

LeicesterShire Infrastructure Review Process

REFLECTIONS

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Foreword



Helping local charities and community groups to make a difference is the key challenge for local infrastructure organisations. That is why NAVCA has always encouraged members to be open to increasing collaboration with each other.

Collaboration and structural change are never painless and there are always obstacles to overcome and hidden costs. Too often the stories of organisational change are never told – and some of the greatest problems may have been forgotten. However, it is these problems that can offer the most important learning experiences.

This publication is a frank look at these issues, covering the review process of the local infrastructure organisations (LIOs) in Leicestershire. It is written by Martin Gage who, up to April 2009, was the Chief Officer of one of the organisations involved in this review. Martin's observations as an insider in the process offer a rare insight into the realities of this sort of organisational change.

The report is a must read for trustees and senior staff in LIOs. It covers a period of great change for infrastructure bodies in Leicestershire from the formation of the LeicesterShire Infrastructure Consortium in 2003 and culminating in the launch of a countywide infrastructure service for Leicestershire, run by Voluntary Action LeicesterShire (VAL) in 2009.

I am grateful to Martin for making sure his thoughts, observations and experiences were recorded. I am sure that others in similar

situations to Martin will benefit from his insight and his advice. If you do not have time to read the whole case study please look especially at pages 14-16 where Martin shares his key lessons from the review.

Crucially, it is the trustees of LIOs who must lead the process of change. It cannot be left to the paid officers.

A handwritten signature in black ink, appearing to read 'Keni Bulley'. The signature is fluid and cursive.

Chief Executive, NAVCA

Introduction

This report reflects on the past six years of infrastructure review in Leicestershire, beginning with the ChangeUp¹ process, then the advent of Capacitybuilders in the context of the relationship between funders and the voluntary sector.

I undertake this reflection not as an independent observer or outsider, but as an insider, actively involved from the beginning of the Infrastructure Consortium in Leicester and Leicestershire (sometimes referred to by the word LeicesterShire, the accepted description for the sub-region) and subsequently on the 'losing' side when the process went to competitive tender.

However, in compiling this report I have listened to colleagues in local infrastructure organisations (LIOs – sometimes referred to as Councils for Voluntary Service or Voluntary Action) and in statutory organisations. On some of these listening visits I was accompanied by Kevin Curley, Chief Executive of NAVCA, so had the benefit of his reactions, insight and interpretations.

The purpose is not to judge the outcome as right or wrong, but to draw lessons from the experience. It is true to say nobody wanted the final outcome to be decided by competitive tender, so could that have been avoided? A big fallout seemed inevitable, yet that was avoided. So what dynamic was going on and what sort of foundation has it left for future development of infrastructure and support services to the voluntary and community sector (VCS) in Leicestershire?

Until the end of April 2009, I was Chief Executive of North West Leicestershire Council for Voluntary Service. I had spent a happy and fruitful ten years in charge of this organisation. I left because the organisation now has to put much more emphasis on its direct service delivery as a social enterprise and it needed business experience and skill, which I either did not have or was not interested in using. I am happy to move on and my successor is well qualified to develop the organisation now. NWLCVS is no longer (in my eyes) an infrastructure organisation. So how did it, and nine other key organisations, get to this point of change?

¹ *ChangeUp: Capacity Building and Infrastructure Framework for the Voluntary and Community Sector*, Home Office, London, 2004

The middle of the story

Let us begin at the middle of this story, which is where we are today. A lot has still to be revealed over the next few years, but the situation is this:

Voluntary Action Leicester has become Voluntary Action LeicesterShire (VAL) having won the tender to be the countywide infrastructure organisation (CIO). This is a £1 million per year contract for three years (2009–12) with a possible extension of two further years. The contract was let by a partnership of Leicestershire County Council, seven district or borough councils², NHS Leicestershire and Rutland (PCT) and the police. Around 20 staff have transferred under TUPE regulations from other organisations to VAL and joined their existing city-based staff in a restructure prior to beginning full delivery from 1 June 2009.

Seven district or borough organisations that were generic local infrastructure organisations (LIOs)³ are now designated 'community hubs' and funded by the same partnership to the tune of £70,000 per year each to: deliver a local signposting service to VAL; maintain a district voluntary and community sector forum; enable representation to local partnerships, especially the district local strategic partnership (LSP); and manage direct services to the local community. All seven

² The seven councils are Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley and Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council, Oadby and Wigston Borough Council.

