

# INFRASTRUCTURE DEVELOPMENT META PLAN UPDATED SUMMARY MARCH 2010

---

Charities and community groups are facing the brunt of the recession and public spending cuts and need help to get through it. Support organisations face a dilemma as demand on their services is on the rise but the future looks gloomy for their survival. Over the last 5 years there has been a significant investment from central and local government into developing and strengthening the infrastructure of the third sector. However, the ten year programme to resource core support services is set to decline in March 2011. The impact on the third sector is already showing in the region. We asked frontline groups and the support services themselves what they needed to help them through the turbulence and funding uncertainty. The overwhelming response showed that organisations need help to bring in funding, win contracts, develop partnerships and generally get fit for purpose in a highly competitive environment. But they also want to get the everyday support from their local development agency too. They still want to access relevant information, attend networks, influence policy, manage volunteers and get training on how to run their groups. So the pressure is on the support agencies to deliver the current range of services and to also help them weather the post recession storm. Infrastructure organisations are facing up to the fact that they need to respond to the challenges ahead and consider how they can better promote the added value they bring.

## CONTEXT AND BACKGROUND

### Infrastructure and the ChangeUp Funding Programme

Infrastructure is defined as the physical facilities, structures, systems, relationships, people, knowledge, and skills that enable frontline third sector organisations deliver their missions more effectively. What this really means is that they are the organisations that new, and existing third sector groups turn to for help. Council for Voluntary Service (CVS), local development agency (LDA), and regional networks offer support such as funding advice, legal advice, training, assistance in setting up new groups, and conflict resolution, they bring together organisations working on issues and try to give an authentic collective voice, the list is endless.

A ten year funding programme called ChangeUp was introduced nationally in 2004 to invest in Infrastructure for the third sector. This led to third sector groups forming consortia to identify funding priorities in their geographical area. There are five consortia in the north east funded to produce long term strategies and business plans. VONNE supports the consortia to work together in a development group (RIDG) so that the consortia learn from each other and so that the services that they plan are coordinated and not duplicated. We did this by summarising all five business plans and picking out

common issues and priorities into a grandly titled Meta plan. This document has helped to shape major funding programmes such as the Big Lottery Fund BASIS programme and ONE North East Third Sector Capacity Fund as well as Capacitybuilders. This led to the funding of projects across the region including ICT services to charities, online training for rural isolated groups, disadvantaged individuals connecting via Equality Networks, and organisations receiving quality funding and contracting advice, to name just a few. The consortia kept a track on which areas of the Meta plan had received funding (Funding Matrix) and met together regularly to consider how funding impacts on support in the region.

### **Meta Plan Review**

The original Meta plan published in 2008 can be found at [www.vonne.org.uk](http://www.vonne.org.uk). The purpose of this review is to ensure that the Meta Plan is still relevant and that it provides credible evidence of support needs in the third sector, so that it can be used to effectively plan and fund support services.

To update the Meta Plan we have gathered evidence from the revised consortia business plans (appendix 1), surveys of consortia members, (appendix 2) and direct feedback from the sector via a survey and from feedback (appendix 3) at the Cross Consortia event Feb 2010, (appendix 4). National and regional research from the Northern Rock Foundation Third Sector Trends Study was examined (appendix 5).

## **META PLAN 2010 – NEW PRIORITY SUPPORT NEEDS**

The four new priority themes for infrastructure support can be summarised as:

### **1. FUNDING**

- Sustainability of the third sector – preserving core services
- Income generation (assets, grants and contracts)
- Procurement and Commissioning
- Diversifying in times of competition efficiencies and cuts

### **2. EVOLVING**

- Post recession resilience
- Transition - responding to political change locally, regionally and nationally.
- Ensuring equality and diversity in third sector

### **3. PLANNING**

- Strategic Planning
- Risk assessments
- Improving overall performance of the sector, through training and quality assurance.

