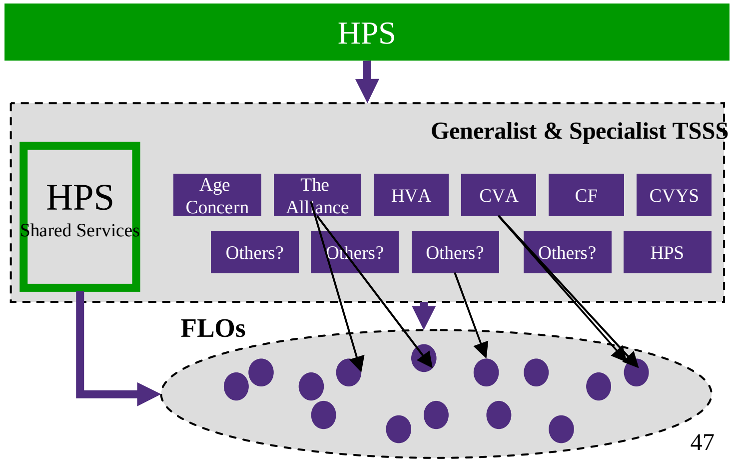
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Option assumes a stronger role for HPS in both coordination, commissioning and delivery of TSSS. Inhibitor to independence of sector, alongside complexity of model.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	This is aligned to HPS shared service direction of travel, but the option would require a stronger strategic coordination role by HPS.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Option could create another layer of TSSS overlap with a bigger delivery role for HPS shared services and potential lack of focus.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume option would rely on both HPS and specialist providers to provide insight and manage expectations outside of core/generalist provision
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assumes that diversity of sector would be considered through the commissioning o specialist support and through HPS delivery
What are the implied cost of changes associated with the option, and are they affordable?	Assumes that generalist support services can be integrated in existing HPS shared service centre
Does the option deliver better value for money and release efficiencies?	implies cost savings through shared services arrangements, and better use of funding through commissioning focussed specialist support . Risk of overlap and duplication may still exist
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Aligned to HPS direction of travel, and general agreement from LSDOs that sharing back office functions is required.
How feasible is the change, and does the capacity and capability exist to support implementation?	Requires integration planning with HPS shared services. Set up of strong commissioning also required .

Overview

- Commission specialist and generalist support via range of LSDOs
- HPS provide back office support services to FLOs and LSDOs

Benefit assumptions

- range of providers to deliver specialist support to meet diversity of sector;
- strong HPS involvement in delivery, coordination and commissioning allows 'the centre' to manage expectation of centre and communication priorities
- savings delivered through shared service centre with mechanisms already in place



Option 4 - Hub & spoke localities model

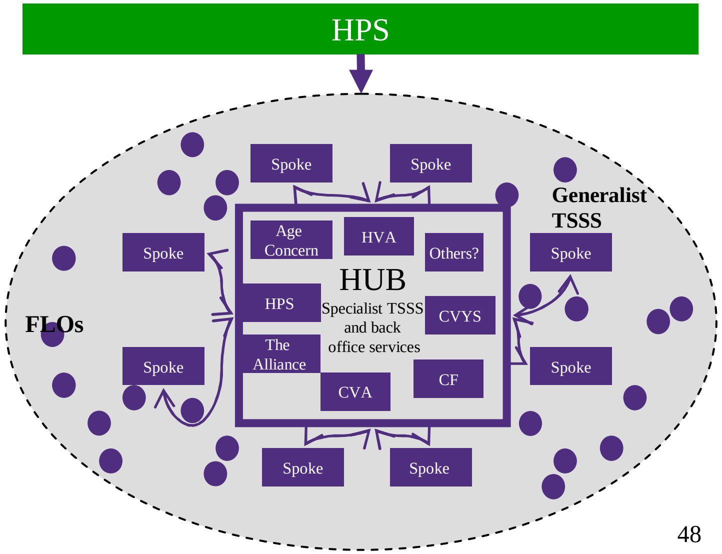
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Option assumes a stronger role for HPS in both coordination, commissioning and delivery of TSSS to align to localities model, maximising access to support across diverse communities.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	This model is strongly aligned to HPS localities principles.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	This assumes strong flexibility, but option could create another layer of TSSS overlap with a bigger delivery role for HPS shared services and potential lack of focus
Does the option manage the expectations and focus on delivering the needs of the third sector?	Option would rely on both HPS and specialist providers to provide insight and manage expectations outside of core/generalist provision
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Yes - assumes that diversity of sector would be considered through the commissioning o specialist support and through HPS delivery
What are the implied cost of changes associated with the option, and are they affordable?	Significant - assumes merging generalist support of providers, with added costs and setting up provision within 'spokes'. Could be eligible for OCS transitional funding.
Does the option deliver better value for money and release efficiencies?	Yes - implies cost savings through shared services arrangements, and better use of funding through commissioning focussed specialist support . But multiple sites limits VFM opportunities. Risk of overlap and duplication may still exist
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Yes - aligned to stakeholder commitment to provide services across the county that meets diversity of geography and of sector
How feasible is the change, and does the capacity and capability exist to support implementation?	Requires detailed integration planning with HPS shared services Set up of strong commissioning also required for spokes

