

Greater Manchester Combined Authority

Date: 27th October 2023
Subject: Implementation of Greater Manchester VCFSE Accord and a Fair Funding Protocol
Report of: Councillor Arooj Shah, GM Portfolio Leader for Communities and Equalities, Andrew Lightfoot, GM Portfolio Chief Executive for Communities

Purpose of the Report:

In September 2021, the Combined Authority approved a new tripartite Accord agreement with the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector and NHS Greater Manchester, to act as a framework for collaboration involving VCFSE leaders and organisations in the delivery of the Greater Manchester Strategy (GMS) and the thematic strategies and delivery plans that will exist to deliver the GMS vision. This Accord has been endorsed through the Executive structures of all ten of the GM local authorities. In March 2022, a five-year Implementation Plan for the Accord was published, and this report provides an update on the work that is currently taking place across Greater Manchester.

It is clear that a huge amount of progress has been made already, with VCFSE sector representatives “at the table” in the places where important decisions are made across the NHS, Health and Social Care and GMCA partnerships. The sector is playing a strong role across all the commitments and thematic areas of the GMS, and improvements have been made for the sector’s workforce, in communication, in partnerships and in service delivery. The Accord includes a commitment that the CA will work with its partners to build a financially resilient VCFSE sector. However, the sustainability and resilience of front-line community groups and organisations has been hit hard by both the current economic situation and the withdrawal of Covid emergency funding, thereby reducing their capacity to help. It is proposed therefore that GMCA commits to a Fair Funding Protocol in relation

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

to new grants and contracts for activities and services that the VCFSE sector carries out across Greater Manchester which are funded directly from the CA's budget.

Recommendations:

The GMCA is requested to:

1. Note the progress update provided.
2. Approve the Fair Funding Protocol for activities and services that the VCFSE sector carries out across Greater Manchester which are funded directly from the GMCA's budget.

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Equalities Impact, Carbon and Sustainability Assessment:

Results of the [Sustainability Decision Support Tool](#) are included here:

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation	
Equality and Inclusion	G	<p>The Accord enables involvement of a range of communities of identity, experience and geography, facilitating support and advocacy for particular communities.</p> <p>Key to the work of the VCSE sector under the Accord will be to enhance its ability to tackle poverty and disadvantage</p> <p>The Accord will facilitate the involvement of VCSE organisations in the service reform programme and 'services for people' in localities and neighbourhoods.</p> <p>The VCSE Accord will include work to increase co-design of services, support the GM Equalities Alliance and enable structures that allow communities to have a say in shaping decisions that affect them</p> <p>Involvement of VCSE organisations will be key to work to support community cohesion across GM, and this will be embedded in work to deliver the Accord.</p>	
Health	G	<p>Through key VCSE-led programmes like GM Moving, also through development of structures for the GM-wide Live Well service.</p> <p>The VCSE Accord will build from existing successes around VCSE-led low level mental health programmes.</p> <p>Through key VCSE-led programmes like GM Moving, also through development of structures for the GM-wide Live Well service.</p> <p>Through facilitation of key VCSE-led wellbeing programmes including development of structures for the GM-wide Live Well service.</p> <p>Improving referral pathways and connections for support, via VCSE organisations collaborating with statutory services</p> <p>The VCSE Accord will enable VCSE involvement in key healthy food programmes, and enable a support infrastructure and resilient forms of funding</p>	
Resilience and Adaptation	G	<p>The VCSE sector has an important role to play in creating environmental benefits, reducing carbon use, responding to emergencies and mitigating risks to communities.</p> <p>The VCSE sector has an important role to play in the Coronavirus recovery work</p> <p>The VCSE Accord describes the sector's role in supporting resilience of society and environment</p> <p>A strong agreement with the VCSE sector will enable involvement in key community safety programmes such as the Violence Reduction Unit.</p> <p>VCSE organisations play a significant role in enhancing and maintaining green and blue space in GM</p>	
Housing	G	<p>The VCSE Accord will build from strong experience around the Homeless Action Network, for example</p> <p>Through the VCSE-led community homes programme</p> <p>Through community ownership and management of redundant and underused buildings and public spaces</p>	
Economy	G	<p>The VCSE Accord contains a commitment around making a more inclusive and social economy</p> <p>The VCSE Accord contains a commitment around improvement of workforce capacity and capability, also seeking for the sector to have 100% employees paid the Real Living Wage</p> <p>The VCSE Accord contains a commitment around improvement of workforce capacity and capability, also seeking for the sector to have 100% employees paid the Real Living Wage</p> <p>The Accord will include work to support social enterprises and other social economy organisations to thrive</p> <p>VCSE organisations play a key role in social innovation activities</p> <p>The VCSE sector can leverage funds from charitable funders, social investors and other philanthropic givers.</p> <p>VCSE organisations play a key role in community learning programmes that wrap around statutory provision</p>	
Mobility and Connectivity	G	<p>Focus in the VCSE Accord on accessible services, facilitating the hearing of lived experience from communities and co-design of infrastructure</p> <p>VCSE organisations play a role providing low carbon transport schemes</p> <p>Focus in the VCSE Accord on accessible services, facilitating the hearing of lived experience from communities and co-design of infrastructure</p>	
Carbon, Nature and Environment	G		
Consumption and Production	G	<p>VCSE organisations make commitments to reduce waste in their activities</p> <p>VCSE organisations make commitments to increase reuse and recycling in their activities</p>	
Contribution to achieving the GM Carbon Neutral 2038 target		<p>The UKG are interested in bids which are particularly strong on the need for UKCRF projects to demonstrate a contribution to national net zero and carbon reduction ambitions and this forms a key part of the UKG's assessment criteria. GM priorities should contribute to our carbon neutrality and environmental objectives. We would welcome projects which are innovative, inclusive and support the</p>	
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment		
 Positive impacts overall, whether long or short term.	 Mix of positive and negative impacts. Trade-offs to consider.	 Mostly negative, with at least one positive aspect. Trade-offs to consider.	 Negative impacts overall.

