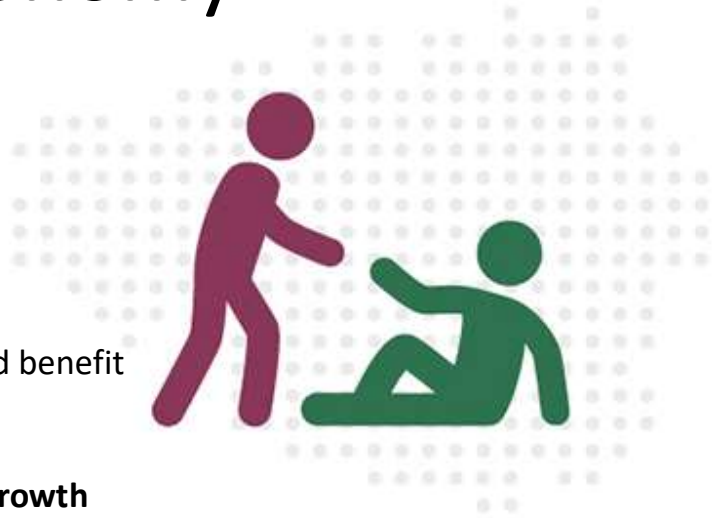


# An Inclusive Economy Manifesto



## **Inclusive economy is morally right**

Everyone has the right to contribute and benefit  
Inclusivity is for all, not the few.

## **Inclusive economy delivers economic growth**

Not just jobs, but good jobs  
Access to a larger skilled talent pool  
Seeing the potential in everyone

## **Inclusive economy improves health and wellbeing**

Health inequality is driven by wealth inequality

## **Inclusive economy supports a harmonious society**

Unlock the potential within communities and give them a voice  
Enable an environment where equality and diversity is respected and encouraged.

## **Inclusive economy will deliver the Green revolution**

The first revolution that will be truly inclusive  
The need for new and growing Green skills requires an inclusive response

## **Inclusive economy is equally led by the VCSE Sector**

Supporting and supported by Public and Private sector partners  
Providing pathways for the most disadvantaged to contribute to the wider economy  
Developing long-term sustainable solutions, not short-term fixes  
Ensuring that no one is left behind requires improved integration and increased investment

## **An inclusive whole is greater than the sum of unequal parts**

# **Manifesto for an Inclusive Economy – 2023-2026**

## **The Background**

This Manifesto sets out the Voluntary, Community and Social Enterprise (VCSE) sector's vision for an inclusive economy in the North East, the broad reaching benefits of this approach and the critical role it can play in helping to achieve this, ensuring individuals and communities are supported to thrive and reach their full potential.

It has been developed by Voluntary Organisations' Network North East (VONNE) in partnership with the North East Local Infrastructure Organisations in consultation with the VCSE sector across the North East. Discussions were held with the VCSE Skills, Inclusion and Employment Network, made up of over two hundred diverse organisations including small locally based community groups and large-scale registered charities to help shape initial thinking and develop a draft manifesto. This group has continued to offer check and challenge throughout the development process. A further wider ranging online consultation was carried out with the sector to gain more detailed feedback and input to ensure that this manifesto provides a comprehensive reflection of its insights and views.

## **The Challenge**

The impact of the Covid-19 pandemic is still being severely felt, seeing some individuals and communities disproportionately affected. Despite the economy initially bouncing back quicker than predicted, it is apparent that not everyone has felt the benefit of that initial recovery. Levels of long-term unemployment and economic inactivity remain stubbornly high, with those with multiple complex barriers finding themselves even further from the labour market.

Those existing inequalities have now been exacerbated by the huge cost of living crisis with inflation having reached its highest level in nearly four decades in October last year. Staggeringly high fuel and energy costs, along with a downturn in living standards and an increase in income inequality, are having extreme impact on household income levels, meaning that child poverty is rising, and even more people are at risk of falling below the poverty line and being left behind.

With both the lasting effects of the pandemic and the pressure being brought to bear by the cost of living crisis, the challenge of trying to reduce such profound inequalities is even greater than ever before.

## **The Opportunity**

There has never been a more critical time to work together to really tackle these issues and to seek to achieve a truly inclusive economy for all individuals and communities across the North East.

Plus there has never been a more opportune time to work together. Along with the long standing Tees Valley Combined Authority infrastructure, the new North East Mayoral Combined Authority with its devolved powers and funding, provide a great platform for cross sector and cross geography collaboration and innovation to develop solutions to address local challenges.

