

**WEST LEICESTERSHIRE CLINICAL COMMISSIONING GROUP
BOARD MEETING**

11th June 2019

Title of the report:	Voluntary Sector Discretionary Grant Review – proposal for implementation
Section:	Public
Report by:	Simon Baker - Contract Manager (Hosted) Sarah Shuttlewood – Associate Director Contracts and Provider Performance (Hosted)
Presented by:	Caroline Trevithick, Interim AO

Report supports the following West Leicestershire CCG's goal(s):			
Improve health outcomes		Improve the quality of health-care services	
Use our resources wisely	✓		

Equality Act 2010 – positive general duties:
<ol style="list-style-type: none"> 1. The CCG is committed to fulfil its obligations under the Equality Act 2010, and to ensure services commissioned by the CCG are non-discriminatory on the grounds of any protected characteristics. 2. The CCG will work with providers, service users and communities of interest to ensure any issues relating to equality of service within this report are identified and addressed.

Additional Paper details:	
Please state relevant Constitution provision	APPENDIX E (2) - PRIME FINANCIAL POLICIES 12.1.3 ensure its power to make grants and loans is used to discharge its functions effectively 12.2.4 developing effective arrangements for making grants or loans
Please state relevant Scheme of Reservation and Delegation provision (SORD)	N/A
Please state relevant Financial Scheme of Delegation provision	N/A
Please state reason why this paper is being presented to the WLCCG Board	The three Clinical Commissioning Groups (CCGs) in Leicester, Leicestershire and Rutland have carried out a review of discretionary grants provided to voluntary sector organisations. This paper outlines the background to the review, the process followed and the decisions of the respective CCGs. It also sets out next steps for

	work by the CCGs to develop arrangements for future working with the voluntary sector to meet local health needs
Discussed by	<ul style="list-style-type: none"> • JMT in November 2018 • LLR CCGs involving clinicians and managers • Review panel held on 24 January 2019 • Governing Body - Board Development Session 19th March 2019
Alignment with other strategies	To support an LLR wide VSO Strategy as outlined in the report.
Environmental Implications	N/A
Has this paper been discussed with members of the public and other stakeholders? If so, please provide details	N/A

EXECUTIVE SUMMARY:

1. The three Clinical Commissioning Groups (CCGs) in Leicester, Leicestershire and Rutland have carried out a review of discretionary grants provided to voluntary sector organisations. This paper outlines the background to the review, the process followed and the decisions of the respective CCGs. It also sets out next steps for work by the CCGs to develop arrangements for future working with the voluntary sector to meet local health needs.
2. Approximately £3.3million of CCG grant funding has been invested in voluntary and community organisations on an annual basis since the CCGs were established, with most of the grants being a legacy of previous commissioning organisations. This funding, which is provided on a discretionary basis, has contributed to the delivery of a variety of projects and services.
3. Due to significant budgetary pressures imposed on the CCGs, we are reviewing every pound we spend in order to meet our legal responsibilities to deliver essential health services. This includes reducing our own management costs and finding efficiency savings across local health services. This also means that we must carefully consider our discretionary spend.
4. In November 2018, the CCGs' Joint Management Team (JMT) agreed a process to determine grant funding for 2019/20. This involved writing to voluntary sector organisations in receipt of discretionary grant funding, informing them of a requirement to submit an application for justification of continuation of receiving one year's funding from 1 April 2019.
5. The applications received have been carefully considered by doctors, nurses and managers from across the three CCGs. The review has focused on the health benefits of the services and to what extent these contribute to our commissioning priorities and the needs of the populations we serve. The CCGs have considered the quality of the services funded, their value for money, the potential impact of not continuing to contribute funding and whether or not alternative services are being provided through commissioned health services.
6. As a result of the review, the CCGs have committed to contribute at least £2.95million in discretionary grant funding to the voluntary sector in 2019/20. This includes:

- NHS LLR CCGs - funding has been provided for the first quarter of 2019/20 (1 April to 30 June 2019) for all current grants whilst the review and appeals process is concluded and full year funding has been provided to LOROS, which was excluded from the review due to the work being undertaken by the LLR integrated community service programme and End of Life Taskforce.
 - NHS LC CCG – continuing to fund for the remainder of the financial year (1 July 2019 to 31 March 2020) the majority of current grants. This temporary extension of existing grants recognises the specific health issues of Leicester as a result of its particular challenges around deprivation and diversity. This is to enable discussions between the CCG and the emerging Primary Care Networks in Leicester to determine how the voluntary and community sector can contribute to supporting the achievement of local ambitions.
 - NHS ELR & WL CCG – are continuing to fund a reduced number of current grant holders for the remainder of the financial year (1 July 2019 to 31 March 2020). The CCGs have also agreed to develop and implement a Voluntary Sector Organisation (VSO) strategy during 2019/20 for implementation in 2020/21. We will be working with the emerging Primary Care Networks in our local areas, our colleagues in public health and our partners, to understand how local health needs can best be supported by the voluntary and community sector in future and how this can be funded.
 - For all CCGs, engagement with voluntary and community organisations will be a key part of this work.
7. As highlighted above, in some cases the grant funding previously awarded by one or more CCGs will not continue for the remainder of the financial year (1 July 2019 to 31 March 2020). These decisions are based on individual grant applications and the rationale for decisions has been shared directly with the organisations concerned. There is an appeals process in place which enables organisations to submit additional evidence which will be considered by all CCGs by 28 June 2019.
8. All current 2018/19 grants were extended whilst the review was completed. Grants were initially extended until end of May 2019 and then extended for a further month (to the end of June 2019) to enable the appeals process to be completed.

