

Building effective local VCS infrastructure:

the characteristics of successful support for
the local voluntary and community sector

Final report

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Contents

Executive summary	i
1. Introduction: the background to this research	1
2. A turbulent policy context	3
3. Establishing and developing local VCS infrastructure	7
4. The effectiveness of local VCS infrastructure	13
5. Looking ahead: future prospects and sustainability	24
6. Conclusions	29
References	32
Appendix: Research methodology	33

Executive summary

Introduction and background to the research

This report discusses the findings from a nine-month research project examining the development, effectiveness and sustainability of local infrastructure organisations. The study, 'Building effective local VCS infrastructure' (BELVI), sought to identify the characteristics of successful local infrastructure organisations (LIOs) and the conditions required to replicate these characteristics.

Ten key findings from the research are:

Establishing and developing local VCS infrastructure

1. There appears to be no single model of development of local VCS infrastructure. In the study three case studies became LIOs from something else, whilst five were established 'from scratch', involving a steering group, 'pre-LIO' development work and efforts to secure start-up resources.
2. From a survey of LIOs, staff-related factors were considered by respondents to have been the most important in establishing local infrastructure organisations, being regarded as helping a lot when present, and hindering a lot when absent, to a greater extent than governance factors, relationships with others and funding and finance factors.
3. Initial support – both financial and otherwise – from local statutory agencies seems to have varied considerably. Significant lottery funding appears to have been heavily implicated in the very establishment of four of the eight case study organisations, either as the main element of initial funding, or as a key component of an initial package in the first couple of years.

The effectiveness of local VCS infrastructure

4. Having a more enabling context in which an LIO develops is more likely to lead to an organisation more confident in its effectiveness, than one developed in a more challenging context. But LIOs as a whole appear to be slightly more confident in terms of their work in: 'facilitating effective communication and networking'; 'assisting local organisations' and 'enabling representation', but slightly less confident in: 'identifying needs' and 'enhancing the sector's role'.
5. Respondents in the study, and not just Chief Officers, have tended to identify the calibre, character and approach of Chief Officers as the most important feature in the emergence, development and success or otherwise of LIOs. In the absence of clear, comprehensive information about the effectiveness of LIOs, key stakeholders will make judgements on what they experience, and the most visible element of this is the Chief Officer. In effect the Chief Officer tends to become a proxy for assessments of the effectiveness of the organisation as a whole.

Looking ahead: future prospects and sustainability

6. The overall impression gained from work with the eight case studies is that there is significant anxiety about the future for local VCS infrastructure. The landscape in which infrastructure is operating is subject to considerable uncertainty at the moment.

7. Of the eight case study LIOs, four seem to be relatively secure in financial terms. The remaining four appear to be facing some more serious and immediate financial difficulties. The distinguishing feature appears mainly to be the extent of local statutory funding from County, District or Unitary councils, and from local health authorities.
8. A striking feature from the case studies was the sense in which the organisations were relying on the BASIS programme to provide a sense of financial stability over the next three to five years. This may be a general indication of the degree of financial insecurity facing local VCS infrastructure. All submitted bids, but only three have successfully progressed to stage two of round one.
9. Discussion amongst LIOs on rationalisation was going ahead cautiously and somewhat reluctantly. It was mainly seen as a 'spectre': a future threat or problem rather than an opportunity or solution. The case studies illustrate the sheer difficulty for many financially insecure infrastructure organisations to engage with each other, given competition for resources, roles, status and prestige.

Conclusions

10. The most intriguing aspect of the study has been the focus on the Chief Officer as a significant factor. But what is perhaps so interesting is the belief that it matters, whether it does or not. The important thing is that the effectiveness, success and assessments of future prospects of an LIO are in no insignificant part a matter of the *confidence* held by key external stakeholders about the organisation, which is related to assessments of the performance, character and approach taken by Chief Officers. This highlights the importance to LIOs and associated stakeholders of what we term 'regard': the formation, generation and maintenance of a good reputation for the organisation.

The report concludes by identifying a model of LIO development based around the idea of '**room**' for an organisation to operate, involving an acknowledged role and position, and a capacity to meet its aims/continue its operations. An organisation has 'room' in as much as its role and catchment are not called into question by neighbouring agencies or the changing terms under which boundaries are set. Room is compromised by other agencies making claims for particular roles and competition for resources. In order to create or preserve room, local infrastructure organisations need to gain **resources**, develop **relationships** and build the **regard** for the organisation.

The model can be further developed to consider how room, resources, relationships and regard can best be promoted. However, a crucial first step would be for key participants in the field of infrastructure – LIOs, users and funders – to understand and recognise explicitly that these things are at stake, and need to be addressed by organisations and funders wishing to see sustainable and effective local VCS infrastructure.

1. Introduction and background to the research

VCS infrastructure has come under much closer policy attention in the last five years, following the outcome of the 2002 Treasury 'Cross-cutting review' and the subsequent *ChangeUp* programme. Together with the Big Lottery Fund's BASIS infrastructure programme, upwards of £300m in additional resources will have been invested in VCS infrastructure by the end of the decade. Partly as a result of these initiatives, a vigorous debate has emerged in recent years both within and beyond the VCS about how infrastructure is best organised, coordinated and services provided, focusing on its capacity, reach, effectiveness, configuration and scale, funding and sustainability.

One important aspect of the debate on VCS infrastructure has been the wider realisation that although there is a growing literature which has something to say about VCS infrastructure, the evidence base, particularly around questions of impact, effectiveness and the difference it makes, remains insubstantial, fragmented and disparate (Macmillan 2006). There is a gap amongst policy makers and in the sector's knowledge about the different ways in which local infrastructure has been developed, about the strengths and weaknesses of different models of local VCS infrastructure, and about its financial sustainability.

This report aims to address some of the gaps in our understanding of local VCS infrastructure. It discusses the findings from a nine month research project examining the development, effectiveness and sustainability of local infrastructure organisations.

The study, 'Building effective local VCS infrastructure' (BELVI), sought to identify the characteristics of successful local infrastructure organisations (LIOs)¹ and the conditions required to replicate these characteristics. The study was driven by two overarching research questions:

- **What are the characteristics of successful support for the local VCS?**
- **What makes local VCS infrastructure effective and sustainable?**

The study was undertaken between Autumn 2006 and Spring 2007. Its focus was a cohort of over 80 LIOs which were established or supported through the CVS Development Project, which was run by NACVS (now NAVCA) and funded by the Community Fund from 1998 to 2004.

Experiences in the development of new LIOs beyond the initial start-up stage has been somewhat patchy. Some have been successful, and have managed to become financially stable and consolidate their activities, position and reputation. Others have appeared to struggle in their efforts to develop beyond initial establishment. It is unclear why such variable experience exists. To our knowledge there has been no systematic attempt to study this variation or to seek to understand the range and combination of factors which may account for variation in the establishment, consolidation and apparent success of local infrastructure organisations. Is it primarily the result of 'internal' organisational factors (relating to leadership and governance), or 'external' contextual factors (such as access to funding or the role of different local authority structures and cultures?).

¹ In this report we refer in general to the broader concept of 'local infrastructure organisations' or LIOs. However, occasionally we make reference to the narrower concept of 'Councils for Voluntary Service' or CVS, particularly where organisations were established specifically as CVS.

The ultimate purpose of the research is to explore these issues in more depth in order to improve knowledge about how to develop local infrastructure in different contexts. The appendix outlines the research methodology, but in brief the study has been organised in two main strands:

1. Extensive research - involving an email survey of 81 LIOs which came into NACVS membership during the CVS Development Project. The survey was completed in mid-November 2006.
2. Intensive research – detailed case study research in eight LIOs, involving interviews, observation and documentary analysis. This phase was completed in March 2007.

The report is structured as follows. In the next section we provide an overview of the policy context which frames the research. This is followed in sections 3, 4 and 5 by a closer examination of the three main themes in the research:

- the emergence and development of local VCS infrastructure organisations (section 3);
- their effectiveness (section 4); and
- their future prospects and sustainability (section 5).

The report concludes by outlining a model to assist understanding of the development of local infrastructure organisations.

2. A turbulent policy context

2.1 A renewed debate on voluntary and community sector infrastructure

The UK government's express intention of creating a step change in the support provided to 'frontline' voluntary and community organisations has led to a stream of policy initiatives directed towards capacity building and VCS infrastructure in recent years. But allied to this rather turbulent policy context, the state of VCS infrastructure has increasingly been called into question from a number of angles. Both within and beyond the VCS, a vigorous debate has subsequently emerged on the role of VCS infrastructure. Some of this has revisited older questions on its focus and position, for example whether it has the capacity to provide proactive support for the voluntary and community sector (Osborne 1999). But the debate has also embraced new issues and agendas, focusing on its reach, effectiveness, configuration and scale, financing and sustainability.

The historical background to this renewed policy emphasis comes from the interest by the current UK government in boosting the role and profile of the voluntary and community sector. It has arguably sought to develop a deeper and clearer relationship with the sector than hitherto, to the extent that one commentator has suggested that the sector is now being brought into the 'mainstream' of the policy making process (Kendall 2003). Central government has expressed its interest through a range of mechanisms, including the development of the Compact, a role for VCS representation on Local Strategic Partnerships, reform of charitable law, efforts to promote charitable giving, volunteering and active citizenship, and by attempting to boost the role of the sector in shaping and delivering public services. Within the machinery of government, primary responsibility for the voluntary and community sector moved from the Home Office to the Cabinet Office in May 2006 with the establishment of a dedicated 'Office of the Third Sector'.

