

# Enabling Manchester's Children, Young People and Families Third Sector to Thrive

A Strategy for 2009/11

**\*\*DRAFT\*\***



## Acronyms

CAF – Common Assessment Framework

CTA – Children’s Trust Arrangements

CTLT – Children’s Trust Leadership Team

CYPF – children, young people and families

CYPP- children and young people’s plan

DWLT – District Working Leadership Team

LIO – local infrastructure organisation

LSCB – Local Safeguarding Children’s Board

LSP – Local Strategic Partnership

MACC – Manchester Alliance for Community Care

MCC – Manchester City Council

OTS – Office of the Third Sector

PCT – Primary Care Trust

VCO – voluntary and community organisation

VCFS – voluntary, community and faith sector

VYM – Voluntary Youth Manchester

## Executive Summary

## 1. Introduction

In 2007 the Local Government Performance Management Framework set out a new indicator (NI7) to measure the “environment for a thriving third sector” in each of the 149 major local authority areas<sup>1</sup>. In 2008 this indicator was incorporated into Manchester’s Local Area Agreement (LAA) for 2008-2011 which forms the heart of the performance framework for Manchester.

With this in mind, the Child & Family Forum, in collaboration with Voluntary Youth Manchester, have undertaken to produce a Third Sector Strategy for Manchester. This strategy has been written in consultation with members of the children, young people and families voluntary, community and faith sector (CYPF VCFS). Its proposals aim to set out what a thriving third sector environment would look like in Manchester and provide a framework for effective on-going engagement by the Children’s Trust with the sector.

The following sections set out how the VCFS proposes to improve the relationship with the Children’s Trust, by:

- Improving the understanding of the CYPF VCFS by other partners
- Affirming our vision of a thriving voluntary and community sector
- Suggesting ways for increasing the ability of VCFS organisations to improve outcomes for Manchester’s children, young people and families
- Gaining commitment to a long term, step-by-step plan for CYPF VCFS development

The children, young people and families VCFS is the first thematic group in Manchester which has undertaken to produce such a strategy. To this end, it is hoped that each of Manchester’s key thematic areas will produce it’s own iteration of the Third Sector Strategy, informed not only by the generic third sector agenda, but also by the social policy aims specific to that theme.

---

<sup>1</sup>[www.cabinetoffice.gov.uk/media/cabinetoffice/third\\_sector/assets/ni7\\_briefing%20\\_note.pdf](http://www.cabinetoffice.gov.uk/media/cabinetoffice/third_sector/assets/ni7_briefing%20_note.pdf)

## 2. Local Context

### 2.1 Definition

The voluntary and community sector (VCFS), also known as the Third Sector, is a diverse, active and passionate sector. Typically organisations in the sector have three common characteristics:

- They are non-governmental
- They are value driven
- They have a not-for-profit ethos and reinvest financial surpluses to further their charitable objectives

The term encompasses a huge range of organisations including grassroots, neighbourhood, voluntary and community, charities, faith-based, social enterprises, co-operative and mutual societies, large and small. Throughout this paper we have chosen to use the term VCFS as a narrower group than “third sector” being concerned specifically with organisations who fall broadly into the definition of “charity” under the Charities Act 2006. We take it to include faith-based organisations which are providing activities or services.

### 2.2 Composition

In July 2008, *Every Organisation Matters*<sup>2</sup> was published – a national mapping study of the CYPF VCFS which reported the following key findings:

- Effective national mapping of the CYPF VCFS is currently hindered by poor quality of data
- The CYPF CS employs as many as one in three of the total VCFS workforce
- There are four times as many CYPF VCFS organisations per 1,000 children and young people as there are VCFS organisations per 1,000 of the adult population
- The profile of the CYPF VCFS varies significantly across the country, reflecting local policy and demographic contexts
- In common with the VCFS as a whole, the CYPF VCFS is increasingly affected by growing levels of public service commissioning which favour larger organisations and enhance private sector involvement: this is not universally welcomed

There has never been a full, detailed audit of the scale of the VCFS in Manchester, but it is reasonable to estimate that there are some 4000 VCOs active in the city: ranging from unincorporated associations through to large national charities. Local infrastructure

---

<sup>2</sup> Craig, G. et al (2008) *Every Organisation Matters*. University of Hull/Speaking Out <http://www.ncvys.org.uk/UserFiles/File/Speaking%20Out/Research/Every%20Organisati on%20Matters%20July%202008.pdf>

organisations for the CYPF VCFS, Manchester Alliance for Community Care (MACC) and Voluntary Youth Manchester (VYM)<sup>3</sup> are currently in some form of contact with around 900 CYPF VCOs between them and MACC's estimate would be that there is probably somewhere around 1,500 CYPF VCO's in Manchester, if not more. Despite the existence of various data sources there is currently no single place which holds a record of all the VCOs working Manchester, although an attempt is being made to establish a single online directory of groups<sup>4</sup>.