Carbon Assessment		
Overall Score 		
Buildings	Result	Justification/Mitigation
New Build residential	N/A	
Residential building(s) renovation/maintenance	N/A	
New Build Commercial/Industrial	N/A	
Transport		
Active travel and public transport		
Roads, Parking and Vehicle Access	N/A	These may result through implementation of the Accord
Access to amenities	N/A	
Vehicle procurement	N/A	
Land Use		
Land use	N/A	
No associated carbon impacts expected.	 High standard in terms of practice and awareness on carbon.	 Mostly best practice with a good level of awareness on carbon.
	 Partially meets best practice/ awareness, significant room to improve.	 Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management:

This report is considered to have a low level of risk

Legal Considerations:

All legal considerations are set out in the body of the report

Financial Consequences – Revenue:

To support this work, a budget of £228,400 was approved by the GMCA in September 2020 funded from Cultural Fund met from District contributions, and approval delegated to the GMCA Treasurer, in consultation with the Communities Portfolio Leader and Chief Executive, to award grant agreements, subject to final agreement of GMCA budgets. This funding has been further supplemented by funding from GM Integrated Care Board. In order to ensure affordability, the Fair Funding Protocol will apply only to new funding awards and will be considered as part of prioritising available resources.

Financial Consequences – Capital:

N/A

Number of attachments to the report:

Annex 1 – Draft Fair Funding Protocol

Comments/recommendations from Overview & Scrutiny Committee:

N/A

Background papers:

Information about GM VCFSE Leadership Group and VCFSE Policy Paper –

<https://VCFSEleadershipgm.org.uk/our-work/>

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 Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction and Background

- 1.1 The work described in this paper is set within a period of extreme demand and dependence placed on both the public and VCFSE sectors. It is also a time of great uncertainty. Local Authority, health and other public budgets are under immense pressure and that budgeting will have a *direct impact* on VCFSE organisations in terms of grants and commissioning, but also an *indirect impact* (reductions and pressures in public services often displace need and put more pressure on charities and communities). Moving forwards, active involvement of voluntary and faith-based organisations, community groups and social enterprises in places and neighbourhoods will be key to Greater Manchester being able to respond to these pressures and drive the economy, while addressing the priorities of tackling inequalities, building confidence, and co-design of a resilient city region. Put simply, there is a need to **take a practical approach where responsibility and risk are shared**, and the public and VCFSE sectors work together to support places and communities.
- 1.2 In September 2021, the GM Health & Social Care Partnership Executive Board and the Combined Authority approved a new tripartite Accord agreement with the VCFSE sector¹. The Accord is a five-year agreement which will act as a framework for collaboration involving VCFSE leaders and organisations in the delivery of the Greater Manchester Strategy and the thematic strategies and delivery plans that will exist to deliver the GMS vision.
- 1.3 The Accord has now also been endorsed through the Executive structures of all ten of the GM local authorities.
- 1.4 The Accord agreement facilitates a unified way of working between the local authorities, GMCA, the Integrated Care System and the GM VCFSE sector, represented by the GM VCFSE Leadership Group and allow a single conversation with the sector in relation to all aspects of the GMS and its partner strategies. It will also enable a focus on sustaining their valuable work in communities and creating a more resilient VCFSE sector.