Overview

•Deliver core / specialist TSSS at county level via single "hub" (merging levels of provision by current providers) with provision generalist support in localities via smaller "spokes". Spokes can access central support from the "hub."

Benefit assumptions

- range of providers to deliver specialist support to meet diversity of sector;
- strong HPS involvement in delivery, coordination and commissioning allows 'the centre' to manage expectation of centre and communication priorities
- savings delivered through shared service centre with mechanisms already in place



Option 5 - Single provider with hub and spoke model

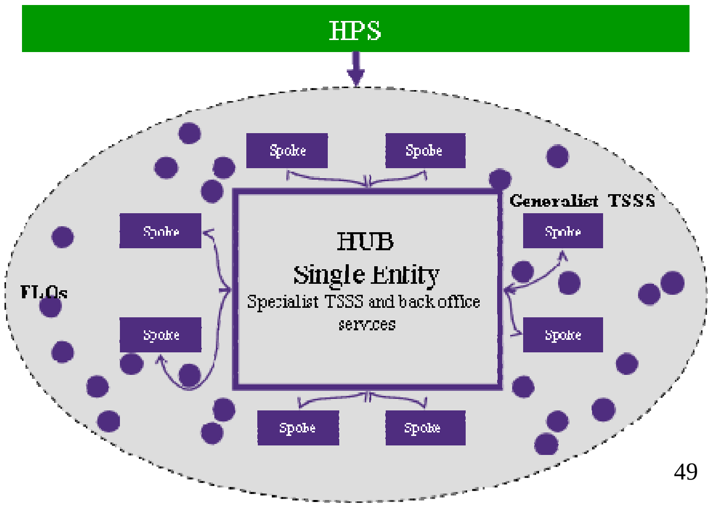
Key evaluation questions	Assumption
Does the option meet the strategic intentions of the sector, providing a solution which is owned by all parties and appropriately reflects the independence of the bodies involved?	Assume that the single provider can be more agile in meeting priorities of other funders and stakeholders, but some providers may be resistant to merger. Localities model supports independence outside hub.
Does the option meet the priorities of HPS as a major funder and enabler of third sector support services, including localities principles?	Assume that the single provider can be more agile in meeting priorities of HPS. Good fit to HPS direction of travel in terms of localities model and shared services.
Does the option focus support for third sector organisations to deliver against the emerging agenda of public services and civil society, contribute to its development, and is flexible enough to meet changing priorities?	Assume a single provider can provide a clearer and more focussed, and removal of overlap and duplication of activity. Single provider requires less coordination and management from HPS. Offers flexibility and local provision.
Does the option manage the expectations and focus on delivering the needs of the third sector?	Assume that a single provider can enhance the management of expectations of 3rd sectors orgs through a clearer and more focused offering, and through less complicated relationships with HPS, including localities delivery.
Can the option support the diversity of the third sector, and provide an equitable level of service across the county?	Assume that single coordination of TSSS would be more efficient with a common standards and level of service. Localities approach ensures county wide coverage. County wide offering may be dependant on levels of funding and demonstrated need.
What are the implied cost of changes associated with the option, and are they affordable?	Assume significant cost of change and disruption associated with planning and implementation of merging functions of 6 organisations. However, this option is likely to be eligible for OCS transition funding.
Does the option deliver better value for money and release efficiencies?	Assumes significantly better value for money commissioning to single entity, but further cost to meet localities model. Need to manage risks of merger activity effectively.
Is the option credible with key stakeholders? (HPS, LSDOs, FLOs and end users)	Appears strong commitment for a more coordinated and focussed approach through single provider, with county wide coverage.
How feasible is the change, and does the capacity and capability exist to support implementation?	Challenging to implement effectively, and would require a skilled merger team to manage risks and costs to deliver benefits.

