

Building blocks

**developing second-tier
support for frontline groups**

by Alison Harker and Steven Burkeman

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ISBN 1 901373 25 8

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About City Parochial Foundation (CPF) and Trust for London (TfL)

Established in 1891, CPF is one of the largest independent charitable foundations in London. It aims to enable and empower the poor of London to tackle poverty and its root causes, and to ensure that its funds reach those most in need.

Its sister body TfL, set up in 1986, aims to support small and emerging voluntary and community groups.

Occasionally, they fund research – as with this report – when it increases knowledge of these areas of work or other aspects of poverty in London. A particular interest is in work which has a clear application to policy and practice.

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Charity Registration Numbers:
CPF – 205629 and TfL – 294710

Terms used in the report – and what they mean

Throughout this report we use a number of phrases and words without further explanation. This is what we have taken them to mean.

A **frontline** or **first-tier organisation** or **group** is one which delivers services to, or campaigns with or on behalf of, a group of people who stand to benefit personally from those services or campaigns.

A **second-tier organisation (STO)** is one whose principal purpose is to help frontline groups to do their job. It does not generally engage directly with those who are the beneficiaries of frontline organisations. So far as we are aware, the term ‘second-tier agency’ was first used in this context in the 1978 Wolfenden Report, which described such bodies as:

groups whose primary function is to provide support of a generalist or specialist nature to ‘frontline’ organisations, usually in the form of services, development, liaison and representation.

A **third-tier organisation** is one which provides support to second-tier organisations. In London, an obvious example is the London Voluntary Services Council, which supports councils for voluntary service located in individual boroughs.

A **small group** – for the purposes of this study only – is one with an annual income of up to £100,000. We recognise that this is a very broad definition – recent figures suggest that 56% of the sector has an annual income of less than £10,000.¹

A **medium-sized group** is one with an income of between £100,000 to £250,000.

A **micro group** is one with no paid staff, perhaps no base, and minimal resources.

A **council for voluntary service (CVS)** is defined by the National Association for Voluntary and Community Action (NAVCA)² as:

a voluntary organisation that is set up, owned and run by local groups to support, promote and develop local voluntary and community action. CVS and other local infrastructure organisations support their members by providing them with a range of services and by acting as a voice for the local voluntary and community sector.³

Capacity-building is anything which will increase the capacity of the voluntary sector, or specific organisations, to provide services or take action. Depending on the context, it also has restricted meanings eg providing training in financial management and organisational issues.⁴

Footnotes and sources (Appendix 3)

To assist in accessing sources, we have included ‘tinyURLs’ which take you direct to the appropriate webpage or document. However, some of these may change over time, so website addresses have also been included.

Please note that some of the tinyURLs may lead to immediate downloads of documents.

¹ *The UK Voluntary Sector Almanac 2006* NCVO

² Formerly – until 14 June 2006 – the National Association of Councils for Voluntary Service (NACVS)

³ see www.NAVCA.org.uk

⁴ We have largely drawn this definition from the helpful VolResource website – www.volresource.org.uk

	Terms used in the report	ii
	Authors' note	iv
	Foreword	1
1	Introduction and background	3
2	The voluntary sector in context	6
3	Frontline groups	12
4	Second-tier organisations	17
5	What frontline groups want or need	26
6	What works best?	31
7	The role of the Charity Commission and others	37
8	The role of funders	41
9	Conclusions	45
10	Recommendations – improving second-tier support in London	46
	Appendices	
1	Interviewees	53
2	Organisations used by frontline groups	55
3	References	56

Authors' note

The role of the voluntary and community sector was surely never more debated than it has been since 1997, and as we write all the mainstream political parties appear to be competing to seem the most sector-friendly – albeit that sometimes the hug of friendship can feel stifling to the point of suffocation. Against this background, the apparently ‘unsexy’ subject of second-tier support for frontline groups has turned out to touch on issues which are at the very heart of the debate.

It may be that it is the debate itself which has led to a situation in which people working in London’s voluntary and community sector are perhaps suffering from consultation – and even consultant – fatigue. At times during this study it has shown. Despite this, we have been much helped by many busy people who gave time to speak with us. We are very grateful to them; we hope that if they read the full Report, or at least the separate summary paper, they will feel that their time was not wasted. We interviewed people on the basis of the Chatham House Rule⁵ (despite common usage, there is only one) and have sought rigorously to observe this.

Quotations from interviews that we conducted have been edited only for clarity and to ensure adherence with the Chatham House Rule, and are inset in italics, or in quotation marks.

This report was commissioned by City Parochial Foundation and Trust for London – we are grateful to Mubin Haq, Sioned Churchill and Bharat Mehta with whom it has been a pleasure to work on this exercise. Comments are based on the situation at the time of writing (summer 2006). Since then, some things may have changed.

Any errors are our responsibility and we apologise for them in advance.

AH/SB
September 2006.

Alison Harker worked in social and community development work in London and the north east and later as Senior Grants Officer for the City Parochial Foundation and Trust for London, and Atlantic Philanthropies. Since the beginning of 2004, she has worked as a freelance consultant with a number of voluntary organisations and charitable foundations.

She is a member of the grants committee of the International Mobilisation Trust of Amnesty International and the Board of Trustees of the Centre for Voluntary Action Research at Birkbeck University.

Steven Burkeman has worked in education, welfare rights, local government and the NHS. From 1982, he was Trust Secretary of the Joseph Rowntree Charitable Trust, which he left in 2001 to become a consultant. His clients have included leading foundations and human rights organisations.

He has written and lectured widely on issues relating to philanthropy. He is a member of the Council of the Minority Rights Group International, the Board of Allavida, and the Consumer Complaints Board which deals with complaints against solicitors. He founded and chairs a small heritage charity, the Rowntree Society, based in York, where he lives.

⁵ ie we have been free to use the information/views etc received from our interviews in this report but have undertaken not to reveal the identity or the affiliation of the speaker.

The majority of City Parochial Foundation's and Trust for London's funding goes to Groups working directly with communities, and each year we visit more than 250 as part of our grants assessment process.

What has emerged from these visits is that many of these groups need infrastructure support – in areas such as governance, finance, human resources and campaigning – to assist them to provide their services as efficiently and effectively as possible. We have come across many that were receiving very good support, but also many that were receiving poor support or could not access what they needed – the quality varies. And it has become clear to us that many second-tier organisations (STOs) – particularly councils for voluntary service – have been operating in a very difficult environment with pressures on them from all sides, while attempting to manage high expectations and heavy demands.

It has led us as funders to consider what we can do ourselves to improve quality and provision. We have funded many STOs to meet these needs and have also developed a number of special initiatives where we have felt there were gaps in provision. These have included establishing the Evelyn Oldfield Unit (to support established refugee community organisations) and the Resource Unit for Supplementary and Mother-tongue Schools; the development of the Small Groups' Worker scheme; and, more recently, the Count Us In programme (which addressed the infrastructure needs of small disability groups). It is therefore an area of work to which we are strongly committed and has been a priority for us for many years.

In line with its aim of involving the voluntary sector, over recent years government has also been investing funds in STOs particularly through initiatives such as ChangeUp and Capacitybuilders and through the creation of the various Hubs.

We felt this was an opportune moment to take a wider look at infrastructure support services. We especially wanted to know the views of groups and how they could be best supported, which led us to commission this research. It emerged – at an early stage – that there were blocks to how frontline groups received support. But it also became clear that there were also building blocks which, if constructed effectively, could overcome these and result in improvements. Hence the title of the report, which reflects both the negative and positive aspects of this.

We commissioned Alison Harker and Steven Burkeman, due to their extensive experience of the sector, to undertake this research. Their report identifies a number of issues raised by those they talked to and provides a 'warts and all' view of the sector.

But by itself this would be of little use. Therefore, the authors have provided a range of constructive recommendations which provide a

programme for action – not just by the STOs themselves but by funders, the Charity Commission and Capacitybuilders. We do not expect everyone to agree with all of the findings and recommendations, but we do hope it will start a debate and lead to significant improvements in how infrastructure support is provided and funded.

Maggie Baxter

Chair,

City Parochial Foundation

1

Introduction and background

Why the study was launched

City Parochial Foundation (CPF) and Trust for London (TfL) are independent charitable trusts which fund only in London. They carry out a review every five years, with an interim review at the half-way stage. Their recent review shows that, since 2002, 15% (approximately £800,000 each year) of their funding has gone to second-tier organisations, rather than directly to frontline, or first-tier, voluntary organisations. Further work revealed that, in particular, councils for voluntary service in London seem to have become much larger organisations.

A number of funders, including the Big Lottery Fund, support the work of second-tier organisations. The Government itself is driving the growth and development of this sector through programmes such as ChangeUp (see section 2).

This begs several questions:

- **To what extent is the funding for second-tier support services, via CVSs and others, value for money?**
- **Is the work of the organisations funded by these grants of a sufficiently high standard?**
- **Are second-tier services meeting the needs of frontline groups, especially the smaller ones which are likely to be most in need of this kind of support?**
- **Where are the gaps?**
- **And what effect has the investment had on the ultimate beneficiaries of frontline groups?**

During 2006, CPF, as a significant funder of second-tier provision, and TfL, with its focus on small groups, were preparing for the next five-year funding period (2007-11). They needed to make decisions on where and how they might focus future funding for second-tier services. They also wanted to encourage debate elsewhere in the sector – among charitable and statutory funders, second-tier organisations themselves, and the frontline charities they seek to help. These factors led to this study being commissioned.

The project concerned London – CPF and TfL's area of operation – but it is likely that the conclusions will be relevant to the voluntary sector throughout the UK.

Remit

We were asked to gather the experiences of groups with an annual income of up to £250,000 in seeking and receiving, or failing to receive, the support of second-tier organisations, and to explore the extent to which the support received was appropriate and sufficient for their needs.

We were originally asked to explore the following specific questions, and to make recommendations flowing from the answers:

- **What forms of second-tier provision are the most effective?**
- **To what extent, if any, is the quality of advice and support being offered by second-tier organisations being hindered by the demand to produce an increased quantity of output? Should STOs do more intensive work with fewer groups? How would this work? What authority, for example, does a CVS have to say 'yes' to one group and**

‘no’ to another? There are more than 1,500 charities in several of the inner London boroughs, so who to work with, and how to choose?

- **How much does the quality and nature of the work depend on the skills and knowledge of individual workers? What can be done to mitigate dependence on individual workers?**
- **What are the constraints and barriers to undertaking effective forms of work? Is it ‘just’ a question of resources?**
- **If STOs could start afresh, how would they look?**
- **What difference has second-tier support made to voluntary and community groups and, ultimately, their beneficiaries?**
- **To what extent, if any, has there been a change in emphasis from community development to capacity-building, and what are the implications of this?**

The research

We adopted a two-pronged approach to our main research. We:

- carried out a desk-based review of activity in this field – with an emphasis on London – so as to ensure that the study was grounded in a wider context;
- interviewed 101 frontline voluntary groups in 11 of the 33 London boroughs. The boroughs – Brent; Camden; Croydon; Greenwich; Hackney; Hillingdon; Islington; Kingston; Newham; Southwark; and Tower Hamlets – were representative of inner and outer London.

We also interviewed frontline groups working across borough boundaries. These included groups using particular services – for instance community accountancy schemes,

the small group workers scheme, IT services, and other specialist second-tier organisations – as well as some which use no second-tier services at all.

It had been our original intention to conduct focus groups involving representatives of frontline groups in each of the 11 boroughs. We were advised by second-tier organisations that, without a financial incentive, we would be unlikely to attract participants in sufficient numbers.

Despite this warning, we attempted to organise groups in four boroughs, and in each case found that the warning had proved correct – the largest number of acceptances for any one group was four. In consultation with the commissioners, we abandoned this approach, and substituted interviews with frontline groups instead, aiming at a minimum of 10 in each of the chosen eleven boroughs.

We used published directories, lists provided by funders, and lists from STOs including CVSs to identify interviewees. We sought to achieve a balance in terms of fields of work and diversity. It was easier to contact and speak with people in some boroughs than in others. As the figures above show, it did not prove possible to achieve the minimum of 10 in each borough.

The organisations we spoke to included those which:

- currently receive help from second-tier agencies;
- have received second-tier support in the past but no longer do so;
- have never had any second-tier support;
- feel they need support but seek/receive it from their ‘own’ sources – often within their own communities – rather than from traditional helping agencies.

We also interviewed:

- 23 people from 21 second- and third-tier agencies, including a second-tier agency from each of the 11 chosen boroughs except Hillingdon,⁶ and a number operating on a pan-London basis;
- nine funders;
- five key individuals not included in the above categories.

Interviews with frontline groups were almost all conducted over the phone, while those with others were mainly face-to-face.

In some boroughs we had to contact as many as 30 organisations in order to set up the interviews. Emails and telephone calls sometimes received no response.

Answering machines often gave messages indicating the office was open but there was

no answer for days. On occasion, crisis lines did not respond even during advertised opening hours. Calls were not returned and appointments not kept.

Of course, many of the smaller frontline groups are run on a shoestring and operate on a very part-time basis, which doubtless contributed to the problems we experienced.

Where appropriate, we drew on the work of others – for example, work by Janice Needham and Jean Barclay for the Government Office for London⁷ set out the position and problems of the second-tier organisations. Their work gives a clear indication of the scale of provision and how levels of funding affect the capability of the second-tier organisations to deliver services to frontline groups. Other relevant work is footnoted in the report and/or listed in Appendix 3.

⁶ in the absence of a permanent director it proved difficult to make contact with Hillingdon CVS

⁷ Needham, J. & Barclay, J. *Voluntary Sector Infrastructure Organisations, the Availability of Funds in London Boroughs; Infrastructure for Black and Minority Ethnic Organisations in London and Mapping Voluntary and Community Sector Networks* Government Office for London, 2004. All available at www.gos.gov.uk/gol/161402
<http://preview.tinyurl.com/ydjx7g>

2

The voluntary sector in context

KEY POINTS

- ▶ The charitable sector has hugely expanded in recent years, especially in London.
- ▶ A range of central and local government initiatives since 1997 – mostly aimed at making the voluntary and community sector ‘fit for purpose’ in terms of delivering public services – has provided opportunities for, but also placed pressures on, the sector.
- ▶ As part of this, government has invested significantly in second-tier support for frontline groups, but this has limited relevance for smaller organisations.
- ▶ There is a large number of diverse second-tier organisations, and the sector seems to be expanding.

This study took place against the background of significant developments affecting the voluntary and community sector, and especially the provision of second-tier support for frontline groups. These developments are summarised here.

An expanding sector

There are more than 169,000 active general charities in the UK in 2004 – a net increase of 28,000 organisations since 2000 (in 1991 the figure was just 98,000). Of these, 78% are based in England, and most of the growth is in smaller organisations.⁸ This is a trend which seems set to continue.

Small charities constitute the vast majority of the voluntary sector – in 2004, 56% of the voluntary sector had an annual income of less than £10,000.⁹ The table opposite, drawn from the National Council for Voluntary Organisations (NCVO) website, gives the key figures.

From April to September 2004, the London Advice Services Alliance (LASA) conducted a mapping exercise of Greater London CVSs (about the work they are doing to support capacity-building and their members’ use of IT¹⁰). It reported that several of the CVSs identified that a large percentage of the groups in their area had no paid staff and were operating from their own homes.