2.2 From the Cross-cutting review to ChangeUp

A key milestone in the renewed debate on the position of VCS infrastructure was the publication in September 2002 of the Treasury's Cross cutting review of the role of the voluntary sector in public service delivery undertaken as part of the 2002 Spending Review (Treasury 2002). Dedicated funds were to be made available to advance the development of the sector over the three year period 2003-2006. Alongside Futurebuilders, a loan-based capital investment fund amounting to £125m over three years, the Home Office was given responsibility for developing a 'Capacity Building and Infrastructure Strategy' to develop the voluntary and community sector's infrastructure. This would inform the appropriate allocation of an additional sum of £80m for VCS infrastructure over the same period.

A draft strategy was published in Autumn 2003, before the final document, '*ChangeUp- Capacity Building and Infrastructure Framework*' (Home Office 2004) was published on 24 June 2004. The central purpose and premise of *ChangeUp* is signalled in the preface by Fiona Mactaggart, the government minister with responsibility for the voluntary and community sector at the time:

Many groups and organisations are prevented from achieving their potential because they cannot access the support and expertise they need to improve and expand.

(Fiona Mactaggart, Home Office 2004: 5)

The high-level aim of *ChangeUp* is

that by 2014 the needs of frontline voluntary and community organisations will be met by support which is available nationwide, structured for maximum efficiency, offering excellent provision which is accessible to all while reflecting and promoting diversity, and is sustainably funded

(Home Office 2004: 7)

The framework is then set out as a tool to inform more detailed local, regional and national infrastructure planning and development through to 2014. It suggests that each local area should undertake strategic review and planning exercises in order to produce an Infrastructure Development Plan.

From this discussion, it would appear that the government's focus in relation to VCS infrastructure is primarily about providing a range of services and support to what it refers to as 'frontline' organisations. This is a logical corollary to central government's concern to enhance the role of the sector in the delivery of public services, and arguably takes precedence over the contribution voluntary organisations and community groups might make to community development and civil renewal.

Importantly, the framework signals the government's intentions in two key passages. Firstly, in relation to the appropriate *geographical scale* of infrastructure provision, the framework discusses the notion of '*Geographic hubs of infrastructure activity*', whereby

It is envisaged that at regional, sub-regional and local levels infrastructure should gradually coalesce into geographic hubs of activity with services sharing premises, back office facilities or merging depending on needs. (Home Office 2004: 9)

This reflects the view that infrastructure has developed in a somewhat haphazard, piecemeal and ad hoc manner over time, and that there is scope for rationalisation (or '*reconfiguration*') to reduce duplication and address gaps.

Secondly, in relation to *funding VCS infrastructure*, whilst *ChangeUp* notes the significance of strategic public sector support, it does not indicate how much is being invested in VCS infrastructure, nor how much should be. However, the framework also signals the possibility of increasing the role of charging for services, and potentially therefore developing more of a 'market' for infrastructure:

a higher proportion of infrastructure costs should be funded by frontline organisations through membership fees and sale of services.

Public sector funding should be long term, strategic and focused on clear objectives which infrastructure bodies should deliver to agreed standards.

(Home Office 2004: 10)

Interestingly, this last suggestion was taken forward as a key, although not the only, recommendation of recent research on developing second-tier support for frontline groups in London (Harker and Burkeman 2007).

Following the publication of *ChangeUp*, a great deal of work has been undertaken at national, regional, sub-regional and local levels to use the available allocation of resources to plan, re-shape and enhance infrastructure provision.

2.3 Capacitybuilders and BASIS

Until April 2006 the ChangeUp programme was implemented for local and regional VCS infrastructure, via 127 ChangeUp consortia, funded through regional Government Offices. In addition six national hubs of expertise were established covering support services on performance, workforce development, governance, provision of information and communication technologies (ICT), volunteering, and finance.

But from April 2006, delivery arrangements changed when a new arms-length agency – Capacitybuilders – took over the responsibility for managing the ChangeUp programme, using an additional £70m allocation up to March 2008 (Capacitybuilders 2006). Capacitybuilders was established to address a number of challenges in the implementation of ChangeUp, particularly the need to ensure greater co-ordination and streamlined funding arrangements (Home Office 2005).

Capacitybuilders' stated mission is to: *“secure a high-quality, sustainably funded infrastructure for front-line VCOs. This should allow them to achieve their aims better and use their resources more effectively”*, and its aims are to: *“improve the quality of infrastructure support for VCOs; encourage extra investment in infrastructure through demonstrating its benefits; ensure investment reaches diverse organisations; and develop knowledge of other funds available and influence policy and practice of other funders”* (Capacitybuilders 2006).

In its first year Capacitybuilders undertook reviews of existing Infrastructure Investment Plan and the national hubs, and launched a consultation, *Destination 2014*, to stimulate a discussion on the strategic priorities for the organisation and the programme through to 2014.

At around the same time the Big Lottery Fund launched its own dedicated VCS infrastructure programme, BASIS - Building and Sustaining Infrastructure Support. The aims are:

to ensure that voluntary and community organisations throughout England have access to high quality support that will help them be more effective.

(Big Lottery Fund 2006: 6)

A total of £155m has been earmarked for investment in the programme. However, the first round of the programme (for which an initial allocation of approximately £60m was made available) was massively over-subscribed, and led to considerable delays in assessment. Over 1,000 applications worth over £400m were submitted to round one.

By the end of the decade, as much as £300m will have been invested in VCS infrastructure from the current ChangeUp and BASIS programmes alone. It is unclear whether new resources will be made available to support and develop VCS infrastructure on this kind of scale. The next government Comprehensive Spending Review is expected to be less accommodating than previous reviews, so resources to continue the ten-year ChangeUp strategy will be competing with other demands on government expenditure.

2.4 Conclusions

The policy environment affecting VCS infrastructure has arguably become much more complicated in recent years. Not only is it changing rapidly as new initiatives are rolled out and new opportunities emerge, but it is filtered through an increasingly complex institutional context operating at different geographical levels. Alongside this, much of the way VCS infrastructure is organised and coordinated is being unsettled, reviewed and contested. The net effect for local infrastructure organisations is a bewildering array of institutions, initiatives,

influences and issues with which to grapple. As a result the future appears quite uncertain for many organisations.

Whilst the research reported here does not purport to address all the questions currently being articulated about VCS infrastructure, the findings may inform the ongoing debate.

3. Establishing and developing local VCS infrastructure

This section is about 'looking back'; reflecting on the context and circumstances in which local infrastructure organisations are established. As well as looking at different types of factor which may be significant in the development of LIOs, this section considers in more detail the early 'development trajectories' of new LIOs, and finally considers the importance of funding from local statutory authorities and the lottery.

3.1 The 'development context': factors in the development of LIOs

The email survey in the first phase of the research sought to investigate a range of 22 different factors thought to be relevant for the development of local infrastructure organisations. These were labelled in positive terms and for convenience were grouped into four types:

1. Funding/finance factors
2. Staff factors
3. Governance factors
4. Relationships with others and location factors.

The factors are listed in the appendix. The aim was to provide an indication of the *development context* in which local infrastructure organisations emerged, by assessing the presence, absence and effect of the 22 factors.

In theory, a more conducive development context leads to the emergence of more effective LIOs. Arguably a more challenging development environment is likely to hinder the effectiveness of LIOs. We consider 'development context' in this section, and 'effectiveness' in the next.

Most of the 22 factors, in varying degrees, were present in the development of local infrastructure organisations. Fifteen or more of the 22 factors were present in the development of at least two thirds of responding organisations, and overall the factors were present in an average of 71% of cases.

In terms of access to and availability of positive factors which could help the emergence and development of LIOs, it appears from the survey that staff-related and governance factors were more likely to have been present in the development of LIOs (on average present in the development of 83% and 80% of organisations respectively) than positive relationships with others (average 70%), and finally funding and finance factors (average 52%). This implies that whilst responding local infrastructure organisations have emerged and developed in relatively mixed funding circumstances, problems appear to have been less widespread in relation to staffing and governance.

A scoring system was developed to compare the factors against each other regarding both their prevalence and the strength of the effect (whether present or absent) on local infrastructure organisations. On this basis staff-related factors appear to be the most important, being regarded by respondents as helping a lot when present, and hindering a lot when absent, to a greater extent than governance factors, relationships with others and funding and finance factors.

Overall, the most significant five factors using this scoring system were:

1. Continuity of key staff
2. A good relationship between Chief Officer and the committee/Chair

3. Attracting an effective/experienced Chief Officer
4. Lottery funding
5. Having one or more supportive local authority officers as champions.

A similar scoring system was used to compare the overall presence and effect of factors on the development of each organisation. This measure offers a way of judging the overall 'development context' in which each individual organisation emerged and serves to indicate whether this took place in relatively enabling or challenging circumstances. We used this distinction as part of the selection of case studies: four of our eight case studies emerged in what can be regarded as a challenging development context, and four emerged in what can be regarded as more enabling circumstances.

3.2 The emergence of LIOs: origins, development and location

We asked interviewees in the case study LIOs to tell the story of how the organisation was established.

The origins of local infrastructure organisations

There appears to be no single model of development of local VCS infrastructure, and a surprisingly diverse set of development paths emerged. All eight were specifically developed in order to fill a gap in generalist infrastructure provision in their localities, often as the last district within a county or sub-region to develop an LIO. All but one emerged in localities in which no similar support had existed before.