¹ [New Voluntary, Community and Social Enterprise sector Accord signed with Greater Manchester Leaders - Greater Manchester Combined Authority \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk/news/new-voluntary-community-and-social-enterprise-sector-accord-signed-with-greater-manchester-leaders)

1.5 This report acknowledges the significant role of Faith and Belief in society and the support faith organisations provide, often to the most disadvantaged, both in terms of spiritual wellbeing and practical services. The VCFSE Accord has always included the community activities of faith-based organisations in GM, however the term Voluntary, Community, Faith and Social Enterprise (VCFSE) sector has been adopted throughout to recognise this valuable work.

2. Delivering the Greater Manchester VCFSE Accord

2.1 In April 2023, a Delivery Plan was put in place for the final 3 years of the current VCFSE Accord agreement, which contains an iterative programme of enabling and developmental activities driven at a GM-wide footprint, informed by the support and capacity needs identified through locality working. The three-year period will enable continuity across financial years and facilitate longer-term, transformational programmes of work. The actions invested in at a GM footprint aim to enable and facilitate delivery in localities, neighbourhoods and communities. All commitments will be achieved in partnership. The work aims to provide dedicated support, create capacity and help the VCFSE sector function as a collaborative ecosystem across the city region.

Progress Update to September 2022 – October 2023

2.2 Work to date has focussed on building relationships: bringing people together, developing improved ways of working and addressing barriers to productive working. It is already making progress towards the creation of a thriving VCFSE sector that is **involved, empowered and responsive**, and therefore better able to support diverse communities on whom the pandemic and cost of living crisis were having an unequal impact.

2.3 The successes so far have included enabling activities across 8 delivery themes:

- **Population Health** – strengthening relationships between the VCFSE sector and the population health system including increasing the sector’s delivery role in early intervention and prevention; building Primary Care Network, GP Practice and local VCSE working relationships and referral pathways (not just health and care); improving data, research and intelligence sharing, and participation in the Live Well system design.
- **Commissioning and Investment** – rolling out learning from the GM VCFSE Commissioning Framework and exploring the best ways to commission services

from VCFSE providers, for example around future work and skills provision to improve reach and impact across communities and boroughs. The continuing development of the **GM Alternative Provider Collaborative** – initially a group of 20 VCFSE organisations holding contracts with the health sector in GM, but now expanding membership to become a key player in the health provider system. GM is the only place in the country where VCFSE health and care providers have some together and federated in this way.

- **VCFSE Workforce development** – Launch of a pioneering GM-wide workforce development programme for the VCFSE sector, to boost skills, capacity and leadership across all communities of the VCFSE sector.
- **Communication** – delivering a communication and engagement strategy linked to groups across Greater Manchester to improve the sharing of information, build links to Accord delivery and better connect to public sector partners.
- **Ecosystem development** – building capacity in the social infrastructure which underpins the VCFSE sector across GM, which links with strategic relationships at a district and neighbourhood level. Having this resourced infrastructure will be a key part of the success of the Accord as a whole and will enable more effective collaborative ways of working. The first 18 months of the new Accord agreement has seen an increasing collaboration between the VCSE local infrastructure organisations across the 10 districts of GM. Barriers and misconceptions were addressed, and the small financial contribution that was made available in each district for involvement in the GM work provided much needed capacity to engage. Further activity includes enhancing links to faith communities, and bolstering sector capacity to collectively connect to action on poverty, and to support refugee and asylum seekers.
- **GM Equalities Network** – acting as a collaborative of people from a wide range of communities of identity, working closely with the ICS and GM Equalities Panels to advise, support and bring insight from diverse and intersectional viewpoints on key strategies and service design issues.
- **Inclusive Economy** – policy development arising from VCFSE-led discussions about the creation of a fairer and more inclusive economy, including input to discussion around the refresh of the GM Local Industrial Strategy. This has seen the development of a range of case studies and pieces of evidence of what an

inclusive economy might look like in action in Greater Manchester, as well as work with the Good Employment Charter strengthen their VCSE sector offer.

- **VCFSE Involvement and Influencing** – Since the signing of the new VCFSE Accord in 2021, there has been an increased focus on involvement of members of the GM VCFSE Leadership Group as well as leaders from the wider sector in the partnerships, Boards and other collaborative structures of the work of the GMCA and GMS. Examples include the GM Business Board (formerly the Local Enterprise Partnership), thematic ‘Action Networks’ set up to address aspects of inequality in our communities, the GM Planning and Housing Commission and the new Drug and Alcohol Board. Involvement and influencing has progressed with the NHS GM Integrated Care, including through coordinated VCSE responses from NHS consultations, as Primary Care Blueprint, NHS GM Integrated Care Joint Forward Plan and ICP Strategies.

