

**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee –  
1 February 2018

**Subject:** Our Manchester Voluntary Sector Funding Programme: Review  
of Governance Arrangements

**Report of:** Deputy Chief Executive (Growth and Neighbourhoods) and  
Executive Director for Strategic Commissioning and  
Director of Adult Social Care Services (DASS)

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**Summary**

This report reviews the governance arrangements of how this fund is managed, who makes the decisions and what procedures are in place to ensure fairness across its allocation process.

**Recommendations**

Resources and Governance Scrutiny Committee is recommended to consider the arrangements set out in the report and to make suggestions as to how they can be improved for future funding rounds.

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**Wards Affected:**

All

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**Alignment to the Our Manchester Strategy Outcomes (if applicable)**

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This funding programme draws its outcomes from the Our Manchester Strategy. The city's voluntary sector has a unique role in unlocking the potential of our communities. This programme provides security of the funding for a significant number of voluntary sector groups in the city.

A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- 4 January 2017 and 22 June 2017 reports to Communities and Equalities Scrutiny Committee
- Report to Executive Committee 28 June 2017
- Prospectus for funding (circulated to all Members August 2017)

## **1.0 Introduction**

- 1.1 This report addresses the request of Members of this Committee for an explanation of governance arrangements for the Our Manchester VCS Funding Programme, specifically: how this fund is managed, who makes the decisions and what procedures are in place to ensure fairness across its allocation process.

## **2.0 Background**

- 2.1 Since the summer of 2016, the Council has been working with the voluntary sector to determine the best way in which the Council can use its funding to support the sector in the city to be more resilient and effective. We have conducted a wide ranging consultation process, including six well attended workshops. At the heart of this work has been a co-design group of Council, NHS and voluntary sector colleagues, working together to design a new funding process.
- 2.2 Reports on this process have been considered by Communities and Equalities Scrutiny Committee in January and June 2017 and by Executive Committee in June 2017.
- 2.3 The outcome of this work is the Our Manchester VCS funding programme, which made provisional offers of funding in mid-December 2017.
- 2.4 OMVCS funding is £2,467,054 a year for 3 years (£7.4m in total). It brings together the following existing strands of Council funding: Equalities Funding Programme, Community Associations Fund, Mental Health contracts, Health and Wellbeing grants, carers contracts and two small miscellaneous contracts. The Council also funds the voluntary sector through a wide variety of other grants and contracts across the Council. Examples include contracts to provide Housing Related Support, strategic grants to large arts organisations, grants to cultural organisations and small grants for sports and campaigning activity (hate Crime Awareness, International Women's Day etc.) The total amount of Council funding to the voluntary sector is estimated to be over £30m a year.
- 2.5 Communities and Equalities Scrutiny Committee has a paper on its agenda for today which addresses Members' questions on the detail of the assessment process undertaken for the first round of funding; information on the next stages, including support for organisations which were not awarded funding; the timescale for equality impact assessments; and how the process can be improved in future to better engage with Ward Councillors.

## **3.0 How the fund is managed**

- 3.1 The OMVCS funding programme is a new grant programme. As above, it has been formed from a number of existing grant funding programmes operated in different parts of the Council. Each of these funds has its own arrangements for allocation, management, monitoring, reporting and communication. Some VCS groups in the city are receiving funds from a number of the different strands and find themselves having to manage this disconnected system. The Council had

no overall picture of its support to the voluntary sector and in some cases had little contact with the groups it funds.

- 3.2 Part of the rationale for this new funding programme was to simplify arrangements, so that voluntary sector groups are clear what we expect from them.
- 3.3 During the extensive consultation process, VCS organisations made it clear that they really value the relationships they have with Council Members and officers, beyond the funding relationship. They wanted a much strengthened relationship to be part of the way the OMVCS funding programme is managed.
- 3.4 The OMVCS Funding Programme will be managed by a Programme Team, based in the Resources and Programmes Group in the Corporate Core. Each funded group will have a Liaison Officer. The Programme Team will provide reports on the Fund to a Programme Board, chaired by Cllr Sue Murphy.
- 3.5 The Programme Team: This is a new team largely created by re-assigning existing resources. Some of the team's key tasks in relation to the OMVCS Funding Programme:
  - manage expenditure of the fund in line with its objectives and criteria
  - monitor the work of funded groups
  - promote the work of the OMVCS Funding Programme
  - explore opportunities to secure additional funding for the Programme
  - run further funding rounds as funds allow
  - develop networks for funded groups to come together
  - support and develop the Liaison Officers, and
  - report on progress to Communities and Equalities Scrutiny Committee and the OMVCS Programme Board

