

Date: 15th November 2007 Venue: The Resource Centre, 356 Holloway Road, London N7 6PA

Sustaining Community Capacity Event:

Summary of discussion and recommendations



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Acknowledgements

We would like to thank representatives from the following organisations and statutory bodies for participating in the Sustaining Community Capacity event on 15th November 2007. This event was organised by Islington Training Network as part of SIED (Supporting Inclusion in Enterprise Development) Development Partnership.

- African Community Partnership
- An-Viet Foundation
- Camden Training Network
- Community Legal Service
- Customer First UK Limited
- Department for Work and Pensions
- Elthorne Learning Centre
- Eritrean Community in UK
- Halkevi – Kurdish and Turkish Community Centre
- Innovative Enterprise Action
- Islington Chinese Association
- Islington Voluntary Action Council
- LAWRS (Latin American Women's Rights Service)
- Learning and Skills Council
- London Borough of Camden
- London Borough of Islington
- Migrants Resource Centre
- Muslim Welfare House
- Prowess
- Simple Business Solutions Limited
- The matrix Standard
- Voice4Change England

This report was part funded by the European Social Fund Community Initiative, Equal programme. We would like to thank them and our lead partner London Borough of Islington for their support.

SIED Project Manager, Sumita Dutta
SIED Project Officer, Evangeline Amalathas



Context

Community Based Organisations (CBOs) play a key role promoting economic and social inclusion at the grassroots level. Building the capacity of these organisations has become increasingly challenging because of changes in the external environment. This includes the change from grant to contract-led funding culture and drive for performance improvement which has placed CBOs under significant pressure to demonstrate good quality services and practices. Unlike larger voluntary organisations, CBOs have fewer resources and face more intense obstacles adapting to contract-led funding environment. Organisations acknowledge the importance and relevance of standards but are concerned the drive to increase Voluntary and Community Organisations (VCOs) role in public service delivery will lead to homogeneous services. Standardised service delivery practices and prescriptive outputs are not suitable for CBOs, especially Black and Minority Ethnic (BME) and refugee community organisations who engage with more challenging target groups. Organisations require funding, resources and appropriate capacity building support to deliver more effective and efficient services. However, in reality many CBOs do not have sufficient resources to grow into sustainable organisations. Key stakeholders, such as relevant government departments and funders, need to have better understanding of CBOs' contribution to communities and how to harness their unique attributes for public benefit.

2 Key objectives of the event

Islington Training Network (ITN) recently produced two publications, 'Creating a culture of quality: Challenges facing Community Based Organisations' and 'Building Community Capacity for Sustainability'. Both publications were part funded by SIED (Supporting Inclusion in Enterprise Development) Partnership and they are available

at: <http://www.itn.org.uk>. ITN organised the Sustaining Community Capacity event to explore and discuss issues that were raised in these two publications, particularly focusing on how to develop stronger and more effective CBOs. The event brought together a variety of VCOs, quality system accreditation bodies and other stakeholders to initiate a joined-up and strategic approach to organisational sustainability and empowerment.

The key objectives of the event were to:

- Raise awareness of the challenges facing CBOs when adapting to contract-led funding environment
- Bring together representatives from CBOs, capacity building organisations, quality system accreditation bodies, funders and policymakers to share experience and learning
- Discuss how to develop a strategic approach which will help CBOs develop a culture of quality without eroding their innovative, dynamic and responsive nature
- Produce recommendations and action points to take forward from the event.

3 Summary of presentations

3.1 TOYIN FAGBEMI,

Director – Islington Training Network

Toyin gave a general introduction about ITN and ESF/Equal funded project SIED Development Partnership. Further information about SIED can be found at: <http://sied.acbba.org.uk>

3.2 SUMITA DUTTA,

SIED Project Manager – Islington Training Network

Sumita spoke about the following issues:

- Further information about ITN's role in SIED. The capacity building programme ITN had developed which focuses on technical and strategic aspects of organisational development
- Overview of the policy context that affects VCOs, including Local Area Agreement/Local Development Framework and ESF Regional Framework

