



Home Office

ChangeUp

Capacity Building and Infrastructure Framework for the Voluntary and Community Sector





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**Capacity Building and
Infrastructure
Framework for the
Voluntary and
Community Sector**

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Ministerial Foreword

Voluntary and community activity is a crucial part of public life – connecting people and helping them to shape their communities.

Frontline groups and organisations are formed by and harness the skills, resources and passion of paid and unpaid activists. Enabling people to become active in their communities and supporting frontline organisations is at the heart of the Government’s commitment to renewing civil society and involving voluntary and community sector organisations in service delivery, especially in meeting the needs of those who are socially excluded.

Many groups and organisations, however, are prevented from achieving their potential because they cannot access the support and expertise they need to improve and expand. This Framework meets that problem head on. But creating the support system frontline organisations need takes years not months. The Framework therefore sets out a ten year vision for building the capacity of frontline organisations and putting in place the infrastructure support they need. It identifies the key actions which should be taken immediately and in the longer term to turn that vision into reality.

The analysis makes a coherent case for investment in capacity building and infrastructure provision. The Home Office has already invested £8 million of an £80 million fund set aside for catalysing improvement and reconfiguration in infrastructure support over the next two years. Sustainability can only be guaranteed if other funders ensure that their investment takes account of the capacity needs of frontline organisations and funds the infrastructure that supports them. The costs of infrastructure support should also be included in contracts and grant payments to frontline organisations.

The Framework came about as a result of consultation and close working between Government, the local public sector and the voluntary and community sector. That partnership must now continue if change is going to happen. One of the first actions will be to bring key stakeholders together at every level to create the best possible provision to support the sector across England. Success depends on the voluntary and community sector and the public sector working together to plan and fund provision which meets the needs of frontline organisations and focuses on the benefits to citizens and service users.

I am grateful to all those who helped to develop this Framework by giving their time, ideas and feedback. I am positive that the Framework sets out the right architecture for change. The challenge to the voluntary and community sector and the public sector together is to make it happen.



Fiona Mactaggart

Executive Summary

The voluntary and community sector plays a crucial role in delivering public services and in building strong, cohesive and self-determining communities. Frontline organisations often work with those most at risk from social exclusion, providing help and support, and meeting multiple needs in ways which not only give citizens and users a voice, but also the means to tackle themselves the underlying causes of their problems. This Framework is driven by the vision of frontline organisations playing their full potential in improving the quality of life of the communities they serve and so contributing to civil renewal.

This Framework sets out a bold but achievable aim – that by 2014 the needs of frontline voluntary and community organisations will be met by support which is available nationwide, structured for maximum efficiency, offering excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded.

The HM Treasury document *The Role of the Voluntary and Community Sector in Service Delivery 2002 – A Cross Cutting Review (CCR)* recognised that despite a revolution in the contribution of the voluntary and community sector to service delivery, many frontline organisations – especially the small- and medium-sized – are still unable to access the support they need. It recommended that the voluntary and community sector and central and local Government develop a shared strategy to underpin the capacity of the sector.¹ This Framework is the response. It sits alongside the forthcoming *Community Capacity Building Action Plan* which is being drawn up after the consultation document *Building Civil Renewal*.²

The Framework provides an architecture of how support should develop in the next ten years and highlights key strategic actions which will build that support. It should be used as a planning tool for Government, funders and voluntary and community sector partners at all levels and in different sub-sectors enabling them to develop action plans and providing a point of reference for future thinking.

¹ Recommendations 7 & 10, *The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review*, HM Treasury, 2002 (CCR)

² *Building Civil Renewal, Review Findings from the Civil Renewal Unit*, Home Office, January 2004

The support needs of frontline organisations

Different organisations have specific needs which will vary with each stage of their development. There can be no ‘one size fits all’ approach, but this document sets out a strategic approach to addressing the key support needs shared by most organisations and highlights the actions which will make the biggest impact. By 2014:

Performance improvement – Frontline organisations should be better able to improve the performance of their organisation, make choices about which tools are right for them, and easily access support and advice. New performance improvement advisers, housed in regional or sub-regional³ organisations, should be trained for outreach work and infrastructure⁴ organisations should act as clearing houses for skills sharing, mentoring and *pro bono* opportunities.

Workforce development and leadership – There should be a greater range of accessible professional development opportunities with increased take-up of learning opportunities and qualifications by voluntary and community sector workers. Employers should have improved access to support and advice on HR issues. Local workforce development strategies should reflect the needs of the sector. Each regional voluntary and community sector network should have a workforce development leader by 2005 and a regional strategy in place by 2006.

ICT – Frontline organisations and funders should share a common awareness of the costs and benefits of ICT enabling them to make informed choices about its use. There should be affordable and reliable support models in place with user-friendly and relevant ICT advice available – including volunteer and *pro bono* support. A web-based information service and a national telephone helpline should be available by 2005.

By 2005 there should be national hubs of expertise on:

- Performance improvement
- Workforce development
- ICT
- Governance
- Financing voluntary and community sector activity

Governance – Board members should be aware of their responsibilities and good practice and have direct access to accurate and helpful information and development. Being a board member should be more attractive and boards themselves should be more diverse,

³ Further information on ‘sub-regional’ areas, as used in this document, can be found on page 48.

⁴ Infrastructure comprises the physical facilities, structures, systems, relationships, people, knowledge and skills that exist to support and develop, co-ordinate, represent and promote front line organisations thus enabling them to deliver their missions more effectively.

better reflecting the communities they serve. There should be a framework of competencies and standards in voluntary and community sector governance by 2005.

Recruiting and developing volunteers – There should be a leaner, effectively marketed and high quality volunteering infrastructure reaching, recruiting and placing a greater diversity of individuals coupled with improved volunteer management. A commonly branded local volunteer infrastructure, linked to the achievement of quality standards, should be in place by 2005.

Funding voluntary and community sector activity – Frontline organisations should be able to take advantage of opportunities to diversify their income sources and should demonstrate increased skill in contract negotiation and better standards in more effective fundraising. Action at national level will raise awareness of the benefits of increasing asset ownership by voluntary and community organisations.

The provision of support

These capacity needs can be met by a variety of ways: by organisations helping each other, through *pro bono* work, from public sector and other funders of frontline organisations and organisations' own regional or national structures if they have them. But many frontline organisations rely on voluntary and community sector infrastructure which in some parts of the country is patchy in coverage and quality and lacks sustainable funding, particularly at the local level where what people need most is affordable face-to-face support.

Locally, sub-regionally and regionally stakeholders should come together to agree the shape and structure of provision which best suits the needs of frontline organisations and how it should be funded. Locally these plans should take account of community planning processes and detail how the needs of diverse organisations and communities should be met in a given area. Plans should be completed by 2005 so that good quality infrastructure provision is in place in all areas of England by 2009.

Diversity. Specialist infrastructure, including that working with marginalised groups, should be integral to the development of hubs of activity and diverse organisations should be represented in the management of generalist infrastructure. Diversity should be a core component of the standards for performance improvement in infrastructure including implementing the Race Relations (Amendment) Act 2000 where organisations receive public funding.

It is envisaged that at regional, sub-regional and local levels infrastructure should gradually coalesce into geographic hubs⁵ of activity with services sharing premises, back office facilities or merging depending on needs.

⁵ Further information on geographic hubs can be found in the Infrastructure section on page 52.

Nationally hubs of expertise⁶, which will be set up by 2006, will bring key players together to provide strategic leadership and act as gateways and beacons of good practice on key areas, reaching directly to frontline organisations to develop advanced thinking and good practice.

An Infrastructure National Partnership should be created by 2005 to provide oversight and leadership. It should be chaired by a senior independent figure and work with partners in other sectors to deliver a step change in the delivery of support to frontline organisations. Tools and standards for performance improvement in infrastructure provision should be in place by 2006.

Funding. A higher proportion of infrastructure costs should be funded by frontline organisations through membership fees and the sale of services. The costs of infrastructure services should therefore be included in the core costs of delivery. The public sector also has a key role to play in maintaining the existence of strong and robust infrastructure. Public sector funding should be long-term, strategic and focused on clear objectives which infrastructure bodies should deliver to agreed standards.

⁶ Further information on National Hubs can be found in the Infrastructure section on page 53.

1 Introduction and Overview

Vision and aim of this Framework

The voluntary and community sector plays a crucial role in delivering public services and in building strong, cohesive and self-determining communities.⁷ Frontline voluntary and community organisations often work with those most at risk from social exclusion whether in our inner cities or peripheral rural areas. They provide help, give support and meet multiple needs in ways which not only give citizens and users a voice but also the means to tackle themselves the underlying causes of their problems. At best they are innovative and can provide more effective and efficient ways of tackling some social problems and delivering services than either the public or private sector.

This document is not a detailed action plan or policy document which sets out a blueprint for voluntary and community sector infrastructure. Instead it describes how, in ten years' time, capacity building and infrastructure might be arranged better to meet the needs of frontline organisations, and it identifies key strategic actions which will make that a reality. It provides the framework in which government funders and voluntary and community sector partners can develop further action in the coming months and years and a point of reference for future thinking.

The vision driving this Framework is of frontline organisations playing their full potential in improving the quality of life for communities. The aim is to ensure that they have the capacity, skills and infrastructure support they require to fulfil that role.

The importance of the voluntary and community sector

In the last 30 years there has been a revolution in voluntary and community sector service delivery. Starting in the 1970s, organisations that were regarded as an unimportant adjunct to state provision began to receive funds to champion the causes of people with particular needs and to develop services to meet these demands. Government funding of general charities has grown from £3.17 billion in 1991/92 to £7.53 billion in 2001/02.⁸ This transformation has created a sector that plays a crucial role alongside the private sector and the state in its potential to deliver high quality public services in close co-operation with users and citizens.

⁷ For the purposes of this report the 'voluntary and community sector' has not been tightly defined. It is intended to be wider in scope than 'general charities' and the 'voluntary sector', inclusive of organisations reflecting the characteristics of social enterprise, but narrower in scope than 'not for profit', 'third' sector or 'social economy', CCR *ibid*.

⁸ Page 65, *The Size and Scope of the UK Voluntary Sector: NCVO's UK Voluntary Sector Almanac 2004*, NCVO 2004.

Frontline organisations also provide channels through which people can articulate their views to Government and other agencies and help to facilitate dialogue between communities and Government at all levels. They provide opportunities for people to shape the development of local services, raise awareness and increase take up of particular services. Active citizenship helps to combat social isolation and provides opportunities for people to build their skills and confidence. Voluntary and community activity is a key way in which communities build social capital.⁹

Background to this Framework

The importance of the role of the sector was recognised by the Compact between the Government and the voluntary and community sector in England. The Compact sets out the principles of a mutually beneficial and respectful relationship between the sectors. The background to this Framework is the *2002 HM Treasury Cross-Cutting Review* which made a series of recommendations for strengthening the capacity of the voluntary and community sector to deliver public services. It recommended that:

Recommendation 7:

Government and the voluntary and community sector should develop a coherent shared strategy to underpin capacity in the sector. This should include:

- an assessment of the effectiveness of existing Government resources devoted to capacity building
- the development of an interdepartmental framework for strategic support to the sector
- tackling any weaknesses in capacity, including the role of government and the voluntary and community sector.

Recommendation 10:

- There should be joint working to ensure that sector-specific skills are better understood and skills gaps tackled.¹⁰

The current infrastructure supporting frontline organisations has strengths that need building on but also key weaknesses that need addressing if it is to provide the support that frontline organisations need. The *2002 HM Treasury Cross-Cutting Review* recognised the important role voluntary and community sector infrastructure has to play in supporting frontline organisations but found it to be patchy in coverage and quality and lacking sustainable funding, particularly at a local level.

⁹ Stated in: *In Search of Civil Society*, Nicholas Deakin, 2001; *Politics and Progress*, David Blunkett, 2001; and *Civil Society*, Michael Edwards, 2004.

¹⁰ CCR *ibid*.

The 2002 *HM Treasury Cross-Cutting Review* identified other issues which affect the performance of frontline organisations and in the course of devising this Framework the following were particularly endorsed:

The need for modern relationships between funders/purchasers and providers of services

Frontline organisations currently spend a significant amount of time pursuing short-term grants and contracts to provide services to tackle social problems that are complex and take years to address. Funders' ability to enter into productive relationships with frontline organisations can be hampered by their inability or unwillingness to make long-term funding commitments, a lack of transparency in their operational procedures, and the need for a better understanding of the independence and organisational culture of frontline organisations.

New approaches to investment funding are being developed and tested through such programmes as the Adventure Capital Fund and *futurebuilders*.

The Active Community Unit and the Office for Government Commerce have produced good practice guidance on procurement¹¹ to help reduce barriers to the voluntary and community sector winning public sector business. A revised *Compact Code of Good Practice on Funding* will support this and is due for publication later in 2004.

The need to simplify and streamline regulatory and reporting requirements

The extent of government monitoring and regulation of activities has grown significantly in recent years. Many frontline organisations' activities cross the boundaries of different regulatory fields so they often have to meet the demands of many funders and regulators, some of which conflict and contradict each other. The pressure of meeting regulatory and reporting requirements is placing heavy demands on frontline organisations, particularly small- and medium-sized organisations. The Strategy Unit Report, *Private Action, Public Benefit*¹² set out a series of recommendations to create the right legal and regulatory environment for the sector to thrive, a key plank of which is the draft Charity Bill which is undergoing pre-legislative scrutiny in summer 2004. The Bill will modernise charity law and contains measures to give charities greater flexibility to evolve, creates a specific form of legal incorporation for charities to reduce the burden of dual registration and accountability, and provides for independent, open and proportionate regulation of the sector.

The need for a level playing field between public, private and voluntary and community sector providers of public services

Many, often larger, frontline organisations want to deliver more public services but they do not have the opportunity because entire service areas and particular services have not been opened up for subcontracting. Some services are offered to the voluntary and community sector, but without full cost recovery. As part of the 2004 Spending Review

¹¹ *Think Smart...Think Voluntary Sector!*, ACU Home Office, June 2004.

¹² *Private Action, Public Benefit*, Cabinet Office Strategy Unit, September 2002.

a further HM Treasury Cross-Cutting Review is looking at ways to open up further services for voluntary and community sector delivery in key priority areas.

Community Capacity Building

In addition to the *Cross-Cutting Review*¹³, *Building Civil Renewal*¹⁴ set out the needs of citizens, communities and community groups and proposed, for consultation, ways in which they could be supported to be more effective. The report stresses the importance of support at neighbourhood, parish or community level and this Framework takes account of action at that level.

Key components of neighbourhood infrastructure include:

- At least one representative and inclusive forum or network
- At least one physical 'hub' or base for infrastructure activity, for example meeting rooms or a village hall
- Access to generalist capacity building workers to support community organisations on the ground
- Access to small grants.

A final report setting out the way in which community capacity building can be better supported will be published in summer 2004, in light of the consultation responses to *Building Civil Renewal*¹⁵ and this Framework.