Three of the eight cases developed into generalist LIOs ostensibly from being something else:

- a '*volunteer development agency*', seeking ongoing funding from its local authority and to expand its remit beyond support for volunteering, coincided with the local authority's priority to establish a CVS. Established to promote volunteering under the central government 'Make a Difference' programme, the organisation became a CVS as part of a process of negotiating financial support with a local authority which saw the need for a generic voluntary sector coordinating body. The agency researched what a CVS involved and concluded that it was doing much of this in any case.
- a '*rural development agency*' floated off from a Rural Community Council, developed into a CVS almost without noticing. The distinction between its rural development work, and what was thought at the time to be the typical function of a CVS supporting the development of existing organisations, began to break down. Eventually an evaluation of the agency's services and profile suggested that it should acknowledge the broader role it had taken and change its name accordingly: "*we held our hands up and said, 'OK we're a CVS'*".
- a membership-based *urban regeneration initiative* began to take on generic infrastructure functions following the closure of the existing CVS through lack of funds. The initiative's members increasingly demanded the kind of support provided by a CVS, so the organisation took the decision to widen its scope to take in CVS functions, and expand its geographical remit to offer services beyond the more deprived areas covered by the City's regeneration initiatives.

Interestingly the 'shadow' of these origins still exists today. We could detect the sense of legacy in how respondents described the focus of their work now. For example, the first of these cases was still described as a volunteering agency by some respondents; one

commented that the promotion and development of volunteering remains the 'heart' of the organisation.

Five organisations were specifically developed as LIOs 'from scratch'. Typically variations on three main steps were involved:

- *the establishment of a steering group*, drawn from interested local voluntary and community organisations and sometimes key statutory agencies. The cases include steering groups where the drive originates from the voluntary and community sector, as well as those where the idea appears to have been part of the fulfilment of a local authority priority. Key members of the steering group typically become a founding management committee of board members for the newly established organisation
- initial *'pre-LIO' development work* through steering group members, a dedicated worker or through consultants, employed to carry out initial work with groups, support the steering group, undertake a feasibility study and develop a business plan. This may be funded through small grants from charitable trusts or foundations, or through a one-off local authority or health authority grant
- attempts to secure, with varying success, initial *'start up' financial support and commitments* from local statutory agencies, alongside the development of proposals for funding from other sources, and particularly the national lottery.

Locating local infrastructure organisations

The location of an LIO, in terms of the town or village as a base within its district or borough, and in terms of suitable premises itself, is clearly important both for the overall visibility and presence of the organisation and for its accessibility to members, users and potential users.

Finding a suitable, accessible and affordable base is not always straightforward, particularly in rural areas. In the survey, 75% of respondents indicated that they were able to develop in a central location in their area of benefit. But only 44% indicated that they had high quality and accessible premises.

The eight case study areas appear to illustrate some of the particular challenges here. Only case study areas C and G have obvious single population centres or hubs. In the other areas the population is either divided between two or three large and similarly sized population centres, or dispersed through a large number of small towns and villages. For example, the population of the village which acts as the base for case study H, the most sparsely populated area, is less than 5% of the population of the district as a whole.

The case studies reveal how the physical location of an LIO is not just a matter of finding relatively central, accessible and affordable accommodation of sufficient size and flexibility. There is also an intangible 'politics' of place identity which comes with where LIOs are located. Two of the case studies exemplify the dilemmas here:

- Case study D is located in the second largest town in its borough. This is slightly smaller than the largest town, but the borough is effectively split between the two, which together constitute nearly three fifths of the population. The LIO deliberately sought a home in the second largest town in order to avoid the gravitational pull of the largest town, where the local authority is also based.
- Case study H is situated in a small village in the centre of a large rural local authority. Whilst it may have been more convenient to find a base in either of the two larger market towns, it ran the risk that choosing one of the two would tarnish relations with

organisations based at the other. As a result it remains located in a neutral place closer to the centre of the district.

The launch of local infrastructure organisations is typically not a ‘big splash’ in bespoke premises, if these case studies are anything to go by. Several were established in extremely modest circumstances, in temporary accommodation. One attempted to run CVS functions from the first Chief Officer’s living room before viable premises were found, two were accommodated as guests in rooms provided by other organisations, and one operated with a borrowed typewriter from behind a security door in the local Magistrates Court.

In these cases it was not long before the operations moved to more suitable locations and premises, but overall the case study LIOs appear to have had fairly restless beginnings. None are located in the same premises now as when they were launched, although the greatest continuity is shown by **case study D** which has been in the same shop front accommodation for all but the first nine months of its ten-year history.

At the other extreme, however, **case study C** has occupied four different offices in different parts of the city in its seven years of operation. Whilst it had a relatively settled period of three years in a flagship city centre development, the accommodation was expensive and restrictive. For the last 18 months it has used more spacious accommodation which has allowed it to sub-let for a small amount of income generation, but at the cost of an ill-signposted, out of the way location.

Case study B has had a similarly nomadic life moving between towns in its borough during its 7 years. After a couple of years in a spacious office on an inaccessible industrial estate, it has found what it regards as excellent shop-front premises in a shopping parade in the second largest town in the borough. However, because this is located at one end of a relatively large rural authority, and represents only about one fifth of the borough’s population, the organisation faces significant challenges in reaching out to serve the needs of the rest of the area.

3.4 Funding and finance in the establishment and development of local infrastructure organisations

The survey looked at four sets of issues in the establishment and development of LIOs: funding and finance, staffing, governance and relationships with others. We focus on the first of these issues in more detail in the remainder of this section, and the other three in section 4.

The survey results suggest that newly forming LIOs were less likely to experience positive funding and finance factors than factors relating to staffing, governance and external relationships. Although 83% of respondents noted that lottery funding was a factor in the establishment of the organisation, just over half had access to early ‘seed-corn’ funding to help establish the organisation, and only 34% said they had adequate financial support from the local authority at the beginning.

Typically the case study LIOs have been launched on what looks like a shoestring. This might be a case of taking an understandably cautious approach to developing new initiatives. Several cases were able to draw on relatively more significant or secure initial funding commitments: from central government programmes (case D), regeneration initiatives (case G) or local statutory authorities (cases E, F and H).

In the latter cases, the development of the organisation appears to have been given some internal priority in the local authority, based on recognition of the need for a generic VCS coordinating and support body. However, initial support from local statutory agencies seems

to have varied considerably: from expressions of moral support, to advice and guidance through participation in steering groups, in-kind secretarial and practical support, to more enhanced political support and early financial commitments. In one case the local authority waited to see if the organisation would be launched, and then until it had 'proved itself', before making an ongoing financial commitment.

We return to the role of local authority funding in section 5.

3.5 The significance of national lottery funding

Since 1995 just over £1.75m in lottery funding in total has been awarded to the eight case study infrastructure organisations since the first were established in 1995, through 17 different projects funded primarily by the National Lotteries Charities Board and its successor, the Community Fund.

Significant lottery funding appears to have been heavily implicated in the very establishment of four of the case study organisations, either as the main element of initial funding, or as a key component of an initial package in the first couple of years. Without lottery funding, it is hard to see how these LIOs otherwise would have developed.

- case study D was established on the basis of three-year tapered funding from the Make a Difference programme. Local authority support was not available at the outset. However, a two-year lottery award made up the taper and was said to have 'bought time' to enable the pursuit of negotiations with the local authority over core funding, which was eventually agreed, and continues to date.
- case study A was awarded two three-year grants totalling over £200K in its first 18 months of operation, enabling it to launch with a Chief Officer, a Development Worker and administrative support, and then run an additional capacity building project. Historically this organisation has had very little support from either of its two-tier local authorities, but has been successful with three further lottery bids. However, early in 2007, following an unsuccessful BASIS bid and stalled discussions around merger with the area's Community Empowerment Network, case study A took a decision to close.
- case studies B and C, in the same sub-region, illustrate how lottery funding and the differences in local authority approaches can affect LIOs. Both B and C were established and submitted lottery applications at more or less the same time:
 - Case study B gained pre-application financial commitments from its district and county councils and was awarded a three-year lottery grant of around £50K to help establish the organisation. Despite some organisational difficulties in the meantime, local authority financial contributions have continued to date, and the organisation begins 2007/08 with the prospect of an additional local authority contract and a successful BASIS bid.
 - Case study C, however, had its initial application turned down due to lack of local authority financial support. Eventually the first year of a potential three-year grant was made, on condition that statutory support would be forthcoming. Despite this, the organisation was unable to lever in further support, and had to forego years 2 and 3. Although the organisation has had ongoing county council support subsequently, it has never had significant support from the district council. Because the area is perceived as affluent, it rarely attracts significant external resources. The organisation has struggled throughout its history, and in early 2007 following an unsuccessful BASIS bid, it had approximately six to eight months' resources left.

The cases illustrate that lottery funding in the form of significant 'start-up' resources sometimes enables LIOs to lever subsequent local authority support. D and B, both cases where it has, are amongst the strongest-looking LIOs of the eight case studies. In contrast, A and C, both cases where local authority support was and remains minimal, looked the most vulnerable of the eight LIOs, and as indicated, case study A decided to close.

Lottery funding also appears to have played a significant role as the case study organisations became more established. Awards were made to support significant developments or extensions to service provision in some cases, typically for the development of infrastructure around promoting and supporting volunteering, as the following examples illustrate:

- case study H was awarded a three-year grant totalling nearly £200K in its second year to develop an outreach volunteer service
- case studies B and C were awarded just over £50K each in their third year of operation to help develop Volunteer Bureaux. Case study B had just taken over the Volunteer Bureau function from another organisation in its locality
- from its third year case study A was able to develop a volunteering support function, and extend its work with small groups, on the basis of a three-year award of over £200K. Within six months a smaller additional award enabled it to extend its development work for another two years
- case study G was awarded nearly £200K for development work during its fourth year of operation
- after five years of operation, case study E was awarded nearly £90K for a three year training and resources project.