- Diversity of Third Sector and particular obstacles facing BME and refugee community organisations
- Discrepancy between policy objectives and how they are put into practice. The Commission on Integration and Cohesion's recent recommendations to limit single group funding but London Development Agency's decision to fund organisations targeting particular ethnic communities
- Current pressure facing CBOs to be more business like in delivering services, with greater focus on competitiveness and performance improvement

3.3 EVANGELINE AMALATHAS,

SIED Project Officer – Islington Training Network

Evangeline highlighted the key findings from the research report, 'Creating a culture of quality: Challenges facing Community Based Organisations'. She spoke about the following issues:

- Pressure for CBOs to demonstrate good quality services and practices to a range of stakeholders
- Use of accredited quality systems which can be an effective organisational development tool and increase an organisation's credibility
- CBOs' holistic approach to service delivery and pressure to implement multiple quality systems
- Experience and opinions of CBOs, capacity building organisations and Customer First assessors in regards to quality and quality systems
- Recommendations that can help CBOs develop a culture of quality with the use of quality systems but without eroding their unique nature.

3.4 KATY TSE BLAIR,

Cofounder/CEO – Islington Chinese Association

Katy gave a brief introduction about Islington Chinese Association (ICA) and noted that although ICA would like to implement a quality system, it does not have the financial resources to do so. The support ITN provided through the SIED project has helped ICA to develop its networks and capacity. Her participation in Community Policy Forum has been beneficial but the Forum found it difficult to engage with policymakers and local authority officers.

ICA's resources are used for fundraising and implementing the organisation's work plan, with little time to focus on strategic capacity building. ICA uses different methods of demonstrating organisational competence and self-evaluate their work to ensure quality services is an integral part of how they plan and develop their organisation.

Katy highlighted the problems of diminishing resources and unstable funding environment which affect VCOs especially BME groups. ICA has been able to overcome some of these problems by working closely with their Management Committee and staff members. They have come to the conclusion that they need to find innovative ways to generate sustainable income and can no longer rely on grants and donations. ICA's Community Based Business Advisor, with the support of ACBBA (Association of Community Based Business Advice), is setting up an online shopping service which they hope will generate long-term permanent income for the organisation.

3.5 TANIA BRONSTEIN,

Board Member – LAWRS (Latin American Women's Rights Service)

Tania spoke about her experience of implementing a quality system in LAWRS ten years ago. At the time it had increased efficiency of their services but they also had low AGM turnout and little interaction with their users. Their definition of quality was based on funders' definition which was a mechanical and bureaucratic process. Tania and others from LAWRS felt their need to satisfy external demands had diverted the organisation from its original vision. The organisation was being run like a transactional business service – users would use a service and then leave. LAWRS was delivering services and not engaging with women. They decided to change this and started to define and look at quality from their users' perspective. This involved staff, volunteers and users answering the following questions:

- Who was/is the service for?
- What did/do users think of our current services?
- What does quality mean to them?

Accredited quality systems gave LAWRS a structured framework to develop a more efficient organisation and meet external demands for measurement and standards. However, their core belief is that real quality must be centred on their users' expectations, needs and wants. Real quality needs to be rooted in LAWRS vision, mission and values. Tania also highlighted the difficulty of raising funds to pay for assessments and believes that funders expect quality but are not prepared to pay for it.

Tania referred to the Commission on Integration and Cohesion's recommendations to limit single group funding and posed a question to the audience: will this really achieve integration and community cohesion?

Tania was not enthusiastic about the trend for VCOs to become public service providers and the new focus on public service procurement. She was concerned about the future of BME groups because as funding for essential advocacy and community development work becomes increasingly difficult to access, the needs of minority groups will not be fully met. She was also concerned that CBOs' main motivation to enter into partnerships will be largely to access funding rather than to meet users' needs or provide better quality services. Finally, she believes that larger voluntary organisations can not completely fulfil the role of CBOs that are better able to make lasting and significant difference to grassroots communities.

3.6 ELIZABETH ADONGO,

Co-ordinator and Community Based Business Advisor – African Community Partnership

Elizabeth spoke about the obstacles facing BME groups, in particular difficulties accessing funding which has cut off vital channels to engage with certain communities.

She stated the benefits African Community Partnership (ACP) have gained from working in the SIED partnership. The support and resources, including financial support, they have received has helped them to implement a quality system.