Overview

- A hybrid of options 1 and 4. Full commissioning of existing TSSS directly provided by HPS or commissioned via LSDOs to a single entity.
- The structure of the entity follows the "hub and spoke" model.

Key benefit assumptions

- Range of providers to deliver specialist support to meet diversity of sector;
- Strong HPS involvement in delivery, coordination and commissioning allows 'the centre' to manage expectation of centre and communication priorities
- Savings delivered through commissioning single entity.



Section 5: Conclusions

Best Fit Option

The TSSSR Working Group considered the options. Following the first review it was agreed that:

•Options 3 a and 3b should be discounted. It was recognised that these would offer some economies of scale, and so cost savings through shared services. However, it was unclear that the approach would be welcomed by all FLOs, and it was recognised that little extra value would be delivered.

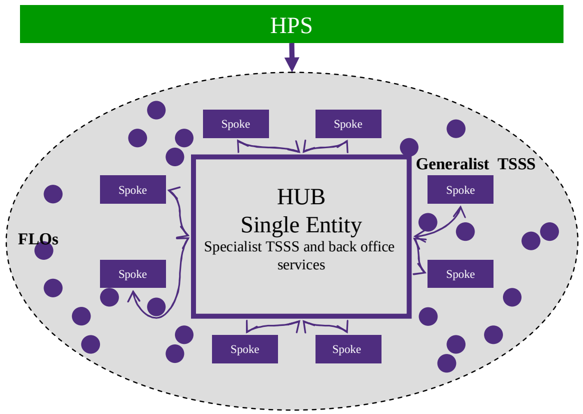
• The Commissioning Board in Option 2 was identified as the distinguishing feature from the status quo. It was noted that the Commissioning board could be applied to the other options.

•A new option was identified, combining a single entity with some local presence (see Option 5 above). This was considered preferable to Options 1 and 4, due to combining the benefits of both.

The Working Group tended to focus on two options (2 and 5). The Working Group did not reach a clear consensus, although it should be noted discussion did not divide on sector that lines (there was not a separate HPS and sector view).

The sense of the meeting was that **Option 5** was preferable to most, but not all members of the Working Group. It was recognised that there were significant issues to be addressed. These included the viability of the predecessor organisations (if Herefordshire TSSS provider elements are removed) and the need to structure it in a way that maximises the potential to lever funding and additional resources. There are various organsiational models that may reflect different types of integration with varying degrees of impact upon exiting bodies.

Equally there was consensus on a localities focus as the preferred direction of travel, which is consistent with likely developments in the county (and nationally). However there were some concerns about the feasibility of implementing local 'spokes' in terms of implementation complexity and potential cost - these could be **progressively implemented** as the entity matures, the wider locality approach is developed and affordability confirmed.



A minority on the group tended more to **Option 2**, feeling it offered greater flexibility, and suggesting that it may be more likely to secure the commitment of some stakeholders.

Section 6: Implementation Considerations

Implementation Considerations

Implementing the best fit option will require HPS and other TSSS providers to undergo a robust and focused change programme to get county-wide buy-in to the new way of working. When planning change it is important to address the four key organisational and interdependent dimensions (right) which need to be systematically addressed during the implementation process.

People & Culture – People change is critical to implementation success. We believe that a number of challenges will need to be addressed for the key stakeholders to make the required change, including:

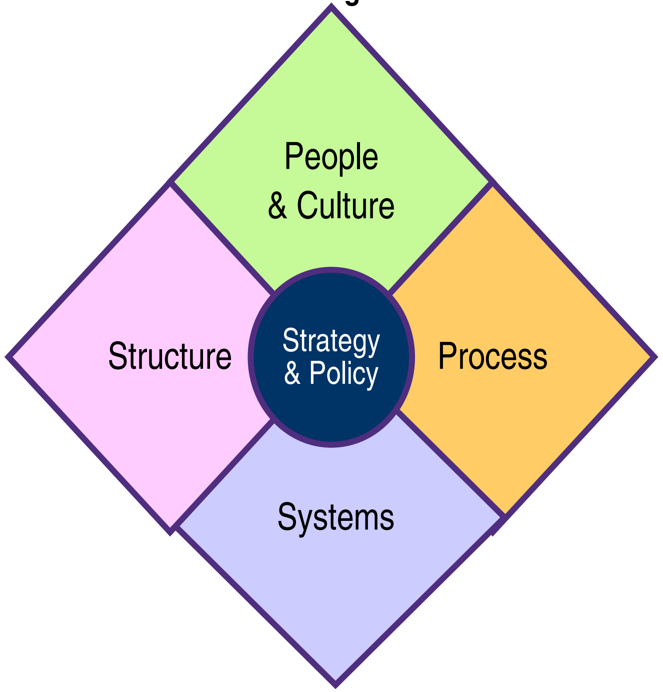
1. A high level of scepticism – a number of other reports have been commissioned in this area and people have seen little happen as a result
2. Silo attitudes – failure of services / organisations to work together to solve problems
3. Negative outlook on change – although people recognise problems and weakness, there is an inherent concern about the consequences of change.