## 2.3 Economy

The latest *Every Organisation Matters* research estimates the children and young people's voluntary and community sector employs over 160,000 people in England – as many as 1 in 3 of all those employed by voluntary and community organisations - and generates income in excess of £15 billion a year.

Data about the economic size of the CYPF VCFS in Manchester can only be derived from national and regional research. Sources include:

- NCVO (2008) Civil Society Almanac<sup>5</sup>.
- Voluntary Sector North West (2008) *The Economic Contribution of the Voluntary and Community Sector to the Economy of the North West*<sup>6</sup>

In terms of economic impact, statistics are inevitably skewed by the huge difference in scale between the national and regional organisations and the smaller community groups. Some data is available to put this into perspective: 87% of VCOs have an annual income of less than 100k – in fact 56% have an annual income of less than 10k<sup>7</sup>

---

<sup>3</sup>MACC is a voluntary sector development agency which convenes and supports the Child and Family Support Forum, bringing together local third sector groups working with children and families. VYM is a network of third sector groups providing services and support for young people. Both MACC and VYM are members of the Community Network for Manchester (CN4M).

<sup>4</sup> See [www.onecentralplace.org](http://www.onecentralplace.org)

<sup>5</sup> Summary: [www.ncvo-vol.org.uk/uploadedFiles/NCVO/What\\_we\\_do/Research/Almanac/Almanac2008ExecutiveSummary.pdf](http://www.ncvo-vol.org.uk/uploadedFiles/NCVO/What_we_do/Research/Almanac/Almanac2008ExecutiveSummary.pdf)

<sup>6</sup> Download: [www.vsnw.org.uk/research.economic](http://www.vsnw.org.uk/research.economic)

<sup>7</sup> NCVO (2006) *Voluntary Sector Almanac 2006*  
[www.ncvo-vol.org/research/index.asp?id=2380&terms=almanac%202006](http://www.ncvo-vol.org/research/index.asp?id=2380&terms=almanac%202006)

## 2.4 Workforce

As a whole, the sector is a major employer. Again, data is limited on the CYPF VCFS workforce in Manchester but based on two main sources<sup>8</sup>. It is estimated that there are:

- Over 10,000 paid staff
- Over 12,000 unpaid staff

A significant observation in the workforce profile report was the high level of paid staff turnover in the 30 organisations surveyed. In 2007, 69 paid staff joined and 71 paid staff left. Challenges faced by CYPF VCFS in developing their workforce include:

- Difficulty of finding people with the right skills
- Not enough funding available
- Being unable to offer more than a temporary contract
- Cost of advertising
- Lack of support around human resources issues

## 2.5 National Policy

In 2003, the Government published a Green Paper called *Every Child Matters* alongside the formal response to the report into the death of Victoria Climbié. After a thorough consultation process, the Children Act 2004 became law. This legislation is the legal underpinning for *Every Child Matters*, which sets out the Government's approach to the well-being of children and young people from birth to age 19.

The recent government guidance makes it clear that performance improvements or outcomes cannot be achieved by any one organisation working on its own. Manchester acknowledges the importance of Children's Trust Arrangements in ensuring that all organisations work together to achieve performance improvements and outcomes for children, young people and families.

As part of the Cabinet Office, the Office of the Third Sector (OTS) was created in May 2006 in recognition of the increasingly important role the third sector plays in both society and the economy. Its role is to lead work across government to support the environment for a thriving third sector (voluntary and community groups, social enterprises, charities, cooperatives and mutuals), enabling the sector to campaign for change, deliver public services, promote social enterprise and strengthen communities. The OTS works in partnership with central and local government and the third sector to:

---

<sup>8</sup> MACC (2003) *From Playgrounds to Prisoners Families* and Voluntary Youth Manchester et al (2008) *A Profile of the 'Voluntary, Community and Faith Sector Children and Young People's Workforce in Manchester'*.  
[http://www.macc.org.uk/macc/child\\_families\\_reports.php](http://www.macc.org.uk/macc/child_families_reports.php)