³ The seven LIOs are Voluntary Action Blaby District, Voluntary Action Charnwood, Voluntary Action South Leicestershire, Voluntary Action Hinckley and Bosworth, Voluntary Action Melton, North West Leicestershire CVS, Voluntary Action Oadby and Wigston (now known as Oadby and Wigston Community Action)



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organisations provided direct services as well as being infrastructure organisations, although the quantity of services varied from two to ten.

The three independent volunteer centres in Leicestershire are to receive £10,000 per year from the same pot to perform some 'community hub' functions in their locality. Their role is probably more akin to a 'community anchor' using the Community Alliance definitions⁴.

Three other organisations have lost infrastructure contracts: CVS Community Partnership (funded by the PCT for health and social care involvement work with the VCS); Leicestershire Council for Voluntary Youth Service (LCVYS) funded by the

⁴ For community anchor definition see <http://digbig.com/5bakts>

county council for youth organisations coordination; and LeicesterShire Ethnic Minority Partnership (set up by the consortium process funded initially by Capacitybuilders, then the county council for infrastructure and voice work with BME organisations). All three continue in business but on reduced budgets.

Overall the existing investment in infrastructure services by the funding partners totalled just under £1.35 million in 2008-09. The total funding now to the CIO and hubs is £1.52 million. It was not a cost-cutting exercise. In fact, funding has increased by £200k per annum.

What drove the process? The desire of the county council to speak to just one organisation and have an infrastructure organisation that could provide effective and consistent support to VCS organisations to influence strategic planning and delivery of services including statutory services.

What resisted it? A determination to preserve the local, intimate volunteering and capacity building service which seemed under threat from the determination of the county council, all in the context of a competitive ChangeUp process.

Individually the projects were valuable, none more so than the mergers between LIOs and volunteer centres that strengthened services in several districts, but little attempt was made or externally demanded to encourage co-operative working across the county...

The beginning of the story

When the Leicester and Leicestershire Infrastructure Consortium was formed, the main players were not strangers to each other. The eight LIOs had worked closely together in forming CVS Community Partnership and the seven that were Leicestershire organisations had successfully concluded Compact negotiations with the county council and various district and health bodies. Neither were they strangers to the then nine independent volunteer centres, rural community council or LCVYS, all of which had worked on the Compact and in other ways with the LIOs.

Forming was really no problem for this new consortium. The usual suspects were gathered together, comfortable in each other's company. However storming was rather stormy. There was money on the table and the view was taken that lots of individual projects in the city or districts or countywide was the name of the game, and partners around the table would vote on funding for each other for whatever projects were put on the table. Initially this was fine, but as the pot reduced in further rounds under ChangeUp or Capacitybuilders, the temperature rose amongst the founding members and the increasing number of 'infrastructure' organisations now appearing at the table. When the large capital sum allocated to one member was taken away because it did not seem to be able to spend it in the allotted time, and was then divvied up between fellow consortium members, the pressure increased. The rights or wrongs of this particular decision aside, it was indicative of the competitive spirit that the ChangeUp process introduced. Individually the projects were valuable, none more so than the mergers between LIOs and volunteer centres that strengthened services in several

districts, but little attempt was made or externally demanded to encourage co-operative working across the county, let alone a strengthening of countywide service delivery that was ultimately to be demanded. The exception was the funding of the Volunteer Centre Network to work collectively on the emerging Volunteering England Quality Standards.

Ironically one bid that was rejected was a proposal from Voluntary Action Leicester for a project delivering advice on competing for contracts from statutory agencies. At no time did Government Office East Midlands (in charge of ChangeUp funding) or Capacitybuilders query this process.

On reflection, one colleague has noted that this process compares unfavourably with the Big Lottery Fund (BLF) BASIS programme where, after consultation, the BLF stated the priority for each sub-region and invited bids.

The consortium did commission research into existing services to the sector and an analysis of the needs of the sector, which produced no surprises, but began to highlight the inconsistencies of delivery in different areas of the county.