The sector in London

According to the Charity Commission, there are 23,145 registered charities in London¹¹ – an increase of 24% since 2002. There are more than 200 regional and sub-regional networks in London.¹² Half are understood to be specialist sector networks that are not well connected to generic infrastructure.¹³ This does not include STOs operating at borough or neighbourhood level.

Drawing on a range of other sources, the London Development Agency summarises the situation in 2002, when:

- there were over 40,000 VCS groups in London of which:
 - 18,640 were registered charities;
 - approximately 5,000 were social businesses;

^{8,9} *The UK Voluntary Sector Almanac 2006* NCVO

¹⁰ see www.lasa.org.uk

¹¹ see www.lvsc.org.uk <http://tinyurl.com/ybxofd>

^{12,13} Needham and Barclay, *Mapping Voluntary and Community Sector Networks* Government Office for London, 2004. www.gos.gov.uk/gol/161402 <http://preview.tinyurl.com/ydjx7g>

Number of general charities 1995-2004 ¹⁴					
Annual Income					
Year	under £100,000	£100,000 - £1 million	£1 million - £10 million	over £10 million	All
1995	109,384	10,164	1,331	121	121,000
2000	126,219	12,838	1,701	206	140,964
2004	146,963	19,064	2,930	290	169,247

Source: NCVO/GuideStar UK; SCVO; NICVA¹⁵

- more than 200,000 people, or 5% of London's working population, were employed within the sector;
- general charity income exceeded £7.9 billion;
- earned income was almost £4 billion;
- the sector contributed more than £3 billion to London's GDP.¹⁶

Government action

In 1996, Professor Nicholas Deakin chaired a commission looking at the future of the voluntary sector.¹⁷ Among its recommendations was the idea that there should be a 'concordat' between government and the voluntary sector, as a code of good practice for future relations. The Conservative Government rejected this proposal, but it was taken up by the Labour opposition in a document published in March 1997, called *Building the Future Together*. After its election to office in May 1997, Labour pursued the idea and it emerged as official policy in the 'Compact', in 1998. This is described as:

*the sector's written agreement with the Government (or local public bodies) which has undertakings on both sides, shared principles and values such as recognising the sector's independence, and mechanisms for making it work.*¹⁸

Recent pronouncements from the mainstream political parties suggest that they are all looking to the sector to play an

increasing role in the delivery of public services.

The general sense is that the Compact has not been used as effectively as it might have been. But intrinsic to the notion of the Compact was the idea of an effective partnership between Government and the voluntary and community sector. It was recognised that if the sector was to play its full role as a partner, then it would need the capacity to do so. It was this which led to the Treasury Cross Cutting Review,¹⁹ which was part of the Government's 2002 Spending Review. It focused on the potential of the voluntary and community sector in the delivery of services. It highlighted five key areas for reform, all centred on building a strong and independent voluntary and community sector (VCS), and made a number of recommendations:

to involve the VCS in the planning as well as the delivery of services;

to forge long term strategic partnerships with the sector;

¹⁴ NCVO's definition of general charities 'includes organisations registered by the Charity Commission in England and Wales, plus organisational lists maintained by SCVO and NICVA in Scotland and Northern Ireland. It excludes housing associations, independent schools, government controlled charities (such as NHS charities and non-departmental public bodies), and organisations whose primary purpose is the promotion of religion'.

¹⁵ see www.ncvo-vol.org.uk/research/index.asp?id=2380

¹⁶ see www.lda.gov.uk <http://preview.tinyurl.com/yjcg44>

¹⁷ Deakin, N, *Meeting the Challenge of Change: Voluntary Action into the 21st Century* NCVO, 1996

¹⁸ see www.theCompact.org.uk <http://tinyurl.com/yx4sg7>

¹⁹ *The Role of the Voluntary & Community Sector in Service Delivery* HM Treasury, Sep. 2002 available at www.hm-treasury.gov.uk <http://tinyurl.com/yctthw>

to build the capacity of the sector;

that it is legitimate for service providers to factor in the relevant element of overhead costs into their cost estimates for services delivered under contract;

to implement the Compact at all levels.

Arising from the Cross Cutting Review, the Government earmarked a fund of £125 million for the creation of FutureBuilders²⁰ – a one-off three year fund, since renewed, to help voluntary and community organisations in their role in delivering public services. The fund, which provides a mixture of grants and loans, was launched in 2004, and is run by a consortium of organisations. It now has a panel which is advising ministers, chaired by Baroness Pitkeathley.

Also in 2004, following consultation with the sector led by the Active Communities Unit in the Home Office, the Government published its plans for ChangeUp, somewhat ambitiously aimed at achieving a situation whereby:

*by 2014 the needs of frontline voluntary and community organisations will be met with 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.*²¹

This was very much in the context of reinforcing the ‘*crucial role*’ which ‘*the voluntary and community sector...plays in delivering public services*’.

ChangeUp was allocated £80 million, split into local, regional and national funding. This was subsequently increased to £150

million over four years. Implementation was to be by means of a series of hubs to ensure that charities worked more effectively together. The hubs focus on six areas: finance; governance; information and communications technology (ICT); performance; volunteering; and workforce development.

The hubs were complemented by a series of initiatives at regional level, including the creation of regional networks each with a learning and skills leader, and each charged with developing a regional strategy. The regional work is managed by the government offices in the regions – in London, this is the Government Office for London (GoL). From April 2006, ChangeUp has been managed by Capacitybuilders²², described on its website as:

an agency at arms length to Government, led by a board of sector experts.

ChangeUp has required – and funded – CVSs to prepare *10-year local infrastructure development plans*, creating considerable work pressures on them, albeit that in many cases they brought in consultants to help.

Much of the Government’s approach to the sector at present seems to be driven by the belief that it will be cheaper and more effective to have voluntary and community organisations deliver services which have traditionally been delivered by the state. This was the explicit purpose of the Treasury Cross Cutting Review, and has led in turn to the initiatives – Future Builders, ChangeUp, the Hubs, and Capacitybuilders – mentioned above.

Despite their roots, ChangeUp and Capacitybuilders seem now to be focusing on strengthening voluntary sector infrastructure more generally, rather than being solely concerned with the sector’s ability to deliver public services.

²⁰ see www.futurebuilders-england.org.uk

²¹ *ChangeUp: Capacity-building & Infrastructure Framework for the Voluntary and Community Sector* Home Office, 2004 available at www.changeup.org.uk/documents <http://tinyurl.com/h8k44>

²² see www.capacitybuilders.org.uk

The result of all this is that central government appears to be investing significantly in second-tier support for frontline voluntary organisations. However, it has had only limited success in achieving its aim of encouraging other public agencies, such as primary care trusts and learning and skills councils, to invest in second-tier provision.

Implications

To what extent should these developments influence independent funders of second-tier work? There are clearly value issues here – the extent to which it should be the role of the sector to deliver services for the state, and the extent to which playing such a role requires the abandonment of other roles traditionally associated with civil society, such as providing an independent voice on behalf of beneficiaries, and ‘speaking truth to power’.

It is not within the remit of this study to engage in that debate, and we note that these issues will be considered by the forthcoming Carnegie Commission of Inquiry into the Future of Civil Society, to be chaired by Geoff Mulgan.²³ Moreover, we note that a group of funders has commissioned Centris to look at the independence of the voluntary sector.

We have looked at the matter from a pragmatic perspective:

- the extent to which it is realistic to expect smaller voluntary and community organisations to play the role envisaged for them by government; and
- the relevance/helpfulness of the support being provided via the mechanisms which government has created in pursuit of its agenda.

Our experience is that the smaller organisations on which we have been focusing are either:

- already delivering the services that they feel are relevant for their clients; or
- have specific additional services which they would like to be able to deliver, which are not on the whole the mainstream services which the state would like to see them deliver; or
- do not see themselves as service delivery agents at all. Further, even were they to be interested in taking this path, we doubt that they are in any sense appropriately set up for that purpose.

There is a great deal of very basic work to be done – or investment to be made – before smaller organisations are likely to be able to deliver for government.

As we have indicated, our records for this project are littered with phones unanswered during announced opening hours, messages not returned, and appointments not kept. This is, perhaps, understandable and excusable where projects know that they are dealing with consultants, but in many cases, we would – at the relevant stages – have been indistinguishable from ‘regular’ clients.

Of course, it may to a significant degree be a resource issue. This may help to explain why, in the main, it has been the larger voluntary and community organisations which have been delivering public services.

As for ChangeUp, most of those we asked had not even heard of its existence, still less had a view on what it might ultimately do for them. Second-tier organisations which are engaged with ChangeUp point out that – in London at least – the funding made available is very small once it gets down to the level of individual boroughs. It is certainly not the panacea for which some funders may have hoped. London is now due another £1 million over 18 months for ChangeUp.

²³ see www.carnegieuktrust.org.uk
<http://tinyurl.com/yeh49d>

The effect of the full range of government interventions is that for some organisations, statutory funding has been available to enable them to grow their capacity in key fields, and mechanisms have been set up for organisations to involve themselves in the debate about the future of the sector – how best to increase its capacity, and its role in relation to the delivery of services. Inevitably this will influence the position of independent funders.

Our interviews left us feeling that, despite the Government's focus on capacity-building, there is scope for funding with a different emphasis by independent funders. Interviewees said:

Lots of funders think that ChangeUp means they no longer have to fund capacity-building and of course there is very little money at borough level from ChangeUp. Funders require evidence of measurement which is fair enough but this can have a negative effect on quality, and does not necessarily improve quality and it squashes innovation. You have to be able to do work with new groups which are constantly emerging but this is time-consuming and not necessarily measurable.

You will always be more effective funding something in depth for a longer period. But it would be a pity if everyone did it. There should always be the possibility of supporting something that doesn't fit the pattern. All the funders could speak together about this – if capacity-building is a big new idea then there should be scope for others to do something different.

Local developments

There have been many developments at the local level which have complicated life for local voluntary and community organisations. The Local Government Act 2000 radically changed local authority structures, introducing cabinet executives and elected mayors. One effect was to

change the nature of local government's interface with the local voluntary and community sector.

Local authority funding for the sector is now increasingly available either via contracts for the delivery of services, based on service level agreements (SLAs), or through the Single Community Programme. SLAs can make heavy management demands of voluntary organisations.

Since April 2005 the Single Community Programme has been a single merged funding stream encompassing Community Chests, Community Learning Chests and the Community Empowerment Fund. It is now the main funding vehicle for neighbourhood renewal strategies being pursued via Local Strategic Partnerships (LSPs) and Community Empowerment Networks.

These Networks were established to bring community and voluntary sector groups together in deprived communities and enable them to influence and shape decisions of public sector bodies in LSPs.

LSPs aim to bring together at a local level the various parts of the public sector as well the private, business, voluntary and community sectors, all working towards agreed ends in a mutually supportive way.

Local Area Agreements are negotiated by local authorities on behalf of their LSPs and their government office, and provide opportunities for voluntary organisation involvement.

These post-1997 changes have dramatically changed the local environment for voluntary and community organisations, in some cases presenting them with major new opportunities. But this kind of engagement is immensely demanding and time-consuming. It is hardly surprising that we have encountered a sense of 'consultation fatigue' among the organisations we have interviewed.

Other activity

There has been a range of other activity by funders. Here are three examples:

- London Councils (formerly the Association of London Government) has a programme of funding for second-tier organisations running until June 2007. It is now moving to commissioning rather than grant making, and has *'agreed to consider what second-tier support frontline services might require to be effective as part of the process of specifying frontline services'*.²⁴ At the time of writing, final decisions are still to be made, but in principle, from November 2006, it has decided to route support for second-tier organisations through frontline groups on a ring-fenced basis where it knows that good STO support is available – and to commission it where it is not.²⁵ Effectively, it is placing power in the hands of the purchasers, and strengthening a market dynamic. However, at the time of writing, it was unclear whether recent political changes may impact on this strategy.
- The Baring Foundation has recently closed its 2006 Strengthening the Voluntary Sector programme to new applicants. This programme is aimed at bolstering the independence of the sector, by enabling organisations to:

*[carry] out organisational development activities that strengthen core strategies, structures, systems and skills leading to a significant and lasting improvement in effectiveness.*²⁶

This is in essence a capacity-building programme, and when the grants made are announced it is likely that the end-destination of a significant proportion of the money will be second-tier organisations of the kind considered in this Report.

- The Big Lottery Fund has launched a fund of up to £155 million over three years, called BASIS – Building and Sustaining Infrastructure Services – which is in essence a capacity-building fund. We understand that this has been heavily oversubscribed.

Related research

As we embarked on this study, we soon became aware that we were not the only researchers looking at these, or closely related, issues. We have already mentioned the work of Janice Needham and Jean Barclay, but there are others – Dr. Diana Leat, Colin Rochester, Dr. Sarabajaya Kumar, Heather Mayall and the organisation Common Purpose are all involved in related studies, to name just a few of those we have come across.

We did reflect that an ongoing directory of studies in progress, perhaps kept as a website, would be a very useful resource. A little more coordination could avoid the risk of interview fatigue on the part of those approached by several consultants about similar themes.

²⁴ see www.alg.gov.uk <http://tinyurl.com/kg9lj>

²⁵ see www.londoncouncils.gov.uk

²⁶ see www.baringfoundation.org.uk

3 Frontline groups

KEY POINTS

- ▶ Small groups which have been established in recent years seem to be better supported than medium-sized ones.
- ▶ LGBT organisations face particular difficulties in finding appropriate support.
- ▶ There is a wide range of support for BMER organisations, but despite this there are continuing problems. Some BMER organisations are self-reliant.
- ▶ Disability organisations report a variety of experiences.
- ▶ Local branches of national organisations tend to be better supported than those without such a structure behind them.

Organisations which need support

Groups starting out: From the 1990s, CVSs began to employ workers with specific responsibilities to work with small groups. As a result, it appears that small groups in the early stages of development are now better supported than those which have been in existence for some time. Many groups at this stage are enthusiastic about the help they get from CVSs. The situation is different for micro-sized groups which frequently operate only in the evening and at weekends and get little support.

Longer-standing small groups: These groups which were set up before the introduction of targeted help also need it. Though now long established, they have had to struggle to survive, and some continue to need support.

Medium-sized groups: Organisations employing several staff, with an income significantly into six figures, seem to face particular difficulties in identifying appropriate free support, whether locally or from elsewhere. Interviewees described attending local courses in the hope of obtaining relevant information and finding that everything was directed at smaller organisations and that they knew it all already.

One organisation, which was started by professionals and now has seven staff and an annual income of £250,000, seemed to speak for others in saying that it has outgrown available help, and that it now needs more specialist support. It has not been able to identify where specialist help is available, if it exists at all. This dilemma was described by one interviewee, who commented that:

second-tier organisations tend to be geared up to supporting smaller organisations

whereas this director's own organisation is too big for many STOs.

The implicit expectation seems to be that such medium-sized organisations, because they have a budget which is significantly larger than the very smallest, can afford to pay for the help they need. But:

- *first*, this is often not the case; medium-sized organisations struggle to fund what has become a significant core budget – which smaller organisations don't (yet) have – and they are unlikely to be able to finance significant elements for training and support: and
- *second*, as we explain elsewhere in this Report, the most effective help is likely to

Issues BMER groups reported

Cultural concern

Some years ago, the female director of one organisation was approached by her local authority to set up an organisation for her particular community, which was growing in the borough. She felt awkward – she felt she could not refuse but knew that culturally it was not appropriate for a woman to approach community members, especially the men.

