

**Manchester City Council  
Report for Information**

**Report to:** Executive – 17 November 2021

**Subject:** Greater Manchester Voluntary, Community and Social Enterprise Accord

**Report of:** Deputy Chief Executive and City Treasurer

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**Summary**

This paper provides an overview of key activities in Manchester to support the VCSE sector.

The Greater Manchester Combined Authority (GMCA) has asked all 10 GM local authority areas to approve and endorse the GM Voluntary, Community and Social Enterprise (VCSE) Accord. GMCA has already approved the Accord.

GM Leaders agreed that, as much of the work to deliver to Accord happens in collaboration with the VCSE sector in localities and neighbourhoods, each of the 10 Executives or Cabinets would consider the Accord and each Leader would sign on behalf of their local authority.

**Recommendations**

Executive are requested to approve the new GM VCSE Accord and confirm endorsement on behalf of Manchester.

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**Wards Affected:** All

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
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Manchester works with VCSE organisations that have a positive impact on tackling climate change and environmental impacts. This is considered in terms of VCSE funding decision making and social value in commissioning and procurement decisions. VCSE sector organisations are involved in delivering many parts of the zero carbon action plan such as community engagement activities and active transport.
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Our 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	Manchester's VCSE sector represents a substantial economic contributor to the City (see 1.2.2 below), and is specifically identified in the Our Manchester Strategy for this reason. The Accord's commitments to support a thriving and healthy VCSE sector align with the aims of the Our Manchester Strategy to achieve the same.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The Accord outlines a commitment to the VCSE sector's workforce, ensuring workforce development and a more integrated public facing workforce. The sector's workforce is substantial and comprised in the main of local people delivering support and services to other local people. The Accord aspires to support this workforce to fulfil its potential.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	A substantial proportion of VCSE support is delivered by volunteers, with organisations run by and for local people and enabling them to experience improved outcomes. The VCSE organisations that the Council works with all strive to make positive contributions in their area of expertise; the Accord promotes local authority and health service activity to sustain this type of activity and standardise good practice.
A liveable and low carbon city: a destination of choice to live, visit, work	The Accord promotes the involvement of and investment in VCSE organisations across a range of Council priorities. Current activity includes work with local groups progressing climate change initiatives, working with local communities to promote reduced carbon emissions in the local area.
A connected city: world class infrastructure and connectivity to drive growth	The VCSE sector plays a crucial role in connecting individuals and communities and making the best use of local assets to do this. As a result of COVID-19, many VCSE services are prioritising the issue of digital connectivity to enable residents to continue to access support remotely. The connectivity between communities and the VCSE sector, and between the sector and local public services, underpins several of the Accord's commitments.

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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.

- Update on Work with the VCSE Sector During COVID-19, *Communities and Equalities Scrutiny Committee, Manchester City Council, 8 October 2020*
- Manchester State of the VCSE Sector 2021, *Salford CVS on behalf of 10GM:* <https://manchestercommunitycentral.org/policy-and-influence/state-sector>

## 1. Background

### 1.1 GM Accord

1.1.1 An initial GM VCSE Accord was signed on behalf of the GMCA by the Mayor of Greater Manchester with the Voluntary, Community and Social Enterprise (VCSE) sector in November 2017. In September 2020, GMCA Members agreed to extend the scope of the Accord to embrace health and social care. The refreshed GM VCSE Accord is included alongside this report.

### 1.2 Manchester's VCSE Sector

1.2.1 Manchester's VCSE sector has long been the cornerstone of community-based support and connectivity and is integral to the Our Manchester approach in the city. The sector has been a vital partner to the Council in continuing to meet communities' needs and celebrating their successes. The VCSE sector has long tackled social inequalities that, as has been well documented, have been highlighted and exacerbated recently by the COVID-19 pandemic. The pandemic has had a profound effect on the sector, with organisations simultaneously adapting ways of working to retain the best support to communities possible, whilst working extremely hard to stay afloat.