### **4. PROMOTION**

- Role of the third sector and how it is changing
- Demonstrating impact and added value
- Engagement with the sector and developing effective Compacts
- Providing a voice and representation of the sector

## CURRENT CHALLENGES FOR THE THIRD SECTOR SUPPORT PROVIDERS

This review of the Meta plan is timely with substantial funding programmes for infrastructure ending in March 2011. Infrastructure organisations are concerned about how core services will be resourced and delivered in the future. The key challenges can be summarised as follows:

- **Funding for core services** remains a difficult area to fund, with funders favouring innovation and projects.
- **Investment through Grants.** Infrastructure organisations are heavily reliant on grants making them vulnerable to public sector cuts.
- **Use of reserves** - Many Infrastructure organisations are already funding their core services through reserves.
- **Reluctance to apply Full Cost Recovery** – Only 79% said they applied full costs in funding applications.
- **Increase in the demand of services**- 57% of infrastructure organisations experienced an increase in demand for their services during 2009.
- **Role of the third sector**- emphasising the sector's role as campaigning, co - designing services and delivering services
- **Compacts**- There is a question as to whether the Compact is robust enough.
- **Engagement**- planning and service delivery is being focused at a local level so the need for the third sector to engage and influence is increasing. Funding cuts threaten the sectors ability to influence the design of services and contribute to planning and decision making.
- **Equality and Diversity** with the national policy on equality leaning towards a pan equality approach and the emerging Single Equalities Bill. Challenges are placed in the sector to work collectively.

## WHAT HAPPENS NEXT

The evidence of need collated in this review has been used to inform the Funding Framework and **Regional Funding Action Plan**. This Strategic Third Sector Forum brings together Third sector infrastructure organisations and public sector partners to look at funding and the Compact. The Forum has committed to carry on the surveys bi-annually so that they can keep abreast of funding issues and adjust funding support in response.

Funding for infrastructure support is likely to decrease and so it is incumbent on us to evidence support needs and act upon that evidence so that front line organisations receive support which effectively meets their needs.

Jane Cater

VONNE Policy and Development Manager

# Evidence of the analysis

---

## **APPENDIX 1 UPDATED BUSINESS PLANS 2010- A SUMMARY**

**Regional Infrastructure Consortium- 7 existing objectives remain priority and the following new areas were added: –**

- |                                   |                            |
|-----------------------------------|----------------------------|
| 1. Recession resilience           | 2. Horizon Scanning        |
| 3. Campaigning                    | 4. Sustainable Development |
| 5. Prevention agenda              | 6. Personalisation         |
| 7. Asset Development and Transfer |                            |

**Tees Valley Infrastructure Consortium- 7 existing objectives remain priority:**

- |  |   |
|--|---|
| 1. Best infrastructure support                           | 2. Engagement in strategic planning                   |
| 3. Improved services                                     | 4. Mainstream equality in VCS                         |
| 5. Value and support volunteers                          | 6. Fit for purpose consortium to unlock funds for VCS |
| 7. Support innovation and public service delivery in VCS |   |

**Tyne and Wear Consortium – existing objectives remain priority and the following new areas were added:**

1. Responding to changes in income generation- procurement and service delivery
2. Resilience to the recession
3. Equalities- ensuring disadvantaged groups can influence policy and service provision

**Northumberland VCS Consortium- rewritten original plan to develop a consortium business case 2010-14 to cover following issues:**

- |  |   |
|--|---|
| 1. Advocating and giving a strategic voice for the sector and communities – engaging with public bodies on the sector’s behalf and influencing policy. | 2. Improving support services to the sector (funding and HR etc)                            |
| 3. Third Sector Equitability- promoting and embedding equality   | 4. Improving communications and relationships and promoting a compact way of working across |

sectors

5. Volunteering support at a countywide level

6. Encourage the development of thematic VCS networks

And local influencing factors include:

7. Local Government Reform – getting the relationships right for third sector engagement.

8. Recession and the impact on the sector

9. Increase in contracts and commissioning of services within the sector

**County Durham Consortium-ONE Voice Network- existing objectives remain priority and the following new areas were added:**

1. Local government Review merger of 7 districts into one unitary authority, new relationships and finance agreements with LSP
2. Area Action Partnerships- a new approach to community engagement
3. Sustainability of sector- funding cuts, lack of small grants and increased formal tendering
4. Opportunities for consortia bids, themed and targeted work

**APPENDIX 2 - RESPONSES TO THE CONSULTATION - SCOPING THE NEEDS FOR SUPPORT SERVICES IN THE THIRD SECTOR FEB 2010**

	Numbers out of 8 total respondents	Percentage of respondents
On line	5	63%
Postal	3	38%
Frontline	5	63%
Infrastructure	1	13%
Other	2	25%
Do think that giving frontline organisations vouchers to purchase individual "infrastructure" support services is a good idea?	2	25%
Don't think that giving frontline organisations vouchers to purchase individual "infrastructure" support services is a good idea?	3	38%
Don't know whether giving frontline organisations vouchers to purchase individual "infrastructure" support services is a good idea?	1	13%