Also, although she was a member of the community, she did not know how to get in touch with people. She did not know their addresses or how to find them. The local authority had assumed that she would know everyone from the country concerned, because she had herself come from there to the UK. She felt the need of help with research and outreach, and with making relationships with outside bodies. She echoed the view of others that small BMER groups, especially where English is not the first language, would benefit from having a mentor.

Feeling isolated

The chair of another small BMER group, which is entirely volunteer-based with no office or staff, described its situation. It has been in operation for 15 years and never had any outside help. It has tried to get advice, especially with fundraising. It believes that it is dismissed by funding bodies because of its volunteer base. It has had money from a few funders to whose adverts it has responded. If it needed help of any kind it would go to the funders.

The chair described how the group operated on its own resources for years and was quite 'closed off' from others. It thought it needed to open up, so it became a registered charity, but since then it has not moved forward. It would like to develop. It has a grant from a trust for mother-tongue classes and is worried about what will happen when this runs out. Group members have been on the internet to find alternative sources of funds and thereby discovered the local CVS, so they are going to go there for help. They had never heard of it before.

This group only operates at evenings and weekends – all its members are at work during the week. They are not available during normal opening times. In many ways it could be seen as a 'hard to reach' group – this does not diminish its need for support.

Problems getting support

At various stages of its eight year existence one group said it would have liked support, but either could not find it or had to wait so long that it gave up. The members persevered alone and built a strong committee and their own support mechanism.

Nevertheless, they wonder if they might have developed more if help had been available at the outset. Despite this nagging doubt, the members compare their organisation with others which had considerable help and still did not survive. Like some others, this group feels that it is stronger because it had to struggle.

be sensitive to the context in which it is being offered – the subject and the local context – and the private sector is unlikely always to be able to provide this. The nurturing of smaller groups in order that they might prosper and, in some cases, grow into medium-sized organisations seems rather pointless if, as they grow, they have to spend a significant amount of time struggling to survive because they are not well-supported. We think that funders of all kinds need to pay attention to this situation.

Lesbian, Gay, Bisexual & Transgender (LGBT) organisations: Such organisations included in this study are for the most part poorly financed and tend to receive their funding from the same limited range of sources. Indeed, identifying how many there are – and where they are located – is a challenge. We note that ChangeUp funded one of our interviewees, Jane Standing, of Kairos in Soho, to do some mapping work on where appropriate second-tier support exists for LGBT groups. One group we interviewed expressed the view that the issue of sexual orientation has fallen off the equalities agenda and, indeed, off all agendas.

The situation of one LGBT group illustrates this well. The group exists on limited short-term funding which is designated for a particular project. The lack of core funding means it functions part-time but is overwhelmed by the work involved in the project. The group is not well networked, has little idea of where it would seek help if it needed it, has never heard of the local CVS and dreads anything going wrong with its (donated) computers. It recognises the need for capacity-building and that this would be time consuming. It simply does not have the time to have its capacity built.

Black, Minority Ethnic & Refugee (BMER) organisations: More than half of the groups we spoke to were black or minority ethnic, or refugee, organisations. This reflects the number of such groups in London. One commentator said:

White working class communities expect the council to solve problems. New immigrant communities are much more likely to set up a voluntary organisation to solve a problem.

Many support agencies now target BMER organisations. Despite this, some BMER organisations appear to be isolated. These include some which have existed for a long time – in some cases, as long as 20 years. Some felt that they have been let down by STOs from which they expected, but had not received, help. They had to fall back on their own resources and to struggle – but they felt that this had made them stronger. (The experience of one such group is discussed in the panel on page 13).

We spoke to two long-established groups which, as a result of their own experiences, recognised the needs of small organisations, and were fulfilling a second-tier function for small groups within their own communities.

In some instances, newer groups complained of having to wait a long time for help. Five in one borough made this complaint about their local STOs and in another, three complained that – as they perceived it – their local STO had no patience with black people.

Another group pointed to cultural misunderstandings (see panel on page 13).

A very experienced researcher with a long track record in the field said:

There is evidence that where there's a specific need – for example, fundraising help – it is harder for BME organisations. So in that instance there might be a case for something to be targeted at them.

A small black women's group described how it had existed for years operating at weekends and evenings, but only started to develop when a staff member was appointed for 15 hours a week. This group had received no outside help. The chairperson expressed concern about what will happen when the group's current grant runs out.

Despite some of these rather negative comments, a number of groups also reported positive experiences, and were enthusiastic about the help they had received from STOs.

Organisations which are self reliant

BMER organisations: The idea of strength gained through struggle was highlighted by a BMER group which described how it had hoped for support at the outset, and had received some from the local CVS.

However, the members were disappointed with the quality of that help. They were overwhelmed by the number of meetings they had to attend at the CVS on matters which they came to realise were not immediately relevant to them. They considered that they were putting considerable energy into supporting the CVS for what they felt was little return. They decided that they would learn from their mistakes and have since been selective about where they have sought help. Twenty years later, they feel stronger for having adopted this strategy – though they do not feel it was ideal and it was certainly not what they originally envisaged.

This group ascribed its success and survival to the commitment of individuals, timely support from a few funders, the understanding of the community at difficult times, and the preparedness of the committee and the volunteers. It had been able to keep on track because it keeps its users' needs paramount and because it constantly checks to see if it is slipping or losing direction.

Another BMER organisation, which had sought outside support but been disappointed, emphasised how the high quality input from its management committee, and committee members' expertise and commitment, had been fundamental in replacing the outside help.

The organisation had entered into a partnership with a housing association because it felt it needed the 'weight' and expertise of the association in setting up a housing scheme. However, it eventually withdrew from the partnership because it lost control and its original vision was altered to 'fit' what the association wanted. The organisation continued alone with the help of its management committee. This has influenced the way the organisation views outside support. It is regularly approached by agencies offering help but always refuses. It feels that its experience is such that it has outgrown the help on offer.

If faced with internal problems, some BMER groups tend either to handle them internally or – if the management committee cannot resolve the issue – to use consultants or solicitors.

We were impressed by some of the longer standing refugee organisations which have drawn upon the skills, experience and human resources in their communities, and in some cases in the diaspora beyond the UK, to very positive effect. They have not sought help from outside second-tier agencies and are unlikely to need to do so.

Disability organisations: We spoke to three organisations run by disabled people, and several others which work with disabled people. Only one expressed a need for ongoing support and others had helpful relationships with their local CVS or umbrella disability groups. However, the small disability groups felt that they are too thinly spread. Local and health authorities, the CVS and initiatives such as ChangeUp make demands on them. As a result, they often have to close the office or fall behind on

regular work. They need practical back-up to help them continue as normal in the face of these outside demands.

The small sample of disability groups in this study, all of which were white-led organisations, does not reflect the experience of the small, mainly black and minority ethnic disability groups as recorded in the report of the CPF-funded disability programme, *Count Us In*.²⁷ This report specifically identified the need for back-up for small BMER disability groups. It spelled out the problems such groups face with the empowering approach adopted by many STOs. For example, when STOs advise such groups on applying for grants, they often expect the group to complete a draft application form, after which the STO worker will advise them on it. However, this is often not enough. As the *Count Us In* report points out, the groups '*need advice and support on how to develop their ideas and present their case*'.

Local branches of national organisations:

We were surprised by the level of support local branches of national organisations in our sample receive from their head office. One director, with private sector experience, described the back-up available from head office as being '*as good as that provided by any large company*'.

But the director of another, larger, branch of the same organisation felt its head office ceased to be helpful when the branch reached a certain size; and that the head office was out of date with funding developments and unable to assist with the kind of problems which medium-sized organisations face. But with this single exception, branches of national organisations with which we spoke did not feel it necessary to seek support outside their own national structure.

²⁷ Churchill, S. & Kempadoo, M. *Count Us In 2000-2005: Report of the Disability Programme* CPF, 2006 available at www.cityparochial.org.uk/cpf/publications

4

Second-tier organisations

KEY POINTS

- ▶ There are many STOs other than CVSs providing support. CVSs and some STOs share similar issues.
- ▶ There are a number of intrinsic difficulties with the CVS model. They are burdened with high expectations and heavy demands. As generalist bodies with an all encompassing brief they can quickly become overloaded. Specialist STOs, because of their constituency or the issues with which they deal, can more easily control what they take on.
- ▶ CVSs and other STOs face increasing difficulty in raising funds from local authorities and primary care trusts, which, with the tacit support of many frontline organisations, are under pressure to fund improvements in frontline services.
- ▶ Perhaps the CVSs' most important role – that of facilitating the voice of voluntary organisations to statutory bodies – is most difficult to fund because smaller frontline organisations either do not understand the nature or significance of the work involved, or because it is difficult for the CVSs to convince such organisations that they have the competence to do the job well.
- ▶ Support is also provided by others, such as local authorities, the Charity Commission, consultants, the business community, ACAS, helpful individuals, and funders.

Councils for voluntary service

The obvious port of call for local second-tier support is the CVS which is set up for the purpose, and aims to provide universal coverage on a borough-by-borough basis. There is a CVS, or an equivalent organisation, in most but not all of the boroughs on which we focused. Greenwich does not have a CVS at present, but work is going on to re-establish one. Southwark has, in effect, two, but there are negotiations with a view to merging. Hackney also has, effectively, two. Newham Voluntary Services Council belongs to National Association for Voluntary and Community Action (NAVCA)²⁸ – formerly the National Association of Councils for Voluntary Service – but explicitly does not regard itself as a CVS.

Because of the coverage of CVSs and their generic focus, we have largely concentrated on them in this section. But there is a

plethora of other agencies and STOs to which frontline groups also look for support and at least some of the issues considered here also apply to them.

Appendix 2 lists approximately 80 sources of help used to varying degrees by the frontline groups with which we spoke. Some of those listed were only mentioned by one group, while others were mentioned repeatedly.

Issues facing CVSs: One major issue is the degree to which they compete or cooperate with other STOs; there is a tendency which we and others have observed for CVSs – to varying degrees – to operate in isolation. The same could be said of some of the other STOs.

²⁸ NAVCA recently voted to admit local infrastructure organisations – not just CVSs – to membership.

Overload is another issue. In many respects CVSs are in an unenviable situation. As generalist bodies they often feel that they have to respond to every demand made of them, whether from voluntary sector organisations on the one hand, or government bodies on the other. This can easily lead to overload. Other STOs tend to be more specialist, either because of their constituency or the issue(s) with which they deal. Arguably, they are better able to exert control over what they take on.

There is no reason why all CVSs should deliver identical services, and in practice, they provide a range categorised by NAVCA under the following headings:

- services and support
- liaison
- representation
- development work
- strategic partnerships.

The study by London Advice Services Alliance (see page 6) found that:

The CVSs offer considerable coverage of the voluntary and community sector organisations in their catchment. Many CVSs work with approximately one third of the groups in their area, and have the means to contact even more.

There is no doubt that there are strong and effective CVSs and we encountered several. Many of the frontline organisations with which we spoke expressed their appreciation of their local CVS and identified particular aspects of their operations which they found helpful. These ranged from practical services such as accountancy help or payroll schemes – much appreciated but unfortunately not as common as they used to be – to training or capacity-building. Not only were particular CVSs identified as providing a good service, but individual staff members in certain CVSs were consistently

singled out for praise. Funders and commentators also expressed support for CVSs.

But while there are some CVSs in our study which come out better than others, we think that there is a major problem with the CVS model for the following – often overlapping – reasons.

- *First*, there are serious quality concerns (endemic to all STOs) about much of the support work carried out by CVSs. In part this seems to result from the fact that the work tends to be done by people with insufficient practical experience of running projects themselves. This is because the work is low in ‘the food chain’ and not sufficiently well-funded, and thus well-paid, to attract people with a significant track record. Where people choose to work in a way which would be useful to frontline groups, they tend to do so in the private sector as consultants. It was significant that CVSs (and other STOs) which frontline groups praised tended to be those with a number of longstanding and experienced members of staff. As one interviewee pointed out:

...staff [need] the capacity and the skills to do the work and ask questions and [to] see people through all the stages. Very skilled people are needed: there are no qualifications though STAN²⁹ was trying to establish standards which were accredited.

- *Second*, CVSs are often in a position where it is impossible for them effectively, and independently, to represent the interests of local small voluntary and community organisations. This is because they are either grant seekers themselves, and in competition with those they purport to represent; or they are in some cases holders of grant funds (statutory and charitable) and might have difficulties in representing impartially the interests of those who seek funding from them.

²⁹ Second-tier Advisers’ Network – see www.lvsc.org.uk <http://tinyurl.com/e5lcv>. STAN’s efforts did not in the end succeed.

Sometimes, both situations apply. In a few instances, local authorities separate the funding ‘pots’ which are intended for second-tier support on the one hand, and for frontline groups on the other – this makes the competition issue less relevant. The issue also affects other STOs, but – with significant exceptions, such as the Refugee Council – they are less likely to be expected to perform a representative function.

- *Third*, we were told by a number of frontline groups that they perceive some CVSs as having lost touch with groups ‘on the ground’ and as being undemocratic and unrepresentative. The CVSs which are most highly regarded seem to us to be those which have been able to remain sensitive to the real needs and wants of frontline groups – surely a lesson for all STOs. The well-regarded CVSs have found ways of keeping close to the organisations they seek to support, getting feedback to enable them to provide services which frontline groups need, in a way which suits those organisations. At the very least, feedback should enable the CVS to provide signposts to appropriate services, even if it chooses, or is unable, to offer those services itself. Where CVSs remain sensitive to their constituencies, this seems to depend to a large extent on an enlightened and experienced director.
- *Fourth*, some CVSs seem to have difficulty in engaging fully with all sections of the community. In particular, a number of interviewees questioned their ability to relate to BMER organisations. One group felt that its CVS was not in touch with the particular minority ethnic community the group represented. Two others in another borough said that their CVS did not understand their concerns. A further two in yet another borough felt that the CVS was too busy to help them. Another was dismissive of the same CVS and a fourth felt it actually knew more than the CVS officer allocated to it. In another borough,

four groups stated a preference for input from specialist organisations as they felt, despite still being small, that they had outgrown what their CVS had to offer. In the context of London where the growth in the number of groups is particularly marked in the BMER sector, engagement with those organisations is especially important. Though our sample was not large, with no more than ten interviews carried out in most boroughs, the comments described above are not insignificant.

- *Fifth*, CVSs often seem overwhelmed by the scale of the tasks and expectations facing them. A number of those we interviewed suggested that the pursuit of funding streams in order to fund the core operation has diverted many CVSs from the path they were intended to follow. In seeking to be all things to all frontline groups, as well as meeting the demands of those whose funds they have pursued, they have lost their sense of purpose and focus.
- *Finally*, we encountered a concern that CVSs can in some instances act as a disempowering force. Greenwich is an extreme example of this. Here, the absence of a CVS seems to have led to a much fuller awareness of, and engagement by, frontline groups in debate and planning around ChangeUp – albeit at the expense of a great deal of time-consuming work – than is the case in several other boroughs where CVSs have taken the responsibility themselves.

