



National Audit Office

The Impact of ChangeUp on Support and Frontline Organisations

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This report presents the detailed findings of the National Audit Office's research to understand the impact of ChangeUp on support providers and frontline organisations in six localities.

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Preface

This report presents the detailed findings of the National Audit Office's (NAO) research to understand the impact of ChangeUp on support providers and frontline organisations in six localities. The research was undertaken between July and October 2008 as part of a wider study on the Cabinet Office's two main capacity building programmes, ChangeUp and Futurebuilders. The findings, conclusions and recommendations of the full study are presented in the Comptroller and Auditor General's report to Parliament, *Building the Capacity of the Third Sector* (HC 132, 2008-2009).

We are grateful to Capacitybuilders and the consortia, support providers and frontline organisations in the six localities for the constructive way in which they contributed to this research. Because we wanted participants to speak freely and candidly, without the risk of affecting relationships with their funders, we undertook to preserve the anonymity of those we interviewed when we embarked on this research. Nevertheless, we hope that the findings and case examples presented here will be of value to support providers and those organisations that work with them in consolidating their relationships and making the positive changes we observed both sustainable and enduring.

Part One

The rationale, design and delivery of the ChangeUp programme

The rationale for building capacity through the ChangeUp programme

1.1 The Government has an objective to work with the third sector to strengthen communities, transform public services, promote social enterprise and support the conditions for the sector to thrive. The third sector, as defined by government, consists of non-governmental organisations that are value-driven and which principally reinvest their surpluses to further their social, environmental or cultural objectives.

1.2 In 2002, a Government review¹ found that the lack of adequate 'capacity' (the capability and potential to apply appropriate skills and resources to achieve goals) was a barrier to the third sector's participation in the delivery of public services. In response to this review and to address the lack of capacity in the third sector, the ChangeUp programme was launched in 2004.

1.3 ChangeUp is a £231 million programme specifically aimed at improving the capacity of local third sector support providers and their support to frontline organisations. These support providers, also known as infrastructure organisations, work behind the scenes to provide frontline third sector organisations with the help, advice and tools they need to provide better services to users. Frontline organisations work directly with users and within communities.

The nature of support providers

1.4 There are thought to be over 2,000 support providers in England which operate at local, regional and national levels. According to the National Association for Voluntary and Community Action (NAVCA), "[support providers] differ greatly in character and size, from small rural organisations with one or two paid staff, to large multi-million pound operations". Together they are in touch with over 164,000 local third sector groups and organisations across the country.²

1 *The role of the voluntary and community sector in public service delivery: a Cross Cutting Review* (HM Treasury 2002).

2 *Infrastructure for the local third sector* (NAVCA, 2008) <http://www.navca.org.uk/NR/rdonlyres/29E965B2-B716-4D8B-A7BA-C5A5FD802DC7/0/FinalreportInfrastructurefortheLocalThirdSector.pdf>.

1.5 Some support providers offer general support, such as the Councils for Voluntary Service which operate at city, county and other local authority levels to promote, develop and support voluntary and community organisations in their area. Others are specialists, providing specific types of support or supporting specific parts of the sector. While some support providers worked together prior to ChangeUp, the support they offered was often piecemeal and without full knowledge of what other support providers in the same area were doing.

The vision for ChangeUp

1.6 The vision for the ChangeUp programme is that:

“... by 2014 the needs of frontline 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”.³

1.7 ChangeUp was not intended to provide core or continuing funding for support providers. The programme’s vision articulates that improvements to support services will be sustained through contributions by frontline organisations:

“a higher proportion of infrastructure costs should be funded by frontline organisations through membership fees and sale of services”.⁴

The implementation of ChangeUp

1.8 ChangeUp required support providers to come together to form consortia at local levels. ChangeUp was not prescriptive about which organisations could form consortia but typically the Councils for Voluntary Service (CVS) led the way. This is often the only common characteristic in their make-up as consortia differ widely with regard to their size, geography, structure and amount of resources. For example, the smallest consortium comprises three support providers and the largest comprises over forty. Some consortia include frontline organisations and/or representatives from the statutory sector (for example, members of city or county councils and PCTs).

1.9 Decision making on how best to spend the funds was delegated to the local consortia level. It was anticipated that through this model consortia would work in a more strategic and coordinated way. In addition, by structuring the model around organisations that work at the local level, the programme was felt to be well placed to respond to and deliver the sector’s needs and priorities.

1.10 Consortia were required to develop plans on how they would use ChangeUp funds, based on their analysis of the needs of third sector organisations in the locality. The strategy for each consortium, commonly referred to as the ‘infrastructure development plan’ (IDP), set out how it would improve the member organisations and their services to better support frontline organisations with ChangeUp money.

³ *ChangeUp: Capacity building and infrastructure framework for the voluntary and community sector* (Home Office, 2004).

⁴ *ibid.*

1.11 At the early stages of the programme, money was available specifically to support consortia to become “fit for purpose”, develop a better understanding of the third sector in their localities through mapping and research, and to improve the way they operated, for example by improving their IT systems.

