

MEETING: GMCA

Date: 26th July 2019

Subject: Greater Manchester Voluntary Sector Community & Social Enterprise Accord Update

Report of: Cllr Allen Brett, Portfolio Lead Leader for Community, Co-operatives, Voluntary Sector and Inclusion; and Pam Smith and Andrew Lightfoot, Joint Portfolio Leads for Community, Co-operatives, Voluntary Sector and Inclusion

PURPOSE OF REPORT

In November 2017, GMCA Members endorsed the GM Voluntary, Community and Social Enterprise Accord and arrangements for its implementation. This report presents an update on the work which has subsequently taken place.

The report also presents information about the Policy Paper, which has been developed under the Accord by the GM VCSE Devolution Reference Group, and will sit alongside the Reform White Paper, Local Industrial Strategy and Health and Social Care Prospectus.

Furthermore, the report will propose that GMCA initiates a review of its investment in the VCSE sector in the light of the Policy Paper, including the grant funding which goes into VCSE infrastructure organisations at a GM level.

RECOMMENDATIONS:

The GMCA is requested:

1. To note the update provided on progress made to deliver the GM VCSE Accord.
2. To note the development of the VCSE Policy Paper.
3. To approve the proposal to review GMCA investment with VCSE organisations in the light of the evolving GM policy context, including the grant funding which goes into VCSE infrastructure organisations at a GM level, and report back on completion of this review.

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Risk Management – None

Legal Considerations – Section 5 (relating to contractual arrangements with VCSE organisations funded by GMCA)

Financial Consequences – Revenue – Section 5 (relating to a review of GMCA investment in the VCSE sector)

Financial Consequences – Capital – None

Number of attachments included in the report: Appendix 1 is part of the report

BACKGROUND PAPERS:

- Draft VCSE Policy Paper – to be published shortly at GMCVO website
- GM Co-operative Commission terms of Reference <https://www.gmconsult.org/strategy-team/coop-commission/>
- GMCA Social Value Policy - https://www.gmcameetings.co.uk/downloads/file/336/gmca_social_value_policy
- GM Social Enterprise Vision - <http://gmsen.net/content/greater-manchester-social-enterprise-summit-overview-day>

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	No
EXEMPTION FROM CALL IN	
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?	No
GM Transport Cttee	Overview & Scrutiny Committee
N/A	N/A

1. BACKGROUND

- 1.1 The Greater Manchester Strategy (GMS) sets out the ambition to make Greater Manchester one of the best places in the world. It is a strategy for everyone in Greater Manchester – residents, the voluntary, community and social enterprise (VCSE) sector, businesses, and civic leaders. But the vision it sets out will only be achieved if GM can build on new approaches which are shaped and driven by our communities themselves.
- 1.2 As part of the delivery of the GMS, in November 2017 and on behalf of the GMCA, an Accord was signed by the Mayor of Greater Manchester with the VCSE sector, which set out new, improved standards of working with voluntary, community and social enterprise organisations.
- 1.3 The Accord acts as a framework for the delivery of the vision set out in the GMS and as a result, the VCSE sector is engaged in the development, governance and delivery of the GMS including relevant consultation and co-design.
- 1.4 Much of the work to put the Accord in place was led by GM Centre for Voluntary Organisation (GMCVO) on behalf of the sector. The creation of the GM VCSE Devolution Reference Group¹, which seeks to promote the role and involvement of the VCSE sector and communities in devolution, has given a broader group of VCSE leaders with which to work. The Reference Group comprises individuals from eighteen voluntary, community, faith, and social enterprise organisations from across Greater Manchester. It enables VCSE organisations to engage directly in Greater Manchester’s devolution.

2. DELIVERY OF THE ACCORD

- 2.1 As part of the Accord, the VCSE sector through its GM Reference Group, has made a number of ‘offers’, based on its strengths around engaging, informing, consulting, supporting and mobilising residents; knowledge of communities by location and identity; social innovation and leverage of independent resources.
- 2.2 The GM Mayor and Combined Authority have agreed to champion co-production; create new partnerships; support inclusion; engage and involve the sector in strategic work; develop a long term investment approach for the VCSE sector; and provide initial capacity building funding to support the development of an Action Plan to the Accord.
- 2.3 The Action Plan to deliver the Accord commenced with immediate opportunities such as ensuring VCSE representation in GM governance; refreshing the GM Social Value Policy, developing a new GM Social Enterprise Strategy and exploring a GM Volunteering Strategy.
- 2.4 The initial capacity building funding to support the development of the Accord Action Plan has been put in place, and has seen the recruitment of the VCSE Accord Principal into the GMCA Strategy and Policy Team.

