

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

STRENGTHENING THE RELATIONSHIP WITH THE VCS

Executive Member for Communities and Public Health: Councillor Mick Thompson.

Executive Director for Economic Development and Communities: Kevin Parkes

21 March 2017

PURPOSE OF THE REPORT

1. To inform the Executive of a major consultation exercise undertaken by Middlesbrough Voluntary Development Agency (MVDA), and to seek approval for proposals to build upon the responses to strengthen the relationship between the Council and the voluntary and community sector (VCS).

SUMMARY OF RECOMMENDATIONS

2. It is recommended that the Executive endorses the proposed plan to respond to the consultation undertaken by MVDA, aimed at strengthening the relationship with the wider voluntary and community sector.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

It is over the financial threshold (£150,000)	<input type="checkbox"/>
It has a significant impact on 2 or more wards	<input type="checkbox"/>
Non Key	<input checked="" type="checkbox"/>

DECISION IMPLEMENTATION DEADLINE

3. For the purposes of the scrutiny call in procedure this report is

Non-urgent	<input checked="" type="checkbox"/>
Urgent report	<input type="checkbox"/>

BACKGROUND AND EXTERNAL CONSULTATION

Consultation Exercise

4. Since June 2016 MVDA has been engaged in a significant exercise to develop an understanding of the long-term (five year) aspirations for the VCS in Middlesbrough. The intended outcome of this work is a long-term strategic plan to support an effective and enterprising sector.
5. This work has involved interviews, focus groups, round tables and online surveys to collate and debate views, underpinned by a detailed look at existing regional and national research.
6. The Council has remained engaged in the process with MVDA, to ensure that the emerging issues are built into the Council's planning cycle, with the aim of strengthening the Council's overall relationship with the VCS.

Consultation Outcomes

7. The work undertaken by MVDA concentrated on a set of key lines of enquiry, including views on the contribution the sector makes to the town, the changes expected in the next five years and the support and development needed to fulfil aspirations. Although the development of a long-term strategy by MVDA will follow, the issues emerging from the consultation included:

Making a Difference

8. The sector has a positive impact on the quality of people's lives, and on the wider community. It empowers people to make decisions and choices, and seeks to reduce inequalities. In terms of considering the Council's relationship with the VCS, perhaps the most important three differences being made were identified as:
 - a. providing support & services that would not otherwise be available;
 - b. provides information and intelligence about local needs and what works; and,
 - c. influences policy and practice within an area of focus or expertise.

Ambitions

9. Organisations are keen to expand their range of services, increase levels of funding and income, and expand their geographical horizons. In terms of considering the Council's relationship with the VCS, perhaps the most important three ambitions were identified as:
 - a. to improve our relationship with the public sector;
 - b. to be able to demonstrate and evidence our impact; and,
 - c. to develop new business models.

Trends

10. The sector felt that there was going to be an overall increase in need, and therefore demand for the services they provide. There was also an expectation that the complexity of the policy environment would increase, as would the appetite for working more closely with each other. In terms of considering the Council's relationship with the VCS, perhaps the most important three areas of expected increase were identified as:

- a. VCS ability to influence decision making;
- b. complexity of the funding environment; and,
- c. capacity and skills to work with other partners to attract funding.

Challenges

11. The sector identified that there would be challenges increasing levels of complex need, increasing demand for services, and difficulty in securing funds from trusts and foundations. In terms of considering the Council's relationship with the VCS, perhaps the most important three challenges were identified as:
 - a. prejudicial attitudes to people in need;
 - b. understanding and valuing the VCS contribution; and,
 - c. challenging existing cultures and practices.

Working Together

12. Organisations felt that there was a need to work together to improve and join up services, raise awareness and promote achievements, and test new approaches. In terms of considering the Council's relationship with the VCS, perhaps the most important three areas of working together were identified as:
 - a. strong partnerships and influence with the statutory sector;
 - b. promoting/valuing local people and communities as assets; and,
 - c. increasing the focus on prevention and early intervention.

Development Needs

13. The sector identified that there were a range of development needs including attracting investment, building organisational capacity and better business planning. In terms of considering the Council's relationship with the VCS, perhaps the most important three development needs identified as:
 - a. building stronger relationships with the public sector;
 - b. measuring and demonstrating impact; and,
 - c. commissioning and procurement support.