Box 1

A consortium developed an evaluation toolkit to help support providers to understand better the needs of frontline organisations in their locality

One consortium used £18,000 of ChangeUp funding to produce a toolkit that would assess the needs of frontline organisations and improve their performance. This online tool was originally developed for members of the consortium but has since been made available to frontline organisations and provides them with a clear idea of what they need to do to improve their performance.

The tool is free to use and sets out a series of questions which take a very short amount of time to complete. Once all the required information has been submitted, organisations are presented with a comprehensive report which:

- indicates how they are doing against five areas (e.g. governance, resourcing);
- scores them in relation to their current strengths and compares them with other organisations that have completed the tool (i.e. benchmarking);
- gives details of organisations which provide support across the region.

The report specifically identifies and lists:

- the things the organisation does not currently have but would like;
- the things the organisation currently has but would like to improve.

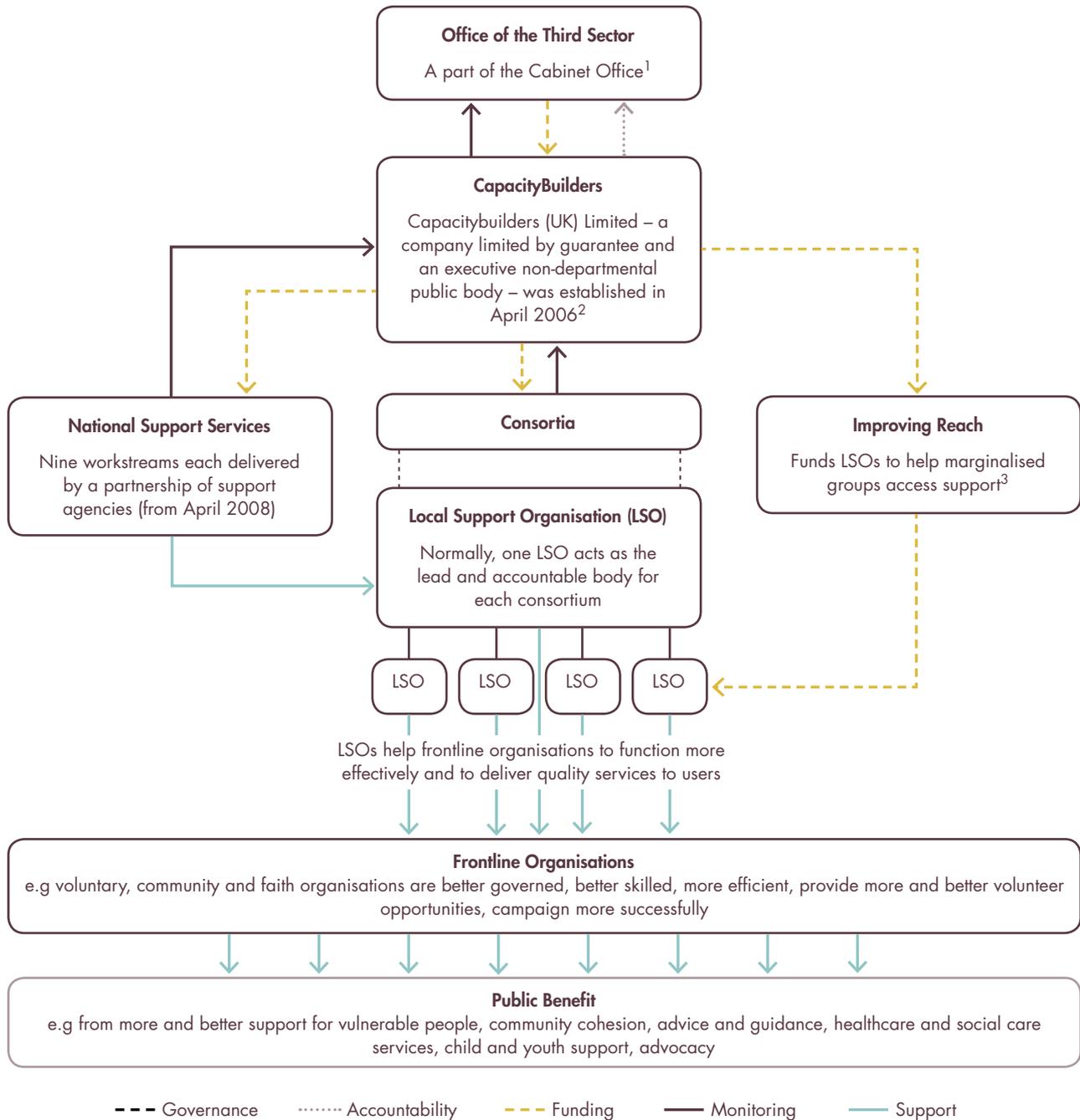
Armed with this information, frontline organisations can approach their local consortium for support and advice. The consortium will have a better understanding of the frontline organisations’ needs and be able to suggest ways for them to improve, and offer support to do so.