Structure – implementing the best fit option may be construed in a negative light amongst some stakeholders, creating potential barriers to change and impeding effective delivery, especially during the transition phase to the new ways of working and new model for delivering TSSS.

Process – it will be important to establish new business processes that will support the new delivery model.

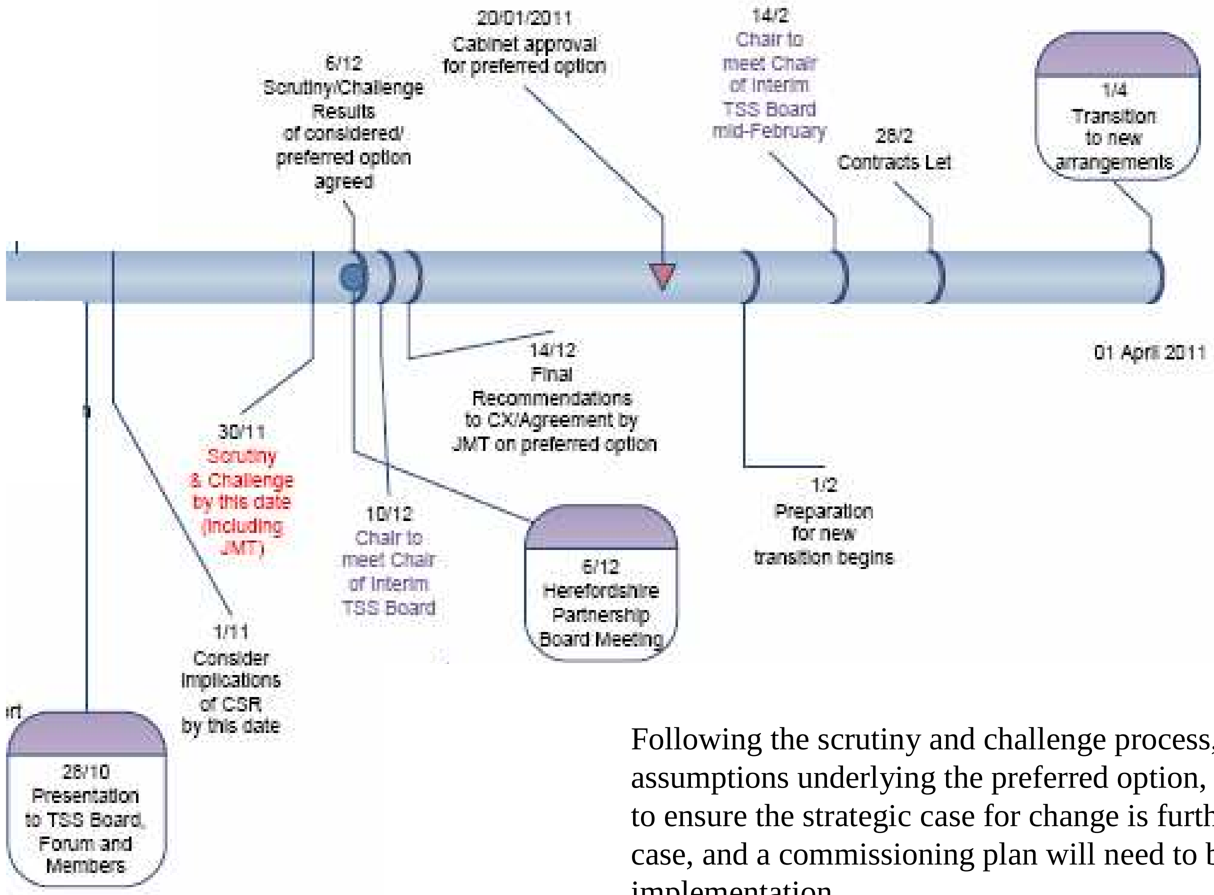
Systems - there will need to be some system integration as part of delivering the new delivery model.