1.2.2 A 2021 report on the State of the VCSE Sector in Manchester, available here, <https://manchestercommunitycentral.org/policy-and-influence/state-sector> highlights that:

- Manchester is home to 3,871 voluntary organisations, community groups and social enterprises (up from 3,394 in 2017)
- The sector includes 162,278 volunteers (including committee / board members) giving 480,901 hours each week, valued at £242 million per annum based on the living wage of £9.50 p/h. This is compared to 110,900 volunteers giving 278,600 hours in 2017
- 66% of these are micro organisations and 18% are social enterprises
- The total income of the sector in 2019/20 equated to £496.9m (compared to £526m in 2014-15, reported in the 2017 State of the Sector report)
- 90% have some dealings with other VCSE organisations, 87% with the City Council and 79% with private organisations
- Many organisations are able to leverage MCC and other public sector funding to bring in additional funding to the City - 85% of respondents have at least one non-public-sector source of funding (89% in 2017)
- 50% of the organisations have had to use their reserves during the pandemic to remain operational

1.2.3 The apparent growth of the sector in the last 5 years is, on the face of it, positive, but it should be considered in the context of some key factors. COVID-19 has had a very significant impact on the sector in terms of demand pressures, requirements to change operating models, and although time-limited financial support has been made available, other sources of income have reduced for many. The high use of reserves has created significant financial pressures for many which may have not yet been fully realised.

Moving forward in an increasingly difficult funding landscape, there is a greater need than ever to:

- Ensure the availability of the right type of support (investment, capacity building, fundraising capability etc) to VCSE organisations, and;
- Increase the number and diversify the organisations investing in Manchester’s VCSE sector.

## 2. Current Approaches in Manchester City Council

### 2.1 Our Manchester Funds Team

2.1.1 The GM VCSE Accord promotes meaningful investment in the sector at the local level as well as ‘*making co-design of local services the norm*’. These principles align with the work of the Council’s Our Manchester Funds Team.

2.1.2 The OM Funds Team is a dedicated team within Policy, Performance and Reform that manages a programme of funding activity with the VCSE, along with the VCSE infrastructure contract (see below). The team’s principal focus is the Our Manchester VCS Fund, a programme that currently funds 63 VCSE organisations with a total value of £2.46m per annum, aligned to the aims of the Our Manchester Strategy.

2.1.3 Operating on a three-yearly cycle, the programme is currently in a 12-month extension of the 2018-21 programme, owing to Covid impacts. A further 12-month extension has been agreed in principle (subject to the next financial settlement). A co-designed refresh of the fund, working with stakeholders including VCSE groups, is scheduled for the 2022-23 extension period, to ensure that a refreshed fund which is more closely aligned to the *Our Manchester Strategy Reset: Forward to 2025* is able to run from 2023-26.

2.1.4 In addition to this, the OM Funds Team operates a range of development funding and several Covid-specific funds. The team has longstanding operating principles of co-design, engagement, relationship building and embeds the Our Manchester behaviours in all it does, as described by several groups in its 2019-20 Annual Report:

“I’ve dealt with many funders and can honestly say that your support is an object lesson in how to do it.” *Anne Stebbings, Manchester Rape Crisis*

“Great information sharing from OMVCS as usual. Emails about other opportunities are useful and our liaison officer meeting lets us discuss our work. Our Chair attends and brings back valuable feedback.” *Whalley Range Community Forum*

“We know we can contact the team any time and the reply is prompt and helpful.”  
*North Manchester Black Health Forum*

2.1.5 The team also supports the work of the Manchester Funding Partnership (see below) and works closely with funding partners such as MHCC, National Lottery etc. To that extent, the work of the OM Funds Team very much captures the aims of the GM VCSE Accord.

## 2.2 Manchester Funding Partnership

2.2.1 A GM VCSE Accord commitment is to ‘*build a financially resilient VCSE sector that is resourced to address our biggest challenges*’ and to ‘*fulfil the potential for building productive relationships between the VCSE, public and private sectors*’. These commitments are reflected in Manchester through the work of the Manchester Funding Partnership.

2.2.2 The Funding Partnership was launched in June 2020 with the aim of supporting Manchester’s voluntary sector in its essential role in both responding to the COVID-19 crisis and supporting the city’s recovery. A Greater Manchester Funder’s Forum already exists, however a space was needed for local funders to share intelligence, tackle issues and co-develop funding solutions for the city.

2.2.3 The partnership’s activities are underpinned by a funding strategy, which aims to encourage and promote ‘*a vibrant, strong, and thriving voluntary and community sector in Manchester*’. The strategy outlines four pillars necessary to achieve this:

- **Adapt and Develop:** Funding needs to be available to support VCSE organisations to adapt delivery of existing services and develop offers that can support residents within this new environment.
- **Lead and Collaborate:** Funding is needed to support individuals and partnerships in the VCSE sector who play key roles in leading, coordinating and supporting the sector.
- **Sustain:** Funding is required for the recovery and long-term viability of organisations beyond the emergency response to Covid-19.
- **Legacy:** Funding is needed to embed new and effective ways of working that will grow and strengthen the sector.