This Framework

This Framework sets out a bold but achievable aim – that by 2014 the needs of frontline voluntary and community organisations will be met by support which is available nationwide, structured for maximum efficiency, offering excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded.

The Framework describes the basic architecture of support which frontline organisations need. The first section sets out the key capacity needs of voluntary and community organisations, what the barriers are and what needs to happen to tackle those issues. The second section looks at the ways in which organisations can be supported and have those needs met. Support can come from a variety of sources, including private and public sector providers, through *pro bono* work or from mentoring and twinning between voluntary and community sector organisations and individuals working within them, as well as training and other forms of learning provision. However, for many organisations

¹³ CCR, *ibid.*

¹⁴ *Building Civil Renewal*, *ibid.*

¹⁵ *Building Civil Renewal*, *ibid.*

their first call is on infrastructure services provided within the voluntary and community sector, locally, regionally or nationally.

The Framework recognises the unique role of the voluntary and community sector infrastructure and acknowledges that it should be funded on a more stable basis. Government, along with other policy makers and users of services, rely on infrastructure to represent and consult communities and frontline organisations, alongside building their capacity. Investment in an effective infrastructure should add significant value to investment in frontline organisations.

The Framework sets out a series of key actions which will significantly improve the level and quality of support frontline organisations receive in order to increase their impact. It does so in ways which enable high quality services and activities to be delivered as close to the point of need¹⁶ as possible and in a sustainable way.

Infrastructure describes the physical facilities, structures, systems, relationships, people, knowledge and skills that exist to support and develop, co-ordinate, represent and promote front line organisations thus enabling them to deliver their missions more effectively. Infrastructure organisations are those whose primary purpose is to provide infrastructure functions or services (support and development, co-ordination, representation and promotion) to front line organisations.¹⁷ They are sometimes called umbrella organisations, second tier organisations or intermediary organisations.

Capacity building is defined as ‘empowering activity that strengthens the ability of voluntary and community organisations to build their structures, systems, people and skills so that they are better able to:

- define and achieve their objectives
- engage in consultation and planning
- manage projects
- take part in partnerships, social enterprise and service delivery.¹⁸

Using the Framework to achieve change

The Framework is a tool for a range of sectors, agencies and funders. In addition to the high level actions set out in this document, the Framework will inform strategic conversations within the voluntary and community sector and with other sectors about

¹⁶ Further information on the meaning of the term point of need as used in this document can be found on page 44.

¹⁷ The distinction between infrastructure organisations and front line organisations is sometimes blurred, particularly at a neighbourhood or community level where some infrastructure organisations also deliver services direct to individuals or communities.

¹⁸ *Building Civil Renewal*, *ibid.*

the practical actions needed to improve the activity and reach of support services across the board and within specialist areas.

It will help:

- cross-sector partners at all levels to strategically review and develop voluntary and community sector representation and support services to meet the needs of frontline organisations and their beneficiaries
- to develop and modernise infrastructure services to better meet the needs of small organisations and marginalised communities
- existing infrastructure organisations to increase their effectiveness and work more closely with each other for the benefit of frontline users of their services
- funders to review and improve their practice in relation to both supporting voluntary and community sector infrastructure and supporting frontline organisations to purchase support services
- the voluntary and community sector to work with policy makers and funders of infrastructure to build recognition and sustained investment
- funders to work with infrastructure to improve performance planning and reporting that is outcome and impact focused.

The *2002 HM Treasury Cross-Cutting Review*¹⁹ set aside £80 million for investment during 2003–06 in capacity building and infrastructure. About £8 million has already been invested as part of the Early Spend Programme and consulting on this Framework. The remaining investment will help to put in place the architecture envisaged to deliver the high level outcomes set out in this Framework. This investment in second tier organisations and activity complements *futurebuilders*, a £125 million fund to assist exemplary frontline organisations and social enterprises delivering frontline services to increase the scale and scope of their service delivery. In addition the Department for Environment Food and Rural Affairs is investing £6 million to assist in achieving this Framework's outcomes in rural areas.

If the vision is right and architecture appropriate then it will be possible to deliver real and lasting improvement for frontline organisations and justify sustained investment in infrastructure, not just by central government but other public, private and third sector funders.

¹⁹ CCR, *ibid.*

2 Principles

The Framework is underpinned by the following principles:

1. Independent

recognising that frontline organisations are independent organisations that determine their own futures

2. Needs led

encouraging frontline organisations and infrastructure bodies to link the development of their activities to clear evidence of need

3. Collaborative

facilitating and promoting collaborative relationships between the voluntary and community sector, government and other key stakeholders

4. Outcome-focused

encouraging frontline organisations to deliver outcomes, report on their impact and demonstrate their achievements

5. Sustainable

helping to create sustainable organisations and infrastructure capable of addressing the complex social issues that require public action

6. Delivered close to the point of need

enabling services and activities to be delivered as close to the point of need as is economically viable and consistent with achieving quality

7. Diverse

encouraging frontline organisations and infrastructure bodies to respect, involve and meet the needs of the diversity of individuals and communities in England

8. Excellent

enabling and encouraging frontline organisations to strive for excellence in all that they do, even if that sometimes means making fewer commitments

9. Efficient

enabling and encouraging greater efficiency in frontline organisations' work and their relationships with government

10. Accountable

enabling and encouraging frontline organisations to become more accountable and more responsive to their stakeholders.

3 The Framework

The Support Needs of Frontline Organisations

Different organisations have specific needs and these needs will vary with each stage of their development.

Home Office State of the Sector Panel, Early Findings, May 2004

Large income organisations were more likely than small income organisations to be members/affiliates/users of umbrella bodies which operated at national level (England plus other countries in the UK), whereas small income organisations were more likely than large income organisations to belong to umbrella bodies which operated at a local authority level.²¹

Organisations often start life in someone's home or around a place of worship, where the founders form a committee. The early supporters will frequently fund the first stages of development themselves. As organisations grow they may start meeting in a community centre or village hall. Some start offering a service such as a play-group or a pensioners club. Others feel they have a just cause and start campaigning for action by political leaders. The two activities are often linked. Supporting the particular needs of community groups and associations will

be dealt with in the action plan resulting from the consultation *Building Civil Renewal*.²⁰ Understanding and meeting these needs is also integral to the range of actions and arrangements proposed in this Framework.

Some organisations choose not to grow, recognising the complexity of running an organisation on anything other than an informal, voluntary basis. Others champion a bigger cause and start raising funds on a larger scale, requiring the establishment of more sophisticated management systems and governance processes. To ensure that they have real impact these organisations have to concern themselves with strategic planning and budgeting, staff recruitment and development, quality management, statutory reporting requirements, public relations, membership systems, more formal management of relationships with stakeholders and the other myriad complexities of managing a more formal organisation. Further measures are now required to strengthen the management,

²⁰ *Building Civil Renewal*, *ibid.*

²¹ This is provisional data only and is based on unweighted figures. These results may therefore differ from the final results, due to be published later in 2004.

governance and capacity of organisations and to improve their performance. They require good quality support to secure the resources they need, deal with legal and other regulatory requirements, and achieve their objectives as efficiently and effectively as possible.

**Home Office State of the Sector Panel,
Early Findings, May 2004**

Organisations with incomes below £1 million were more likely than organisations with an income above £1 million to belong to umbrella bodies operating at a regional level.²²

The largest organisations usually have the capacity to house support specialists (such as finance managers, HR managers and volunteer managers) and to purchase expert advice. The largest part of the voluntary and community sector is, however, made up of medium and small organisations. Some of the support needs of these organisations are similar to those

of micro and small businesses. However, much of the generic support available is in the form of expensive professional services that few voluntary and community organisations can afford or easily access. They are therefore largely dependent on free or subsidised support services in the main provided through voluntary and community sector infrastructure which also plays an integral part in maintaining the independence of the sector through campaigning for change.

The table overleaf provides a basic analysis of the kind of external support typically required by different sized organisations. All organisations whatever their size require support – but at different levels and in different ways. This Framework focuses on improving the quality and reach of infrastructure and support.

²² This is provisional data only and is based on unweighted figures. These results may therefore differ from the final results, due to be published later in 2004.

| Support/Assistance | Micro to Small | Small to Medium | Large |
|--|----------------|-----------------|-------|
| Pre start up – community development, confidence building, idea development | ✓ | | |
| Start up – how to start up an organisation, legal and regulatory requirements. Business planning | ✓ | | |
| Secure access to facilities – meeting rooms, offices, etc. | ✓ | ✓ | |
| Income generation – information on availability and advice on funding, finance, procurement and enterprise | ✓ | ✓ | |
| Volunteers – recruitment, management and retention | ✓ | ✓ | ✓ |
| Personnel – how to recruit and manage staff and comply with legislation, including equal opportunities | ✓ | ✓ | |
| Organisational development – performance improvement, governance, leadership, business planning, diversity, marketing, health and safety, management/financial management, crisis support | ✓ | ✓ | |
| Technical support in specialist areas – for example meeting professional standards in child care provision | ✓ | ✓ | ✓ |
| Information and Communication Technology (ICT) – strategies for deploying ICT, access to low cost support/equipment and software | ✓ | ✓ | |
| Skills – developing the organisational and professional skills of the workforce whether paid or voluntary | ✓ | ✓ | ✓ |
| Partnership building/brokerage – bringing together frontline organisations and other public and private sector organisations for joint/co-operative policy making, planning and service delivery | ✓ | ✓ | ✓ |

| Support/Assistance | Micro to Small | Small to Medium | Large |
|---|----------------|-----------------|-------|
| Policy and research – collecting and providing evidence in order to influence policy, planning and service delivery | ✓ | ✓ | ✓ |
| Advocacy/representation – providing a representative and accountable voice for frontline organisations to policy makers, service planners and funders | ✓ | ✓ | ✓ |

There is no one size fits all approach to strengthening the capacity of front line organisations. However, this document sets out a strategic approach to addressing key support needs shared by most organisations – although the specific requirements and way in which organisations access support will vary.

Those needs are:

- **Performance Improvement**
- **Workforce Development and Leadership**
- **ICT**
- **Governance**
- **Recruiting and Developing Volunteers**
- **Financing Voluntary and Community Sector Activity**

Performance Improvement

High level objective by 2014:

Frontline organisations are better able to improve the performance of their organisations, make choices about which tools are right for them and easily access support and advice.

Current Picture

For organisations, being able to diagnose weaknesses in performance is the first step to improvement. Depending on that diagnosis the answer to improving effectiveness may mean better planning and marketing, more systematic performance management, benchmarking, or some other specific approach to quality management.

Obstacles to improving voluntary and community sector performance include:

- Short-term funding cycles which force organisations to adopt an opportunistic rather than strategic approach to developing activities
- Measuring effectiveness in ways which are difficult and expensive
- Funders' unwillingness to pay for the costs of performance improvement
- Scepticism about whether quality initiatives imposed by funders and regulators really make a difference to outcomes for service users and concern that in some cases reporting requirements may be discouraging organisations from being open about performance.

Meeting the challenges

Clarity about what works

A systematic approach is needed to provide performance improvement tools which demonstrably improve the effectiveness of frontline organisations and which command the confidence of funders. Leadership and co-ordination at a national level can help achieve this.

A National Hub of Expertise in Performance Improvement should be established by 2005

The work of the hub should build on recent research and the range of approaches already in use to support quality, outcome and impact measurement, strategic planning and marketing, and continuous improvement.²³ The hub should:

- Improve voluntary and community sector access to and use of a range of diagnostic tools which are appropriate to different sets of frontline organisations and which enable them to assess in a structured and systematic way the strengths and weakness of their organisation and the obstacles they need to overcome
- Signpost other sources of advice, information and support
- Evaluate, promote and disseminate the most effective approaches to improving performance for different circumstances and measuring and reporting on outcomes and impact
- Facilitate the sharing of skills and good practice across sectors, sub-sectors and agencies
- Support performance improvement advisers, sub-regional partnerships, infrastructure organisations and federations in their performance improvement work with local organisations and other members
- Influence the practice of funders, purchasers and regulators so that outcome-focused performance improvement is recognised and supported and the regulatory burden reduced
- Oversee the implementation of the Performance Improvement Strategy for the voluntary and community sector in England, supported by an independent cross-sector advisory group.

The needs and circumstances of organisations delivering services and employing staff will be different from entirely volunteer-run community groups and associations. Support, tools and skills development will need to meet the needs of different types of organisations including social enterprises and community organisations including those which may not use formal performance improvement systems.

Accessible support

An early task for the national hub for performance improvement will be to explore ways of training people who can diagnose organisational problems and support performance improvement efforts.

Many front line organisations report that what they want most of all is face-to-face assistance. This can be provided by consultants and paid specialists, but the majority of small- and medium- sized frontline organisations find it hard to afford such assistance. There is a need to increase the provision of affordable face-to-face support particularly at

²³ QSTG/Charities Evaluation Services research undertaken by Aston University.

local level. This can be provided by low cost or even *pro bono* consultancy, peer support including experienced managers assisting less experienced managers, action learning, ‘cascade’ training, secondments and mentoring.

Support for performance improvement at the local level

In South Yorkshire a 20-strong consortium of local development agencies, social enterprise networks, development trusts and training networks have formed the *Quality Consortium*. This co-ordinates a strategic programme of support with performance improvement for the sector.

A six-month pilot project funded by the Regional Development Agency has enabled some groups to work with mentors to develop action plans. Grants have been made available for their implementation. Quality conferences have also been run in each district and a bid has been developed for a central and four district co-ordination posts. This strategic approach is ensuring that awareness of and expertise in a range of quality tools is growing across the region.

South Yorkshire now has a pool of 27 PQASSO²⁴ mentors trained and supported by the Consortium in partnership with Charities Evaluation Services, and 30 development workers have been trained in the use of Quality First, which was developed by Birmingham Voluntary Services Council in conjunction with Tony Farley and funded through Birmingham CAN! (a voluntary sector-led regeneration programme).

Sub-regional partnerships could bring together agencies concerned with performance improvement to assess need in their area and develop plans for meeting it. This should include the development of face-to-face support and measures to ensure that support is of high quality and accessible to diverse organisations. Partnerships should be developed based on the experience of existing similar partnerships involving local development agencies.

Performance improvement advisers could be housed at a regional or sub-regional level, supported by the National Hub of Expertise on Performance Improvement. The advisers would provide support and advice to local frontline organisations and infrastructure workers at low cost. In addition the cost of performance improvement action by frontline organisations should be taken into account as part of full cost recovery.

²⁴ PQASSO, the Practical Quality Assurance System for Small Organisations, was specifically designed by Charities Evaluation Services to help small- and medium-sized organisations – or projects within larger outfits – to achieve continuous improvement. Designed as a work pack, it is simple to use, offering a flexible and staged approach to running an organisation effectively and efficiently.