The review concluded that:

The provision of [voluntary and community] sector infrastructure is fragmented, uncoordinated, under-funded and currently lacks the depth to deal adequately with the increasing demands of the sector. This leads to duplication in some areas and gaps in provision in others. The phrase, which characterises many [voluntary and community] infrastructure organisations, is “jack

of all trades” and there is a sense that they often lack the capacity to deal with the specific help they are asked for.⁵

The consortium took the view that this was because of disparities in funding. Two district LIOs (North West Leicestershire and Charnwood) were funded to a reasonable level, the rest to a minimum level, set up on a shoestring during the push for an LIO in each district.

The consortium proposed an increase in funding for the smaller LIO, initially through Capacitybuilders, but with local funders then maintaining the increase. To be approved by Capacitybuilders, any proposal had to go to a ‘funders’ panel⁶ for support. Needless to say, this support, with the long-term commitment for increased funding, was not forthcoming. But it did highlight the inconsistency in levels of funding and began to raise questions. The eventual response was for the funders’ panel to commission another piece of research into the needs of the sector. This work was undertaken by Sheffield Hallam University and it was this research and the conference called to present the findings in 2005 that was to begin the push for a single countywide organisation.

One colleague commented that he thought that, at the beginning, the ChangeUp process would help funders understand what infrastructure was – and it did!

⁵ *Investing in Change: An infrastructure investment plan for voluntary and community sector infrastructure in Leicester and Leicestershire*, Greengage Consulting Ltd, July 2004

⁶ In the East Midlands region, Government Office (GOEM) asked for a funders’ panel in each county. The membership included all local authority and health funders plus bodies like the Big Lottery Fund, Lloyds/TSB Foundation, and the Sports Alliance.

The cricket ground

Not a euphemism but the venue for a crucial event. In 2005 the Sheffield Hallam University report was presented at the Leicestershire County Cricket Ground in Grace Road, Leicester. It was entitled “Looking ahead... Visions of voluntary and community sector infrastructure in Leicester-Shire”⁷. The aim of the study was “to set out options for what VCS infrastructure in Leicester Shire might look like in the future. These options will be based on an assessment of existing VCS infrastructure provision and an analysis of gaps and duplication in that provision”.

The report said:

“From a detailed examination of what infrastructure providers actually do, the research assessed the extent and nature of gaps in provision, duplication and collaboration between infrastructure agencies. It concludes that:

- *Whilst the geographical coverage of infrastructure provision appears at first sight to be reasonably comprehensive, there are concerns about both inequality and adequacy of provision in many places. There are considerable doubts about the capacity of provision in many areas. For a number of existing providers, the ability to provide a wide range of effective services from a low staff base would seem almost impossible.*
- *There appear to be gaps in relation to more specialist and technical areas (including information and advice on funding and financial management, technical support around IT, human resources and legal advice) rather than in relation to generalist provision, such*

⁷ *Looking ahead ... Visions of voluntary and community sector infrastructure in Leicester-Shire*, Elaine Batty, Melanie Hall, Catherine Jones, Rob Macmillan and Gareth Morgan, Sheffield Hallam University, October 2005

as organisational development and capacity building support.

- *There are fairly strong reasons for suggesting that infrastructure support to BME community groups and voluntary organisations is likely to pose significant challenges for ‘mainstream’ generic infrastructure. However, views about the extent to which mainstream infrastructure adequately and effectively addresses the specific needs of BME communities, and what to do about it, are highly polarised.*
- *There is some evidence of duplication in infrastructure services and support overall, although views about this vary. There is arguably much more that can be done to deepen and broaden collaboration in an effort to coordinate services more effectively.*
- *Arguments surrounding the existence of duplication in organisational structures, for example amongst the network of smaller independent Volunteer Centres/Bureaux and district-based CVS, are more convincing. There is scope to discuss the possibility of rationalising this ‘infrastructure of infrastructure’.”*

And its recommendations spelt out three options, which were:

- status quo
- operational change
- structural change.

“While ‘status quo’ may be relatively self-explanatory, the distinction between ‘operational change’ and ‘structural change’ may be less so. ‘Operational change’ implies a need amongst infrastructure organisations to change the way organisations work, and particularly how they

work together, in order to improve infrastructure provision. Operational change stops short of 'structural change', meaning radical change both in the number of organisations and in the distribution of functions and services between organisations."