- Enable campaigning and empowerment, particularly for those at risk of social exclusion
- Strengthen communities, drawing together people from different sections of society
- Transform public services, through delivery, design, innovation and campaigning
- Enable social enterprise growth and development, combining business and social goals

Key policy and other supporting documents which provide the context for this strategy include the following:

- *Every Child Matters*, HM Government, September 2003
- *Children's Trusts: Statutory Guidance on Interagency Cooperation to Improve Well-being of Children, Young People and Their Families*, HM Government 2008
- *Engaging the Voluntary and Community Sector in Children's Trusts*, HM Government 2005
- *Better Together: Improving Consultation with the Third Sector*, Cabinet Office OTS, November 2008
- *The future of the third sector in social and economic regeneration*, Cabinet Office OTS, July 2007
- *Joint planning and commissioning framework for children, young people and maternity services*, HM Government, March 2006
- *Joint planning, joint commissioning and budget pooling in children's trust settings – national evaluation of children's trusts*, University of East Anglia, April 2006
- *White Paper: Communities in Control, real people, real power*. Communities and Local Government, July 2008
- *Third Sector Strategy and Action Plan*. DCSF, July 2009

## **2.5 Local Policy**

### *Manchester Compact*

Established nationally in 1998, a Compact agreement sets out how both statutory and VCFS parties should work together and is underpinned by five codes of practice: BME, Community Groups, Consultation and Policy Appraisal, Funding and Procurement and Volunteering.

Manchester signed its local Compact in September 2003. Despite its longevity, the Compact is not as widely understood as it should be, and remains simply an aspiration rather than an effective tool to improve partnership working. There is definite scope to

improve awareness and understanding of the Compact.

### *Sustainable Community Strategy*

This is the overarching partnership strategy within Manchester. It fits into and supports a framework of other partnership strategies including the Manchester Partnership's, thematic partnership's: economic and local employment; culture; children and young people; sustainable neighbourhoods (including the environment and sustainability and housing market renewal); crime and disorder; health inequalities and transport as well as the valuing older people partnership

### *Manchester Community Engagement Strategy (2006 – 2015)*

This strategy aims to achieve better governance, better VCFS service delivery, better social infrastructure and better social capital and cohesion

### *Manchester's Local Area Agreement (2008/9 – 2010/11)*

This is a three-year agreement between Manchester City Council, its partners and the government. The agreement identifies priorities that most affect the lives of Manchester people and targets which, when achieved, will raise the performance of the city significantly as compared with other cities. This LAA is Manchester's delivery plan for the next three years of the Community Strategy 2006-2015. It is not just a performance management regime, it delivers the vision through partnership working. This LAA helps the local authority to align overall public sector spend towards the agreed Community Strategy. It is within this strategy the indicator "Environment for a thriving third sector" sits.

### *Manchester's Children and Young People's Plan (2006- 2009)*

The Plan is the single, strategic, overarching plan for all local services for children and young people, for example health services, police, local authority and voluntary organisations. It sets out a vision for children and young people and identifies how outcomes for children and young people can be best improved.

## **2.6 Manchester Children's Trust**

Manchester's **Children's Trust** is a thematic partnership within the Local Strategic Partnership (LSP) and should inform and influence the work of the LSP as it relates to children, young people and families. As defined by government there are four essential features of any Children's Trust:

- integrated front line delivery
- integrated processes
- joint planning and commissioning
- interagency governance

Within the Children's Trust the Manchester **Children's Board** is the ultimate accountable body and has three key functions:

- Setting the strategic direction and champion for children and young people
- Sponsor group for the children's services transformational change programme
- Performance management of high level improvement priorities

Membership of this group includes the CYPF VCFS Strategic Lead.

The **Children's Trust Leadership Team** (CTLT) is accountable for the effective delivery of the Children's Trust programme, meeting both locally determined and nationally set objectives and timescales and responsible for ensuring district aligned multi-disciplinary management arrangements function effectively. There is no VCFS membership on this group.

The role of the six **District Wider Leadership Teams** (DWLT) is to coordinate and align the development and delivery of services for children within each district and to lead effective partnerships within each district. Core membership includes members of the VCFS

**District Partnerships** are a collaborative and cooperative arrangement that bring together key stakeholders within the district to support and challenge the commissioning and development of services and enhancement of partnership working. Core memberships of these groups includes the VCFS. Within these groups (formally known as district panels) VCFS members have played a key role in influencing local commissioning strategy and governance.