We believe that many people working in and with CVSs share much of this diagnosis of what is wrong.

It is interesting to note that NAVCA has itself acknowledged the need to promote higher standards among CVSs and, supported by ChangeUp funding, has introduced a rigorously assessed Quality Award aimed at:

Good practice 1 – Kingston Voluntary Action (KVA)

Organisation A has used KVA's training services – which until last year were free – including courses on the European Computer Driving Licence, disability awareness, equal opportunities, and health and safety, and training on mission statements, and strategic planning for its committee members. They have also had help on Investors in People and attended seminars on fundraising.

Organisation B has had advice training and one-to-one help from KVA on fundraising, and personnel issues. KVA's community development worker trained the organisation's management committee, looking at responsibilities, structure etc. KVA's Superhighways project, which seeks to build the capacity of voluntary organisations in relation to IT, and has a worker who acts as a troubleshooter, has

given the organisation invaluable help with day-to-day IT problems, and also helped it to write its IT strategy.

Organisation C has nothing but praise for all the help it had from KVA, which advised the organisation on an appropriate structure and then helped it achieve charitable status very quickly. KVA advised on fundraising and has been hugely useful in terms of supporting it for learning and networking. By being pointed by KVA in the right direction, the organisation has felt more empowered than if KVA had taken the work on directly. This same organisation feels that it has been treated shabbily by local authorities, but it now feels that KVA will represent them when they have difficulties.

[giving] local infrastructure organisations a compelling means of demonstrating that they deliver high quality services to the local voluntary and community sector.³⁰

While this is a voluntary scheme, we think it is possible that over time it will develop into an award without which membership of NAVCA will not be permitted. It may also act as a 'kite mark', the possession of which becomes a prerequisite for funding from statutory and voluntary sources. The standards are headlined here:

1: The organisation pro-actively identifies needs in the local community and facilitates improvement in service provision to meet those needs.

2: The organisation assists local voluntary and community organisations to function more effectively and deliver quality services to their users, members or constituents.

3: The organisation facilitates effective communication or networking and collaboration amongst local voluntary and community groups.

4: The organisation enables the diverse views of the local voluntary and community sector to be represented to external bodies, developing and facilitating structures which promote effective working relationships and two-way communication.

5: The organisation enhances the voluntary and community sector's role as an integral part of local planning and policy-making.

Further, NAVCA's SKiLD (Skills and Knowledge for Local Development) project³¹ is writing competencies for development workers. The project is intended to raise the quality of the people employed and ultimately, therefore, of the services delivered.

Beyond this, some of the intrinsic difficulties with the CVS model may be difficult to overcome. Further, to move effectively

³⁰ see www.navca.org.uk <http://tinyurl.com/uu7nu>

³¹ see www.navca.org.uk <http://tinyurl.com/y3ay9x>

against some would exacerbate others, though we have made some proposals below. If, for example, as some CVSs have done, all were to ensure that they did not bid for contracts/funds which might be of interest to the organisations they exist to represent and help, then it is possible that this would adversely affect their income, and their ability to recruit and pay support staff of sufficient calibre.

It is likely to be increasingly difficult for CVSs and other STOs to raise funds from local authorities and primary care trusts, given that the pressure is on those bodies to show that their money is achieving improvements in services to the public. Many frontline groups would support the approach of LAs and PCTs, seeing money going into STOs as money denied to them.

At the same time, the very role which is perhaps most important for CVSs – that of facilitating the voice of voluntary organisations to local authorities, PCTs etc and thereby seeking to influence policy – is the one most difficult to fund. It is the role for which many smaller frontline groups may have most hesitation about paying, either because they do not understand the nature

or significance of the work involved, or because it is difficult for the CVSs to convince such organisations that they have the competence to do the job well.

Against this background, CVSs we feel, will need:

- to be realistic, selective and ‘hard-nosed’ about those they help;
- to be good at signposting other sources of help; and
- increasingly to charge for services which can realistically be charged for, in order to generate the income to sustain the operation – in effect, tending to operate more like social enterprises. This in turn will mean that very small micro-groups, which do not have sufficient purchasing power, will be unable to make use of CVS services, unless those services are paid for by specific grant aid.

We came across some very good practice in CVSs and some examples are highlighted in the panels (see pages 20 and 21).

Good practice 2 – Hackney CVS (HCVS)

Organisation A has had a lot of help from the small groups worker at HCVS. He has met the organisation regularly, and has helped with applications for funding and with budgeting. In addition, he has also helped with policies that they did not even know they needed, such as child protection and equal opportunities. He invites the organisation to relevant meetings and conferences.

Organisation B described HCVS’s training as the best it has received, because it knows the local situation and is more approachable than other STOs. HCVS’s small groups worker emails the organisation with information about available training.

Organisation C described the HCVS small groups worker as “fantastic” and “very supportive”. He is very focused, helps their members to put their thoughts in order, helps them make sense of all their ideas and makes them workable. His help has been mainly to do with structural matters. What is particularly important is his enthusiasm and his belief in what they are trying to do.

Other second-tier organisations

There is a wide range of other STOs working in London. Any one group, depending on its main focus, might receive support of various kinds from as many as five second-tier agencies. For example, a borough-based women's refugee organisation might receive help from the local CVS, the Evelyn Oldfield Unit, Advice UK, the Women's Resource Centre and Interchange Legal Service. The input from each agency will fluctuate but almost every group will come into contact with the CVS at some point and each one will have an opinion about it. Individual organisations sometimes talked about particular STOs which had been helpful but these are only identified in this section if they were mentioned more than once.

As already indicated, some of the issues affecting CVSs also apply to other STOs. We spoke to frontline groups which perceive that they face competition for funds from a range of STOs, not just CVSs, and the negative comments we received about the quality of service provided referred to a wider group than CVSs.

When several over-burdened CVSs cannot perform as effectively as might be hoped, their difficulties seem obvious; an over-burdened individual STO does not attract the same kind of attention.

However, there did seem to be some patterns among non-CVS STOs. In particular, like CVSs, they are susceptible to 'mission creep'. This develops when organisations chase funding without reflecting on its relevance to the purpose of the work they will have to do in return for it. The effect of this inevitably impacts negatively on their clientele at some stage and is most often reflected in the comment – made to us about CVSs but also in relation to other STOs – that an agency has become 'removed' from those it was established to support.

Refugee organisations: Many of the refugee organisations with which we spoke described the difficulties their communities face and the support they need. Despite this, they seem to be better catered for than others, by a range of STOs. The Refugee Council is seen by the refugee community groups with which we spoke as specialising in giving support to very small groups. A larger refugee organisation said it felt it is 'too strong' for the Refugee Council, which we understood as meaning that it is too large.

The consultancy support and training provided by the Evelyn Oldfield Unit (EOU) was highly regarded by many refugee organisations. Some organisations also turn to EOU for help with internal difficulties. One director described the Unit's input:

...the EOU's approach was very good, and the content of what they provided – but the really useful thing was the consultant who led us through a process. I appreciated the help I got in planning and the advice on identifying and avoiding pitfalls. When I was appointed to my post the consultant helped me to work out my job and to recognise the importance of the monitoring component of the job.

Another organisation described the 'brilliant' help that it had from the EOU. It paid a £5 annual fee and had help from two consultants, one focused on business planning and the other on human resources. They helped with procedures, supervision and staff issues. The director felt the assistance on HR issues was invaluable. It also gave reassurance about how much progress the organisation had made. The director learned from the EOU the importance of paperwork, management and structural issues, and described the Unit's approach of 'translating' training into day-to-day practice as 'invaluable'.

Good practice 3 – Evelyn Oldfield Unit (EOU)

Organisation A, a black women's project, described the help it had received from EOU as *'the backbone'*. The EOU attached a consultant and trained the organisation to support and retain its volunteers. She helped with the development of the whole organisation, pointing out things that they did not know they had to do – such as getting all their volunteers police-checked, having a child protection policy etc. The EOU's approach and content was very good. But the really useful thing was the consultant who led them through a process. *'When you are an organisation with users making heavy demand, things can become unwieldy and it is useful*

to have someone who helps you make a plan and guides you around the pitfalls.'

Organisation B, which works with a very excluded minority group, spoke warmly of the help it had received from the EOU, especially its training.

Organisation C has received training from EOU for the management committee and the staff. The director has been on training in leadership skills and advanced fundraising. The organisation needs to expand and would like to remain working with the EOU during this process of expansion.

Instances of good practice experienced with the Evelyn Oldfield Unit are shown in the panel above.

Refugee groups and disability groups were among the substantial number of organisations for which the provision of advice is a key function and which gave Advice UK top marks. Several disability groups were enthusiastic about the help they received from Action for Advocacy.

Groups appear to 'shop around' to satisfy their support needs and to move on if they find they are not getting what they feel is the right help or if they feel dissatisfied with an STO. Where negative comments were made about any organisation it was often in connection with the time groups had to wait for help, or in relation to the style of help offered. Groups consistently identified their preference for one-to-one input rather than group training. In one instance, the group training provided by a particular agency was described as *'disastrous'*.

Other agencies

We were surprised at the number of organisations which seek help from a wide variety of agencies which are not STOs at all. Because there is such a variety, we were

unable to draw clear conclusions about all of them.

Several refugee groups spoke warmly of the benefit of their involvement with the School for Social Entrepreneurs (see page 24).³²

A number of organisations mentioned a local authority as a source of support – typically, an individual officer had been helpful and the organisation kept returning to that person whenever it needed assistance. Several said that they had received valuable help from the Charity Commission – in particular, with guidance on the matter of trustees. Others tend to look to just one outside organisation for support. For branches of national organisations, this is usually their parent body.

A number of groups emphasised how much they valued the help which they had received from consultants. The director of one organisation said that it would use a consultant before anyone else. What was valued the one-to-one nature of the approach and the fact that the help was tailored to the needs of the organisation.

³² We have chosen not to treat SSE as a standard second-tier organisation, though some might view it as such.

The director said:

...they are quicker and come armed with CDs of procedures etc.

Others might not share the view that a consultant arriving with 'off the shelf' solutions on disk is a good thing. We also encountered negative views of consultants, especially where they were employed to assist with fundraising.

Several groups had been helped by the business/commercial community, sometimes in the form of free advice on human resources, legal issues, financial management, business plans or IT. In several cases, Business in the Community had brokered this support. Again, groups appreciated the tailored nature of the support and the fact that it came from a trusted agency which the group felt knew more than it did.

We asked one group's director, who came to the voluntary sector from a City background, why help had not been sought from voluntary sector STOs. The explanation was that the voluntary sector had a poor reputation in the City, and this was confirmed by looking at literature from appropriate STOs. This director could not see how the organisation's development would benefit. The voluntary sector standard of delivery:

... is simply not good enough...they tell you what to do but not how to do it.

Two other organisations had shared this experience. They now routinely seek advice on employment issues from ACAS. Bad experience meant they would not consider approaching voluntary sector employment specialists again or even the professionals to whom STOs might refer them. Several STOs spoke about the problems associated with employment issues and the growing number of requests for help in this area.

Some groups seek help from individuals. One mentioned a community worker who had been particularly significant for its organisation and, though she changed jobs, the group kept approaching her for help. Another repeatedly sought help from someone it had met as a consultant several years previously. Two groups receive considerable support from their local MP and claimed that this is the only form of help they receive from anywhere.

A number of organisations expressed their delight with the back-up they receive from their funders – for example, the Baring Foundation, Bridge House Trust, CPF and TfL, London Councils and GOL were all identified. Groups felt they could approach funders for help beyond financial assistance.

Good Practice 4 – School for Social Entrepreneurs (SSE)

Organisation A's director has been on courses run by SSE. This has led to an association which has shown the importance of teams, and of involving people. That is how the members have been empowered. This teamwork approach has made the organisation strong. It was felt SSE runs very useful seminars on successes and failures. The director felt that it would be good if people could take advantage of some of what is on offer at the SSE and combine the school's theoretical input with the acquisition of hard skills such as fundraising and

financial management.

Organisation B felt that the association with SSE had been very valuable. Through it, the director had managed to raise funding (the funder was identified by name to us) and made other useful contacts. They have had very little other help from outside. Through SSE an accountant was identified who is paid to do the finance work and to spend time with the management committee working on financial matters.

Others mentioned their primary care trust and its help with training, especially in health issues and sexual health.

Other funders mentioned included the Children's Fund, particularly in relation to health and safety training, and child protection, and Renewal which provided consultancy help with mentoring and capacity-building.

Some groups seek help from bodies which are, in effect, their landlords. One church-based youth club said it would always first approach the church for support. Two small groups routinely approach the managers of the community centres in which they are based, and another gets support from the trust from which it rents premises. Another two got help from housing associations whenever they needed it.

Though we did not specifically ask organisations about support they received from third-tier organisations, several offered their views. One described a major enterprise agency as faceless and therefore not welcoming. Another said they would never approach (named) third-tier organisations which they feel are remote from their concerns – though medium-sized groups which feel they have outgrown many sources of support do use NCVO's information service. We received unsolicited negative comments from several groups about the large national organisations, which are seen as mainly interested in their own development.

5

What frontline groups want or need

KEY POINTS

- ▶ Groups tend to say that what they need most is help with funding. But this may mask other more urgent needs.
- ▶ Frontline groups listed many areas in which they need support – both hard and soft skills.
- ▶ The way in which help – and especially information – is provided is just as important as the content. One-to-one help is especially valued.
- ▶ STOs need better ways of identifying what frontline groups need by way of support, including seeking feedback from users and potential users.
- ▶ Much of the training on offer is seen as repetitive and too basic.

Distinguishing want and need: Concepts of ‘want’ and ‘need’ are difficult in this context, and we have deliberately not distinguished sharply between them, accepting that the distinction is hard to make.

The question ‘What does your group need?’ tended to elicit – from all groups, whatever their size – the reply ‘funding’ or ‘fundraising help’. It might be true that a group is short of funds, and/or feels that it lacks the skills to identify funding sources and to raise money from them. But it may also be that other problems need tackling and that if they can first be identified and resolved, then the fundraising problem will be rather easier to handle. For example, an organisation which is not clear about its purpose or mission may find it much harder to persuade a funder to provide support, or even to identify funders which are likely to be able to help. As one commentator said:

While funding advice may be what people want rather than what they need, very small organisations have an instinctive response to need. There are small community-based organisations who are in touch with and have come from the people who are their beneficiaries so they

have ideas about what they want to support already – for example, refugee organisations. They are very intuitive. So it isn’t really possible to tell them that what they need isn’t funding advice but something more to do with understanding their mission etc. You could do some integrated work on funding using that as a way of looking at other issues but then you need the resources to be able to support them in that activity which is much more expensive.

Immediate vs. longer term needs: It is trite, but true, to say that small and medium-sized groups are often overwhelmed by their pressing need for money. This camouflages, and sometimes completely hides, other problems which groups themselves may not prioritise but which are often readily identified by third parties, such as STOs and funders. Even where groups do identify a range of needs, they often continue to see the funding problem as the one which limits them most. As one commentator asked:

Who decides which bit of capacity is lacking and based on what evidence? People have to come round from needing something, to wanting it – and, by implication, to recognising that what they want isn't necessarily what they need.