Clearing houses run by infrastructure organisations could link experienced managers and appropriately trained *pro bono* consultants with organisations needing assistance with performance improvement.

Specialist infrastructure and federations can be particularly effective in driving up performance within their own networks. They provide a platform for networking and skill sharing, benchmarking and setting and accrediting the achievement of standards. There is scope for strengthening this model and for facilitating shared learning on performance improvement between specialist sub-sectoral bodies and the wider sector.

Measuring Outcomes

Government, the Community Fund and a range of other funders, as well as many frontline organisations themselves, are increasingly interested in outcome reporting. Funders want to know what difference is being made through public and private investment and frontline organisations themselves need to know what impact they are making in order to plan and deliver effectively. Many reporting mechanisms, however, focus on process rather than impact and funders themselves continue to require information that is never fully used. Current work must continue to change the practice of funders and frontline organisations, to reduce the reporting burden and to increase the focus on difference made to service users.

The drive to increase outcome reporting is matched by a skills and knowledge gap on the ground – for funders, infrastructure and frontline organisations. A major three-year programme to build sector infrastructure in relation to outcomes has been funded by the Community Fund and is being mounted by Charities Evaluation Services in association with NACVS, ACEVO, NCVO, CEMVO, ACRE and others. The programme is being evaluated by a team at the Open University.

Improved outcome-focused reporting by frontline organisations should help build confidence and investment in the sector. The challenge will be to drive up performance and reduce bureaucracy at the same time. Outcome reporting offers an opportunity to focus on the difference made to users and other beneficiaries. It should result in less complex monitoring and evaluation requirements that are equally useful to frontline organisations and their funders. It should also make frontline organisations more confident in the systems they use, able to ‘sell’ their chosen approach to a range of funders rather than have different performance systems imposed on them.

Developing a Highly Effective Workforce

High level objective by 2014:

There is a greater range of accessible development opportunities with increased take-up of learning opportunities by voluntary and community sector workers. Employers have improved access to support and advice on Human Resource issues

Current picture

Developing the skills of paid and volunteer workforces and recruiting and retaining the right people is key to improving an organisation's impact. All good organisations will invest in the development of their workforce and:

- conduct appraisals and diagnoses of individual learning and skills needs and link them effectively to planning processes;
- share skills and good employment practice with others;
- have access to a wide range of training and skills providers; and
- use national occupational standards as tools for recruitment.

However, recent reviews have found that:²⁵

- many frontline organisations do not recognise the importance of investing in the development of their paid and voluntary workforce;
- some funders are unwilling to finance the cost of management and staff development;
- too much emphasis is placed on traditional formal training, rather than on modern methods including peer group learning, coaching, shadowing and mentoring;
- training providers do not always understand the culture and context of the voluntary and community sector or the skills that people working and volunteering for frontline organisations need;
- the infrastructure for delivering skill development is geographically patchy and uneven in quality; and
- the benefits of working for the voluntary and community sector are not well promoted so the sector is not always seen as a desirable place to work.

There are particular gaps in generic skills such as management, leadership, team working, planning and ICT. In many cases these skills, which are common to organisations in all sectors, will have a particular context in the voluntary and community sector. For example, leadership in the voluntary and community sector must take account of sector values,

²⁵ A review carried out by the Voluntary Sector National Training Organisation, and Futureskills 2003

including traditions of participation and consultation, and harnessing the passion and motivations that volunteers and paid staff bring to ‘the cause’. Specific skills such as fundraising or managing volunteers are underdeveloped as well as occupational skills in areas such as care and conservation.

The need is greatest for small- and medium-sized organisations who struggle to invest time and money in skills development. These organisations need affordable, accessible and flexible forms of guidance and support. Advice on employment law and practice for trustees, managers and all staff is key – disputes and tribunals are currently a considerable drain on the sector.

Meeting the challenge

Influencing the provision of training and skills development. Voluntary and community sector employers need to be more effectively engaged in the development of skills training and delivery in order to ensure a more responsive supply side. This is a core responsibility of Skills for Business Network and Sector Skills Councils.²⁶ Voluntary and community sector employers will for the first time have the power and voice to affect skills levels through Sector Skills Agreements created by Sector Skills Councils working with planners and with training and education providers to meet their needs.

Responsive and flexible learning and skills mechanisms. Classroom-based learning is just one option, as there are other learning methods that can provide valuable one-to-one support and maximise skill sharing. Action learning, mentoring and coaching, and secondment opportunities within and outside the sector can make a difference. Some frontline organisations can achieve this themselves, but having access to effective infrastructure services is key. Voluntary and community sector infrastructure providers have an important role to play in training provision, signposting and brokering, but front line organisations that have a proven track record in delivering services or campaigning for change, as well as public and private sector workers and funders, also have a role to play in sharing and driving up skills in the sector.

Twinning relationships between organisations can enable the sharing of information and best practice, staff secondments and mentoring support. *Pro bono* provision can bring specialist one-to-one support to groups that could not afford to purchase professional advice and there is scope to grow provision and ensure that it is effectively brokered.

²⁶ The Skills for Business network comprises employer-led Sector Skills Councils (SSCs) and the Sector Skills Development Agency (SSDA)

Clearing houses

Voluntary and community sector infrastructure at all levels could include a clearing house function able to match public and private sector employees with frontline organisations that can benefit from their experience, as well as linking experienced people working in the voluntary and community sector with less experienced people. They could help to promote and grow mentoring across sectors and within the voluntary and community sector.

Investment needs to be made in the supply and demand side. Voluntary and community sector organisations should increase the level of their investment in development and funders must accept this as part of full cost recovery. However, the supply side of provision can be improved at every level.

Locally

Most organisations access their skills development at a local level through voluntary and community sector learning providers, colleges and universities. Local Learning and Skills Councils (LSCs) and the Small Business Service (SBS) contribute to business and general skills development and should ensure that provision is accessible to and meets the needs of the voluntary and community sector. Local infrastructure provides generic advice and signposting on skills but in the main lacks the resources to house specialist knowledge and expertise in this field. One option is to house such expertise at a sub-regional level to share across a number of localities.

A dedicated resource at this level would have a role in influencing the development of local workforce development strategies and decisions about investment, sharing and promoting best practice and building and maintaining effective relationships with frontline organisations, local trustee networks and the freelance consultants that work with the sector. In some cases this may require the creation of a dedicated learning and skills adviser.

Regionally

Voluntary and community sector regional networks have an important role in relation to skills development. They have the potential to join up national action with local infrastructure and networks, SSCs, LSCs and funders. This function should be strengthened across the networks and should be properly resourced. This may involve the creation of dedicated posts. The networks should work with SSCs, LSCs and Regional Development Agencies (RDAs) in developing their Sector Skills Agreements and with regional Skills for Business staff in influencing providers of learning and support, including colleges and universities, to address the needs of voluntary and community sector paid staff, volunteers and trustees.

Each regional network should have a learning and skills leader by 2005 and regional strategy in place by April 2006

Nationally

In order to raise standards of provision, promote best practice and identify what forms of learning make the biggest impact,

There should be a National Hub of Expertise in Workforce Development by 2005

The hub will take a leading role in promoting skills development and good employment practice throughout the voluntary and community sector and within infrastructure itself. It will advise SSCs on the specific skills needs of frontline organisations with employed workforces and volunteers, providing a single access point for frontline organisations seeking skills support and advice, signposting and connecting with appropriate agencies and activities. It should promote the sector as a valuable career, provide a clearing house for relevant information, facilitate the sharing of good practice, and develop relevant products and services for dissemination to the wider sector and for use by voluntary and community sector infrastructure at all levels, including sector specific HR management issues. The hub will also help provide secretariat services to a cross-sector and UK-wide voluntary and community sector workforce development co-ordination group. The group will oversee the implementation of the Skills Strategy for the voluntary and community sector in England and ensure coherence across that strategy, the National Skills Strategy, the LSC's strategy on working with the voluntary and community sector, and strategic developments on voluntary and community sector skills in Wales and Scotland.

Through the Early Spend Programme, the Active Community Unit is investing in work to scope the feasibility and value of a National Leadership Centre for the voluntary and community sector. The outcome is yet to be determined, but any national strategic initiative on leadership within the sector will need to work in partnership with existing bodies such as the Centre for Excellence in Leadership and will need to take account of the proposed National Hub of Expertise in Workforce Development.

ICT

High level objective by 2014:

Frontline organisations and funders share a common awareness of the costs and benefits of ICT enabling them to make informed choices about its use. There are affordable and reliable support models in place, with user-friendly and relevant ICT advice available, including volunteering and *pro bono* support

Current picture

The FutureSkills 2003 report highlighted that strategic use of ICT was identified by 46 per cent of organisations as a skills gap. The *E-Enabling the Voluntary and Community Sectors*²⁷ report found that the sector was not making use of opportunities for reducing costs, improving productivity and enhancing services through application of ICT. Small frontline organisations and those operating in rural areas can benefit particularly from the use of ICT, yet provision for these groups and in these communities is often under resourced.

Research has indicated that the primary barriers to the sector's engagement with ICT are:

- a lack of strategic understanding of how ICT can benefit frontline organisations;
- difficulties in accessing advice, information and support that is affordable, reliable and relevant to the sector; and
- a lack of understanding of the full costs of ICT with a corresponding reluctance by funders to meet those costs.

Voluntary and community sector infrastructure should provide accessible, high quality support and assistance on ICT issues to address these issues and narrow the digital divide.

Meeting the challenge

Organisations need to understand the benefits and opportunities of using ICT. A range of national and sub-regional activities and events involving both funders and the sector should be undertaken to raise awareness and understanding.

The sector should also build on its existing capability and collate and disseminate information about the range of existing support and advice available both nationally and sub-regionally.

A wide range of reference information, including basic support and signposting on ICT issues, best practice information, 'how to' guides, and strategic analysis of new developments in ICT should be accessible via the web and other formats by 2005

Other recommended activities include capacity building training, networking events and forums, email news services and the development of a sector award scheme for ICT. Infrastructure bodies will play a leading role in this and should pay particular attention to the needs of organisations where the adoption of ICT has been low but there is high potential for ICT to improve performance, for example smaller organisations and those in rural areas.

Circuit riders are one possible solution to the needs of voluntary organisations for affordable ICT support. These are mobile ICT workers, each supporting a number of organisations. The concept originated in the United States and is now being developed in the UK.

From the consultation it is clear that front line organisations want 'hands on' assistance with ICT. *Pro bono* services and the development and promotion of ICT volunteering across the corporate sector can make a real difference as part of the broader corporate social responsibility agenda and should be further developed. The sheer diversity of the sector means that a one size fits all solution is inappropriate and support models need to be developed to meet local needs.

A telephone helpline should be available for those organisations without significant ICT capability by 2005

While support should be delivered as close to the point of need as is practical, there is a clear need for national co-ordination.

A partnership of national voluntary and community organisations should be formed to provide strategic oversight of ICT issues in the sector by the end of 2004

It should be based at an existing organisation and supported by a small secretariat and should be seen as an inclusive organisation that is responsive and accountable to the sector as a whole.

The partnership would support and co-ordinate relevant activity at the national, regional and sub-regional levels. It should also promote and develop an understanding of voluntary and community sector needs amongst corporate sector suppliers, explore discounts and sliding scale options, and conduct national negotiations.

It would also have a role in linking ICT development in the voluntary and community sector to the range of initiatives being supported by government to promote and widen access to ICT such as the community-based online learning centres supported by the Department for Education and Skills.

Governance

High level objective by 2014:

Board members are aware of their responsibilities and good practice and have access to accurate and helpful information and development. Being a trustee is more attractive and boards are more diverse, better reflecting the communities they serve

Current picture

Frontline organisations are always a coalition of different groups including users, funders, staff, regulators and volunteers. Governance – ‘the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation’²⁸ – is in part about reconciling the aspirations of people who share the same mission but have different interests in the organisation. Good governance does this by providing the organisation with strong and accountable leadership. As a team, trustees or board members form the focal point for the leadership and accountability of frontline organisations and their relationship with any staff and membership is critical to effective governance.²⁹

Obstacles to effective governance include:³⁰

- board membership not being seen as an attractive form of voluntary activity;
- boards not attracting sufficiently diverse and skilled membership;
- personal liability acting as a deterrent to potential board members;
- a limited understanding of what constitutes ‘good governance’ particularly in medium-sized and smaller organisations;
- boards of larger organisations spending too much time on day-to-day bureaucracy and operational issues and delegating too little, rather than focusing on strategy and the mission;
- poor understanding of the training and support needs of different organisations at different stages of development;
- shortage of good quality, easily accessible advice on governance and in particular on legal and financial matters; and
- funders’ unwillingness to invest in board development.

²⁸ Based on *The Governance of Voluntary and Community Organisations*, Cornforth 2003.

²⁹ The term ‘board members’ is used throughout this document to describe trustees, committee members and directors of voluntary and community organisations.

³⁰ Based on factors identified by the Foundation for Good Governance during consultation and work to develop a Governance Strategy for the voluntary and community sector.

A range of general and specialist infrastructure organisations and federations have developed programmes and packages to support and strengthen governance at local and national levels. The sector is actively debating the governance arrangements and structures required for new challenges facing frontline organisations.³¹ The Charity Commission has also developed a range of guidance and initiated debate about the roles, responsibilities and practice of trustees from the early life of organisations to the substantial challenges of governing growing charities.³² There is at present no structured framework that identifies the knowledge, skills and experience that board members require to govern organisations of different types, sizes, complexity or stages of development.

Meeting the challenge

Shared skills

For many board members, governance skills are learned ‘on the job’. Action learning and peer support are highly effective and low cost ways of developing peoples’ and boards’ collective governance skills. Secondments, coaching, mentoring and buddying – including making links across sectors – can all enhance governance and increase the confidence of board members, especially among traditionally under-represented groups. Experienced board members and larger organisations that have invested in governance development have an important role to play in sharing their skills.

The *A Lighter Touch*³³ report (Joseph Rowntree Foundation 2002) highlighted the challenges facing many small voluntary and community organisations in developing appropriate governance and limitations in the reach and effectiveness of existing support work. In 2002, the Active Community Unit funded four pilot projects to test out ways to support the governance of smaller organisations. The ‘Lessons from the Field’ partnership developed four different approaches – including face-to-face and web-based networks, action learning and ‘training plus mentoring’ for trustees – delivered through local infrastructure organisations in four English regions. The evaluation of these approaches is helping to increase understanding about what enables effective governance in small organisations, what trustees need and how support to improve governance can best be delivered.

Co-ordinating governance support sub-regionally may offer opportunities for increased specialist advice and information (including legal and employment issues) and offer a range of practical, targeted initiatives for boards and board members that build on best practice.

³¹ See for example *Rethinking Governance*, ACEVO, 2003.

³² See for example: *Milestones: Managing key events in the life of a charity* (RS6), December 2003; *Hallmarks of a Well Run Charity* (CC60), Charity Commission, April 2004.