## **2.7 Commissioning Approach**

Better commissioning and market development of children's services is central to the Department of Children, Schools and Families (DCSF) plan to achieve better outcomes and improve the delivery of services to children, young people and their families.

In Manchester, the focus of discussions on commissioning within the Children's Trust Arrangements to date has primarily been on the principle of district commissioning and the role of multi-agency district panels. However, some work has been undertaken in the context of formulating an approach to 'shared' commissioning between Manchester City Council (MCC) and Manchester Primary Care Trust (PCT) above and beyond district arrangements.

It is proposed to establish a joint commissioning unit with the children's trust, led by MCC and the PCT. District partnerships will act as commissioning and provider reference groups, providing detailed local intelligence and opinion of jointly commissioned services. As such, the district partnerships will be key partners of the joint commissioning unit with a clear role to ensure the needs of their district are met.

### 3. Vision and principles

The **population outcomes** we are aspiring to have been clearly established by the Every Child Matters agenda:

- Be Healthy
- Stay Safe
- Enjoy and Achieve
- Make a Positive Contribution
- Achieve Economic Well-being

In 2006 MACC produced a report indicating how the local VCFS makes a significant and unique contribution to these outcomes<sup>9</sup> therefore it is not the purpose of this strategy to examine these in further detail.

In order to achieve a thriving third sector, nine key **performance outcomes** for the CYPF VCFS have been identified by the voluntary and community sector in Manchester<sup>10</sup>. These performance outcomes are:

1. Increased number of community based organisations delivering services
2. Increased appropriateness of geographic coverage in relation to need
3. Maintained diversity of the children, young people and families VCFS
4. Increased quality of practice in existing organisations
5. Increased quality of management and governance in small and medium sized children, young people and families VCO's
6. Increased activity at the community sector level
7. Increased numbers of people engaging in the sector
8. Increased local investment in the VCFS
9. Increase number of partnerships within the VCFS and with other sectors

---

<sup>9</sup> MACC (2006) *'What Difference Do We Make? Manchester's Voluntary and Community Sector's Contribution to the Every Child Matters Outcomes'* Available at [www.macc.org.uk/macc/child\\_families\\_reports.php](http://www.macc.org.uk/macc/child_families_reports.php)

<sup>10</sup> These outcomes were agreed through consultation with organisations through the Child & Family Support Forum

The challenge is how to achieve these performance outcomes. There are a number of critical components, or building blocks that will enable incremental improvements for each of the performance outcomes.

Table 1. Building blocks for a thriving voluntary and community sector

<b>Management, Leadership and Governance</b>	<ul style="list-style-type: none"> <li>• How can we better recognize and support management, leadership and governance within the CYPF VCFS in Manchester?</li> </ul>
<b>Workforce Development</b>	<ul style="list-style-type: none"> <li>• How can we ensure that members of the CYPF VCFS workforce have the skills and knowledge to do the best job they can?</li> </ul>
<b>Volunteering</b>	<ul style="list-style-type: none"> <li>• How do we better grow, manage and support the CYPFVCFS volunteer workforce</li> <li>• What support is provided to ensure a co-ordinated and effective volunteering infrastructure is in place?</li> </ul>
<b>Economic Development</b>	<ul style="list-style-type: none"> <li>• How do partners provide support for capacity building to and for the CYPF VCFS in Manchester</li> </ul>
<b>Commissioning and Contracting</b>	<ul style="list-style-type: none"> <li>• What do we need to do to ensure commissioning processes are fair, transparent and accessible to the CYPF VCFS?</li> </ul>
<b>Partnerships and Collaborations</b>	<ul style="list-style-type: none"> <li>• How do we create an environment which support and enables partnerships and collaboration between partners at all levels?</li> </ul>
<b>Strategic Engagement and Policy Development</b>	<ul style="list-style-type: none"> <li>• How do we ensure the CYPF VCFS can engage at a strategic level as an equal partner</li> </ul>
<b>Community Development</b>	<ul style="list-style-type: none"> <li>• How can we support and empower individuals and groups of people by to effect change in their own communities?</li> <li>• How can we influence power structures to remove the barriers that prevent people from participating in the issues that affect their lives?</li> </ul>
<b>Community Cohesion</b>	<ul style="list-style-type: none"> <li>• How do we encourage positive relationships between all different groups?</li> </ul>

#### **4. Enabling the voluntary and community sector to thrive**

The following section identifies **specific aims** at each level of the Children’s Trust to achieve improvements in key areas. It is the expectation that all partners within the

Children's Trust must work together to identify activities which will help us progress in achieving these aims.