Evidence from an evaluation of the Community Fund's 'fair share' scheme³³ shows that it took two years of work to get to a position where local groups were thinking strategically and over a longer period – their immediate focus was on their short-term needs.

What frontline groups say they need:

Organisations told us that they develop a mix of hard and soft skills as they become more effective. They identified the following soft skills as valuable:

- confidence in report writing
- confidence to apply for money or seek partnerships/broker relationships
- the ability to find, keep and motivate volunteers and staff
- the ability to access quality consultants and network
- the ability to work with funders who have influence, not just money.

To these we would add – how to:

- reflect and learn
- keep rooted in the reason the organisation exists while maintaining a flexible approach.

Groups said they valued the following 'hard' skills:

- working with a management committee
- running meetings
- presenting to funders and the public, and projecting an efficient and professional image
- monitoring and evaluation
- good IT skills
- policy making/influencing skills
- the skills to run a legacy campaign/set up a website

- the management skills to handle the change from a volunteer-based organisation to one with staff
- business planning/strategic planning/management and human resources.

To these we would add:

- financial management skills
- fundraising skills
- marketing skills
- organisational and problem-solving skills.

What kind of inputs are likely to be most helpful in enabling groups to increase capacity in these areas? Groups indicated that they wanted help with:

Managing people

- human resources
- employment issues/legislation
- implementing training so that it is not wasted
- motivating people
- succession planning
- finding and training volunteers
- getting, training and retaining committed management committee members of the right quality
- capacity-building for management teams.

Managing the business

- business planning, management, strategic planning
- governance issues.

Managing money

- accounts/financial management
- administering salaries
- ongoing fundraising training/assistance in order to access new and larger grants
- guidelines on record keeping including financial records.

³³ Grant, P., Horsley, M. & Harrow J. *Fair Share Programme Shining Stars Report*, City University, 2006

Coping with the external environment

- keeping abreast with constantly changing legislation, and other legal issues
- the move to commissioning and purchasing.

Other matters

- premises
- architectural issues
- data protection issues.

Some interviewees made very practical requests. They wanted:

Someone locally to write funding applications, not just tell us what to do.

Specialist workers to take the load off groups – for instance, to get police checks carried out, and to find the funding to pay for this; to sort out charitable registration and to deal with HR.

Funding from the outset to help us get going properly – there is not much use in capacity-building work if an organisation cannot pay its rent.

A ‘map’ of what exists locally.

An agency to administer salaries for us – like some CVSs do.

All this indicates that groups themselves realise that they need more than money – though money may be a means of securing the rest. It is also important to note that much of the above is only needed when a group has reached a certain stage of development and is continuing to progress.

The needs of very small informal groups are much more limited. It is only when each group’s needs are analysed that it is possible to find out what they require. That is the fundamental point about one-to-one work – it should be based on an analysis of the needs of individual groups.

The need for information: Groups value concise, relevant, accessible, and regular information. A number of groups praised the information services operated by some CVSs. Groups also wanted seminars on issues which had proved difficult or even negative for them in the past, such as working in partnership.

But the way in which information is imparted is every bit as significant as its content. One STO director recognised this:

First-tier organisations need concise relevant information that they can access on a regular basis, which is updated, which can be accessed quickly, and they need regular relevant contact with infrastructure agencies. In particular, it’s no good having potential funding opportunities if the information doesn’t get through quickly. Also first-tier organisations need the opportunity to partner with others in order to understand about contracting etc – they don’t need to go to meetings for meetings’ sake. You need to use different methods of communicating for different people.

How frontline groups like to be helped: As with information, the way in which other help is provided is critical. Groups often referred to this, identifying characteristics of the most useful help in the following terms:

One-to-one work and regular follow up visits.

Help which points to the pitfalls and guides you and helps you develop.

Someone to check on your progress.

Hands on, flexible, tailored and adaptable help.

A guardian from the outset.

Someone to help us dream dreams and hold on to the vision and values.

Help provided locally, to save the time, trouble and cost of travel.

Free, rather than paid, help.

Groups – especially smaller ones – often do not understand voluntary sector jargon and help is of little use if the language is unclear. In this context, the new *Jargonbuster* initiative, developed by a number of funders, is very welcome.³⁴ This point was made by groups for whom English is the first language, as well as those for whom it is not. As one director of a small group said:

Groups need training in lots of things including ‘funder-speak’ and other people’s speak.

One organisation summed up the expressed feelings of others when it described the ‘best’ help as that which:

...incorporates a good initial welcome/reception, good content and proves to be effective.

One named CVS worker (see panel page 21) received considerable praise for his enthusiasm and belief in what groups are trying to do. Groups in other boroughs expressed a preference for help to be delivered by someone:

...who understands the community and the issues it faces and accepts what we say.

How do STOs find out what frontline groups find helpful? There seems to be very little by way of feedback for second-tier organisations about what frontline groups really found helpful. This is a significant gap, especially given what we have written above about successful CVSs. One commentator pointed out that:

Work needs to be done at grassroots level on what services and second-tier support people are accessing and whether they find it helpful. Their first response is always ‘it is helpful’ because someone is listening to them. But the next question has to be – so tell me how you use it, and what impact it is having on the organisation and on the end users?

Another said:

There is very little in terms of formal systems for gathering feedback from users. The danger of infrastructure organisations is that they come to think that they know what people need but they’re not necessarily getting a strong feed-in from frontline organisations...

In addition to feedback, STOs should use market research to find out what frontline groups really want – as well as listening to actual users, they need to listen to potential users of their services. In so doing, they should be sensitive to the power dynamic between themselves and small hard-pressed frontline groups, which are likely to see STOs in a dominant role.

Training: Much of the training that is on offer is seen as repetitive and too basic. Many felt they had attended what turned out to be ‘the same’ course so often that they could deliver it themselves. Even STOs felt there is misunderstanding of what groups need by way of training. The director of one said:

There is a general lack of knowledge of how organisations work or what they need – there’s too much around paper-based policies and procedures which they are never going to operate. If you keep paper-based policies non-specific in general, then you don’t get caught out at tribunals... They all want money, but they don’t necessarily want the skills to administer it. They need good

³⁴ see www.cafonline.org/Default.aspx?page=7589

bookkeeping etc to get their second and subsequent grants even if the first ones are easy to get.

Reaching out to groups: To the extent that it is left to groups to go out and find the help they think they need, there will be those that need help but do not seek it because they do not realise that it is 'out there' to be found. One STO director said:

There needs to be more outreach work to engage smaller organisations and community groups in relation to best practice about volunteering. They need someone to work with them.

CVSs feel that they are already overburdened and cannot go out and find such groups. But there are also issues about flexible working in CVSs – many groups are micro operations, perhaps only able to operate in the evenings and weekends, at a time when CVS offices tend to be closed. (We are aware that CVS staff in many instances do seek to be available for meetings by appointment out of normal office hours.)

Unrecognised needs: It seems that some needs are not recognised by either the frontline groups or the second-tier agencies.

None of the groups felt they needed skills in presenting a professional image, though this was something they said they valued. Our experience – and we come from a supportive perspective – in seeking to contact groups in order to make appointments for telephone interviews was immensely frustrating and suggests that this is an area in which help is needed by many organisations.

No one mentioned the importance of understanding the political and funding context despite pleas for information on relevant legislation. There was limited appreciation of cause and effect: *'if we apply for this funding, to what does it commit us? If we apply for this fund will that conflict with why we exist? What will be the political consequences of taking this or that action?'*

For example, a refugee group organised a major event to which its members (all refugees from a country which we shall call Cimmeria) were invited, as well as representatives from the Home Office and the Ambassador of Cimmeria. Disaster was averted when it was pointed out that you could not invite the Ambassador and yet maintain that refugees were not able to return to the country which he represented. The Ambassador's invitation was withdrawn.

6

What works best?

KEY POINTS

- ▶ One-to-one help works best, but it is also expensive, time-consuming, and hard to find.
- ▶ Support is often provided by relatively inexperienced people, whereas frontline groups especially value help from people with experience and knowledge.
- ▶ Help is especially valued at the early stages of a group's development.
- ▶ As groups grow, they need more specialist help, covering issues such as fundraising and IT.
- ▶ There seems to be a lack of support around diversity issues and community development.

One-to-one help

The importance of one-to-one help: This is the story of a new small organisation in the voluntary and community sector. Let us call it NewOrg. The people running NewOrg have a sense that they need to know more, but in the spirit of Rumsfeld,³⁵ they don't know what it is that they don't know. So they look around for guidance, and they find a bewildering embarrassment of riches – how to choose? Instead of choosing in a highly selective way, NewOrg seeks guidance from many places – what one organisation described as:

our period of haphazard working.

What NewOrg would really have valued at this very early stage in its existence was a single guiding hand – a person who could look after them, and, from time to time, help them to review their progress. Repeatedly we were told that people needed one-to-one help. One organisation which has struggled alone for many years said it would have liked regular visits, one-to-one support and guidance. Another small organisation described how it always uses consultants:

because they provide one-to-one help and we benefit most from that.

However, one-to-one support is hard to access, time-consuming, and costly. One commentator, while acknowledging the effectiveness of one-to-one work, pointed out that:

there is not enough available compared with the information-based work and training courses but it is fiercely expensive to do it any other way.

Another commentator, acknowledging the practical limitations of providing one-to-one help to every organisation, said:

The provision of help on things like motivation and so on needs to be done on a one-to-one/consultancy/mentoring basis but it is incredibly resource intensive and you can't provide that to many people.

One-to-one help versus support to groups:

Several of those to whom we spoke had been in a position to compare the merits of the two approaches. A women's

³⁵ 'Reports that say something hasn't happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns – the ones we don't know we don't know.' US Secretary of Defense, Donald Rumsfeld, at a news briefing in February 2002.

group had received excellent individual help in preparing a business plan – after having attended several group sessions from which it did not benefit because the participants were at such different stages. The director of another small group described the frustration of attending workshops and discovering in the first few minutes that the range of ability among the participants was wide, but that the trainer made no adjustment for this: time had been wasted in attending inappropriate training events. Another organisation requested one-to-one help rather than group sessions:

...which the members find are of little benefit to them.

We were given two possible reasons why working in groups might not be popular:

People get nervous about sharing information in groups. They are fearful or defensive about revealing their problems to other organisations.

The problem with training is that unless people have time to implement it, it gets lost no matter how good it is... Different organisations have very different levels of energy and skill to follow up on training.

But one-to-one work and training are not mutually exclusive. One person commented:

...[I did] not see one-to-one work as an alternative to training but something to be done in conjunction with it. One needs to look at the individual organisation and what its needs are. Smaller organisations don't have the capacity to attend training as medium-sized organisations do.

The issue is not simply about support provided to individuals or to groups. The nature of the help, the way in which it is delivered, the timing of it and the person who delivers it are all important components.

Who delivers support and how

Small groups' workers or development workers deliver much of the support provided to small and medium-sized groups. These are frequently part-time and/or short-term posts, with a salary level which attracts relatively inexperienced staff. But the work is skilled; it is enhanced if the worker has relevant first-hand practical experience in the field. As someone with extensive experience in a support role said:

You've got to have done it to be able to support those who're doing this type of work... The best people have been there, they've done it, they can speak from experience, and they're not going to give you a textbook answer.

One group spoke for others when it expressed the frustration of having support provided by:

someone you know has no breadth of experience.

Another wanted help from:

people who know more than you...

while another spoke of the value of having trainers with experience and knowledge:

especially when the training is related to what you are doing.

Others set store by having someone available who could 'translate' training into practical day-to-day usage.

The quality of the relationship with the person who provides support, and their knowledge of the local and subject context, is important to organisations. Several emphasised the value of support being delivered by someone who knows them. One organisation always approaches a consortium of similar organisations as it feels it is known in that gathering.

Two refugee groups talked about the importance of having help from someone:

who understands the community and its issues and accepts what we say.

One of these stressed how it had approached its local CVS which:

did not understand us or what we wanted to do.

It described the relief when it was put in touch with a specialist body which did understand.

Several mentioned the significance of local knowledge and the local political context. One receives valuable support from a specialist STO located in central London, but as a matter of course also seeks local help, as the advice provided by the specialist STO is not always appropriate in the local context.

The timing of different kinds of support

Timing is fundamental. Those to whom we spoke valued intensive input, preferably at a one-to-one level, in the early stages of a group's development. One small group and one which is now medium-sized expressed similar views:

If you are small you don't know where to begin. You need hands on, flexible help tailored to your needs and adaptable.

You need to be clear about your vision but you don't know what you need help with, so help which points out the pitfalls and guides you and helps you develop is what you need.

A third group talked about the need at the beginning for in-house tailored training bringing together theory and practice, which is followed up with seminars on other people's successes and failures. Others

were more precise and identified the need at the beginning for:

good input on business planning and management and strategic planning and HR.

What this means in practical terms

The experience of one satisfied organisation, which we shall call HappyOrg, summed up what might be seen as a 'good' beginning for a small organisation – in the end. HappyOrg was referred by a funder to an STO which the funder felt would be helpful. The STO went to see HappyOrg and as they talked, HappyOrg realised that it could get more than the funder had referred them for.

HappyOrg knew it had been working haphazardly, attending inappropriate training, and seeking help from organisations which did not understand what it wanted to do. The STO started a development process with the group and both parties signed an agreement about what each would do. The STO identified the group's strengths and weaknesses and brought in consultants who helped HappyOrg to develop its business plan.

HappyOrg has now reached a point where it recognises when it needs input/training on specific issues. It has the capacity to build partnerships and to think about its needs in a planned way. Because it is now more mature, knows more and is aware of other potentially helpful organisations in its borough, it is able to access help as appropriate. Now it links into a range of networks.

When groups have gone beyond the initial stages – which will typically be after a year or so, and sometimes spread over as long as three years – and if they develop and grow, they are likely to need different kinds of input. They will benefit from a regular reliable flow of information and support which may over time relate to specific

problems and issues – in the jargon, a ‘transactional’ approach – but there will be times when a more developmental input will be required. They will benefit from being made aware of opportunities to network, to work in partnerships or consortia, to learn about new policies and practices and to learn from others.

One funder summed up what they thought was required:

The elements which make a difference are providing a relationship with an organisation which is ongoing, commitment to the issue, the availability of specialist support as distinct from generic support, but the level of skill input needs to be available at a local level...The vast majority of groups will go to a generic provider.

Another said:

We would like to see something which is developmental in essence... rather than focussed on sustainability at all costs. We are in favour of a caseload approach with a case manager who can help groups over time.

Specialist help

Groups which do grow to medium size told us that on the way, they begin to want more specialist help. They begin to see the need for help on management issues including employment, sometimes legal help, advanced fundraising, forming and maintaining successful partnerships, and ongoing back-up, particularly for chief executives. The latter highlighted the value of mentoring for themselves, and of the peer support which comes from the membership of networks and consortia.

As groups approach medium-scale, they are more selective about the training they attend, but identifying good quality and appropriate training can still remain a problem. By this stage they tend to be more

practised at accessing relevant information, often from both local and national sources, but they particularly value ways of getting early warning of policies which will affect their work.

Fundraising: As indicated above, fundraising presents enormous problems for all groups. We did not come across any organisation which had a tried, tested and proven method of fundraising. Many identified it as the area with which they always need help.