<b>What are your priority support needs?</b>	
<p><b>FUNDING</b></p> <ul style="list-style-type: none"> <li>• Funding (advice and support)</li> <li>• Support in Tendering</li> <li>• Developing work that is self sustaining or self financing</li> <li>• Support in constructing / reviewing contracts, procedures and policies</li> <li>• High quality training on contracting, procurement, personalisation, individual budgets</li> </ul>	<b>6</b>

<b>PROMOTION</b>			
<b>PLANNING</b>			<b>1</b>
<b>EVOLVING</b>			
<b>OTHER</b>			<b>7</b>
<ul style="list-style-type: none"> <li>• Governance</li> <li>• Training in different roles of committee members</li> <li>• New ICT equipment</li> <li>• Collaboration</li> <li>• Volunteers</li> <li>• Help in publicity</li> <li>• transforming high level policy into local realities</li> </ul>			
<b>Traditional services offered by primarily infrastructure services can be categorised into 7 areas Please rank in order of priority from 1 to 7 from the list below.(1=lowest priority and 7=essential to your service delivery)</b>			<b>Rating</b>
<b>1</b>	<b>Identifying and filling the gaps-</b> ( <i>Identifying needs of frontline groups and facilitating improvement in service provision</i> )	2,7,5,5,6	25
<b>2</b>	<b>Raising standards-</b> ( <i>Assisting local organisations to function more effectively around areas such as Human Resources, ICT, Quality Assurance</i> )	1,4,4,6,7,7	29
<b>3</b>	<b>Enabling communication and collaboration-</b> ( <i>Facilitating effective communication, networking and collaboration amongst local groups. Developing networks, carrying out research, circulating briefing papers, producing newsletters, managing websites</i> )	4,7,6,6,6,7	36
<b>4</b>	<b>Providing a voice</b> ( <i>Enabling the representation of the diverse views of the local sector to external bodies. Supporting Representatives and feedback mechanisms, generating on line debates, managing campaigns</i> )	6,3,5,5,7,7	33
<b>5</b>	<b>Promoting strategic involvement-</b> ( <i>Enhancing the sector's role as an integral part of local planning and policy-making, informing and translating policy, advocating for the sector, facilitating debates, producing consultation responses</i> )	2,6,3,4,6,7	28
<b>6</b>	<b>Volunteering Support</b> ( <i>Managing and coordinating support for volunteers</i> )	5,3,1,5,7,7	28
<b>7</b>	<b>Compact development</b> ( <i>developing, implementing and promoting</i>	1,2,4,5,6	18

Compacts at a local level and improving engagement between sectors).				
<b>Respondents to the survey</b>	<b>Frontline organisations:</b>	<b>Infrastructure Organisations:</b>		
	Sally Young- Edward Lloyd Trust	Community accounting		
	Kate Welsh-Acumen	Alison Paton Age Concern		
	Hajara K - North Tyneside African Group	Alan Barnett - St Paul's Community Partnership		
	Beth Jirtle Hand in Hand			
	Nora Phipps Age Concern			

### **APPENDIX 3 - Views from the frontline**

The draft version of this Meta plan was circulated on line for the wider third sector audience to consider and comment. The majority of responses came from frontline organisations (68%) which we aimed for to balance the previous data captured from infrastructure organisations. The overwhelming priority for support needs from the survey confirmed that advice and support around **funding** was the number one issue for organisations at the current time. They also prioritised other services which they receive from infrastructure organisations such as governance, training, ICT, collaboration, volunteering, publicity and policy translation and influence. We asked respondents to rank in order of priority the core support services and the top three included:

- 1. Enabling Communication**
- 2. Providing a voice**
- 3. Raising standards**

These support services are often called on as and when they are needed so infrastructure organisations traditionally rely on grant donations rather than getting their income from selling services. This means that they become vulnerable to grant reliance and are at risk of public spending and funding cuts. This is important to notes as it will have an impact on the front line groups which need their support. The knock on effect to grassroots organisations will be great, if they don't have back up and support available when they are in crisis and of course this will filter down to communities and individuals who rely on charities and groups. As these services are so reliant on grants to enable them to deliver services in a needs based way, they are less likely to be able to sell their core services on a regular basis. The north east is predicted to be one of the worst hit regions by public sector cuts in the next few months which has a ripple effect on funding to the sector. If the frontline is the customer to infrastructure organisations, the survey is suggesting that there is still uncertainty around whether organisations would be willing or able to purchase support services on an "only when needed" basis. The survey suggested that 25% considered it a good idea to give frontline groups a voucher to go out and purchase support services on an ad hoc basis. Whereas 38% did not considered it to be a good idea, and 13% were undecided.

