

WIRRAL PLACE BASED PARTNERSHIP BOARD**22nd February 2024**

REPORT TITLE:	STATE OF THE SECTOR
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REPORT SUMMARY

Last year, NHS Cheshire & Merseyside, in partnership with the Voluntary, Community, Faith and Social Enterprise (VCFSE) Sector, commissioned the most comprehensive review of the VCFSE Sector ever undertaken.

The Cheshire and Merseyside State of the Sector Review 2023 contains information on the profile of the sector, sector workforce, the main activities of the sector, community assets and partnership working. It goes on to analyse partnership working, current challenges, future activity and measuring impact. It also contains subregional and place based summary reports and finally outlines 6 opportunities.

This report brings together the highlights from the State of the Sector Review and aims to add local (or place based) context to the opportunities.

RECOMMENDATION/S

It is recommended that the Wirral Place Based Partnership Board notes this report and considers what actions partners can take to further engage with the VCFSE sector.

SUPPORTING INFORMATION

1. REASON/S FOR RECOMMENDATION/S

1.1. The Voluntary, Community, Faith, and Social Enterprise (VCFSE) sector delivers significantly at Place but is sometimes considered as an additional rather than an integral part of the system in Wirral. The Place Based Board partners need a greater understanding of the contribution the sector do, and can make, and ensure the sector and involved in strategic planning and integrated into operational delivery.

2. OTHER OPTIONS CONSIDERED

2.1. At a structural level, no other options have been considered. Individual VCFSE organisations are actively considering a range of options including redundancies and ceasing service delivery.

3. BACKGROUND INFORMATION

3.1. According to the State of the Sector Review there are 2539 community organisations / groups in Wirral who employ 4411 paid staff and engage 18,348 regular volunteers who deliver 59,448 volunteer hours per week. Producing £84.2 million in GVA (Gross Value Added) each year.

3.2. Considering Wirral was the only Place that didn't have a Local Infrastructure Organisation operating at the time, it is noteworthy that there was a higher than average response rate across the sector but there is work to do in the future to ensure that the data we collect better reflects the whole of the sector.

3.3. The data in the report, particularly the summary Place reports, cannot be read in isolation. The main report explains the calculations and assumptions used that give important context and aid understanding.

3.4. The opportunities outlined in the report are based on the Cheshire & Merseyside information and require interpretation and consideration at Place level. As such, this report will aim to identify how the broader opportunities relate to the Wirral Place.

3.4.1. Prioritise and enable relationships between the VCFSE sector and NHS

3.4.1.1. While there are some very strong relationships leading to very successful partnership programmes in Wirral only 9% of respondents reported a positive relationship with the place partnership and only 6% with NHS Trusts and Primary Care Networks.

3.4.1.2. Again it is worth noting that in the time since the survey was completed the Representation Model in Wirral has developed and more organisations are engaged.

3.4.1.3. As more representative roles develop and the Neighbourhoods programme rolls out across Wirral the levels of engagement should also increase which in turn should increase the visibility of the sector.

3.4.1.4. There is work to be done to ensure that Place Partners have as complete a picture as possible in regard to the range of organisations that support the health and wellbeing of residents – not only the organisations who are commissioned to provide services.

3.4.2. Increasing VCFSE resilience and sustainability through identified investment

- 3.4.2.1. The data this report is based on, whilst comprehensive, was collected last year and shows clear signs that VCFSE organisations were already delivering more services, spending into their reserves and receiving less money than the year before.
- 3.4.2.2. Add to this, the high profile closures of established organisations such as Children Englandⁱ and The Cares Familyⁱⁱ and alarm bells are ringing.
- 3.4.2.3. Organisations working on budgets for the coming financial year have already issued redundancy notices as they aim to balance the books.
- 3.4.2.4. All of this raises questions for Place to consider. Do Statutory Sector providers understand the interdependencies of services? Is it clear which services provided by the sector support Place delivery? Have commissioners given thought to the consequences of not including uplifts in funding given the extraordinary economic circumstances of the past few years?
- 3.4.2.5. In the longer term, Place has a responsibility to give consideration to investment in the sector that isn't just buying outcomes?

