

Structural Review of Regional VCS
Infrastructure Provision in the East Midlands

FINAL REPORT

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SUMMARY

This report sets out the findings of an independent review of the regional arrangements for the provision of VCS infrastructure support in the East Midlands.

Infrastructure

There are significant problems in defining what VCS ‘infrastructure’ actually is, ascribing terms like ‘generic’ or ‘specialist’ to it and conceptualizing infrastructure geographically using the vertical hierarchy ‘layer-cake’ model proposed by the ChangeUp Framework. The realities on the ground are far more complex. The single most important thing we can say with confidence about VCS infrastructure support is that it should *ultimately* benefit frontline VCS groups, forums and networks serving the community or parts thereof. VCOs serving those frontline organisations also have capacity-building needs also and so in turn do organisations which support them.

What We Have

What VCS infrastructure support is available to VCOs based in the East Midlands?

- National VCOs of which there are over 300 eg NAVO, NACVS, NCVYS.
- Six National Hubs of expertise established under ChangeUp and now co-ordinated by Capacitybuilders.
- Some national VCOs are organised on a regional basis eg Volunteering England, CAB, NEMOCN.
- At least 16 substantive VCOs have been identified as providing infrastructure support – generic and/ or specialist – across areas larger than counties [sub-regions].
- In addition, there are many VCO networks operating at a regional and/ or sub-regional level.
- 181 sub-regional and/ or local VCOs operating across the six counties.

Infrastructure VCOs at regional and sub-regional levels are ostensibly organised via consortium which should co-ordinate and develop provision in accordance with an agreed Infrastructure Investment Plan.

What We Need

We need infrastructure and the VCOs who provide it to be:

- Fit for purpose – in terms of quantity, organisation and delivery.
- Inclusive – reflecting the needs and aspirations of all communities and, in particular, marginalised groups who historically have not had equal access to infrastructure support.
- Focused – a well defined and clearer set of roles and functions at all levels.
- Joined-up – in terms of the message promoted and the way in which regional VCOs work together to plan and provide support.
- Exceptional in quality – support which meets or exceeds expectations and which appears as best practice when benchmarked with provision available in other regions.
- Responsive – to the real needs and wants identified by frontline VCOs.
- Customised – to meet the specified needs and requirements of frontline VCOs.

Political, funding and capability issues are driving change. Infrastructure VCOs are beginning to acknowledge the need for greater clarity of purpose, increased efficiency and improved collaboration.

Where Do We Go From Here?

Vision: Third sector infrastructure organisations will ensure that, by 2014, the needs of all frontline VCOs are being met fully, efficiently, equitably and sustainably across the East Midlands.

Principles:

- Subsidiarity ~ working and investing close to the frontline
- Inclusivity ~ embracing the whole Third Sector and groups/ networks and frontline VCOs who have not had access to infrastructure support hitherto
- Integrity and Trust ~ mutual respect, disclosure of interests and courtesy

Strategic Objectives: Infrastructure VCOs [regional and sub-regional/ local] focus on the six high level objectives set out in the ChangeUp framework:

- Performance
- Workforce development and leadership
- ICT
- Governance
- Recruiting and developing volunteers
- Financing

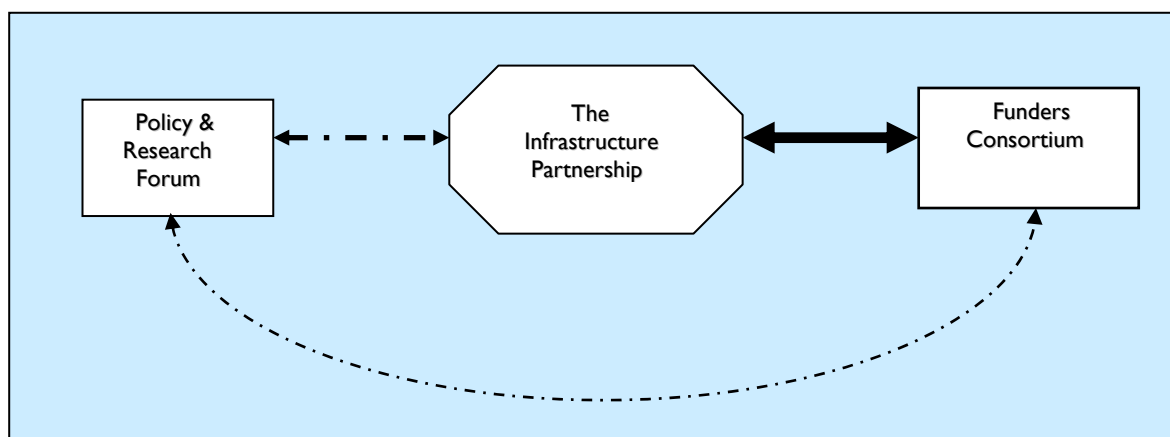
Strategic Priorities:

1. Improve quality
2. Mainstreaming equality and diversity
3. Achieve economies of scope and scale
4. Enhance sustainability

The main strategic/ generic role required at a regional level centres on strategic leadership, representation, advocacy, policy influence and communication. In reality, no single infrastructure VCO can automatically adopt this role without a large and active membership base and/ or consensus amongst other infrastructure VCOs. The best alternative is to accept this fact and seek to encourage and enable VCOs with this capability to work more collaboratively and more strategically.

A diverse, fragmented and somewhat fragile specialist infrastructure network is largely inevitable and in many ways appropriate. Rather than trying to structurally reconfigure or rationalise specialist provision ‘top-down’ we suggest that incentives are given to infrastructure VCOs to focus on addressing the six key Strategic Objectives and to naturally coalesce and collaborate in order to address the Strategic Priorities.

A new set of partnership-arrangements is required to develop and deliver a cogent Infrastructure Development Plan with the Vision, Objectives and Priorities set out above.



The Infrastructure Partnership is strategic and advisory. Generic or specialist, regional or sub-regional – all are members of TIP. With the support of a secretariat, its responsibilities are to:

- Oversee the development of an agreed Infrastructure Development Plan with support from a Policy and Research Forum [see below].
- Agree strategic actions [especially collaborative ones] relating to the implementation and review of the IDP.
- Champion investment in infrastructure development and modernization across the region's Third Sector.
- Advise the Funders Consortium [see below] on strategic priorities for infrastructure investment and those key issues and developments affecting the implementation and review of the IDP.
- Provide programme support and fund management expertise.

The strategic leadership/ influencing role for the sector should be shared amongst VCOs with relevant capability eg Engage, VOICE, CEFET, SEEM and the England Volunteering Development Council EM. They should be able to reach an 'Advocacy Partnership Agreement' which forms the basis for commissioning and/ or core funding.

A Funders Consortium consider and ultimately endorse the IDP and seek support for it from other key strategic bodies such as East Midlands Regional Assembly and Local Government East Midlands. The IDP, together with specific criteria governing programmes they advise on or administer [eg BASIS, Capacitybuilders], should guide their decisions about future investment priorities at both regional and sub-regional levels.

A Policy and Research Forum provide information, intelligence and advice to both TIP and FC and in some respects to Sub-regional Infrastructure Partnerships [Lead Bodies]. They provide a supportive role with regard to the development of the IDP. Functions of the PRF could primarily be sourced through commissioning from Engage EM and, through them, from other specialist VCOs on an as-and-when basis. Another possible scenario could be a partnership arrangement between Engage, VOICE and SEEM which may help pool expertise in key areas; this approach should be explored first in our view since it offers great potential but also logistical and other challenges unless organised with care. Alternatively, a competitive tendering process could be used to select an appropriate organisation to take the lead role for the PRF.

This report is attempting to chart a way forward for regional VCS infrastructure arrangements in the East Midlands. We hope it helps in that respect even if it disappoints at the same time.

I. INTRODUCTION

Introduction

- I.1 This report sets out the findings of an independent review of the regional arrangements for the provision of VCS infrastructure support in the East Midlands. It has been produced by an independent consultancy team comprising Clive La Court, Sarah Garner and Paul Taylor of **mtl** and Vaughan Galt of the Nottinghamshire Research Observatory.
- I.2 The review was commissioned and managed by a Project Steering Group [PSG] which comprised of the following people:
- Mick McGrath – Big Lottery Fund
 - Laurie Moran – CEFET
 - Wynne Garnett and Nicola Wade – Engage East Midlands
 - Fiona Holgate – emda
 - Emma Hagger – n-compass
 - Nik Trivedi – Voice East Midlands
 - Kevan Liles – Voluntary Action Leicester

Aim and Objectives

- I.3 The original Tender Document sets out the purpose and scope of the review with further refinements agreed at the inception meeting.
- I.4 The main purpose of the study is to provide an independent review of existing regional VCS infrastructure arrangements, assess future requirements and identify and appraise options for change.
- I.5 The brief also identified the following key issues to be addressed:
- Who has a stake in regional infrastructure? Who are the users, beneficiaries and customers?
 - What needs and expectations do these people have of regional infrastructure?
 - Current Delivery - what is available now?
 - Functions and added value – what difference is regional infrastructure making?
 - What is the picture in other regions?
 - Identification and analysis of the issues including the different models or approaches that could underpin regional infrastructure delivery.
 - Different options for the future and recommendations.

Activity

- 1.6 The activities undertaken by the consultancy team have been in accordance with an agreed work plan under the direction of the PSG; these have taken the form of:
- Background research.
 - Preparatory work.
 - Key consultations – a list of people interviewed is shown in the Appendix.
 - Analysis and report-writing.
 - Presentation of findings.