Elizabeth mentioned that ACP has spent a total of £6,500 to implement quality systems, which is a lot of money for a small organisation. Quality systems are geared towards larger organisations but it has given them credibility to show funders they can deliver efficient services.

She however noted that before implementing a quality system, organisations need to assess whether it will give them a real advantage. Organisations should ask themselves the following questions:

- What do we want from these quality systems?
- Will it have an impact on the organisation's culture?
- Do we value quality systems?

Quality must be user-led and should help staff, volunteers and users progress. Whether a quality system will benefit the organisation will depend on how they decide to use it.



Key issues raised in discussion groups and plenary panel

4.1 Inclusive commissioning of services

- Many participants agreed that those commissioning contracts need to have better understanding of organisations they are funding. There is a need for 'intelligent procuring' which recognises different areas of expertise in the Voluntary and Community Sector (VCS), in particular small-medium size CBOs. Although CBOs work with more challenging target groups who require extra support, they often receive inadequate funding to ensure beneficiary progression and make investments themselves to cover shortfall in funding.
- Learning and Skills Council (LSC) representative mentioned that their key priority is the learner and they fund organisations to deliver qualifications, not advocacy which is often a key function of CBOs. They encourage building elements of advice and advocacy in the learning plans but the main focus is learning, skills and training. LSC should take into account VCOs' opinions and experiences. A joined-up approach is necessary which will be a challenge but hopefully can be achieved.

4.2 Consultative process with VCOs

- ITN piloted the Customer First quality system in four CBOs. Customer First representative mentioned that after working with ITN and other VCOs they have taken on board recommendations and feedback. They have redesigned the quality system to make it more generic and accessible to organisations whose main function is not business support. Now fifty VCOs have achieved Customer First accreditation. This is a good example of how a consultative process with VCOs has been beneficial for both parties.
- Community Legal Service representative mentioned that the Advice Plus programme is currently developing a quality system for VCOs delivering advice. The programme is funded by Big Lottery and the team includes Citizens Advice Bureau, Advice UK and Advice Services Alliance. Participants were concerned that CBOs have not been consulted about the development of this quality system.

4.3 Are accredited quality systems effective organisational development tools?

- There are two sides to this argument. ICA representative mentioned the importance of building-in an internal quality system which should emerge from staff initiatives. Accreditation assessment does not guarantee organisational development or securing funds, instead it is up to the organisation to maintain quality. However, LAWRS representative valued the role of external assessors. She stated that organisations are so engrossed in their work they do not have the time to stand back and assess what they are doing. An external person with a broader perspective is better able to judge whether quality is being achieved.
- Some participants agreed that quality systems do not ensure effective services. Quality systems provide a framework which can be used to assess quality of services.

4.4 Better resourced and responsive support

- Many participants agreed that capacity building organisations do play a key role helping CBOs develop a culture of quality but this needs to be better resourced.
- Simple Business Solutions representative mentioned the importance of peer learning. CBOs should co-operate and support each other to raise standards and implement quality systems, for example by sharing good practice.

4.5 Benefits of quality systems

- Many participants agreed that CBOs find it difficult to meet the financial costs and work load associated with implementing quality systems. However, one participant stated that they are now a commonplace in organisations. It is about 'raising the game' and quality systems do enable organisations to formulate relevant policies and strategies.
- ACP representative stated the benefits quality systems had brought to her organisation which included helping funders recognise the capacity of the organisation and encouraging better quality management.
- Many participants agreed that quality systems can help with performance management and supporting the development of the organisation.
- Camden Training Network representative saw quality systems from a different perspective. "Quality systems are about how CBOs can evidence their passion to make a difference in people's lives".

4.6 Cost of assessment

- Community Legal Service representative mentioned they would like to reinstate assessments for their quality system and are currently reviewing the assessment process. One of the options being considered is to tender out the audit function. If this occurs, it is likely that organisations who undertake the audit function would charge for the service, which is currently free of charge to CBOs. Some participants stated that this could deter CBOs from implementing the quality system.



Recommendations

5.1 Streamlining quality systems

- Many participants agreed with ITN's recommendation to streamline quality systems.

This involves developing a generic quality system which includes common structures, policies and procedures such as staff development and strategic development plan. This would be complemented by specialist service-related quality systems, developed by individual accreditation bodies themselves. For further information, please see recommendations from 'Creating a culture of quality: Challenges facing Community Based Organisations' report.