At the conference in 2005 the rumour started that someone from the county council had said they wanted a countywide organisation and not long after it was confirmed:

"Having considered the Hallam research the County Council wishes to continue participating in discussions with other funders and the VCS Consortium about future VCS arrangements in the County. In particular the Council will wish to be actively involved in the work of the extended working group which is being established and which will be reporting to both the Consortium and the Panel. More specifically the Council will wish to explore and investigate the costs and benefits of there being a single countywide VCS organisation (covering the county of Leicestershire)." (Statement from Leicestershire County Council)

Many colleagues identify this as the turning point in the process. From then on the majority of the consortium members went on the defensive, protecting local organisations delivering local services without understanding or addressing what the report had said or what the purpose of the ChangeUp process was. ChangeUp had arisen out of the Treasury Review⁸ which said that more public services could be delivered by the voluntary sector, so it was to test if the local infrastructure services were in a position to support

⁸ *The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review*, HM Treasury, London, September 2002

this growth in demand for VCS services – and the report said that in Leicestershire this was not the case.

*"There appear to be gaps in relation to more specialist and technical areas (including information and advice on funding and financial management, technical support around IT, human resources and legal advice) rather than in relation to generalist provision, such as organisational development and capacity building support."*⁹

I believe it is at this point that crucial mindsets occurred from which nobody shifted again.

The functions of today

The Hallam report confirmed that high on the list of demands from local VCS organisations was recruiting and involving volunteers, and capacity building support, particularly funding advice. LIOs saw this as justification of their existence and the whole meaning and purpose of infrastructure.

The functions of tomorrow

The county council saw that things were changing for local authorities, that in future more services were to be bought from the VCS, and that the Hallam report had highlighted inconsistencies and weaknesses that said the present district-based service could not meet the future needs.

There was a move towards commissioning by competitive tendering rather than by awarding grants.

⁹ *Looking ahead Visions of voluntary and community sector infrastructure in Leicester Shire*, Sheffield Hallam University, 2005

From then on these were seen as two opposing purposes of infrastructure. Whilst each side in the debate paid lip service to the other's priorities, they were determined their definition of the purpose of infrastructure was the right one.

It was not entirely a voluntary/statutory divide. One senior officer in a countywide VCS organisation told me "I don't see the point of volunteers; our work should be done by professionals".

From this point the process was shunted back to a joint working party of the consortium and the funders' panel to come up with alternative models.

A new joint working party was set up with funders and infrastructure providers and met regularly between April and December 2006, including a workshop in September. They commissioned detail on three models and reported in January 2007¹⁰:

- Model A: Retain changed structures in place from April 2007;
- Model B: Seven district-wide VCS infrastructure organisations supported by central hub functions; and
- Model C: One countywide VCS infrastructure organisation

Members of the Leicester Shire VCS Infrastructure Consortium felt that Model A, which reflected the desire to concentrate on

local delivery, was their preferred option. District councils decided to support Model B, whereas Leicestershire County Council stated its preference for something similar to Model C, but retaining LIOs in a support role. This came to be known as the 'hybrid' model.

Subsequent to expressing its preference for Model A, the Leicester Shire VCS Infrastructure Consortium developed a proposal for a 'hub and spoke' approach to infrastructure provision similar to Model B, the CIO being the hub, with the LIOs and volunteer centres as 'spokes' delivering infrastructure functions locally.

The argument then became one of 'form' (what structure supports our view of infrastructure), rather than 'function' (what is needed to provide for today's and tomorrow's needs).

The crucial factor was that all the funding went into providing 'today's needs', so to provide for 'tomorrow's needs' it would have to be spread more widely. LIOs and volunteer centres saw their existence threatened and the county council held the purse strings.

At this point Sheffield Hallam University or somebody independent of the situation should have sat everybody down and said "Does everybody agree we have to meet the needs of today and the needs of tomorrow?" and given space for mindsets to be broadened and mutual agreement of the principle.

But the arguments around Models 1, 2 and 3 or A, B and C continued until it was decided by competitive tendering.

