

**Manchester City Council
Item for Information**

Report to: Communities and Equalities Scrutiny Committee – 10 October 2019

Subject: Voluntary, Community and Social Enterprise (VCSE)
Infrastructure Service Update

Report of: Director of Policy, Performance and Reform

Summary

This report provides an update on the Voluntary, Community and Social Enterprise (VCSE) infrastructure service, specifically on the progress since January 2019 and the procurement of the new VCSE infrastructure service contract.

Recommendations

Members are asked to consider and comment on the report for the Voluntary, Community and Social Enterprise infrastructure service contract.

Wards Affected: All

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

Officers will work with the VCSE Infrastructure provider to consider how the VCSE sector can play a full and active part in Manchester's ambitions to live within our science-based carbon budget and become a zero carbon city by 2038 at the latest

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	The VCSE infrastructure service contract supports the growth and sustainability of the VCSE including the workforce, volunteering and relationships with business.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The VCSE infrastructure service contract supports volunteering pathways into education, employment and training and the positive contribution residents (particularly older people) make through voluntary work and their active contribution to city life and their communities.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The VCSE infrastructure service contract works with the VCSE and other key stakeholders to find new ways of reaching those communities that remain untouched by Manchester's success,

	creating resilient and vibrant communities of people.
A liveable and low carbon city: a destination of choice to live, visit, work	The VCSE infrastructure service contract works with VCSE organisations and other partners that reflect and celebrate diversity, engage communities and engender pride in the city.
A connected city: world class infrastructure and connectivity to drive growth	The VCSE infrastructure service contract provides a range of information across a number of mediums that helps to improve local connectivity between VCSE organisations and the public and private sector

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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.

Voluntary and Community Sector (VCS) Infrastructure Contract - Communities and Equalities Scrutiny Committee – 6 December 2018

Voluntary & Community Sector Infrastructure Service – Co-design Recommendations - Communities and Equalities Scrutiny Committee – 7 February 2019

1. Introduction

- 1.1. The Council continues to invest in its relationships with the VCSE sector in a number of ways, notably through the Our Manchester Voluntary and Community Sector (OMVCS) grant programme and its investment in VCSE infrastructure support citywide. This service includes capacity building – development and support around governance, organisational structures, policy and funding; as well as engagement and influence in partnership work, co-design processes and volunteering opportunities for residents. Fundamental to this is the desire to have a diverse, thriving, resilient, effective and sustainable VCSE sector in Manchester which is recognised as a key priority within the Our Manchester Strategy as something that will enable the VCSE to continue to provide an important contribution to delivering the vision and desired outcomes for the city. The role of local infrastructure for the sector is seen as an important enabler to achieving the ambitions described above, as it provides services, support and advice to, and promotes, local charities, community groups and social enterprises that deliver social action.
- 1.2. In December 2018, Members of this committee received a report on the progress of the VCSE infrastructure service review and co-design process. A further update on the progress of the VCSE infrastructure service co-design process and recommendations came back to the committee in February 2019. Since then, the co-design recommendations have been incorporated into the specification design, and procurement for the VCSE infrastructure service has been completed. This report provides further information on the process and outcome of procurement.

2. Background

- 2.1. The table below is a brief summary on the timeline and processes that have been undertaken to date:

April 2018 - September 2018	Joint review between Manchester City Council (MCC) and Manchester Health and Care Commissioning (MHCC) of their respective infrastructure service contracts
September 2018 - December 2018	Co-design of new contract (see Communities and Equalities Scrutiny Committee, December 2018)
January 2019 - March 2019	Consultation with the VCSE sector, Members and wider stakeholders on co-design group recommendations (see Communities and Equalities Scrutiny Committee, February 2019)
March 2019 - April 2019	Development of specification based on co-design recommendations and consultation comments. This

	period also included a soft-market testing event which was aimed at stimulating market interest.
May 2019 - September 2019	Tender process, including VCSE reference group, assessment panel and completion of procurement report and publication of the Key Decision