Focusing on an inclusive economy approach provides a real opportunity to ensure economic growth is developed at a local level so that local people genuinely benefit from the economic opportunities created.

However, this approach does not just bring about economic impact, but also social and environmental. The benefits are multi-faceted. As well as improved economic prosperity, benefits include improved health and wellbeing, improved social mobility, improved connectivity and improved environment. At its core, an inclusive economy approach provides an equitable and sustainable approach to reducing inequalities and ensuring no one is left behind.

In working towards an inclusive economy, the strengths and assets of the public, private and VCSE sectors must all be harnessed at both local and regional levels. Firmly focused collaboration with coordinated activity across a wide range of cross cutting themes is essential to making this happen.

## **Our Vision**

We have a vision for an inclusive economy in the North East that means everyone benefits from and has equal access to opportunities arising from a thriving economy, simply put, seeing the potential in everyone.

## **Our Priorities**

We have identified a number of priorities that we see as key to helping to achieve an inclusive economy:

**Not just jobs, but good jobs:** Work together with partners and employers to create good quality, well paid jobs and aspire to offer the living wage.

**Local jobs:** Stimulate job growth within local neighbourhoods, not just in city centres or jobs created by large scale capital developments. Nurture a culture of entrepreneurship, particularly social entrepreneurship.

**Making skills count:** Provide equal access to high quality education and training across all ages to ensure people have the skills and qualifications to secure good quality jobs with opportunities for ongoing progression.

**Removing barriers:** Invest in social infrastructure as well as economic infrastructure to enable people to take up the jobs created by ensuring adequate accessible support is in place such as childcare, social care and health services, particularly mental health provision.

**Green solutions:** Develop collaborative solutions to address climate emergency and transition to a green economy, ensuring that individuals and communities have the green skills required to help bring about change.

**Connecting communities:** Work together across all sectors to ensure connectivity and consistency of digital access and inclusion to enable individuals and communities to benefit from online services and products.

**No one left behind:** Focus on combatting financial exclusion and tackling poverty, with an emphasis on in work poverty, by developing and investing in innovative co-designed solutions to improve financial capability, increase access to affordable financial services and to rebalance earnings and household income.

**A whole system approach:** Work together with all sectors including the public and private sectors to develop joined up, better integrated solutions to ensure levelling up for everyone, tackling the impact of the pandemic

and the cost of living crisis and trying to meet the increased demand for services, particularly where inequalities have significantly deepened, such as those identified as left behind.

**Fair and equitable:** Ensure that diversity is recognised and respected and that community voices and experiences are reflected in developing an inclusive economy approach.

**Sustainable outcomes:** Take a long-term view of the economy, recognising that it is not just about short-term objectives and quick fixes. Sustainability is key and that needs to be reflected in commissioning and investment models.

## **Our Role**

The North East VCSE sector is a key driver for growing local economies. We provide strategic influence and decision making and we see ourselves as a pivotal enabler in building an inclusive economy:

We have a strong track record in developing and delivering successful solutions to combat social and economic exclusion through our reach into communities and particularly in our engagement within disadvantaged areas and with marginalised groups where inequalities are deep-rooted.

We have considerable expertise in supporting those people with multiple complex barriers who need longer term holistic support, helping to build soft skills and confidence and create progression pathways into mainstream provision.

We have developed an extensive volunteering infrastructure providing opportunities and experience to develop skills and capacity within the sector and within wider communities.

We are, importantly, a large employer in our own right, providing economic and social value by creating jobs and attracting and retaining local talent.

Our impact on the North East economy should not be underestimated, as the Community Foundation's Third Sector Trends in North East England 2023 report clearly shows:

- **6,922** VCSE sector organisations in the North East, with **60%** of these working exclusively within local communities.
- **37,300** FTE employees work in the sector.
- **152,100** volunteers working **11 million** hours **valued at £146 million**.
- **£1.65 billion** value contributed to the North East economy. **£5.86 billion** if added value is included.

## **Our Goals and Asks**

Despite our capability and long standing track record as a key driver within this arena, we could achieve more and make a bigger impact in local economy building, if the sector was better supported and equipped to enable it to play a more equitable and participatory role alongside other stakeholders and partners and if some of the existing systemic impediments were alleviated.