### Management, Leadership and Governance

<b>Interagency Governance</b>	Increase knowledge and understanding of the Trust by the VCFS
<b>Integrated strategy</b>	Improve system to ensure the VCFS receive guidance on roles and responsibilities for safeguarding
	Increase knowledge and understanding by VCFS of current local and national developments affecting it's work
	Increase quality of practice, management and governance by VCFS providers through training and support
<b>Integrated processes</b>	Increase number of VCFS organisations taking on a lead professional role
	Increase involvement of VCFS in the development of contact point and information sharing guidance
	Improve the ability of VCFS providers to manage their performance
	Develop performance management systems to be flexible enough to enable organisations to respond to changing or emerging needs

### Workforce Development

<b>Integrated strategy</b>	Improve system to ensure the VCFS receive guidance on roles and responsibilities for safeguarding
	Increase support for small community based organisations
	Increase knowledge and understanding by VCFS of current local and national developments affecting its work
<b>Integrated processes</b>	Increase understanding within the VCFS about the role and purpose of CAF
	Increase number of VCFS providers completing CAF's
	Increase number of VCFS organisations taking on a lead professional role
	Increase involvement of VCFS in the development of contact point and information sharing guidance

## Volunteering

<b>Interagency Governance</b>	
<b>Integrated strategy</b>	
<b>Integrated processes</b>	
<b>Integrated frontline delivery</b>	

## Economic Development

<b>Integrated strategy</b>	Improve commissioning processes for VCFS providers
	Increase knowledge and understanding by VCFS of current local and national developments affecting it's work
	Extend understanding by the Trust of the VCFS workforce and its contribution to the workforce as a whole
<b>Integrated processes</b>	Improve the ability of VCFS providers to manage their performance
	Develop performance management systems to be flexible enough to enable organisations to respond to changing or emerging needs
<b>Integrated frontline delivery</b>	Make commissioning processes more transparent, inclusive and consistent across different work streams
	Increase awareness of sector needs beyond those organisations funded by the partnership
	Increase in number of partnerships within the sector and with other sectors
	Enable a more consistent approach to the engagement of providers across districts

## Commissioning and Contracting

<b>Interagency</b>	Increase opportunities for VCFS to contribute to vision and priorities for
--------------------	--

<b>Governance</b>	the Children and Young People's Plan
<b>Integrated strategy</b>	Increase the level of engagement at a strategic level in developing the commissioning framework
	Improve commissioning processes for VCFS providers
	Increase involvement by the VCFS in needs analysis and resource mapping
<b>Integrated processes</b>	Develop performance management systems to be flexible enough to enable organisations to respond to changing or emerging needs
<b>Integrated frontline delivery</b>	Make commissioning processes more transparent, inclusive and consistent across different work streams
	A more diverse range of grants and contracts are made available
	Increase recognition of the VCFS role in early identification of need at a local level

### Partnerships and Collaborations

<b>Integrated frontline delivery</b>	A more diverse range of grants and contracts are made available
	Increase number of partnerships within the sector and with other sectors
	Enable a more consistent approach to the engagement of providers across districts
	Stimulate networking at a local level

### Strategic Engagement and Policy Development

<b>Interagency Governance</b>	Increase knowledge and understanding of VCFS by Children's Trust partners at a strategic level
	Increase knowledge and understanding of the Trust by the VCFS
<b>Integrated strategy</b>	Increase the ability of VCFS representatives to be accountable in their role
	Diversify representation at a strategic level to include a wider range of organisations, including small community organisations
	Support strategic engagement at a district level
	Ensure the VCFS has access to appropriate and sufficient information to

	enable it to develop its own views about key issues and respond to consultation
	Increase opportunities for VCFS to contribute to vision and priorities for the Plan
	Ensure the VCFS plays a key role in developing shared values and ethos for the City
<b>Integrated processes</b>	Enable more effective participation on the MSCB
	Extend understanding by the Trust of the VCFS workforce and its contribution to the workforce as a whole