³³ *A Lighter Touch*, Sarabajaya Kumar and Kevin Nunan, JRF, 2002.

Local and regional infrastructure organisations can provide a clearing house function to signpost specialist support and link people through the development of forums, associations and networks of board members.

A National Hub of Expertise in Governance should be established by 2005

The hub will develop and disseminate best practice, evaluation and diagnostic tools, offer training and support for trainers, development workers and 'governance specialists'. It will promote the best ways of providing good quality support to diverse organisations and be marketed as a 'single gateway' (directly to board members in particular) signposting the range of learning opportunities and less informal support available around the country.

The hub should act to join up the many organisations, networks and individuals involved in developing governance. It should initiate 'communities of practice', run by users, that bring together people with common interests and help to signpost a growing range of support arrangements for boards and board members.

The work of the hub should also include:

- collaboration with initiatives to promote volunteering to ensure that board membership has a profile as a volunteering and personal development opportunity across diverse communities;
- championing of the value of diverse involvement in governance within the voluntary and community sector;
- action to reduce existing and potential board members' fears regarding liability, including appropriate safeguards and the potential of improved insurance options; and
- the securing of voluntary and community sector ownership of and commitment to a strategic approach to governance development in the sector.

Competencies and standards

A set of competencies and standards in voluntary and community sector governance will be developed by 2005

Action on governance can be usefully underpinned by a clear and easily understood set of competencies and standards in governance practice (at both individual and board levels). The competencies and standards will be linked to a system of learning, including accreditation, so that existing board members can improve their skills and potential board members can demonstrate their experience. Particular attention needs to be paid to the distinct roles of chairs and treasurers within boards and the role of memberships within

organisations. The national hub should lead the co-ordination and development of this work.

The competencies and standards should recognise the diversity of sector organisations in terms of needs, size and legal form, including complex structures such as federations and membership organisations. It should draw attention to where board members are legally able to delegate powers. This will build on existing work including the development of occupational standards and codes of practice. To be meaningful, such work should recognise the 'ladder of experience' which both board members and organisations may climb as they consider and engage with the need for effective governance and could encourage benchmarking between organisations. The national hub should lead the co-ordination and development of this work.

Recruiting and Developing Volunteers

High level objective by 2014:

There is a leaner, effectively marketed and high quality volunteering infrastructure reaching, recruiting and placing a greater number and diversity of individuals coupled with improved volunteer management

Current picture

Volunteering and voluntary action is integral to voluntary and community sector activity. The giving of time and money supports not-for-profit action and by becoming active in their communities individuals are able to contribute directly to making a difference through joint action to deliver services, provide mentoring or to campaign for change.

Volunteers are a key part of the added value the sector provides to service delivery. In addition volunteers enhance their own skills and build social capital, which is why there is support for volunteering from all sectors. Government aims to increase levels of volunteering in all communities and in particular from young people.

The Home Office Citizenship Survey 2001 shows that some people – particularly those from socially excluded groups (as measured by social class, highest attained qualification, employment status, income, level of deprivation of area of residence), those aged 75 and over, those from certain ethnic groups (Pakistani and Bangladeshi people and Asian women) – participate in formal volunteering at a lower rate than people generally.

There is evidence of employee volunteering taking place on a national level, but there is much more that needs to be done locally and regionally. Companies therefore have a key potential role to play in building and supporting the capacity of voluntary and community organisations through the donation of skills, goods and time. However, recruiting, training and managing volunteers successfully requires skills and organisational capacity within organisations which must be supported by effective infrastructure. Equally, the general public require accessible and high quality routes into volunteering opportunities, which in turn boost the capacity of the local voluntary and community sector to deliver services.

Current local volunteering infrastructure, which has improved significantly overall over the past five years, is patchy in geographical coverage and quality. Quality is usually directly linked to capacity and the subsequent ability to deliver effective local recruitment, placement and development services. However, where local infrastructure is well resourced, there is evidence to show subsequent high levels of volunteers recruited for local organisations as well as the effective promotion of good practice in volunteer management.

Local volunteering infrastructure – normally delivered by volunteer centres – has clearly demonstrated that it can be particularly effective in reaching and placing a diverse range of individuals, in particular the unemployed and black and minority ethnic communities, into volunteering opportunities, both through local projects and through participating in national schemes such as Millennium Volunteers. Local infrastructure has a key role to play in helping to increase the number of volunteers.

Meeting the challenge

Local needs will vary and support must be delivered flexibly. Most support comes from specialist volunteer centres but generalist infrastructure organisations help too. The core functions for volunteer centres have been established by their national body Volunteering England. Now the roles of volunteering infrastructure bodies need to be clarified and volunteering infrastructure rationalised better to achieve local penetration.

There should be provision for local volunteer engagement and organisational support and development, through volunteer centres, in all areas of the country by 2009

Volunteering infrastructure uniquely has to engage the general public in marketing volunteering opportunities and in making known the needs of local communities, as well as enabling individuals to use their skills and interests. Volunteering support goes beyond placing individuals in organisations and supporting those organisations in helping individuals who want to come together to make a difference in their communities. This requires special skills and experience. In addition, there is a growing need for a stronger local delivery network to take advantage of government volunteering campaigns, aimed at engaging young people, mentoring and engaging with employee volunteers.

There should be a commonly branded local volunteering infrastructure linked to the achievement of quality standards available from the end of 2005

Early indications show that 90 per cent of the volunteer centre network is committed to this objective and intends to adopt the recently created new brand by the end of 2005, provided resources are available for them to do so.

Collaboration with local infrastructure organisations

Just under half of local volunteer centres are hosted by local Councils for Voluntary Service (CVS). There are many positive examples of how this arrangement can and does work in practice but there can be a tension between prioritising organisational support services and the provision of marketing, information, recruitment and placement services to the general public who want to volunteer.

Local areas will be in the best position to determine how their volunteering infrastructure should be organised to best meet local need ensuring that, whatever the arrangement, volunteer centres and local infrastructure organisations work together to offer complimentary services.

Increasing the number of volunteers

More needs to be done to promote volunteering as one aspect of active citizenship. Campaigns to encourage people to volunteer should be underpinned by research which pinpoints the actions required to create awareness of how volunteering benefits individuals who give their time, contribute more widely to social capital and can help to strengthen public services. School governors, for example, have made a very important contribution to the public sector.

The provision of information and brokerage services to the public needs to be rooted in local delivery and supported by regional and national capacity. Local networks should be developed to deliver national campaigns and initiatives whilst continuing to respond to local priorities, without undermining the relationship with local funders. Volunteering England, in partnership with do-it, TimeBank, the Media Trust and the National Mentoring Network are taking this work forward.

Improving the quality of the experience

Poor management of volunteers in the local voluntary and community sector continues to be a major cause of volunteer drop out. There is a need to develop high quality programmes to enhance the skills of paid and voluntary managers of volunteers. Training and support for organisations which involve volunteers can be delivered in partnership with other infrastructure networks on a regional and sub-regional basis. Volunteering England is taking this forward with other infrastructure bodies as part of its Regional Development Strategy.

Financing Voluntary and Community Sector Activity

High level objective by 2014:

Frontline organisations are able to take advantage of opportunities to diversify their income sources and demonstrate increased skill in contract negotiation and better standards in more effective fundraising

Current picture

Voluntary and community organisations operate within a complex funding and procurement environment. For many organisations this often includes competitive tendering for contracts, dealing with multiple funding streams, and reporting requirements across government and other funders and purchasers.

Many small- and medium-sized organisations face barriers to winning contracts for the delivery of public services. There are a number of reasons for this. These include:

- the lack of early and effective consultation;
- the failure by purchasers to properly assess frontline organisations' capabilities and to consider them as serious contenders;
- complex and costly pre-qualification and tendering procedures; and
- the trend towards use of large-scale contracts which rules out many frontline organisations.

In addition, many frontline organisations face difficulty in finding out about contracting opportunities, lack the knowledge and experience of government procedures and do not know where to receive vital support and advice³⁴.

The *Cross-Cutting Review*³⁵ recognised that the voluntary and community sector also has skills gaps in relation to fundraising in general, with Futureskills 2003 including fundraising amongst the highest priority skill needs for the sector. Infrastructure, specialist advisers and grant makers themselves support frontline organisations to access funding opportunities and improve fundraising. Regional funders forums have, however, reported inconsistency in the levels of support and advice on offer, with the consequent low take up of funds in some areas and communities.

³⁴ The documents *Public Procurement: a toolkit for social enterprises* and *Tendering for Government Contracts – a guide for small businesses* and the website www.supplyinggovernment.gov.uk provide guidance on how to win public sector business.

³⁵ CCR, *ibid*.

Meeting the challenge

Improving knowhow and expertise

There is a need to increase expertise and improve referral on procurement, fundraising and social enterprise³⁶ so that frontline organisations are better able to generate income. Action needs to take place at a national level to strengthen what exists and fill gaps, improve collaboration, broker skills exchange, develop information and tools (including skills development) and offer a single gateway through which frontline organisations can be signposted to sources of help and advice.

A National Hub of Expertise on Financing Voluntary and Community Sector Activity (incorporating fundraising, procurement and enterprise) should be established by 2005

The hub should provide a focus and lead on building capacity in the voluntary and community sector to win contracts and diversify income. It should seek to influence and work with a range of funders and purchasers on funding and procurement practice and should lead or broker work on growing sustainability within the sector, including the promotion of good practice in fundraising, driving up standards beyond the basic minimum set down in legislation. The hub should bring together a range of voluntary and community sector organisations and consortia with an interest in these areas.

Although situated within and led by the voluntary and community sector, the hub will need to strategically engage a range of advisers and stakeholders from other sectors including public sector funders and support agencies. Social enterprises and small- and medium-sized organisations engaged in enterprise have much in common with small businesses and there is scope for shared learning and development support. The hub should help to broker this and work with business support and economic development agencies such as the Small Business Service, Business Link Operators and Regional Development Agencies to build their understanding of income generation and enterprise skills needs within the voluntary and community sector.

There is potential for frontline organisations to share the support functions necessary to take advantage of commissioning opportunities. The hub should contribute to building collaboration between frontline organisations to achieve this including the development of any protocols and the facilitation of knowledge and skill sharing.

³⁶ The CCR (ibid) acknowledged the position of social enterprises within the voluntary and community sector and made recommendations to support them. Those recommendations were addressed in the Government's strategy for social enterprise (www.dti.gov.uk/socialenterprise).

Increasing charitable giving

Much of the sector's income comes from charitable giving. This is generated in a number of ways including through street collections and marketing and promotions campaigns by frontline organisations. The Government's *Private Action, Public Benefit*³⁷ report recognised that there was a clear need to drive up good practice and standards in fundraising of this type. Improved action in this form of fundraising would result in increased confidence from donors and potential donors. There is also scope to increase philanthropic giving by better supporting donors to make decisions, invest strategically and track the difference made by their giving.

Making best use of assets

Assets, such as buildings and endowments, are useful for generating revenue through rental income for example, or as collateral to help access other sources of finance. Where organisations do not have ownership rights over assets they are often restricted on the use they can make of premises or the alterations they can make to them. Organisations can also lack the incentive to make any capital investment. Acquiring assets is key to achieving self-sufficiency, independence and sustainability. The forthcoming Community Interest Company model of organisation will help organisations benefit from acquiring assets in the future because there will be reassurance from the regulator that the asset will be managed for the benefit of the community.

The General Disposal Consent 2003 has helped to create an enabling environment for asset transfer by allowing local authorities to sell off land for less than its market value if it will contribute to the promotion or improvement of the economic, social or environmental well-being of the area. This can be done without having to ask the permission of the Secretary of State, providing the undervalue does not exceed £2 million, giving local authorities greater freedom to dispose of their interests in land. For proposed transactions where the 'undervalue' will exceed the £2 million threshold, specific consent from the Secretary of State will still be required.

Anecdotal evidence indicates that local authorities are still cautious over whether to transfer assets below market value to voluntary and community organisations in return for economic, social or environmental improvements. Organisations too may be cautious because they do not have the resources and skills to manage the asset effectively.

³⁷ *Private Action, Public Benefit*, *ibid.*

The National Hub of Expertise on Financing Voluntary and Community Sector Activity should work to raise awareness amongst local councils about the benefit of asset transfer to the voluntary and community sector, encourage consistent application of the rules affecting asset transfer and help build capacity within the sector to manage assets

Other funders beyond local authorities also need to increase their understanding of suitable finance and procurement arrangements for voluntary and community sector activities. The hub could provide a range of services to charitable trusts, non-departmental public bodies, cross sector partnerships such as local strategic partnerships (LSPs) and bodies such as primary care trusts (PCTs) to help improve the funding of the voluntary and community sector.

Innovative investment

A growing number of frontline organisations are seeking to move away from grant dependence towards greater sustainability through enterprise and trading. This creates a demand for a range of investment funding. Many of the issues facing the voluntary and community sector in accessing appropriate forms of finance are similar to those addressed in *The Financing of Social Enterprises: a Special Report by the Bank of England*. The national hub should build on work already carried out to improve access to finance for frontline organisations. For example, independent Community Development Finance Institutions provide capital loans and support to enable individuals or organisations to develop or create wealth in disadvantaged communities or under-served markets.

Another approach, often called ‘patient capital’, is where funders offer low interest or perhaps interest-free loans or repayment terms which involve repayment through in-kind services. The Adventure Capital Fund trialled a form of patient capital and already has exposed the lack of support available for some organisations, including black and minority ethnic organisations, to engage in entrepreneurial activity. This kind of financing and activity creates a demand for very specific kinds of organisational development support to enable organisations to build their capacity to the point where they are ready to take advantage of and use such investment, and to advise them on other forms of enterprise activity.

Provision of Support – Infrastructure

Frontline organisations have complex needs and there is little to suggest that effective infrastructure support can be adequately funded at neighbourhood or even local level across the country in line with meeting these needs. The principle of provision as close to the point of need as is economically viable informs the actions set out in this Framework and points towards the need for new arrangements for the provision of advice and assistance. It will require the contribution of a range of providers and includes greater emphasis on collaboration, developing consortia including linking larger organisations with smaller ones and, where organisations choose to do so, merger. It will also include putting in place more face-to-face support that is not resource intensive (such as mentoring). It will be difficult but essential to ensure that these new arrangements improve access to support for small voluntary and community organisations operating at neighbourhood level, for organisations working with disadvantaged communities, and in rural communities.

Support can come from various sources:

- **Other voluntary and community sector organisations**

A range of skill sharing and peer learning and review activities takes place between frontline organisations, particularly those working in the same field. This ranges from informal networking to more formal benchmarking arrangements and is often brokered and co-ordinated by sub-sector

umbrella organisations or federations. Some larger organisations have also entered into consortia arrangements with smaller providers to help build capacity, develop grassroots links and sub-contract aspects of service delivery. This model offers opportunities to involve smaller organisations in service delivery whilst achieving economies of scale for purchasers.

