

This time it's OK to panic
 The impact of the Comprehensive Spending Review
 on Manchester's Voluntary and Community Sector

Mike Wild
 Director
 Manchester Alliance for Community Care
 mike@macc.org.uk

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Here it comes...!



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What we know so far

- Local Authorities have to
 - lose 7% of their budget every year for the next 4 years (28%).
 - decide whether to freeze Council Tax (and get a bonus equal to a 2.5% increase).
 - Decide how to support work currently funded by Government grants as these will no longer be ringfenced ("to allow greater flexibility").
- "Local enterprise partnerships" created to support job creation in areas where there is high reliance on public sector jobs
- Drives to improve **procurement** and **productivity**.
- Local Area Agreements including local and national performance indicators will end.

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What else...

- The NHS is “protected in real terms” but has to
 - reorganise into GP commissioning.
 - work “across boundaries”
 - share funding with Social Care
 - increase productivity
 - ...avoid automatically letting the private sector recreate PCTs



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What else...

- Children’s Trust Arrangements will no longer be a formal requirement
- Schools to form commissioning hubs
- National Citizens Service pilots announced – but have to be partly self-funding
- 5000 “Community Organisers” to be trained during the current Parliament (procurement specification soon).



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What else....

- Open letter from “Office for Civil Society”
 - Asks Local Authorities not to see cutting the voluntary sector as the “easy option”
 - “opening contracts to the voluntary sector”
 - “enterprise and investment”
 - Social Investment Bank – funded by dormant bank accounts accessed by “intermediary” organisations
 - “volunteering and community service”
 - Transition Fund - £100million over 4 years administered by the Big Lottery aimed at groups with between £50K and £10million
 - Community First – grants for improvement in neighbourhoods. Process for selecting a delivery partner later this month.
 - Compact refresh (Central Government)
 - Red tape task force – calls for evidence



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What else....

- Changes to welfare benefits.
- GPs don't know their way around the voluntary sector.
- Relationships with schools are rarely structured.
- Procurement – processes are not consistent and skills / capacity amongst voluntary sector organisations is variable.

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What we don't know yet

- Manchester City Council allocation from Central Government – will it be more or less than 28%? Due to be informed in **early December**.
- Timescale for making decisions about cuts to 2011/12 funding is unclear.
- Commissioning processes and intentions are unclear.
- Will the VCS be cut all in one go or year on year?

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Risks

- **Not realising what's on the way and not planning for it.**
- Pressure on public agencies to make savings as soon as possible makes cutting voluntary sector funding unavoidable.
- Increasing competition for non-statutory grant funds which are still recovering from the recession.
- Pressure to be seen to make savings in a sector which is already under-resourced.
- Focus on money being spent only on the mainstream – marginalising minority interests and organisations.

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Risks

- End of LAAs and targets means existing business cases may be invalid (“we can help you meet your targets” is no longer an argument)
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- Increasing competition for non-statutory grant funds which are still recovering from the recession
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Risks

- Staffing
 - the limited ability to retain the best staff will suffer as people focus on job security
 - the requirement to make compulsory redundancies – legal requirements, cost of redundancy, etc.
 - Winning or losing contracts – TUPE implications (including public sector staff moving into the voluntary sector?)
 - Increased competition from social enterprises and employee owned co-operatives (paid for but no longer on the payroll)
 - Lack of adequate (or any) reserves in voluntary sector organisations
 - General loss of skills and knowledge in the workforce



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What can we do

- Strategically
 - Negotiate – with public sector officers, councillors and key decision makers
 - Position – build up relationships with GPs and schools, raise awareness of who you are and what you can / could do.
 - Ensure the infrastructure can provide a crisis response service
- Practically
 - Identify savings & efficiencies
 - Have a business case ready showing impact and value for money
 - Ensure you have adequate skills or support around finance, fundraising and employment issues
 - Be creative – partnerships to share staff & save money?
 - Plan to ride the waves – can you shrink and grow? How would you close down? What can you share?



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