

Summary of Responses to Consultation on Funding for Voluntary and Community Sector Organisations in Manchester

APRIL 2017

This report is a summary of the results of consultation carried out by Manchester City Council (MCC), with the support of Macc, concerning proposals for funding for voluntary and community sector organisations (VCSO) in Manchester.

The aim of the consultation was to assist a co-design group made up of representatives from the voluntary and community sector, MCC and Manchester Clinical Commissioning Groups (CCGs) to improve and build on an initial set of proposals. The co-design group had access to and discussed the full range of feedback received. Since the start of the co-design process the three Manchester CCGs have merged into one CCG and have established a new commissioning partnership with MCC.

The consultation consisted of 3 workshops, a meeting with Neighbourhood Care Groups, 1 submission and 78 individual responses to an online survey.

The online survey did not produce robust statistics as there were insufficient respondents and the respondents were self-selected so numbers quoted in this report are of limited reliability. Many respondents made detailed comments explaining their preferences and making suggestions for how to improve the proposals. It is these comments that form the bulk of this report.

Every attempt has been made to include key points but some comments have been left out for the sake of brevity. Many of the comments included were made by one or a small number of respondents. Where there were a large number of comments making the same point this has been indicated.

This report is structured in the same order as the online consultation.

The co-design group would like to express their gratitude to everyone who contributed to the consultation.

Priorities

The consultation asked for views on the suggested priorities for voluntary and community sector funding.

- Strong relationships with other public bodies and voluntary and community sector organisations
- Strong relationships between voluntary and community sector and businesses
- Working together
- A range of funding
- Fair funding for different places and 'communities of identity'
- Funding for both large and small organisations
- Well governed organisations
- Continuous learning and improvement
- Infrastructure support

Response

92% strongly agreed or agreed with the priorities.

There was a high level of support expressed for the priorities of:

- Working together
- Funding for both large and small organisations (with an emphasis on funding small organisations)
- Strong relationships with other public bodies (with an emphasis on the relationship with Manchester City Council)

The following additional priorities were suggested:

- Success in improving the number and quality of volunteering opportunities

Principles

The consultation asked for views on the suggested principles to follow when deciding who to give funding to:

- Proportionality
- Long-term funding
- Proportion of income
- Open procedures
- Funding for both running costs and direct services
- Available to both large and small organisations
- Encourage Manchester-based organisations
- Building on strengths
- Building on success
- Continuous learning and improvement

Response

91% strongly agreed or agreed with the principles.

There was a high level of support expressed for the principles of:

- Long-term funding
- Funding for both running costs and direct services
- Encourage Manchester-based organisations
- Building on strengths
- Available to both large and small organisations (with an emphasis on funding for smaller organisations)

The following additional principles were suggested:

- Funding should be seen as investment; what will be the return i.e. social, employment, and environmental return.
- Involvement of volunteers
- The extent to which an organisation is contributing towards key city agendas.

Funding Options

The consultation asked for views on two different funding options.

Option 1 - Strategic neighbourhood grants and strategic equality grants

We will only provide part of an organisation's funding.

Funding will be for three to five years.

We will give grants to:

- one or two organisations in each neighbourhood
- a few equality organisations that represent communities of identity, though not necessarily covering all of them.

Organisations we fund will:

- develop and maintain strong relationships with the other organisations in their neighbourhood or community
- pass on some funding to other groups in their neighbourhood or community
- need to show their track record in working well with other organisations.

Option 2- Single grant pot

There will one pot of money for all the grants we give.

There will be large and medium grants.

Large grants will last for three years.

There will be a range of types of work that organisations can apply for funding to do.

We will use our current grant process for applying but will add in more strength-based questions.

We will encourage organisations to work together but not force them.

We will encourage private and public organisations to talk and work with each other.

We will favour Manchester-based organisations.

The amount of money that organisations get could reduce each year.

Response

26% preferred model 1, 57% preferred model 2, 17% didn't prefer either model.

Many of the people who commented suggested changes that incorporated parts of both models.

A common opinion was that Option 1 might be preferable but it would take a period of development before the VCSO was ready for it and that it would require considerably more funding in order to cover all neighbourhoods.