¹⁰ *Proposal to develop by 2010 the Leicester Shire VCS Hub maximising district-owned and delivered support services for front line organisations*, joint working party of infrastructure consortium and funders' panel, April 2007

Many colleagues recall an event at the Leicester City football ground (The Walkers Stadium) in early 2007, when participants were invited to form a line.

Those who favoured a countywide organisation stood at one end and those who favoured a local district-based solution at the other, with some variations inbetween. Who stood where is not important. What is significant, though, is that over a year after the Grace Road conference (see page 6), people were still standing at different points from one end to the other in exactly the same way. No mindsets had changed.

This lack of mutual understanding continued right up to the draft of the consortium infrastructure strategic plan¹¹ that still outlined three options:

“Hub and spoke model

This is based on the current seven Voluntary Actions plus a sub-regional hub. The relationship between the central hub and the districts and lines of leadership, management and accountability would need to be clarified and established.

One countywide organisation

Delivery in this model is again separated into central partnership, policy and development work, and local delivery staff who would be based within local areas.

Delivery through Voluntary Action Leicester

This option has been modelled as there would be significant overlap between a countywide organisation and Voluntary Action Leicester or critical mass or economies of scale to be gained, for example on marketing and communications, workforce development, commissioning and procurement and more complex organisational development work.”

The final version of the strategic plan¹², published after consultation, sets out a countywide model: the consortium knew this was to be tendered, so why continue to resist in this forum any more? Many now disengaged from the consortium.

What is significant... is that over a year after the Grace Road conference..., people were still standing at different points from one end to the other in exactly the same way. No mindsets had changed.

¹¹ Leicestershire Voluntary and Community Sector Infrastructure Support Services DRAFT STRATEGIC AND DELIVERY PLAN 2008 – 2014, Leicestershire Third Sector Infrastructure Support Services Consortium, October 2007

¹² Leicestershire Third Sector Infrastructure Support Services STRATEGIC PLAN 2008 – 2014 Version 2, Leicestershire Third Sector Infrastructure Support Services Consortium, February 2008

The tender process

When it came to the tendering process in spring 2008, three organisations submitted. They were:

- Voluntary Action Leicester
- CVS Community Partnership
- INVOLVE Leicestershire Ltd (a company set up jointly by North West Leicestershire CVS and Voluntary Action Charnwood)

It was at a meeting of LIO chief officers in October 2007 that I broke the news that North West Leicestershire CVS (NWLCVS) and Voluntary Action Charnwood (VAC) had begun discussions around a proposal that we would submit if it came to a tender process. Our colleagues were shocked and appalled that we would contemplate going it alone. At a subsequent meeting we revealed our ideas and whilst colleagues felt it placed too much emphasis on a central hub, they supported it going to the infrastructure consortium as a model to adopt. The consortium decided it was worth pursuing, but we were overtaken by events, with the county council's announcement of the tender process. From then on, not knowing who was on whose side, INVOLVE did not share any details of its proposals with others, citing commercial confidentiality. It created a gap between NWLCVS and VAC and the other five LIOs, but it is a tribute to their professionalism and kindness that it did not prevent us all from cooperating successfully on other countywide projects.

Why tender?

I feel that it is worth setting out why I believe we at INVOLVE took the decision to go it alone and failed to reach any consensus with colleagues:

i) The Chief Executive of Voluntary Action Charnwood and I have on many occasions taken the lead on behalf of all seven LIOs on issues such as the Compact, learning and skills, local area agreements (LAAs) and Stronger Communities, partly because our organisations could afford for us to have time away from our districts. NWLCVS at one stage funded a three-month sabbatical for me to concentrate on Stronger Communities and collaboration projects, a sign of their commitment to wider work. Being involved in this work (including, personally, being Chair of CVS Community Partnership for three years) exposed us to the strategic and policy realm at countywide and sub-regional level. This gave us an appreciation of the importance and relevance of this activity to the VCS, so we could understand where the county council and others were coming from with 'functions of tomorrow', whilst still appreciating the value of the 'functions of today'. I ensured that new LAA money was put, for instance, into engaging volunteer centres in a new leading strategic role. When it came to the demands of the CIO specification we were able to appreciate the need for a shift in investment, whilst valuing local delivery.

ii) Both our organisations felt no threat to our existence, even if we lost our infrastructure funding. NWLCVS is a thriving direct services organisation that owns its own large building. We could be bold as we were not risking all. Our colleagues in the other five organisations felt, quite legitimately, that their existence was threatened.