Medium-sized groups and some smaller ones had mixed experience of fundraising consultants. One group had used three but none of them knew the organisation well enough, and as a result their bids for funding were unsuccessful. The group decided that its own fundraising efforts were more successful.

A small group described how it had worked closely with a fundraising consultant on a bid to a heavily oversubscribed fund. The group was successful through several rounds and the consultant became more and more enthusiastic. In the end the group withdrew its bid as it realised it could not possibly achieve the increasingly ambitious outcomes which the consultant was claiming for it.

Several organisations had sought help from the Institute of Fundraising – with mixed results. Some found they had to wait too long for help and gave up. Others reported a more positive experience.

Information Technology (IT): This is another significant source of problems. During this study we were often told that an organisation’s email had not been working. In one borough, when trying to arrange a focus group meeting, over 20 organisations reported IT problems. This limits groups in terms of communication and it restricts their access to web-based materials and other internet help.

It appears that either the IT support structures are sadly lacking, or most of those with whom we spoke are not aware of what is available. When repairs are needed, some of the larger organisations use private computer firms. Others use personal contacts. Many seem to 'live on a wing and a prayer', ignoring the possibility that things might go wrong.

The director of one group said that:

I wouldn't waste money on local IT training – I use Happy Computers³⁶ instead.

The Circuit Rider³⁷ scheme which LASA runs will go a long way to address the lack of IT capacity of organisations and this can only be of benefit in the long run. The situation in Kingston exemplifies this. Several organisations there were enthusiastic about the Superhighways³⁸ scheme run by KVA (the borough CVS) which tries to build the capacity of local organisations in relation to IT and has a worker who acts as a troubleshooter. One said:

It has done wonders in terms of our IT strategy, helping us in buying equipment, coming out and sorting out problems.

Another reported that KVA's Superhighways project:

has given invaluable help with IT problems – both day-to-day and strategic.

One commentator said to us that:

Smaller organisations do not use the internet to any significant extent.

However, in Kingston at least, the Superhighways project is changing that.

It matters to many organisations that IT support is free. They are prepared to meet the costs of a good service. We gather that the Superhighways project is looking at charging, and we understand that a number

of its current users are likely to be willing to pay.

LASA's 2004 mapping exercise of Greater London CVSs (see page 6) found that there were particular issues about supporting very small, often home-based, groups in relation to IT. The LASA report states:

These micro sized groups present a particular problem in that they are hard to reach, take up disproportionate resources and may well be too early in their own organisational development to benefit effectively from ICT support. An alternative view is that simple and timely advice can alleviate problems occurring at a later stage for those few micro groups that grow into small group status... During the survey, it became apparent that there is a difference in view between CVSs as to how much support should be offered to these ultra small groups. Some propose excluding them altogether and concentrating the limited resources on the more established groups, whilst others want to develop additional support materials specifically for the ultra small groups' requirements.

Areas of support that are missing:

Interviewees repeatedly mentioned the lack of support/training on issues concerned with diversity/equalities. They expressed the view that diversity is accepted as referring to race – but that sexual orientation, gender and disability tend to be ignored. Indeed it seems that there is little focus on groups which are multiply disadvantaged and, interestingly, they were not mentioned by those we interviewed.

The London Infrastructure Development Plan³⁹ was recently produced. It addresses the need for work on inequalities and brings together specific ideas for ensuring that the benefits of ChangeUp reach groups

³⁶ see www.happy.co.uk/

³⁷ see www.lasa.org.uk/circuitriders/

³⁸ see www.kva.org.uk/sections/ict/ict.asp

³⁹ see www.lvsc.org.uk (click on Changeup)

marginalised because of disability, faith, gender, sexual orientation, age or because they are from black and minority ethnic communities, including refugees. Doubtless, this will be subject to ongoing monitoring.

Some of those to whom we spoke highlighted the lack of support for community development – as opposed to organisational development. They see the emphasis being on meeting organisational needs rather than those of the community.

We were struck by the fact that the onus is on groups to identify sources of help and make the approach. We found no evidence

of outreach, though we did come across organisations, particularly those which are ‘under the radar’, which would have benefited from such an approach. We also found organisations that would have benefited from the availability of an ‘out of hours’ service.

But the main gap we found was any means by which the haphazard working of groups might be avoided at an early stage. It appears that many groups have to go through an unnecessary process of unwieldy and unproductive working before they might be fortunate enough to find an agency or an individual to set them right.

7

The role of the Charity Commission and others

KEY POINTS

- ▶ The growth in the number of voluntary and community groups is not, in our view, entirely a ‘good thing’, for a variety of reasons.
- ▶ The Charity Commission, working with others, has a role to play in signposting people to sources of advice about governance and other issues, in order to ensure that those organisations which do register as charities are soundly based.

As the study has progressed, we have been struck by the range and number of voluntary and community groups in London, and by the general acceptance in public debate that this is ‘a good thing’. We are not convinced that this is the case, for the following reasons:

- *First*, our experience is that the levels of service, skill, and responsiveness in groups is very variable. Many, frankly, are failing to provide minimum standards of service which would make them useful.
- *Second*, some believe that there is a great deal of duplication, and therefore, waste. One does not need to be a manic ‘garden tidier’ to see that there is at least a tension between the proliferation of groups in particular fields of concern/local areas, and the ability to use limited resources effectively in the interests of beneficiaries.
- *Third*, the proliferation of groups places great strains on second-tier support organisations which are almost entirely focused on the needs of small groups, and do not choose, or are unable, to offer effective support to those groups which survive to grow to medium-scale.
- *Fourth*, there is, in addition, a large number of networks, partnerships, consortia which require servicing and

maintaining and which might also look to second-tier agencies. A recent exercise in Camden mapped over 1,500 organisations, and there is a myriad of forums and networks in operation in that borough alone.⁴⁰

- *Fifth*, the number of groups is increasing at a time when the fundraising burden on small groups is also increasing. It is not clear if this is sustainable. The NCVO Almanac shows that those charities falling within the £10,000 to £100,000 income band experienced a decrease in income of almost 10% in the twelve months to 2003/04 while overall, average income for the whole of the sector increased.⁴¹

The role of the Charity Commission: The Commission, as the regulator and registrar for charities in England and Wales, has concerns which are, of course, much wider than those on which this Report focuses, given that we are writing only about London.

The Commission aims:

to provide the best possible regulation... in order to increase charities’ efficiency, effectiveness and public confidence and trust.

⁴⁰ Research by Voluntary Action Camden, unpublished at the time of writing.

⁴¹ The UK Voluntary Sector Almanac 2006 NCVO.

It fulfils its role as regulator and registrar by:

- *securing compliance with charity law, and dealing with abuse and poor practice;*
- *enabling charities to work better within an effective legal, accounting and governance framework, keeping pace with developments in society, the economy and the law; and*
- *promoting sound governance and accountability.*⁴²

The Commission does not exercise any discrimination once legal requirements for registration are met. The combination of increasing numbers of groups being registered as charities, the ease with which they can be registered, and reducing resources has given rise to some debate. In a recent article, journalist Nick Cater commented:

*...nothing can stop a charity getting registered, providing it clears all the usual public benefit and charitable purpose hurdles.*⁴³

He continues:

*I had always half known that the Commission is not empowered 'to make any judgement, on its own behalf or for the Government, as to whether there is a need for a new body to pursue its intended purpose'. Yet it was a shock to see this presented as the 'right' of any and all charities... whatever the questions about existing capacity, added value or merely whether the idea has any hope of survival.*⁴⁴

⁴² see www.charity-commission.gov.uk/spr/regstance.asp

^{43,44} Cater, N. Opinion: 'The charity traffic light is stuck at green' *Third Sector*, 10 May 2006 available at www.thirdsector.co.uk <http://tinyurl.com/tpsy5>

⁴⁵ see www.charity-commission.gov.uk <http://tinyurl.com/yzknyp>

⁴⁶ see www.guidestar.org.uk

⁴⁷ see www.lvsc.org.uk <http://tinyurl.com/ya5mhy>

What can be done: While we understand that that the Charity Commission should not be the final judge of need, we share some of the concerns about the rapidly increasing number of charities being registered; the increased competition for available resources, financial and practical; and the apparent haphazardness in the way groups identify and receive help.

Elsewhere in this Report we point out how groups look to funders for information about similar groups or similar work and how they appreciate help on pitfalls and traps to avoid. But might it be more helpful for groups to be signposted towards existing nearby organisations and appropriate second-tier organisations in a friendly and sensible way at an earlier stage, before the charitable registration process gets under way?

Hopefully the signposting facility to be developed by the recently launched Charity Commission Direct,⁴⁵ with a range of specialist organisations for non-Commission enquiries, will fulfil this function. This may prove to be a means of helping new groups to decide whether there is indeed a need for what they are proposing to do. GuideStar UK⁴⁶, 'an independent charity set up in 2003 to provide, for the first time, a single, easily accessible source of detailed information about every charity and voluntary organisation in the UK', could also be helpful in this context.

As one commentator pointed out, LVSC already runs an initiative, devised with BTEG, which aims to tackle this problem:

*Ready, Steady Start*⁴⁷ was designed to help people think whether there was the need for a group before they even started.

The ability of a group of individuals to get together for socially valuable ends is of the essence in a pluralist democracy. But is it necessary or wise for such a large proportion of them to seek and gain

registration as charities? Many operate successfully for a long time before reaching the point of seeking registration and for some there may be no positive advantage in becoming registered.

For small informal groups it may be too formal a process for the nature and aims/intended time scale of their organisation. Some grantmaking trusts do not require applicants – especially small groups – to be registered. Do such funders detect a difference in standards of practice between registered and non-registered groups?

Guidance on governance: For groups which do decide to register, there is a crucial issue about the type of governance they adopt for their organisation. While the Commission may not be the best body to advise on this – now that the Governance Hub is up and running⁴⁸ – it is likely to become the first point of reference for many organisations seeking guidance in this area. It is likely to be aware of which are the best supports for different kinds of organisations. It can contribute to the debate about and design of appropriate governance structures, while accepting that ‘one size does not fit all’.

The Governance Project, initiated by CPF and others, looked at how best to support governance in community groups and small voluntary organisations. The evaluation report on the project, *A lighter touch*, concluded that:

A more nuanced view needs to be taken both in terms of ‘governance’ and of ‘small community groups and voluntary organisations’. The blanket imposition of formal governance requirements is unduly heavy, restrictive and inappropriate for some community groups and voluntary organisations. Consideration needs to be given to development of a light governance structure, one that enables rather than stifles. Moreover, it needs to

*ensure that the benefits gained from current governance structures such as legitimacy and access to funding are not lost. Governance needs to be facilitative rather than constraining.*⁴⁹

During this study we have heard from organisations and commentators about the significance of need, values and mission in determining why an organisation exists, does what it does, and continues in being. Some interviewees expressed the view that an awareness of the importance of these key elements is being lost as funders’ agendas are pursued – and that poor practice is one result.

This underlines the importance of the Commission pointing organisations applying for registration in the right direction for help in clarifying need, values and mission as aspects of sound governance, accountability, and good practice. Maybe this could be incorporated into Charity Commission Direct’s signposting facility.

But to where should the Commission point? Where are the sources of appropriate help? The Commission is concerned with increasing trust and confidence in charities, promoting effective use of resources and enhancing accountability, but it cannot do all this on its own. It should work with others, and not only the major national organisations. As one commentator said:

There is a massive growth of small groups but the big boys are not hearing the voice of small groups.

When asked to where they would turn for help if they needed it, several of the frontline groups we spoke to said that they would specifically look to the Charity Commission. The Commission’s helpline was mentioned

⁴⁸ see www.governancehub.org.uk/

⁴⁹ Kumar, S, & Nunan, K. *A lighter touch: an evaluation of the governance project* Joseph Rowntree Foundation/YPS, 2002 available at www.jrf.org.uk/bookshop/ <http://preview.tinyurl.com/yc4dtt>

and there was appreciation of the trustee guidance provided. Groups valued the information produced on registration, whereas very few groups had actually heard of ChangeUp or knew what it is. So the Commission's signposting role is crucial and should, we feel, point in directions wider than the 'usual suspects'.

The introduction of Charity Commission Direct, with its dedicated trustee helpline

signposting facility for non-Commission inquiries and database of frequently asked questions, is welcome. It is hoped that its future service will continue to recognise the significance of small groups and their needs.

But Charity Commission Direct needs to be aware of the dangers of overloading already overstretched CVSs and to recognise that in certain cases specialist STOs could provide more appropriate help.

8 The role of funders

KEY POINTS

- ▶ Many of the organisations interviewed have good relations with funders and see them as a source of more than ‘merely’ money.
- ▶ There is some doubt about the extent to which funders now support capacity-building, and a feeling that this support needs to be more strategically planned.
- ▶ There is room for more coordination between funders.

There is a range of views expressed in various reports⁵⁰ about what funders should and should not do, and about how their grants could be more effective. It is natural for funders to want to ensure that their funds are being put to best use – initiatives on the part of funders to support new ways of doing things are always welcome. But, if this is at the expense of continuing to back tried and tested methods, relationships between funders and funded organisations can become strained.

A recent survey of 400 trusts and charities commissioned by the Four Acre Trust concluded that the relationship between grantmaking trusts and charities could be improved and made recommendations to this effect.⁵¹ However, many of the small and medium-sized organisations with which we spoke have good relationships with their funders. They see them as a source of practical help, not simply money. They have high expectations of what funders should do and appreciate the ‘more than money’ or ‘funding plus’ approach adopted by those with which they most often have dealings.

The director of one frontline organisation gave an example:

Our growth has been dramatic and our main external support came from UnLtd. We got a 10K unrestricted grant plus three years management consultancy support which was more use than the money. We have had enormous help with organisational structures, personnel,

procedures, systems etc. The UnLtd consultant is now in touch with us monthly.

More than giving grants: In her recent work on adding value, Dr. Diana Leat describes the approaches charitable trusts now routinely take, some of which are also employed by other funders:⁵²

Pre-grant

- Being more ‘strategic’ and re-structuring allocation of financial resources
- Putting applicants in touch with others for learning
- Finding or putting applicants in touch with other funders
- Assistance with applications, business plans etc
- Requests for proposals requiring involvement of other key players/future funders
- Collaboration with other funders to ensure full funding available, enlist support, knowledge, links with other similar grants/grantees to avoid duplication.

Grant period

- Larger and/or longer-term and/or core funding

⁵⁰ see, for example, the present authors’ *Stepping Up The Stairs: Increasing the impact of progressive philanthropy in the UK* written for the Carnegie UK Trust & available at www.carnegieuktrust.org.uk <http://tinyurl.com/yzstsg>

⁵¹ see www.thirdsector.co.uk 17 May 2006 and 7 June 2006

⁵² Leat, D. Research for the Big Lottery Fund, unpublished at the time of writing.

- Providing loans
- Input to board
- Seconded staff
- Advisory group to add knowledge, skills, contacts, involvement/buy in from other key players
- Resource materials – for instance, on management, research and evaluation, partnerships etc
- Management consultancy, training, mentoring
- Help desk
- Web-site, chat rooms etc for learning and network building
- Networking between grantees and with others within and across sectors
- Funding or other help with research and evaluation
- Convening and brokering with other key players within and across sectors
- Help with fundraising and ongoing funding
- Communication and dissemination; sharing learning
- Miscellaneous in-kind support – meeting rooms, publicising projects etc.