RECOMMENDATION:

The West Leicestershire Clinical Commissioning Group Board is requested to:

- **NOTE** the final decision on the CCGs' allocation of discretionary grant funding for voluntary sector organisations from 01 July 2019 – 31 March 2020; (subject to the outcome of the appeals process)
- **DELEGATE AUTHORITY** to Chairs, Accountable Officers (or a nominated deputy) and Quality leads to make final decisions following any appeals.

WEST LEICESTERSHIRE CLINICAL COMMISSIONING GROUP

BOARD MEETING

11th June 2019

Voluntary Sector Discretionary Grant Review – proposal for implementation

Introduction

Approximately £3.3million of CCG grant funding has been invested in voluntary and community organisations on an annual basis since the Leicester, Leicestershire and Rutland CCGs were established, with most of the grants being a legacy of previous commissioning organisations. This funding, which is provided on a discretionary basis, has contributed to the delivery of a variety of projects and services.

Due to significant budgetary pressures imposed on the CCGs, we are reviewing every pound we spend in order to meet our legal responsibilities to deliver essential health services. This includes reducing our own management costs and finding efficiency savings across local health services. This also means that we must carefully consider our discretionary spend and in 2018 a decision was made to review all discretionary grant funding to voluntary sector organisations from some or all LLR CCGs via a formal process to ensure strategic fit and value for money.

In December 2018 a letter was sent to current grant holders informing them of the CCGs' intention to review their grant funding to ensure the allocation of discretionary spend is focused on system health priorities and is providing value for money. The letter also detailed that organisations would be required to complete an application for funding to enable the CCGs to make a decision on funding for 2019/20.

The review has ensured organisations have been given the opportunity to provide information to the CCGs about the purpose of the grant and what it delivered for the local population. It has also given the organisations involved an opportunity to set out the reasons why their services added value to health service provision, demonstrating value for money and alignment with the CCGs' priorities.

Process

In November 2018, the CCGs' Joint Management Team (JMT) agreed a process to determine grant funding for 2019/20. This involved writing to Voluntary Sector Organisations (VSO's) in receipt of discretionary grant funding, informing them of a requirement to submit an application to receive one year's funding from 1 April 2019.

The 22 applications received were carefully considered by doctors, nurses and managers from across the three CCGs. The review has focused on the health benefits of the services and to what extent these contribute to our commissioning priorities and the needs of the populations we serve. The CCGs have considered the quality of the services funded, their value for money, the potential impact of not continuing to contribute funding and whether or not alternative services are being provided through commissioned health services

The applications were reviewed by a panel including clinicians and managers on 24 January 2019. The panel scored applications against set criteria.

An Equality Impact Risk Assessment (EIRA) was undertaken 4th March 2019 and a clinical review of Quality Impact Assessments (QIA) was carried out on the 6th and 7th March 2019.

A verbal briefing was presented to each CCG Governing Body (GB) in confidential session on the 12 March 2019 with the purpose of updating boards on the process undertaken to date and to test views on the options to proceed.

An additional briefing was presented to each GB in confidential session on 9 April 2019 following further discussion at the Collaborative Commissioning Board (CCB) in March 2019 to consider the recommendations of the voluntary sector review. It was requested that GBs make a decision on discretionary grant funding for voluntary sector providers for 2019/20 based on the review outcomes.

At the request of the GBs, an enhanced review of QIAs was undertaken and delegated authority given by the GBs to the CCG Chairs and senior CCG managers to make final decisions on future funding. The findings of the enhanced review were considered by CCG Chairs and Managing Directors to enable final decision making.

Table 1 – Discretionary grant funding timelines:

Letter initiating Business cases and letter issued to VSOs	6 December 2018
Submission of business cases by VSOs	4 January 2019
Business case review panel held and business cases assessed	24 January 2019
Paper submitted to the CCB detailing review panel outcome	21 February 2019
Completion of Equality Impact Risk Assessment (ERA)	4 March 2019
Clinical review of Quality Impact Assessments (QIAs) (LCCCG, ELRCCG)	6 March 2019
Chief Nurse (LCCCG) review of QIAs	7 March 2019
Briefing to CCG GBs	12 March 2019
Paper submitted to CCB detailing review panel and QIA outcome	21 March 2019
Briefing to CCG GBs	8 April 2019
Two month extension letter issued to VSOs	9 April 2019
Enhanced QIA review (all CCGs)	15 April 2019
CCG Chairs and senior managers oversight review	2 May 2019
Governing Bodies update	14 May 2019
One month extension letter issued to VSOs	24 May 2019
Senior Leader Meeting	30 May 2019
Issue outcome letters, appeal process and requirements	7 June 2019
Governing Body Update	11 June 2019

Appeal submission deadline	24 June 2019
Oversight panel to reconvene to review appeal information	27 June 2019
Outcomes communicated to VSOs	28 June 2019
Governing Body Update	July 2019 GB

Four organisations were excluded from the review process. One did not submit a business case, one due to insolvency and one self-selected to withdraw from receiving grant funding. LOROS was excluded from the review process due to the work being undertaken by the LLR integrated community service programme on redesigning End of Life Pathways. This included a review of the LOROS offer and the possibility of integrating LOROS with other providers.