Home Office State of the Sector Panel, Early Findings, May 2004

Overall, 81 per cent of organisations on the Panel, which reported that they were members/affiliates/users of infrastructure or umbrella organisations, received information, advice and/or assistance regarding provision of services from umbrella organisations to which they belonged.³⁸

³⁸ This is provisional data only and is based on unweighted figures. These results may therefore differ from the final results, due to be published later in 2004.

- **Private sector/*pro bono***

Private sector companies and professionals (such as lawyers and accountants) provide advice and support to frontline organisations on a voluntary basis through secondments, mentoring or *pro bono* consultancy. Brokering is important and can be strengthened so individuals and organisations are prepared and matched. There is also scope to strengthen joint skills exchange and training provision between private sector and voluntary and community sector infrastructure.

- **Public sector and funders**

Public sector funders may offer support and advice and local authorities in particular may house voluntary and community sector development officers, funding advisers and community development workers. Skills exchanges and secondments also occur and there is scope to do more. Other bodies such as LSCs and the SBS offer support and advice.

Grants officers from the lottery distributors and a variety of non-statutory grant makers often carry out capacity building and signposting functions, especially to advise on putting bids together, which cannot be separated from strategic planning and project development. There may be scope for greater exchange of skills and learning across grant makers and other providers of voluntary and community sector support.

- **Federal structures**

Federations and membership organisations offer targeted advice and support to their constituents and broker skills exchange, offer peer support and benchmark performance. These organisations often have local branches and may develop accredited standards linked to membership criteria and service delivery functions. There should be potential for these organisations to share their practice and learning with the wider sector.

- **Voluntary and community sector infrastructure**

Voluntary and community sector infrastructure has a crucial role to play and many organisations rely on generalist infrastructure (servicing a specific geographical locality) and specialist infrastructure (focusing on specific issues, communities, or types of organisation) for strengthening skills and advocacy at a local, regional and national level. Generalist infrastructure is a critically important foundation for the development of the voluntary and community sector.

It provides a baseline of support that is, in principle, available to the whole community and has a crucial role to play in signposting individuals and organisations to specialist assistance for particular groups or on particular issues. It can provide a collective voice for the voluntary and community sector and ensure the sector is represented in policy making. Local generalist infrastructure is especially important. Around 70 per cent of frontline organisations operate at district level or more locally. They are often small and access to locally accountable infrastructure support is crucial to their success.

Current provision of infrastructure

Home Office State of the Sector Panel, Early Findings, May 2004

50 per cent of the SOTSP organisations which are members/affiliates/users of infrastructure or umbrella organisations, report that the umbrella organisation operated at national level (England and the other countries in the UK).⁴⁰

Current infrastructure has developed piecemeal and overall coverage is variable in quality and fragile.³⁹ Existing infrastructure has some important strengths but provision in some areas and fields is highly fragmented and lacks stable funding, particularly at local levels. There is an extraordinary range of bodies, many of which are small and under resourced.

Whilst it was noted during the infrastructure consultation that a plurality of provision can help to generate creativity and choice, especially for groups that have struggled to access traditional infrastructure services, this degree of fragmentation prevents infrastructure providers from achieving maximum impact with the available resources. In addition, front line organisations are confused about where to go for support and advice.

Voluntary and community sector infrastructure should be made available nationwide, structured for maximum efficiency, offering excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded

- **National**

In addition to providing advice and support to frontline organisations at national, regional and local levels, national infrastructure represents the voluntary and community sector at a national and international level, undertakes high level policy work and research on the sector, produces resource and development tools for use by frontline organisations, and builds collaboration between tiers and agencies.

Despite the range of over 300 generic and specialist infrastructure organisations operating at a national level, there are gaps and as well as possible duplication of services and processes. There is a clear case for organisations to come together to create greater critical mass, to benefit from economies of scale and to create a less confusing network for users of their services.

³⁹ CCR, *ibid.*

⁴⁰ This is provisional data only and is based on unweighted figures. These results may therefore differ from the final results, due to be published later in 2004.

- **Regional**

Regional infrastructure has grown in recent years to build the capacity of the voluntary and community sector to engage in regional (and sub-regional) policy and strategy, as well as sharing practice across the region. There is a need to engage the sector with regional bodies such as government offices, RDAs, Regional Assemblies, Regional LSCs and Sector Skills Council posts, and Arts Councils, Sports Councils and other cultural organisations or consortia. Generalist and black and minority ethnic Regional Networks are active in most regions, working with specialist infrastructure to support a fast-developing range of networks both regionally and sub-regionally in fields such as housing, young people or the environment. Regional infrastructure can focus on strategic capacity building and networking where there is value in the economy of scale of a regional approach. It is well placed to recognise the diversity of a region and allows people to work together outside their immediate funding environment. There is an absence of significant strategic funding for the Regional Networks despite many national infrastructure bodies and service delivery organisations having regional structures, including 'branch' support. There is scope to strengthen the partnership between the established Networks and national bodies working in the regions.

- **Sub-regional/county**

In rural areas and some metropolitan county areas there are significant infrastructure bodies including the 38 Rural Community Councils based in each county of England and a variety of sub-regional networks. There is real potential to develop the provision of support services to frontline organisations at this level especially where cost cannot justify more local provision. The current work supported by the Department for Environment Food and Rural Affairs (Defra) and the Home Office to develop county level consortia provides a useful starting point.

- **Local**⁴¹

Local infrastructure is diverse. There are 350 Councils for Voluntary Service, a wide range of specialist providers including volunteer centres, racial equality councils and community care forums. Local infrastructure provides a voice for the voluntary and community sector at the local level, contributes intelligence on the local voluntary and community sector to policy makers at all levels, networks local frontline organisations, delivers a range of support and development services including practical start-up support, works with others to identify unmet needs, develops new frontline provision, and recruits and places volunteers. What exists is often patchy and financially fragile, fragmented, fails to benefit from economies of scale, and is weak in areas such as finance, ICT and HR. Too many organisations lack the critical mass required to provide a 'voice' to frontline organisations in their area and there are significant gaps in provision at this level especially in rural areas.

- **Neighbourhood**

Infrastructure at neighbourhood level is patchy and varies considerably between urban and rural areas. 4,000 to 5,000 community associations and 9,000 village halls provide a largely volunteer-run resource. Multi-purpose centres, development trusts, tenant management organisations and other regeneration organisations provide a more substantial resource in some more deprived urban areas. There is a need for much more universally available support that is inclusive and accessible for local self-help and start-up activity. An action plan for meeting the capacity needs of community and neighbourhood level activity is due to be published in the summer of 2004 following the consultation on *Building Civil Renewal*.⁴²

⁴¹ Primarily local or unitary authority, borough or district level.

⁴² *Building Civil Renewal*, *ibid.*

available nationwide and structured for maximum efficiency

Infrastructure provision should be configured to achieve maximum efficiency and impact. In many areas, a greater critical mass is required to achieve economies of scale, attract talented staff and to provide high quality functions and services that represent value for money.

Planning for nationwide coverage

Local circumstances differ widely. This calls for a bottom up, needs-based, approach to developing provision that meets these needs and acknowledges that there will be different demands for support in different parts of the country.

Cross-sectoral and inclusive review and planning exercises will take place by 2005, to ensure good quality infrastructure provision is available in all areas of England by 2007

Building on work already begun in some parts of the country through Home Office and Defra 'early spend' programmes on capacity building and infrastructure, stakeholders should come together locally, sub-regionally and regionally to:

- agree action to meet the needs of frontline organisations so that they can be more involved in planning and delivering public services and meeting the needs of their communities, especially ensuring the needs of diverse communities and organisations are met;
- plan for meeting gaps, overcoming weaknesses, improving reach, agreeing the level at which support is most appropriately delivered and clarifying responsibilities;
- identify means of improving sustainability and income generation; and
- cement relationships and develop protocols for joint working, building on existing work – for example setting out ways generalist and specialist providers might work better together.

These strategic review and planning exercises should be led by infrastructure organisations, but should involve, as appropriate, front line, community and neighbourhood organisations and key statutory agencies such as Government Offices in the Regions, local authorities and other funders. They would have a particular responsibility to seek input and involvement from specialist infrastructure providers and front line organisations working with hard to reach or disadvantaged groups.

At local authority level, review and planning exercises should reflect and take account of community planning processes and the requirement for local authorities to develop Community Strategies. They should make use of existing partnerships – Local Strategic Partnerships (LSPs) are the most likely partnership mechanism to take this work forward. In addition, local planning exercises should link to planning for capacity building at neighbourhood and parish level and parish plans.

Rural provision of infrastructure

The operating environment for rural frontline organisations is significantly different from urban areas. Key issues that impact on rural frontline organisations include:

- pressure to deliver a wide range of public services due to the withdrawal of local provision of some statutory services;
- the dispersed nature of rural communities;
- poor transport links;
- small communities that lack a ‘critical mass’ of volunteers;
- low levels of networking between groups and communities;
- low take up of training and ICT;
- a lack of understanding of diversity issues in some areas; and
- generally higher costs of delivering equivalent services.

The majority of rural areas have three tiers of government (county, district and parish councils) requiring voluntary and community sector organisations to work with multiple statutory bodies, including two levels of LSPs. Rural infrastructure also needs to deliver specialist infrastructure support to parish councils and local rural frontline organisations on housing, transport and community space.

Reconfiguring provision for greater impact and efficiency

It is envisaged that infrastructure at a local, sub-regional and regional level should gradually coalesce into geographic hubs of activity depending on geography, demography and the state of existing infrastructure. This should offer opportunities to move some activity to a sub-regional level to achieve economies of scale, reduce duplication, and drive up expertise. Few local development agencies can afford to house experts in the key support areas for frontline organisations, such as performance improvement and financing voluntary and community sector activity. There is scope for developing this expertise at regional and sub-regional level and for it to be shared across localities.

There should be local hubs of infrastructure activity delivering generalist and appropriately configured specialist infrastructure functions and services in every local area and every region by 2008

Home Office State of the Sector Panel, Early Findings, May 2004.

Very few State of the Sector Panel organisations belonging/using/affiliated to infrastructure/umbrella organisations have suggestions about how those organisations could improve their services. However, those that did suggested they might do so by:

- Getting more resources/funding for their own work
- Listening to/consulting with members
- Providing more funding for other organisations
- Providing more regional/local training/services
- Providing better/more information
- Having more/ better staff
- Providing better lobbying/campaigning
- Having better communication

(Each was reported by between 3 and 7 per cent of respondents, presented in descending order.)⁴³

Geographic hubs – which could be ‘virtual’ or physical or a combination of the two – would consist of organisations working in ever-closer partnerships, sharing services, communicating electronically, having common web portals. Over time, the hub might involve organisations merging or coming together physically in the same space to increase efficiency from integrating and sharing back office facilities and services (for example finance, HR, ICT, purchasing, administration and facilities management). Local hubs could provide incubation support to newer organisations by, for example, offering office and meeting space or effective outreach. They would provide a particular opportunity for front line and infrastructure providers representing minority or disadvantaged groups to integrate their activities and share experiences with generic and mainstream providers. They would both feed experience to and receive support from, national hubs of expertise (see overleaf). The coalescing of the work of different agencies into a hub should not undermine the need to have a range of voices

representing and being accountable to diverse needs and interests.

New infrastructure organisations should not receive government funding unless they can demonstrate that their objectives can be best achieved by a separate body rather than through an existing organisation.

⁴³ This is provisional data only and is based on unweighted figures. These results may therefore differ from the final results, due to be published later in 2004.

To avoid unnecessary duplication, a protocol on the creation of new infrastructure bodies should be established by the Infrastructure National Partnership

National hubs of expertise

By the end of 2006, as well as strengthening the role of existing national centres of expertise, there should be national hubs of expertise dedicated to achieving excellence in:

- **Workforce Development**
- **Governance**
- **Performance Improvement**
- **Financing Voluntary and Community Sector Activity**
- **ICT**

Hubs of expertise will act as beacons of best practice and provide strategic leadership on their designated topic. They should be responsible for taking a sector-wide overview and for advancing thinking and practice in their particular area.

National hubs would be responsible for gathering and promoting best practice to frontline organisations and their funders and signposting organisations to the most helpful forms of assistance. They should offer a single point of access to workers and trustees of front line organisations and reduce confusion in the sector about where to go for support and advice. Some work would be undertaken by hubs themselves and some should be subcontracted where work is most efficiently or effectively carried out by other providers. A key objective for hubs of expertise would be to ensure cost effective and easily accessible information and guidance that can be adapted by regional, sub-regional and local infrastructure providers for use at these levels and which is appropriate for a range of circumstances, including urban and rural, and communities of interest. Partnership with specialist infrastructure and federations will be particularly important in maximising the reach and impact of the hubs' work. They could also act as clearing houses for skill sharing across agencies and individuals.

They should be owned by the sector and housed in existing organisations. They should provide many of their services on the web and by phone and be funded by a mixture of government grants and income earned from selling their skills and expertise to front line organisations and to regional, sub-regional and local infrastructure providers.

Volunteering England

Volunteering England came into being on 1 April 2004 as a merger between Volunteer Development England, the National Centre for Volunteering and the Consortium on Opportunities for Volunteering. The new body supports the development of a coherent and effective local volunteering infrastructure, increasing the amount and diversity of community involvement, as well as the capacity of organisations to extend access to volunteering opportunities by under-represented groups. Volunteering England will also lead on re-branding its constituent parts, including the national network of 400 local Volunteer Centres.

In addition to the creation of the hubs already listed further partnerships may form to give a national lead on key issues. For example it may be appropriate for there to be a hub on community capacity building. This will be clear when the review of community capacity building has been completed.

Consideration should also be given to the current configuration of national infrastructure and the scope for improving its reach, accountability and sustainability in line with the outcomes set out in this Framework.

National leadership and co-ordination

There is currently no single place in which issues relating to the infrastructure of the whole sector can be explored and where infrastructure provision can be strategically co-ordinated and given national leadership. However, there are some emerging initiatives including the National Umbrellas' Forum and the Community Sector Coalition (CSC).

An Infrastructure National Partnership should be created by 2005

The Infrastructure National Partnership will provide the oversight and leadership required to deliver a step change in delivery of infrastructure support to the sector – including for ensuring delivery of a number of specific commitments set out in this Framework.

Chaired by a senior independent figure from the voluntary and community sector, the partnership should comprise a number of leading infrastructure organisations that best reflect the diversity of the sector. It should include generalist and specialist infrastructure with representatives from national, regional, local, community and rural organisations as well as social enterprise and organisations representing black and minority ethnic, disability and other disadvantaged groups. Membership criteria would be established by the sector and the partnership should have robust and transparent mechanisms for representation and accountability. It will also be necessary for the National Partnership to

establish a strategic interface with policy makers, funders of infrastructure and other stakeholders. Cross-sectoral partnership is key if change is to take place.

The Infrastructure National Partnership would be responsible for reviewing annually the overall progress of the voluntary and community sector in meeting its commitments in implementing this Framework.