Post grant

- On-going funding to maximise benefit of grant, if appropriate
- Funding or other help with research and evaluation
- Sharing learning
- Help with replication – recruiting champions, finding funding etc
- Funding for or direct media and communications advice/support
- Dissemination – acting as knowledge and social issue entrepreneur
- Brokering and convening within and across sectors to raise profile, encourage discussion, resolve issues, enlist support, encourage replication etc
- Policy influence/advocacy (undertaken by grantmaker or by support for/advice to grantee).

The approach of trusts has changed significantly over the past 20 years or so. The London funders which interviewees mentioned most often all do more than simply give grants. Some use many of the

tools outlined above – we did not come across any which employed them all. Some operate a clear ‘funding plus’ policy, while others have staff who see their role in much wider terms than simply assessing applications and administering grants. The principal funders are there ‘on the ground’. Groups see this positively and take advantage of it.

In a recent informal conversation, a recently retired head of a major trust said that the staff would spend a considerable amount of time supporting local groups. This was seen as a legitimate role. But others working in trusts suspect that a ‘funding plus’ approach is viewed with ambivalence by voluntary and community organisations; one, in describing its own new ‘funding plus’ scheme, explained:

This has all been born out of a patchy view of how things are and what you can do as a funder. Some people will think it is fantastic and others will think it is a cheek.

Some frontline groups view funders as their most useful form of support. They see funders as being aware of the ‘big picture’ and as frequently referring groups to others in London or nationally who are carrying out similar or complementary work. One commentator said:

When a small group starts or gets an idea, how does it find out that two miles down the road someone is already doing it? Even if it doesn't matter you need to know. Avoiding duplication/reinventing the wheel... Learning networks... foundations can see gaps. Trusts have a legitimate role – convening role, a developmental function. They have power because of their money so why not encourage them to add knowledge?

Others see funders as trouble-shooters and feel this should be expanded into local areas through ‘agents’. They welcome the fact that funders respect confidentiality, which

they feel is not always the case with local agencies. Yet others appreciate how involvement with funders can have wider implications. One told us that the organisation's experience of getting 'funding plus' help:

[is that] statutory funders have been very good at involving me and the organisation in policies etc around [client group]. Bridge House sends out training things that are very useful and ...another trust sent out helpful information on quality assurance – that might have been Baring. The bigger trusts are quite good.

Others would welcome greater funder involvement. One could see the enormous potential in partnership working but said:

We need help with working in partnership as has been done successfully in other boroughs where groups worked together and levered more funding for their work in a borough or in a region as happened in west London. We need help from funders, they are the ones with influence, not just money. Really making partnerships work on the scale needed would require the input of a body like the LDA.

The emphasis on capacity-building: In recent years capacity-building has become a priority for many funders. This seems to have had two results:

- *First*, funders are more knowledgeable about the voluntary and community sector and its needs;
- *Second*, individual organisations have benefited from the considerable funds that have been injected into community accountancy schemes, CVSs, specialist BMER organisations, quality standards initiatives and so on.

But the emphasis has been on building the capacity of individual organisations. The feeling expressed to us was that this has led

to a situation where:

funders have become too focused on organisations rather than needs

Further, some interviewees believe that the capacity-building that is taking place is not as effective as it might be. We were asked:

What is behind the philosophy which nurtures seedlings but does not let things flower?

Why is capacity being built? For what future?

Who helps when you stop being a small organisation?

Those to whom we spoke did not deny the need for capacity-building but felt that it should now be focused on societal needs, and carried out more strategically, and with clarity of purpose:

What has happened to values and mission?

The need for coordination: Interviewees expressed the view that there should be far more coordination amongst funders in order to prevent situations where funding is narrowly focused, often in ignorance of what others are supporting:

Everyone is capacity-building at entry level.

One funder suggested:

Sharing databases means that it might be possible to do some really strategic funding. You could see a situation where everything (ie information) comes to a central location from organisations and funders and if you can focus on outcomes you could piece together the impact on communities that is being achieved... Funders have to take a broader understanding that proper funding is about more than money and they have to

build in capacity around particular initiatives in order to have a long term effect on a particular community. You are then in a position to ensure that people have the help they need... individual boroughs do not have a relationship with the voluntary sector and do not understand the magnitude of it. Lots of funders use 'Gifts'⁵³ and could see the possibilities of sharing [information]...It would help to illustrate the potential of the sector.

An interesting spin-off from such an initiative might be that funders would be introduced to parts of the sector of which they may be unaware:

A lot of money now never gets to local level – you have to rely on lottery money or the old charities that have been there for a long time and have real notions of trying to help the people at the bottom. Other funding does not reach down far enough.

Several STOs spoke of the need for funders to be more coordinated and to build up and maintain a knowledge base:

Funders need to be coordinated. They do not have a view of what is happening in the boroughs. Unless something changes they are likely to fund the same old things.

It is important for funders to see groups, to accept outline proposals, initial phone calls, but they have to keep on the ball and know what people want. It would be good to have interactive websites and for funders to know what the trends are and for groups to know what trends the funders are interested in. Funders come together at Funders Fairs, why not on

line? It would be good to ring fence money for different areas and funders to employ more 'development-plus' grants.

It is heartening to see that this is beginning to happen:

London Funders has been re-launched and now it is about funders working together, to improve their own funding but also to understand and know well each other's funding.

The distinctive role of charitable funders:

Some people felt that charitable funding has been increasingly driven by Government priorities in recent years. Individual trusts which have a voluntary/community sector focus cannot compete with Government when it comes to the amount of money at their disposal. But trusts can make a difference:

They should fund things which are not on the Government's agenda but that is easy to say, it is the difficult bits in between which present the problems and it is true that if you are involved in service delivery you can influence more, so if you are not involved in it (or fund it) your influence might be insignificant. So the question is where does campaigning fit with delivery and who should pay and how do things get separated out?

Interviewees made some suggestions about what independent funders might do:

They need to think outside the box. Funders need to find common areas where something can be done and replicated elsewhere. The key has to be finding areas where collaboration adds value.

⁵³ *Gifts* is a grants management computer program – see www.microedge.com/products/gifts/default.asp

9 Conclusions

We have sought as far as possible to tackle the questions listed in the introduction. The answers are complex; inevitably, in a study which has been qualitative, rather than quantitative, our conclusions reflect what we were told by those with whom we spoke. The report shows:

- ▶ **mixed opinions about the quality of infrastructure support in London;**
- ▶ **the patchy nature of provision;**
- ▶ **an imbalance between the amount of infrastructure provision for medium-sized groups and small groups, with small groups clearly benefiting more;**
- ▶ **a lack of clarity about where appropriate support for different kinds of groups at different stages of development might be found. There are many second-tier agencies – but who they benefit, how they do it and when their intervention is appropriate is unclear to those who might seek their help. This encourages haphazard working in the sector;**
- ▶ **an imbalance between the number and type of groups wanting help, and the amount of help available;**
- ▶ **the potential for more confusion as more players enter the stage through initiatives such as ChangeUp;**
- ▶ **confusion over who determines needs, and who decides which of those needs should be met. Small organisations feel that their voices are not heard – that it is funders and outside agencies which decide what these organisations ‘need’, rather than the organisations themselves;**
- ▶ **despite the above, a clear expression by frontline groups that they need support from knowledgeable, experienced, committed, and skilled individuals/bodies which are not their rivals for funding;**
- ▶ **problems with the principal and most universal model of second-tier support – the CVSSs.**

The next section includes a recommended programme for action.

10

Recommendations – improving second-tier support in London

What, then, would a better approach look like? It would have to be based on an understanding of the *purpose* of second-tier support – *who is it aimed at?* *what is it for?* These questions are likely to be easier for specialist STOs to answer – for example, those which support refugees, or homeless people. The issues are more complicated for agencies with a broader focus. Drawing on what interviewees have said, and our own observations, we outline below specific recommendations for funders, followed by others which relate to wider bodies. (Throughout this section the generic term ‘STO’ includes CVSs.)

Recommendations for funders

Strengthening STO provision:

Funders concerned with the provision of good quality second-tier support should allocate some resources to strengthen those STOs which are clearly delivering along the lines set out elsewhere in this Report. This should be done through a mixture of grants and the award of contracts over several years to enable them to provide agreed packages of support for, among others, specific frontline organisations which funders have prioritised.

This approach will help to facilitate STOs to move over time towards a social enterprise model, and thus towards increased dependence on earned income rather than grant support. It will also contribute to a reduction in competition for funds between frontline groups and STOs.

Contracts: Where funders identify that the STO has the potential and the capacity to provide appropriate support to grantees who could benefit, they should seek a negotiated contract with the relevant organisation, for agreed periods. The following would need to be in place:

- ▶ **the STO has the proven capability to provide targeted, tailored and locally sensitive support along agreed lines to new and emerging groups with an income of up to a limit of, say, £100,000 (this could in due course be part of NAVCA’s quality assurance scheme) and/or the STO has proven specialist expertise to assist medium-sized groups where needed;**
- ▶ **STO staff working with frontline groups are senior, experienced, have some specialist, as well as generic, knowledge – for this to be the case, they will need to be appropriately recompensed;**
- ▶ **the STO, as a matter of practice, refers frontline groups to specialist agencies where appropriate.**

Funders should encourage those CVSs to which they award contracts to rationalise the provision of appropriate services, perhaps on a regional/sub-regional level, so that duplication is avoided and specialisms are developed.

Purchasing by frontline groups:

At the moment, the provision of second-tier support is driven by the providers, which, for the most part, are subsidised to provide it by means of grants from statutory and charitable funders. Further, even where frontline groups do seek out what they feel is appropriate support, they have incomplete information about what is available.

In order to strengthen the hands of frontline organisations in seeking help, therefore, we recommend that funding for capacity-building etc. should increasingly, over time, be directed to them rather than to second-tier organisations. Frontline groups will then be better able to purchase the help they need, from whichever sources can best provide it. In some cases, this will be the private sector; in others, STOs, operating as 'social enterprises', will sell services to frontline groups.

Those STOs/services which meet real needs and are seen to bring significant benefits to purchasing organisations will prosper. Others will not. **We emphasise that we do not see this as focusing on one-off contracts but on a strategy for long-term engagement. We also emphasise that we do not see STOs ever being totally dependent on earned income. They will still need grant income but, in the long-term their reliance on this should reduce, and their budgets become more mixed, thus allowing them more freedom.**

We note that this approach is very much in line with the strategy now being considered by London Councils in relation to the voluntary sector in London. We also acknowledge its limitations; as indicated in section four, some of the services which CVSs in particular see themselves as providing for frontline groups may not be understood or appreciated by those organisations to a sufficient extent for them to want to pay for them.

The move towards putting purchaser power in the hands of frontline groups will need to be accompanied by a process of promotion and education by STOs, backed by funders, about the importance of services such as facilitating the voice of the local voluntary sector in policy discussions with local authorities, primary care trusts and others.

Strengthening frontline groups:

The strategy of shifting purchasing power is a long-term one. While it is being developed, funding could be focused on further strengthening frontline groups.

In order to do this, funders should ensure that grant assessments take account of the developmental needs of organisations. In appropriate cases, in addition to the grant itself, they should then be willing to fund individually negotiated packages of developmental support. These would be provided by agencies chosen jointly by the funder and the grantee from a register – maintained by the funder – of tried and tested support agencies which have reached an agreed standard of performance, such as the NAVCA Quality

Award. The grantee would be responsible for paying the agency, using the money provided for the purpose by the funder.

Where a grant has already been made, unexpected issues may arise with which organisations need help. In such cases, funders would arrange for the organisation to receive appropriate support from one, or possibly more, of the approved STOs depending on the stage of development of the organisation and what type of specialist support it might need. Funders would have ongoing contracts with approved STOs to cater for such eventualities and in such cases the costs of delivering the support would be met by the funder directly.

Clearly, what is described above would not be appropriate for every grantee. However, it is an option which many would welcome. It would represent an extension of what currently happens on a more informal basis with particular groups, and over time would help to raise standards.

Helping medium-sized frontline groups:

As we have indicated elsewhere in this Report, the emphasis in recent years on meeting the needs of hitherto neglected small groups may have disadvantaged medium-sized groups. Such groups encounter different problems and needs as they grow. We have found an absence of STOs with the necessary skills to help them.

Funders should jointly consider small-scale pilots focussing on the support needs of medium-sized groups operating in two or three carefully selected boroughs, with dedicated workers who are skilled, suitably experienced and have 'done the job themselves'.

Encouraging mutual help:

Funders should seek to increase the extent to which frontline groups help each other, especially where organisations share a common concern. This potential is substantially unrealised. During this assignment we were told of two instances where established refugee and migrant organisations are assisting newer groups in their own communities – groups which had not been able to get help from conventional second-tier agencies. In both cases the established organisations are playing a support/mentoring role.

Funders are often in a position to encourage positive relationships between appropriate organisations sharing a common concern. The mentoring organisation might be paid an appropriate fee for an agreed commitment, and, where appropriate, be helped with initial training.

One example of this approach is to be found in Amnesty International (AI), which operates a mentoring-type scheme among its branches worldwide.⁵⁴ AI has found that special relationships between strong branches and less well developed ones, once established, are enduring and highly valued by all parties. Moreover, AI's experience is that the fruits of these relationships contribute to building the capacity of human rights worldwide, as well as the capacity of individual organisations.

⁵⁴ information gained in the course of work which the authors have carried out for Amnesty International.

Changing funders' expectations:

To the extent that second-tier support focuses on capacity-building, there is at least a question to be asked about the forces which are driving the need for capacity to be built in the first place: what are the demands on very small organisations which lead them to seek second-tier support?

Some of the requirements made by funders and others of frontline groups – such as the need for child protection policies – are obviously justified. However, we believe that funders also make unnecessary demands of frontline groups.

Statutory funders may be more demanding in this respect than charitable funders but increasingly both seek to be able to tick boxes in order to generate statistics which will show, for example, that they are reaching certain targets. This is a game played for the short-term superficial benefit of small frontline groups in pursuit of funding, and funders in pursuit of political 'street-cred'.

The ultimate irony is that at least part of the funding which small frontline groups think they need is sought in order to support back-office functions which are only necessary in order to meet the tick-box requirements of funders. Thus a modest industry of grant making, grant seeking and second-tier support is sustained.

One effect of all this is to force those small organisations which would do very well staying small, to grow, but to do so in a way which does not significantly help ultimate beneficiaries. This in turn creates new pressures on limited funds, and indeed on second-tier resources.

We propose, therefore, that funders should use their access, experience, and insight to work with each other – particularly, perhaps, through the Association of Charitable Foundations and London Funders – to change this situation. They should work to create different norms and expectations, particularly in relation to very small organisations, whereby it will no longer be acceptable to ask them to behave as if they were major organisations responsible for significant resources.

