

Manchester City Council Report for Information

Report to: Communities and Equalities Scrutiny Committee - 6 December 2022

Subject: Our Manchester Voluntary & Community Sector (OMVCS) Fund

Report of: Assistant Chief Executive

Summary

This report updates Members of the Committee on the process that has been followed to refresh the Our Manchester Voluntary and Community Sector funding programme for 2023-26. The report describes the steps that have been taken, as well as providing an overview of the applications received and the current position. The Committee is given an indication on next steps and timescales for decisions.

Recommendations

The committee is invited to note and comment on the contents of this paper.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The OMVCS funding programme aims to support VCSE organisations to advance the City's zero-carbon in the operation of their functions. The programme recognises that some VCSE organisations will need support and guidance on how this can be proportionately achieved and seeks to build this into the fabric of the refreshed programme. All applicants to the fund have outlined their zero carbon activities to date and what their plans are to further this priority in the period 2023-26.

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 generated a total income of around £500 million in 2019-20 and in addition to its paid workforce, created over 160,000 volunteering opportunities, with volunteers giving about 481,000 hours each week, valued at about £242 million per year (<i>Manchester State of the VCSE Sector report, 2021</i>). The OMVCS fund plays a critical role in supporting the health and sustainability of the sector and contributes to these outcomes.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The VCSE organisations supported through this fund are run and supported by a diverse range of skilled workers, including boards of trustees, those in paid roles and those providing support voluntarily. In addition to providing work opportunities, many of the funded organisations provide employability support (including but not limited to skills development through volunteering), often working with those communities and individuals requiring specific types of support to benefit from Manchester's economic success.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	A critical feature of the OMVCS Fund is to support organisations whose primary funded activity is to work in a strengths-based way with individuals and communities, to maximise their potential and have an active contribution in Manchester. This includes organisations providing activities targeted on a geographical, community or characteristic basis, delivered through a diverse range of supportive approaches.
A liveable and low carbon city: a destination of choice to live, visit, work	OMVCS funded organisations frequently work with residents to celebrate their achievements, contributions and identities. Organisations promote Manchester as a place of choice by celebrating the value and diversity of the City and its people. The programme promotes the City's commitment to be a Real Living Wage City, with all applicants outlining their current progress towards paying the Real Living Wage, and stating their commitment to accreditation under the Living Wage Foundation during the funded period.

<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>VCSE organisations have progressed the digital inclusion agenda significantly in the last three years, adapting service delivery to online and / or blended options (accelerated by the response to the coronavirus pandemic), and working with key stakeholder groups to address and remove digital barriers. As a result, some resident groups (i.e. older people, people with English as an Additional Language, people with sensory impairments) are more able to connect with VCSE services than previously. This focus on digital inclusion is reflected in many of the applications submitted to the 2023-26 OMVCS programme.</p>
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Contact Officers:

Name: James Binks
 Position: Assistant Chief Executive
 Telephone: 0161 234 1146
 E-mail: james.binks@manchester.gov.uk

Name: Keiran Barnes
 Position: Policy and Programmes Manager (Communities and VCSE)
 Telephone: 0161 234 3036
 E-mail: keiran.barnes@manchester.gov.uk

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.

- *Our Manchester Voluntary & Community Sector Refreshed Funding Programme report*, Communities and Equalities Scrutiny Committee, 19 July 2022

1.0 Purpose of Report

- 1.1 The Our Manchester Voluntary and Community Sector (OMVCS) Fund is Manchester City Council's largest grant funding programme to the voluntary, community and social enterprise (VCSE) sector. Originally established in 2018, the programme provides £2.4 million of investment per annum in the VCSE sector, on a three-yearly basis. The programme has been refreshed to ensure it retains a strategic fit with the refreshed Our Manchester Strategy: Forward to 2025 and reflects some of the key changes that have affected the City, its people and the VCSE sector during the funding period to date.
- 1.2 Further to the report brought to the Communities and Equalities Scrutiny Committee in July 2022, this report updates Members on the process followed to refresh and launch the new round of OMVCS funding. It also provides a summary overview of the applications received, the current position, and the next steps.