Linking hubs

Hubs will need to form close working partnerships with each other.

At a national level the Infrastructure National Partnership can play a leading role in helping national hubs of expertise join up to co-ordinate activity. Cross representation on advisory bodies too can help ensure national hubs work together.

The national hubs themselves will also need to ensure that they have reach and representation at regional and sub-regional level – to enrich their own activity and also to enable regional and sub-regional organisations to work in partnership and cross-fertilise. The Infrastructure National Partnership should help ensure that this happens.

Regional and local liaison could be strengthened through:

- horizontal and vertical relationships with and between regional consultative and voluntary sector networks;
- national, regional and sub-regional hubs and networks being fully inclusive of agencies representing every level;
- direct national support and skills development for experts and advisors working at regional and sub-regional level; and
- direct liaison at a national level with practitioners on the ground.

offering excellent provision

Infrastructure organisations need to improve their performance in order to demonstrate to their funders and members that they offer excellent, outcome-focused services and are as clear as they can be about their impact. This is an essential pre-requisite to achieving more sustainable funding.

Standards are one way of encouraging organisations to strive for excellence, but infrastructure needs access to a variety of performance improvement tools relevant to their specific activity areas. Support in identifying and measuring impact is also needed – this is a particular challenging task for second tier providers who need to be able to demonstrate the difference they make to the frontline organisations they support.

Consultation has demonstrated strong support for work to increase the quality of infrastructure and capacity building services and shown consensus that this work should be led by the voluntary and community sector and building on existing initiatives.

Tools and standards for performance improvement in voluntary and community sector infrastructure should be in place by 2006

A range of improvement tools and approaches should be tested including standards, and support given to infrastructure at all levels, to embed performance improvement. Standards could cover, amongst other issues, service quality, governance, leadership, financing voluntary and community sector activity, representation, accountability, impact assessment, workforce development, diversity and partnership working. The Active Community Unit is funding the National Umbrellas' Forum in the voluntary and community sector to lead on the development of a Framework for Performance Improvement in Infrastructure. The Infrastructure National Partnership working with the Performance Improvement Hub could take on this work in the longer term.

Kite marking

Kite marking is one way of signifying that infrastructure organisations meet agreed standards. A brand for infrastructure could also be linked to the achievement of standards and make it easier for organisations and the public to identify infrastructure organisations and understand their functions more clearly. For example NACVS is testing out the feasibility of developing and accrediting standards for local infrastructure organisations based on NACVS' membership criteria.

Tools and standards would draw on existing standards and quality work within infrastructure organisations, and the relevant hubs of expertise on these and related topics, and include guidelines and best practice in impact measurement for infrastructure organisations. The development of standards should reflect the diversity of voluntary and community sector infrastructure organisations and their stage of development, drawing on best practice in the UK and elsewhere.

An appropriately skilled workforce will be at the heart of increasing excellence in voluntary and community sector infrastructure. The provision of high quality capacity building, representation and support is a specialised and skilled activity, but professional development support for infrastructure workers is currently weak and lacks investment.

The Workforce Development Hub, working with the Infrastructure National Partnership, should lead on the development of a skilled infrastructure workforce.

A variety of initiatives could make a difference: the development of one or more sets of 'core competencies' for people who deliver infrastructure support; a basic training course for new infrastructure workers and the promotion of action learning, mentoring, coaching and secondment opportunities.

available to all

Infrastructure exists to serve the interests of its constituents and also to deliver wider public benefit. It therefore needs to be easily and quickly accessible by its constituency and the broader voluntary and community sector, partners, funders and other relevant stakeholders.

Infrastructure providers need to view themselves as knowledge organisations and adopt a more strategic approach to creating, packaging and making available quality information that is accessible and valuable to users and that they are increasingly willing to pay for because it demonstrably provides value for money. Making knowledge clear and accessible costs money and organisations should make reasonable charges for information services where that is appropriate. Funders should be encouraged to recognise the costs of infrastructure support for frontline organisations, but also that community-based, small, frontline organisations will rarely be able to afford such advice at cost.

A national web-based information portal should be available by the end of 2006

Overseen by the Infrastructure National Partnership the service would provide cross-referenced access to hubs of expertise and to the websites of all dedicated infrastructure providers. It should enable easy access to specialist material and for each organisation it should be easy to discover its mission, its strategic objectives, the services it offers, how to access them and what they cost. It should enable front line organisations to join most infrastructure organisations, receive many of their services and represent their views via the web by 2007. Consideration should also be given to access for those unable to access the web – for example in remote rural areas.

The NCVO national telephone helpline

The NCVO national telephone helpline provides a signposting function, directing callers to the appropriate infrastructure provider. Set up in 1997 to provide advice, information and signposting to trustees, staff and volunteers in the voluntary sector, its aim is to make voluntary organisations more effective.

Half the calls taken by the helpline each year (approximately 8,500 calls) are from people asking how their own organisations can better serve their beneficiaries. The remainder of calls comprise enquiries about other organisations and work going on in the rest of the sector (such as new legislation, funding issues and research) and NCVO's own work and the other services it provides. As NCVO's helpline is open to members and non-members alike, it also provides a wide range of information to those interested in the voluntary sector but who work outside it.

reflecting and promoting diversity

The diversity of the voluntary and community sector is one of its strengths. In particular voluntary and community organisations have been able to deliver tailored services to marginalised communities who have struggled to access traditional public services. The sheer range of groups and organisations meeting social needs, from faith-based initiatives to social and campaigning groups contributes to the richness of civic life in this country and are essential to the representation of a range of interests in local communities.

However, a legacy of inequality has left some communities isolated and with a limited capacity to engage with other communities or even to address their own problems. Voluntary and community organisations have a key role to play in helping communities to tackle social problems, achieve self determination and create strong and cohesive relationships with others.

In the last 30 years organisations born out of self-help with a focus on social change have transformed the landscape of the voluntary and community sector, challenging the assumptions and practice of many traditional charities.

Black and Minority Ethnic needs

*The Cross Cutting Review*⁴⁴ highlighted in particular the importance and fragility of many black and minority ethnic organisations. These organisations have a vital role in tackling racial disadvantage and in the successful implementation of the Race Relations (Amendment) Act 2000 (RR(A)A), which requires that public authorities promote race equality, as well as in meeting social and cultural needs. The black and minority ethnic sector, of course, is not homogenous and more newly arrived communities will have different needs to the structures and organisations that have developed in more established communities.

Voluntary and community organisations are already under an obligation to meet the requirements of the RR(A)A in relation to services provided with public sector funding. In meeting its obligations under the RR(A)A, the Government is keen that infrastructure organisations both promote race equality and ensure that black and minority ethnic communities benefit fully and equally from the services they provide.

Under the Early Spend Programme, the Active Community Unit has commissioned the British Refugee Council to work in partnership to consider the needs of refugee organisations and develop strategic proposals for getting these met. It has also initiated a dialogue with black, minority ethnic and faith organisations to identify priorities to strategically strengthen specialist infrastructure provision for these sectors.

⁴⁴ CCR, *ibid.*

Targeted approaches

While smaller, focused groups and organisations reflect the strengths of the voluntary and community sector in meeting community needs, they often need intensive and targeted support if they are to realise their potential. Without pre- and post-investment support, there is a risk that new opportunities which could have a long-term impact in building the strength of such organisations – including *Futurebuilders* and the Adventure Capital Fund – will ‘fund to fail’.

There is real potential for the growth of consortia or partnership approaches which match the experience of larger and established organisations with the energy and specialist knowledge of smaller and less established community organisations. Face-to-face support is especially effective in disadvantaged and remote rural communities, building the trust, confidence and skills of people working hard to increase the local quality of life.

Funding

Recently new forms of funder, such as *Futurebuilders* and Adventure Capital Fund, have emerged with a declared aim in making investments in black and minority ethnic community enterprises. With 70 per cent of black and minority ethnic communities based in the most disadvantaged areas, such investment seeks to address socio-economic and a range of other inequalities. However, in order to attract such investment black and minority ethnic organisations need pre-investment and post-investment support.

Managers and trustees would benefit from assistance in acquiring diagnostic tools to assess business ideas and organisational capacity. There is a need for support to help produce business and strategic plans. Some black and minority ethnic and certain faith-based organisations will not consider loans as a means of financing a project for religious reasons. Funders and investors should be encouraged to adopt flexible financing arrangements for such groups to assist their development in ways that do not infringe religious and social mores.

Strengthening the work of specialist infrastructure supporting marginalised communities, including black and minority ethnic

Many generalist infrastructure organisations have been slow to understand and respond to the particular needs of marginalised communities. A range of specialist infrastructure organisations have developed at all levels to represent and meet the needs of women, disabled people, lesbian, gay, transexual, transgender and bisexual people, black and minority ethnic and other groups not well served by generalist provision. As well as offering information, training and networking, these organisations also provide a voice for the experiences of disadvantaged communities.

Specialist infrastructure organisations should be integral to the development of local hubs of infrastructure activity, leading to strengthened partnership work to deliver high quality services. This would include opportunities for specialist infrastructure organisations to deliver proven services more widely

Like other parts of infrastructure, infrastructure supporting organisations which work with marginalised communities have developed somewhat piecemeal, with a range of organisations serving different groups at various geographical levels and are often fragile and without long-term funding. Given the nature of communities of interest (rather than specified geographical communities), the work of these organisations will often stretch over traditional boundaries. However, the infrastructure consultation highlighted the importance of local structures reflecting local needs and cautioned against ‘top down’ models of what ‘should’ exist. Rather, the development of infrastructure development plans at local, sub-regional and regional levels offers the opportunity to consider how to build on the strengths and reach of specialist services supporting marginalised communities as well as specialist infrastructure in general. In particular specialist infrastructure is likely to have a role in:

- advocating for marginalised and disadvantaged communities at all levels;
- working with generalist infrastructure to ensure that capacity building support reaches and is appropriate to, those groups most in need; and
- targeted interventions to meet the specific needs of communities, for example in building leadership and representational skills and developing social enterprise approaches.

Local, sub-regional and regional infrastructure development plans should detail how the needs of diverse organisations and communities are best met in a given area and recognise the need for independent and accountable structures to represent and advocate for communities of interest. This should be underpinned by the aim of strengthening community cohesion

Commitment across the voluntary and community sector

Targeted work must be complemented by a step change in the commitment and practice of generalist infrastructure in reaching beyond the mainstream and tackling inequality. Diverse organisations should be represented in the management of generalist infrastructure organisations and services planned and organised to deliver appropriate support. This should be a core component of the Performance Improvement Strategy for Infrastructure.

Generalist infrastructure has a particular role in encouraging and promoting best practice in diversity across the voluntary and community sector. The focus in this Framework on workforce development, governance, volunteer management and recruitment, and performance improvement offers the opportunity to embed a commitment to diversity and equality in capacity building initiatives at all levels.

The Infrastructure National Partnership should:

- **be inclusively structured and involve specialist infrastructure;**
- **encourage ongoing dialogue about the roles and relationship of specialist and generic infrastructure; and**
- **report on progress increasing the reach and impact of generalist infrastructure services in meeting the needs of disadvantaged communities and promoting good practice**

sustainably funded

Infrastructure at all levels is funded from a variety of sources, including membership fees, charging for services, contracts and grants. National and local government are currently the main funders of voluntary and community sector infrastructure along with foundations and the Community Fund. Support for some specialist infrastructure at national and regional levels is more varied:

- **National generic infrastructure** is largely strategically funded by central government.
- **Regional and sub-regional infrastructure** such as generic and black and minority ethnic voluntary sector networks and county-based Rural Community Councils are strategically funded by government as well as local authorities and other funders.
- **Local infrastructure** funding varies widely across the country with funding provided mainly by local authorities and a range of public sector and trust funders. Community Empowerment Networks are in the 88 Neighbourhood Renewal areas currently funded by central government.
- **Neighbourhood Infrastructure** is funded from and provided by a variety of sources, including local authorities, other statutory bodies, central government regeneration programmes and in some areas through largely self-sustaining asset-based community enterprises.

Many organisations are heavily dependent on short-term, restricted, government funding which can be vulnerable to sudden cuts especially from local public sector agencies when spending priorities change. This pattern of funding constrains their freedom to take independent action and traps them in a continual cycle of ‘contract chasing’ to secure funding for their survival. The ‘voice’ function of infrastructure can be especially hard to fund, although it represents a significant service used by the public sector to inform policy and planning at all levels.

There needs to be a two-pronged approach to driving up the sustainability of voluntary and community sector infrastructure:

- improving income generation by infrastructure including through charging where appropriate and feasible; and
- strengthening and stabilising public funding.

Financing voluntary and community sector activity

Currently, only a small share of infrastructure income comes from members, weakening the incentive for infrastructure providers to be responsive to members’ needs. In the private sector and in the voluntary housing sector, infrastructure organisations are much more dependent on member income and this helps to instil an entrepreneurial approach to service development and delivery.

Home Office State of the Sector Panel, Early Findings, May 2004

Of those organisations on the SOTSP who are members/affiliates/users of infrastructure or umbrella organisations, 83 per cent were either very or quite satisfied with the services provided by umbrella bodies to which they belonged, whereas only 5 per cent were either very or quite dissatisfied.⁴⁵

A higher proportion of infrastructure costs should be funded by frontline organisations through membership fees and the sale of services. However, this will only be possible if funders meet the full costs front line organisations incur in purchasing training, advice, consultancy, subscription services and membership from infrastructure providers. Increased earned income will ensure that the provision of infrastructure will become more demand led, focused on meeting the

capacity and representational needs of frontline organisations.

Strategic funding

Many infrastructure organisations are beginning to cover some of their costs through user charges, but this can be difficult – particularly for those organisations that represent or work with small community groups and organisations that are at the pre-start or start-up phase. There is still a need for infrastructure organisations to receive support to diversify their funding and improve their ability to build an asset base as well as generate income through sale of services and members' fees.

Government has a key role to play in maintaining the existence of strong and robust infrastructure. However, because public funding can never cover the full cost of provision, public sector funders should ensure that their funding is strategic and where possible enter into long-term funding arrangements for infrastructure bodies.

This funding should support core infrastructure functions as well as covering the costs infrastructure organisations incur in assisting smaller and newer organisations and those that are not in receipt of public funding. It should be based on consideration of the needs of end users and the support required for frontline organisations to meet the needs.

In return for this commitment infrastructure bodies should agree to work to agreed standards and deliver substantial impact. All funders of infrastructure (including at county and district level where appropriate) should work with strategically-funded infrastructure organisations to agree annually objectives to be achieved and an appropriate regime for monitoring performance. The planned tools and standards for the performance improvement of infrastructure will support the achievement of these proposals.

⁴⁵ This is provisional data only and is based on unweighted figures. These results may therefore differ from the final results, due to be published later in 2004.

