

## **Combined notes from various sources, including notes and flipcharts from the meetings about commissioning, partnerships and Young Manchester**

**Taking place on July 7<sup>th</sup> (Collyhurst), 14<sup>th</sup> (Wythenshawe) & 21<sup>st</sup> (Moss Side)**

### **INPUT**

Nigel Rose from MACC did an input about commissioning. Biggest commissions go to Capita, Serco, G4S and other private companies.

MCC is a key funder for the city. If you are a youth organisation, don't think of yourself just getting youth funding, instead think of... What do I provide?... and then which pots could I apply to e.g. Homelessness funding, disability, wellbeing etc

There is no clear distinction between grants and contracts, some may look like one but it's been called the another.

Grants are a gift, broadly specified, minimal conditions, paid up front; contracts are binding legal agreement, highly specified, vat implications, transfer of staff etc.

Principles, open, fair, transparent, proportionate apply to the council. They are constrained by other law e.g. Social value act, equalities act. Social value is v important for the city. It is about what the amount of community benefit is that your organisation provides..social, economic, environmental.

For contracts you might want to use the Chest. But it is not very easy to use. It is where all contracts are listed.

See Nigel Rose's presentation for more details about pre qualification questionnaire, invitation to tender etc. They use Construction terminology ... Specification and Lots. Lots are the bite size bits of the whole contract bulk purchase is whole contract. Spot purchase is they buy how many sessions they want from the organisation eg, 10 advice sessions.

Framework agreement is a list of preferred providers, and you can only use it for the purpose it was set up for.

Payment by results is complicated. Binary...e.g. If you are employment organisation.. If someone gets a job you get paid, if they don't, you don't get paid. It's a bad idea. PbR does not really work for the voluntary sector, because we are interested in need more than profit, and some of the needs we meet cannot be achieved within the tight timeframe of such contracts.

Contracts are scored... See presentation for how it is weighted, low cost/money is 50% not value for money!

Signing contracts is the most critical process... E.g. Negotiate, be clear what needs to be in a contract. Check the contract. How will problems be dealt with? Sometimes they can be too detailed and tie you up in knots.

Tender ready... Are you a strong organisation

**The youth & play trust, Young Manchester**, is not developed yet so it is up for being shaped. Whoever the panel is, it's make up, will make a big difference, as they will decide who gets funded. If they have no experience of your field, or if they have a tricky issue, they make not know how to evaluate what they have. You can influence procurement e.g. Length of grant... Average length of grant in NHS is 7years. Average social care contract in Manchester is 3 years plus poss 2 year extension. Grants tend to only be 2 years. How much is in the pot, can we get more money in the overall pot? Size of contracts and grants, £5k, £10k are small grants. Area of distribution... Is it Ward only? How is themed distribution taking place e.g. Equality, types of service etc. Cohort distribution.. Dividing by population you are working with into different groups of people... Least vulnerable to most vulnerable.

We could lobby for outcome commissioning, e.g. Instead of outputs, so less numbers driven and more change driven...Or a combination of the two.

Make sure we are clear on the conditions e.g. DBS checks, level of training of staff needed for delivery.

What is valued? Do people know the area? Do they employ those who might not have access to the employment market? Expertise of the organisation, e.g. Is youth work and community work valued? How does the group develop assets in their area, which areas need these assets?

Could lobby for greater connection to social value act in the way scoring is weighted.

## **DISCUSSION / INTERACTION**

**If you ran the Youth & Play Trust, how would you manage a funding programme, and what would be the key considerations?**

- Consult the sector
- Research
- 1 grant in each of 3 areas
- Clarity
- Transaction costs
- Proportionate
- Online paperwork and reporting systems
- Fund on basis of organisations as assets
- Geographical balance
- Approach to an area
- Longer term (5+ years) contracts – asset based – covering core costs
- Where projects are

**Ways we can organise ourselves:**

See consortium slides.. We looked at pros and cons of different types of consortium:

**Lead provider**...where one group leads and subcontracts to all the other groups.

Does the lead provider have the risk? Not always but can end up that way.