5.2 Opening up communication between VCS and funders

- Funders need to have better understanding about the VCS and the best way to engage with organisations of different size and character. Some participants also expressed an interest in negotiating funding for the specific purpose of improving quality, perhaps earmarking funding.

5.3 Raising the profile of capacity building support

- Raising awareness and negotiating funding for capacity building support which is an important part of developing effective and sustainable CBOs.



Action points

6.1 Set up steering group to streamline quality systems

- Set up a steering group with a brief to streamline quality systems and influence policy. The steering group will include representatives from CBOs, capacity building organisations and quality system accreditation bodies. ITN would be happy to take a lead on this initiative.

- VCOs from other regions should be consulted and a co-ordinated effort is required. Views and experiences should be presented to the Office of the Third Sector and other relevant bodies.

6.2 Briefing sessions for funders

- Capacity building organisations, such as ITN, to deliver briefing sessions to the Learning and Skills Council and other commissioning agencies. This will give them relevant information for engaging effectively with VCOs in particular BME and refugee community organisations.

6.3 Negotiating funds for capacity building support

- Contact London Councils to discuss their review of capacity building. Also discuss this issue with other funders, such as regional development agencies e.g., London Development Agency.



Evaluation

After the event participants were asked to complete an evaluation form and below is a summary of their comments.

7.1 What participants found most useful?

- Networking with a cross section of organisations.
- Sharing information and understanding how other organisations achieve similar goals.
- Listening to other people's comments on issues related to quality.
- Feedback from CBOs.
- Discussion session.
- Individual presentations from CBOs and ITN.

7.2 How do you intend to follow-up today's session?

- I would like today to be a foundation for future work.
- Read ITN's research reports.
- Read and circulate the Sustaining Community Capacity event report to colleagues.
- Provide my colleagues feedback about issues discussed at the event.
- I would like to be kept informed about progress around this issue.

7.3 Would you like ITN to organise similar events in the future? If yes, then please clarify what topics you would like us to cover?

- Quality.
- Benchmarking.
- Facilitate partnerships.
- Accessing funding.
- What the SIED project has achieved to date. Sharing experiences and lessons to see what has worked and why.
- Governance and ICT workshops for CBOs.

Appendix A Presentation slides

Sustaining Community Capacity

Setting the context

Sumita Dutta
Islington Training Network
15 November 2007

Integrated Capacity Building

- **Long term**
- **Sustainable**
- **Planned**
- **More than technical support**

- Equal/SIED Project
- Engaging Community Based Organisations (CBOs)
- ITN's role as development and delivery partner

Policy Context

- Public service delivery agenda Procurement and commissioning Genuine partners or sub-contractors?
- Regeneration-Localism/Neighbourhood renewal Genuine devolvement of decision making and resource allocation?
- Local Strategic Partnerships
- LAA/Local Development Framework
- Sustainable Communities
- ESF Regional Framework-London
- Enterprise Strategy

Diversity of Third Sector-Challenges of sustaining effective CBOs

- Small-medium BME and RCOs
- One in three workers located in organisations employing less than 10
- Seven in 10-less than 50
- Only 3%-more than 500, compared to 31% in public sector
- Organising and sustaining training and development/HR functions very difficult
- **UK Voluntary Sector Workforce Almanac**
- **Voluntary Sector Skills Survey 2007**

Mixed signals

- **Community cohesion agenda-Commission on Integration and Cohesion: Funding for single community based groups to be phased out**
- **LDA funding targeting specific/single community based organisations**

Drive to Competition, Innovation, Value for money-decreasing resources

- Becoming more entrepreneurial
- Impact on users
- Passive consumers of services or active participants?
- Evidence base, performance improvement, quality assurance systems

Creating a culture of quality: Challenges facing Community Based Organisations

Evangeline Amalathas
Islington Training Network
15th November 2007

Setting the scene

- Changes in funding culture
- Drive for Performance Improvement
- Pressure to demonstrate good quality practices and services
- Quality assurance systems are effective organisational development tools that can increase credibility