Complimentary activities

- 2.4 Aligned to the work described in section 2.3 above, activities across the 10 districts of Greater Manchester through **UK Shared Prosperity Fund proposal E11** are focussing on capacity building of infrastructure support for local civil society. This work is led by a partnership of Local Infrastructure providers across Greater Manchester and has established a common framework of VCFSE infrastructure functions, working with each locality in Greater Manchester to identify strengths, weaknesses, gaps and development needs. This has led to a programme of capacity building which includes improved communication channels, development of new types of support (for example around social enterprise / investment, social value and Net Zero carbon), improved membership and collaborative leadership models, staff training, standardised equalities monitoring, and new arrangements for VCFSE organisational health checks.
- 2.5 In order to support this work, the new **VCFSE Forum** has uniquely brought together representatives from all ten GM Councils, health and VCFSE together to discuss some of the key issues facing Greater Manchester and the VCFSE sector’s role in addressing inequality. There is also a new local authority VCFSE Commissioners Group established to share good practice and provide peer support, and the Accord has enabled better partnership working at all levels and across all districts.

Next steps

2.6 Over the next 12 months, the focus of this work will shift further towards the responsiveness of the VCFSE sector. The Accord Delivery Plan will include activities to improve system-wide data sharing, capacity building aimed at increasing supply chain spending with VCFSE organisations, building skills and capacity in the VCFSE workforce, strengthening the support infrastructure across all districts of GM, and agreeing the best mechanisms to involve people from diverse backgrounds in service design.

3. Enabling VCFSE Sector activities in communities

3.1 The VCFSE sector has played an increasingly a vital role in communities in the post-Covid period.

Critical response in the cost-of-living crisis.

3.2 Examples of recent activity across GM include:

- **Distributing emergency funds** – such as the Household Support Fund, Migrant Destitution Fund GM and Other VCFSE-led funding which the sector has secured for Greater Manchester.
- **Information and signposting** – VCFSE organisations play a key role in communicating information about emergency and other support with people and communities.
- **Insight and intelligence about the crisis** – the work of the sector creates a rich source of data and insight.
- **Other broader support activities led by VCFSE organisations include:**
 - Food banks/food pantry - increasing culturally appropriate food offers – Food Solutions Networks.
 - Community warehouse/logistical support/ bulk purchasing/home delivery services
 - Preparing warm spaces/ public living rooms and winter warmth packs.
 - Increasing access to welfare advice and funds – Citizens Advice, and partnerships to extend reach. Multi-lingual welfare advice.
 - Energy efficiency schemes and support
 - Winter volunteering campaigns recruiting additional support.

- 3.3 As part of the CA's Reform work strand, GMCA staff have been working with local authority, health and VCFSE sector colleagues to identify examples that demonstrate trust and positive relationships to support effective strategic partnerships and collaboration, exploring recent responses to the cost-of-living crisis as a means to understand this subject. Findings and recommendations from this work will be shared with relevant leadership forums at the beginning of 2024.
- 3.4 Furthermore, it should be noted that many of the '**Action Networks**' established to address key issues such as homelessness, food insecurity and climate are led by the VCFSE sector. The recent Action Networks Summit demonstrated a flagship approach to tackling climate and social justice in Greater Manchester and is an example of the Accord in action; partnership working to tackle inequalities.
- 3.5 As described in the June report to the GMCA on the Big Disability Survey, an example of where progress is being made to support disabled people maps closely with the local authority working closely with a strong Disabled People's Organisation in that locality. These disability 'infrastructure organisations' are more strongly representing, supporting and engaging disabled residents. Resourcing the VCFSE has demonstrable benefits to both public services and residents, especially those most disadvantaged in society.

Barriers and issues

- 3.6 However, it is clear from the activities around the VCFSE Accord that there are several pressures and risks faced in the sector which are affecting the capacity to respond. These include the fact that a significant amount of VCFSE provision is delivered on short term, often COVID-linked funding. The scale of demand is too great for the current VCFSE provision, with workforce capacity stretched and access to funding to meet the demand on food and advice, for example. Furthermore, inflation costs are hitting the sector hard, affecting what groups can buy/provide for money they have. Pay and conditions in the VCFSE sector workforce are usually benchmarked with the public sector and pay reviews for staff are squeezing budgets, particularly where these are not reflected in contract uplifts.
- 3.7 One example of the impact that this is having can be seen in relation to payment of the Real Living Wage (RLW). VCFSE organisations in Greater Manchester have been leading the way in terms of payment of the RLW and have set a target in the Accord that 100% of employees in the sector are paid at least the RLW by 2026.