Existing Relationships

14. Many Council services have regular interaction with the VCS, for reasons ranging from providing them with support on local issues though to directly commissioning significant services from them. The Council also has an overarching role in maintaining a productive relationship with the sector, which is generally managed through regular liaison with MVDA, in their role as a representative organisation.
15. The relationship the Council has with the VCS is strategically important for achieving the wider objectives of the town. The Mayor's Vision places working in partnership with the voluntary sector at the heart of Fairer, Safer, Stronger Middlesbrough, and a vibrant VCS is often recognised as a key element of any successful place. A vibrant VCS adds to the richness and quality of people's lives across the town, adding significant knowledge, expertise, experience and commitment to achieving better local outcomes – especially in relation to tackling inequalities and supporting vulnerable people. The opportunities presented through a strengthened VCS therefore have the potential to impact on many of Middlesbrough's aspirations, and the broader the relationship between the VCS and individual Council services becomes, then the range of impacts increases.

16. Although the depth and breadth of the relationship between Council and the sector varies significantly from service to service, anecdotal feedback suggests that there are a number of areas where this could be improved, including:
 - a. engagement with the sector tends to be triggered by financial issues i.e. the interactions happen when there is money to spend, money to bid for, or when there are savings that need to be made. The opportunities to influence policy or co-produce solutions for 'business as usual' are therefore limited, as the relationship tends to be *reactive* rather than *proactive*; and,
 - b. services that don't commission externally tend to engage less with the sector than those that do, therefore the value of the sector and its role in suppressing demand is not widely understood. In-depth interaction with the sector is also concentrated within a small number of services, leaving a two-way knowledge gap between many services and the VCS groups focused on similar issues.
17. Recent discussions between MVDA and the Council have also highlighted that addressing this two-way knowledge gap would be the most critical component to strengthening the relationship further.

Responding to the Consultation

18. The consultation undertaken by MVDA presents an opportunity for the Council to look again at the relationship it has with the VCS, and provides some focus to future development work. As a result, a programme of improvements has been discussed with MVDA to address the issues identified in the consultation, address the previously discussed anecdotal concerns, and underpin the long-term strategy being developed by MVDA.
19. Implementation of this improvement plan over the next year should see the strategic relationship strengthen significantly, by focusing on the key building blocks that would underpin all of the individual service relationships - creating the right conditions for them to flourish.

Proposed Actions

20. The following actions are proposed to respond to the consultation, and strengthen the relationship with the VCS:

Improving Knowledge and Communication

21. Arrange themed 'summit' meetings to bring together key contacts in relevant services and key VCS groups, to discuss policy direction, local intelligence and opportunities to collaborate. This would ensure that the appropriate communication channels within each theme can be established, and that internal and external contacts gain a better understanding of who to speak to about what. This would also provide an opportunity to open up the communication channels necessary to exchange informal intelligence held by the sector. Proposed themes could for example include: Youth Activities, Community Safety and Culture. These would take place in 2017 and may be repeated periodically if required.

Understanding the Sector's Contribution

22. Presentations made available through the Council's Heads of Service Group for dissemination at team meetings outlining the role of the VCS and the contribution it makes to the town – particularly in terms of suppressing demand on public services.

Encouraging Proactive Engagement in Business as Usual

23. Training provided by sector experts for the Heads of Service Group on co-production, and adopting an asset based approach. This would be aimed at ensuring that the role of the VCS in improving service delivery and achieving outcomes is done *proactively* rather than *reactively*.

Demonstrating Impact

24. Training provided jointly between the Council and MVDA for the wider VCS (and circulated to the Heads of Service Group) on how to demonstrate impact, evidence outcomes and evaluate the contribution made to public sector objectives.

Developing Business Models

25. Training provided jointly between the Council and MVDA for the wider VCS on developing different business models to enable greater engagement with public sector procurement.

Increasing Formal Delivery Role

26. Undertake a joint piece of work between the Council and MVDA on the potential to increase VCS success in public sector procurement exercises, and how social value is to be reflected, with the outcomes to be fed into the ongoing work of the Council's Commissioning and Procurement Team.