2.0 Background to the VCSE Sector in Manchester

- 2.1 Manchester has a diverse, talented, thriving VCSE sector that achieves significant impacts for the City's residents. The City's diversity is largely reflected in the VCSE sector, both in terms of its characteristic make-up, as well as the sizes and types of organisations that make up the sector. The sector plays many important roles in helping to deliver the aims of the Our Manchester Strategy: Forward to 2025. As previously noted by this Committee, the 2021 Manchester State of the VCSE Sector report identified that in Manchester:
- There are over 3,800 VCSE organisations in the City (up from around 3,390 in 2017) although the total income of the sector in 2019-20 was around £500 million, down from £540 million in 2017
 - The VCSE workforce includes over 162,000 volunteers (an increase from about 111,00 in 2017) giving over 480,000 hours each week (278,000 in 2017). This is valued at £242 million per annum, which is down from the £252 million valuation in 2017
 - 85% of organisations are bringing at least one source of non-public funds into the City (89% in 2017)
 - 66% of organisations are 'micro' (annual income of under £10k; same as in 2017), often providing support to specific communities of identity and / or geography
- 2.2 The challenges faced by the City in recent years have been reflected in the VCSE sector and in turn, have featured heavily in the applications submitted to the OMVCS Fund. There is a prevalence of support to residents living in poverty, which in many instances has been exacerbated by the Cost of Living Crisis but in some cases, has been caused by it. There is a great deal of work to address health conditions, including mental health, many of which are related to ongoing health inequalities but which again have been heightened by recent challenges. There is also a strong thread of inclusion and work to address inequality in the applications received.

2.3 This reflects the impact of the VCSE sector’s work on some of the City’s biggest challenges, and underlines the importance of funding bodies having a continuing commitment to VCSE funding, such as the Council’s commitment to this programme.

3.0 Summary of OMVCS Fund and the Refresh Process

3.1 The first round of the OMVCS Fund ran during the period 2018-2021, and was aligned to the original Our Manchester Strategy. It was extended in the two subsequent years (2021-23), given the urgent challenges faced during Covid-19. During that time, the fund has supported 63 VCSE organisations to deliver high quality (and increasingly, during the pandemic, adaptive and responsive) approaches which have improved outcomes for Manchester residents and helped to make progress towards the City’s strategic aims.

3.2 Work began in early 2022 to review and refresh the OMVCS Fund, taking on board the views of a wide range of stakeholders, primarily VCSE sector groups from different communities of identity and geography, to develop a new programme. This was followed by a co-design process to further refine proposals. The key features of the refresh process are:

Purpose	<p>The statement of purpose was refreshed to better articulate the wider context the fund sits within:</p> <p>The purpose of the OMVCS Funding Programme is to sustain and support a healthy and thriving local voluntary sector in Manchester, so that it can continue to support the city’s residents and focus on what the sector excels at.</p>
Aims	<p>Applicants would need to meet at least one of the following aims:</p> <p>1. Addressing inequalities and building inclusion We aim to strengthen the contribution of Manchester’s VCSE sector to take action that addresses the inequalities experienced by a diverse range of people in the city.</p> <p>2. Promoting communities’ health and wellbeing We aim to support the services and assistance delivered by Manchester’s VCSE sector, have a positive impact on the health and wellbeing of residents and address some of the day-to-day barriers that prevent people from being well.</p> <p>3. Tackling poverty We aim to support VCSE sector work that creates routes out of poverty for Manchester residents, such as through work, skills, advice, food and basic living support. We want to focus on addressing some of the conditions and causes that lead to poverty, working to prevent some of the poorest outcomes.</p>

Expectations	<p>As well as meeting basic eligibility criteria, applicants were also asked to demonstrate how they work in according with the five following expectations:</p> <ul style="list-style-type: none"> • Demonstrating impact - how they have made a positive difference to Manchester residents in the last 18 months • Well-run - demonstrating that they are structured and managed well to make the best impact through their activities • Strength-based approaches - how they work with and build on the unique strengths, capacities and knowledge of Manchester citizens of each community and area in the city. • Collaborative - that they are connected to organisations to enhance the quality and scale of their work • Value for money – that across an application can demonstrate how they meet the principles, the impact that is delivered against the investment needed and the total contribution to the programme aims. <p>These were the original principles of the OMVCS programme which through the refresh process were clarified and adapted to account for the changes in the sector since 2018 and the impact of Covid-19.</p> <p>It was agreed that all applicants must meet the above expectations, but those requesting larger amounts of funding would be asked to provide more and different types of evidence. This information was outlined in additional guidance provided to applicants that was available on the Council’s website.</p>
Funding Sizes	<p>Through the refresh process it was agreed to adapt the upper and lower funding amounts.</p> <p>The fund is split into three sizes of grant, all of which will be allocated for a period of three years:</p> <ol style="list-style-type: none"> 1. Small: between £30,000 and £120,000 over the life of the grant (£10,000–£40,000 a year). 2. Medium: between £120,001 and £210,000 over the life of the grant (£40,001–£70,000 a year). 3. Large: between £210,001 and £300,000 over the life of the grants (£70,001 - £100,000 a year).

