

**Manchester City Council
Report for Information**

Report to: Communities and Equalities Scrutiny Committee – 6 December 2018

Subject: Voluntary and Community Sector (VCS) Infrastructure Contract

Report of: Deputy Chief Executive

Summary

This report provides an update on the Voluntary and Community Sector (VCS) Infrastructure contract, specifically on the review of current provision and on the co-design process for a new VCS infrastructure contract.

Recommendations

Members are asked to consider and comment on the report for the Voluntary and Community Sector Infrastructure contract, including items for discussion at the Communities and Equalities Scrutiny Committee - Task & Finish Group (OMVCS Programme), session scheduled for January 2019.

Wards Affected: All

Alignment to the Our Manchester Strategy Outcomes (if applicable)

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | VCS infrastructure supports the growth and sustainability of the VCS including the workforce, volunteering and relationships with business. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | VCS infrastructure supports volunteering pathways into education, employment and training and the positive contribution residents (particularly older people) make through voluntary work and their active contribution to city life and their communities. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | VCS infrastructure works with the VCS and other key stakeholders to find new ways of reaching those communities that remain untouched by Manchester's success, creating resilient and vibrant communities of people. |

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| A liveable and low carbon city: a destination of choice to live, visit, work | VCS infrastructure works with VCS organisations and other partners that reflect and celebrate diversity, engage communities and engender pride in the city. |
| A connected city: world class infrastructure and connectivity to drive growth | VCS infrastructure provides a range of information across a number of mediums that helps to improve local connectivity between VCS organisations and the public and private sector |

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Background documents (available for public inspection):

None

1.0 Introduction

- 1.1. The Voluntary and Community Sector (VCS) sector is commonly regarded as a 'vital part of the fabric of the city, embodying many of the principles of Our Manchester,' (Cllr Sue Murphy, VCS Grant Prospectus 2018-2021); providing connections between local residents, their communities and a range of services and opportunities within local neighbourhoods.
- 1.2. The 'City of Manchester State of the Voluntary, Community and Social Enterprise Sector' (2017) report¹, estimates that there are over 3300 VCSE organisations working in Manchester, with an estimated income of £526m (2014/15). Organisations are working across the city on a range of areas such as work with children and young people, equalities - communities of interests, as well as community development, education, training, research and economic wellbeing. It is estimated that 11,000 Full Time Equivalent (FTE) paid staff are employed in the city, with over 110,000 volunteers and committee/board members actively participating. The report also highlights a number of challenges within the sector with regards to increasing expenditure within organisations, funding opportunities more generally, organisations working together and increases in need and demand.
- 1.3. Having a diverse, thriving, resilient, effective and sustainable VCS in Manchester is recognised as a key priority within the Our Manchester Strategy, something that will enable the VCS to continue to provide an important contribution to delivering the vision and desired outcomes for the city. The Council recognises this and is supporting the VCS in a number of ways, notably through the Our Manchester VCS (OMVCS) Grant Programme and its investment in VCS infrastructure support citywide. This includes capacity building – development and support around governance, organisational structures, policy and funding; as well as engagement and influence in partnership work, co-design processes and volunteering opportunities for residents. The role of local infrastructure for the sector is seen as an important enabler to achieving the ambitions described above, as it provides services, support and advice to, and promotes, local charities, community groups and social enterprises that deliver social action.
- 1.4. The Programme Team – Our Manchester Funds manage the current VCS infrastructure contract held by Macc, as part of its wider portfolio of work which includes the OMVCS Grant Programme. As part of the teams report to scrutiny in May 2018, the Programme Lead agreed to provide a future update to Members on the progress of the VCS Infrastructure contract, specifically on the review of current service and co-design process for a new infrastructure contract. This report responds to that request.

¹ More information on the City of Manchester State of the Voluntary, Community and Social Enterprise Sector (2017) report can be found here:
<https://www.manchestercommunitycentral.org/policy-and-influence/state-sector>

2.0 Background – VCS Infrastructure Review

- 2.1. Macc has had a contract with Manchester City Council (MCC) to provide VCS infrastructure capacity building support since 2009, with additional grant funds to carry out development work on community engagement, volunteering and commissioning. Following a review in March 2013, a single VCS infrastructure contract for the above service was won by Macc via a competitive tender process. The contract was for three years from September 2013 to August 2016, with the option to extend for a further two years (“3+2”). The 2 year option to extend the contract was taken up (to August 2018) and the current annual value of the contract is £490k.
- 2.2. Manchester Health & Care Commissioning (MHCC) have held a similar contract with Macc over a number of years (dating back to grant agreements in the mid 1990’s) to provide information, advice and guidance to the VCS and MHCC staff, facilitating responses to consultations, maintaining relationships and supporting health, social care and wellbeing programmes in the city. Originally delivered via 2 separate grant agreements with the former Central Manchester Clinical Commissioning Group (CCG); following a review in 2013 this work formed the basis of a single contract with an annual value of c£130k.