Scope of the research

- What is the best approach to help Community Based Organisations (CBOs) develop a culture of quality with the use of quality systems?
- How to ensure the bureaucracy associated with quality systems does not erode their unique nature
- Interviewed representatives from 23 small-medium size CBOs and 3 capacity building organisations
- Commissioned QED, assessors of Customer First accreditation body, to interview assessors

CBOs' perspective: Defining quality

- Associated the concept with implementing relevant standards and policies to meet users' needs
- Not a new concept in the Voluntary and Community Sector (VCS)
- Pressure to demonstrate better quality services and practices

CBOs' perspective: Defining Performance Improvement

- Many believe staff development is the key to Performance Improvement
- Their performance can only be improved to the extent to which their capacity will allow them to do so
- Not enough thought has been given to where CBOs will find the resources to improve their performance

Standards versus standardisation debate

- Strong commitment to standards
- Some concern that standardisation can erode the innovative and dynamic nature of CBOs
- VCS is diverse in character and capacity
- "One size fits all problem. What is appropriate for one community organisation may not be appropriate for other community organisations" (Bengali Workers Association)

Breakdown of quality systems

Quality System	Number of CBOs
Community Legal Service: The Quality Mark	12
General Help	9
General Help with Casework	2
Assisted Information	1
Investors In People	2
Matrix	3
Customer First	1
No quality system	11

Information collected March 2006

CBOs with quality systems

- Increased their credibility and funding opportunities
- Opportunity to review their work and existing structures, policies and procedures
- Capacity and time required to prepare for assessment

CBOs with quality systems continued.....

- Assessment process is flexible
- "A lot of quality marks are geared towards large organisations ... There is greater communication within smaller organisations and systems are not as complicated" (UCKG)
- Administrative burden and costs
- Capacity building support including advice and guidance and financial support

Comparison of quality systems

- Compared Matrix, Investors In People, Community Legal Service General Help and Customer First
- Identified similarities in areas of staff development, service delivery, evaluation and monitoring and strategic planning
- CBOs view similarities in a positive light. Second quality system is quicker to attain
- But associated costs and administrative burden is seen in a negative light

CBOs without quality systems

- Positive perception of quality systems
- Ensure consistent and high quality services
- They wanted to implement a quality system to help them deliver a particular service

Capacity building organisations' perspective

- Quality systems do not guarantee better quality services
- Creating a culture of quality is much more complicated
- Barriers that hinder CBOs ability to adopt a quality system:
 - Limited resources
 - Design of quality systems. Not one comprehensive quality system for CBOs

Capacity building organisations' perspective continued...

- "Many quality systems are service specific and CBOs are multi-service organisations, their specialism is target group not service so it is a struggle to implement" (Camden Training Network)
- Limit to capacity building support:
 - Under resourced capacity building organisations
 - Mindset of CBOs

Customer First assessors' perspective

- Suitability: No major difference between assessing CBO and an organisation whose main function is business support
- Value of Customer First: Improved policies and structures. Helped CBOs present a more professional image
- Gaps in assessments: Evidencing and monitoring
- "There is a pass and fail mentality – don't really appreciate the benefits of going through CF" (Assessor)

Recommendations

- Better resourced CBOs
- Changing mindsets of CBOs
- Better resourced capacity building organisations
- Streamlining quality systems
 - ITN believes resources are better targeted by developing a generic quality system
 - Generic quality system complemented by specialist service-related quality system

Appendix B

Executive Summary and recommendations from 'Creating a culture of quality: Challenges facing Community Based Organisations'

In recent years the modernisation of public services has brought Voluntary and Community Organisations (VCOs) to the forefront of public service delivery alongside public and private sector bodies. Policies such as the Treasury Cross Cutting Review (2002) mark the increasing recognition at the national and local level of the important role VCOs play in delivering public service. Although this is not a new phenomenon, what is relatively new is the increasing pressure from a variety of stakeholders to demonstrate external credibility.

Initiatives such as Change Up and FutureBuilders have turned the spotlight on capacity building organisations such as Islington Training Network (ITN). The focus is to develop the capacity of frontline Community Based Organisations (CBOs). The aim is that they will be better equipped to deliver good quality public services in line with the Performance Improvement agenda. One of the most popular Performance Improvement tools is an effective quality assurance system which provides organisations with guidelines of how to create a more efficient and effective organisation. Accredited quality assurance systems can give an organisation the extra credibility they may require to convince stakeholders such as funders and regulatory bodies, that they are a reliable and accountable organisation capable of using public money effectively.