3.3 A full outline of the engagement and co-design process, and the prospectus for the OMVCS 2023-2026 fund which outlines all of these changes can be found within the [last report to the committee](#) on this programme, in July 2022. At that time, Our Manchester Funds Team was finalising the proposals for the new fund and preparing to launch it in September 2022. The following section outlines the progress since July 2022, which includes an overview of the assessment process.

4.0 Progress Update July – December 2022

Launch and Applications Overview

- 4.1 Prior to and throughout the fund launch, the Our Manchester (OM) Funds Team hosted several open and targeted information events. These were attended by 175 VCSE representatives (which included sometimes more than one representative of the same organisation), and whilst detailed equality monitoring data was not gathered for individuals, 48 individuals described their organisation as being Black, Asian and Minority Ethnic led.
- 4.2 The programme opened for funding applications on 1 September 2022 and closed on 10 October 2022. Support available for applicants included:
- The prospectus and supporting detailed guidance on how to fill in their applications
 - An information video explaining the key criteria of the fund (this was made widely available via the Council website and included closed captions to maximise its accessibility)
 - An online eligibility checker, so organisations could easily check whether they (and their partners, in the case of partnership bids) could apply to the fund
 - A word version of the application, so that organisations could prepare their answers in advance of using the online Smart Survey form (this was a specific request identified through the engagement process with the voluntary sector, who said that this would make applying more accessible and easier for them)
- 4.3 Throughout this period, Macc, the City's VCSE infrastructure provider, provided support to organisations specifically in relation to the OMVCS Fund. Support included bookable one-to-one eligibility and proposal support sessions, alongside application advice and reviews. 18 groups were supported with one-to-one eligibility assessment for the Our Manchester VCS Fund and circa 30 groups were supported with draft applications. These figures do not include telephone and email queries about the fund from other groups.
- 4.4 Macc created a Frequently Asked Questions (FAQ) document which was regularly checked with the OM Funds Team to ensure accuracy and consistency with the fund guidance. The FAQ document was shared on Macc's website and emailed to groups to support them in their application process.
- 4.5 Following the closure of the application process, a summary of the numbers was as follows:

Number of applications received	217
Applications failing first sift	5 (1 fail, 4 errors)
Eligible applications	212
Total amount requested from the fund (across 3 years)	£33,989,693

- 4.6 The OM Funds Team undertook the first sift of the applications, to check all applications against the eligibility criteria for the fund. Only five applications failed the first sift, suggesting the guidance on eligibility was clear, accessible and easy to follow. This resulted in 212 applications for the assessment panel to review.
- 4.7 By comparison, the first OMVCS programme received 144 applications with 113 to be reviewed following first sift checks. The programme has risen in profile considerably in the intervening years, at the same time as other longer-term funds of its type have become harder to access. It was always likely that the refreshed fund would be substantially oversubscribed, and demand would far outweigh the available budget. For context, it is likely that in the region of 70 applications can be supported from the available budget, which is only around a third of the number received.
- 4.8 It should be noted that the OMVCS programme represents just one source of the Council's funding to the VCSE sector and whilst it is the most substantial and does have unique features compared to other funds, it sits within a wider Council funding landscape. Further to that, the Council's funding commitment sits within a wider funding context in the City, and through its infrastructure contract, Macc can support VCSE groups to identify suitable alternative sources of funding.

Assessment Panel Process

- 4.9 Following the first sift process, an assessment process has taken place. The assessment panel was brought together based on individuals' relevant expertise to the fund, experience with and in the voluntary sector, and availability. As agreed at the co-design stage, it was important that the panel included Council officer perspectives relevant to the funds and its aims, but that it should also include contributions that were independent from the Council and that there should be some diversity reflected in the panel make-up.
- 4.10 The panel was chaired by Millie Brown, Collaboration Manager at Macc, who acted as an independent and non-voting chair, ensuring the process was carried out robustly and as planned. The panel members were as follows:

Keiran Barnes	Policy and Programmes Manager (Communities and VCSE), MCC
Val Bayliss-Brideaux	Head of Engagement (Manchester), Manchester Integrated Care System
Paul Furley	Commissioning Development Specialist, Adult Social Care, MCC
Mandy Salmon	Neighbourhood Manager, MCC
Carol Ann Whitehead	Co-founder and Managing Director, The Zebra Partnership
Barry Young	Equalities Specialist, MCC

- 4.11 Panel members were provided with training, which included:

- Clarity over the purpose, aims and priorities of the fund
- A test-run of the assessment and deliberation process and templates
- A focus on conscious and unconscious bias and the importance of irradicating bias from the assessment process
- Insight on common barriers that applicants experience
- An opportunity for the panel to learn about each other's backgrounds and skills within the panel process

4.12 The face-to-face panel process extends across 35 hours over 5 days in November and December. This is in addition to the large number of hours each individual panellist has spent assessing and scoring all of the 212 eligible applications and the half day training session.

