

GREATER MANCHESTER VCSE LEADERSHIP GROUP

the sector's voice in Devolution

GM VCSE Leadership Group
Voluntary Sector North West
3rd Floor, Swan Buildings,
20 Swan St,
Manchester
M4 5JW

28th July 2023

Mark Fisher, Chief Executive
NHS Greater Manchester Integrated Care

Ref: VCSE Commissioning and Contracting Risks

Dear Mark,

We are writing in advance of our planned VCSE Health Round Table session on 29th August to alert you to a number of VCSE Sector contracting and commissioning issues which we feel need to be addressed by the GM Integrated Care System with some urgency.

In particular, a large number of VCSE organisations across Greater Manchester are currently delivering services through non-recurrent contracts that are due to end in March 2024. These are services that provide public-facing support to those who are under-served by mainstream NHS services; employ a large number of skilled, experienced staff; and in many instances, contribute infrastructure that enables delivery of additional (and vital) non-commissioned services to the public.

Some organisations have received confirmation that the funding will cease, with very limited discussion or planning around the impact of this decision on the organisation's sustainability, workforce, the public and the wider system. Many other organisations have yet to receive confirmation either way, which with only 8 months to go, is already impacting on workforce and skill retention, service delivery, and future business planning.

We recognise that all parts of the Integrated Care System are facing exceptional challenges due to budgetary pressures and inflationary increases. However, systemic commissioning and contracting issues such as undervalued contracts; late payment, under payment and partial payment; contract short-termism; insufficient resourcing for infrastructure and management costs; and failure to pass on inflationary uplifts, have amplified those challenges in the VCSE Sector.

These issues combined have significantly reduced the VCSE sector's resilience and ability to absorb the new pressures that the whole system is now experiencing, leading to loss of valuable workforce capacity and skills, sector contraction and closures.

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Furthermore, VCSE Sector organisations are making business decisions for future years in a vacuum, without a clear sense from the health system regarding future commissioning intentions. This brings significant risk to the sector and system, either through organisations over-stretching themselves to be in a position to deliver contracts that won't be available; or through loss of innovation and sector capacity, as organisations feel the need to scale-back operations.

We would ask you to directly address the following issues as a matter of urgency

- 1) The lack of clarity over non-recurrent contracts and overall future commissioning intentions need to be addressed with urgency, if the ICP and localities wish to retain VCSE sector services across GM. VCSE organisations need to be informed now about whether their non-recurrent contracts are to be renewed; and to be fully included in work to understand and address the impact of these decisions on the public, the VCSE workforce, and the wider system.
- 2) The entire VCSE sector also needs to receive clear communications regarding the medium-term commissioning intentions of the ICP and localities, so that they can make appropriate business, financial and workforce plans.

If the challenges affecting the VCSE sector are not addressed, the VCSE Sector will be forced to reduce in size and capability, something we are already seeing at GM and locality level. The overarching risk is that the enduring, and sometimes worsening health inequalities in Greater Manchester are not addressed and communities continue to miss out.

We would be happy to meet with you to discuss these matters prior to the round table, and look forward to your response.

Yours sincerely,

The Chairs and members of the Greater Manchester VCSE Commissioning and Investment Group, on behalf of the GM VCSE Leadership Group.