We have identified a number of goals and asks under five key themes:

- **Strategy and policy development**
- **Commissioning and contracting**
- **Procurement and purchasing**
- **Capacity, resources and investment**
- **Best practice and impact**

We have set out these goals and asks in a draft delivery plan. We believe they will strengthen the sector's role and capacity and better enable it to make a full contribution towards helping to build an inclusive economy in the North East.

## **Our Ambition**

We want to use this manifesto as the springboard to start a meaningful dialogue with key strategic partners in the North East, including local enterprise partnerships, combined authorities, local authorities, other statutory bodies, funders and commissioners, to discuss how we can all work together to create an inclusive economy and the key role the sector can play as an enabler in helping to achieve that.

We recognise that all sectors, public, private and VCSE have a role to play in local economy building and acknowledge that activities and actions will have to be undertaken at different spatial levels to reflect existing strategies and the current and emerging infrastructure.

We are keen to come together in the spirit of collaboration and cooperation, transparency and equity to discuss how we can genuinely make things happen by agreeing a consistent approach across the North East geography.

We want to work with partners on the co-design and co-production of a delivery plan to maximise the sector's role and impact, to provide a coherent framework that will be jointly owned, with clear, agreed actions that can be turned into practical solutions aimed at turning our vision into reality and ensuring an inclusive economy that sees the potential in everyone.

## Delivery Plan

We see a clear opportunity for wider systemic change to tackle inequalities and work collaboratively with a wide range of stakeholders, with the VCSE sector recognised as a key driver and an equal partner in helping to achieve an inclusive economy in the North East over the long term.

To ensure that the VCSE sector is better equipped to play an equitable and fully participatory role in working with other stakeholders and partners for a truly inclusive economy, we have identified a number of crosscutting goals and asks under key themes to enable this to happen. We want to work collectively to agree potential outcomes and actions to help to progress this.

Recognising that a long term plan is required, but this will need to be developed over time, this draft delivery plan is intended to be the starting point to focus on what we want to achieve from October 2023 – March 2026.

<b>Strategy and Policy Development</b>
<p><b>Goals</b></p> <ul style="list-style-type: none"><li>• <b>Policy development:</b> Embed the role of the VCSE sector into policy development, informing key strategic plans, providing a clear and equitable role in planning, design, implementation and delivery of services with agreed co-designed outcomes for individuals and communities.</li><li>• <b>A stronger strategic voice:</b> Strengthen VCSE sector representation on strategic forums and boards, as key drivers for investment into places and communities, ensuring more effective collaboration, cooperation and influence in shaping decisions that affect the sector and the people it supports.</li><li>• <b>Communities and individuals at the heart of solutions:</b> Develop a bottom-up approach to ensure all VCSE organisations, including small grass roots organisations, and their service users have a voice and are able to participate in decision making and the co-design and development of innovative solutions to tackle inequalities.</li></ul>
<p><b>Keys Asks</b></p> <ul style="list-style-type: none"><li>• <b>Economic driver:</b> Recognise the sector as a key driver for growing local economies and as a joint strategic influencer and decision maker both nationally and locally in shaping policies, investment and provision relating to economic inclusion.</li><li>• <b>Diversity of the sector:</b> Acknowledge the sector as a diverse, complex and interconnected system for which one engagement approach cannot be universally applied.</li><li>• <b>Strategic decision making:</b> Ensure the sector has the capacity and resource to fully participate in policy and strategic decision making, allowing for increased representation as the conduit to the user led voice on appropriate forums and boards.</li><li>• <b>Best practice in shaping policy and delivery:</b> Develop effective ways to use the sector's best practice learning, data and knowledge to improve policy shaping and service design that is responsive to the needs of communities and reflects the value of the sector.</li></ul>

<b>Key Activities</b>	<b>Potential Outcomes</b>	<b>Actions for VCSE Sector</b>	<b>Actions for Public/Private Sector</b>	<b>Timescale - Short Term, Medium Term or Long Term</b>	<b>Risks/ Challenges/Things for Consideration</b>
Review current levels of representation on strategic groups, boards and forums	More input from VCSE sector in developing strategies and policies				
Agree a commitment to adequate proportional VCSE sector representation on decision making forums	Increased strategic representation of the sector				
Identify potential funding/ resource to increase representational capacity as a critical route to the voice of service users	Increased capacity within the sector to play a key role in policy development and decision making and a better balance of cost and benefit achieved				
Agree clear ways of working to ensure effective communication and consultation with the sector	Improved channels of engagement, communication and consultation				
Ensure structured opportunities to engage with communities and service users in strategy development	Increased community participation in strategy and policy development				
Explore formalised ways of using the sector's data and learning via regular best practice forums or data sharing agreements to ensure this is reflected in policy shaping and service design.	Improved utilisation of the sector's best practice, learning and data in policy shaping				