These two elements enabled NWLCVS and VAC to embrace change in a way others could not. Neither is right nor wrong, but they illustrate

that your history and experience can determine your approach to change. This also explains why the five others eventually led so effectively in the fight to establish funding and purpose for the community hubs, once the CIO contract had been awarded, with a passion that INVOLVE had employed in its CIO bid.

The fight for the hubs

The outcome of the tender which was awarded to Voluntary Action Leicester left the seven LIOs facing a big cut in funding, but there was a role sketched out for them as community hubs. The detail and the funding were yet to be defined. The district and borough councils began to be involved in a way they had not before, as they sought to protect a local district-based resource. Lobbying of politicians, particularly those who were district and county councillors, began. All the LIOs started to agree on the role a community hub could play. Chairs and trustees of the LIOs began to talk with one another and meet regularly for the first time.

A meeting was requested with the leader of the county council. By now he was committed to preventing the local organisations from going out of existence. “How much do you need?” he asked. “£40k?” “More like £70k” was a response. “£70k it is then”. End of meeting.

There was now £70,000 per district community hub¹³, without defining what a hub was or what it should do, but it ensured the existence of these seven organisations for at least the next few years.

A meeting was requested with the leader of the county council. By now he was committed to preventing the local organisations from going out of existence. “How much do you need?” he asked.

13 The role of a community hub was broadly defined as (i) providing a signposting service to the CIO, (ii) relating to district local strategic partnerships, (iii) leading a district-wide voluntary and community sector forum, (iv) managing and developing local direct services in response to local need.

Funding for direct services

A further issue to be tackled was the financial viability of the direct services the LIOs provided.

When they were funded by Social Services their 'core' was to provide support to the local voluntary and community sector and to volunteers. But as far as Social Services were concerned, the money could also be used to set up, manage and possibly subsidise direct services to the community, especially those people who were clients of Social Services.

When the funding of LIOs moved to the county chief executive's department, 'core funding' became 'infrastructure funding' and the cross-subsidy was frowned on. This change of departments was around the same time as the Sheffield Hallam University report and Grace Road conference in 2005.

When the new set-up was proposed it exposed these cross-subsidies, so the county council began negotiations to fund a transition period (1-3 years) during which direct services provided by LIOs and volunteer centres would move to a sustainable budget based on full cost recovery.

This money has started to flow, but the information as to exactly what it is for and for how long is still unclear.

Different roles, changing roles

The role of trustees

When it became clear that the tendering process was happening and that there was a split within the LIOs, a meeting of trustees from each of the LIOs and volunteer centres was held in Melton in early 2008.

An explanation of the proposed tender by NWLCVS and VAC was given, but other LIO trustees felt it was too centrally based and asked for changes. When these were not taken on board and after representatives of INVOLVE visited full board meetings of every other LIO, the rift was recognised as irreconcilable. Trustees of the five continued to meet and it was not until the community hub debate after the conclusion of the selection process that the seven boards acted together again.

Trustees, coming late to the game, seemed not to be fully informed. They often found it difficult to differentiate between infrastructure and direct services. They often had little knowledge of the workings and strategy of the infrastructure consortium. The county council also began belatedly to engage with trustees.

Would things have been different if they had engaged countywide sooner? What if the consortium had been comprised of trustees rather than paid staff?

The role of the district and borough councils

If the seven LIOs had trouble speaking with one voice and were split five and two, this was nothing compared to the seven district councils who never spoke with one voice throughout the whole

process. As soon as anything was circulated on behalf of the districts, individual officers or councils would begin to step back from the decision.

The relationship between district councils and LIOs differed in every district, as did the level of funding, ranging from £5,000 to £70,000. The view and importance of the role of the VCS differed in each district. Sometimes the ability to retain or name staff to develop the relationship was just not there. In many ways the districts were just carried along in the process.

However, district council officers who were engaged did appreciate where the county council was coming from and supported a stronger countywide organisation, but they also wanted to retain a local independent infrastructure organisation with which they could do business. One of these engaged officers told me he believes the final outcome is good and suits the districts. Time will tell how the relationship with a Leicester-based organisation will develop, but there is the potential for the community hubs to work closely with the districts and for people in their district to benefit from this. The big test will be the nature and opportunity for local volunteering. This officer feels the county council has never appreciated the value of the local contact in this regard and this will be the biggest test for VAL.

