

CAPACITYBUILDERS

BUSINESS PLAN

1 April 2006–31 March 2007

CONTENTS

Foreword	1
Capacitybuilders	2
ChangeUp programme	2
Role of Capacitybuilders	3
Corporate governance	3
Strategic direction	5
Objectives	5
Business Plan 2006/07	6
Business Plan 2006/07	7
Corporate Plan 2006–2009	7
Business objectives	7
Operational objectives	8
Governance	11
Financial resources	13
Annexes	
Annex A: Capacitybuilders objectives and Key Performance Indicators	15
Annex B: Risk register	26
Annex C: Board Directors, Managers and Regional Coordinators	28
Annex D: Organisation chart	29
Annex E: National Hubs – details and allocations	30
Annex F: Alignment with Cabinet Office strategic objectives	32
Annex G: 2006/07 payment profile	33

Foreword

Much progress has been made since 2004 to improve the efficiency and effectiveness of the voluntary and community sector (VCS). A significant element of that progress has been the establishment of the ChangeUp¹ programme and, more recently, the incorporation of Capacitybuilders (UK) Ltd (Capacitybuilders) to deliver that programme. Getting even to this point is a tribute to the energies and commitment of all involved – be this the Home Office Active Communities Directorate,² the Government Regional Offices, voluntary and community organisations (VCOs) or, indeed, the staff at Capacitybuilders.

The production of this Business Plan, and its associated Corporate Plan, is a definitive moment for Capacitybuilders; it recognises that our aim is to continually improve and develop the VCS through to 2014, but that this will only be possible through sound planning, responsible governance and clear accountability. The 2006/07 financial year is very much a time for putting a solid foundation in place and hence our priorities are to:

- establish and develop Capacitybuilders within the VCS;
- define our funding strategy and deliver grants; and
- initiate the vital action that will enable us to measure our progress in the years ahead.

The last point is particularly important to Capacitybuilders, as we are fully aware of the significant investment that has been made into the VCS and, therefore, the imperative to confirm that this investment is delivering the intended benefits. This Business Plan (BP06) summarises the actions and outputs that Capacitybuilders will deliver this financial year towards meeting our long-term goals and objectives.

We have made an encouraging start by delivering continuation funding to regional consortia³ and funding to the national Hubs,⁴ but many challenges remain, not least securing funding for beyond March 2008. Meeting and exceeding the targets set in BP06 will reinforce the case for continued investment in Capacitybuilders and the ChangeUp programme.

Chris Pond
Chairman

¹ Government funding programme developed with VCOs to build capacity and infrastructure in the sector.

² Machinery of government changes have transferred ministerial responsibilities and administrative arrangements for Capacitybuilders, and therefore ChangeUp, from the Home Office to the Cabinet Office.

³ Consortia organisations supporting frontline organisations in their communities.

⁴ Centres of expertise.

Capacitybuilders

ChangeUp programme

1. The 2002 Treasury document, *The role of the voluntary and community sector (VCS) in service delivery: A cross-cutting review* led to the instigation of a 10-year programme running from 2004 to 2014. The programme was called ChangeUp, and it was allocated £80 million of funding for 2004/05 and 2005/06.
2. The aim of the ChangeUp framework is that, by 2014, the needs of frontline VCOs will be met by support which is:
 - available nationwide;
 - structured for maximum efficiency;
 - offering excellent provision;
 - accessible to all;
 - reflecting and promoting diversity; and
 - sustainably funded.
3. The years 2004 to 2006 have been spent in developing the VCS infrastructure. This has been achieved by forming regional and sub-regional (county, borough or metropolitan borough) consortia to represent the many VCS organisations, and establishing the Hubs.
4. There is no standard pattern for consortia, but they all have the role of ensuring that the priorities for VCS service delivery are sector-led, rather than government-directed. There are currently 127 consortia in England.
5. In 2005, ChangeUp set up six national Hubs to address VCS infrastructure issues. The Hubs are national centres of expertise and are a primary means of developing VCS capacity in the key areas of:
 - finance;
 - governance;
 - ICT;
 - performance;
 - volunteering; and
 - workforce development.

Infrastructure

Infrastructure is the physical facilities, structures, systems, relationships, people, knowledge and skills that help frontline organisations to achieve their aims.

Consortia

Regional and local groupings of VCOs who have come together to agree priorities for actions and funding.

Role of Capacitybuilders

6. Capacitybuilders (UK) Ltd (Capacitybuilders) was incorporated on 14 February 2006 as a company limited by guarantee. It is also a non-departmental public body (NDPB). It commenced business on 3 April 2006 and assumed responsibility for delivering the ChangeUp programme from the Home Office. Capacitybuilders has a £70.8 million budget to fund ChangeUp for 2006/07 and 2007/08. Capacitybuilders has replaced the nine regional Government Offices in coordinating the delivery of ChangeUp funding to the consortia. Capacitybuilders' budget also includes funding for the Hubs. Within the overall budget of £70.8 million, the Cabinet Office has mandated the annual allocation up to March 2008 for both the consortia and the Hubs.
7. Capacitybuilders is also tasked with developing funding streams to other qualified VCS entities.
8. The provision of effective infrastructure support to frontline organisations applies as much to the social enterprise movement, social businesses and non-profit businesses with social purposes as to the traditional voluntary and community sector. In this year Capacitybuilders will also begin to identify opportunities for investment in social enterprise and the wider third sector.
9. At the same time, it is important to recognise that the third sector is not just about service delivery but also campaigning and effective leadership. Capacitybuilders is committed to enabling ChangeUp consortia to provide local leadership for the sector alongside its service provision. This involves helping local and sub-regional consortia articulate a strong "voice" for the sector in local areas.