¹ <https://www.vsnw.org.uk/our-work/devolution/gm-vcse-devolution-reference-group>

- 2.5 In the last 18 months, significant progress has been made around the three products named in the Accord:

A series of workshops have been held to inform the refresh of the **GM Social Value Policy**, linking to the Jam and Justice Project led by Sheffield Hallam University, and also with work around the refresh of the government's own social value policies, led by the Department for Digital, Culture, Media and Sport. The GM Social Value Network has ensured a broad engagement across all sectors and continues to facilitate networking and sharing of good practice across the city region. Furthermore, GM has become an NHS Social Value Accelerator site, which has led to the commissioning of a detailed examination of the potential scale and value of the 'return' which might be created through social value generated from public sector commissioning in GM. This work is being carried out by the Centre for Local Economic Strategies. The final report from this research is due to be published in the summer of 2019, following which proposals will be finalised for a GM-wide social value approach and the refresh of the GMCA Social Value Procurement policy and arrangements.

A **Vision for Social Enterprise in Greater Manchester** was launched by the Mayor of Greater Manchester at the Social Enterprise Summit held in November 2018. Since that time, work has been taking place to engage widely with social enterprises across the city region, as part of the development of a clear Strategy and Action Plan. Social Enterprise as a form of business features strongly in the GM Local Industrial Strategy, and a commitment has been made to '*create the optimum conditions for social enterprises and cooperatives to thrive*'. The Local Industrial Strategy describes opportunities to explore the productivity of social and cooperative forms of enterprise, and to revitalise town centres and high streets by supporting creatives, digital entrepreneurs, and innovators. Furthermore, a group of public and academic sector organisations has come together to describe how it will support the growth of social enterprises in GM. GMCA officers are now working with social enterprise leaders to identify some practical steps that can be taken towards strengthening to role of social enterprise across GM.

A cross-sector steering group led by GMCVO and the University of Manchester has drafted a **GM Volunteering Strategy**, which will be implemented by the various organisations which support volunteering across GM. Resources are currently being sought to support this work.

3. GM VCSE DEVOLUTION REFERENCE GROUP POLICY PAPER

- 3.1 At the time that the VCSE Accord was signed, it was agreed that delivery of the Accord be progressed through the development of a VCSE Action Plan to explore in greater detail how the sector can work with public and private sector partners to help realise the GM vision.
- 3.2 In the year since the Accord was signed, significant new developments were starting to occur across GM, including the development of the Local Industrial Strategy, the Health and Social Care Prospectus and the White Paper on Public Service Reform, as well as a number of thematic strategies. It is clear that the VCSE Accord now needs to be viewed in the light of this package of strategic documents.

- 3.3 In January 2019, the GM VCSE Devolution Reference Group agreed that there was a need for them to set out the detailed 'offer' which the VCSE sector could make towards the future of GM, and also describe the transformation which will be required for the sector to maximise its potential as a functioning 'ecosystem' of voluntary, community and social enterprise activity. The Paper describes the role of VCSE anchor organisations and local VCSE infrastructure organisations which support and facilitate the operation of the wider sector, as well as that of the specialist groups and organisations which support, represent and champion particular communities of identity. It builds from both the VCSE Accord and the Memorandum of Understanding signed by the sector with the GM Health and Social Care Partnership, bringing these together under one approach.
- 3.4 The VCSE Paper sets out policy and direction, and is not intended to be a strategy for action. That will need to follow, with the co-production of an implementation and transformation plan in each of the 10 districts of Greater Manchester. The working arrangements that will allow this transformation to happen will vary by community, neighbourhood and locality; so will need to be asset-driven and co-designed with relevant partners in each district within the broad functional framework set out in this Paper.
- 3.5 **Appendix 1** contains the key 'Take Home Messages' from the VCSE Policy Paper. A broad stakeholder engagement exercise is now under way across GM, which will include locality based discussions about the potential role of VCSE organisations in neighbourhood working. This is led by GMCVO and the VCSE local infrastructure organisations. An online consultation is also taking place, with the full Policy Paper document being available at the GMCVO website.
- 3.6 It should be noted that the VCSE Accord, and the Memorandum of Understanding with the GM Health and Social Care Partnership have been recognised as being nationally significant in terms of the progressive collaboration between VCSE organisations and their partners, but this Policy Paper is ground-breaking for the sector in its creation. GM is leading the way in terms of the strength of its VCSE leadership.

4. GM CO-OPERATIVE COMMISSION

- 4.1 The Greater Manchester Co-operative Commission was convened in February 2019 as an independent panel, making policy recommendations to support the continued development of the co-operative sector in Greater Manchester and to ensure that Greater Manchester Combined Authority is drawing on the benefits that co-operatives can bring to our local economy.
- 4.2 The Commission will be a driver for the development of co-operative activity across the city-region, encouraging greater collaboration within the co-operative sector and contributing to the achievement of the ambitions of the Greater Manchester Strategy and Local Industrial Strategy.