As a result, 22 voluntary sector applications were considered from a possible 26 grants awarded in 2018/19.

The CCGs have focussed on ensuring that the process is robust and decisions are made based on available evidence. The application request that existing grant holders were asked to complete and submit, set out key lines of enquiry. These were:

- How is the service you are providing aligned to the delivery of a strategic health priority?
- Describe your organisations local experience and knowledge relevant to the proposed service.
- The importance of user involvement and how this has informed service development.
- Organisational management and capability
- Value for money
- Contribution to health added value and social prescribing impact
- The impact on the VSO if funding were to no longer be provided.

Following the initial panel review in January 2019 where the applications were first reviewed, there have been a number of subsequent confirm and challenge sessions undertaken with clinical and managerial leads. This culminated in a Senior Leader panel consisting of the Chairs of each CCG, Managing Directors and other Senior Leaders that took place on 30 May 2019, the purpose of this meeting was to finalise the outcome of the voluntary sector review.

In summary the CCGs have committed to contribute at least £2.95million in discretionary grant funding to the voluntary sector in 2019/20. This includes:

- NHS LLR CCGs - funding has been provided for the first quarter of 2019/20 (1 April to 30 June 2019) for all current grants whilst the review and appeals process is concluded and full year funding has been provided to LOROS, which was excluded from the review due to the work being undertaken by the LLR integrated community service programme and End of Life Taskforce.
- NHS LC CCG – are continuing to fund for the remainder of the financial year (1 July 2019 to 31 March 2020) the majority of current grants. This temporary extension of existing grants recognises the specific health issues of Leicester as a result of its particular challenges around deprivation and diversity. This is to enable discussions between the CCG and the emerging Primary Care Networks in Leicester to determine how the voluntary and community sector can contribute to supporting the achievement of local ambitions.

- NHS ELR & WL CCG – are continuing to fund a reduced number of current grant holders for the remainder of the financial year (1 July 2019 to 31 March 2020). The CCGs have also agreed to develop and implement a Voluntary Sector Organisation (VSO) strategy during 2019/20 for implementation in 2020/21. We will be working with the emerging Primary Care Networks in our local areas, our colleagues in public health and our partners, to understand how local health needs can best be supported by the voluntary and community sector in future and how this can be funded.
- For all CCGs, engagement with voluntary and community organisations will be a key part of this work.

At the time of writing this report current grant holders are being informed of the outcome of the review for each CCG. On this basis the names of the organisations and the outcome for each has not been included in the report. This is to enable organisations sufficient time to discuss the outcome of the review with staff and to submit an appeal should they wish to. Once the appeals process has concluded, the CCGs will provide an update on the final outcome for each grant.

The table below gives an overview of the number of organisations which will receive a discretionary funding contribution and the number of organisations where funding will not continue (subject to the outcome of any appeal).

Name of CCG	Total number of Grant contributions in 2018/19	Number of Grant contributions to continue from 1st July – 31st March 2019	Number of Grant contributions that will no longer receive funding from 1st July 2019	Grants excluded from the process
East Leicestershire and Rutland CCG	18	6	10	2
Leicester City CCG	16	15	1	0
West Leicestershire CCG	20	6	12	2

Next steps

All voluntary sector organisations are being advised of the outcome of the review week commencing 3 June 2019. In cases where grant funding is not continuing and for those receiving a contribution from one CCG only, a summary of feedback and information about the appeals process has been provided.

- Any appeal needs to be based on new information not previously submitted as part of the original application process.
- On receipt of any supporting information an assessment will be made if this is felt to impact on the previous QIAs already undertaken and if necessary a repeat QIA will be undertaken.
- A meeting will be held week commencing 24 June 2019 with senior leaders to review any appeal information. The outcome of this review will be communicated to VSOs on the 28 June 2019.
- If the CCGs do not receive an appeal or any appeal is not upheld, funding will not continue after 30 June 2019.

An update with the final outcome of the review following the conclusion of the appeals process will be reported to the Governing Bodies of all three CCGs at their next available meeting.

As part of the CCGs' continuing commitment to supporting and working with the voluntary sector, plans will be developed to enable each CCG to work with the emerging Primary Care Networks in Leicester, Leicestershire and Rutland, public health and partner organisations, to understand how local health needs can best be supported by the voluntary and community sector in future and how this can be funded.

Engagement with voluntary and community organisations will be a key part of this work. This will be the subject of a future report to the Governing Bodies of all three CCGs.

RECOMMENDATION:

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