The districts could have played a more active role in the whole process. Talking to district officers it is more noticeable they are 'member conscious' and if any group of people was left out of the loop it was councillors. One district officer suggested that members, as well as everyone else, could

have engaged in a debate right at the beginning about the role of the VCS in society, and with a mutual understanding of this role (or roles), the question would then be asked about the type of infrastructure support required to support the VCS and the relationships with other sectors. There should have been room for a philosophical discussion as well as looking at the business needs. This could have been the building of common ground on which change could have been built.

The role of the wider VCS

The VCS was surveyed or consulted three times in this process, but never engaged. Maybe the wider sector should have formed the consortium, not the infrastructure bodies?

Changing roles

While this process was going on, all the LIOs in the county have been involved in leading the Stronger Communities theme of the Leicestershire Local Area Agreement (LAA). The work is aimed at enhancing social capital in Leicestershire communities by encouraging volunteering and participation in local groups and organisations at neighbourhood level¹⁴. Each LIO has had a staff member for this project and under the second round of the LAA the staff number has increased. Their role could be described as community development. Taken together with the direct services that each LIO delivers, it is possible to describe the new hubs as community development organisations rather than infrastructure.

¹⁴ For more information on the Stronger Communities project see www.ccp.org.uk/strongercommunities

Where next?

On returning from the 2008/09 New Year break one colleague told me that he had decided to face up to the new reality of the role and purpose of a community hub and make the most of it. At this point a new sense of freedom came over him. His organisation no longer had to be driven by the needs of the VCS, but of the individual clients it served. It would make its own decisions. Another colleague recently said, "We are free to do what we want".

As Voluntary Action LeicesterShire gets itself in a position to deliver, as VAL staff begin to be seen in the districts and begin to make relationships, as community hubs find their new identity as community development and direct service agencies, it may be seen that the process worked out well. There are good intentions, determination and skills. A future report may identify the success or failure of the new structure, but with hindsight what learning is there to be had for others on similar journeys?

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Conclusions

No matter where you are in the country, partnership working is now firmly established and the role of the VCS is important and needs a strong voice or voices at the table, particularly at county level in two-tier authorities.

From the Leicestershire experience I would encourage others to use the partnership arena, involving everyone (wider VCS, trustees and councillors included) to establish a common understanding in two areas:

1. The role(s) and purpose(s) of the VCS.

This may be part of a Compact process, or revisiting/refreshing the Compact. However this process must involve VCS trustees and local councillors. Our experience shows they often come too late to the game because chief officers and local government staff feel they can deal with all of this. Yes they can, but it is not the best way. It may delay, it may not be convenient, but the effort to involve trustees and councillors pays dividends when it comes to important decisions on the future of the VCS in a particular area.

2. The functions of today and the functions of tomorrow. It is useful to revisit the ChangeUp¹⁵ vision or even the Treasury Review¹⁶ prior to that. They spelt out the Government's preferred direction of travel: to commission the VCS to deliver more public services. You may not like it, although it is what many have been asking for over the years. If infrastructure organisations grasp this

¹⁵ *ChangeUp: Capacity Building and Infrastructure Framework*, Home Office, London, 2004

¹⁶ *The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review*, HM Treasury, London, September 2002

then the VCS can have far more control over the process and more opportunity to get real full cost recovery or a full understanding of commissioning (of which contracting is only one option).