3.6 Conclusion: challenging and enabling contexts

In this section we have reviewed the circumstances surrounding the establishment and development of LIOs, using survey findings and case study evidence from the research.

Internally oriented factors, relating to staffing and governance, are thought to be more important in the development of LIOs compared with externally oriented factors, such as funding and relationships with others. We consider issues around staffing, governance and relationships in the next section. But funding and finance factors have also been important. Initial support – both financial and otherwise – from local statutory agencies seems to have varied considerably. Significant lottery funding appears to have been heavily implicated in the very establishment of four of the eight case study organisations, either as the main element of initial funding, or as a key component of an initial package in the first couple of years. We have seen how investment from local authorities, major government initiatives and national lottery distributors have been used as important springboards for the development of some LIOs.

4. The effectiveness of local VCS infrastructure

This section addresses some considerations of the effectiveness of LIOs. It *does not* provide an answer to the difficult questions of (a) how effective local VCS infrastructure actually is, nor (b) how best to measure effectiveness. Rather it provides an indication of how effectiveness questions might be addressed, but also how they are typically framed in everyday discussion in practice about the work of LIOs.

4.1 Assessing the effectiveness of local infrastructure organisations

There is no commonly agreed or standard understanding or definition of what is meant by effectiveness of local infrastructure organisations, and given the complex and diverse nature of LIOs and their work, such a judgement is unlikely to be straightforward.

However, there are several frameworks which attempt to assist organisations in assessing their effectiveness. For the purpose of the research survey we adopted and adapted the new five-dimension outcome-based NAVCA Performance Standards system. Further details are provided in the box below.

It is important to note that a full or formal independent performance assessment of the case study LIOs was outside the scope of the research. Instead, we asked respondents to provide a brief self-assessment, by placing an indicative score (from 1 to 6) against each of the five dimensions of performance. The results should therefore be interpreted more as a measure of the *confidence* of each organisation in terms of meeting infrastructure outcomes, rather than an objective assessment of effectiveness.

NAVCA Performance Standards

The five outcome-based dimensions in the NAVCA performance standards are:

1. *Identifying needs and facilitating improvement in service provision*
2. *Assisting local organisations to function more effectively*
3. *Facilitating effective communication, networking and collaboration amongst local groups*
4. *Enabling the representation of the diverse views of the local sector to external bodies*
5. *Enhancing the sector's role as an integral part of local planning and policy-making*

Examples of the kinds of outcomes implied by each of the dimension were given as guidance in the survey, and the six effectiveness scores used are:

1. *Meets none of the outcomes listed*
2. *Has lots of work to do to meet the outcomes listed, but is partially effective on some*
3. *Is making headway in meeting some of the outcomes listed*
4. *Is making headway in meeting most or all of the outcomes listed*
5. *Is fully effective on most or all of the outcomes listed*
6. *Achieves outstanding effectiveness on most or all of the outcomes listed*

By the self-assessment of the LIOs in the survey, local VCS infrastructure is 'making headway' meeting the outcomes typical of effective infrastructure as measured by the NAVCA system. The average score for all survey respondents, across all five dimensions, was 3.92 against a maximum of 6.00 (i.e. close to 'making headway in meeting most of the outcomes'). A score of 3 was given on just under a quarter of occasions (23%), a score of 4

was given on two fifths of occasions (41%), and in just over one quarter (26%) of occasions a score of 5 was given.

The table below provides details of the scores obtained for each dimension.

Dimension	Average score 1 (low) to 6 (high)	Percentage of high scores (5 or 6)
<i>Identifying needs and facilitating improvement in service provision</i>	3.62	18.9
<i>Assisting local organisations to function more effectively</i>	4.17	37.7
<i>Facilitating effective communication, networking and collaboration amongst local groups</i>	4.19	39.7
<i>Enabling the representation of the diverse views of the local sector to external bodies</i>	4.02	30.2
<i>Enhancing the sector’s role as an integral part of local planning and policy-making</i>	3.60	17.0
Average for all dimensions	3.92	28.7

Respondent LIOs as a whole appear to be slightly more confident in terms of:

- ‘facilitating effective communication, networking and collaboration amongst local groups’ (average score 4.19)
- ‘assisting local organisations to function more effectively’ (average score 4.17), and
- ‘enabling the representation of the diverse views of the local sector to external bodies’ (average score 4.02).

But slightly less confident in terms of:

- ‘identifying needs and facilitating improvement in service provision’ (average score 3.62)
- ‘enhancing the sector’s role as an integral part of local planning and policy-making’ (average score 3.60).

4.2 The relationship between development context and effectiveness

We used the survey to explore the potential relationship between the context in which LIOs have emerged (or, as we have termed it, ‘development context’, see section 3.1 above) and the self-assessment of LIO effectiveness.

To do this, a single effectiveness score for each organisation was produced by simply adding together the scores on the five outcome dimensions. Twenty five survey respondents (47%) have an above average combined score, whilst 28 (53%) have a below average combined

score. Organisations with higher than average self-assessed effectiveness scores tend to be larger in terms of annual income and tend to have been established more recently than those with lower than average scores.

Self-assessed effectiveness was considered against a single measure for 'development context', which covers the number of factors present and the effect of each in the development of each organisation. Again LIOs were split between those which seem to have developed in more enabling circumstances and those which appear to have emerged in more challenging circumstances.

There appears to be a close coincidence between membership of the higher effectiveness group and of the 'enabling context' group on the one hand, as well as between membership of the lower effectiveness group and of the 'challenging context' group on the other. Organisations with above average scores for 'development context' (that is, a more enabling context for development) have higher than average self-assessed effectiveness scores than those with below average scores for 'development context' (that is, a more challenging context for development), and vice versa.

Put simply, having a more enabling context in which an LIO develops is more likely to lead to an organisation more confident in its effectiveness, than one developed in a more challenging context.

But are some factors more important than others in creating the conditions for organisations to be confident about their effectiveness? The degree to which each of the development factors was present was compared for the organisations with higher than average and lower than average self assessed effectiveness scores. None of the 22 factors are simultaneously only present in the 'higher than average effectiveness group' and not present at all in the 'lower than average effectiveness group', and vice versa. Hence comparisons are made on the basis of differences in the rates in which factors are present.

The individual factors showing the main differences between the more confident and less confident groups were:

1. Attracting an effective/experienced Chief Officer (a 26% difference)
2. Having supportive local authority officers as champions (a 25% difference)
3. The involvement of members and users (a 25% difference)
4. An involved/engaged management committee (a 16% difference)
5. Adequate financial support given by the local authority at the beginning/since then (a 15-16% difference).

When all factors are considered together, organisations more confident in their effectiveness are more likely on average to report the presence of positive development factors than those seemingly less confident in their effectiveness, by a margin of 7.4%.

However, the most important distinguishing factors between the two groups appear to be around 'relationships with others and location' (more likely to be present by a difference of 11.5%), followed by staff-related factors (7.2%), governance (6.9%) and finally funding and finance factors (2.5%).

This means that the presence of positive funding factors tends only to make a marginal difference to organisations' confidence in their effectiveness, whereas having positive relationships with others (for example, local authority officers and members and other

infrastructure agencies) does seem to make a difference over how confident organisations are over their effectiveness.

In the remainder of this section we consider the role of staffing, governance and key external relationships in the establishment, development and current effectiveness of LIOs.

4.3 The role of staff

Respondents in the study, from various quarters, have tended to identify the calibre, character and approach of Chief Officers, as the single most important feature in the emergence, development and success or otherwise of LIOs. People spoke at length about the importance of 'personalities' and the energy and enthusiasm of key individuals. The main characteristics raised were described in terms of vision, background knowledge, expertise and skills, awareness of opportunities and willingness to pursue them, the ability to network in the right places, with the right people, the ability to motivate and enthuse others and to understand the priorities and demands placed on others. In short this emphasised a '*double leadership*' of key staff: internally within the LIO, but also externally with key stakeholders.

It is hard to ignore the force of some of these arguments, but it is important not to elevate them above the context in which key individuals are operating. This is partly an internal organisational context. Other staff, volunteers and trustees all have a role to play in the apparent success or otherwise of an organisation. But it is also about external developments. In particular, a central feature of the period in which the case study organisations have emerged is a changing role for VCS infrastructure, and a changing set of expectations about the contribution it may make to strategic developments and planning locally, for example with the emergence from around 1999-2000 of a range of initiatives which have sought to encourage participation from the VCS, including Local Strategic Partnerships, Community Empowerment Networks and the development of local Compacts, amongst others. Clearly new pressures and opportunities for engagement have emerged. However, an important issue is the extent to which those responsible for LIOs have been able and/or willing to engage with these new agendas, and the contribution they have been able to make.

A regular refrain in the case studies was some recognition of 'the need to be strategic' or the demand from external authorities to participate in 'strategic' discussions and consultations. Precisely what 'being strategic' means is not always clear, but it seemed to involve an external presence, dialogue and contribution with statutory and other partners, often in contrast to everyday 'operational' or 'grassroots' work supporting voluntary and community organisations, developing projects and encouraging networks of groups.

During the three or four years after 2000 there appears to be a common dynamic within the case study LIOs, although with different responses and outcomes:

- Case study H needed to recruit a new Chief Officer in 2001, six years after the organisation was established. The board of trustees consciously sought to recruit somebody who could enable the organisation to be 'more strategic', envisaging a higher profile, a more direct contribution to emerging partnerships and area forums, and a greater emphasis on promoting the voice and influence functions of the LIO. The first Chief Officer was highly regarded for development work, but indicated that she was 'not really a Chief Officer'. Reflecting on the new appointment, and the six subsequent years, the Chair of case study H suggested that the second Chief Officer had been successful in engaging with statutory partners and continues to be a well respected vocal advocate for the VCS.