4.13 Applications have been scored on the following six areas. Both the applicants and the assessment panel were provided with guiding principles for what a high scoring application should include, and how these criteria would be weighted in the assessment process:

Area	Weighting %
1. Link to aims of the programme	30
2. Demonstrating impact	20
3. Well run	20
4. Collaborative	10
5. Strengths based approach	10
6. Value for money	10

4.14 Each panel member individually scored all applications and recorded the reasons for their decisions on the templates provided by the OM Funds Team. Panels were organised by size of application (small, medium, large) to ensure decisions were consistent and proportionate to what was being applied for. At the time of writing this report, the small and medium grant panels have been held and initial ranks and deliberations have been recorded. The final panel sessions will be held on 1 and 2 December, before the Committee is scheduled to meet, and an update on the latter stages of the panel process can be shared at the meeting.

4.15 Applications that have consistently scored either very highly or very low across all panellists and all funding criteria have been identified as either recommended for funding, or not meeting the criteria that would deem them fundable respectively.

4.16 Applications that have been less consistently high or low scoring have been systematically considered by the panel, looking for evidence to support each element of the assessment criteria. This has enabled the panel to determine which should be taken forwards as potentially fundable and which have not. All potentially fundable applications are subject to a balancing exercise. This exercise seeks to ensure that the panel is able to recommend a funding portfolio of high-ranking applications that will:

- Support the funding programme's core purpose and aims
- Proportionately target areas of under-representation across neighbourhoods and communities of identity, including but not limited to North and East Manchester VCSE organisations, VCSE organisations that are Black, Asian and minority ethnic-led, VCSE organisations supporting people who have experienced racial inequality
- Demonstrate a balanced range of organisations by size, type and activities that deliver against the funding programme's aims

4.17 To support the balancing process, data from and about the applications will be combined with relevant city data / priorities (e.g. Ward information from the Cost of Living Crisis Stakeholder Pack). The independent chair and the OM Funds Team will support the panel to ensure that the recommended portfolio has been arrived at by following a robust process and reflects the priorities and needs of the city as much as was possible from the submitted applications.

5.0 Overview of Applications Received

5.1 Below is an overview of the data drawn from the 212 eligible applications to the OMVCS Fund, for the Committee's information. This demonstrates the scale and breadth contained within the applications and offers reassurance about the ability of the eventual cohort of funded organisations to support the programme's purpose and aims. This data should be read with several caveats in mind.

1. That the data provided is based on application data and is best viewed as indicative rather than authoritative. The programme relies on organisations to be able to gather supply the data requested, which is not consistently the case. In addition, due to the nature of area-based delivery and community work, many organisations support residents from outside of their immediate areas, so the correlation between location and beneficiary numbers is not a robust one.
2. The information provided is regarding all eligible applications received. The final portfolio of fundable organisations will only be circa 30% of these, and the data around proposed delivery (taking into account the caveat above) will likely look different. The balancing process, however, will ensure that a rounded and qualitative approach is taken to ensuring funded activity provides a meaningful and effective contribution to the aims of the programme and the Our Manchester strategy, rather than basing it on these statistics alone.
3. Organisations record demographic information using different methodologies and not all organisations applying to the fund capture data in the ways the application requested. It has therefore not been possible to provide a reliable breakdown of demographic data.

Asks of the Programme

5.2 The majority of applications received were from individual organisations. Only 6 eligible bids (2.8%) were from partnerships. The majority of bids were

pitched in the medium category and the total ask of the funding from the programme was just over £34 million across three years (actual budget is £7.2 million across three years). This clearly demonstrates the level of oversubscription to this fund, and the challenges that the VCSE sector faces in identifying funding of this type.

Funding Category (over 3yrs)	Applications in this category	As a percentage of eligible bids	Total ask in each category	As a percentage of total ask
Small (£30,000 – £120,000)	81	38.2%	£7,511,328	22%
Medium (£120,001 – £210,000)	95	44.8%	£16,445,543	48.2%
Large (£210,001 – £300,000)	36	17%	£10,139,322	29.7%
TOTALS	212	100%	£34,096,193	100%

- 5.3 The proposals submitted all addressed one or more of the funds’ aims. Many applicants identified all the fund’s aims as being relevant to their activity. A breakdown of coverage against the aims is summarised in the table below. The extensive coverage of all the aims in the eligible cohort offers reassurance that the final funded cohort will have a positive impact across these areas in the coming three years.