Connecting the VCS and the Council

27. The Council and MVDA to explore jointly funding a post for up to one year to facilitate some of the catalytic activities suggested above (and subsequent emerging actions) to ensure the direct relationship between service areas and VCS organisations becomes established.

Identify Potential Future Funding Aspirations

28. The Council and MVDA would explore areas where joint working could potentially attract additional external investment into the town. The relationship between the Council's priorities and future funding streams accessible through the VCS would also be explored.

Managing the Strategic Relationship

29. The Council and MVDA would continue to meet on a regular basis, with a focus on managing the activities listed above, and to ensure the relationship between the Council and the VCS broadens and deepens wherever possible. This would also consider wider issues such as how the Council's priorities are influencing the VCS, and the funding available within the town.

Leadership and Timetable

30. The programme of activities is likely to be undertaken in line with the following timetable:

Action	Council Lead	Timetable
Themed 'summit' meetings	Head of Stronger	By end of December

	Communities	2017
Presentation on role and contribution of VCS disseminated through Heads of Service	Director of Culture and Communities	By end of April 2017
Training on co-production and asset based approaches made available to Heads of Service	Head of Stronger Communities	By end of September 2017
Training for VCS on demonstrating impact	Head of Stronger Communities	By end of September 2017
Training for VCS on business models	Head of Stronger Communities	By end of September 2017
Joint procurement review	Head of Commissioning and Procurement	By end of September 2017
Explore VCS Connector role	Director of Culture and Communities	By end of April 2017
Identify future funding opportunities	Director of Culture and Communities	By end of September 2017
Strategic relationship meetings	Director of Culture and Communities	Monthly from April 2017
Evaluation of the impact on the relationship between the Council and VCS	Director of Culture and Communities	From September 2017

IMPACT ASSESSMENT (IA)

31. An impact assessment has been undertaken for the proposed approach. No negative impacts have been identified as part of this assessment.

OPTION APPRAISAL/RISK ASSESSMENT

Option Appraisal

32. The following options have been considered when developing the proposals:
- a. ***improve communication through production of a VCS directory*** - rejected as the provision of a static directory of VCS groups that could be used by Council services may form part of the longer-term plans, but would potentially be expensive to produce, and would not in itself replicate the opportunity to form long-standing, two-way relationships that the summit and connector arrangements would encourage; and,
 - b. ***create a permanent resource to connect the VCS with Council services*** - rejected as although the connector role would potentially be important to kick start this work, it should not be seen as a sustainable long-term solution. The relationships established would need to be valued and 'invested' in by both the VCS and the Council to make them work in the long-term, rather than relying on a third party to always be the catalyst.

Risk Assessment

33. The following risks have been considered when developing the proposals:

- a. **raising unrealistic expectations of funding availability for the VCS** – to be addressed by ensuring the purpose of the summits etc. is clear, and reflects the overarching aim of strengthening the relationship, and more engagement in ‘business as usual’; and,
- b. **larger national VCS organisations dominating the agenda, at the expense of smaller, local organisations** – to be addressed by ensuring an appropriate spread of local organisations are engaged in the various steps, and that the content is tailored more towards their needs.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

34. **Financial** – funding for the proposed plan would come from existing budgets, and the opportunity to seek external funds to expand this activity would be pursued. Although some of the longer-term outcomes of a more proactive relationship with the VCS could be more efficient service delivery, and an increase in the public sector expenditure retained locally, this is likely to be achieved through other more specific initiatives that build upon the improved relationship.
35. **Ward Implications** - there are no specific ward implications, although strengthening the relationship with the VCS would potentially benefit all wards.
36. **Legal Implications** – there are no legal implications relating to the proposed plan.

RECOMMENDATIONS

37. It is recommended that the Executive endorses the proposed plan developed to respond to the consultation undertaken by MVDA, aimed at strengthening the relationship with the wider voluntary and community sector.

REASONS

38. The VCS is critically important to the success of the town, and ensuring a strong relationship between the VCS and the Council should be a priority.

BACKGROUND PAPERS

39. No background papers were used in the preparation of this report.

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