The local public sector is a key player in developing voluntary and community sector capacity. Local government and their local public sector partners including primary care trusts, LSCs and the police service, benefit significantly from the value frontline organisations bring to public service design and delivery and meeting the broader needs of diverse communities.

Local infrastructure development plans offer an opportunity for the local public sector, the voluntary and community sector and other stakeholders to look afresh at how infrastructure is configured, strategically funded and able to earn income. This should strengthen Local Compact working and community planning and service delivery, through creating a strategic approach to voluntary and community sector capacity building within the context of meeting the needs of local people.

Strategic partnership planning should enable local public sector funders of infrastructure to achieve greater ownership of jointly agreed priorities and outcomes and build more coherent investment from across local funders for the longer term.

At local, sub-regional and regional levels support for specialist infrastructure should be considered when creating infrastructure development plans. At national level, it will be for relevant parts of government to consider supporting specialist infrastructure within their particular policy interests. Where infrastructure falls between departmental interests the Home Office Active Community Unit should work with relevant departments to agree a lead.

Government departments should apply to voluntary and community sector infrastructure the principles of the Compact on relations between government and the voluntary and community sector in England. They should:

- **ensure that current support for and investment in capacity building and infrastructure for frontline organisations contributing to achieving departmental aims is robust. This may require a process of review;**
- **revise support in line with achieving their priorities and ensure that gaps are addressed in line with the outcomes identified in the Framework and in accordance with its principles;**
- **adopt a strategic approach to funding voluntary and community sector infrastructure – with clear reporting requirements that reduce the burden on frontline organisations and which focus on the difference made to users and beneficiaries;**
- **passport information across departments working with the voluntary and community sector to build coherence and avoid duplication;**
- **build in consideration of capacity building needs at the planning stage of major policy initiatives and delivery programmes where the voluntary and community sector is a partner. Consult with infrastructure and frontline organisations to determine what their support needs will be and budget to contribute to getting these met; and**
- **when strategically funding frontline organisations, and as part of full cost recovery, contribute towards their capacity building costs (staff training and skills development, good governance, implementing a quality system, etc.).**

4 Conclusion: Voluntary and Community Sector Infrastructure in 2014

The Framework sets out actions that should bring about a step change in support infrastructure for the voluntary and community sector across England. What follows is an interpretation of what voluntary and community sector infrastructure might look like 10 years from now if the Framework's vision is achieved.

Available nationwide and structured for maximum efficiency

There is a stable baseline of good quality infrastructure in every local area, in the regions and nationally. Infrastructure is 'leaner' due to reconfiguration and increased collaboration but actual provision has increased and is strong and more cohesive.

There is effective joint working vertically and horizontally across infrastructure providers at all levels including generic and specialist agencies, supported by protocols for joint working.

There is strengthened peer learning between frontline organisations (brokered by infrastructure) and between infrastructure agencies themselves.

There is a variety of consortia arrangements in place bringing together large and small frontline organisations. Consortia are helping to build the capacity of small organisations and involving them in service delivery through sub-contracting. Large organisations are benefiting from access to grassroots knowledge and contacts. Consortia are supported by guidance and good practice protocols and shared learning is facilitated through infrastructure.

Local infrastructure

Each area has a regularly reviewed local infrastructure development plan, developed through cross-sector partnership working. The plan is integral to wider community planning with a focus on meeting the needs of local people.

Local generic and specialist infrastructure is arranged as a 'hub' of provision, easily identifiable and accessible to diverse frontline organisations. Some agencies have merged and others share premises, back-office functions and ICT. There are strong local

arrangements for joint working across infrastructure providers and strengthened networking. The hub provides a range of practical support for frontline organisations – ‘start-up’ office space, meeting space, media and ICT resources, payroll, etc.

Joint planning focused on end users and more effective and efficient delivery have helped achieve buy-in from funders. More stable and coherent funding arrangements for core infrastructure functions are in place in most areas.

Although still a crucial part of what it does, local infrastructure is under less pressure to deliver direct support services. This is because:

- there is a range of affordable face-to-face support in place (mentoring; peer support; *pro bono* help; action learning and other networks) with infrastructure acting as a clearing house and broker;
- there are experts in key support areas for the voluntary and community sector housed at sub-regional or regional level, able to support infrastructure and frontline organisations.

Sub-regional infrastructure

Each sub-region/county has a consortia representing infrastructure interests at this level, informed by a sub-regional infrastructure development plan. The plan is developed and reviewed through cross-sector partnership working.

There are a variety of sub-regional partnerships and networks made up of local representatives. These form a critical mass of knowledge on strategic support areas (such as income generation) and are complimented by paid specialists in their field. These specialists support infrastructure workers and frontline organisations across localities and are in turn trained and supported through national hubs of expertise.

Partnerships and specialist workers are funded through a mixture of earned income and match funding arrangements across local funders.

Regional infrastructure

Each region has a regional infrastructure development plan developed and reviewed through cross-sector partnership working.

Regional voluntary sector networks will have a key role in representing and co-ordinating the sector within the region. Some region-wide networks and specialists, such as Learning and Skills Leaders, are ‘housed’ at this level. These regional networks broker mentoring, *pro bono* help and skill sharing, help cascade national knowledge and resources across the region and feed local knowledge upwards.

Generic and specialist infrastructure is working in close collaboration through the sharing of a range of functions and strengthened networking. This together with partnership planning has helped improve funder confidence and investment.

National infrastructure

An Infrastructure National Partnership is well developed, inclusive of diverse interests, working with stakeholders in other sectors and providing oversight and leadership on infrastructure for the voluntary and community sector.

There is a cross-government strategic approach to voluntary and community sector capacity building and infrastructure. There is greater coherence in investment, reporting and planning for capacity building as part of programme delivery.

There are well developed national hubs of expertise on key support areas for the voluntary and community sector, funded through a mixture of earned income and grants. The hubs are linked horizontally and vertically with regional and sub-regional partnerships and specialists. They are leaders in their field. They provide a single gateway for frontline organisations and effective signposting; cutting edge resources for dissemination across the sector; support for infrastructure at all levels; and broker skills and learning exchange.

There is a national web-based information service cross-referencing access to the national hubs and websites of all infrastructure providers and a strengthened national telephone helpline for the voluntary and community sector incorporating an ICT helpline.

National infrastructure is leaner but provision is strengthened through collaboration (ranging from merger where this has best met needs to the sharing of functions and improved networking).

Sustainably funded

Infrastructure income is more diverse and linked to the achievement of demonstrable outcomes for users.

- Funders and purchasers are contributing to the cost of infrastructure support in frontline organisations. This has helped infrastructure generate more income through charging and create a more demand-led culture. Free or subsidised provision is provided to community groups.
- Infrastructure has been supported to build its income generation skills and improve its asset base.
- Re-configuration and collaboration has resulted in greater economies of scale and saved on administration costs.

Offering excellent provision

A range of performance improvement guidelines, tools and development activities for voluntary and community sector infrastructure are in place.

Infrastructure and funders have a shared understanding of what outcomes and impact for infrastructure looks like. This informs service planning and reporting. Outcome-focused reporting has reduced the regulatory burden.

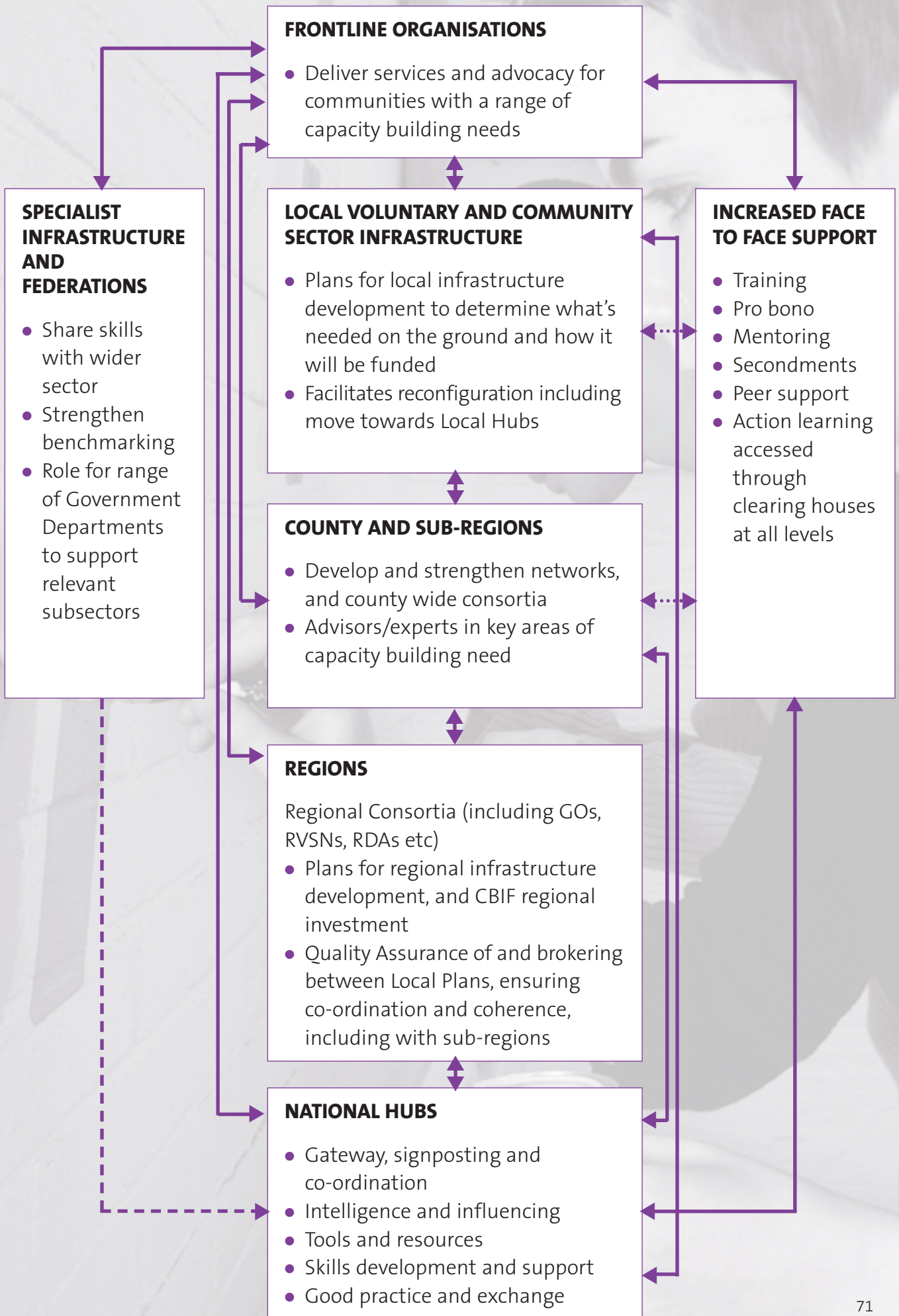
Infrastructure operating within a membership network have shared standards. These are linked to generic national standards or benchmarks for key infrastructure functions.

There is an appropriately skilled infrastructure workforce linked to the achievement of core competencies. Infrastructure workers have access to professional development opportunities and skill sharing through facilitated networking and peer learning.

Reflecting and promoting diversity

There is a strengthened specialist infrastructure representing and supporting marginalised communities at all geographical levels. Diversity is integral to the planning of infrastructure, with specialists collaborating effectively (through geographic hubs) with other providers of infrastructure.

‘Mainstream’ infrastructure has diverse boards and workforce, is more effective at meeting the needs of marginalised groups (including through collaboration) and promotes good practice.



Annex A

Summary of Recommendations

High Level Aim of Framework

- This Framework sets out a bold but achievable aim – that by 2014 the needs of frontline voluntary and community organisations will be met by support which is available nationwide, structured for maximum efficiency, offering excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded

Performance Improvement

High level objective by 2014:

- Frontline organisations are better able to improve the performance of their organisations, make choices about which tools are right for them and easily access support and advice
- A National Hub of Expertise in Performance Improvement should be established by 2005

Developing a Highly Effective Workforce

High level objective by 2014:

- There is a greater range of accessible development opportunities with increased take-up of learning opportunities by voluntary and community sector workers. Employers have improved access to support and advice on Human Resources issues
- Each Regional Network should have a learning and skills leader by 2005 and regional strategy in place by April 2006
- There should be a National Hub of Expertise in Workforce Development by 2005

ICT

High level objective 2014:

- Frontline organisations and funders share a common awareness of the costs and benefits of ICT enabling them to make informed choices about its use. There are affordable and reliable support models in place, with user friendly and relevant ICT advice available, including volunteering and *pro bono* support
- A wide range of reference information, including basic support and signposting on ICT issues, best practice information, 'how to' guides, and strategic analysis of new developments in ICT should be accessible via the web and other formats by 2005
- A telephone helpline should be available for those organisations without significant ICT capability by 2005
- A partnership of national voluntary and community organisations should be formed to provide strategic oversight of ICT issues in the sector by the end of 2004

Governance

High level objective by 2014:

- Board members are aware of their responsibilities and good practice and have access to accurate and helpful information and development. Being a trustee is more attractive and boards are more diverse, better reflecting the communities they serve
- A National Hub of Expertise in Governance should be established by 2005
- A set of competencies and standards in voluntary and community sector governance will be developed by 2005

Recruiting and Developing Volunteers

High level objective by 2014:

- There is a leaner, effectively marketed and high quality volunteering infrastructure reaching, recruiting and placing a greater number and diversity of individuals coupled with improved volunteer management
- There should be provision for local volunteer engagement and organisational support and development, through volunteer centres, in all areas of the country by 2009
- There should be a commonly branded local volunteering infrastructure linked to the achievement of quality standards available from the end of 2005

Financing Voluntary and Community Sector Activity

High level objective by 2014:

- Frontline organisations are able to take advantage of opportunities to diversify their income sources and demonstrate increased skill in contract negotiation and better standards in more effective fundraising
- A National Hub of Expertise on Financing Voluntary and Community Sector Activity (incorporating fundraising, procurement and enterprise) should be established by 2005
- The National Hub of Expertise on Financing Voluntary and Community Sector Activity should work to raise awareness amongst local councils about the benefit of asset transfer to the voluntary and community sector, encourage consistent application of the rules affecting asset transfer and help build capacity within the sector to manage assets

Infrastructure

- Voluntary and community sector infrastructure should be made available nationwide structured for maximum efficiency, offer excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded
- Cross-sectoral and inclusive review and planning exercises will take place by 2005 to ensure good quality infrastructure provision is available in all areas of England by 2007
- There should be local hubs of infrastructure activity delivering generalist and appropriately configured specialist infrastructure functions and services in every local area and every region by 2008
- To avoid unnecessary duplication, a protocol on the creation of new infrastructure bodies should be established by the Infrastructure National Partnership
- By the end of 2006, as well as strengthening the role of existing national centres of expertise, there should be national hubs of expertise dedicated to achieving excellence in: Workforce Development, Governance, Performance Improvement, Financing Voluntary and Community Sector Activity, and ICT
- An Infrastructure National Partnership should be created by 2005
- Tools and standards for performance improvement in voluntary and community sector infrastructure should be in place by 2006
- A national web-based information portal should be available by the end of 2006

Reflecting & Promoting Diversity

- **Specialist infrastructure organisations should be integral to the development of local Hubs of infrastructure Activity, leading to strengthened partnership work to deliver high quality services. This would include opportunities for specialist infrastructure organisations to deliver proven services more widely**
- **Local, sub-regional and regional Infrastructure Development Plans should detail how the needs of diverse organisations and communities are best met in a given area and recognise the need for independent and accountable structures to represent and advocate for communities of interest. This should be underpinned by the aim of strengthening community cohesion**
- **The Infrastructure National Partnership should:**
 - **Be inclusively structured and involve specialist infrastructure**
 - **Encourage ongoing dialogue about the roles and relationship of specialist and generic infrastructure**
 - **Report on progress increasing the reach and impact of generalist infrastructure services in meeting the needs of disadvantaged communities and promoting good practice to represent and advocate for communities of interest**

Sustainability, sub-regional and regional Infrastructure Development

Government Departments should apply to voluntary and community sector infrastructure the principles of the Compact on relations between Government and the voluntary and community sector in England. They should:

- Ensure that current support for and investment in capacity building and infrastructure for frontline organisations contributing to achieving departmental aims is robust. This may require a process of review;
- revise support in line with achieving their priorities and ensure that gaps are addressed in line with the outcomes identified in the Framework and in accordance with its principles;
- adopt a strategic approach to funding voluntary and community sector infrastructure – with clear reporting requirements that reduce the burden on frontline organisations and which focus on the difference made to users and beneficiaries;
- passport information across departments working with the voluntary and community sector to build coherence and avoid duplication;
- build in consideration of capacity building needs at the planning stage of major policy initiatives and delivery programmes where the voluntary and community sector is a partner. Consult with infrastructure and frontline organisations to determine what their support needs will be and budget to contribute to getting these met;
- when strategically funding frontline organisations, and as part of full cost recovery, contribute towards their capacity building costs (staff training and skills development, good governance, implementing a quality system, etc.).