Funding Category	Count	As a percentage of eligible bids
Addressing inequalities and building inclusion	176	83%
Promoting communities’ health and wellbeing	196	92.5%
Tackling poverty	146	68.9%

- 5.4 Around 30% of the applications were from applicants stating that they already held the Living Wage Employer accreditation. Of those that did not, the large majority committed to pursuing this within the first two years, if funded. The team will work with successful applicants who are not Living Wage Employer accredited to help them achieve the period 2023-25.

Where applicants are based

- 5.5 The majority of applicants (circa 81%) are registered in the Manchester area. The largest proportion are in Central Manchester. Due to the way that postcode data correlates to Ward boundaries, it has not been possible to identify the correct area for four organisations, however all four are in either North or Central.

Area	No of applicants registered in area	As a % of eligible applicants
North	44	20.8%
Central	86	40.6%
South	39	18.4%
Outside Manchester	39	18.4%
Unknown (North/Central)	4	1.9%
TOTALS	212	100%

Proposed delivery

- 5.6 Applicants are proposing a wide range of activities and provision across Manchester. The following tables show where applicants propose to deliver their activities, both in terms of building on existing work and expanding to cover other areas of Manchester where applicable. There is a good spread of organisations proposing to deliver in each of North, Central and South Manchester.

Areas where applicants propose to deliver activity	Count	As a % of eligible applicants
North (one or more wards)	145	68.4%
Central (one or more wards)	161	75.9%
South (one or more wards)	144	67.9%

Demographics

- 5.7 From the demographic data provided (noting the caveats around this, as explained above), applicants indicated that they collectively worked with over 444,000 people in the last 12 months. This included residents across all protected characteristics including ethnic minorities, as well as other priority groups such as carers and armed forces veterans.
- 5.8 Data was provided which gave an indication across sexual orientation, disability, ethnicity and belief, but cannot be relied upon as being statistically robust. The OM Funds Team will undertake work over the life of the fund to improve the understanding of how these characteristics are reflected in the delivery of services. Funded organisations will receive support to improve their demographic reporting where appropriate.

6.0 Next Steps

- 6.1 As previously noted, at the time of writing this report, the panel assessment process has not concluded. The following timescales and activities map out the remainder of the panel, decision-making and follow-on processes through to commencement of funding on 1 April 2023.

Action	Timescale
Conclusion of the assessment panel process	2 December 2022
Proposed funded organisations for the new OMVCS 2023-2026 fund to be approved by the OMVCS Programme Board	w/c 19 December 2022
Organisations informed of outcome and due diligence process begins	w/c 2 January 2023
Due diligence process is completed	w/c 27 February 2023
New programme begins	1 April 2023

- 6.2 The decision to inform applicants of the outcome of the process as early as possible in January has been taken in recognition that many unsuccessful applicants may want to quickly make contact with the OM Funds Team and / or Macc to look at additional support or alternative funding options. Both teams will be on close-down over the Christmas period, and the judgement has been taken to inform applicants at a stage when they can readily make contact with the relevant officers.
- 6.3 A verbal update on the outcome of the panel process will be provided at the committee's meeting on 6 December, outlining the statistical coverage of the proposed programme against the available information. It is important to note that this will be before any decisions on individual bids are taken, so data will be thematic and will not include the names of individual applicant organisations. Officers will welcome the committee's comments on progress to date, but will not be able to divulge individual bid information, as the information will not be in the public domain.

7.0 Conclusions

- 7.1 This report offers assurance that the planned process for the OMVCS refresh and launch, as reported to this committee in July 2022, has been followed and continues to its conclusion to a high standard. The OM Funds Team would like to publicly thank the funding panel for their hard work.
- 7.2 In addition to the process, this report offers assurance of the ability of the applicants to the fund to deliver against the programme's purpose, aims and priorities. As noted earlier in this report, the breadth, talent and diversity of Manchester's VCSE sector is vital in providing residents with support in the most challenging times, and that is reflected in the applications received.
- 7.3 Following the decision-making and informing processes have concluded, the OM Funds Team will continue to work with Macc to ensure that unsuccessful applicants are able to access relevant and appropriate support and / or funds, as well as ensuring that successful applicants also receive ongoing support throughout the funding period.
- 7.4 The committee is asked to note and comment on the contents of this report.