## Commissioning and Contracting

### Goals

- **Communities and individuals at the heart of solutions:** Develop a bottom-up approach to ensure all VCSE organisations, including small grass roots organisations, and their service users have a voice and are able to participate in decision making and the co-design and development of innovative solutions to tackle inequalities.
- **Ensuring greater social and economic benefits:** Recognise the role that the local VCSE sector plays in employing local people and investing in communities and explore ways to create more sustainable jobs within the sector, attracting and retaining more talent in the area.
- **Build on our strengths:** Acknowledge the VCSE sector's role in reaching and supporting people with multiple and complex barriers to economic inclusion and the holistic and long-term approach required to support these people with moving closer to economic inclusion including mainstream employability and skills provision.
- **Social value:** Maximise social value by working more closely with the public sector, private sector, statutory bodies, funders and commissioners to better align intelligence, support mechanisms and opportunities for greater impact.
- **Measuring success:** Develop common terminology and a set of shared metrics for a consistent approach to measuring success. Measures need to be broader than GDP and be able to reflect social value, wellbeing and sustainability.

### Keys Asks

- **Diversity of the sector:** Acknowledge the sector as a diverse, complex and interconnected system for which one commissioning or contracting approach cannot be universally applied.
- **More effective commissioning to achieve better outcomes:** Create commissioning processes with the sector that are based on co-design and co-production, built on the principles of genuine collaboration and transparency, with co-designed outcomes and impact measures that also reflect social value and go beyond demonstrating pure monetary return on investment.
- **Sector stability and sustainability:** Introduce longer term investment that allows the sector more certainty and improved stability in aid of sustainable development and delivery. Review contract and funding cycles and aim for minimum three year contracts to achieve a more secure business model, improved staff recruitment and retention, increased capacity and scope for growth.
- **Collaboration not competition:** Adopt realistic, fair and clear commissioning processes and set reasonable expectations about what can be delivered in a complex and ever-changing environment, and any associated costs, fostering a culture of collaboration rather than competition, encouraging the development of partnership approaches, providing joined up innovative solutions for people and communities.

Key Activities	Potential Outcomes	Actions for VCSE Sector	Actions for Public/Private Sector	Timescale - Short Term, Medium Term or Long Term	Risks/ Challenges/Things for Consideration
Continued engagement and collaboration with the VCSE sector, ensuring input into investment plans, the securement, design,	VCSE sector seen as an equitable strategic partner in developing investment plans and responding to national				

commissioning and delivery of national funding streams including the UK Shared Prosperity Fund and future funding opportunities	and regional funding opportunities.				
Build capacity within the sector for contract readiness and encourage the development of key delivery partnerships, overarching frameworks and accountable bodies that are service user informed that can lead larger funding proposals, promoting more collaboration and integration at a local level, also ensuring smaller organisations can fully participate in the process whilst still promoting growth and scalability within the sector	Increased capacity within the sector. Better contracting infrastructure developed. More joined up delivery mechanisms, avoiding duplication and encouraging holistic approaches. Fostering a climate of collaboration, not competition				
Agree formalised approaches to the sector's involvement in co-production and co-design of programmes and projects	Better tailored, co-designed and co-produced commissioning that is more responsive to the needs of communities				
Develop effective methods to ensure that organisations and	Better tailored, co-designed and co-produced				

service users are able to bring lived experience to help shape commissioning and contracting processes.	commissioning that is more responsive to the needs of communities				
Develop agreed metrics that can be used to measure success within commissioning processes	Consistent shared metrics for measuring success				
Work with commissioners to identify appropriate commissioning funding models and thresholds to enable the sector to participate and make an impact	Increased successful participation in funding opportunities and increased impact in communities				
Work with commissioners to identify longer term funding streams aiming to work towards minimum three year funded delivery contracts	Longer term funding to increase sustainability within the sector and in turn to provide improved sustainable solutions within communities				

## Procurement and Purchasing

### Goals

- **Economic driver:** Recognise the sector as a key driver for growing local economies and as a joint strategic influencer and decision maker both nationally and locally in shaping policies, investment and provision relating to economic inclusion.
- **Social value:** Maximise social value by working more closely with the public sector, private sector, statutory bodies, funders and commissioners to better align intelligence, support mechanisms and opportunities for greater impact.
- **Measuring success:** Develop common terminology and a set of shared metrics for a consistent approach to measuring success. Measures need to be broader than GDP and be able to reflect social value, wellbeing and sustainability.