### Community Development

<b>Interagency Governance</b>	Diversify representation at a strategic level to include a wider range of organisations, including small community organisations
	Support strategic engagement at a district level
	Ensure the VCFS has access to appropriate and sufficient information to enable it to develop its own views about key issues and respond to consultation
<b>Integrated strategy</b>	Increase support for small community based organisations
<b>Integrated processes</b>	Increase understanding within the VCFS about the role and purpose of CAF
	Increase number of VCFS providers completing CAF's
<b>Integrated frontline delivery</b>	Increase role of VCFS in multi-agency arrangements at a district and locality level
	A more diverse range of grants and contracts are made available
	Enable a more consistent approach to the engagement of providers across districts

### Community Cohesion

<b>Interagency Governance</b>	Diversify representation at a strategic level to include a wider range of organisations, including small community organisations
-------------------------------	--

	Support strategic engagement at a district level
	Ensure the VCFS has access to appropriate and sufficient information to enable it to develop its own views about key issues and respond to consultation
<b>Integrated strategy</b>	Increase support for small community based organisations
<b>Integrated frontline delivery</b>	Increase role of VCFS in multi-agency arrangements at a district and locality level

## Appendix 1: Strategic Analysis

### 1 SWOT analysis of Manchester’s voluntary and community sector

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Long history of developing and delivering services based around a “person centered” approach</li> <li>• Greater flexibility in smaller organisations to respond to people as individuals rather than deliver ‘off the shelf’ solutions</li> <li>• There is no correlation in terms of outcomes between the size of the organisation and the size of the outcome for the individual: small organisations can make a huge difference</li> <li>• VCO’s are best placed to engage with ‘hard to reach communities’</li> <li>• Willingness of volunteers to participate in and contribute to the work of third sector organisations is a powerful force.</li> <li>• Long history of being a catalyst for change – terms such as “community activism” and “campaigning” are being replaced by more moderate terms such as “partnership” and “co-creation” which is generally recognised as step forward</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Until commissioners are genuinely monitored on their compliance of it, the Compact remains simply an aspiration rather than an agreement</li> <li>• Rather than being seen as long term process of nurturing and growth, capacity building support is often unrealistic in terms of time scales and expectations of pace of change.</li> <li>• If Local Authorities are expected to focus on commissioning of services, why are they also allowed to remain as providers?</li> <li>• We cannot prepare the sector for commissioning until there is a clear goal and commissioning process are clearly identified</li> <li>• Work carried out to stimulate the VCYP VCFS in Manchester is uncoordinated and under resourced</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Through effective leadership, better coordination and the establishment of improved information and evidence, the VCFS could significantly enhance its influence over the scope and content of the Community Strategy</li> <li>• Perceptions and expectations of the VCFS, from both within the sector and by external agencies must be challenged</li> <li>• Increase ability in the VCFS to gather, edit and present relevant evidence succinctly and clearly</li> <li>• Need to create opportunities where the</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Commissioning processes are not appropriate for smaller community based VCO’s, yet lack of plurality of funding regimes does not reflect this</li> <li>• Expectation of pace of change is often unrealistic due to legacy of chronic underinvestment and instability in voluntary sector management infrastructure</li> <li>• Despite central government rhetoric, political will at the local level remains weak</li> <li>• There is a lack of understanding of the role and value of the CYPF VCFS by</li> </ul>

<p>sector publicly celebrates its successes</p> <ul style="list-style-type: none"> <li>• White Paper: Communities in Control puts a greater emphasis on passing down power into the hands of the communities – VCFS providers can be key players in this</li> </ul>	<p>local authority partners</p>
---	---------------------------------

**2. PEST Analysis of the key strategic drivers which shape and influence the environment in which the CYPF VCFS in Manchester operates.**