The new Programme Team will largely be in place by the time of this meeting.

- 3.6 Liaison Officers: these officers work with, but are not part of, the Programme Team. These are officers drawn from different parts of the Council, including Neighbourhoods, the Equalities team, Age Friendly Manchester and Adults Strategic Commissioning. Each Liaison Officer will work with a small number of funded groups to support them, help them network and to ensure groups are working well. If groups are facing problems, Liaison Officers should be aware of this early on and will work collectively with the groups and Programme Team to monitoring and manage this accordingly.
- 3.7 OMVCS Programme Board: The Programme Board is chaired by Cllr Murphy. A full list of Board members is attached at Appendix 1. The Board's role is to oversee the OMVCS Funding Programme. The Board had its inaugural meeting on 21st July 2017, its second meeting on 4th December 2017 and its third is diared for 14th March 2018.

#### **4.0 Decision making**

- 4.1 The process that has been followed for the first funding round has been that an Assessment Panel assessed each application, and, following a detailed six stage process, produced a recommended funding programme for consideration by the OMVCS Programme Board. The Programme Board met on 4th December 2017 and considered whether the Assessment Panel carried out its assessment properly. The Board then supported the recommendations of the Panel to make provisional (subject to due diligence) offers of funding to 63 VCS organisations.
- 4.2 The detail of the assessment process, including the assessment criteria, and a summary of the discussion and outcome of the OMVCS Programme Board meeting, have been provided to Communities and Equalities Scrutiny Committee.
- 4.3 The OMVCS Programme Board will meet again on 14th March to consider the outcome of the due diligence process and the impact this may have on the final funding programme. Immediately following the Programme Board, the Deputy Chief Executive (Growth and Neighbourhoods) and the Director of Adult Social Services will meet to formally decide the final funding programme. These officers have delegated powers under the Council's Constitution to make grants to voluntary organisations.
- 4.4 The names and roles of the members of the Assessment Panel and Programme Board are attached at Appendix 1.

#### **5.0 Ensuring Fairness**

- 5.1 Ensuring fairness was a key part of the co-design process. VCS organisations wanted a clear process, easily understandable and easy to respond to. They wanted a process which rewarded good organisations doing good work in their neighbourhoods and with communities of identity, organisations which involve local people, which are forward looking and connect well to other organisations. Every aspect of the criteria reflects points made by the voluntary sector during co-design and consultation.
- 5.2 The allocation process was designed to reflect these wishes by robustly assessing organisations against the agreed criteria, looking at the evidence provided by groups. The focus on evidence was very important as it ensured being able to demonstrate the value of the work a group is carrying out was more important in the assessment process than whether an application was well written.
- 5.3 An assessment panel of six people was convened to assess applications to the fund and generate a set of recommendations for review by the OMVCS Programme Board. The make-up of the assessment panel was discussed in depth by the co-design group. The group wanted a panel of subject matter experts, together with some voluntary sector representation. To avoid a conflict of interest, it was agreed to secure this representation from Greater Manchester.