Corporate governance

Legal

8. At the corporate level, there is a governance protocol between the Cabinet Office sponsor unit and Capacitybuilders. This protocol is enshrined within the Governance Management and Accountability Agreement and covers areas including:
 - the appointment and role of the Accounting Officer;
 - the role of the sponsor unit;
 - the business and affairs of the company;
 - the provision of information and assistance;
 - the corporate plan;
 - freedom of information; and
 - confidentiality and announcements.

9. Among others, the Capacitybuilders Board will seek views from the Infrastructure National Partnership (INP), as an advisory group to the Board, on its strategy and funding programmes. The mechanism through which this advice will be sought will be agreed between Capacitybuilders and the INP. The Cabinet Office will fund the INP to enable it to meet and fulfil its advisory function in 2006/07 and consider any applications for future funding. The Cabinet Office anticipates that the Capacitybuilders Board will seek advice from a range of other stakeholders, including frontline VCS groups, and will fund this consultation/advisory mechanism from within the ChangeUp funds allocated to it.

Principles

10. The Capacitybuilders Board will adhere to the following principles when making investments:
 - A minimum of 65% of ChangeUp funding will be invested regionally/locally.
 - Funding should support catalysing a step change, not funding core functions.
 - Funding decisions should be informed by, but not restricted to, the contents of the ChangeUp framework published in June 2004.
 - Funding decisions should be informed by and built on, but not be restricted to, the work completed on the Infrastructure Investment Plans (IIPs) at regional/sub-regional/local level.
 - Capacitybuilders should take forward, in the way it feels most appropriate, the work completed in January 2006 on mainstreaming diversity within ChangeUp.
11. Funding will not be made available through ChangeUp for the following purposes:
 - where there is a clear risk that it would be subsidising services or activities in such a way that would distort or threaten to distort open competition in line with current European Commission rules on state aid;
 - where the primary beneficiaries of the work would be outside of England;
 - where the primary beneficiaries would be animals; and
 - where the primary work would be promotion of religious activity.
12. Funding will not be available to the following types of organisations:
 - organisations that are not properly constituted bodies;⁵ and
 - organisations with purposes that include support for a political party, or political campaigning.

⁵ The Home Office requires that any bodies it funds have some kind of legal status and, for significant grants, requires that bodies have a management committee and that it sees a set of audited accounts.

13. As an NDPB, Capacitybuilders is charged with implementing policies that will enable it to adhere to the Government's approach in delivering UK sustainable development and, as part of its Annual Report and Accounts, a section will be dedicated to reporting on the achievements of implementing strategies on sustainable development.
14. As with all government bodies, Capacitybuilders is charged by its sponsoring department to seek efficiency gains. Creating greater efficiency is an important consideration for any public body, but it is not the sole driving force for our development strategy. Equally important is the need to fulfil important principles set by the Board:
- diligence, integrity and fairness, at all times;
 - a commitment to address diversity issues;
 - consistency of practice and procedure; and
 - streamlined and responsive management structure.

Strategic direction

Vision

15. Our vision is an independent, innovative, flexible, responsive and sustainable VCS which achieves its full potential in service delivery, policy analysis, community development and campaigning.

Mission

16. Our mission is to secure a **high-quality, sustainably funded infrastructure** for frontline VCOs. This should allow them to achieve their aims better and use their resources more effectively.

Principles

17. Capacitybuilders will:
- respect VCOs' independence;
 - take full account of diversity;
 - take account of frontline VCOs' experience;
 - recognise that a variety of approaches to capacity building may be successful; and
 - keep to the Nolan Report's public service principles.

Objectives

Key objectives

18. The key objectives for Capacitybuilders are to:

- improve the quality of infrastructure support to VCOs;
- encourage extra investment in infrastructure through demonstrating its benefits;
- ensure investment reaches diverse organisations; and
- develop knowledge of other funds available and influence policy and practice of other funders.

Achieving objectives

19. We will achieve our objectives by:

- creating and managing funds;
- helping organisations that offer infrastructure and capacity-building services to coordinate and cooperate with each other;
- supporting the development of infrastructure services;
- using the knowledge we gain of distributing funds to help develop policy and good practice;
- making an informed case to central and local government and other agencies for sustained, coordinated investment in VCOs over the long term so that they can develop their services and activities; and
- collaborating with others.

Business Plan 2006/07

Approach

20. It is against the background described thus far and the objectives stated that BP06 is produced. The key objectives are met by breaking these down into two subsets – business objectives and operational objectives.

21. The business objectives relate to Capacitybuilders as an organisation: establishing the brand; defining and communicating its place in the VCS; and meeting its statutory requirements in fields such as governance, finance, HR, diversity and equality, health and safety. There are in addition certain business performance targets that fall out from the key objectives.

22. The operational objectives relate to delivering funds to the VCS in accordance with our key objectives. The various programmes are described in more detail in BP06 itself.

Key Performance Indicators and measures

23. One of the business objectives is to develop more comprehensive Key Performance Indicators (KPIs) and measures. In this first year of operations, the baseline has yet to be established from which improvements can be identified, introduced and achieved. The targets and measures in BP06 are a starting position from which to develop further. Funds must be delivered in accordance with guidelines and so, for example, the measures are:

- meeting the key objective requirement;
- acting in accordance with the allocation guidelines; and
- delivering the allocation for each programme.