- Case study F recruited its second Chief Officer early in 2000, after an initial period of four years characterised by respondents as focusing on pragmatic support for the VCS. A considerable amount of time was invested at the beginning visiting voluntary and community organisations offering practical support and signposts to other assistance. However, the changing external demands for involvement at a more strategic level required a degree of dynamism and a willingness to participate. The first Chief Officer made a conscious decision that this was not the role for her. Her replacement brought with her a good reputation, well grounded knowledge of the VCS and dynamic personality that was said to have brought fresh impetus to the organisation which has been welcomed at strategic level meetings.
- However, case study A provides a contrasting perspective. The departure of its Chief Officer in 2003 led to a period of organisational hiatus. The Deputy, previously a Development Worker, became acting Chief Officer, but later the job was redefined as 'Manager'. This was a sign of a different role being envisaged: in the period since 2003 there has been more emphasis on the internal management of the organisation and on securing funding for the continuation of services, and less on networking and strategic engagement. Although partly an issue of capacity, this meant the organisation became less visible to partners and statutory agencies, with less opportunity for dialogue which might increase understanding of the VCS and its infrastructure.

The *continuity* of key staff was thought to be important for the development of LIOs in the survey (see section 3). However, this can be a mixed blessing:

- In case study D, the original Chief Officer remains in post after 10 years, and was thought to be the main factor behind the positive regard in which the organisation is held. Respondents spoke of her as a visionary leader of the organisation, open to ideas and opportunities, unafraid to raise issues and concerns with statutory partners, and able to understand and articulate how the VCS and the LIO could assist other agencies meet their priorities and objectives. This was thought crucial in gaining a positive reputation for the organisation, and reinforcing an acknowledgement of its importance to local strategic developments. The organisation continues to grow and is participating in new ventures around volunteering as part of the area's Local Area Agreement. The downside to this has in part been recognised by case study D: the potential that it has become over-reliant on one charismatic individual, with little engaged board input, and therefore questions over its sustainability should the Chief Officer leave.
- The original Chief Officer in case study C remains in post after seven years of operation. Whilst this has provided a welcome sense of stability, respondents, including the post-holder herself, regarded her as 'more of a development worker' than a strategic contributor, noting a preference for 'grassroots' work with ordinary voluntary organisations rather than 'reading strategies and attending meetings'. As a result of this, as well as capacity constraints, the organisation appears to be less visible in strategic partnerships, potentially less important to statutory partners, and faces criticism for its lack of presence and participation. With no funding from its district council throughout its life, the organisation remains in a fragile financial position. Indeed the local authority has established its own in-house community development team which appears to carry out many of the functions normally associated with an LIO.

Clearly a balance has to be struck between the everyday management activities involved in running an infrastructure organisation, the activities which provide direct support and services to the VCS, and the 'outward facing' demands for 'strategic' participation and contributions by statutory partners. This balance becomes even harder to achieve in smaller LIOs. Many LIOs will make a conscious decision to prioritise what they might regard as 'the basics': their work with and alongside members and users in the VCS. But from the case studies, the consequences of such approaches need to be recognised. In many situations

LIOs might judge that they can ill-afford *not* to be present and making a contribution to strategic level discussions.

4.4 The governance of LIOs

The case studies illustrate a number of difficult issues which typically arise in the governance of LIOs, and voluntary organisations generally. Two main issues appear to stand out from the experience of the case studies: on the one hand the apparent 'strength' of the governing board and the relationship between 'management' and 'governance'; and on the other the relationship between the Chair and Chief Officer.

The 'strength' of governance, and the relationship between 'management' and 'governance'

The research did not involve a structured or comprehensive assessment of the strengths, weaknesses and performance of case study boards. However, an interesting feature of the case studies was how various respondents felt able to come to a judgement of the governing boards of LIOs in terms of strength. It was not immediately clear what a 'strong' board might mean in practice, although people spoke variously of:

- the range and level of skills and experience brought to bear by board members,
- understanding the responsibilities of being a trustee or board member,
- the degree to which the whole board was proactive and engaged in discussion and decision making,
- level of commitment shown to the role,
- the level of commitment to the organisation itself (in contrast to board members who tend only to articulate the concerns of their own organisation, area or interest), and
- an ability to appreciate the strategic governance role of the board.

One case study saw the lack of development of its board as a key strategic issue, and has taken steps to address it:

Until 2003, the management committee was small, with little capacity and almost no energy. I attended a 3 day course on developing trustees and management committees and decided to prioritise this. We have since doubled in size, enabling proactive work to be undertaken, new sub committees and working groups to take areas of work and a far more visible effective and impressive team which has helped show our funders that we are an organisation punching well above our size, having a voice worth hearing.

A recurring issue from the case studies appears to centre on the distinction between 'management' (as the primary responsibility of senior staff) and 'governance' (as the primary responsibility of the governing board). Whilst the distinction might be clear on paper, in practice it can be difficult to separate the two, and in some case studies appeared to have become contested. There was some debate amongst case study respondents over the appropriate roles of the board of trustees and senior staff.

Commentating on the governance of two of the cases, some respondents thought that the governing boards had a tendency at times to interfere with the *management* of the organisation, and appeared to overshadow the Chief Officer. But board representatives resisted this characterisation. In one it was suggested that the difficulties faced by senior staff in addressing and resolving difficult personnel issues necessitated board intervention. This may be a case of a board having to compensate for insufficient experience or expertise

in the staff team and to deal with the intractability of a management issue, although externally it might be regarded as board interference.

Another case study illustrates a contrasting situation. Here, a high profile and well regarded Chief Officer takes the lead on strategic thinking and developments, and raised concerns that the Board is not as engaged as it could be and does not take its role as seriously as it should. The Chief Officer is clearly in a central position, potentially with the time available and access to the information and networks required to make an ongoing assessment of the strategic position and the threats and opportunities facing the organisation. Board members are less likely to have such resources available, and may come to rely on the Chief Officer, not only for strategically relevant information and insight, but also to take the lead on strategic matters. In this case there is a risk that the Chief Officer's predominance compensates for the inertia of the board. It may also encourage its inertia. In time the board may step back from its more strategic role and become little more than a sounding board or advisory group, rather than a strategic decision making body.

Thus in some cases boards of trustees appear to have acted to compensate for a weakness in the staff team, whilst in others the converse has arisen, where the strengths identified in the staff team may compensate for, or mask, weaknesses thought to exist at board level. There is some evidence from the case studies, therefore, that an inverse relationship might exist between the apparent strength of the Board and the significance and profile of the Chief Officer. This is not always the case, and further research would be needed to establish whether this is a more common finding, and how it arises.

However, there is an issue about the space for, and form of, discussion of wider organisational strategy. The heavy agendas at relatively infrequent meetings, and the variable participation and understanding from board members, mean that board meetings may not be the most appropriate space for involved and informed strategic discussion. Case study LIOs have responded in different ways to this dilemma, including smaller executive committees (sometimes involving just the Chief Officer and Chair), working groups and focused organisational away days scanning the horizon ahead.

The role of the Chair, and the relationship between the Chair and the Chief Officer

Three quarters of respondents to the survey indicated that having a good relationship between the Chair and the Chief Officer helped a lot in the development of the organisation. The significance of the relationship is borne out by the case studies.

In several, relationships now and between past incumbents were described as positive and dynamic: the Chair's knowledge and experience is valued and used to provide some guidance and direction both directly as a mentor to the Chief Officer, as well as to the organisation as a whole. This could be supported by their previous experience: for example, in business, leading or developing similar voluntary organisations, or in senior roles in local government. Some Chairs and other senior board members in the case studies have taken on strategic or ambassadorial roles in relationships with external stakeholders, such as involvement in a local Compact steering group.

The more valued the relationship is, the more it might raise the difficult question of succession. Several Chief Officers in the case studies reported how new Chairs were in a process of 'finding their feet', sometimes in the shadow of highly experienced and well regarded predecessors.

In some cases the Chair may be regarded, sometimes in retrospect, as a dominating force in the development of the organisation. A less experienced or assertive Chief Officer might find it difficult to act as a counterweight in such circumstances. In one case study, an energetic

force in the steering group which worked to establish the organisation became the first Chair of the management committee which saw the launch of the organisation and the recruitment of its first Chief Officer. As well as providing mentoring support to the Chief Officer, the Chair maintained a clear sense of how the organisation should develop strategically. With hindsight, however, this experience has been re-evaluated and is now seen as a blockage to the ambitions for the development of the organisation.

Governance and effectiveness

Within the research design adopted in this study it is not possible to come to firm conclusions about the relationship between the governance of LIOs and their overall effectiveness. In the survey, there was no clear association between the presence and effect of the six governance factors and the self-assessment of effectiveness. However, organisations reporting higher than average self-assessed effectiveness ratings were more likely to indicate the presence of the 'involvement of users and members', 'an involved/engaged management committee' and 'a skilled and experienced management committee' in the development of the organisation, than those with below average effectiveness scores.

In the case studies the picture seems a little more complex. Cases which attracted the most critical comment in relation to governance (and their role and activities more generally) appear to be the most financially vulnerable of the eight case studies (see section 5.1). But organisations held in positive regard do not necessarily have governance arrangements which were described as strong. Because of the complexity of issues at stake, this is an area in which further research would be valuable. We have highlighted two main issues - the relationship between 'management' and 'governance' and the relationship between the Chair and the Chief Officer. Particularly important is the need to ensure that there is an appropriate space, and assigned responsibility between senior staff and board members, for strategic discussions about the future role, position and activities of the LIO.