2.2.4 Currently the partnership consists of 10 funding organisations:

- Manchester Health and Care Commissioning
- MCR Active
- One Manchester
- Southway Housing Trust
- The National Lottery
- We Love MCR
- Young Manchester

- Macc
- OMVCS, Manchester City Council
- Greater Manchester Mental Health (GMMH)

## **2.3 VCSE Support**

2.3.1 The GM VCSE Accord operates on the premise that the sector is supported at a GM level and locally, to grow and strengthen, in order to maximise its contribution to communities, to places and to the local economy. VCSE infrastructure support in Manchester is provided by Macc (Manchester Community Central)

2.3.2 The Council currently has a combined infrastructure contract with Manchester Health and Care Commissioning (MHCC) that went live in October 2019, following a process of consultation and co-design. Macc was successful in this process and awarded a 3 year (+2 year option to extend) contract, having delivered against previous infrastructure contracts for the Council. The contract aims to deliver:

- development and support to VCSE organisations around governance, organisational structures, policy and funding;
- engagement and influence in partnership work;
- co-design processes; and
- support volunteering opportunities for residents.

2.3.3 During the course of the pandemic, Macc, like much of the VCSE sector, has had to adapt and diversify its approach to best support the sector.

2.3.4 Moving forwards, it is important to recognise the changes and challenges that the Covid-19 pandemic has forced on the sector. It is also important to note that Manchester's population, and consequently the makeup of the VCSE sector in the City, has diversified greatly in the last decade. In this context, the Council has committed to undertaking a review of VCSE support to ensure that future delivery of this is the best possible fit for Manchester as a place and as a people, in-keeping with the aims of the GM Accord. This review will be completed in early 2022 to inform the future design of VCSE support.

## **2.4 Wider Council connections with the VCSE Sector**

2.4.1 In early 2021, an exercise was carried out to map the different connections and financial support to the VCSE sector across Council services. The exercise showed that, in the 2020/21 financial year, the Council invested in the region of £34million of funding to the VCSE sector from the following sources:

- Adult Social Care
- Carer Support
- Children's (Commissioned contracts only)
- Community Safety Partnership
- Cultural Funds
- Equalities

- Homelessness
- MCR Active
- Neighbourhoods (Neighbourhood Investment Fund)
- Our Manchester Funds
- Work & Skills
- Youth & Play

2.4.2 This is not a definitive record of all Council to VCSE funding, but it does represent 304 funding agreements (not necessarily 304 individual organisations). Of the assessed funds, 68% are grants and 32% contracts. Only 7% relate to statutory services, and whilst the remaining 93% of funding given to the VCSE sector is technically non-statutory, it can be often interlinked with the Council's ability to discharge its statutory requirements, for example non-statutory funding to homelessness organisations through the OMVCS fund helps to prevent future homelessness.

2.4.3 Further work to refine the evaluation of the Council's VCSE funding, and the outcomes being delivered is being taken forward by officers. The initial exercise does highlight the breadth and depth of support from different parts of the Council to the sector and the value of these relationships in terms of improving outcomes for residents. The VCSE sector is an essential delivery partner to the Council to exercise its duties, which aligns to the principles of the GM VCSE Accord.

### **3. Current approaches in Health and Social Care**

3.1 As noted earlier in this paper, the GM VCSE Accord has been evolved to reflect the important role that the region's health and social care sector plays in relation to the VCSE sector, both as a funder and as a strategic partner. As is the case with the City Council, there are numerous examples of the City's health and social care sector embedding the aims of the accord in its operations. The future design of health and social care integration will further develop these partnerships with the VCSE sector.

#### **3.2 Manchester Local Care Organisation**

3.2.1 Since its establishment, Manchester's Local Care Organisation (LCO) has looked to include VCSE partners in the design and delivery of its services. Prior to formal establishment, through a range of engagement sessions called Future Search in all neighbourhoods and with key communities (including VCSE partners), the vision and ways of working for the LCO were developed.

3.2.2 In the LCO's first year, Michele Scattergood, Chief Executive of disabled people's organisation Breakthrough UK Ltd, was deployed into the LCO to work with the Executive Team to outline proposals for how the LCO could 'hardwire' VCSE leadership and representation into the operation of the organization. The resulting action plan culminated in the agreement of a memorandum of understanding (MoU) between the LCO and the VCSE sector and the establishment of the Health Leaders Forum.



3.2.3 During the pandemic, teams in neighbourhoods (across community, primary care and the Council) worked alongside VCSE colleagues to ensure that the most vulnerable residents continued to receive key services, as well as engaging with communities to support the roll-out of community testing and the vaccination programme. As a result of this response, it has been agreed that the formal governance through the MoU and Health Leaders Forum would be reviewed to ensure that LCO is adhering to the principles agreed. This approach will build in the commitments of the Accord.