Could there be conflict of interest if you are a lead provider and a service provider in it? Can be about lead providers's agenda.

It gives clear and strong leadership.

It is good for small organisation who would not want to bid on their own, and could take pressure off the need for excessive admin.

Small orgs can concentrate on direct service delivery.

It is bureaucratic for the lead org, as they have to gather all the data.

Depends a bit on what is expected... Where the money sits, and how/when it is distributed. How much management costs are taken by LP.

What happens if there are disputes?

Issues re Control – quality, delivery, monitoring

Managing Risk

Maintaining the Identity of small orgs – not always solution to merge

Credit

Power differential between large and small orgs

Only direct delivery by VCS orgs can be beneficial

Managing expectations

**Special purpose vehicle**...where a new company is set up on behalf of the organisation... A collective of businesses.

Could be costly, and take up a lot of time... you need to set up, get whole suite of policies.

You don't have track record.

It could mitigate the risk or share the risk.

It can help small organisations become a lot bigger.

Is the youth trust an example of a special interest vehicle?

Example of this was the GMCVO social care special interest vehicle. They all were checked to see if they were at the standard needed. They then had members and employed staff for health and social care bidding. Once money comes in the member organisations do the direct delivery.

Where this has worked it has almost always been a partnership with the commissioners who helps you set it up, and give you funding to develop, and then they almost guarantee you the funding.

**Alliance**...small number of organisations all contracted under one contract.

E.g. You all make a car.. Someone makes the wheels, someone makes the engine, someone makes the body... You don't get one provider performing? Then the whole alliance fails.

If you all have complementary skills and resources you would do this. If you are doing the same thing as the other organisation, then it is less likely to work.

You then have to have a series of agreements between the organisations to decide how it works.

### **Discussion/ Q and A:**

What are the advantages of consortium approaches?

It is only about getting funding in?

Perhaps in some ways, but it is also about protecting ourselves from large companies who come in and might not know about local needs, but can write good bids.

You can develop a monopoly as then the commissioners have no option but to contract you, as all the key players are in one contract. This risks corruption or complacency.

The commissioners want less paperwork/monitoring so it helps them.

There are other normal benefits of partnerships, sharing resources, quality assurance which you can get more of through the structure so you get more trust. Share strengths, eliminate weaknesses.

As charities we have to provide public benefit so partnership is key to this. To work together could give us a greater chance to spread out the services to more people who need it. Could have big influence.

## **SMALL GROUPS/SELF ORGANISATION**

### **East**

Discussed with three orgs that know each other well and are all in east partnership YPAC, 4CT, Manchester Settlement. Feel confident that as the east the group's could partner and work together. Not sure how the group's might form e.g. Constitute etc. Looking at what the service delivery might look like.

### **North**

It is in its infancy. Some north groups have no funding from the city council. Some people thought, why bother with this? Could youth trust gobble up other funding? Could we partner in different ways e.g. Larger orgs get together, smaller orgs get together? There are other players out there, including academies who might be making a play into the youth sector. We are feeling our way. You need to know what each other is looking for, e.g. How much money does each group expect?

### **City wide**

Only a small group. Talked about where our experiences lie. Should one group approach others to take the lead e.g. With play. Trying to have a fair way of approaching it. Different parts of the city have had different levels of support to develop partnerships. Moss side and ardwick have had that. Wythenshawe has had that. East has had that.

### **Next steps**

#### **Questions raised**

When is youth and play trust taking on the contracts?

Does the Council figure roll-over to 2017-18 or will it be with the new Trust?

Could we pilot some things with the Council?

How well do our Trustees know / understand this?

Need to have a joint meeting between current VYM Members group, Infrastructure Group and any other interested VCS parties via general invitation.