- 4.3 To date, the Commission has met five times, agreeing its aspiration and Terms of Reference, and conducting discussion around the opportunities presented in the housing, transport and digital sectors, as well as exploring how Greater Manchester can better support the development of co-operative businesses. The accompanying Call for Evidence will remain open at <https://www.gmconsult.org/strategy-team/coop-commission/> until September 1st 2019.
- 4.4 Early findings indicate that GM has an under developed co-operative sector, but that many opportunities exist to enable it to flourish. Recommendations are likely to include the need to put in place incentives for people to develop new co-operative business and activities, and the business support needed to for the sector to grow and thrive. There is an aspiration for GM to have co-operative working at scale, but this should not just be big co-ops, Commissioners have commented that GM should be looking to Mondragon or Barcelona in Spain, and other areas where the culture is 'co-operative' and community-led initiatives are commonplace.
- 4.5 The Commission will report back in the late autumn of this year, with specific recommended actions for GM; work to create a momentum which outlasts the Commission; and creation of a physical legacy of knowledge, secrets of success and examples of good practice.

5. GMCA INVESTMENT IN THE VCSE SECTOR

- 5.1 The VCSE Accord describes how the partnership of the VCSE sector and GMCA will explore an investment approach supporting strategic VCSE capacity reflecting GMS priorities which extends beyond annual contracting and covers core costs not just project funding. This investment approach will be informed by the Policy Paper described above.
- 5.2 In November 2017, the paper which was approved by GMCA members relating to the VCSE Accord described an initial £50,000 of capacity building funding is provided from budgets currently used to support crime and disorder initiatives. The paper also proposed that a GM VCSE Investment Fund be established to support strategic VCSE capacity in delivering the GMS vision.
- 5.3 Initial work to create the Investment Fund has brought together existing Mayoral funding streams under the Police and Crime budget including the Active Citizens Fund, the Youth Aspiration Fund and the Youth Aspiration Sustainability Fund to provide strategic funding grants of at least three years' duration from April 2018.
- 5.4 In January 2018, the GMCA agreed a process to identify organisations to be funded via the new GMCA Cultural and Social Impact Fund, which was to replace the AGMA Section 48 Cultural Fund. This process saw GMCVO being funded at previous Section 48 levels from the GMCA Cultural and Social Impact Fund, under the new VCSE Sector and Cooperatives Portfolio. The new contract was subsequently awarded to GMCVO for 2 years until March 2020.

- 5.5 Furthermore, individual awards of funding have been made in the last year to VCSE organisations which support the GM Mayor's Disabled People's Panel, the Youth Combined Authority and the Mayor's LGBT Advisory Panel, as well as a range of other small projects.
- 5.6 There now exists an opportunity to explore how GMCA funding can be used to draw additional money into the VCSE sector in GM, for example through 'social investment' or 'crowd funding'. A number of new social investment opportunities are starting up in GM, and the National Lottery Communities Fund has approached GMCA with a proposal to create a 'Funders' Forum' which will see its members working together to maximize inward investment and positive outcomes.
- 5.7 It is proposed therefore, that a review be undertaken of all investments and grants made by GMCA into VCSE organisations, that this review consider alignment with the GM VCSE Devolution Reference Group's Policy Paper in order to support successful delivery of the sector transformation described in that Paper, and that a clear funding strategy is developed which maximizes the benefits realised in terms of delivery of the GMS. This review will consider the VCSE functions into which GMCA should invest at a GM level, alongside any grant funding or investment made at a locality level by individual local authorities or Clinical Commissioning Groups. The review will be carried out through the lens of place-based working and the stacking of neighbourhood areas of around 30-50k, up to the locality and into GM level working, in order to align with the White Paper on Public Service Reform.