4.5 The role of 'champions'

One aspect of a Chief Officer's role involves participating in networks of key officers in partner statutory agencies. Much of this in practice can involve building day to day relationships of trust and mutual support with key people. The research reveals just how important the task of building relationships with key local authority officers is considered to be. Having one or more supportive local authority officers as champions was regarded as helping a lot in the development of LIOs by 52% of respondents to the survey.

Several of the case studies cited examples of the development of strong connections with officers who can act as 'champions' for the VCS and the LIO within the local authority. This can become an ongoing collaborative exchange of different kinds of resources: the officer brings information about latest developments, people, initiatives and priorities within the local authority, and can broker access to other people, whilst the LIO (usually the Chief Officer, deputy or Chair of trustees) can help explain how the local VCS operates, can provide a perspective on the local VCS and its current challenges and potential, and about new policy developments within the VCS. Both can advise each other, and at least one aim is that the local authority officer can act as an informed commentator or advocate for the LIO. Some officers, including very senior officials, have observer or advisor roles on LIO boards, but in addition much of this liaison work appears to operate informally through regular contact alongside more formal relationships and meetings.

Although much of this was explained in terms of how well personalities connect and 'get on' with each other, it was also acknowledged that the opportunity to build particular kinds of relationship was enabled by a changing context in which local authorities were seeking to

engage with the VCS and in particular with LIOs to help broker this. The development of Local Strategic Partnerships was cited in this respect: for case study D it was through this that a strong relationship with a senior local authority officer emerged, recognising that 'we were pushing at open doors':

I think times have changed. You know 10 years ago I had to really fight. Knock on doors and get doors to open and to allow us to sit in meetings or to participate. 10 years on, like today and the future, they're busy knocking on our door saying 'Sorry, we really do need to engage you'

There are obvious advantages for LIOs in gaining access to informed and influential people within local authorities and other statutory bodies. The Chief Officer of case study B, for example, has been able to build an excellent relationship with key local authority officers over the last couple of years, from a point at which internal organisational difficulties rendered the organisation's wider reputation tarnished. This work appears to be beginning to bear fruit. As well as regularly consulting with the LIO about developments affecting the VCS, the local authority has recently begun to approach the LIO to undertake additional pieces of work with the VCS. The local authority officers in this case study reported that this development would have been unlikely two or three years ago.

But there are disadvantages too: of the 'transaction costs' of relationship building with new people; of being seen by the VCS as 'too close' to the local authority, and the possibility that any connections made or influence gained wanes as particular individuals move on. Several case studies recognised this, and were taking steps to widen the range of ongoing relationships within local authorities. In effect this becomes a '*champion succession strategy*'.

Some cases fear being associated with one political party at local level. This usually arises where the organisation was established with support of the local authority when it was under one form of political control, but subsequently another party has gained office. It can be hard to shake off such associations, particularly where key local councillors have acted as prime movers on initial steering groups or have taken management committee positions.

The concern is that the LIO might indirectly lose influence or even some of its funding as a result of local political change. This was the experience for at least one of the cases during a temporary period where political control of the council changed, and from the local elections in 2007 political control has once again changed. This can be a difficult balancing act where organisations judge that they need to gain recognition amongst local councillors for their work, but have to be mindful at the same time of the perceptions this might create amongst their political opponents. In the survey only 26% of respondents regarded the support of key local councillors as champions as helping a lot in the development of their organisation. Thirty one percent thought it had actually hindered the organisation's development.

But the issue is not just about loss of influence and/or threats to funding. As well as opening new opportunities to advocate on behalf of the VCS, change of political control creates the possibility of having to build new relationships with a new set of office holders, and of helping them to understand the nature, potential and difficulties of the VCS and its infrastructure. One case described the ongoing challenge of having to explain to councillors that '*voluntary sector*' does not mean that voluntary organisations are run purely by volunteers without paid staff. One respondent suggested that councillors in their locality expressed:

"a lack of understanding of what the voluntary and community sector really is, its huge remit, it's ability to take on volunteers and move people on. There are some very supportive members and there are some who will never understand that never mind our work behind the scenes on that."

4.6 Reputations and responses to crisis situations

Case studies B and E have both experienced, but now appear to have recovered from, significant moments of organisational crisis. These cases emphasise some of the elements of resilience embodied within LIOs. In both cases the issues at stake seem to have threatened the very existence of the LIO, firstly by seriously distracting the organisation from fulfilling its core functions; secondly by damaging its external reputation and thirdly by the possibility that its core funding might be withdrawn as a result.

In case study B, a neighbourhood renewal area, the difficulties associated with establishing, overseeing, and ultimately being responsible for the development of a Community Empowerment Network (CEN) is reported to have threatened the ongoing work of the host LIO. The issue centred on a conflict between the newly formed network's autonomy and its accountability, and was reported to have had a detrimental effect on staff morale, increased senior staff turnover, and caused a significant degree of damage to the organisation's reputation with statutory partners and some parts of the wider voluntary and community sector in the area. The issue was only eventually resolved when another accountable body was found to host the CEN. Subsequently a new CVS Chief Officer has made great efforts to rebuild staff morale internally, and to overcome the tarnished reputation of the organisation.

A new Chief Officer in case study E has also had to bring what was described as *"an element of order to chaos"* after a period of internal crisis: both in terms of internal leadership, but also by rebuilding external networks and relationships.

Whilst both the new Chief Officers in cases B and E might easily be able to distance themselves from difficulties arising before their time, it still takes some effort and no little skill and leadership to move the organisations out of a turbulent period. In both cases external stakeholders reported that they had been successful in restoring the reputations of their respective organisations. Both of these examples are hard tests of the importance of building and maintaining the reputation of an organisation amongst key external stakeholders, including the local VCS itself. Much of this is related to the sense of confidence various stakeholders have in the organisation.

4.7 Conclusion

In this section we have discussed some reflections from the research which may inform considerations of the effectiveness of local VCS infrastructure. From the survey, LIOs as a whole appear to be more confident in terms of what might be seen as traditional CVS competences: facilitating communication and networking and assisting local organisations to function more effectively, rather than more challenging areas such as identifying needs and enhancing the sector's role in local service planning and policy making. From the survey's comparison between self-assessed effectiveness and the context in which organisations appear to have developed, we have seen that a more 'enabling context' is likely to lead to an organisation more confident in its effectiveness.

Because the research did not examine effectiveness directly, it sought to identify through the case studies how effectiveness tends to be framed and viewed in practice. In turn we have highlighted the role of key staff, and particularly the Chief Officer; the governance of LIOs, and particularly the space for strategic thinking and discussion; the role of champions in external relationships with key statutory agencies and finally the importance of building, rebuilding and maintaining organisational reputations.

The most revealing suggestion from the way effectiveness is framed in everyday practice is that in the absence of clear, comprehensive and robust information, key stakeholders are

likely to make judgements about LIOs on what they experience. The most visible element of this for statutory partners and neighbouring infrastructure organisations is the Chief Officer. In effect the assessment of the performance and role of the Chief Officer tends to become a proxy for assessments of the effectiveness of the organisation as a whole.

5. Looking ahead: future prospects and sustainability

The research with the case studies involved the opportunity to explore the future prospects of each LIO, asking questions around apparent threats and opportunities lying ahead, and issues of financial sustainability.

The overall impression gained from work with the eight case studies is that there is considerable uncertainty and significant anxiety about the future for local VCS infrastructure. This appears to cover a number of different issues, not all of which are related to funding. However, since the continued financial viability of the case study LIOs seems to be the most pressing concern, we consider financial sustainability first, before discussing other concerns about the future configuration of local VCS infrastructure.

5.1 Financial sustainability

There is a great deal of debate within the VCS and amongst policy makers about sustainability, but the issues are rarely clear or well defined. In this research we attempted to apply the definition outlined in the box below, prepared specifically for the purposes of the case studies.

A definition of financial sustainability

The financial sustainability of a voluntary organisation is a measure of the organisation's ability to win sufficient *financial resources* to deliver its *core work* on an *ongoing basis*.

There are five key elements to this definition:

1. A clear understanding of the **core work** of the organisation – i.e. that which *must* be undertaken to justify its *raison d'être*
2. A clear understanding of the **overall costs** of delivering the core work – i.e. the minimum annual income the organisation needs to continue
3. A realistic long-term **income strategy** to cover those costs – and/or sufficient **reserves** to cover a shortfall.
4. Sufficiently good **financial management** to keep track of costs and income in a meaningful way
5. Appropriate arrangements for **financial governance** so that the trustees are properly in control of the finances, and are properly involved in all financial decisions.

As a general rule, we would suggest that an organisation with a long term mission cannot be considered financially sustainable unless it is:

- *certain* (or 99% certain) that it has the resources to continue its core work for at least 12 months;
- *fairly confident* (at least 75% certain) that it can continue its core work for at least 24 months.

Note - The strategy to cover core costs could come from:

- specific external funders supporting the core work
- charging for services (at realistic levels)
- charging appropriate overheads on other (non-core) projects (with full cost recovery).

Of the eight cases studied in the context of the definition above, four LIOs seem to be relatively secure in financial terms. The remaining four appear to be facing some more

serious and immediate financial difficulties. The distinguishing feature appears mainly to be the extent of local statutory funding from county, district or unitary councils, and from local health authorities.

The survey of LIOs asked respondents for details of income provided by district councils, borough councils, unitary authorities and county councils. The table below indicates the proportion of total income contributed by local authorities.