Principle dimensions of organisational change



Next Steps

The options will now move through the scrutiny stage of the project:



Following the scrutiny and challenge process, which will test the assumptions underlying the preferred option, the Working Group will need to ensure the strategic case for change is further developed into a business case, and a commissioning plan will need to be in place prior to implementation.

Source: Extract from TSSSR Timeline

Appendices

Appendix 1: Individuals Consulted

We are grateful for the time and inputs of the following who have been consulted as part of our work.

Name	Role	Organisation
David Powell	Director of Resources	Herefordshire Council
Alex Fitzpatrick	Third Sector Liaison Officer	Herefordshire Council
Phillipa Granthier	Head of Service, Children's Trust, CYPD	Herefordshire Council
Clare Wichbold	Grants and Partnerships Officer	HPS
Tess Brooks-Sheppard	CEO	CVALD
Helen Horton	CEO	The Alliance
Richard Kelly	Chair	The Alliance
Jan Frances	Trustee	The Alliance
Nina Bridges	Community Development Manager	Herefordshire Council
Richard Quallington	CEO	Community First
Magda Praill	Chair	Community First
Alan Courtney	Vice Chair	Community First
Cllr Roger Phillips	Leader	Herefordshire Council
Richard Betterton	Coordinator	HCVYS
Di Jones	Non Executive Director	NHS Herefordshire
Wendy Fabbro	Act Director of Adult Social Care Integrated Commissioning	Herefordshire Council
Paul Ryan	Heda of contracting	NHS Herefordshire
Geoff Hughes	Director of Sustainable Communities	Herefordshire Council
Trish Jay	Interim Managing Director	NHS Provider Services
Will Lindesay	Chief Exec	HVA
Philip Talbot	Chief Exec	Age Concern Hereford & Worcester
Dave Barclay	Member	Herefordshire Community Foundation
Julie Gethin	Head of Partnership Support	Herefordshire Partnership
Gary Woodman	Director	Chamber of Commerce
Lynda Wilcox	CEO	Herefordshire Association of Local Councils (Also Chair of HVA)

Appendix 1: Individuals Consulted (Continued)

Name	Role	Organisation
Chris Morgan	President	Robert Owen Society
Rachel Jones	Assistant to the Head of Chief Executive's Office	Herefordshire Council
Carol Trachonitis	Equalities and Diversity Manager	Herefordshire Council
Penny Southwood	Community Partnerships Manager	Halo
Wendy Coombey	Community Partnerships& Funding Officer	Hereford Diocese (also Chair of Third Sector Interim Board, and Trustee of HVA)
Chris Baird	AD, Planning Performance and Development, CYPD	Herefordshire Council
John Pitt	Director	Mienterprise
Bob Widdowson	Chair	Marches Credit Union
Robin Woodward	Chair	Bi-polar Society (also member of HVA)
Cheryl Carpenter	Chair	Community Access Point (also Business Support Manager, CYPD)
Martin Danks	Chair	Aylestone Park Association (Trustee of Herefordshire and Glos Canal Trust)
Jo Hardwick	Training and Volunteer Manager	Supported Housing for Young People Project (SHYPP)
Mags Smith	Development Manager	Jumpstart Kidz
Peter Chambers	Secretary	Welsh Newton Village Hall
Angela Legg		HVA
Ben Lee	Vice Chair	HCVYS
Rosemary Spitzmaul	Manager	Trinity Extended Services

In addition to the above, 321 FLOs responded to the HPS needs survey. The nature of this survey means that the individuals and organisations concerned were anonymous.