Clarification

- 1.7 It is important for the reader to note that this review is not and was not intended to be:
- An evaluation of any infrastructure organisation, regional or otherwise.
 - An investigation into the infrastructure needs of frontline VCS organisations.
 - A detailed mapping of sub-regional or local infrastructure provision across the region.
- 1.8 That is not to say that some or all of the above are not required, since they are. But this review focuses most attention on what regional infrastructure provision is required and how best it can be organised and funded.
- 1.9 We should also underline our intent to be as forward-looking and constructive as possible in our approach to this review and the presentation of its findings.

Draft Report

- 1.10 A detailed draft report preceded this one and was commented upon by several consultees. Much of the background information set out in that report remains valid and relevant, but in the interests of brevity we have not duplicated it here.

2. WHAT IS VCS 'INFRASTRUCTURE'?

Defining the Sector

- 2.1 There are voluntary organisations dealing with every conceivable area of civil society. The massive number of organisations who associate with the sector, the complexity of purpose and causes that organisations represent, and the extremely wide range of activities they are engaged in makes it impossible to clearly define the sector.
- 2.2 Although there is no one definition of the voluntary and community sector, it is generally accepted to represent a body of organisations operating in the space between the public and private sectors contributing to social, economic, environmental and civic development. It is often described as the third sector and/or the social economy. The social economy is, though, a broader concept as it also captures the trading and entrepreneurial activities of the social enterprise movement.
- 2.3 The 'general charities' definition is the most commonly accepted and is widely applied by, for example, the National Council for Voluntary Organisations [NCVO]; this identifies the following key defining characteristics:
- Formality – the people and their activities are subject to rules and procedures, and there is a recognisable structure in place.
 - Independence – organisations operate independently, autonomous to the statutory and private sectors.
 - Non-profit distribution – organisations direct proceeds generated from activities undertaken back into achieving the organisation's charitable objectives and helping the public.
 - Self-governing – they are in a position of determining their own course.
 - Voluntarism – there is a meaningful degree of voluntary giving of time and/or money.
 - Public benefit – organisations exist for the benefit of the wider public or specific groups within wider society, but not solely for the benefit of its own members.
- 2.4 However, the application of the above criteria excludes a number of bodies who sometimes consider themselves to be part of the VCS - religious groups, independent schools and colleges and some local community based activities without a formal structure.
- 2.5 The definition of the VCS used by the Home Office is:
- Registered charities, as well as non-charitable, non-profit organisations, associations and self-help groups and community groups. Most involve some aspect of voluntary activity, though many are also professional organisations with paid staff, some of which are of considerable size. Community organisations tend to be focused on particular localities or groups within the community; many are dependent entirely or almost entirely on voluntary activity.*
- 2.6 The abbreviations VCO – meaning 'voluntary and community sector organisations' – and VCS – meaning voluntary and community sector – are used extensively throughout this report. We have attempted to use other abbreviations sparingly.

Defining Infrastructure

2.7 In addition to the difficulty in defining the voluntary and community sector, there are also significant problems in terms of a definition of infrastructure; that is, what counts as infrastructure, and what does not.

2.8 ChangeUp has a relatively broad two-part definition, involving both a list of functions and services, and of organisations:

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

Infrastructure organisations are those whose primary purpose is to provide infrastructure functions or services [support and development, co-ordination, representation and promotion] to frontline organisations. They are sometimes called umbrella organisations, second tier organisations or intermediary organisations.

2.9 ChangeUp notes that the distinction between infrastructure organisations and frontline organisations is sometimes blurred where some infrastructure organisations also deliver services direct to individuals or communities.

2.10 The BLF's BASIS programme define infrastructure organisations as:

Organisations that provide information, advice, training and other support that help voluntary and community groups do their work better. They advocate and campaign on behalf of voluntary and community groups and sectors and help with networking and partnerships between them.

2.11 ChangeUp makes a distinction between what they term 'generalist' [or generic] infrastructure and 'specialist' [or specific] infrastructure:

- Generic infrastructure – infrastructure organisations who provide support to all frontline organisations within a particular geographical area.
- Specialist infrastructure – infrastructure organisations that provide support to a particular 'sub-sector' of the VCS or offer a specific area of expertise. The emphasis is on targeting or targeted support across potentially any geographic area – local, sub-regional or regional.

2.12 We can distinguish between four types of specialist VCS infrastructure but these are not mutually exclusive, they are:

- Particular groups of people or communities of interest such as: black and minority ethnic [BME] communities, disabled people, children, people of particular faiths, elderly people, young people, lone parents, asylum seekers, refugees etc.
- Issue-based support bodies relating to such as: social enterprise, public information, law, health, volunteering, learning, arts, sports, regeneration, housing, conservation, community care etc.
- Function-specific support and developmental organisations such as: ICT, legal, marketing, funding and finance, research, personnel etc.
- A particular geographic area and space and their issues: rural, remote, peripheral estate, inner urban areas etc.

- 2.13 We remain sceptical about the validity or helpfulness of making a stark distinction between ‘generic’ and ‘specialist’ infrastructure provision. There is something of a blur between what the distinguishing feature of either type of infrastructure – is it the spatial area over which support is delivered or intended to be delivered [ie the scale or reach], or is the type of provision or whether it is targeted or not [ie the scope or positioning]. Moreover, many VCOs [VOICE and Engage for example] combine elements of both generic and specialist support in so far as their functions are concerned.
- 2.14 According to the ChangeUp Framework VCS infrastructure is [or should be] provided at four levels:
- Nationally – also referred to as Tier 4 provision. This provision is mainly from:
 - ▶ National organisations such as the National Association of Voluntary Organisations and the National Association of Councils for Voluntary Service].
 - ▶ The specialist ChangeUp National Hubs; there are six in all.
 - At a regional level ie provision serving the sector, or parts of the sector, across the East Midlands; also called Tier 3. Examples might include Engage East Midlands, VOICE East Midlands and East Midlands Voluntary Youth.
 - At a sub-regional or local level ie arrangements organised on a county-wide or District basis or smaller; also referred to as Tier 2. VCOs operating at this level are also sometimes referred to as Local Development Agencies which include Councils for Voluntary Service, Rural Community Councils and Volunteer Centres/ Bureaus.
 - We then have frontline or end-use VCOs who are intended to be the key beneficiaries of infrastructure investment; also called Tier 1 VCOs.
- 2.15 We have reservations about this vertical hierarchy [‘layer-cake’] model or concept. On the one hand, it seems to grossly simplify VCS infrastructure arrangements at every level and on the other hand it seems excessively prescriptive, which raises the question as to whether this set of arrangements is desirable let alone feasible. It is also open to question whether, in practice, any single VCO has the capacity to provide an infrastructural role on behalf of such a large and diverse sector across such a large and diverse region.
- 2.16 CEFET have also pointed out that the model pays no regard to “Tier 0” un-organised, emerging groups of people who operate informally and/ or intermittently and who may require support to become a Tier 1 VCO. Some VCOs like themselves actually provide infrastructure support at a number of levels ie 0, 1 and 2.
- 2.17 VCS infrastructure provision is a derived demand, meaning the demand for it depends on consumer/ user needs and wants further down the chain. In other words, it’s a demand that exists as a by-product of demand for infrastructure support from frontline organisations. In that sense, regional infrastructure providers can be seen as part of the supply-chain behind sub-regional and local VCOs whose primary aim is to support frontline VCOs. As noted above, however, many regional infrastructure organisations deliver at sub-regional, local and frontline levels.
- 2.18 Taking these observations together it could be perfectly credible to put forward an argument that there are in fact no truly regional VCS infrastructure organisations at all in the purest sense.

3. WHAT INFRASTRUCTURE DO WE HAVE?

Introduction

- 3.1 As commented on in the previous section, it is crucially important to acknowledge that VCS infrastructure available to frontline VCOs is available at various levels and in various forms ie what might be termed ‘regional infrastructure’ is just part of a wider architecture of provision and is by no means unique.

National

- 3.2 There is a wealth of VCS infrastructure provided by national VCOs. Indeed, there are over 300 generic and specialist infrastructure organisations operating at a national level. Some of the better known national infrastructure VCOs are as follows:
- National Association of Voluntary Organisations [NAVO].
 - National Association of Councils for Voluntary Service [NACVS].
 - Action with Communities in Rural England [ACRE].
 - Volunteering England.
 - National Council for Voluntary Youth Services [NCVYS].
 - National Council of Voluntary Childcare Organisations.
 - The Ethnic Minority Foundation [Council of Ethnic Minority VCOs].
 - Community Matters.
 - Association of Charitable Foundations [ACF].
 - Association for Research in the VCS.
 - Community Transport Association.
- 3.3 National VCOs generally provide infrastructure support to sub-regional and local infrastructure organisations, but many of their services are also accessible to regional VCOs. In addition to providing advice and support, national bodies represent the third sector at a national and international level, undertake high level policy work and research on the sector, produce resource and development tools and build collaboration between VCS tiers and various agencies outside the third sector.
- 3.4 Six National Hubs of VCS infrastructure expertise were established under ChangeUp, these relate to:
- Finance
 - Governance
 - ICT
 - Performance
 - Volunteering
 - Workforce Development

- 3.5 The aim of the Hubs network is to bring together VCS infrastructure and other key stakeholders in their respective fields in order to:
- Improve their efficiency, coherence and strategic development.
 - Identify gaps.
 - Drive up quality.
 - Better equip those already providing support to the sector.
- 3.6 According to Capacitybuilders, the presence of the Hubs should also help to reduce the confusion in the sector about where to go for advice and support by providing a gateway through which organisations can access the full range of existing support and development services and opportunities. The national Hubs are being reviewed by Capacitybuilders this summer.
- 3.7 Clearly, linkages between regional infrastructure providers and their consortia on the one hand, and these national hubs on the other, are potentially important. The ChangeUp framework and web site says little about how this interaction is expected to take place in practice and we understand, to date, that much of this has been through representation on Hub Steering Groups by some regional infrastructure organisations [eg VOICE] and informal interaction directly or via the Hub web sites. More recently, a series of thematic events have been hosted by various Hubs.