3. Procurement

- 3.1. The VCSE infrastructure service contract was open for tender between 6th June 2019 - 8th July 2019. One bid was received from Macc - the current provider of the contract.
- 3.2. As part of the standard procurement practice, potential bidders who declined to submit a tender were asked why they did not at this time, with the following reasons given:
 - “Cannot supply”
 - “Not related to their business”
 - “Unable to meet our requirements”
 - “Insufficient resources to bid a this time.”
- 3.3. In addition to the above, some discussions took place with potential bidders during soft-market testing which indicated interest in specific elements of the VCSE infrastructure service contract, but not the whole specification. In discussion with the OMVCS Programme Board (that has oversight of the VCSE infrastructure service contract), it was agreed that the specification for the service should continue to cover all of the elements, rather than separating it out into separate lots (e.g. a separate lot of development support, volunteering, and participation and voice). This was agreed due to the economies of scale and strategic oversight that comes from one organisation providing the whole service.
- 3.4. Whilst the decision was made not to split the contract up, more emphasis was placed on collaboration and partnership working across the sector within the specification as a way of increasing access to more specialist support. For example, work specifically relating to VCSE disability services or developing engagement with BAME communities. Whilst the infrastructure service contract holder may be able to provide some assistance in these areas, it may also be that there is further support needed from organisations who specialise in these areas. It was an expectation within the specification that this would be developed and facilitated by the infrastructure service contract provider.
- 3.5. Involvement and consultation with the VCSE sector has been a high priority and integral to the design of the process. As outlined in the previous Scrutiny reports there have been several stages (see above) which have involved the VCSE sector and wider stakeholders. It was a key objective to continue with the principle of co-design and involvement of the sector throughout every stage, including the procurement process. However, this had to be balanced

with procurement rules which are explicit about conflict of interest and decision making powers.

- 3.6. A 'VCSE Reference Group' was established, made up of representatives from VCSE organisations to support the procurement process. This reference group and its representatives acted as a non-scoring, advisory group that provided guidance and feedback to a scoring assessment panel on relevant sections of the bid submitted for the VCSE infrastructure service contract. Reference group members were invited to give feedback on the 'quality' responses of the returned bid, which provided valuable knowledge, experience and guidance to the scoring assessment panel. Reference panel members were invited from both non-OMVCS and OMVCS grant funded organisations in order to reach a wider range of organisations. The final group consisted of five VCSE organisation representatives of varying size, geographic coverage and thematic areas (of work):

Forever Manchester
Homestart
Manchester Men's Room
Moodswings
Whalley Range Community Forum

- 3.7. The (scoring) assessment panel members were chosen based on their expertise in areas that were priorities of the contract. This included two representatives from MHCC:

Role	Organisation
Programme Lead, Our Manchester Funds	MCC
Equalities Specialist	MCC
Strategic Lead for Neighbourhoods	MCC
Contract and Commissioning Manager	MCC
Senior Engagement Manager	MHCC
Programme Director, Our Healthier Manchester	MHCC

- 3.8. The assessment panel marked all areas of the bid utilising the feedback from the VCSE reference group on the 'quality' section.
- 3.9. Both panels agreed that the bid met the required threshold and that it should be awarded the contract (subject to sign-off and contract negotiation meetings). In addition, both panels provided feedback to be used during

contract negotiations and the ongoing management of the contract. A summary of this is included below:

