



## Thinking the Unthinkable 2: Cuts, Collaboration and Merger

A Manchester Community Central Conference for the Voluntary & Community Sector

As a follow on from Thinking the Unthinkable held in May – Manchester Community Central hosted Thinking the Unthinkable 2: Cuts, Collaboration and Merger supported by GMVSS at St Thomas Centre on Tuesday 16<sup>th</sup> November 2010.

The morning session focused on addressing how the Comprehensive Spending Review will affect the sector and was attended by 32 voluntary and community organisations.

### **Presentation 1 - Mike Wild**

#### **This time its OK to panic – The impact of the Comprehensive Spending Review on Manchester Voluntary and Community Sector.**

To view the full presentation [click here](#)

**(Supplementary notes below to be read alongside the presentation itself)**

- There is no sense of “panic” yet in the VCS.
- There are some things we know and some things we strongly suspect, but we are not yet in a position to know what will definitely happen.
- Manchester has had quite a generous allocation from central government in the past. There will be no ringfencing of central funds any more; all grants will be merged into one, then cut by at least 7%.
- Local Enterprise Partnerships will be expected to create jobs in areas where there is a high concentration of public service staff, as there are likely to be high levels of redundancy.
- The emphasis will be on procurement and productivity – authorities wanting more for their money.
- The NHS will not be cut as such, but we know from past experience how expensive reorganisation / restructuring can be. GP Commissioning – expectation that the GP Consortia will work across traditional boundaries and will share funding with social care. GPs don't know the VCS well. The hope is that they will avoid a situation where private firms are running the commissioning process – this would be simply recreating the PCT in a different form!
- Childrens Trust arrangements are no longer required – working between agencies will not be as prominent. School Hubs will be the new focus.
- National Citizens Service Pilots – national service for young people. Also 5000 “community organisers” – (like community development workers?) will be employed to stimulate community activity in each area. A specification is due out around Christmas for an organisation to run that service.
- Community First Grants (for neighbourhood improvements) will be distributed via a delivery partner, to be confirmed. There will be a Red Tape Taskforce to make it easier for charities to operate.
- The Central Government Compact will be ‘refreshed’ – perhaps time to look at the Manchester Compact? Particularly on the issue of Procurement practice – our experience is that no two tenders are the same.



- In early December the Local Authority will be told what the scale of their 'cut' from central government will be. The timescale for the VCS in terms of making decisions about cuts is still unclear. Will we be cut by 28% all in one go, or by 7% per year for the next 4 years?
- The risk is that by not knowing we are not able to plan. The VCS is already under-resourced and will be expected to make further savings. At the same time there is a reduction in the amount of money available from grant-making trusts.
- There will be pressure to provide for the mainstream, not for marginalised communities. Public Sector efficiency savings (Gershon) didn't go far enough, so there is increased pressure to cut further.
- There are likely to be compulsory redundancies within the VCS, which can be complex, time-consuming and expensive – organisations need to start consultation processes now and establish whether their grant funding can be used for redundancy costs. TUPE issues may arise where a service is transferred to another provider.

### **Q & A / Comments Session**

- We need to be influencing commissioners to listen to the VCS about **needs** as well as looking to the VCS as potential service delivery agents.
- In tendering for contracts it is the responsibility of the VCS to ensure that they fully cost the service and that the price reflects Full Cost Recovery. Some VCS bidders have won tenders based on a very low price but it has not been possible for them to deliver the service at that price.
- The Directorate of Adults has begun to recognise the value of grant funding for smaller pots of money – e.g. Wellbeing Services.



## **Presentation 2 – Rick Gwilt** **Sustainability, Collaboration and Merger**

To view the full presentation [click here](#)  
(Supplementary notes below to be read alongside the presentation itself)

- A “take over” would involve one organisation keeping its name and identity, with the other merged organisation being known under the same name – e.g. CAB has recently merged with a number of smaller organisations but has retained its identity as CAB.
- One disadvantage of forming a new legal entity is that it has no track record.
- If a charity transfers its assets, it must be to another charity with broadly similar aims.

### **Q & A / Comments Session**

- One audience member has recently been hit by a 70% funding cut as a direct result of a tendering process in which they were not part of the winning bid. This means they no longer have the funding to cover their main activities, leaving limited scope for merger. They have come to the conclusion that their best option is to scale down significantly and ‘live to fight another day’. This will inevitably mean losing some key staff who have years of specialist expertise, looking for cheaper premises and consolidating what the organisation does best.
- We should **not** assume that the solution necessarily lies in collaboration or merger. The best strategy may be to take a step back, look at all the options, keep your head down and look at the value of what you are offering. Clarity of what you have to offer as an organisation is key.
- Partnership is not a way of strengthening a weak relationship. Be open – “who else might we be talking to or working with in the future?” Important to be clear why you might say “yes” to an approach for collaboration and why you might say “no”
- There may be a role in co-ordinating what other organisations are providing that is similar to what you do. If infrastructure is under attack, bringing organisations together informally will have a value.
- Is it possible to perform informal functions that don’t involve paid staff? Helping some people is better than helping nobody. What is the lowest sum of money you could get by on in a year?
- VCS could go back to its traditional campaigning role, with networks focusing on a “cause” rather than the type of service being delivered as with current network arrangements.
- Infrastructure organisations can help by tapping into the private sector. Manchester Community Central is working with Business in the Community to develop their Pro Help scheme; looking at ways to transfer business skills to the VCS, co-opt people on to management committees, etc.
- There is a role in Manchester for a body representing the VCS – e.g. a Voluntary Sector Forum. Not necessary for this to be linked to a local CVS. The City Council is currently consulting on Infrastructure in the city – deadline for responses is 19.11.10. There is also no Chief Officer or Trustee’s Forum in existence to have legitimate influence or representation.



### **Presentation 3 – Mike Wild**

#### **Linking the Unlinkable**

To view the full presentation [click here](#)

Examples of Strategic Alliances such as

- Manchester Community Central
- Voluntary Youth Manchester
- An Organisation

The morning session concluded with a networking lunch to encourage small group / one to one discussions to investigate further potential linkages to one another.

The afternoon session, facilitated by our Business Improvement Co-ordinators, was specifically targeted at organisations who were actively exploring the opportunity to collaborate.

5 organisations stayed for this session which focused on opening communication channels between potential partners and participants. Each organisation was asked to deliver a 2 minute presentation identifying what they could offer and what they were looking for in a partnership.



### **Event Evaluation**

All attendees were encouraged to complete an event comment form 23 out of 32 (71.9%) attendees completed evaluations.

Participants were **very satisfied** or **satisfied**:

82.6% (19 out of 23) with the event booking process

78.2% (18 out of 23) with the organisation of the day

86.9% (20 out of 23) with the venue

73.9% (17 out of 23) with relevance of topic area

78.2% (18 out of 23) with the presentations delivered

Participants were **neither** satisfied or dissatisfied:

65.2% (15 out of 23) with the catering

### **What did you find useful – summary**

Networking, overview of options, realistic views, informative delivery of presentations, opportunity to hear perspectives of other organisations and an awareness on the impact of change.

### **What could be improved - summary**

Venue acoustics, to have information on relationships to commissioners, include a delegate list and allow for more time to comment and ask questions in a group setting.

### **What next – summary**

More TTU events with updated information, opportunity to access further support, highlight other options such as redundancy and keeping in touch with each other.

All attendees were interested in receiving a resource pack on collaboration and merger via email after the event.

6 attendees were interested in joining an Action Learning Set for managers which will be followed up by Manchester Community Central.