Regional

- 3.8 The Regional Infrastructure Investment Plan identifies 25 VCOs as members of the East Midlands Regional Infrastructure Consortium . We now provide a brief profile of the majority of regional infrastructure VCOs in the East Midlands.
- 3.9 Engage East Midlands. Originally founded in 1996, Engage has three main aims:
- To champion the VCS and develop its relationship with other regional stakeholders so that it can contribute to and benefit from regional policy and delivery.
 - To address key development challenges facing the sector by taking appropriate action at a regional level.
 - To support the development of effective support services for VCOs across the region.
 - To ensure that Engage is sustainable and fit for purpose to deliver its strategic objectives.
- 3.10 Engage has a broad role which embraces: policy development and influence; advocacy; project development and implementation; trading activities to support income generation; provision of a variety of support services such as networking, information, finance, ICT and office services.
- 3.11 VOICE East Midlands were formally launched in 2000. Their mission is ‘to help, resource, develop and enable the BME VCS to play a meaningful role in the economic, social and cultural development of the East Midlands.’ VOICE have four Strategic Objectives:
- ▶ To unlock funding for the sector.
 - ▶ To increase the effectiveness of the sector through capacity building support.

- ▶ To be an informed voice of the sector and to promote its interests at a regional level.
 - ▶ To develop effective communication mechanisms to engage the sector.
- 3.12 VOICE EM's activities include: facilitating the development of sustainable BME sub-regional partnerships; organisational development [including advice, information and training]; lobbying and advocacy; networking; and research and consultation. VOICE also represent the interests of the BME VCS support via their participation in national networks and programmes including ChangeUp and the National Compact.
- 3.13 As mentioned earlier, VOICE can be seen as a specialist VCO but it also undertakes functions compatible with a generic VCO [like Engage] that target minority VCOs which VOICE identify as: BME people, disabled people, women, young and elderly people as well as asylum seekers and refugees. This suggests that VOICE have something of a distinct status amongst specialist regional VCOs.
- 3.14 Coordinating European Funding for the East Midlands Third Sector [CEFET] act as a bridge between VCS organisations and European funding but have recognised this role will diminish in the medium term. They now primarily support 'grass roots' VCOs to become sustainable and more effective in addressing the needs of the communities they serve. As part of their new membership structure, non-VCS bodies and national or regional bodies outside the East Midlands can also benefit from CEFET's work and expertise. CEFET's work is now dominated by social inclusion activity and this will remain their key priority.
- 3.15 Social Enterprise East Midlands [SEEM] was created by the social enterprise sector and key partners in the East Midlands [notably emda] to make sure that social enterprise in the region flourishes and grows. SEEM's aims are to:
- Realise the potential of social enterprises to contribute to addressing public policy goals.
 - Realise the potential of social enterprises to contribute to local economic renewal and regeneration.
 - Realise the potential of social enterprises to contribute to a more equitable and inclusive regional economy.
- 3.16 SEEM are engaged in several areas of activity which include: business support; procurement; information and research; and networking. Continuing to develop market opportunities for sustainable social enterprises by influencing strategy and policy development and implementation remains a key priority for SEEM. SEEM and social enterprises themselves relate to a slightly different set of networks and infrastructure than other parts of the VCS in some respects, notably in regard to regional business support and corporate social responsibility.
- 3.17 The England Volunteering Development Council East Midlands [EVDCEM] is the regional arm of the EVDC which exists to provide a representative voice for volunteering in England. The EVDCEM is a high level strategic body that is a cross-sector partnership of organisations with a stake in volunteering.

- 3.18 **FATIMA Women's Network.** This membership-based network aims to represent women's issues at a national, regional and local level, particularly women from BME or disadvantaged communities. Activities include training and employment services; networking events; information and advice; research; policy development; campaigning and advocacy.
- 3.19 **East Midlands Voluntary Youth [EMVY] network** was formed in 2000 by voluntary youth groups and networks across the region. EMVY aims to be an inclusive and diverse network providing strategic support, influence and advocacy for the sector at a regional level and nationally through its links with the National Council for Voluntary Youth Services.
- 3.20 **East Midlands Churches Forum** was established in 1998 in response to the Churches Together in England initiative. Its primary purpose is to support the Churches' representative on the East Midlands Regional Assembly and liaise with other regional bodies such as GOEM, emda and Local Government East Midlands.
- 3.21 **East Midlands ACRE Network [EMAN]** is the network of five Rural Community Councils in the region. It supports RCCs through capacity building, project development and policy development.
- 3.22 **Community Action Network East Midlands [CAN]** supports the development and promotion of social entrepreneurs. The CAN team and members deliver high quality community projects in almost every field of social change and service delivery, from homelessness to schools and from healthcare to recycling.
- 3.23 **EM5** is the regional consortium of Community Foundations which are, in turn, part of the national Community Foundations Network. Community Foundations are charitable trusts that support local community causes. Their role is to manage donor funds and build endowment as well as make grants to charities and community groups, linking local donors with local needs. EM5 took on the role of administrators and fund managers for the East Midlands ChangeUp programme from November 2005.
- 3.24 **Groundwork East Midlands.** A regeneration organisation working to improve the local environment, the lives of local people and the profitability of business. The six Groundwork Trusts in the region develop and manage many projects in conjunction with the many and varied communities they serve.
- 3.25 **East Midlands Tomorrow.** This network seeks to ensure that the challenge of demographic change is taken into account in regional strategies and policies for the benefit of today's and tomorrow's older people. Membership consists of older people's advisory groups, community groups, statutory agencies and individuals.
- 3.26 **Children's Links** is a registered charity based in Lincolnshire committed to improving the quality of children's life experiences in the county and surrounding areas. They offer membership services to over 130 organisations including advice, information and sign-posting and training. Other activities include fund management, quality assurance and advocacy and campaigning.
- 3.27 **East Midlands CVS Network.** A support network facilitating communication and sharing of good practice amongst the region's CVS'. Co-ordinated by Voluntary Action Leicester.

- 3.28 East Midlands Regional Disability Network. Set up in 2002 with the aim of: sharing experiences and ideas; addressing common concerns; responding to and influencing policy; and ensuring that disability issues are high on the regional agenda. We understand that the network is not currently active.
- 3.29 Other specialist regional networks with VCS involvement include:
- East Midlands Environmental Network.
 - Lesbian, Gay and Bisexual Consortium.
 - East Midlands Transport Activists Roundtable.
 - Community Programmes Network [formerly Community Empowerment Fund Network].
 - East Midlands School for Social Entrepreneurs.
 - Development Trusts Association.
 - Social Firms East Midlands.
 - East Midlands Co-operative Council.
 - Credit Union Network East Midlands.
 - Community Development Finance Association.
 - East Midlands Consortium for Asylum and Refugee Support.
- 3.30 There are also national VCO organisations providing specialist infrastructure on a regional, sub-regional and local basis for constituent members, these include:
- Volunteering England. The national volunteer development organisation for England. The East Midlands is part of a Regional Volunteering Development Team which, amongst other things, develops mechanisms to deliver regional volunteering infrastructure functions, supports volunteer-involving organisations and influences policy and opinion formers at a regional level.
 - Age Concern a national charity with a regional structure made up of local Age Concerns that operate throughout the region. It was established to help Age Concern take the opportunities of working at a regional level. This has meant influencing regional bodies such as the Government Office, the Regional Assembly and emda as well as identifying projects that can be delivered more effectively a regional level.
 - YMCA. A leading Christian charity committed to supporting all young people, particularly in times of need. YMCA's provide a range of services and facilities including housing, training, community health and fitness facilities and information and advice about money, work, crime and safety and parenting.
 - Citizen's Advice Bureau. The Citizens Advice service helps people resolve their legal, money, housing and other problems by providing free information and advice to the general public, and by influencing policy makers. The CAB has over 40 local offices across the region.

- North East Midlands Open College Network [NEMOCN]. A charitable company with a membership made up of organisations that provide learning opportunities within Derbyshire, Lincolnshire, Nottinghamshire and southern Staffordshire. Part of the National Open College Network, NEMOCN provides an accreditation service which helps widen access to education and training for all learners, but particularly those who have benefited least from available provision.
- British Trust for Conservation Volunteers. A leading charity supporting environmental conservation volunteering throughout the UK.

3.31 In March 2004 the key providers of regional VCS provision formed the East Midlands Regional VCS Infrastructure Consortium [EMRIC] to respond to the national ChangeUp Early Spend Infrastructure Programme. Subsequently, consultants employed to prepare the Regional Infrastructure Investment Plan [IIP] recommended a change in arrangements involving transition from EMRIC to a new set of arrangements comprising:

- A set of specialist hubs supporting sub-regional VCOs, feeding into...
- A central hub which takes the form of a Regional Strategy Group.

3.32 The Regional Strategy Group [RSG] held its inaugural meeting on 9th December 2004. The RSG terms of reference state its core purpose as being “to act strategically and as an advocate on behalf of the range of VCS organisations at regional level”¹ and its main functions as being to:

- Influence policy.
- Champion the sector at regional level.
- Secure efficiency and economies of scale at regional level to meet sector development needs.
- Work together to create the right environment for the growth of effective local infrastructure through interventions which may include for example - quality assurance, accreditation, brokering or mediation between second tier organisations.
- Provide of joint policy analysis and information.
- Act as a bridge between the local and the national structures that exist or are heralded in ‘Changeup’.

3.33 Engage acts as the lead body and Chair for the consortium, VOICE the Vice Chair. The majority of the specialist VCOs identified above are members of the RSG.