Appendix 2: Documents Consulted

We consulted many documents, key documents are noted below

- Review of the Herefordshire Alliance 2009
- Review of Third Sector Engagement with Herefordshire Partnership 2009
- Review of the Compact Funding and Procurement Code (FPC) 2009
- Herefordshire Community Strategy 2006
- The Herefordshire Compact and codes of practice
- Public Health Annual Report 2009
- Herefordshire Joint Strategic Needs Assessment 2009
- Third Sector Infrastructure Review Working Group
- Needs mapping surevy results 2010
- Provision mapping survey results 2010
- The Alliance Summary of the Organisation Spetember 2010
- TSSSR - L10 Income from all sources 2010/11
- Third Sector First (TSF) terms of reference
- The Alliance Evaluation of acquA: Report for the Alliance of Third Sector Health and Social Care Orgs in Herefordshire April 2008
- The Alliance Options appraisal for the future development of the acquA accreditation kite-mark
- The Alliance Report and Action plan: strategic planning and joint commissioning in Herefordshire
- The Alliance Representation and Representation Policy
- The Alliance Annual Reports and Accounts from 2007-2010
- HCVYS Activity Programme 2010/11
- HCVYS Annual Review
- H65 Members' Accounts 2009-2010
- HCVYS Business Plan Plan 2010-11
- HVA strategic plan 2009
- HVA Fininacial Accounts 2009, 2010
- HVA "REACH" and "HERE FOR the CITY" Project Background Papers
- Community First factsheets
- Community First Corporate plan 2010 - 2013
- Community First Accounts 2009
- Community First Corporate Marketing Pack
- Community First Newsline magazine
- CVA Newsletters
- Herefordshire Partnership Management Group
- 14 May 2010: Localities
- Herefordshire Infrastructure consortium: Voluntary and community sector Infrastructure support and service needs: Report July 2006
- Valuing the Voluntary and Community Sector in Herefordshire and Worcestershire - Sustain Consultancy 2007
- Herefordshire Commissioning Framework
- Third Sector Support Services Review: Paper submitted by the six Local Support and Development Organisations, Sept 2010

Appendix 3: Glossary of Terms

Age Concern Herefordshire and Worcestershire	An independent charity and partner of Age UK working with and for the over 50s, their families, friends, and carers in the two counties.
Community First	LSDO providing support to community groups.
CYPD	The Children's and Young People Directorate of Herefordshire Council
CVALD	Community Voluntary Action Ledbury & District
CVS	Council for Voluntary Services
FLO	Front Line Organisation
Generalist Support	Generalist support within a geographical area, such as CVS
HCVYS	Hereford Council for Voluntary Youth Services
HPS	Herefordshire Public Services
HVA	Herefordshire Voluntary Action: works with volunteers, groups and communities to enhance quality of life throughout the county
LIO	Local Infrastructure Organisation
LSDO	Local Support & Development Organisation, an alternative term for LIO
OCS	Office for Civil Society
PCT	Primary Care Trust
Specialist Support	Specialist support to specific communities or client groups, such as Rural Community Councils or Volunteer Bureaux, or in areas such as health and social care.
The Alliance	The Alliance is a specialist support organisation for third sector health and social care FLOs
The Compact	The Compact is a framework to guide work between public and third sector bodies in Herefordshire.
TSSS	Third Sector Support Services
TSSSR	Third Sector Service Support Review
VCS	Voluntary & Community Sector

Appendix 4: Categories of Third Sector Support & Development Services

The TSSSR Working Group agreed to an additional category of support service during the options development stage.

In Scope

Service Category	Activities
Development support	Pro-actively identifying needs in the local community and facilitating and supporting responses to meet those needs or plug gaps in provision.
Legal & technical information, advice and guidance	Ensure organisations are fit for purpose, legally compliant and operating to high standards.
Practical assistance and resources	Buildings, premises and facilities support.
Learning and development	Encourage and co-ordinate the take up of training and learning opportunities across the sector.
Strengthening voice	Provide a representative and accountable voice for third sector organisations to policy makers, service planners and funders.
Strategic partnership building and brokerage	Bringing together FLOs with external public and private sector organisations for joint / co-operative policy making, planning and service delivery.
Research and policy development	Collect and provide evidence on the needs, role and developments within the third sector, in order to influence policy, planning and service delivery.

Additional

Provision of shared services	Provision of business services and infrastructure to third sector delivery organisations.

Appendix 5: Discounted Long List Options

- There were four options excluded from the short list by the TSSSR Working Group:
  - Status Quo: it was felt that the evidence on the current model, and the need for change, was such that it should not be evaluated. However, it was further agreed, that the Status Quo should be used as the baseline against which the short-listed options would be evaluated.
  - HPS fully in-sourced model: it was felt that this was not a realistic option to consider for evaluation.
  - Dispersed localities model: it was felt that this was too complex and would not meet Herefordshire's requirements, and should not be evaluated.
  - HPS Funding Ceases: it was felt that this was not a realistic option - HPS would continue funding TSSS, and so it did not merit evaluation.
- Further detail on these options is included on the following slides.