<p><b>Politics</b> (processes, policies and local decision making)</p>	
<p><b>Partnership and Governance Arrangements</b></p>	<ul style="list-style-type: none"> <li>• More opportunities available for VCOs to influence and help set priorities within their local area</li> <li>• The number of different partnerships can provide a variety of routes for VCOs to engage with decision making structures</li> <li>• The variation in structure and legal status of different partnerships can make it difficult for VCOs to understand the level of power each partnership has, how they link to one another, and where decisions are actually being made</li> <li>• Lack of 'joined-up' local strategies</li> <li>• The number of bodies on each partnership from a variety of sectors may result in competing interests and tensions around the accountability and legitimacy of different groups to represent different interests</li> <li>• VCOs need to be clear about the extent to which they have involved their users and members in shaping their views</li> <li>• An increased need for community leaders who can reconcile the diversity of individual and group expectations and needs across the partnerships and control and manage the direction.</li> <li>• Involvement on partnerships can be time consuming and a drain on resources</li> <li>• The numerous opportunities for VCOs to be involved in different partnerships means that there is a risk that the same VCOs end up on each partnership (maybe those with more time or resources) and as a result people trying to wear 'too many hats'</li> </ul>
<p><b>Localism agenda</b></p>	<ul style="list-style-type: none"> <li>• The Government White Paper 'Communities in control: Real people, real power' (July 2008) represents a general trend towards giving power back to local government and demonstrates a growing consensus about the role of councils as 'place shapers'</li> <li>• Increasing public engagement in decision making at a local level</li> </ul>

	<ul style="list-style-type: none"> <li>• The local governance policy agenda appears to be constantly changing and shifting. This presents challenges for VCOs in keeping up to date with developments</li> </ul>
<b>Priorities for public spending</b>	<ul style="list-style-type: none"> <li>• Services that the government does not have a statutory obligation to provide may see a significant reduction in funding</li> <li>• Pressures on public spending are likely to lead to even higher expectations of efficiency and value for money and increased competition for available funds</li> <li>• VCOs need to get better at understanding and demonstrating the true cost and value of their work if they are to be able to negotiate adequate funding in a competitive environment</li> </ul>
<b>Trust in charities</b>	<ul style="list-style-type: none"> <li>• Pressure on VCOs to be more transparent and adopt new mechanisms for accountability from both funders and the public (see expectations of evidence).</li> <li>• Greater scrutiny of VCOs from the public may lead to an increase in measurements and comparison of VCOs (for example, league tables) which may not take into account the complexity of organisational services, beneficiary needs and fundraising costs.</li> <li>• Increased media coverage of the VCFS with a focus on accountability which may have implications for organisation's reputations.</li> <li>• Organisations may need to become aware of the importance of demonstrating their independence from government in order to counteract a decline in trust.</li> </ul>

<b>Economic (economic, finance and sector funding)</b>	
Efficiency and value for money	<ul style="list-style-type: none"> <li>• Financial pressures can lead to procurement practices promoting economies of scale, leading to polarisation of the VCFS</li> <li>• Increased pressure to work in partnership or collaboration</li> <li>• Increased competition for funds and higher expectations of evidence of value and impact</li> <li>• Increased performance measurement</li> <li>• Rationalisation of funding streams favour larger organisations that can offer economies of scale</li> </ul>
Economic downturn	<ul style="list-style-type: none"> <li>• Individuals are likely to reconsider their charitable giving - evidence from other recessions is that giving does not fall but that donors focus on causes they already support.</li> <li>• Funding from government may fall - evidence from other recessions is that income from government fell</li> </ul>
Inequality between local areas	<ul style="list-style-type: none"> <li>• Potential inequality in service provision between different areas (the 'post code lottery')</li> <li>• Increased demand for voluntary and community organisations</li> </ul>

	<p>to meet gaps created by inequality in service provision</p> <ul style="list-style-type: none"> <li>• A risk that pockets of deprivation, within affluent areas, get missed by funders and regeneration initiatives</li> <li>• The voluntary and community sector's own resources may not always be in the areas of greatest needs</li> </ul>
Bringing markets into public services	<ul style="list-style-type: none"> <li>• Increased role in public services for VCOs.</li> <li>• Increasing pressure to demonstrate efficiency and value for money.</li> <li>• Intensification and complexity of competition. Suppliers must demonstrate added value in order to differentiate themselves.</li> <li>• Blurring boundaries between the sectors as VCOs and private companies take on services previously delivered by the State.</li> </ul>
Procurement Practice	<ul style="list-style-type: none"> <li>• Procurement practices tend to favour contracts over grants, economies of scale and competitive tendering processes despite policies that emphasise the importance of supporting local voluntary action</li> <li>• Practice is slowly improving with a better understanding of the different types of support available (grants, contracts, loans, advice and support)</li> <li>• Increased complexity for financial managers as procurement becomes more professional, particularly in small organisations, where they are often responsible for many other roles.</li> <li>• As procurement and commissioning emerge as distinct professional disciplines there is a risk that each has a different set of priorities; the commissioners looking more at added value and procurers going for the best price.</li> <li>• Bureaucracy associated with procurement can divert organisational resources.</li> <li>• Moves towards full cost recovery across the third sector could be hampered by an increase in competitive tendering contracting processes.</li> </ul>
Level and sources of VCFS Income	<ul style="list-style-type: none"> <li>• Additional skills and resources required for VCOs to negotiate increasingly complex procurement practices associated with government contracts.</li> <li>• Grant making trusts and venture philanthropists become more strategic in their giving and engaged with the organisations they fund.</li> <li>• Increasing need for VCOs to understand the full range of funding sources available to ensure a sustainable funding mix – from social enterprise to loan finance.</li> <li>• Increased expectation of VCOs to trade and charge for services to diversify their income sources.</li> </ul>
Promotion of social enterprises	<ul style="list-style-type: none"> <li>• Some form of income generation expected in every bid</li> <li>• A blurring of boundaries between the VCFS, public sector and</li> </ul>