3.34 The East Midlands was allocated a total of £5,765,000 from the Home Office and DEFRA under the Main ChangeUp Investment Programme. This funding has been allocated in the following way:

- Total awarded to delivery regional projects: £293,085.
- Total awarded to deliver sub-regional projects: £4,324,520.
- Total ‘direct spend’ related to the programme: £463,306.
- Transition Fund: £658,000.

¹ RSG Terms of Reference Oct 2004 – March 2006 p1

Sub-regional and Local

- 3.35 Local infrastructure serving the sector is very diverse. The majority is specialist, but Volunteer Centres and CVS' provide generic [and some specialist] infrastructure support to a wide range of frontline community and voluntary groups and members of the public.
- 3.36 Using the membership of the sub-regional consortia² as a guide, we have identified a total of 181 sub-regional and/ or local infrastructure organisations with the following distribution:
- Rutland – 5 VCOs plus a Local Strategic Partnership, 1 local authority and the Welland Sub-regional Strategic Partnership [SSP].
 - Nottinghamshire – 37 VCOs.
 - Northamptonshire – 33 VCOs plus 7 local authorities and an SSP.
 - Lincolnshire – 24 VCOs plus 3 local authorities and the Learning and Skills Council.
 - Leicestershire – 36 VCOs plus 2 local authorities.
 - Derbyshire – 29 VCOs.
- 3.37 Six sub-regional consortia currently exist, these are:
- Derbyshire Voluntary and Community Sector Infrastructure Consortium [lead: Derbyshire RCC; a/c body: South Derbyshire CVS].
 - Leicestershire Consortium [lead: Voluntary Action Leicester; Leicestershire RCC].
 - The Lincolnshire Consortium [lead and a/c body: Lincolnshire Community Foundation].
 - Northamptonshire Voluntary and Community Sector Consortium [lead and a/c body: n-compass].
 - Rutland Infrastructure Consortium [lead and a/c body: Voluntary Action Rutland].
 - Nottinghamshire Infrastructure Consortium [joint lead: Nottinghamshire Association of Voluntary Organisations/ Nottingham CVS; a/c body: Nottinghamshire Community Foundation].
- 3.38 The key strategic purpose of sub-regional infrastructure consortia is:
- To plan the provision of VCS infrastructure support appropriately and ensure resources are used cost-effectively via the development and delivery of an agreed Infrastructure Investment Plan.
 - To sustain and improve infrastructure organisations and provision supporting the diverse needs of geography, interest and culture across the sector.
 - To ensure the continued development of VCS infrastructure provision and manage the continuation of ChangeUp and other funding programmes and various initiatives.

² Lists of consortia members are shown on the ChangeUp EM website: www.eastmidlandsinfrastructure.org.uk

4. IS WHAT WE HAVE WHAT WE NEED?

Introduction

- 4.1 This question is extremely difficult for anyone, anywhere to answer with any significant degree of confidence. Why? There are at least four reasons:
- The question is phrased in terms of ‘need’ and not ‘want’.
 - There exists such a vast array of organisations providing infrastructures services to varying degrees and of various types, at various levels to a very diverse sector.
 - There is clearly a knowledge gap – there is no comprehensive or reliable evidence base to draw on which maps the VCS infrastructure needs at a regional level, although sub-regional IIPs do identify needs at that and local levels, to some extent at least.
 - It’s not just the volume or content of infrastructure support that is at issue but also its accessibility and quality as well.
- 4.2 There is also another important question which is equally difficult to answer and that is this – even if what we have is what need, is it sustainable anyway?
- 4.3 We have attempted to address these questions as best we can by drawing on the available evidence at this time – from our consultations across the region, background research and the conversations we had with stakeholders in some other English regions concerning VCS infrastructure.

What We Need

- 4.4 The ChangeUp Framework, and most of the consultees we spoke with, seek to address this issue in terms of types of generic and specialist infrastructure which are required based on their knowledge and experience, with the implication or outcome often being in terms of: ‘we need more of this, less of that and about the same of the other’. We think this is misleading.
- 4.5 The real issue is this: given what we have by way of infrastructure VCOs – what should be delivered to address the infrastructure needs of frontline VCOs and by whom? This issue has to be considered within a context in which the region does not have a fit for purpose IIP and the sub-regional IIPs, though better, are not entirely consistent with each other and therefore capable of being ‘scaled-up’ into a meta [regional] Plan.
- 4.6 Fortunately, we already have a good idea about what the core infrastructure needs of frontline VCOs are because they were identified from research commissioned to inform the national ChangeUp Framework and they are about improving:
- Performance.
 - Workforce development.
 - ICT.
 - Governance.
 - Recruiting and developing volunteers, and
 - Financing.

- 4.7 What we really need are infrastructure VCOs and/ or other organisations within or outside the Third Sector who are best placed to address these six priorities whether individually or in partnership, whether at a local, sub-regional or regional level.
- 4.8 In terms of approach, what are the hallmarks of exemplary infrastructure provision here and elsewhere? Our consultations suggest they are as follows:
- Fit for purpose – in terms of quantity, organisation and delivery.
 - Inclusive – reflecting the needs and aspirations of all communities and, in particular, marginalised groups who historically have not had equal access to infrastructure support.
 - Focused – a well defined and clearer set of roles and functions at all levels.
 - Joined-up – in terms of the message promoted and the way in which regional VCOs work together to plan and provide support.
 - Exceptional in quality – support which meets or exceeds expectations and which appears as best practice when benchmarked with provision available in other regions.
 - Responsive – to the real needs and wants identified by frontline VCOs.
 - Customised – to meet the specified needs and requirements of frontline VCOs.

What We Have - Key Features

- 4.9 The previous section of this report provides a review of infrastructure provision and organisational arrangements for VCOs in the East Midlands. From that we offer the following observations:
- By and large VCS infrastructure at all levels has developed in a piecemeal and uncoordinated way and without any clear or consistent strategic direction.
 - Much of what we identify as ‘regional infrastructure’ is relatively new. Funding, [ChangeUp in particular] provided a major impetus to the development and expansion of infrastructure at a regional level.
 - Under the ChangeUp Framework a relatively small subset of regional infrastructure VCOs received project-based funding with Engage attracting by far the largest investment. The overall focus of the programme has not been on the Third Sector as a whole but on the VCS with social enterprise in particular seeming to take a ‘back seat’ position.
 - We have several national bodies with a regional presence offering infrastructure services ie Volunteering England, Age Concern, YMCA, CAB, BTCV and NEMOCN.
 - Although there appears to be one generic regional infrastructure provider [Engage], VOICE are supporting the development of sub-regional and local BME infrastructure organisations which they can [also] offer generic support to. We should also note that local CVS’ offer generic infrastructure support to frontline groups, forums and networks at a local and neighbourhood level, and some of these services [eg information, policy advice] are available from national VCOs such as NAVO and NACVS. In practice, generic VCS infrastructure is really quite dispersed.

- The majority of regional infrastructure organisations focus on specific communities of interest [ie groups of people and the issues affecting them in particular] and on issues of broad significance to frontline organisations in particular settings. Most face capacity constraints due to limited resources, including core funding and expertise, which would enable them to work extensively and intensively at a regional level.
- There exists substantial generic and specialist infrastructure provision at the local level across the East Midlands. There is capacity and capability at this level but there are also undoubtedly gaps, duplications and inconsistencies in the scale, scope and quality of sub-regional infrastructure support.
- The majority of VCS infrastructure organisations are membership-based, or at least have membership schemes.
- The Regional and Sub-regional Infrastructure Consortia have had little time to develop and mature and they have mainly focused on issues relating to accessing funding for project development to date. Sub-regional consortia clearly face capacity limitations which may frustrate efforts to give them a more strategic role in infrastructure development on a pan-regional basis.
- The Regional Strategy Group does not function as a partnership between regional and sub-regional VCOs and funders but then it was not really designed with this aim in mind. The role of funders in the RSG is unclear.
- Interaction with the National ChangeUp Hubs has been rather limited but seems to be improving with the advent of Capacitybuilders.

What Are the Drivers of Change?

- 4.10 Another way we want to approach the issue of ‘is what we’ve got fit for purpose?’ is by looking ahead and briefly considering the drivers of change affecting the sector.
- 4.11 Assessing the challenges facing such a diverse and complex sector is no easy matter, but our research and consultations have picked up on some key issues facing VCS infrastructure organisations and these are summarised below.

Politics

- There is certainly a presumption of the continuation of an enabling political, fiscal and legal framework benefiting the sector, at least in the medium term. At a national level it is broadly acknowledged that the sector plays a key role in social inclusion and has the potential to play an even greater role in public service delivery.
- It appears that there is less of a political consensus about the optimal size, shape and structure of the VCS at a local authority level, either county or unitary.
- There is a growing political debate within the VCS about its future direction with some commentators within the sector beginning to question the extent to which it is at risk of losing its independence and status as the third sector and almost becoming a quasi-public service.

Funding

- Capacitybuilders and the BLF’s BASIS programme provide the most immediate opportunities for investment in VCS infrastructure but the scale of funding available and the mechanisms for its allocation are different than the earlier ChangeUp investment programme.

- Both emda and GOEM have signaled changed priorities in the targeting and application of future investment in VCS infrastructure. An increase in funding is unlikely and there is to be a move away from core funding towards a commissioning approach.
- Sub-regional Strategic Partnerships have embarked on a sub-regional investment planning process which will include consultation with Sub-regional Infrastructure Consortia and their members. SSPs play a lead role in the delivery of outcomes under the Regional Economic Strategy.
- The availability and type of funding for infrastructure from other sources is uncertain, particularly with regard to local government where the likely impact of Local Area Agreements and more limited public spending generally raise real uncertainties within the sector. GOEM have appointed LAA Lead Offices to work across the sub-regions.
- Recent developments in the move towards the achievement of full cost recovery in service delivery has not been as extensive as is widely portrayed which may reflect the continued lack of understanding by funders over its legitimacy, necessity and practical application.