Contributions to total income of LIOs from local authorities in the last financial year

	Percent
Nil	5.8
0.1-9.9%	21.2
10-24.9%	30.8
25-49.9%	28.8
50% or more	13.5
Total	100.0

Local authorities contributed less than 25% of total income of respondent LIOs in nearly three-fifths (58%) of cases. On average, 26% of total income for LIOs in the last financial year was contributed by local authorities. This represents an average of approximately £66,000 for the LIOs in the survey, a slight reduction from the previous year. For the case studies, local authority contributions vary considerably, as shown in the table below:

Contributions to total income from local authorities in the last financial year – case studies

Case	District or borough council	County council or unitary authority	Total local government
A	0.0	1.9	1.9
B	10.6	8.5	19.0
C	0.0	28.6	28.6
D	NA	56.5	56.5
E	29.9	22.4	52.3
F	18.3	28.5	46.8
G	NA	24.3	24.3
H	4.8	19.8	24.6
Average %	10.6	23.8	31.8

Note: All figures are percentages. The average for local government in total (31.8%) does not equal the average for district/borough councils (10.6%) and the average of county councils/unitary authorities (23.8%) added together. This is because the average from district or borough councils is out of six cases rather than eight.

The four seemingly more secure LIOs (Case studies B, D, E and F) are at various stages of significant three-year funding agreements with their principal local authorities (three in two tier authorities, one a unitary authority). These appear to be relatively firm foundations upon which the organisations can plan and provide a consistent level of service. There are attendant anxieties about the degree of reliance on local authority funding, including changing local political control and priorities, and the prospect of budget cuts being passed on. In addition there are some complications, such as the index-linking of agreements and having different timescales and/or service level agreements in two-tier areas. However, overall these LIOs appear to be relatively secure for at least 24 months.

The four less secure LIOs are:

- Case Study A which, during the case study research, made the decision to close by the end of March 2007 through lack of funds
- Case Study C which appears to face the prospect of closure later this year: it only has sufficient resources to continue operating for another 6-8 months
- Case Study H which is faced with setting a relatively large deficit budget for 2007/08, having already used some reserves to fund a significant shortfall in 2006/07, and
- Case Study G which has resources secured for its core work for 2007/08, but has significant doubts about funding 12 months hence.

The two least sustainable looking cases (including the one which has decided to close down) reported that they have only ever historically had minimal financial support from local authorities, although it is important to stress that there are other factors which have contributed to their vulnerability.

5.2 The BASIS programme

We have seen from section 3 how significant lottery funding has been, and continues to be for LIOs. All eight cases here submitted stage one bids to round one of the Big Lottery Fund's BASIS programme in one form or another. A striking feature from the case studies was the sense in which the organisations were relying on the BASIS programme to provide a sense of financial stability over the next three to five years. Given the degree to which round one of the programme was oversubscribed, this may be a general indication of the degree of financial insecurity facing local VCS infrastructure.

However, only three of the eight case study bids have successfully progressed to stage two, one of which was a consortium bid with neighbouring LIOs.

The eventual notifications received by the case study LIOs at the beginning of February 2007 appear to have precipitated a sense of financial crisis in the two most vulnerable cases. Although the delay in decision making cannot have helped the situation, neither this nor the decision itself can be considered the cause of financial insecurity. A wider range of issues comes into play, including a relative lack of ongoing support from local statutory authorities. However, it appears that great stock was being placed in a successful BASIS outcome, without apparently much by way of a contingency 'plan B'.

Faced with the BASIS decisions, one of these two cases elected to close, whilst the other is aiming to generate additional income over the next few months through the development of bids for other projects. It was acknowledged that this strategy, if successful, may involve a temporary withdrawal from providing some core LIO functions. However, this was described

as a necessary step to ensure the organisation can continue. It is also in tentative discussion with its district council about interim financial support.

5.3 Uncertain futures and ‘the spectre’ of rationalisation and merger

The case studies highlight not only the ongoing anxieties around future funding, but also the diversity of contexts and situations experienced by LIOs. Some are clearly better placed, and located, than others. However, financial insecurity is not the only worry about the future. Local VCS infrastructure is facing a seemingly unprecedented series of issues, concerns and debates, each of which has the potential to unsettle and call into question the way local infrastructure is organised, funded and coordinated. There are at least six current challenges to the model of district-based local VCS infrastructure, with debates around:

- shifting resources for infrastructure support directly to frontline voluntary organisations and community groups in order to use the idea of ‘purchaser power’ to improve provision
- the relationship between ‘CVS’ provision and ‘volunteering support’
- performance, effectiveness and demonstrating the worth of infrastructure
- VCS infrastructure’s independence from statutory agendas
- competition and coordination between infrastructure providers
- ‘reconfiguration’ – merger, rationalisation and ‘rescaling’ infrastructure.

Aspects of all of these challenges featured in the case study research. However the last of these appears to be the most significant, albeit intractable, concern. Discussion on rationalisation was a concern raised in all but one of the case study areas, and appeared to be going ahead cautiously and with a degree of trepidation. The exception was case study D, a single, well regarded, generic local infrastructure organisation which carries out both CVS and Volunteer Centre functions in a unitary authority with little or no potential competition from other infrastructure agencies.

But elsewhere, and particularly in two-tier areas, the question of reconfiguration, through mergers between LIOs and/or reorganising the scale at which infrastructure services and support are provided, was in various stages of discussion. It was mainly seen as a future threat or problem rather than an opportunity or solution, because the discussions might call into question the very existence and form of each LIO. Case study LIOs were having to engage in the discussions from a position of relative weakness. Two forces seem to be driving this agenda: demands from statutory authorities, and discussions amongst LIOs.

Firstly, local authorities are raising the question of how infrastructure is coordinated within the boundaries of an individual district, borough or unitary. This covers how existing VCS infrastructure organisations relate to each other, and the degree to which provision is duplicated or otherwise over complicated. Separately, county councils are typically asking whether district-based provision is the best, most efficient or most viable way of providing VCS infrastructure. This may be due to the need to resolve their own budget constraints or generate efficiency savings. In several case study areas this has progressed to the stage of the county council reviewing the basis on which LIOs are funded, but in others the debate seems to involve little more than an informal raising of questions and circulation of rumours that a review might be taken forward.

Either way the LIOs in question were worried about the process and outcome of such discussions. The proposals for new unitary authorities to cover county areas appears to have added fuel to these discussions, and opened up the prospect of whether district-based areas of operation would be anachronistic in a new unitary structure. Case studies in two county

areas will be affected by these ongoing discussions, as the areas concerned have been selected to undertake further consultation around unitary status.

Secondly, debates have been progressed, often awkwardly, amongst LIOs themselves. This is typically through ChangeUp consortia developments and other city-wide or sub-regional networks. The case studies illustrate the sheer difficulty for some financially insecure infrastructure organisations to engage with each other, given competition for resources, roles, status and prestige. However, financial insecurity also creates a sense of necessity, and there is some evidence from the case study work of LIOs reluctantly considering merger with neighbouring infrastructure organisations as the only means to survive given the funding climate. The case which has decided to close down did so partly as a result of difficulties arising in negotiations around merger with another organisation.

Case study LIOs were beginning to address issues of rationalisation and merger, through facilitated workshops, research projects and ongoing discussion of potential future models and structures. However, the insecurity of some LIOs appears to have become a challenge for the ongoing task of 'working together', collaboration and 'partnership' between LIOs.

6. Conclusions

The research has attempted to examine the circumstances which might account for the effectiveness and sustainability of local infrastructure organisations. We discuss here some of the most important concrete issues and prosaic concerns involved in establishing, developing and sustaining effective local VCS infrastructure. By way of conclusion, a model of LIO development which attempts to link the concerns together is presented.

6.1 The most significant factors in LIO development

The research considered a range of factors which might be relevant to the development and sustainability of local VCS infrastructure. From the analysis, the most important *internal factor* appears to be the role and contribution of the Chief Officer. The most important *external factors* appear to be the linked challenges of securing stable funding alongside the issues around merger and rationalisation of infrastructure.

The most striking finding from the research has been the focus on the role of the Chief Officer. Clearly the figurehead in an organisation assumes a level of responsibility for the organisation's ongoing development and perceived success and effectiveness. As such the calibre, qualities, skills and approach of such a role is likely to be regarded as important. But respondents were overwhelmingly clear on this point: the personality and contribution made by a Chief Officer makes a difference. Simplistically this might imply that the fate of a local infrastructure organisation rests ultimately on the shoulders of the senior staff member, regardless of other factors such as the board, the funding environment and relationships with the VCS and statutory partners.

However, arguably the most intriguing aspect of this focus on the Chief Officer is the belief that it matters, whether it does or not. The important thing is that the effectiveness, success and assessments of future prospects of an LIO are in no insignificant part a matter of the *confidence* held by key external stakeholders about the organisation. This confidence is related to assessments of the performance, character and approach taken by Chief Officers. In a sense, the Chief Officer becomes the most visible aspect of the organisation: the face of the LIO.

This is not to suggest that the ongoing viability of LIOs purely a matter of performance and impression management. Clearly what happens in terms of strategy, frontline delivery, assessing and meeting needs and making a difference to the VCS as a whole is also important. But it is to say that there is a significant component of judgements made about LIOs which are somewhat independent of actual, well informed judgements of effectiveness. The key implication of this is that until the art of measuring and evaluating effectiveness is really advanced and consistent across VCS infrastructure, this situation is likely to continue. This raises the significance of the reputation in which each LIO is held, to which we return below.

Crucially this is formulated through the relationships which LIOs form with key stakeholders. There is evidence from some of our case studies which provide a significant warning to those organisations perceived to be invisible, or which make a minimal contribution to local conversations about the sector, service planning and local strategic initiatives. These partnerships and networks are settings in which LIOs can intervene, influence and display the potential and actual contributions they and the VCS can make.