### Keys Asks

- **Diversity of the sector:** Acknowledge the sector as a diverse, complex and interconnected system for which one procurement or purchasing approach cannot be universally applied.
- **Ensuring greater social and economic benefits:** Promote the role that the VCSE sector plays as a large employer and contributor to the local economy as a purchaser of goods and services, in employing local people and investing in communities
- **Community wealth building:** Ensure that the VCSE sector has a pivotal role as a supply chain provider in procurement and purchasing strategies to help build a stronger local economy that reinvests in local communities

Key Activities	Potential Outcomes	Actions for VCSE Sector	Actions for Public/Private Sector	Timescale - Short Term, Medium Term or Long Term	Risks/ Challenges/Things for Consideration
Work with partners to produce key messages to raise the profile of the sector that can be disseminated via a range of existing channels	Raised awareness of the economic impact of the sector and as an employer in its own right				
Review existing community wealth building strategies and current VCSE sector involvement and input	VCSE sector recognised as a key driver in community wealth building strategies				
Recognise and promote VCSE sector organisations as anchor institutions within the communities they serve	Raised awareness of the sector's impact in local economic growth				

Work with procurement partners to grow locally based community supply chains with capacity building support and procurement training built in	Increased investment in community based organisations that can in turn reinvest in communities.				
Explore ways to promote the development and growth of social enterprises including funding and business support packages	Increased economic growth				
Ensure social value is embedded in procurement and purchasing strategies	Social value maximised within the purchase and procurement of local services and products				
Explore community economic development approaches at neighbourhood level, growing community enterprises to provide local services and local jobs to meet local need	Increased local economic growth				
Aim to influence procurement strategies. Explore barriers to purchasing from social enterprises with public and private sector organisations and seek to develop solutions such as a 'buy local, buy social approach', including the development and	Increased local economic growth				

piloting of a 'buy social directory' for the purchase of goods and services under £5k					

## Capacity, Resources and Investment

### Goals

- **Communities and individuals at the heart of solutions:** Develop a bottom-up approach to ensure all VCSE organisations, including small grass roots organisations, and their service users have a voice and are able to participate in decision making and the development of innovative solutions to tackle inequalities.
- **A stronger strategic voice:** Strengthen VCSE sector representation on strategic forums and boards, as key drivers for investment into places and communities, ensuring more effective collaboration, cooperation and influence in shaping decisions that affect the sector and the people it supports.
- **Measuring success:** Develop common terminology and a set of shared metrics for a consistent approach to measuring success. Measures need to be broader than GDP and be able to reflect social value, wellbeing and sustainability.

### Keys Asks

- **Diversity of the sector:** Acknowledge the sector as a diverse, complex and interconnected system for which one funding, investment or capacity building approach cannot be universally applied.
- **Development of flexible and long term funded solutions:** Recognise that the development of agile, far-reaching programmes that respond to community needs has to be founded on bespoke and longer-term investment.
- **Sector stability and sustainability:** Introduce longer term funding and investment that allows the sector more certainty and improved stability in aid of sustainable development and delivery. Review contract and funding cycles and aim for minimum three year contracts to achieve a more secure business model, improved staff recruitment and retention, increased capacity and scope for growth.
- **Value of volunteering:** Promote the economic and social value of volunteering. Build on the existing infrastructure and good practice to ensure it is recognised for its capability in developing confidence, skills and capacity within the sector and in communities.
- **Open & Trusting approach to funding:** “Adopt processes, practices and funding structures that align with the principles of trust-based grant making”<sup>1</sup>; in other words, trust organisations working directly with beneficiaries to do the right thing when the world changes, and to flex accordingly.
- **Collaboration not competition:** Adopt realistic, fair and clear funding processes and set reasonable expectations about what can be delivered in a complex and ever-changing environment. Foster a culture of collaboration rather than competition, encouraging the development of partnership approaches, and fund the associated costs of this which will enable joined up and innovative solutions for people and communities.