Capability

- There is already a trend towards achieving greater efficiency in the organisation and management of resources throughout the sector, partly driven by funding issues but also by increasing professionalism.
- As the sector increasingly moves into a larger arena concerning service delivery whilst at the same time becoming more experienced at it, we should expect great exposure to competition from the private sector and, interestingly, from local authorities as well given their community development capabilities and aspirations.
- In a tight and segmented labour market it is already proving difficult to attract and retain the most productive and motivated staff, management and volunteers.
- The capability of sub-regional and local VCOs to meet an increasing share of their own generic [especially information] needs is also an issue. This appears to be growing and is likely to continue to do so.

What are their Implications?

- 4.12 Given these challenges and opportunities facing infrastructure VCOs, what are the probable implications in the near to medium term? In overall terms we believe they will centre on the need for:
- Greater clarity of purpose – clearer goals and intended outcomes and a re-focusing on the needs of frontline groups, networks and organisations.
 - Increased efficiency – working smarter.
 - Improved collaboration – working together.

- 4.13 There are SEVEN more specific issues.
- 4.14 The first, most obvious and perhaps most profound issue is that the funding outlook for the sector's infrastructure is more uncertain and unstable. There are two key reasons:
- The amount of funding available. It seems unlikely that the existing scale and scope of provision is sustainable in its current form.
 - The level at which future investment is to be made. There is a clear indication that future priority is being given to investment in local and sub-regional infrastructure which is closest to frontline delivery to communities, especially to those VCOs who have not hitherto benefited from infrastructure support. The theme of subsidiarity is picked up later.
- 4.15 Second, greater emphasis will need to be given to cooperation and integration [or at least alignment] with regard to strategic planning and investment by funders and policy makers at regional and sub-regional levels. They will demand a greater say in establishing, agreeing and communicating their priorities for returns on infrastructure investment than has been the case in recent years.
- 4.16 Third, investment in provision will have to become more strategic. A cogent Infrastructure Development Plan will be essential and so will its relationship with other strategies such as the RES, Regional Integrated Strategy and Regional Spatial Strategy.
- 4.17 Fourth, we foresee an expectation that the sector give greater weight and evidence to its role in economic inclusion [not only social and civil renewal and environmental sustainability] and to more specific and tangible outcomes from investment in VCS infrastructure. The economic benefits of VCO infrastructure investment will be of particular relevance to Sub-regional Strategic Partnerships as well as emda as a whole in future years. This trend may also be given greater political impetus at a national level in years to come although this is a matter of some speculation.
- 4.18 Fifth, human [capital] resource development within the sector will be of key importance to future survival and success – the attraction, retention and career progression of employees and volunteers will be vital to VCO sustainability. But the availability of suitably skilled and experienced people to fill the necessary roles is likely to be limited.
- 4.19 Sixth, there will be growing pressure on minimising unnecessary overheads by, for example, sharing back office functions, co-location and strategic collaboration in areas such as marketing, ICT and human resource development.
- 4.20 And finally, in light of the above, pressures to achieve efficiency gains, reduce overlaps and fill gaps will require greater and more enthusiastic collaboration than has hitherto been the case. Consortium-working must be replaced by partnership-working, cooperation by collaboration and rivalry by alliances if not selective merger or wholesale integration.

5. WHERE DO WE GO FROM HERE?

Introduction

- 5.1 We believe the previous section of this report demonstrates that change in regional VCS infrastructure in the East Midlands is both desirable and inevitable.
- 5.2 This section seeks to articulate a path, or perhaps just a direction, which stakeholders in regional *Third Sector* [TS] infrastructure may wish to follow. We make reference to the TS because it is important to acknowledge that the issues facing social enterprise need to be considered alongside and on a par with those of VCS organisations. To avoid confusion, however, we will continue to refer to the VCS in the remainder of the report.
- 5.3 Our main focus is on regional VCO infrastructure but many of the messages we convey also apply to sub-regional and local infrastructure arrangements.
- 5.4 In this section:
- First, we state the two key propositions on which all our proposals are ultimately based.
 - Second, we provide a strategic framework for infrastructure which is intended to give a sense of strategic direction and coherence.
 - Third, we specify what we believe is the unique role and functions of regional infrastructure provision and how specialist provision can be accessed.
 - Fourth, we suggest a set of arrangements for managing the continued development of VCS infrastructure within what we understand to be the main parameters of policy and funding availability.
 - Finally, we summarise our key proposals against a timeframe which provides the basis for a more detailed action plan.

Conclusions

- 5.5 We have to anchor our proposals. We've chosen to do that by setting out three fundamental conclusions from our work. You may of course disagree with either or both of these conclusions but at least we have made them explicit and you now know 'where we are coming from'.

Conclusion ONE

- 5.6 We have concluded that:
- The primary aim of any and all infrastructural support should be to address - in one way or another, directly or indirectly - the needs of frontline voluntary and community organisations.
- 5.7 This means that any future investment in infrastructure, and the activity it helps support, should be made with this aim in mind.
- 5.8 It also means that investment does not have to be confined to infrastructure provided by or within the Third Sector.

- 5.9 It does not mean that infrastructure organisations that operate on a regional basis cannot or should not offer support to frontline groups or forums in circumstances where these cannot be provided cost-effectively at other levels.
- 5.10 VCOs will have other aims – which they may or may not wish to refer to as ‘secondary’ – and they may have another primary or principle aim other than the one we propose. But if the infrastructure needs of local and sub-regional VCOs are being met cost-effectively then trustees and funders of regional VCOs generally tend to be happy.
- 5.11 We live in the real world and we must therefore acknowledge that in practice all infrastructure VCOs have three sets of ‘customers’ or ‘key stakeholders’, namely:
- The VCOs they serve, as noted and emphasized above.
 - Their trustees and/ or Board members.
 - The organisations who fund them who also have objectives, targets and priorities they have to address through their engagement and investment activities.
- 5.12 Reconciling the needs and demands of these stakeholders is very rarely easy.

Conclusion TWO

- 5.13 As we mentioned in the last section, we believe that a debate about whether we need more or less of particular types of generic and specialist infrastructure support is likely to prove inconclusive and perhaps even counter-productive. Vested interests will always and quite understandably frustrate efforts to reach even a considered view let alone agreement or consensus on this matter. The problem is further compounded by lack of compelling evidence base at this time.
- 5.14 We think it is better to adopt a more pragmatic position as follows: we don’t wish to prescriptively re-configure provision by means of rationalisation, merger or structural change, but rather to focus on:
- What a VCO can do to address a set of common strategic aims and objectives [which reflect frontline VCO needs];
 - What funders’ decide they are willing and able to fund; and
 - How best to improve value for money whilst adhering to key principles.
- 5.15 Therefore:
- We think the fundamental needs of frontline VCOs in the East Midlands are basically the same as they are in other regions and, in many respects, they are very similar amongst frontline VCOs irrespective of the geographic area they serve, the communities of interest that support and the key sectors they operate in. The majority of their core needs centre on money, people and being effective and credible.
- 5.16 We believe the divergence tends to be around how these needs can best be met given the size and especially the diversity of the sector and the priorities and availability of funding for infrastructure development.

Conclusion TWO

- 5.17 Efforts to bring about more coherence to infrastructure provision, and to improve its quality, should centre on providing a strategic framework for cooperation and partnership-working. The idea that duplication of provision, inter-organisational rivalries and lack of strategic focus can be ‘managed-away’ may be attractive to some but it is misguided.
- 5.18 The regional and sub-regional infrastructure consortia in this region, and others, had little time to take root before attracting and spending ChangeUp funding became the key priority. These consortia remain under-developed but it is only the Regional Infrastructure Consortium which appears to us to be irreparable. Incentives [not just financial] need to be provided to knit together infrastructure organisations at all levels whilst supporting them through dedicated resources, specifically: information and intelligence and money. Consortia need to be strategically focused but membership and participation in them must remain voluntary and open to all.

Strategic Framework - Overview

- 5.19 Box A summarises the Strategic Framework we are proposing for VCS infrastructure development in the East Midlands.

Box A: Strategic Framework



Vision

- 5.20 Developed in partnership with the VCS itself, ChangeUp’s vision is that by 2014 the needs of frontline VCS groups and organisations will be met by infrastructure support which is:
 - Available nationwide.
 - Structured for maximum efficiency.
 - Offering excellent provision.

- Accessible to all.
- Truly reflecting and promoting diversity.
- Sustainably funded.

5.21 This is a sound enough Vision in our view. All VCO infrastructure stakeholders in the East Midlands should be able to fully endorse and share this Vision but they also need to articulate their own.

5.22 We suggest something simple, along the lines of:

Third Sector infrastructure organisations will ensure that, by 2014, the needs of all frontline organisations are being met fully, efficiently, equitably and sustainably across the East Midlands.

Key Principles

5.23 To provide some meaningful basis for our proposals we have identified THREE fundamental principles which provide a platform on which to build:

- **Subsidiarity.** To avoid confusion and duplication we believe regional VCS infrastructure organisations and funders need to purposefully adopt a policy of subsidiarity. Regional infrastructure organisations should only undertake roles and functions appropriate to that Tier and to their constituency and membership. This does not necessarily mean that regional VCOs should not support local or frontline VCOs in certain circumstances but these must be transparent and justifiable.
- **Inclusivity.** An approach which embraces the third sector in its entirety ie both the VCS and the social enterprise sector since these are both sub-sets of the Third Sector. Also giving priority to VCOs and 'grass-roots' groups/ networks who have not had access to infrastructure support before.
- **Integrity and Trust.** We all need to demonstrate integrity with stakeholders, maintaining mutual trust. Dimensions of integrity include respect for each other, confidentiality, avoidance and/ or disclosure of conflict of interest, compliance with relevant policies and regulations and courtesy to one another.