The main reasons offered for supporting option 1 were:

- A better focus on the particular and different needs of each neighbourhood
- A greater focus on disadvantaged communities
- Better knowledge of neighbourhoods

- Better coordination of services
- Better collaboration
- Better to fund a few organisations well so that they are sustainable
- Enables organisation to focus on bringing in additional income
- More ability to create a platform where organisations can voice their opinions and needs
- Favours smaller organisations
- More strategic
- Anxiety that large organisations will dominate a single fund as suggested in Option 2

The main reasons offered for supporting option 2 were:

- Less of a restructure
- Favours smaller groups
- Fairer as everyone has equal chance
- Simpler
- More flexible
- A lack of strong strategic organisations that would be needed for Option 1
- Larger organisations will not share funds with smaller groups
- Option 1 may lead to enforced collaboration that will not work
- Option 1 could be a closed shop
- Better that organisations have direct relationship with council without intermediate level
- Option 1 adds in a layer of cost

There was strong opinion from many respondents that:

- Tapering of grants is a bad idea.
- Larger organisations passing on funding to smaller organisations is fraught with difficulties and should not be done.

Infrastructure

The consultation asked for views on 2 options for providing infrastructure support.

Option 1 - Manchester-wide option

Some or all of this support will continue to be provided Manchester-wide.

Option 2 - Infrastructure support provided through larger organisations

Some or all support will be provided within organisations working in North, Central and South Manchester or at a neighbourhood level. This would be part of their funding agreement.

Response

75% of respondents preferred option 1, 25% of respondents preferred option 2.

The main reasons offered for supporting Option 1 were:

- Economies of scale
- Expertise
- Impartiality
- Works at the moment
- Consistency
- Quality
- Difficult to have similar level of specialism/expertise/consistency at neighbourhood level
- More cost effective
- More effective voice and representation
- Can provide data across Manchester

The main reasons offered for supporting Option 2 were:

- Understanding of locality strength and weaknesses
- More responsive to local issues
- Different areas have different needs
- Central provision doesn't have the reach
- More effective in developing resources in the community

Commentary

This section is a selection from the wide range of issues that respondents raised about the priorities, principles, funding options and infrastructure proposals.

Devil in the detail

Many of the principles and priorities are complex in practice and need to be applied in different ways to different sizes and types of organisations. A one size fits all approach will not work, e.g. diversity of income works for large organisations but may not for small. There needs to be clarity on what the principles or priorities mean and how they will be measured e.g. what does "success" mean, what does "strength-based" mean.

Neighbourhoods

If funding by neighbourhoods, what is meant by a neighbourhood? Is it an artificial neighbourhood such as ward boundaries or is it a natural neighbourhood based in relationship, trust and a history of collective working.

Deprived areas should receive a larger amount of funding but the assets already in an area need to be taken into account.

The relationship between larger organisations and smaller organisations

There is a danger of larger organisations exploiting smaller organisations and there need to be sufficient safeguards in place to prevent that happening including feedback directly from the smaller organisations to the grant-maker.

Larger organisations can play a role in organising hubs or networks of organisations, in acting as a lead contractor, in sharing expertise, in supporting smaller organisations to develop. This role needs to be recognised and funded.

The relationship between Manchester City Council and organisations that receive grants

Grant funding for VCSOs should be seen as an investment. Good relationships with designated officers, based on mutual trust, are essential. Monitoring information collected by Manchester City Council should be used.

Continuation funding when the funding period is due to end should be organised in good time so that there is never a situation in which VCSOs have to issue redundancy notices in case they don't receive funding.

MCC should consider how they can use all their resources to support VCSOs including workforce development, legal services, human resources, and policy.

Support for organisations

Respondents identified a wide range of support that organisations needed including:

- Shared marketing

- Assistance in working with the private sector
- Finding other funding
- Training and workforce development
- Connecting city-wide organisations to neighbourhood organisations
- Connecting organisations within neighbourhoods together
- Capacity building
- Mechanisms for sharing
- Understanding the implications of legislation

Some respondents suggested the level of infrastructure funding should be decreased.

There were also comments about which organisations were best placed to carry out certain infrastructure functions, e.g. specialist support on the needs of equality groups, and whether some infrastructure functions were better carried out at a neighbourhood level.

Some other selected comments

Participatory budgeting could be explored as a means of deciding which organisations are awarded funding.

Some of the grant pot should be set aside to allow flexibility to fund emergencies or new and innovative ideas

Successful fundraising could be rewarded, e.g. with matched funding

The main priority in awarding funding should be meeting the needs of communities and then on whether the organisation is well run.

In deciding who gets funding Manchester City Council should seek feedback from councillors and other stakeholders.

Prepared by:
Nigel Rose
Strategic Lead (Commissioning)
Macc