ITN believes that delivering good quality services requires developing a 'culture of quality' within the organisation and although quality assurance systems are an important development tool, they do not guarantee good quality practices and service delivery. Our experience has taught us that quality assurance systems can help organisations create a culture of quality only if the conditions are right. The current demands on CBOs can over burden organisations with too much bureaucracy and therefore is not an appropriate environment for fostering a culture of quality. The report deals with two key issues:

- What is the best approach to developing a culture of quality?
- How to ensure that the bureaucracy associated with implementing quality assurance systems does not erode the innovative and dynamic nature of CBOs.

This report draws together the views and experiences of CBOs, capacity building organisations and assessors from a quality assurance system accreditation body. Please note that the term quality system will be used to refer to quality assurance system.

Recommendations

We are proposing a joined-up approach which involves the co-operation of the VCS, Government and quality system accreditation bodies. The following recommendations are all interlinked, and need to be taken into consideration as a whole to see a positive change.

1. Better resourced CBOs

There is overall consensus among CBOs, accreditation body and capacity building organisations that CBOs' limited capacity is one of the key barriers hindering their ability to establish and set up quality systems and develop a culture of quality. CBOs emphasise they do not have time to adopt a quality system or to attend relevant training sessions, which is also seen as an important part of improving the performance of an organisation. QED assessors want CBOs to value quality systems as development tools rather than as a means to access funding. Capacity building organisations want CBOs to build in self-assessment procedures which will encourage organisations to regularly review their structures, policies and procedures. The current capacity of many CBOs does not allow them to do all of this.

At the national level there needs to be greater recognition and better understanding that CBOs face more intense challenges than larger VCOs and require appropriate support. Provision of core funding particularly earmarked to achieve quality within the organisation could be part of the solution. Whatever the solution one issue remains clear, organisations need to be better resourced otherwise they will not fully appreciate or be able to use quality systems as a development tool that can help them create a culture of quality.

2. Changing mindsets of CBOs

Quality system is one aspect of creating a culture of quality; CBOs also need to have the right mindset, enthusiasm and motivation to achieve quality. Capacity building organisations believe mindsets of CBOs need to change if they want to adapt to the new funding culture which is geared towards meeting prescriptive outputs and greater monitoring, evidencing and evaluation. Some CBOs need to change their working practices and be more receptive to capacity building support if they want to develop a culture of quality within their organisation.

3. Better resourced capacity building organisations

Capacity building support plays a key role in an organisation's development process. Many CBOs value the support they have received and have requested the need for more one-to-one support. Capacity building organisations themselves recognise the importance of tailor-made support, however at a time when capacity building funding is fading away respondents emphasise the need for more resources to help them meet demand for their service.

4. Streamlining quality systems

CBOs holistic approach to service delivery requires a more coherent approach, to help them to adopt relevant quality systems in a manner that can be understood by all.

Though similarities between quality systems are viewed in a positive light by some of the CBOs, we believe once an organisation has been assessed for a particular area, it is a waste of resources to be assessed for the same area by another accreditation body. The similarities between quality systems are due to a set of Structures, Policies and Procedures (SPP) that are a fundamental part of developing a culture of quality.

The SPP organisations need to implement can be divided into the following two key strands,

Generic SPP which would include the following:

- Business Plan
- Strategic development plan (for at least 3 years)
- Constitution, including Memorandum of Articles
- Recruitment of Management Committee members
- Financial management system
- Fundraising strategy
- Recruitment and employment
- Staff development and training
- Volunteer management
- Equal opportunity policies
- Health and safety
- Information and communication policy
- Monitoring and evaluation
- Legal status and registration with appropriate body (e.g. Charity's Commission, Company's House)

Service-related SPP. Linked to delivering a particular service such as Information, Advice and Guidance (IAG).

ITN believes that the best approach would be to develop an accredited quality system that covers the generic SPP. This generic quality system would be complemented by specialist service-related quality systems. This streamlined approach requires capacity building organisations to work in partnership with accreditation bodies to co-ordinate their quality systems for CBOs.