The resources upon which LIOs can expect to draw are of obvious importance. Organisations which appear to be in a more confident position about future prospects tend to have relatively secure financial contributions from local authorities. Local authority support has two consequences: firstly the money itself makes a difference, providing some stability and a core from which further work can be developed. But secondly it provides a signal of the

worth of local VCS infrastructure (and indirectly the local VCS) – as something of value, with a contribution to make and therefore worth investing in.

The two most vulnerable looking LIOs have had very little financial support from their respective local authorities, and the wider support they may have had appears to be somewhat lukewarm: one has decided to close, and the other appears to be in an increasingly precarious financial position.

Regardless of the financial position of the organisation, and the extent to which this is based on statutory support, the landscape in which infrastructure is operating is subject to considerable uncertainty at the moment. This is reflected across most of the case studies, which displayed a remarkable degree of anxiety about the future. LIOs have to negotiate with other organisations about their role, remit and reach, and the ChangeUp agenda has effectively made this more explicit and visible. Crucially this is not just about the role an LIO might play within an existing local authority area. LIOs are negotiating around the structure and coordination of infrastructure provision on a broader geographical canvas. Increasingly it seems that the district-based model of LIO provision may be subject to challenge, as county or sub-regional discussions continue.

For many of the case studies, and we suspect for many other LIOs, their ongoing work is taking place under a shadow of rationalisation, merger and potential local government reorganisation. Much of this is seen as a threat to the organisation's position, involving a surrender of its existing role and position. This reflects a wider issue across the sector: that in a context of collaboration and partnership, the case studies highlight some of the tensions which can arise in relationships with other infrastructure agencies.

Finally, it is worth highlighting the importance to LIOs and associated stakeholders of what we term 'regard': the formation, generation and maintenance of a good reputation for the organisation. We have been struck by how reputations are formed amongst key stakeholders, how they might be shaped by the organisations themselves, and how sticky they might be, (that is, how a good reputation might become self reinforcing, and how hard it is to change a poor reputation). Our set of eight cases include some that have kept and reinforced a good reputation, some that appear to have been unable to turn round a fragile reputation and some that seem to have managed to reverse a tarnished reputation. Clearly the 'regard' for an organisation can be variable, dynamic and somewhat nebulous. Crucially it may bear little relation to the actual value or effectiveness of the organisation. However, it is nonetheless highly important to LIOs and to key stakeholders, including the VCS itself.

6.2 A model of LIO development

We have tried to summarise and link these concerns together in a 'model' for the development and operation of local infrastructure organisations, as shown in the box shown. This focuses on the 'room' available for an infrastructure organisation to develop, and highlights the significance of resources, relationships and regard in creating and maintaining it.

Understanding the dynamics and development of local VCS infrastructure: 'room', 'regard', 'relationships' and 'resources'

A key issue at stake for many LIOs, and indeed for many voluntary organisations and community groups generally, seems to be their ongoing survival. This may be regardless of whether they

- are effective or successful (and in many cases they and others simply do not know) and
- continue to do what they were established to do.

Arguably this is the real 'bottom line' in practice for organisations in the VCS, and can be despite the most convincing claims made about the importance of values, mission and purpose.

The field of VCS infrastructure can be described as **contested space** populated by different types of participants: individuals (with their own organisational labels, and thus perceived capacities and powers), organisations themselves, networks and alliances. These act in relation to each other through the circulation, negotiation and exchange of information and knowledge (however partial), resources, assessments, judgements and credit. At stake for organisations in this field is '**room**'. This metaphor aims to describe the 'space' for an organisation to operate in a given field. It involves an acknowledged role and position, and a capacity to meet its aims/continue its operations.

Key aspects or characteristics of room include understanding, recognition and acceptance of an organisation's role, aims and activities by the VCS itself, by other VCS infrastructure organisations, and by statutory agencies and funders. This recognition and acceptance covers both its niche (what it does) and its geographical catchment or area of benefit (where it operates). An organisation has 'room' in as much as these aspects are not called into question by neighbouring agencies or the changing terms under which boundaries are set. Room is compromised by other agencies making claims for particular roles and by competition for resources.

In order to create or preserve '**room**', organisations seek various inputs: 'resources', 'relationships' and 'regard':

- Organisations seek to attract or generate sufficient **resources** to be able to undertake the activities in pursuit of their aims and role. These are primarily financial (money – grants, contracts, fees etc), but also human and physical resources (people – staff, volunteers, trustees and buildings).
- In addition, organisations may enter into certain forms of **relationships** – connections, networks and alliances – with other agencies, and people labelled 'key stakeholders'. These involve the transfer/exchange of information, understandings and assessments, and the strategic use of connections to gain advantage and influence.
- Finally, organisations try to build or preserve '**regard**', by which we mean reputation, status, impression and confidence. This addresses the question over the extent to which an organisation's role, position, activities and approach is regarded well by the VCS itself (actual and potential users and members), peer VCS infrastructure organisations, statutory agencies and funders: to what extent does it retain the confidence of these parties? A key question in relation to 'regard' is the extent to which assessments are made on the basis of partial knowledge, narrow perspectives or engagements, rumour and the contested negotiation of credit and discredit – the basis on which it is claimed, assigned and challenged.

The model can be further developed to consider how room, resources, relationships and regard can best be promoted. However, a crucial first step would be for key participants in the field of infrastructure – LIOs, users and funders – to understand and recognise explicitly that these things are at stake, and need to be addressed by organisations and funders wishing to see sustainable and effective local VCS infrastructure.

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Appendix: Research methodology

The research involved a mixture of quantitative and qualitative methods, combining 'extensive'/survey methods and 'intensive'/case study methods.

The **extensive survey** aimed to collect comprehensive information from a wide sample of LIOs, through which to analyse broad patterns of development. A 10 page questionnaire was emailed to a sampling frame of 81 'new' LIOs, drawn up with assistance of NAVCA staff. As well as covering a range of background questions to provide a profile of LIOs, the survey was designed specifically to explore the relationship between two main issues: the presence, absence and effect of a range of 22 'development factors' on the emergence of their organisation (listed in the table below), and a self-assessment of current LIO effectiveness based on the NAVCA performance standards system. The survey ran between October and November 2006. Analysis was undertaken on the responses from 53 organisations, representing a 65% response rate.

The 22 development factors explored in the survey are listed below.

	Factor	Type
1	Access to early 'seed-corn' funding to help establish the organisation	Funding/Finance
2	Access to regeneration funding (such as SRB, NRF, European funding)	Funding/Finance
3	Lottery funding	Funding/Finance
4	Adequate financial support given by your local authority at the beginning	Funding/Finance
5	Adequate financial support given by your local authority since then	Funding/Finance
6	Attracting an effective/experienced Chief Officer	Staff
7	Continuity of key staff	Staff
8	A good relationship between Chief Officer and the committee/Chair	Staff
9	Committed and enthusiastic volunteers	Staff
10	A skilled and experienced management committee	Governance
11	An involved/engaged management committee	Governance
12	A well connected management committee	Governance
13	Continuity of the management committee	Governance
14	A mixture of perspectives provided by the management committee	Governance
15	The involvement of members and users	Governance
16	Having one or more supportive local authority officers as champions	Relationships with others
17	Having the support of key local councillors as champions	Relationships with others
18	Good collaborative relationships with other infrastructure agencies	Relationships with others
19	A good relationship with the Rural Community Council (if applicable)	Relationships with others
20	Support from national umbrella agencies	Relationships with others
21	Having a central location in your area of benefit	Relationships with others
22	High quality and accessible premises (central and outreach)	Relationships with others

The **case study phase** aimed to examine in more detail, in concrete settings, the issues involved in the emergence, current situation and future prospects of LIOs. Eight case study LIOs were selected from the survey findings to enable a comparison between different combinations of 'development context' (i.e. the extent to which each organisation was developed in seemingly enabling or challenging circumstances) and apparently higher and lower LIO effectiveness. In theory, a more conducive development context leads to the emergence of more effective LIOs. Arguably a more challenging development environment is likely to hinder the effectiveness of LIOs. The table below outlines some key features of the cases.

Case	Development context	Effectiveness group	Location	Local authority area	Year established	Income - last financial year (£k)
A	Challenging	Lower	North	Deprived rural former coalfield	1998	100-249
B	Challenging	Lower	North	Deprived rural former coalfield	2000	100-249
C	Challenging	Higher	North	Small urban	2000	0-99
D	Challenging	Higher	South	Small affluent urban unitary	1997	100-249
E	Enabling	Lower	South	Affluent rural	1996	0-99
F	Enabling	Lower	South	Affluent rural	1996	100-249
G	Enabling	Higher	South	Large deprived urban unitary	1995	500-999
H	Enabling	Higher	South	Remote rural	1995	100-249

The case studies exemplify a range of different circumstances:

- five are located in the south of England, the remaining three are located in the north and midlands
- three are located in authorities which are mainly urban (one a large city), the remaining five are in authorities which are mainly rural and/or former coalfield areas (one amongst the most sparsely populated 10% of districts in England)
- six are based in two-tier local authority areas, the other two are unitary authorities. Two of the cases are located in the same sub-region.
- three areas are amongst the most deprived 20% of local authority areas, whilst four are amongst the least deprived 20%.

The research in each case study involved three main elements:

1. analysis of key documents, including annual reports, business plans, accounts and evaluations
2. interviews with key stakeholders associated with each case study – 76 interviews in total (including current staff and board members, original organisation founders where possible, and a range of external commentators from local authorities and neighbouring VCS infrastructure agencies)

3. observations, where possible, of board meetings and network/partnership activities involving the LIO.

Each case study was written up as a short report and used to draw out key themes and to compare cases with each other.