## **APPENDIX 4 - 2<sup>nd</sup> Feb Cross Consortia Event Report highlights. What was said?**

We asked delegates to consider three broad questions to help shape the focus of infrastructure development over 2010. This was a useful exercise which helps to consolidate the data captured from individual consortia on support needs and gives more validation to the Meta Plan.

### **How do infrastructure organisations respond to the challenges from OTS?**

1. Already responding, pooling resources, contracting with partners, working smartly (i.e. referral systems)
2. Deliver a better understanding of what leads to effective merger and collaboration
3. Recession, mergers, raising profiles,
4. Responding to changes in demographics
5. Need to understand local situation/implications and develop local approaches to respond and articulate this
6. Highlight impact and demonstrate benefit and address purpose

### **How do we respond well to the opportunities? What infrastructure services work well already, what are we good at doing?**

1. Rapidly and flexibly, can deliver in short timescales, lacking red tape. Willing to work cross sector and work in new ways
2. Good at constantly evolving & changing to meet new circumstances
3. Joining up disciplines, services
4. Can be flexible & responsive
5. Infrastructure organisations are good at supporting local needs and need to highlight the areas of response
6. Offer new ways of working in the sector

### **How do we promote and sell the value of infrastructure better?**

1. Better communication – commissioners, OTS, MP's, Private Sector, TUC
  2. Capture data and information better, promote the impact of outcomes not just outputs
  3. What would it look like, relationships with local authorities & politicians
  4. Develop better evidence, be clearer about exactly what we do and how/why it works
  5. Need to make a commitment to gathering data at local authority level
  6. Promote a clear understanding of infrastructure, influence, collaborate better and use local knowledge
-

At the event delegates were invited to include their priorities for infrastructure work over the next 12 months and they told us:

### **Funding**

- Funding
- Sustainability- finance is always very hard to come by
- Income generation
- Surviving
- Develop new initiatives that are sustainable and show value for money- and secure more income generated work.
- Find a way to secure some funding for a training package for our service users that will be ongoing
- Commissioning
- Efficiencies due to cost cutting

### **Promotion**

- Improving our evidence of the value of our organisation and sector
- Making the case
- Marketing and promotion
- Evidencing impact

### **Planning**

- Planning for the future
- Ensuring the sectors function in promoting the value that flows from its independence and voluntary nature and is accepted and respected as a partner within the county which can enhance the priority of voices provided by public agencies
- Develop a sound business plan that we can review on a yearly basis
- To complete our work plan and think about exit strategy as many of our activities can't be mainstreamed
- Safeguarding
- Strategic Future – will our organisation develop and grow or return to being wholly volunteer run?

### **Evolving**

- Long term development and meeting the key priority areas and agenda i.e. e-contracting, governance, personalisation, campaigning.
- Improving networks and opportunities to learn from others
- Regional Forum for dealing with the rural issues in the face of mainstreaming.
- Impact assessment of equalities in the Comprehensive Area Agreements.
- Continuing representation and campaign work
- Partnership work
- Improving skills in the third sector- frontline and infrastructure
- Partnership working to reduce reoffending and improve safer communities
- Diversification- managing competition
- Partnership working
- Quality Standards

## **APPENDIX 5 - Third Sector Trends Study 2010**

As part of the Northern Rock Foundation Third Sector Trends Study, a panel in the north east has identified the following issues as the main external challenges facing the third sector at the current time. Overwhelmingly 80% of the organisations asked said that changes in **funding** environment and **competition for resources** were the main area of concern. The other issues that were considered important to around 30% were **delivery of public services**, changes to political leadership with a general election imminent, but also an issue of feeling misunderstood by other sectors as well as effective partnership. There were other challenges considered by less than 20% of the panel which included changes in technology, compulsory volunteering and the effects on the sector.

The panel also considered main challenges within the third sector which included in order of importance which highlighted **securing funding** as the main areas of concern; this included the **competition** in the sector for resources and surviving in an environment with fewer grants. The panel also looked at issues within organisations such as **governance** and internal stability attracting appropriate trustees as a challenge which is vital to the evolution of the sector. Partnership working is another major challenge for the sector to get right and with fewer resources the push to work together is increasingly felt. Pressures are also being expressed around other factors such as delivering public services and managing volunteers.