5.24 These seem to us to be reasonable and appropriate principles in the East Midlands context and all stakeholders should be able to sign-up to them in spirit and hopefully in practice as well.

Strategic Objectives

5.25 All VCS infrastructure organisations – regional, sub-regional and local – should focus on the SIX high-level Strategic Objectives identified in the national ChangeUp framework as a minimum. These objectives reflect the key priorities of frontline organisations who serve the interests of the vast majority of communities across the nation. We see little reason why these shouldn't be just as applicable to the East Midlands context as they are to any other region.

5.26 The common agenda for the future development of regional, sub-regional and local TS infrastructure should centre on improvements in frontline VCOs which focus on:

- Performance
- Workforce development and leadership

- ICT
- Governance
- Recruiting and developing volunteers
- Financing

- 5.27 These should be the Key Strategic Objectives of a single and inclusive Infrastructure Development Plan [IDP] for the East Midlands. This IDP should identify priority actions within each of these themes at *both* regional and sub-regional levels.
- 5.28 We should note that the ChangeUp National Hubs provide expertise in precisely these six areas.
- 5.29 We make recommendations below regarding how these priorities can be arrived at but obviously there is not a blank page since a great deal of accumulated knowledge [if not research] exists about these matters. Capturing and applying that knowledge through better collaboration and research remains a key issue.
- 5.30 Research and debate will no doubt identify other Strategic Objectives but we suggest that these SIX themes provide a sound enough platform on which to build and they should be supported by all key stakeholders.

Strategic Priorities

- 5.31 If we are aiming to achieve the Vision and Strategic Objectives with the guiding principles in mind, VCO infrastructure organisations need to work together to collectively address some key Strategic Priorities for action.
- 5.32 There are FOUR:
- To improve quality. In order to increase added value and customer focus greater attention and resources should be devoted to enhancing quality rather than capacity in its narrow sense ie volume of provision. There is a particular need to reconnect infrastructure support to the needs of frontline VCS organisations.
 - To mainstream equality and diversity. Mainstreaming equality and diversity requires that the needs of the BME and faith sectors, the community sector, and rural organisations and social enterprises should be an integral part of the strategy and be reflected through subsequent planning, decision-making, design and access. There is a role for both specialist and generic regional infrastructure to support a diversity of VCOs in a collaborative way.
 - To achieve economies of scope and scale. Any strategy for strengthening the sector's infrastructure should encourage more formal partnerships and collaborative working amongst regional VCOs and with national and sub-regional infrastructure arrangements and VCOs. Sub-regional and regional consortia need to be more clearly engaged and blended than is presently the case.
 - To enhance sustainability. To enhance sectoral and organizational development and capability, infrastructure VCOs should develop their capacity to achieve a sustainable funding mix and funders acknowledge this as a legitimate and worthwhile endeavour which they support where possible and appropriate. The primary intention should be to sustain only the best infrastructure provision however.

A Fresh Approach

- 5.33 We now make proposals for partnership arrangement which we hope will meet with something approaching a consensus amongst key stakeholders – VCOs, social enterprise and funders in particular.
- 5.34 The Vision and these proposed arrangements are intended to go beyond managing funding from Capacitybuilders and BASIS, emda and GOEM, and indeed other sources of finance. But clearly these are critical short to medium term priorities. The key features of the proposed arrangements for the effective management of regional infrastructure are as follows:
- An approach which ensures the interests of the Third Sector as a whole are taken into account.
 - A transition from consortium to partnership-working and incentives for collaboration.
 - Improved clarity of roles and relationships.
 - Greater emphasis on addressing equality and diversity through generic – specialist VCO collaboration.
 - A basis for more sustainable funding of core functions.
 - Realism.

A Strategic Regional Role?

- 5.35 In principle, the vast majority of frontline VCS infrastructure needs can and should be met by local and sub-regional VCOs under the guidance of their consortia. What therefore needs to happen at a regional level [as a minimum] which cannot cost-effectively be done at any other level and which specifically benefits VCOs who work at a sub-regional and local level?
- 5.36 There is a complication here of course and that relates to definitions – some infrastructure VCOs challenge being classified as either regional or sub-regional pointing out that they work at various levels in accordance with their own aims and objectives.
- 5.37 Nevertheless, our consultations and research clearly indicate to us that there is a key strategic requirement at a regional level for:
- Strategic leadership for the entire VCS
 - Strategic interface with national and regional stakeholders
 - Representation on regional bodies
 - Policy influence
 - Policy interpretation and dissemination
- 5.38 To fulfil this role we anticipate a great deal of interaction and dialogue with strategic bodies will be called for, including: GOEM, emda, Capacitybuilders [national and East Midlands and the East of England], East Midlands Regional Assembly, BLF, Local Government East Midlands, Learning and Skills Council and so forth. The ChangeUp National Hubs will be a key resource given the proposed Strategic Objectives for the East Midlands Infrastructure Development Plan.

- 5.39 The key functions which complement this role are:
- Engagement and networking
 - Advocacy
 - Lobbying
 - Research and intelligence
 - Communications and dissemination of information and intelligence
- 5.40 At the present time these roles and functions are being addressed by several VCOs [including sub-regional and local] in a largely uncoordinated way which sometimes gives rise to confusion and unhelpful competition. Whether this is an inevitable situation is an interesting question. It is also important to note that this state of affairs is by no means unique to the East Midlands, indeed far from it.
- 5.41 Our consultations suggest that there is a need and a willingness to improve on the existing state of affairs so that all infrastructure and frontline organisations can benefit from a strategic leadership, advocacy and policy development role. There appear to be two ways forward.
- 5.42 The first is to identify and enable a single VCO to act as the strategic leader and to provide a single inclusive regional ‘voice’ for VCS infrastructure organisations. This may be desirable but is it realistic or acceptable in the near term? We have concluded that it probably is not, for three reasons:
- The sector is too large, diverse and fragmented – there are too many complex interests, organisations, stakeholders and issues.
 - There are differing interpretations as to what this role actually involves and a degree of scepticism as to what it can or does achieve in practice.
 - There is more than one candidate for this strategic role at the regional level – although Engage East Midlands were largely established to perform this very role, other organisations could and do claim to be in a better position to represent the interests of particular communities of interest eg VOICE with regard to BME and other disadvantaged groups and SEEM with regard to the social enterprise sector.
- 5.43 The second response is to accept that different VCOs [regionally and sub-regionally] will continue to represent the interests of the sector and to try to ensure they do this more effectively and more collaboratively. Easier said than done, but this is the only realistic way forward in our view. This should not be misinterpreted as a case for maintaining the status quo since it will only work if the key parties abide by a Partnership Agreement.
- 5.44 Interestingly, there is one success factor which is common to both scenarios: leadership and influence depend on the strength of engagement with the sector. Without a significant and active membership base a VCO [regional or otherwise] will not be able to provide effective policy leadership. It therefore follows that any VCO wishing to play this role needs to increase the number of members it has and significantly increase their engagement with that membership base.

Specialist Infrastructure

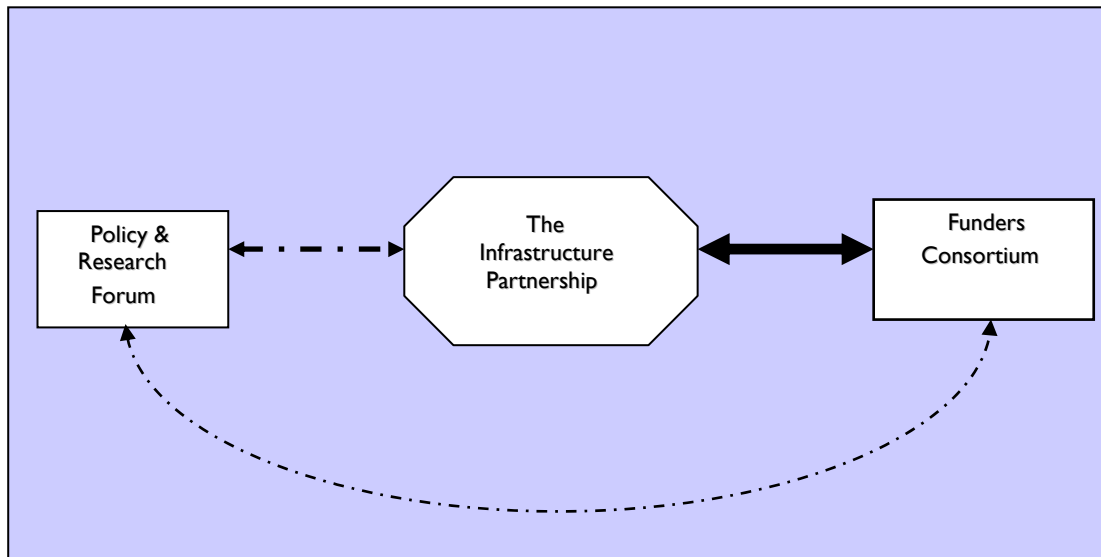
- 5.45 Earlier in this report we demonstrated that there is significant specialist [and some generic] infrastructure available at the sub-regional and local levels as well as regionally. We also pointed out that the majority of ‘regional’ infrastructure providers support to VCOs at sub-regional and local levels and to frontline VCOs. The picture is a complex and dynamic one.
- 5.46 Our view about ‘regional’ specialist infrastructure provision is a straightforward one:
- A diversity of specialist infrastructure/ delivery VCOs is inevitable and it should broadly be welcomed because in many respects it is in keeping with the nature of the VCS itself. Specialist VCOs will continue to be subject to considerable change and turbulence which is a natural consequence of their role and the limited resources they generally have to depend on.
 - Specialist VCOs – including networks and forums – must be able to demonstrate to their trustees, funders and others that they are successfully engaging with the sector at sub-regional and local levels and that they have, as their core purpose, providing well defined infrastructure support services to their members. Unless they can achieve a ‘critical mass’ of support and engagement they will become unsustainable.
 - VCOs may or may not always be best placed to address the Strategic Objectives [infrastructure needs] of frontline VCOs or those who support them at sub-regional or local levels. Alternative sources of infrastructure provision include the private, social enterprise, academic and public sectors.
 - There may be scope [subject once again to the ‘acceptability test’] to integrate or harmonise some strands of specialist provision with more generic kinds by sharing back office functions or co-locating workers/ volunteers. For example, could EMVY, EMT and EMCF develop a closer functional relationship with Engage? Similarly, there may be scope for co-location or even integration of some regional organisations operating in the field of social enterprise.
- 5.47 Rather than trying to structurally reconfigure or rationalise specialist regional [and/ or sub-regional] infrastructure organisations we suggest that incentives are given to infrastructure VCOs to focus on addressing the six key Strategic Objectives and to naturally coalesce and collaborate in order to address the Strategic Priorities.
- 5.48 Infrastructure VCOs must retain the independence they need to determine their own futures and, therefore, the extent to which they want to contribute to a regional Infrastructure Development Plan or not. But it is that Plan which should set out and drive future infrastructure investment across the region and sub-regions.
- 5.49 Those specialist infrastructure VCOs which are really ‘network’s rather than ‘organisations’ [there are several] must stand or fall by their ability to attract, engage and interact with their members. If they do this cost-effectively they will find an optimal size and scale, diversify their income base and thrive. If they don’t, they won’t. This point extends to other specialist VCOs who are membership-based as well.