3.0 The Review

- 3.1. MCC and MHCC, as part of the respective commissioning arrangements with Macc, agreed to conduct a joint review of their VCS infrastructure contracts. The purpose of undertaking the joint review was to provide feedback on the existing services to inform the next steps and future specification for the infrastructure contract. In order to deliver the joint review the existing contract arrangements were extended until March 2019.
- 3.2. The joint review considered feedback from a variety of stakeholders who were able to give their views on both the current service and the future of infrastructure support, with a view to the next steps, co-design and procurement of the new contract. This included questionnaires sent to VCS organisations, internal and external MCC/MHCC stakeholders, focus group sessions held for VCS organisations, small focus group opportunities and interviews/questions via email or telephone held with other relevant MCC/MHCC stakeholders. As part of the joint review process, all 96 Members (local Councillors) were invited to feedback, either through email, the online questionnaire, or through a phone interview. The communication throughout the review also offered stakeholders the opportunity to contact the team to organise focus groups and interviews.
- 3.3. Unsurprisingly, there were a mix of views in terms of what a VCS infrastructure support service should do and look like. There was also a mix of views as to whether or not Macc was doing what was required and what the role of commissioners should be in this.
- 3.4. The key messages from the joint review are :-

- There is a need for a VCS infrastructure service in Manchester, it is seen as an important enabler in delivering the city's vision, ambition and priorities.
- Feedback across stakeholders positively recognised the role that Macc (and VCS infrastructure support more generally) plays in advocating on behalf of the VCS, celebrating and promoting the role and value of the VCS, particularly in relation to statutory organisations.
- Commissioners, whilst being clear in their ask, should not be too prescriptive about what infrastructure should look like and be moving towards commissioning based on outcomes, leaving scope for the organisations to determine how best to deliver those outcomes.
- Flexibility should be built into the new contract in order to be more responsive to changing sector and city needs.
- Representation has and continues to be a key issue – it is important that more voices are heard and the right voices and organisations are engaged in the work, particularly with regards to delivery at a place level and with communities of interest – the engagement, development and support of Black & Asian Minority Ethnic (BAME) VCS organisations featured highly within this.
- There is a need for localised community development work but it was also recognised that some of this work needs to take place outside of the VCS infrastructure contract by others within the wider system, with adequate investment and capacity built in.
- Further consideration is needed in regard to the Volunteer Centre Manchester (VCM), as the review focused mainly on VCS organisations and not the residents that engage with volunteering.
- Commissioners need to consider if the VCM continues to be appropriately placed, if its main focus is on resident volunteering (which is viewed positively).
- More time is needed to deliver a co-design process and further engagement – strong message across the review that it needs to be done properly and not rushed.

3.5. At its meeting on the 26th September 2018, the OMVCS Programme Board considered the joint review report and provisionally agreed to the following recommendations, subject to final agreement with the MHCC Executive.

- That the joint review (report) has shown overwhelmingly that there is an ongoing need for a VCS infrastructure support that is aligned to the strategic vision and priorities for the city.
- A co-design process for the specification based on a revised timeline of the contract being in place by the 1st October 2019.
- For the integration of the MCC and MHCC contracts to be done as part of the co-design process, with agreed budgets and strategic priorities set out by the boards.
- To extend the MCC and MHCC contracts with Macc for a further 6 months from 1st April to 30th September 2019 (based on the existing

pro rata annual contract values) in order to allow for all elements of the process to be delivered.

- For the Programme Team to lead this process, with named MHCC leads for support and participation in the co-design process and implementation of the new arrangements.

3.6. The recommendations above were also agreed by the MHCC Executive at its meeting on the 18th October 2018.

4.0 Co-design

4.1. A co-design group has been established as part of the process to develop the new service model and contract. Delivered across 3 sessions, facilitated by the Programme Team, the purpose of the co-design group is to make a set of recommendations to the OMVCS Programme Board on the key principles, objectives and outcomes for the new contract. The co-design group and its recommendations are limited to the model and outcomes for the new VCS infrastructure contract. The OMVCS Programme Board have given a clear mandate that the co-design group will not be involved in the implementation of the accepted final recommendations and detailed specification used for procurement. It is important in any co-design process to bring key stakeholders together (particularly those involved in delivering and receiving the service) to have open and honest conversations that seek to improve the current situation. Equally as important is the need to have a clear point in which this involvement ends and any potential bidders for the contract will cease to be involved. This separation is made, to allow for the more detailed specification and procurement process to be delivered accordingly.

4.2. Co-design members have been chosen on the basis of the individuals' expertise, representation, passion and commitment, and their availability for the sessions. The current provider and potential bidders are allowed to attend session 1 and 2 of the co-design group but will not attend session 3 - focused on recommendations, or have involvement on the final recommendations to the OMVCS Programme Board. The sessions cover the following:

- Session 1 – The Outcomes
- Session 2 – The Conditions and Objectives
- Session 3 – Summary and Recommendations

4.3. As part of the Communities & Equalities Scrutiny Committee - Task & Finish Group (OMVCS Programme), a series of meetings have already taken place to help develop the ongoing work of the OMVCS Programme/Programme Team and relationship with Members. The Task & Finish Group will be specifically discussing communications at its meeting in January 2019, which will help to inform the future input and communication with Members in co-design processes. The recommendations from the co-design process will be shared with this group, with further consideration given around any additional engagement with Members. As part of the timeline for the overall process (below), a further consultation period is also planned specifically on the

recommendations from the co-design process which will be made available to all 96 Members.

4.4. The draft timeline for the co-design and the procurement process of the new VCS infrastructure contract is as follows :

- November – December 2018: Co-design group work to help develop the model and outcomes for the new infrastructure service.
- December 2018 – January 2019: Consultation period for VCS stakeholders and Members to feedback on recommendations
- January 2019: Communities & Equalities Scrutiny Committee - Task & Finish Group (OMVCS Programme) session on communications.
- January – February 2019: Final recommendations to be sent to OMVCS Programme Board and Communities and Equalities Scrutiny Committee.
- February 2019: Procurement process to begin
- May - June 2019: Contract awarded
- June – August 2019: Contract discussions and final negotiations
- September 2019: New contract begins

5.0 Recommendations

5.1. The Committee is asked to consider and comment on the report, including items for discussion at the Task & Finish Group session focused on communications, scheduled for January 2019.