Much of this will take time to achieve. In the medium-term, however, it ought to be possible to work towards a situation whereby funders will:

- ▶ **work with each other and infrastructure agencies on a regular, consistent and strategic basis to assess the state of infrastructure across London and ensure it is maintained at a high standard to meet the support needs of all sections of the community;**
- ▶ **only make grants to infrastructure bodies in the full knowledge of other funders and in cognisance of what others are considering funding;**
- ▶ **regularly assess the governance needs of organisations to ensure they are being met (working with infrastructure bodies, frontline agencies and the Charity Commission);**

- ▶ **consider sharing databases in order to allow strategic funding;**
- ▶ **become more coordinated and build up and maintain a knowledge-base – bearing in mind the significance of professional research about aspects of the voluntary and community sector as a basis for future policy-making;**
- ▶ **through London Funders and/or the Association of Charitable Foundations, maintain an ongoing directory of all studies/consultancies which have been commissioned by funders and are in progress in order to share learning.**

Recommendations for second-tier organisations

We suggest that STOs should:

- ▶ **make clear which frontline groups they aim to work with, how they do so and at what point their intervention is helpful – then work with others to make effective referrals. This could mean reducing the numbers worked with to ensure quality;**
- ▶ **do whatever is possible, given financial and related recruitment constraints, to ensure staff appointed to work with frontline groups are experienced and highly skilled in such work and that their expertise is recognised financially;**
- ▶ **enhance the status of such posts to reflect their significance within the organisation;**
- ▶ **regularly seek feedback from frontline groups – users and potential users – about the services they find/would find helpful;**
- ▶ **be sensitive to the problems in competing for funds against those whom they exist to help;**
- ▶ **provide training based upon the needs of frontline groups, appropriate to their various stages of development – such as beginner, intermediate, and advanced levels;**
- ▶ **consider offering an outreach and out-of-hours service to small voluntary and community organisations;**
- ▶ **as far as possible, seek to provide one-to-one support for frontline groups, customised to their particular expressed needs.**

On the whole, national specialist organisations which provide developmental support to their own branches emerge rather well from this study. But one possible useful step would be for such organisations, where possible, to

consider making this support available to small and medium-sized non-member groups with the same concerns but which are not linked to the national organisation.

Recommendations for third-tier organisations

We recommend that third-tier organisations:

- ▶ **liaise regularly with the whole range of STOs to ensure that third-tier bodies are providing complementary services to those provided by the various STOs;**
- ▶ **remain aware of the needs of frontline groups as well as those of STOs;**
- ▶ **work together in a consortium to develop a partnership with an appropriate university to establish an accredited course in working with frontline groups;**
- ▶ **be sensitive to the perception that their main interest is their own survival.**

Recommendations for the Charity Commission

The Charity Commission has a very significant role to play in ensuring that groups reflect properly on the need to register. It is evident that the Commission takes this very seriously, though ultimately it cannot refuse to register a charity which meets legal requirements, even if there is clear evidence that the needs the charity seeks to meet are being met by others. Particularly with the advent of Charity Commission Direct, much of what we would hope that the Commission would do is likely to be under way.

Specifically, we suggest that the Commission is right to:

- ▶ **signpost groups towards existing nearby organisations and appropriate second-tier organisations before the charitable registration process gets under way in order to help them decide whether there is a need for what they are proposing to do – this might be done through Charity Commission Direct;**
- ▶ **share responsibility for ensuring that organisations are aware of and have the skills and competencies to manage issues of governance;**
- ▶ **where necessary, point organisations seeking registration in the right direction for help in clarifying need, values and mission as aspects of sound governance, accountability and good practice;**

- ▶ **work with a wider group than the major national bodies to ensure appropriate help is made available to small and medium-sized organisations.**

There should be a central database of STOs (not just in London but nationally) detailing the focus of the work undertaken, specific areas of expertise etc. This should be maintained by the Charity Commission which, as well as making the database generally accessible, should ensure that all frontline groups receive details of potential sources of second-tier support.

Those registered as charities or seeking to be registered should receive information directly from the Commission. Others should receive it via funders, the ChangeUp hubs, local authorities, PCTs, CABx, Town Halls and CVSs. By this means, frontline groups will be guided to the most appropriate source of support for them in the light of their particular focus and stage of development. A somewhat similar, but more limited, facility exists as a part of the *VolResource* website.⁵⁵

Recommendations for Capacitybuilders and the Hubs

We recommend that:

- ▶ **Capacity Builders and the Hubs maintain communication with all levels in the voluntary and community sector including frontline groups;**
- ▶ **they liaise fully with other funders to ensure complementary rather than opposing funding policies and practices;**
- ▶ **they seek regular feedback from more than just the ‘usual suspects’ about their achievements and effectiveness.**

The sector is largely made up of small – and medium-sized groups, including micro-groups, the latter often hidden. All the support and funding agencies should focus on what will have the most positive effect on the ultimate beneficiaries of these small/medium groups.

⁵⁵ see www.volresource.org.uk

Interviewees

First tier organisations

Appendix 1

- 999 Club Trust, *Greenwich*
 Advocacy for Older People, *Greenwich*
 Afar Community Association in UK, *Tower Hamlets*
 African and Caribbean Elders, *Camden*
 African Support and Advice Project, *Camden*
 African Women's Care, *Brent*
 Aglow, *Islington*
 An Nisa Society, *Brent*
 An Viet Foundation, *Hackney*
 Anika Patrice Project, *Hackney*
 Arachne, *Islington* (via email)
 Archway Trust, *Kingston*
 Bang Edutainment, *Brent*
 Blessing Family Association, *Croydon*
 Bosnia Herzegovina Community Advice Centre, *Brent*
 Bosnian Resource Information Centre, *Camden*
 Brent Advocacy Concerns
 Brent Homestart
 British Somali Community, *Camden*
 Bromley By Bow Youth Foundation, *Tower Hamlets*
 Caribbean Pensioners and Friends, *Islington*
 Centre for Filipinos, *Camden*
 Challenger Trust, *Hillingdon*
 Chinese Community Services, *Hackney*
 Clays Lane Ladies Club, *Newham*
 Congolese Refugee Women's Association, *Newham*
 CORECOG, *Newham*
 Cranford Community Women's Project, *Hillingdon*
 Croydon Carer-to-Carer
 Disability *Croydon*
 Dulwich Helpline, *Southwark*
 East London Somalis, *Tower Hamlets*
 Eastside Young Leaders' Academy, *Newham*
 Ethiopian Development Agency, *Islington*
 Ethiopian Health Support Association, *Camden*
 Finsbury Park Homeless Families Project, *Hackney*
 Girassol, *Newham*
 Good Food Matters, *Croydon*
 Greenwich Citizen Advocacy
 Greenwich Mandarin & Supplementary School/Chinese Association
 Greenwich Women's Centre
 Hackney Play Association
 HEBA, *Tower Hamlets*
 Hillingdon Asian Women's Group
 Homestart *Greenwich*
 Horn of Africa Refugee Group, *Brent*
 Hornstars, *Brent*
 Ignite, *Croydon*
 In Touch, *Islington*
 Iranian and Kurdish Women's Rights Project, *Islington*
 Islington Bangladeshi Association
 Kairos in Soho
 Kikiwa Counselling Project, *Croydon*
 Kingston Bereavement Service
 Kingston Volunteer Centre
 Kingston Women's Centre
 Kollun, *Tower Hamlets*
 KRSAPO, *Kingston*
 Kutlets, *Kingston*
 Latin American Association, *Camden*
 Latin American Women's Rights Service, *Islington*
 Learn English at Home, *Kingston*
 Legal Advice Centre, *Tower Hamlets*
 Little Angel Theatre, *Islington*
 Little Troll Productions, *Hackney*
 Lwo Cultural Group, *Newham*
 Meridian Money Advice, *Greenwich*
 Muslim Youth Helpline, *Brent*
 Newham Carers Network
 Ocean Women's Association, *Tower Hamlets*
 Organisation for Positive African Men, *Hackney*
 Platform 1, *Islington*
 Polari, *Camden*
 Pumphouse Museum, *Southwark*
 Refugee Action Kingston
 Roma Support Group, *Newham*
 S. Pinter Youth Project, *Hackney*
 Sceptre International, *Hackney*
 Schoolhouse Education, *Greenwich*

Shpresa Programme, *Newham*
Somali Senior Citizens Club, *Tower Hamlets*
Songololo Feet, *Hackney*
Southwark Homeless Information Project
Spelthorne Farm, *Hillingdon*
SPLASH, *Tower Hamlets*
St Mary's Family Centre, *Croydon*
Straight Talking, *Kingston*
Stroke Care, *Southwark*
Sunnyside Garden, *Islington*
Tamil Action Committee, *Greenwich*
Tamil Refugee Action Group, *Brent*

Tamil Welfare Group, *Newham*
Taxaid (by email)
The African Child, *Brent*
Tower Hamlets Friends and Neighbours
Turkish Youth and Community Association,
Croydon
Vishwa Hindu Parishad, *Croydon*
Walworth Garden Farm, *Southwark*
Working with Words, *Greenwich*
Yeading Community Association, *Hillingdon*
Zimbabwe Community Association, *Camden*

Second and third-tier organisations

Black Training and Enterprise Group (BTEG)
Brent Association for Voluntary Action
Community Accountancy Self Help (CASH)
Community Organisations Forum, Tower
Hamlets
Council for Ethnic Minority Voluntary
Organisations (CEMVO)
Croydon Voluntary Action
Evelyn Oldfield Unit
Greenwich Volunteer Centre
Hackney Council for Voluntary Services
Islington Voluntary Action Council
Kingston Voluntary Action

London Advice Services Alliance (LASA)
London Voluntary Services Council (LVSC)
London Youth
Migrant Organisations Development Agency
(MODA)
National Association for Voluntary and
Community Action (NAVCA)
Newham Voluntary Sector Consortium
School for Social Entrepreneurs
Second-tier Advisers Network (STAN)
Southwark Community Care Forum
Voluntary Action Camden

Funders and commentators

Association of London Government: Ian
Redding
Baring Foundation: Mathew Smerdon
Big Lottery Fund: Debbie Pippard
Bridge House Trust: Sara Llewellyn
Capacitybuilders: Simon Hebditch
Centre for Charity Effectiveness: Peter Grant
Charity Commission: Rosie Chapman
City Parochial Foundation: Mubin Haq and
Sioned Churchill

Dr. Diana Leat
Lloyds TSB Foundation: Jude Stevens
London Development Agency: Amanda Little
Janice Needham
Michael Pitchford, formerly of Community
Catalyst
Wates Foundation: Brian Wheelwright

Organisations used by frontline groups

Appendix 2

The following organisations were mentioned to us by those we interviewed and is not a definitive list of support bodies: it does not include CVSs and other borough-based STOs.

ACAS
 Action for Advocacy
 Advice Services Alliance
 Advice UK
 Age Concern
 Arts Council
 Association of Chief Executives of Voluntary Organisations
 Association of London Government
 Aston Mansfield Settlement
 Basic Skills Unit
 Birmingham Settlement
 Black Training & Enterprise Group
 Bridge House Trust
 British Association for Counselling and Psychotherapy
 Business in the Community
 Carers UK
 Centre for Strategy and Communication
 Charities Aid Foundation
 Charities Evaluation Services
 Charity Commission
 Childhood Bereavement Trust/Network
 Children's Fund
 Children's Play Council
 Church of England
 City Parochial Foundation/Trust for London
 Community Enterprise Development Agency
 Community Matters
 Confederation of Indian Organisations
 Consortium of Bangladeshi Organisations
 Directory of Social Change
 Evelyn Oldfield Unit
 Federation of City Farms & Community Gardens
 Greater London Enterprise
 Homestart UK
 Immigration Law Practitioners' Association
 Industrial Common Ownership Movement
 Institute of Fundraising
 Interlink Foundation
 Joint Council for the Welfare of Immigrants
 KPMG
 Letslink UK
 Linklaters
 London Advice Services Alliance
 London Play
 London Voluntary Sector Resource Centre
 London Voluntary Sector Training Consortium
 London Voluntary Services Council
 Manor Gardens Centre
 Mary Ward Legal Centre
 McKinsey
 Medical Foundation for the Care of Victims of Torture
 Members of Parliament (various)
 Migrant Organisations' Development Agency
 Money Advice Association
 NAM
 National Association for Providers of Activities for Older People
 National Centre for Languages
 National Council for Voluntary Organisations
 National Women's Aid
 Office of the Immigration Services Commissioner
 Older Peoples Advocacy Alliance
 Paddington Development Trust
 People First
 Personnel, Employment Advice and Conciliation Service
 Primary Care Trusts
 Refugee Council
 Refugee Women's Association
 Renewal
 School for Social Entrepreneurs
 Shelter
 Skills for Economic Inclusion Network
 Stonebridge Housing Association
 Thrive
 UK Play
 UnLtd
 Volunteering England
 WiserAdviser (Money Advice Trust)
 Women in Governance (Richmond/Kingston/Merton)
 Women's Resource Centre

In addition, individual consultants were mentioned by groups as a source of support.

References

In addition to material produced by CPF itself, and material referenced in footnotes, we consulted the following sources. We have included web references where available.

Change Up:

ChangeUp Framework

Executive Summary <http://tinyurl.com/ykqo5c>
www.cabinetoffice.gov.uk/third_sector

Greater London Changeup

ICT Business Plan
www.lasa.org.uk/londonchangeup

London ChangeUp

Infrastructure Development Plan 2006
<http://tinyurl.com/zwzqn> www.lvsc.org.uk

Newham ChangeUp

Local Infrastructure Plan www.nvsc.org.uk
<http://preview.tinyurl.com/ujbhb>
Terms of Reference January 2006
<http://tinyurl.com/y6hpmh>

Kingston on Thames

ChangeUp 10 year Local Infrastructure Development Plan Sep 2005
www.kva.org.uk
<http://preview.tinyurl.com/y3a352>

Summaries of all plans at

www.actionlink.org.uk
<http://tinyurl.com/y5ob2d>

Directories:

CVS Capacity-building and Organisational Development Work Directory
www.lasa.org.uk

London Community & Voluntary Sector Directory www.yourlondon.gov.uk/community

Islington Link directory
www.islingtonlink.org.uk

The BRAVA Book: a directory of voluntary and community organisations in Brent. Brent Association for Voluntary Action, 2003
www.brava.org.uk/org_directory/index.php

Research Reports:

Walsh, J. *Report to London Regional Consortium*, April 2006.

Macmillan, R. *The benefits of voluntary and community sector infrastructure – a rapid evidence assessment* Centre for Regional Economic and Social Research at Sheffield Hallam University.

Empowering East London East London Voluntary Sector Alliance, July 2004

Other:

Only Connect peer support scheme
www.ncvo-vol.org.uk/sfp/?id=2105

London's Voluntary Sector (LVSC/ALG)
<http://preview.tinyurl.com/y4bozu>
www.lvsc.org.uk

VolResource
www.volresource.org.uk/info/info_help.htm

Other potential sources of support for devising business plans and developing strategy Baring Foundation 2005
<http://preview.tinyurl.com/s9osv>
www.baringfoundation.org.uk

Living Values Esmee Fairbairn Foundation & Community Links 2006
http://www.esmeefairbairn.org.uk/grants_reports.html

The Charity Commission And Regulation
www.charity-commission.gov.uk/spr/regstance.asp

Report on closing of operations Community Catalyst, Aug 2004

Fit for Growth: Capacitybuilders' Strategy 2006

Cater, N. Opinion: 'The charity traffic light is stuck at green.' *Third Sector*, 10 May 2006
<http://tinyurl.com/tpsy5>
www.thirdsector.co.uk