APPENDIX 1 – GM VCSE Devolution Reference Group Policy Paper

EXECUTIVE SUMMARY

INTRODUCTION

- In this Policy Paper, the *'we'* is the *Greater Manchester Devolution VCSE Reference Group* – which brings together VCSE leaders from cross of different communities, localities and specialisms.
- We have set out a long term (25 year) ambition for the VCSE sector, and articulated a 10-year plan for realising our potential - our *'offer'* to Greater Manchester's people and communities, and also the changes that need to happen to maximise this offer.
- We have written this paper from the foundations set out in the Accord that we have entered into with the Mayor of Greater Manchester and GM Combined Authority, and the Memorandum of Understanding with the GM Health and Social Care Partnership, as well as intelligence gathered from VCSE organisations.
- Our Reference Group enables VCSE organisations to engage directly in Greater Manchester's devolution. The Accord and Memorandum of Understanding are *nationally significant* in terms of the progressive collaboration between VCSE organisations and their partners, and *this Policy Paper is ground-breaking* for the sector in its creation.
- This Paper sets out *policy and direction*, and is not intended to be a strategy for action. That will need to follow, with the co-production of an implementation and transformation plan in each of the 10 localities of Greater Manchester.
- The working arrangements that will allow this transformation to happen will vary by community, neighbourhood and locality; so will need to be *asset-driven and co-designed with relevant partners in each district* within the broad functional framework set out in this Paper.
- The Paper does not describe *'governance'* in terms of one part of the sector having control over another, but instead as clear arrangements for communication, engagement, representation and participation.
- The Executive Summary of this paper is intended to *'stand-alone'* and contains all the policy messages contained in the full Paper. What it lacks however, are the case studies and worked examples provided in the full version, all of which add illustration and meaning to our proposals.

KEY 'TAKE HOME' MESSAGES

- VCSE organisations have been an integral part of the communities of Greater Manchester for over 200 years. In 2019, it is important that we articulate the vital role played by these organisations, both now and in the future, towards addressing inequalities in wellbeing, wealth and living standards, and describe the continuing need to support and grow the reach, scale and spread of the sector. We want to work together and with our partners to make this happen.

- VCSE organisations work closely together and in synergy with, but independent from, the statutory and business sectors. VCSE work will be social at heart, driven by action in communities and take a ‘citizen lens’ to people, place and prosperity in order to make Greater Manchester a better place.
- VCSE organisations are involved in a huge range of activities in communities from fixing cars to gardening, from social care to money advice, and from tackling homelessness to singing for dementia, for example. They are enablers of enlightenment, solace and belonging, and the sector as a whole is a key player in the social economy.
- In this Paper, we are proposing that the VCSE sector be thought of as an ‘ecosystem’ with a complex web of relationships and interdependencies built around a network of ‘anchor organisations’, and having distributive leadership. Our ecosystem is like a loofah; capable of expanding and contracting, whilst maintaining strength and purpose. It is also like a garden – growing, changing, adapting, living, breathing, and fragile, containing organisms whose lives depend on each other and the environment around them.
- The VCSE ecosystem does not just contain the providers of ‘services’ in communities, it also contains organisations able to champion and advocate on behalf of others, giving voice to people and communities; and also local infrastructure organisations, whose role is to support other VCSEs to operate effectively and enable the ecosystem to function.
- This paper will start to articulate clear lines of communication and pathways around the VCSE ecosystem for our partners, methodologies for collaboration, and clarity around areas of mutual support. The way that VCSE organisations ‘organise’ may be different and organic, but it works!
- We have recognised that there are a series of ‘enablers’ which will help the VCSE sector thrive and achieve its potential. These include improved leadership and accountability for the sector, as well as greater representation and involvement in local decision-making and partnerships.
- For the VCSE sector, ‘leadership’ should be embedded throughout the ecosystem and be about enabling, catalysing and supporting others to act, rather than any top-down control.
- Our intelligence shows that creating a sustainable and productive VCSE sector will need collaboration, and investment of effort and funding. This will be especially true in places where ‘social infrastructure’ is thin on the ground, and in areas where an expansion of the sector will be needed for VCSEs to reach their potential in delivering the Greater Manchester Strategy.
- We need to focus attention on supporting our ‘workforce’ (including volunteers and activists); securing physical assets; improving our digital capacity and driving forward innovation. Together, the sector can create the ‘third spaces’ needed to create bridging social capital, and grow social enterprise/community business targeted on our most excluded people and places.
- Achieving the potential benefit from VCSE action whilst remaining values-driven will need a co-ordinated approach to funding and resources, including an increased focus on covering the ‘real cost’ of VCSE delivery; giving financial sustainability and reliability. We are working with our funders, local businesses and investors to explore greater collaboration and co-ordination to maximise new financial opportunities. There are actions that VCSE can take in communities that are difficult for others, and we will work with partners to secure the resources required to do these things.
- Finally, and most importantly, *the VCSE sector is part of the ‘system’* that is committed to delivering the outcomes of the ‘Future of GM Package’ including the Greater Manchester Strategy, the Health and

Social Care Prospectus, the Local Industrial Strategy and Reform White Paper. VCSE services and activities are co-dependent with 'public services' and should therefore be an integral part of the planning and resourcing of statutory and state-run services. This Paper will set out a blueprint for achieving the integrated planning into which VCSE organisations can bring 'hope, then help'.