- 5.4 The panel had an independent (non-voting) chair, Nigel Rose (Macc) whose role was to ensure the panel carried out its assessment robustly, in accordance with the results of the extensive co-design and consultation process that resulted in the published prospectus and guidance.
- 5.5 As well as ranking applications, a further stage of the process was ensuring as far as possible, a balanced programme, across a number of criteria:
- avoiding damaging disruption to Manchester's voluntary and community sector by withdrawing funding from large numbers of organisations that are presently funded
  - Equitably distributed across neighbourhoods and across communities of identity and the objectives of the fund
  - Level of funding for carers support maintained near to present levels.
- 5.6 After detailed discussion and in the expert view of the panel, which included leads on equality, carers and neighbourhoods, these criteria were broadly met, by funding in ranking order, with the important caveat that the size of the fund, and the quality of the applications received, meant it is not possible to fund groups in every neighbourhood and to serve every community of identity.
- 5.7 The Programme Board at its meeting on 4th December confirmed it was assured that the assessment process that led to the recommended programme was robust and had been properly followed, and so it supported the recommendations of the Assessment Panel.
- 5.8 In doing so, however, the Board noted that because the OMVCS funding process has been about building a strong, resilient and effective voluntary sector in Manchester, inevitably, it has highlighted areas of the city, and certain communities, where voluntary sector capacity is stronger than elsewhere.
- 5.9 The Programme Board requested urgent further analysis to deepen our understanding of the underlying reasons for this disparity, to enable the new programme team for this funding, and others, to develop plans to address gaps.

## **6.0 Next steps**

- 6.1 As requested by the Programme Board for this funding, work is underway to produce a gap analysis. This will consist of:
- a funding map showing where the service users of the funded organisation live. This has been completed and circulated to Members of the Communities and Equalities Committee
  - an equality analysis. An analysis was undertaken at funding design stage and a further analysis needs to be completed on the outcome of the process. This will be informed by data provided by organisations on the numbers of their service users from the various communities of identity and, where possible, by impact assessments currently underway.

- 6.2 This gap analysis will help inform plans for addressing those areas of the city, and in our communities of identity where voluntary sector capacity needs additional support, within the wider commissioning agenda. The work to provide that support will need to come from a range of places, in particular by working with partners in the city such as housing providers, other funders, neighbourhood teams and the new Programme Team for this funding and the Our Manchester Investment Fund. The new Programme Team will largely be in place by the time of this meeting. Members will need to be central to both agreeing and implementing plans to address these gaps.
- 6.3 This funding programme is a small element of the city's overall spend with the voluntary sector and of spending in geographical communities and communities of identity. This gap analysis will need to place this funding programme in that wider context of service provision and commissioning.
- 6.4 Due diligence work is currently underway to establish whether provisional offers of funding can be confirmed. This work is a combination of desk based research and face to face visits. Members have been asked for their input into this process. Previously unfunded groups are being prioritised and this work is to be completed by the end of February.
- 6.5 The OMVCS Programme Board will meet again on 14th March to consider the outcome of the due diligence process and the impact this may have on the final funding programme. Immediately following the Programme Board, the Deputy Chief Executive (Growth and Neighbourhoods) and the Director of Adult Social Services will meet to formally decide the final funding programme. These officers have delegated powers under the Council's Constitution to make grants to voluntary organisations.
- 6.6 The Board will also discuss a paper on the principles of, and process for, accepting additional funding into the OMVCS Funding Programme.

### Appendix 1 - Assessment Panel

Val Bayliss-Brideaux	Senior Engagement Manager, Manchester Health and Care Commissioning (MHCC)
Keiran Barnes	Equalities Team Leader, MCC
Paul Johnston	Commissioning Development Specialist, MHCC
Mark Rainey	Strategic Lead – Neighbourhoods (South), MCC
Kirsten Blackwood	Deputy Chief Executive (Finance & Resources) Salford CVS
Michael Salmon	Commissioning Manager, Mental Health, MHCC

### OMVCS Programme Board

Cllr Sue Murphy (chair)	Deputy Leader, Manchester City Council
Sara Todd	Deputy Chief Executive, MCC
Dr. Carolyn Kus*	Executive Director of Commissioning and Director of Adult Social Care Services
Mike Wild	Chief Executive, Macc
Nick Gomm	Director of Corporate Affairs, MHCC
Sharmila Kar*	Director of Workforce and Organisational Development MHCC
Jane Gant	Strategic Director People and Places Southway Housing
Beth Plant*	Policy and Learning Manager Big Lottery Fund

\*Apologies given to 4.12.2017 meeting