However, many grants and contracts were developed before the current period of inflation, and the uplift in the RLW to £10.90 from April 2023 is appearing to be unaffordable for many VCFSE organisations. This will be further compounded if, as expected, the RLW rate jumps by a significant amount from 2024.

4. GMCA role in the VCFSE Accord

- 4.1 As well as being a funder of work to deliver the VCFSE Accord, the GMCA is a Partner in the delivery of the 8 strategic commitments contained in the Accord agreement. In signing the VCFSE Accord, GMCA has made an organisation-level commitment to the sector and supporting / enabling the capacity building of VCFSE organisations. It will be important to demonstrate leadership and commitment to the Accord, and it is proposed that the CA does this through a range of activities in addition to providing grant funding.
- 4.2 It should be stressed that the CA is already making significant progress in its operational relationship with the VCFSE sector through the Accord and other workstreams. In Works and Skills, a new Community Grant Scheme has been developed following extensive engagement with VCFSE sector providers and a new role has been created within the commissioning team to work closely with the sector; the CA has made considerable progress against commitments through its social value work towards increasing the diversity of its supply chain (small medium enterprise and VCFSE), contract uplifts have been provided for the VCFSE Accord and GM Equalities Panels, and longer term grant agreements are now provided through the GM Culture Fund, for example.

Fair Funding Protocol

- 4.3 It is now proposed that a principles-based '**Fair Funding**' Protocol is put in place between GMCA and the VCFSE sector, which further develops Commitment 3 of the VCFSE Accord: *We will build a financially resilient VCFSE sector that is resourced to address our biggest challenges of ending poverty and inequality in Greater Manchester.*
- 4.4 This supplementary agreement "Protocol" will cover activities and services that the VCFSE sector carries out in communities which are funded by the GMCA's budget in Greater Manchester. It will be used to guide how the CA plans its grant funding, commissions, and manages contracts with VCFSE organisations, and will have the following benefits:

- Support improved trust, partnership working and co-creation of services between GMCA and the VCFSE sector,
- Enable fairness and transparency in the financial relationship between the VCFSE and GMCA,
- Reduce the likelihood of unrealistic financial expectations by either partner,
- Enable risk sharing between GMCA and the VCFSE sector, and
- Improve the ability of the VCFSE sector to provide publicly funded services in communities, and the resilience of those services.

- 4.5 The Protocol will apply to new agreements only and represents a shared ambition within the confines of the conditions on external funding pots. It will also set out our intent to further collaborate with the sector through the GM VCFSE Accord on future strategic planning and commissioning. GMCA accepts that under the current terms and conditions associated with its funding there is often little room to manoeuvre but will use this protocol to set a direction of travel for future funding negotiations. The aim is to maintain an open, honest and regular dialogue between the CA and the VCFSE sector about the challenges we are all facing and how we can help each other.
- 4.6 The draft Fair Funding Protocol is provided at **Annex 1** for approval by the CA. It is proposed that a VCFSE Fair Funding Protocol Monitoring Group is established which meets on a quarterly basis to reflect on implementation of the Protocol, discuss the implications of forward strategy and CA budget-setting.
- 4.7 GMCA is leading the way with the agreement of this protocol, and it is hoped that other public sector organisations across GM can put in place similar arrangements in the future.

Skills development, volunteering and joint projects.

- 4.8 The GMCA has listened to employee feedback through the B-Heard Survey and will be introducing a new Employer Supported Volunteering (ESV) Policy. Implementing this policy will support staff 'personal growth' and 'giving something back' ambitions, highlight to employees in all roles how they can contribute to the Greater Manchester Strategy, and helps deliver more impact in the communities we serve.
- 4.9 Furthermore, through the GMCA Business Plan, opportunities exist to invite VCFSE colleagues to join staff skills development activities, further explore secondments and placements within the CA for VCFSE staff, undertake collaborative research

projects and joint work that leads to improved understanding of the work of the VCFSE sector, and put in place mechanisms to enable the brokerage of social value offers in GMCA contracts, for example.

5. Next Steps

- 5.1 This report is one of a series of regular updates on progress facilitated by the GM VCFSE Accord. As work continues, there has been an increased focus on evaluation not only of progress, but also of 'what works' in terms of collaboration between the public and VCFSE sectors. The results from this evaluation work will be shared in future reports.