CBOs are valued for their innovative, dynamic and responsive nature but there has been very little consideration at the national level about how to harness their unique attributes especially in light of increased contract-led funding.

Meeting standards and regulation are an important part of service delivery and developing a culture of quality but CBOs need to achieve this with care. CBOs are multi-service providers working with limited resources and often targeting groups that are hard to reach.

The standards and regulation set for public and private sector bodies and larger VCOs may not be appropriate for CBOs and can over burden them with too much bureaucracy eventually eroding their distinctive nature.

CBOs require a different approach to help them develop a culture of quality, which is much more appreciative of their working environment and holistic approach to service delivery.

Appendix C

Executive Summary and recommendations from 'Building Community Capacity for Sustainability: Challenges of developing integrated approaches'

1. Introduction

This publication highlights the key elements, challenges and lessons of the capacity building programme undertaken by Islington Training Network (ITN) on behalf of "Supporting Inclusion in Enterprise Development" (SIED) Development Partnership (DP) part-funded by the ESF Equal Programme 2004 – 2007.

Equal is one of the European Programmes that has enabled the development of genuine innovative practices at project level in combating discrimination and inequalities in the labour market. The SIED DP brings together different sectors including Local Authorities, Voluntary and Community Sector (VCS) and enterprise agencies. It is promoting self-employment and enterprise development in deprived urban areas through the development of community based business support¹.

As a SIED Project partner it offered ITN² an opportunity to develop and test an integrated approach to strategic capacity building with Community Based Organisations (CBOs) participating in the project. They are predominantly Black and Minority Ethnic (BME) and Refugee Community Organisations (RCOs) embedded in their communities and providing culturally sensitive multiple services.

Building and enhancing capacity is essential for CBOs if they are to maximise social and beneficiary impact. This requires a long term and planned programme to enhance capabilities at all levels - from strategic to systems and structures. It requires commitment of management committee members, staff and volunteers to realising their aspirations and goals and to improving service delivery. It cannot be fully achieved within the lifetime of a single initiative or project.

Capacity building is commonly seen as a means to an end related to capacity to deliver targets and outputs of specific contracts. It is seldom seen as a process which is part of an integrated organisation and community development model rather than just about technical support and expertise.

In the current competitive environment of resource crunch some of the constraints that capacity building programmes continue to operate under are:

- Skepticism in VCS, particularly in CBOs, about the relevance of long term planning and capacity building when they are facing enormous survival challenges and difficulties in maintaining their original vision and mission
- Dysfunctional funding environment which earmarks project funding without a sustainable core. This leaves organisations highly vulnerable which undermines continuity and results in reinventing the wheel leading to "projectivitis"
- Lack of knowledge-capacity building is too often seen as a "technical fix" and/or purely in terms of funding

Short term funding is effectively shaping the work of the CBOs at the expense of sustainable projects. "Capacity building is an incremental and developmental process³ which leads to effective practice". Learning from practice requires time which is not available to CBOs in the current context of funding requirements of output measurements and monitoring and evaluation for accountability.

So integrated and sustainable capacity building remains one of the most challenging areas of our work.

2. Purpose

The purpose of the capacity building programme was to create opportunities for CBOs participating in the SIED project to actively participate in developing a creative programme. We offered a range of interlinked strategies as a progression route to organisational sustainability and empowerment.

The aims of the programme were to:

- Enhance existing capacity of CBOs to enable them to deliver better services to their communities including business and enterprise support which is the main focus of the SIED project.
- Embed the learning and benefits of a wide ranging programme which would continue beyond the lifetime of the SIED project.

1 Refer to <http://sied.acbba.org.uk>

2 Refer to www.itn.org.uk

3 Insight-Kennard T. Wing, Non-profit and Voluntary Sector Quarterly, vol.33, no.1, March 2004

3. Policy Context

The gap between Government rhetoric of the importance of partnership with the Voluntary and Community Sector (VCS) in delivering public services is not reflected in practice in many instances. Availability of funding sources such as FutureBuilders with a mixed emphasis on loans and grants appears to benefit larger voluntary and community organisations. Often this marginalises smaller and emerging organisations with very little capacity to comply with such funding conditions.