- 3.9.1. It was agreed by all that the bid demonstrates that the experience and history that the organisation has in working with the sector, and all assessment panel members had confidence in the bidder's ability to manage the contract.
- 3.9.2. The assessment panel particularly appreciated the 'self-sufficient and supportive ethos' the organisation takes to development support, including the focus on upskilling and encouraging VCSE organisations to work with each other.
- 3.9.3. There were elements that both panels would have liked more clarity and detail on, such as the proposed engagement on a neighbourhood level and with businesses, and how these would work on a practical level alongside existing and upcoming developments in these areas by MCC. It was agreed that this would be picked up in contract management meetings.
- 3.9.4. Both panels questioned whether 'the ask' in the specification was/is too large and whether it has too many outcomes that would potentially stretch any provider and not get the best value for the resource. Feedback from both panels agreed that commissioners and the provider should use a series of kick-off meetings to develop and agree on priorities (e.g. annual), outcomes and measurements for the contract in order to address this.
- 3.10. The assessment panel's recommendation has been progressed through the internal Council procurement approval/senior sign-off process. As the infrastructure service contract is worth more than £500,000 over the lifetime of the contract, the decision had to be published for approval on the Key Decisions register. This was put on the register on the 6th September 2019 and was passed on 19th September 2019. A standard ten day standstill period followed, leading to the contract being awarded with a start date of the 1st October 2019.
- 3.11. Contract negotiation will now begin with Macc, initially through a series of kick-off meetings. The focus of these meetings will be to agree how the Programme Team - Our Manchester Funds/MHCC (as the commissioners) and Macc will work together effectively, and to address the feedback from the process. These meetings will also focus on developing a monitoring system that is fit for purpose, provides the right data, and helps with priority setting for the service. This will include agreeing the outcomes and key performance indicators for the contract, and how the evidence of impact is captured and shared more widely with stakeholders including the VCSE sector, other commissioners, elected Members and key partners. This will be guided by feedback from the review, co-design group recommendations and subsequent consultation, which recommended that the VCSE sector (as the beneficiaries of the service) have more involvement in the monitoring processes and priority setting going forward.

4. Equality Impact Assessment

- 4.1. The approach to successfully re-designing and procuring the new VCSE infrastructure service contract has been as important as producing the outcome. The aim has been to ensure that the process was transparent, equitable, and based on the Our Manchester principles. It was important to build and incorporate the feedback and learning from previous co-design and review processes with the VCSE sector, which outlined the importance and need for an open and inclusive process which includes a wide diversity of voices. To support this work, an Equality Impact Assessment (EIA) has been conducted and is attached (Appendix 1).
- 4.2. The EIA finds that there has been due regard paid to the protected characteristics and further diversity considerations given throughout the process of co-design and awarding of the VCSE infrastructure service contract. This has been achieved through considering equality and protected characteristics throughout every stage of the process, including where participation and feedback from the VCSE can be incorporated.
- 4.3. An example of this has been a priority that has been placed upon engaging, facilitating and empowering communities of identity, and in particular BAME communities/organisations. This was developed as a priority following consideration of the Council's wider budget and priority setting for 2019/20, the EIA and gap analysis (2018) from the first round of the OMVCS grant programme and the delivery of Our Manchester initiatives to date, which recognised that there was a gap within the support to BAME communities/organisations. This priority was reflected in both the design of the process and the contract, including elements of the specification asking bidders to respond with how they would support, facilitate and empower BAME communities/organisations.
- 4.4. The co-design process and assessment panel has purposely included an Equalities Specialist from the Council's Equality, Diversity and Inclusion Team to provide ongoing challenge and support around the equality considerations across all of the work. Further information on how this priority was met throughout the VCSE infrastructure service contract redesign and procurement process can be found within the EIA.

5. Next Steps

- 5.1. As outlined in this report, the kick-off and contract negotiation meetings for the VCSE infrastructure contract will now commence with Macc, with the new 3 year (+ 2 year option to extend) contract starting on 1st October 2019. As well as focusing on priorities, agreeing outcomes and monitoring arrangements in these meetings, the Programme Team will also consider the communications strategy, particularly how they/Macc can regularly engage Members in the work of the VCSE infrastructure service contract. The Programme Team welcome suggestions and feedback from Members about the best way to take this forward.

6. Recommendations

- 6.1. The Committee is asked to consider and comment on the report.