Partnership Arrangements

5.50 To achieve the Vision key stakeholders will need to work together better than they do at the moment. This is largely a matter of hearts and minds and not models or structures, but it is necessary to set out partnership arrangements so that key roles and functions can be agreed and lines of communication clarified. We do this below in Box B.

5.51 As can be seen, the proposed model just contains three key components.

Box B: Partnership Arrangements



5.52 At its heart is The Infrastructure Partnership [TIP]. Its role is primarily strategic and advisory.

5.53 Its functions are to:

- Oversee the development of an agreed Infrastructure Development Plan with support from a Policy and Research Forum [see below].
- Agree strategic actions [especially collaborative projects] relating to the implementation and review of the IDP.
- Champion investment in infrastructure development and modernization across the region's Third Sector.
- Advise the Funders Consortium [see below] on strategic priorities for infrastructure investment and those key issues and developments affecting the implementation and review of the IDP.
- Provide programme support and fund management expertise.

5.54 The membership of TIP is a matter for discussion, but we would suggest:

- VCOs from the six Sub-regional Infrastructure Consortium.
- Specialist/ generic regional infrastructure VCOs, including VOICE and Engage, CEFET, SEEM etc.

- 5.55 An 'open door' policy could apply to specialist VCOs or half a dozen or so could be nominated to sit on the TIP. Given the role of this group we would suggest the former would be most appropriate. Similarly, a welcoming and inclusive approach should be taken to any sub-regional VCOs who wish to attend alongside the representatives of Lead Bodies.
- 5.56 Detailed operational arrangements and protocols [meetings, decision-making, communication etc] guiding and governing the work of TIP should be decided by its members and set out in a Partnership Protocol signed by all the members. The group should elect its own Chair [or an independent person] which could be rotated periodically.
- 5.57 TIP will require the support of a secretariat to enable them to perform their functions effectively. This would involve information and advice, networking and brokering, and administrative support. A Service Level Agreement should be drawn up which sets out a more detailed specification of support services and required outputs in following consultation with TIP members and in accordance with an agreed budget to be determined by the Funders Consortium in consultation with TIP. If possible a three-year contract, renewable annually, should be agreed. The precise funding requirements associated with the secretariat resource for TIP cannot be estimated at this stage since more detailed consideration needs to be given to its form and function.
- 5.58 The decision as to which organisation[s] is/ are best equipped to fulfil this secretariat role should be made by TIP members in conjunction with the Funders Consortium. At the present time Engage East Midlands would seem to be well placed, but it may be that a tendering process is required to 'clear the air' and give legitimacy to whichever organisation does act as secretariat to the TIP. We understand an evaluation of core-funded provision is to be undertaken in the near future and the conclusions and recommendations of that work may also be relevant to future decisions about the secretariat.
- 5.59 There is also the important issue about strategic leadership, advocacy and policy influence. Earlier we expressed the view that while it may be preferable in some respects the idea that a single VCO can perform such a role and represent the sector at regional and national levels is not feasible at the present time. We believe that a core group of VCOs can provide co-ordinated leadership and advocacy on behalf of the majority of infrastructure VCOs and frontline groups *if* they are able to work in partnership. We believe they can.
- 5.60 We suggest that the following VCOs open up a dialogue and agree a 'Advocacy Partnership Agreement' which sets out how they will undertake these roles and functions in a co-ordinated and mutually reinforcing way; these organisations should include as a minimum:
- Engage East Midlands.
 - VOICE East Midlands.
 - CEFET.
 - SEEM.
 - The England Volunteering Development Council East Midlands.
- 5.61 If acceptable, the Partnership Agreement should be endorsed and also signed by emda, GOEM, East Midlands Regional Assembly and Local Government East Midlands.
- 5.62 The 'Advocacy Partnership Agreement' could then form the basis of a commissioning process to decide how funding [which may also include some core funding] can be allocated to achieve agreed activities and targets.

- 5.63 If we are wrong and the above regional VCOs are unable to agree an Advocacy Partnership Agreement, we recommend that funders invite the Lead Bodies of the Sub-regional Infrastructure Consortium to see if they are able to agree a partnership arrangement based on bi-lateral and multi-lateral arrangements perhaps with a shared resource.

Infrastructure Development Plan

- 5.64 A cogent and forward-looking Infrastructure Development Plan [IDP] is absolutely essential. The IDP should:

- Provide a clear strategic framework for the development of a self sufficient Third Sector infrastructure in the East Midlands region.
- Provide the basis for sustainable investment in infrastructure over the next three years.
- Guide decisions on investment in infrastructure from national, regional, sub-regional and local sources. These include Capacitybuilders, BLF [BASIS], emda, GOEM and the LSC regionally and, in particular, Sub-regional Strategic Partnerships, local authorities and PCTs at the local level.
- Act as a planning tool for all those [within and outside the Third Sector] seeking to improve and develop infrastructure at regional, sub-regional and local levels in the interests of frontline VCOs and social enterprises.

- 5.65 The IDP should set out:

- The Vision, Aims and Principles ~ *suggested above*
- Strategic Objectives ~ *suggested above*
- Strategic Priorities for Action with regard to:
 - ▶ Performance
 - ▶ Workforce development and leadership
 - ▶ ICT
 - ▶ Governance
 - ▶ Recruiting and developing volunteers
 - ▶ Financing
- Sub-regional Investment Priorities.
- Region-wide Thematic Priorities.
- Partnership and Delivery Arrangements – including programme support and fund management.
- Investment Implications [including funding].
- ChangeUp National Hubs.
- Monitoring and Evaluation Framework.

- 5.66 The preparation of the IDP will require specific research to assess infrastructure needs and map available provision across the region. The appetite for extensive primary [survey-based] research is not big however so careful consideration must be given to the proposed methodology and the maximum use must be made of existing information from a variety of sources, not least the Sub-regional Infrastructure Consortia IIPs, the East Midlands Regional Assembly, emda, GOEM and Local Government East Midlands.
- 5.67 The preparation of the IDP will be the responsibility of TIP but their secretariat will receive support from the Policy and Research Forum.
- 5.68 Once produced, the IDP needs to be agreed and endorsed by The Infrastructure Partnership and put forward as a proposal to the Funders Consortium.

Funders Consortium

- 5.69 Key funders of VCO infrastructure are already meeting on an occasional and informal basis and therefore, in many respects, this proposal has already been addressed. Key funding and policy stakeholders in the region include emda, GOEM, Capacitybuilders, Big Lottery Fund and Lloyds TSB.
- 5.70 As alluded to above, TIP should prepare and present a proposed IDP to the Funders Consortium for their consideration. Once agreed, the Funders Consortium should seek endorsement for the Plan from other key organisations such as Local Government East Midlands and the East Midlands Regional Assembly after consideration by their respective Board and Council. Support from other organisations representing key sectors [eg health, learning and skills, sport, conservation etc] also needs to be considered.
- 5.71 The agreed Plan, together with the specific criteria attached to funds such as Capacitybuilders and BASIS, should be key considerations in regard to future decisions made about the funding of all infrastructure development at regional, sub-regional and local levels within the East Midlands.
- 5.72 Funders will also need to commission one or more organisations to provide fund management and programme support. These could be Engage, VOICE, SEEM, EM5 and/ or a social enterprise or private sector organisation.
- 5.73 Funders will also need to give due consideration to any proposals for secretariat support for The Infrastructure Partnership and resources needed for the functioning of the Policy Research Forum.
- 5.74 We suggest the Funders Consortium remains fairly informal since its primary role is to facilitate collaboration and increased awareness amongst the key funding bodies which leads to improved decision-making and policy development. It would receive support from the Policy Research Forum as and when needed as well as contributing to the work and financing of the Policy and Research Forum [see below]. We see no particular need for a secretariat as such but Consortia members may reach a different conclusion in due course.
- 5.75 There would be value in developing a relationship and communication between the Funders Consortium and the East Midlands Funding Forum given their complimentary [but still somewhat different] role and remit. The Funders Consortium need to take the initiative in developing an Evaluative Framework for VCO infrastructure investment. The Policy Research Forum, perhaps with external consultancy support, could help address this need.