Within a consortium of infrastructure bodies you should:

- **Recognise the changes in public service delivery and the need for the VCS to deliver tomorrow's as well as today's needs.** Local government has to learn what this means as well; if the VCS and public sector can learn together there is a chance of more realistic and viable outcomes. In addition, the importance of today's needs like local support for volunteering must not be overlooked.
- **Have the evidence for assertions of good existing services.** If you say you do something well, produce the evidence. Show the outcomes achieved and how you measured them: the lives changed through volunteering, the organisations sustained or grown because of capacity building, the voices heard because of engagement and consultation. NAVCA's quality standards should be used by all funders. The VCS has the tools, we must learn to use them properly.
- **Identify your gaps, admit your weaknesses (at least to each other), and collectively address the new agenda.** We may complain that the new arena makes us compete, but under the surface we have always competed, wanting to be better than the others, part of which requires covering over or denying weaknesses. Get them out in the open, use processes to work for collaboration, merging, sharing resources, joint training for the future.
- **Recognise each other's strengths and experience.** Acknowledge the skills, share the visions. Do not be satisfied with a 'lowest common denominator' compromise; cooperate to achieve the best. Do not let geography, tradition, narrow-mindedness or restrictive guidelines get in the way.
- **Be cohesive as a group; prove that leadership does not have to mean a single voice.** Trust each other's leadership. Where there is knowledge, let there be leadership, within infrastructure or the wider sector. There can never be a 'voice' of the sector, only carefully articulated and researched 'voices'. Know the issues, pre-empt the demands, be ahead of the game – local government needs and welcomes that sort of help.
- **Have knowledgeable trustees in place that can take the lead.** Do you have confidence in your trustees to participate successfully in this process? If not you have the wrong trustees or you are not supporting and developing them properly.
- **Debate the 'functions' until agreed, only then proceed to 'form'.** "What do we want to achieve?" can be hijacked by "How can we achieve it?". "What do we want to achieve together?" can be hijacked by "You must do it how I do it". Use independent advisers/consultants to tell you the truth. Make sure they have the freedom to tell you how it is. They must feel able to recommend courses of action from an independent viewpoint, even if it is uncomfortable.
- **Step back from the future of your own organisation or your own job.** Turkeys and Christmas come to mind, but that was how

it felt in Leicestershire at times. The wrong people, with too many organisational and person-vested interests, were trying to make 'fair' decisions, and often failed. If you need to stand back, stand back. Perhaps ChangeUp brought together the wrong people; probably the wider sector should have been much more involved. The real answer is probably somewhere in the middle and could relate back again to the Compact process. We need a 'customer focus'.

In the end, we have, in Leicestershire, a structure with potential and exciting opportunities for the VCS at district, county and sub-regional level, but it was very painful getting there. All the partners could have made this journey together, but we did not. However I now find a new sense of freedom and purpose in the community hubs (although with similar financial worries as before). There is also a desire to make the new structure work. Staff who were TUPE'd are now in place, many excited at their new opportunity.

I hope others can learn something from our journey.

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Appendix

Timeline

April 2003	LeicesterShire Infrastructure Consortium formed
Autumn 2003	Greengage Consulting reports
Winter 2003/2004	Infrastructure Investment Programme agreed
April 2003-2006	Mergers between LIOs and volunteer centres
October 2005	Sheffield Hallam University research report
November 2005	Grace Road conference to consider report
April – December 2006	Joint funders' panel and consortium working party set up and meets
January 2007	Three possible models defined
Autumn-winter 2007	Consortium strategy and business plan developed for Capacitybuilders
December 2007	LCC announces tender process
Spring 2008	Tendering process begins
November 2008	Contract awarded to Voluntary Action Leicester
December 2008	Funding for community hubs agreed
April 2009	New structure begins
June 2009	Services become fully operational

Structural changes

Types of organisations	Position before start of ChangeUp April 2003	Situation from April 2007	Comment
Independent LIOs	4	0	
Independent volunteer centres	9	3	Lutterworth and Syston remained independent. Castle Donington remained independent, but with a sub-contracting arrangement with NWLCVS
Merged LIOs	4	8	
Countywide organisations	3	4	Leicestershire Ethnic Minority Partnership was created



navca

local focus national voice

NAVCA is the national voice of local third sector infrastructure in England. We aim to ensure communities are well served by the local third sector by supporting our members and their work with over 160,000 local groups and organisations. NAVCA believes that local voluntary and community action is vital for healthy and inclusive communities.

We provide our members with networking opportunities, specialist advice, support, policy information and training. NAVCA is a vital bridge between local groups and national government.

Our specialist teams take a lead on the issues that matter most to local third sector infrastructure organisations. We influence national and local government policy to promote local voluntary and community action.

For more details about the full range of ways that NAVCA can help you please go to www.navca.org.uk or call us on 0114 278 6636.

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