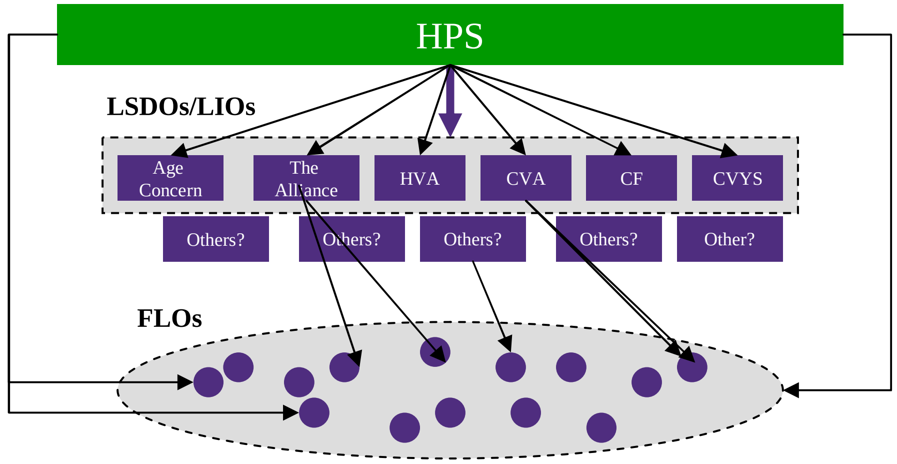
Status quo

Overview

- Continue to deliver TSSS via the 6 providers and HPS
- Recognise need to reduce levels of funding and deliver efficiencies through current arrangements due to fiscal pressures from govt deficit reduction programmes
- Assume providers work collaboratively to improve delivery and performance - deliver 'more for less'

Function	Delivered by
Development support	All providers
Legal & technical information, advice and guidance	All providers
Practical assistance and resources	All providers
Learning and development	All providers
Strengthening voice	Some Providers
Strategic partnership building and brokerage	Some Providers
Research and policy development	Some Providers
Shared Services	No providers

Structure



Implied costs

•Limited costs of change

Implied benefits of option

- Limited disruption to current level of support services provision
- Providers and HPS to work collaboratively to improve outcomes, reduce duplication

Implied risks

•Continued duplication and overlap in delivery
•Concerns over sustainability of model (funding and quality)
•HPS funding likely to be reduced

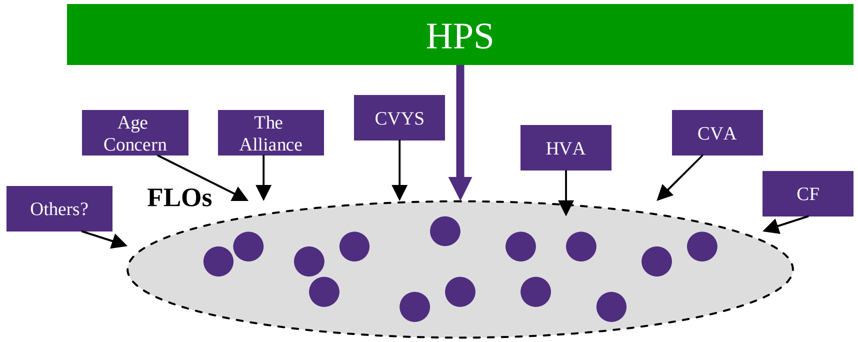
HPS in-sourced TSSS

Overview

- TSSS currently commissioned by HPS are de-commissioned, and then provided directly by HPS, alongside existing direct provision.
- LSDOs maintain market presence, realigning provision to new funding levels.

Function	Delivered by
Development support	HPS?
Legal & technical information, advice and guidance	HPS?
Practical assistance and resources	HPS?
Learning and development	HPS?
Strengthening voice	HPS?
Strategic partnership building and brokerage	HPS?
Research and policy development	HPS?
Fiscal Sponsorship	Other / No provider?
Support Services	HPS / other / No providers?

Structure



Implied costs

- Cost of building capacity in HPS to deliver broader services

Implied benefits of option

- One stop shop of currently funded HPS provision
- Assume savings can be made through bringing provision in-house through shared services

Implied risks

- HPS may not be able to uplift capacity and capabilities to deliver
- Levels of support services may need to be reduced
- HPS not seen as being an independent voice of the third sector
- FLO confusion between HPS and LSDOs
- Potential loss of key staff, knowledge and experience
- Reduction to specialist support available across the county