Policy and Research Forum

- 5.76 The primary role of the Policy and Research Forum is to inform the work of both:
- The Investment Partnership – given its strategic planning and advisory role; and
 - The Funders Consortium – given its resource planning, investment and evaluative role.
- 5.77 A secondary role would be to provide advice and support to the six Sub-regional Infrastructure Consortium on specific matters affecting sub-regions, local areas and rural areas perhaps.
- 5.78 The scope of the Forum should be the Third Sector as a whole ie both VCS and social enterprise. The functions of the PRF would be to:
- Identify and interpret key policy development and their probable impact.
 - Commission and review research.
 - Monitor trends in demand for VCS infrastructure support.
 - Identify and disseminate best practice.
 - Liaise with the ChangeUp National Hubs.
 - Offer advice on relevant issues or topics of interest to infrastructure VCOs and funders and policy makers.
 - Undertake or commission project and programme evaluation.
- 5.79 Membership could be drawn from several sources including organisations involved in The Infrastructure Partnership and Funders Consortium as well as East Midlands Regional Assembly, Local Government East Midlands and academia. Meetings could take place on a bi-monthly basis or more regularly during the early stages in the development of the new partnership arrangements.
- 5.80 If TIP and the FC are in broad agreement, then some or all of these functions could be directly assigned to one or more VCOs in accordance with an agreed SLA, for example, the key tasks could be performed by a dedicated Research Co-ordinator.
- 5.81 Engage clearly have expertise in both VCS policy and research and could be commissioned by the FC to undertake the key functions in accordance with a SLA provided that TIP members were broadly in agreement with this approach. Engage would still need to draw in specialist help where required and the PRF should provide an ideal mechanism to facilitate the sourcing of such expertise [including from fellow VCOs and organisations such as Intelligence East Midlands, EMRA and emda]. Further synergies might be achieved through improvements in networking or even co-location with specialist VCOs but these cannot be pre-determined at this stage.
- 5.82 Another possible scenario could be a partnership arrangement between Engage, VOICE and SEEM which may help pool expertise in key areas although this may present logistical challenges unless organised with care.
- 5.83 If neither of these approaches prove acceptable to TIP, we suggest that the entire portfolio of functions is put out to competitive tender by the Funders Consortium with invitations to the third sector [ie including social enterprises], private sector and academia.

- 5.84 The resource needs of the PRF cannot be estimated at this stage since more detailed consideration needs to be given to its form and function, but funding and in-kind resources could be arrived at by means of a business planning process once the specification and requirements of the PRF have been established and agreed. Intelligence East Midlands and/or external consultancy support could be commissioned to help in this process.
- 5.85 Members of the Funders Consortium would be expected to meet some or all of the running costs of the PRF but we should like to point out that:
- The PRF should be considered as a potential project meriting financial support via Capacitybuilders.
 - Local authorities, PCTs and other sub-regional and local stakeholders in Third Sector infrastructure are also amongst potential funders.
 - There may also be sponsorship potential from the private sector.
 - Some of the resource could be provided in kind eg via a secondment or job share arrangement.
- 5.86 A useful starting point would therefore be the development of a Business Plan for the PRF which should be submitted to TIP and the Funders Consortium for their consideration.

6. KEY RECOMMENDATIONS

Introduction

- 6.1 In this final section we summarise our key recommendations and provide an indicative timescale in which they can be taken forward. These details will inevitably become out of date and will in any case need to be reviewed and revised in accordance with key decisions reached in due course.

Key Recommendations	Proposed Timing
THE INFRASTRUCTURE PARTNERSHIP	
1. Inaugural meeting of The Infrastructure Partnership and Partnership Protocol/ resource needs are agreed [incl. IDP].	August 06
2. Engage, VEM, SEEM, CEFET & EVDCEM meet to discuss a] an outline Advocacy Partnership Agreement and b] possible partnership arrangements for the PRF. Draft proposals are agreed and presented to the Funders Consortium for their consideration.	September 06
3. Second meeting of TIP – specification of Infrastructure Development Plan agreed and work on IDP commences.	September 06
4. IDP is completed in draft and considered/ approved by TIP at its third meeting.	November 06
5. Final IDP is presented to the Funders Consortium by TIP Chair and Vice Chair.	December 06
6. TIP members develop project proposals, collaboratively wherever possible, in accordance with the IDP at both regional and sub-regional levels.	January 07 onwards
THE FUNDERS CONSORTIUM	
1. Give consideration to outline terms of reference for the consortium and designation of any lead/ key responsibilities whilst still maintaining an informal structure and modus operandi.	August 06
2. Anticipate and agree criteria for assessing any future proposals for programme support relating to TIP and the PRF and assess/ estimate funding availability.	August 06
3. FC members meet with Chair and Vice Chair of TIP to discuss issues arising from their respective meetings and PRF draft Business Plan.	September 06
4. Undertake commissioning wrt TIP and PRF programme support/ secretariat/ resource needs and Advocacy Partnership Agreement proposals	September 06
5. Funding Consortium meet to agree priorities for infrastructure support based on the agreed their own policy agenda and funding criteria. These are communicated to TIP members and help inform IDP preparation.	October 06
6. Consider and subsequently approve the IDP and secure support of other key bodies eg EMRA, LGEM, LSC EM	February 07
7. Commission work to agree an Evaluation Framework for the IDP from PRF and/ or external source.	February 07

POLICY AND RESEARCH FORUM	
1. Meeting of interested parties in the PRF takes place and Business Plan specification is agreed.	August 06
2. Consultancy support [perhaps from Intelligence East Midlands] is employed to development a Business Plan for the PRF.	August 06
3. Draft PRF Business Plan is presented to TIP for discussion and put forward as a proposal to the Funders Consortium who discuss and agree funding and contracting arrangements.	September 06
4. PRF meets for the first time and support for the IDP preparation is agreed and commences	October/ November 06
5. PRF invited to comment on draft IDP	December 06
6. Second meeting of PRF and annual work programme agreed	February 06

APPENDIX: LIST OF CONSULTEES

Parvin Ali – FATIMA Women’s Network
 Bimmy Rai – Derby Millennium Network
 Simon Hebditch, Mike Wilkins – Capacitybuilders
 Fiona Holgate, Kevin Baillie – emda
 Nigel Rudd – East Midlands Regional Assembly
 Janet Ward – Local Government East Midlands
 Mick McGrath – BLF
 Ann Halliday, Philippa Morely, Moira Cullen, Simon Marshall, Liz Wigley – GOEM
 Rowena Naylor-Morrell – EM5/ NCF
 Len Shillingford, Naeem Sheikh, Nik Trevadi, Fayez Sullaman – VOICE East Midlands
 Graham Bennett, Wynne Garnett – Engage East Midlands
 David Kelly – Social Enterprise East Midlands
 Jason Pegg – Regeneration East Midlands/ EMFF
 Gary Beharrell – Lloyds TSB Foundation
 Kevan Liles – Voluntary Action Leicester
 Kathy Braddock – Voluntary Action Rutland
 Ada Harrrop – Arts Council
 Margaret Blount – Sport England
 Laurie Moran – CEFET
 Joe Dugdale – East Midlands Acre Network
 Peter Norton – East Midlands Voluntary Youth
 Simon Richards – Volunteering England
 Jim Jenkinson – YMCA England
 Alan Diggles – Groundwork East Midlands
 Jeremy Prescott – Leicestershire Rural Community Council
 Andrew Ingles – Balby Volunteer Centre
 John Warren – Lutterworth One Stop Shop
 Jane Sterck – Nottingham CVS
 Helen Lidgett – Derbyshire Rural Community Council
 Gordon Hunter – Lincolnshire Community Forum
 Pakrash Panchol – Leicestershire Ethnic Minority Partnership
 Jon North – Networking Action with Voluntary Organisations
 Stuart McQuade, Emma Hagger – n-compass
 Wendy Young – Nottinghamshire County Council
 Sue Wigley – Citizens Advice Bureau
 Derek Markie – East Midlands Churches Forum
 Kath Smith – East Midlands Tomorrow
 David Wright – Derby and Derbyshire Economic Partnership
 Gill Smitherman – Leicestershire Sub-regional Economic Partnership
 Stephanie Stubbs – The Alliance SSP
 Caroline Hotchin – Lincolnshire Sub-regional Economic Partnership
 Geoff Plummer, Jackie Shorley – The Welland Sub-regional Strategic Partnership
 Martin Gawith – Greater Nottingham Partnership
 Hilary Wells – Besston Volunteer Centre
 Barbara-Anne Walker – Self-help Nottingham
 John O’Brian – Community Accounting Plus
 Susan Gooding – Northamptonshire County Council
 Ann Gilbert – Northampton Volunteering Centre
 Ian Pepperdine, Madeline Barden – Lincolnshire County Council
 Peter Edwards – Erewash CVS

Rachel Hayward – Derby CVS

Carol Lawton – Links

John Elliott – Rutland County Council

Rachel Quinn – Nottinghamshire RCC

Sarah Willis – R3N

Rachel Hayward – Derby CVS

Andrew Cogan – The Community and Voluntary Forum – East of England

John Wilkinson – East of England Development Agency

Catherine Johnstone – Regional Action and Involvement South East

Chris Bonnard – Regional Action West Midlands

Steve Wollett – South West Forum

Nigel Williams – South West Regional Development Agency

Mary Nicholson – Voluntary Sector North West

Judy Robinson – Yorkshire and Humber Regional Forum