3.2.4 As such, the LCO’s work will contribute to the delivery of the following Accord commitments:

<b>Commitment 1:</b> <i>We will work together to achieve a permanent reduction in inequalities and inequity within Greater Manchester, addressing the social, environmental and economic determinants of health and wellbeing.</i>
<b>Commitment 2:</b> <i>We will embed the VCSE sector as a key delivery partner of services for communities in Greater Manchester.</i>
<b>Commitment 3:</b> <i>We will build a financially resilient VCSE sector that is resourced to address our biggest challenges of ending poverty and inequality in Greater Manchester.</i>
<b>Commitment 5:</b> <i>We will build on our existing strengths to build the best VCSE ecosystem in England.</i>
<b>Commitment 6:</b> <i>We will put into place meaningful mechanisms to make co-design of local services the norm, including expanding channels for service design to be informed by ‘lived experience’.</i>

3.2.5 There are a number of examples of how MLCO has done this:

- Engaged in Neighbourhood (Integrated Neighbourhood Team, or INT) Operating Model: the 12 Health Development Coordinators (HDC) work in their local communities to engage with local community groups and assets to develop key relationships and understand what is available to residents and where there are gaps in support / services. HDCs support the neighbourhoods to identify priorities and opportunities, co-design local solutions, and access resources to build community capacity.
- Nine of the INTs have Care Navigators as part of the team; they focus on simplifying peoples’ care journeys, linking them to services and guiding them to the right services in their community that can support their needs, which includes the VCSE.
- VCSE partners support key care pathways, such as Manchester Care and Repair, supporting MLCO’s work to secure safe and timely discharge from hospital.
- The HDCs and INT Leads have developed Neighbourhood Partnership meetings; providing a forum for the engagement of local VCSE groups in the

work of the Neighbourhood and to build connections across key stakeholders. It is through these forums that VCSE partners in each place can share their intelligence about local communities to inform future service design. The LCO will work with INT Leadership Teams to stock-take how that is working and what more needs to happen to ensure that attendance is representative and to assess the impact it is having.

- VCSE partners are also part of the Bringing Services Together for People in Places, working together with partners such as Housing Providers, Police, Children's Services, MCC Neighbourhoods and MLCO Integrated Neighbourhood Teams to address joint priorities for each of Manchester's neighbourhoods.
- The Responsive Commissioning workstream of the Better Outcomes, Better Lives programme has included VCSE representation in the steering group and the development of the MLCO Commissioning Plan. The VCSE will be involved in the delivery of the plan particularly around community-led commissioning and citizen commissioning/co-production. The VCSE sector is a key partner across Adult Services and the Better Outcomes, Better Lives programme aims to strengthen these relationships further.

#### **4. Conclusion**

- 4.1 The GM Accord represents a continuation of the approaches currently adopted in Manchester, and may help to strengthen commitments across GM to build a stronger and more resilient VCSE sector that can best support and deliver for our residents.
- 4.2 The Council's Our Manchester Funds Team has used Our Manchester approaches to improve integration and co-design with VCSE partners in planning and developing initiatives, strengthening relationships between the local authority and the VCSE as a result. The approach has not only enabled the team to work with MHCC to leverage in funds for targeted activities, ensuring consistency of approach, minimised bureaucracy and strategic alignment, but has also been instrumental in VCSE partners working with the Council to deliver the Our Manchester VCSE programme. This aligns with the ways of working in the GM Accord.
- 4.3 The Council is working with partners through the Manchester Funding partnership to ensure that future funding of the sector enables is to contribute effectively to deliver the ambitions in the Our Manchester Strategy. This aligns with the ambition of the Accord to 'maximise new funding sources'. This is a complex and challenging objective though, and due consideration is being given to what those new funding sources might be, how they can be leveraged in and how we best support the VCSE sector across in our localities to attract funding from those areas. Manchester officers will work with GM to develop the detail of this commitment going forward.
- 4.4 It is important that Manchester retains its autonomy in how the sector is best involved and supported, including autonomy in the City's funding decisions. It

will be vital that decisions are informed by and aligned to local priorities, with a particular focus on what is specific to our place and people. The Accord acknowledges this:

*We will acknowledge the value to communities of place, identity and experience and understand the role of local people in leading, shaping and connecting VCSE organisations to create the 'ecosystem' described in the VCSE Policy Paper. We will work using the subsidiarity principle, meaning that decisions and issues are taken and addressed as close to communities as possible, coming together at a Greater Manchester level where there is a demonstrable benefit of doing so.*

4.5 Recommendations are set out at the start of this paper.