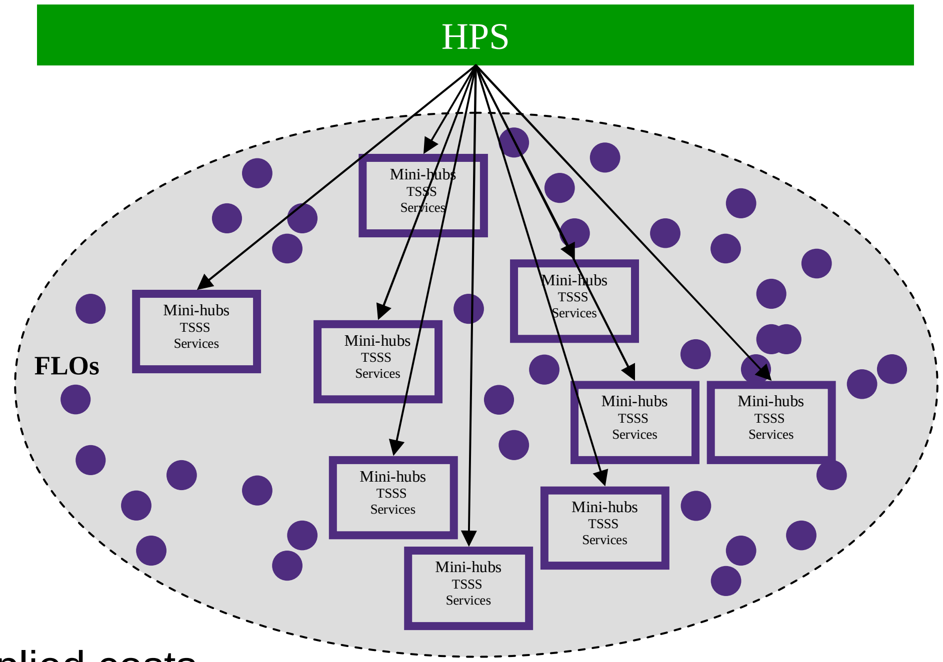
Dispersed Localities model

Overview

• HPS commissions all TSSS via "mini hubs" based in localities.
• "Mini hubs" are bases for all LSDOs.
• HPS continues to provide some TSSS via hubs.

Function	Delivered by
Development support	Mini Hubs
Legal & technical information, advice and guidance	Mini Hubs
Practical assistance and resources	Mini Hubs
Learning and development	Mini Hubs
Strengthening voice	Mini Hubs
Strategic partnership building and brokerage	Mini Hubs
Research and policy development	Mini hubs
Fiscal Sponsorship	No provider?
Support Services	No provider?

Structure



Implied costs

• May require new accommodation in certain localities.

Implied benefits of option

• Alignment to HPS localities principles
• Effective and equitable county wide coverage
• Sharing of back office and accommodation in localities
• Reduced duplication in localities and locality one stop shop

Implied risks

• Loss of county wide voice and advocacy for the third sector.

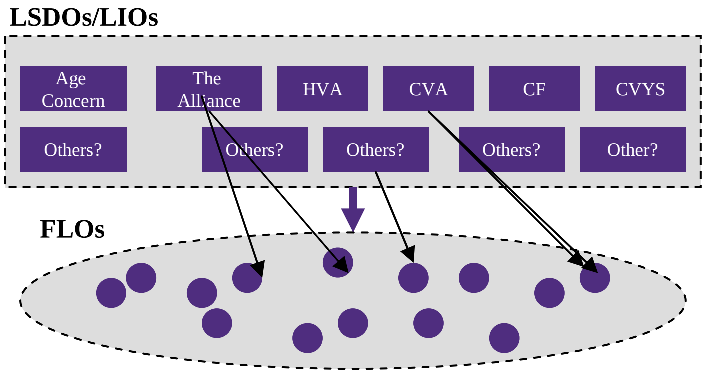
HPS Funding Ceases

Overview

• HPS ceases to fund TSSS activity (via commissioning and direct provision)
• Market picks up all provision.

Function	Delivered by
Development support	Range of Providers
Legal & technical information, advice and guidance	Range of Providers
Practical assistance and resources	Range of Providers
Learning and development	Range of Providers
Strengthening voice	Range of Providers
Strategic partnership building and brokerage	Range of Providers
Research and policy development	Range of Providers
Fiscal Sponsorship	No provider
Support Services	No provider

Structure



Implied costs

•Limited costs of change, predominantly associated with alternative income generation activity for LSDOs

Implied benefits of option

• HPS realise significant cashable savings (£1m+)
• No disruption to current level of support services, assuming alternative sources of funding secured
• Providers and HPS to work collaboratively to improve outcomes, reduce duplication

Implied risks

• Continued duplication and overlap in delivery
• Significant concerns over sustainability of model (funding and quality)
• Non equitable coverage as provision scaled back.