3.4.3. The VCFSE Sector as Community Partners in Supply Chains

- 3.4.3.1. The stability of the VCFSE Sector should be a priority given that the sector is seen as an essential part of the Health & Care System.
- 3.4.3.2. It is widely recognised that the sector provides better value for money on the services they provide than either the statutory or private sectors.
- 3.4.3.3. Procurement and commissioning processes can inhibit rather than promote strategic relationships, encouraging unhealthy competition instead of promoting collaboration. There has been some success in developing Mental Health Alliances but experience shows that there has to be investment in the development as well as delivery

3.4.4. Extend NHS Workforce Development to create opportunities for the VCFSE Workforce

- 3.4.4.1. Work on integrated Workforce Development Strategy is an important step to understand where there is capacity that can be better utilised for common outcomes.
- 3.4.4.2. There is circa 4400 paid staff in the sector in Wirral and a further 18,000 volunteers, a significant resource that can positively impact.
- 3.4.4.3. Early discussions in Wirral are exploring how resources can be more efficiently used including making training opportunities available across sectors and working towards seeing a single workforce.

3.4.5. Commissioning for Social Value at Place

- 3.4.5.1. Again, there are good examples in Wirral of how social value can be used to generate positive outcomes to improve the health and wellbeing of residents – Marine Point and Flourish Wellbeing for example.

- 3.4.5.2. There are challenges though. Financial Pressures within contracts are impacting organisation's ability to both pay the Real Living Wage and maintain service levels, particularly given the rate of increase that was never foreseen in contracts that are more than a year old with either no or insufficient uplift in the value of multi-year contracts.
- 3.4.5.3. There could be real benefit in exploring improvements in Procurement Processes by engaging with the sector to plan at an early stage. This would also enable better planning

3.4.6. Identify and Unlock Capacity in NHS Estates

- 3.4.6.1. While some VCFSE organisations operate from their own (owned or leased) premises there are others who take advantage of meanwhile use.
- 3.4.6.2. There are barriers to some organisations having a place to call home including funding, expertise, capacity etc.
- 3.4.6.3. Wirral's Strategic Estates Group are beginning to explore the potential of making best use of the property available.

3.4.7. Conclusions

- 3.4.7.1. The State of the Sector Survey report provides a comprehensive understanding of the VCFSE Sector across Cheshire & Merseyside. It also provides the opportunity for each Place to consider their strengths and weaknesses.
- 3.4.7.2. From a Wirral perspective it highlights the work we have done together, building relationships, and confirms the work we are embarking on, Workforce Development and Assets.
- 3.4.7.3. It also brings into sharp focus the immediate challenges, resilience and sustainability, which are being tested in ways many of us have not experienced since the global financial crisis in 2008.

4. FINANCIAL IMPLICATIONS

- 4.1. There are no direct financial implications arising from this report.

5. LEGAL IMPLICATIONS

- 5.1. There are no direct legal implications arising from this report.

6. RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1. There are no staffing implications arising out of the recommendations set out in this report.

7. RELEVANT RISKS

- 7.1. There are clear risks across the system from losing services that reduce demand on the System and colleagues are asked to consider these risks.

8. ENGAGEMENT/CONSULTATION

8.1. The report was commissioned by NHS Cheshire & Merseyside in partnership with VCFSE Infrastructure Organisations and brings together information from 392 organisations in total, 45 of them (11%) were from Wirral.

9. EQUALITY IMPLICATIONS

9.1. No Equality Impact Assessment (EIA) is required for this report, although greater Place working with the VCFSE sector will achieve greater inclusion and equality for Wirral residents.

10. ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1. The link between both internal and external environments and health is well evidenced. The VCFSE sector will continue to make positive contributions to the delivery of Wirral's Health and Wellbeing Strategy 2022-2027, which will support environmental and climate strategies, for example, the 'Cool Wirral 2' partnership strategy to tackle climate impacts.

11. COMMUNITY WEALTH IMPLICATIONS

11.1. A significant proportion of the sector in Wirral rely on traded income as their main source of income. People employed in the sector are also more likely to be local residents. Organisations provide services at more affordable to their local communities (or free). The cost to Place for services they procure through the sector are often cheaper than delivering internally or from the Private Sector.

11.2. All of these have a positive impact on Community Wealth Building.

11.3. The impact of the Cost of Living Crisis (food, utilities, insurance etc) along with stagnation in contract value, diminishing voluntary donations and greater competition for Grant funding are putting these at risk.

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APPENDICES

Appendix 1 - Cheshire and Merseyside State of the Sector Review 2023
Appendix 2 – State of the Sector Report Wirral Summary Review 2023

BACKGROUND PAPERS

N/A

SUBJECT HISTORY (last 3 years)

N/A

ⁱ <https://www.cypnow.co.uk/analysis/article/children-england-s-demise-reveals-existential-risk-to-charity-sector>
ⁱⁱ <https://www.theguardian.com/society/2023/nov/01/loneliness-charity-the-cares-family-goes-bust-warning-others-will-follow>