The Change Up programme with the resultant strategic Hubs and CapacityBuilders fund goes some way towards promoting a coordinated approach in supporting infrastructure organisations. However, the lack of core funding continues to undermine sustainability in the sector, particularly for small-medium size CBOs working with communities having a multiplicity of unmet needs.

Government strategies and programmes with centrally determined outcomes are often remote from end users. The pressure from funders with their own targets and outputs to meet; result in CBOs working to deliver the often prescriptive agendas which may not always be in the long term interest of their beneficiaries and organisational sustainability.

LDA Third Sector Policy Statement (June 2006) mentions the added value of the Third Sector in delivering LDA regeneration and development objectives, in particular the “comparative advantage” it has in providing public services that are “flexible, responsive and accessible for disadvantaged local people and under-served communities”

It also mentions that a number of public sector agencies including local authorities, LSCs (Learning and Skills Councils) and PCTs (Primary Care Trusts) invest in business development or capacity building of the Third Sector. In the case of small-medium size CBOs there is little or no explicit ring fenced investment in developmental and integrated capacity building in the programmes of the agencies mentioned.

In terms of social inclusion and community cohesion we’d argue that CBOs have intrinsic value as well as instrumental impact. They are involved in creating and developing connections and relationships within and across diverse local communities by offering culturally sensitive multiple services. This contributes to increasing trust and facilitates co-operation. Second tier organisations such as ITN play a key role as anchor organisations in bringing together and facilitating such cross-cultural collaboration.

Evaluative Lessons

1. As the capacity building programme developed and evolved with learning from each stage shaping the next, it became obvious that there are no easy answers to the tensions between:

- Survival and growth
- Compliance with current project based funding conditions and holistic development
- Accountability and flexible and responsive nature of CBOs.

2. The dynamic and developmental nature of capacity building that enables organisations to progress from one level of capacity to the next needs to be recognised and reflected in funding programmes.

3. It was difficult for some of the CBOs to sustain their commitment to the capacity building programme when most of their energies were focused on fundraising for survival.

4. The integrated capacity building programme sowed the seeds of a learning community by involving different practitioners from the participating organisations at different levels.

5. Nurturing the interest and commitment shown by the CBOs will require sustained support from different stakeholders, in particular from capacity building organisations and funders.

6. Capacity gaps of organisations embedded in disadvantaged communities require intensive and tailor made support. The resources required by infrastructure organisations providing this support are increasingly scarce. This reduces the opportunity of developing holistic and integrated programmes.

7. In this context Equal has played a vital role in promoting innovative practices including capacity building in VCS. Mainstreaming of these practices and approaches is important in sustaining the capacity of small-medium size CBOs to deliver high quality and culturally sensitive services to their constituency. It is vital that funding is specifically ring fenced for capacity building to enable long term development of CBOs and their support structures.

Appendix D Expression of interest

The following individuals expressed an interest in the event but were unable to attend.

NAME	ORGANISATION
1. Allen, Penny	Learning and Skills Council
2. Azimi, Simin	Refugee Women's Association
3. Balgobin, Elizabeth	London Voluntary Service Council
4. Coward, Nicky	Charities Evaluation Services
5. Ebanja, Sarah	London Development Agency
6. Grillo, Mirella	Charities Evaluation Services
7. Grover, Rob	Business Link London
8. Hughes, Helen	Improvement and Development Agency (IDeA)
9. O'Brien, Derval	Capacity Builders
10. Oppenheim, Gerald	Big Lottery Fund
11. Pippard, Debbie	Big Lottery Fund
12. Reynard, Ann	EU Projects Consultancy
13. Sanfilippo, Lisa	New Economics Foundation
14. Sherriff, Mike	Islington Voluntary Action Council
15. Sisley, Tracey	Office of the Third Sector
16. Tucker, Simon	The Young Foundation
17. Walden, Jon	Capital Quality Ltd
18. Williams, Gethyn	London Voluntary Service Council

“Quality systems are about how Community Based Organisations can evidence their passion to make a difference in people’s lives”

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Further information on the SIED partnership can be found at <http://sied.acbba.org.uk>
London Borough of Islington is the Lead Partner in SIED. Contact Tony Swash, tswash@urban.islington.gov.uk