	<p>the market leading to the mainstreaming of the VCFS</p> <ul style="list-style-type: none"> <li>• An increase and diversification of levels and sources of VCFS income</li> <li>• Further polarisation of the sector</li> <li>• An increase in the number of general charities as the definition of social enterprise incorporates a wider range of charities and activities</li> </ul>
--	---

<b>Society – population trends, public attitudes and volunteering</b>	
Attitudes towards community responsibility	<ul style="list-style-type: none"> <li>• An increase in policies around citizenship and active citizenship and volunteering as the government tries to re-engage the public in their communities.</li> <li>• The potential for a decrease in local community volunteers as individuals feel less of a sense of responsibility for those in their community - the community is often a gateway into volunteering.</li> <li>• The emergence of a 'responsibility gap' – where more vulnerable people may fall outside the care or responsibility of their family, community, VCOs or other governmental institutions.</li> <li>• Growth in online communities as the internet facilitates communities that are built in different ways.</li> </ul>
Professionalisation of volunteering	<ul style="list-style-type: none"> <li>• Volunteering may be increasingly perceived as a means of developing skills and a career, especially for young people.</li> <li>• Increase in numbers of volunteers.</li> <li>• Rigid structures may discourage those who would prefer a less formalised approach.</li> <li>• Increased levels of complexity for organisations and particularly volunteer managers.</li> <li>• Risk that innovation and spontaneity of volunteers and organisations is stifled.</li> </ul>
Ethnic diversity	<ul style="list-style-type: none"> <li>• Managing diversity to minimise social fragmentation in society is likely to become a bigger challenge.</li> <li>• The VCFS's response to issues of ethnic and cultural diversity could have a significant impact on the future of social cohesion in Britain and the development of civil society as the 'good' society.</li> <li>• High levels of poverty and inequality and competition for resources, particularly locally</li> </ul>
Tolerance of anti-social behaviour	<ul style="list-style-type: none"> <li>• Low tolerance of anti-social behaviour may lead to higher perceptions of threat.</li> <li>• Civil liberties concerns have emerged around measures such as the naming and shaming of children with ASBOs.</li> <li>• Risk that too great a focus is put on enforcement of anti-social</li> </ul>

	<p>behaviour methods at the detriment of preventing anti-social behaviour.</p> <ul style="list-style-type: none"> <li>• Measures such as ASBOs may contribute to the criminalisation and marginalisation of young people, especially those living in deprived areas.</li> </ul>
Importance of organizational values	<ul style="list-style-type: none"> <li>• A growth in the sector's workforce as a result of a search for 'zenemployment' – where workers seek a more fulfilling and compassionate career.</li> <li>• A continuation of the current trend of 'downshifting' where individuals increasingly value experiencing a sense of purpose at work over high salaries. This may become more prevalent as those in high paying jobs in the financial sector are made unemployed and unemployment rises as a result of the economic downturn.</li> </ul>

<b>Technology (New media and other new technologies)</b>	
Aggregation and storage of data	<ul style="list-style-type: none"> <li>• It will become easier to join-up data held by different public service providers in the name of seamless customer experience and the expectation that data should be shared is likely to increase.</li> <li>• This can lead to benefits, such as a more personal service</li> <li>• However, it also raises concerns about privacy and new ethical questions about how personal data is used and shared</li> <li>• The need for common standards in information and identity management is likely to impact on VCOs delivering services under contract to public bodies</li> </ul>