Key Activities	Potential Outcomes	Actions for VCSE Sector	Actions for Public/ Private Sector	Timescale - Short Term, Medium Term or Long Term	Risks/ Challenges/Things for Consideration
Review contract and funding cycles to ensure the avoidance of cliff edge delivery and gaps between implementation of funding streams	Increased sector stability and sustainability				

<sup>1</sup> As cited in the following Institute for Voluntary Action Research (IVAR) Covid-19 briefing paper: [Between a rock and a hard place](#) – August 2020

Work with partners to develop diverse funding streams at different spatial levels and scales so that all VCSE organisations are able to access opportunities whatever their structure or size and deliver long term flexible funded solutions	Increased sector stability and sustainability and longer term flexible solutions for communities				
Explore opportunities for longer term funded provision for those furthest from the labour market to build in flexibility within programmes to maximise learning, adapting support to meet participants' needs and ensure effective progression	Effective long term solutions with built in progression for those economically excluded				
Test out open and trusting approaches to funding practices by commissioning flexible unrestricted funded support models that can adapt and target resources to changing circumstances appropriately to get the best outcomes for participants	More flexible and tailored support models to meet the complex and diverse needs of individuals and communities				
Build on the existing infrastructure and good practice to ensure that	Raised awareness of the social and economic impact of volunteering				



volunteering is recognised as a clear route way to skills development, employment and progression opportunities and is appropriately resourced					
Explore with partners ways in which a consistent and comprehensive programme/offer of support can be developed and resourced to ensure that the sector has the capacity to play a fully active role in building an inclusive economy	Increased resourcing for consistent VCSE sector capacity building				

## Best Practice and Impact

### Goals

- **Communities and individuals at the heart of solutions:** Encourage and develop a bottom-up approach to ensure all VCSE organisations, including small grass roots organisations, and their service users have a voice and are able to participate in decision making and the co-design and development of innovative solutions to tackle inequalities.
- **Build on our strengths:** Acknowledge the VCSE sector’s role in reaching and supporting people with multiple and complex barriers to economic inclusion and the holistic and long-term approach required to support these people with moving closer to economic inclusion including mainstream employability and skills provision.
- **Measuring success and impact:** Take a proportional and organisationally driven approach to agreeing impact ambitions and measurement. Consider impacts beyond key metrics such as moving people into employment, that recognise the role VCSE organisations play in progressing people towards economic inclusion.
- **Support learning and adaptation** – encourage approaches that enable learning to happen at all levels of organisations with an emphasis of giving more voice to beneficiaries and front line staff. Encourage learning within and between organisations to share best practice and enable services to quickly flex and adapt to the needs of beneficiaries.

### Keys Asks

- **Diversity of the sector:** Acknowledge the sector as a diverse, complex and interconnected system for which one impact measurement approach cannot be universally applied.
- **Sector stability and sustainability:** Introduce longer term funding and contracts that allows the sector more certainty and improved stability in order to drive greater impact and the opportunity to flex and adapt services as people’s needs change.
- **Embed learning:** Focusing on what an organisation has learnt through the delivery of services, projects and programmes and how they will share that learning with others as a way to encourage more innovation and greater impact.
- **Collaboration not competition:** Foster a culture of collaboration rather than competition, encouraging the development of partnership approaches, and fund the associated costs of this which will enable joined up and innovative solutions for people and communities.

Key Activities	Potential Outcomes	Actions for VCSE Sector	Actions for Public/Private Sector	Timescale - Short Term, Medium Term or Long Term	Risks/ Challenges/Things for Consideration
Utilise evaluation and impact data from the sector in a What Works model to inform the shape of provision and the targeting of resources.	Recognition of the VCSE sector’s role in reaching those with multiple and complex barriers and the important role they play in moving them into mainstream provision				

Develop ways of sharing organisational learning from the delivery of services to develop a Best Practice Network aimed at cascading and embedding learning into future service delivery.	VCSE best practice embedded into the design, commissioning and delivery of services, programmes and projects.				
Explore ways that beneficiaries and front line staff can have more input into the shaping of services.	Services better tailored to meet the needs of service users				
Identify mechanisms and more collaboration opportunities for existing funded projects and services to be able to adapt and flex mid delivery based on shared evidence and learning	More agile and adaptable services and programmes better able to flex to changing circumstances and need				
Develop agreed consistent measures of success which allow for softer based outcomes relating to removing barriers and moving people closer to the labour market	Improved measures of success for economic inclusion				