Annex B

Development of the Framework Consultation

The Home Office's Active Community Unit leads the development of work on capacity building and infrastructure. During the summer of 2003 it commissioned four pieces of work to feed into the Framework:

- A strategy for voluntary and community sector infrastructure, co-ordinated by OPM/Compass consultants
- A strategy for Skills Development, led by the Voluntary Sector National Training Organisation (VSNTO)
- A strategy for Performance Improvement, led by the Quality Standards Task Group (QSTG)
- A strategy for Governance, co-ordinated by the Foundation for Good Governance.

In September 2003, the Active Community Unit published *Voluntary and Community Sector Infrastructure – A Consultation Document*⁴⁶ and commissioned OPM/Compass Partnership to seek the views of the voluntary and community sector and other stakeholders on this document. *Voluntary and Community Sector Infrastructure – A Summary of Consultation Responses*⁴⁷ was published on 27 April 2004. The consultation demonstrated broad support for a more coherent and sustained commitment to infrastructure development from both the public sector and voluntary and community sector.

Consultation on voluntary and community sector Infrastructure

- Around 12,000 copies of the consultation document were distributed across the voluntary and community sector, and to a range of public sector stakeholders. Events were organised nationally and in each English region to consider the key questions in the document and attracted over 900 participants.
- 374 responses were received either through email or post. Written reports from consultation events were incorporated into the analysis of responses.
- Most respondents welcomed the Active Community Unit's commitment to enhance and support a strong infrastructure network throughout England and fully supported the proposed investment, although a wide range of views were expressed in relation to some of the questions posed in the consultation document.

⁴⁶ *Voluntary and Community Sector Infrastructure – A Consultation Document*, Home Office Active Community Unit, 2003.

⁴⁷ Available from the Home Office website: www.homeoffice.gov.uk/comrace/active/

- Whilst most respondents understood and expressed support for greater collaboration and saw scope to centralise, streamline and reduce duplication, there was reluctance to be tied down locally.
- Most respondents confirmed the importance of the Councils for Voluntary Service (CVS) network, although it was noted that some sub-sectors rarely participate in CVS.
- There were contrasting views as to whether infrastructure services should be better co-ordinated through increased partnership, or whether a more 'free market' approach with increased competition had potential to push up quality.
- Fears were expressed that an emphasis on reducing duplication may reduce choice and lead to the marginalisation of groups with less powerful voices. In particular there was concern that the advocacy role of black and minority ethnic infrastructure should be recognised and preserved.
- There was support for the importance of quality and minimum standards in infrastructure, but resistance to standards being imposed by government.
- Significant concern was expressed about any increased role for the Small Business Service. It was not seen as being best placed to provide support services to the voluntary and community sector; it was regarded as difficult to access and reflecting a different culture.
- There was in-principle support for local government having a lead funding responsibility for local infrastructure services, but concerns regarding the strength and dynamics of relationships between the voluntary and community sector and local government.
- Rather than express outright support, the majority of respondents indicated that they saw no viable alternative to a role for Government Offices in fund management.

In November 2003 the Active Community Unit commissioned OPM/Compass Partnership to develop a strategy to strengthen the sector's infrastructure and to prepare this integrated Framework.

In parallel, the Civil Renewal Unit published the findings of a cross-government review of support for community capacity building for consultation in December 2003.⁴⁸ These have been taken into account in developing the Capacity Building and Infrastructure Framework. Following consideration of the consultation responses, the Government intends to publish a complementary action plan for community capacity building in summer 2004.

⁴⁸ *Building Civil Renewal*, *ibid*

All of this work has involved extensive consultation with the voluntary and community sector, its representative organisations, central government departments, local and regional public sector representatives, a range of funders and the business community. The Home Office Active Community Unit's Voluntary and Community Sector Advisory Group, made up of representatives of frontline and umbrella organisations, commented on the Framework as it developed. A cross-sector Capacity Implementation Team (CIT) advised on the development of the Framework.

Capacity Implementation Team (CIT)

CHAIR: Helen Edwards/Amobi Modu

MEMBERS:

| | |
|-----------------------------------|-----------------------------------|
| ACF | David Emerson |
| ACRE | Sylvia Brown |
| ACU | Tina Jenkins/John Routledge |
| BASSAC | Ben Hughes |
| CEMVO | Asha Craig/Dalvinder Ghaly |
| COGS | Mandy Wilson |
| Defra | Phil Barton/Celia Webber |
| DoH | Sarah Mulally |
| DfES | Tom Jackson/Tom Kennar |
| DTA | Harbinder Kaur/Alan Wallace |
| DTI | Sarah Adams |
| DTI (Social Enterprise Unit) | Steve Wallace |
| EMBRACE | Owen McFarlane |
| GO North West | David Lawson |
| HEALTH VOICE NETWORK | Monika Schwartz |
| HMT | Merran Buchanan/Dan Micklethwaite |
| LDA | Amanda Little |
| LGA | David Evans |
| NACVS | Kevin Curley/Jane Slowey |
| NATWEST BANK | Andrew Robinson |
| NCVO | Ben Kernighan |
| NCVYS | Susanne Rauprich |
| ODPM (Neighbourhood Renewal Unit) | Hulya Mustafa |
| ODPM | Mark Mason/Alan Smith |
| RAWM | Chris Bonnard |
| SOCIAL ENTERPRISE COALITION | Jonathan Bland |
| VOSCUR (Bristol) | Helen Hughes/Wendy Stephenson |

Annex C

Review of the Framework

Review will be primarily focused on the extent to which the recommendations and outcomes identified in this document have been achieved and how well these achievements complement the broader goals outlined in *The Role of the Voluntary and Community Sector in Service Delivery: A Cross-Cutting Review* (HM Treasury, 2002).⁴⁹

The State of the Sector Panel will track organisations' involvement with other frontline organisations through partnerships and collaborative working and their engagement with infrastructure/umbrella organisations over time. It will provide information on their level of engagement (from active to passive), their level of satisfaction with the activities carried out or services provided and their views on any gaps or problems with those activities or services. It may also provide additional, more qualitative, information to aid the process of evaluation and review.

State of the Sector Panel

The Panel was created in 2003 and comprises 3,600 voluntary and community organisations, selected to reflect the range of organisations in the population of voluntary and community organisations in England and to pay particular attention to those which provide key public services.

Over the three-year period the Panel will be surveyed on a regular basis in order to monitor progress in increasing voluntary and community sector activity as set out in Public Service Agreement 8 ("To increase voluntary and community sector activity, including increasing community participation, by 5 per cent by 2006").

Review will take place through mechanisms already in place for reviewing the *Cross-Cutting Review*. The Capacity Implementation Team, chaired by the Parliamentary Under Secretary of State for Race Equality, Community Policy, and Civil Renewal, should meet annually to discuss overall progress.

⁴⁹ CCR, *ibid.*

The Infrastructure National Partnership and national hubs of expertise should contribute to reviewing progress in the areas on which they lead. The Active Community Unit investment to accompany the Framework will include independent programme evaluations and a monitoring and evaluation protocol for fund managers. This will ensure transparency and the collection of consistent information across the range of funded and commissioned activities at all levels. Reporting requirements will be focused on clear outcomes and will not be over burdensome. They will focus on whether those frontline organisations serviced by second tier organisations benefit from the increased investment in infrastructure.

Annex D

Glossary

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| Capacity building | <p>‘...empowering activity that strengthens the ability of voluntary and community organisations to build their structures, systems, people and skills so that they are better able to:</p> <ul style="list-style-type: none">• define and achieve their objectives,• engage in consultation and planning,• manage projects, and• take part in partnerships, social enterprise and service delivery.’⁵⁰ |
| Civil renewal ⁵¹ | <p>The renewal of civil society through the development of strong, active and empowered communities, in which people are able to do things for themselves, define the problems they face and tackle them in partnership with public bodies. Civil renewal involves three essential elements: active citizenship, strengthened communities and partnership in meeting public needs. Its practical process is community engagement.</p> |
| Community capacity building | <p>Activities, resources and support that strengthen the skills and abilities of people and community groups enabling them to take effective action and leading roles in the development of their communities.⁵²</p> |
| Compact | <p>The Compact was published in 1998. It is a framework for partnership between Government and the voluntary and community sector, for mutual advantage. An important principle in the Compact is the independence of the sector and its right to campaign. The Compact is supported by five Codes of Good Practice in which Government and the sector commit to particular actions. For example, in the Consultation and Policy Appraisal Code, Government has pledged to allow a minimum of 12 weeks wherever possible in consultation and the sector has pledged to ensure that</p> |

⁵⁰ *Building Community Strengths*, Steve Skinner, 1997.

⁵¹ *Building Civil Renewal*, *ibid.*

⁵² *Building Civil Renewal*, *ibid.*

the views of women and minority and socially excluded groups are included in their response. There are also Local Compact Guidelines to inform partnership working between voluntary and community sector organisations and local bodies such as local authorities, primary care trusts and local Learning and Skills Councils.

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|--|---|
| Frontline organisations | Voluntary and community organisations that work directly with individuals and communities in order to provide services, offer support and campaign for change. |
| Generic infrastructure | Infrastructure organisations who provide support to all frontline organisations within a particular geographic area. |
| Infrastructure | The physical facilities, structures, systems, relationships, people, knowledge and skills that exist to support and develop, co-ordinate, represent and promote front line organisations thus enabling them to deliver their missions more effectively. |
| Local Strategic Partnership (LSP) | An LSP is a single non-statutory, multi-agency body, which matches local authority boundaries and aims to bring together at a local level the different parts of the public, private, community and voluntary sectors. LSPs are key to tackling deep-seated, multi-faceted problems, requiring a range of responses from different bodies. Local partners working through a LSP will be expected to take many of the major decisions about priorities and funding for their local area. |
| Public services | Services that are wholly or partly publicly funded and are delivered by public, voluntary and community and private sector agencies. ⁵³ |
| Social enterprises | Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community rather than being driven by the need to maximise profit for shareholders and owners. |

⁵³ It is acknowledged that many voluntary and community organisations are involved in delivering services to the public that are funded independently of the state, often using volunteers. Through the delivery of such services, the sector often fills gaps and pioneers new forms of delivery that may or may not become part of mainstream publicly-funded provision.

| | |
|--|--|
| Specialist infrastructure | Infrastructure organisations that provide support to a particular ‘sub-sector’ of the voluntary and community sector, or offer a specific area of expertise. |
| VCS (voluntary and community sector) | For the purposes of this document the voluntary and community sector has not been tightly defined. It is intended to be wider in scope than general charities or the voluntary sector, inclusive of organisations reflecting the characteristics of social enterprise, but narrower in scope than nonprofit, the third sector or social economy. |
| Voluntary and community sector infrastructure | Voluntary and community organisations whose primary purpose is the provision of infrastructure functions (support and development, co-ordination, representation and promotion) to frontline voluntary and community organisations ⁵⁴ . They are sometimes called umbrella, second tier or intermediary organisations. |

⁵⁴ The distinction between infrastructure organisations and front line organisations is sometimes blurred at a neighbourhood or community level where some infrastructure organisations also deliver services direct to individuals or communities.

Abbreviations

| | |
|---------------|--|
| ACU | Active Community Unit |
| BME | Black and Minority Ethnic |
| CBIF | Capacity Building and Infrastructure Framework |
| CIT | Capacity Implementation Team |
| CCBR | Community Capacity Building Review |
| CCR | Cross Cutting Review: The Role of the Voluntary Sector in Service Delivery |
| CDF | Community Development Foundation |
| CEN | Community Empowerment Network |
| CPA | Comprehensive Performance Assessment |
| CRU | Civil Renewal Unit |
| CVS | Council for Voluntary Service |
| Defra | Department of Environment Food and Rural Affairs |
| DTI | Department of Trade and Industry |
| ICT | Information and Communications Technology |
| IDeA | Improvement and Development Agency |
| LLSC | Local Learning and Skills Council |
| LPSA | Local Public Service Agreement |
| LSC | Learning and Skills Council |
| LSP | Local Strategic Partnership |
| NACVS | National Association of Councils for Voluntary Service |
| NCVO | National Council for Voluntary Organisations |
| NDPB | Non-Departmental Public Body |
| NRU | Neighbourhood Renewal Unit |
| ODPM | Office of the Deputy Prime Minister |
| PCT | Primary Care Trust |
| PQASSO | Practical Quality Assurance System for Small Organisations |
| RDA | Regional Development Agency |
| RCC | Rural Community Council |
| RDA | Regional Development Agency |
| REC | Race Equality Council |
| SBS | Small Business Service |
| SEnU | Social Enterprise Unit, Department of Trade and Industry |
| SOTSP | State of the Sector Panel |
| VB | Volunteer Bureau |
| VCS | Voluntary and Community Sector |
| VDE | Volunteer Development England |