1.12 Alongside developing consortia, the ChangeUp programme formed partnerships of national providers of support services to bring their expertise together under six priority areas. These were initially called “hubs” and the priority areas were: governance; finance; information and communications technology; performance management; workforce development; and, volunteering. In April 2008, the hubs were replaced by nine national support services considered to be better aligned to the strategic and operational needs of frontline organisations, and more focused on addressing weaknesses in support services. **Figure 1 overleaf** shows the delivery model through which ChangeUp seeks to bring benefits to frontline organisations and their users.

1.13 The programme was initially managed and run by the Home Office which, in April 2006, set up an executive non-departmental public body, Capacitybuilders, to manage the programme. In May 2006 responsibility for Capacitybuilders, and therefore ChangeUp, transferred to the Office of the Third Sector.

1.14 The programme involves a number of different streams of funding, as well as national supporting bodies, to help support providers increase the sector’s capacity and help frontline organisations improve the quality of life for individuals and communities (**Figure 2 on page 9**).

Figure 1
The ChangeUp delivery model

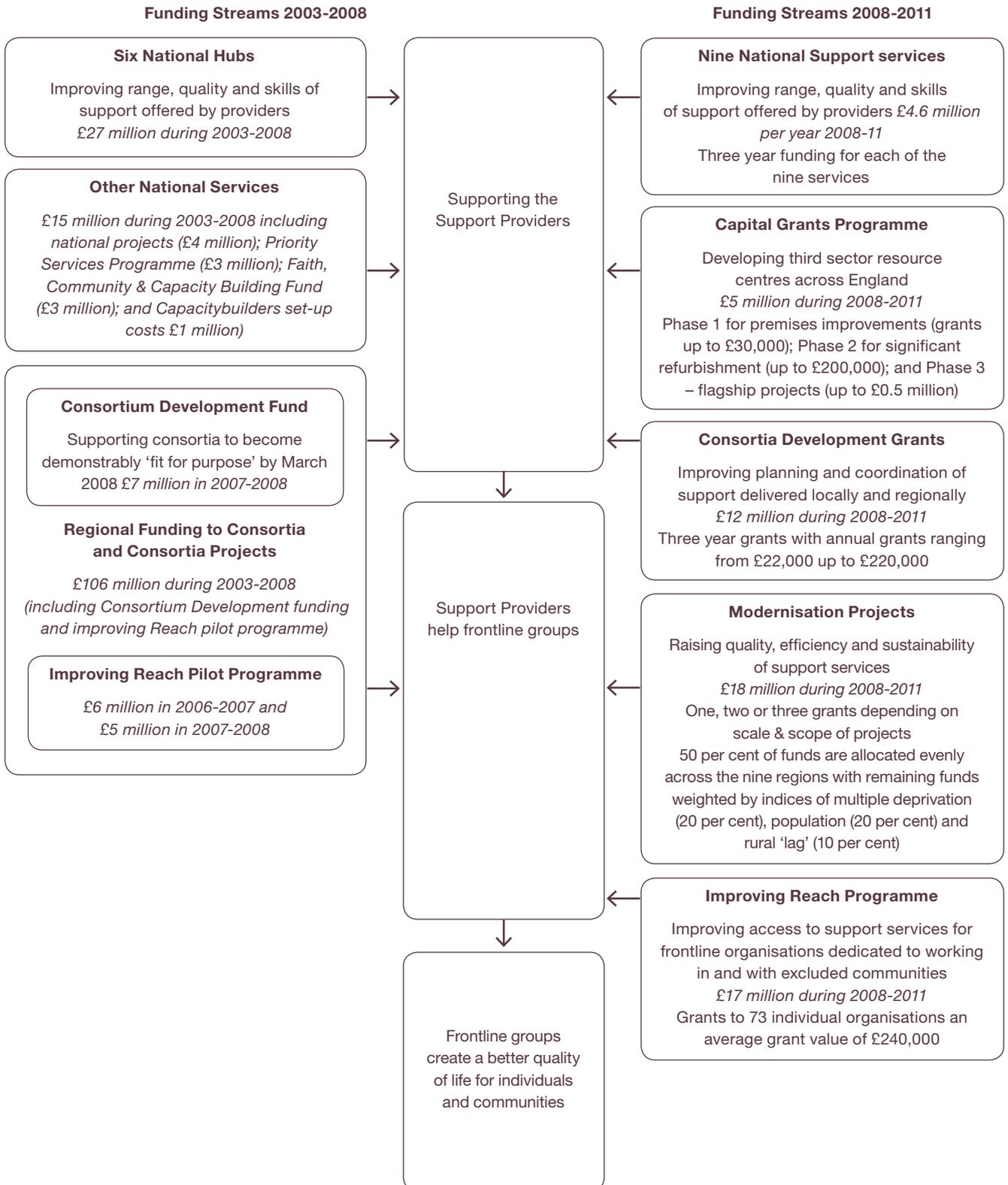


Source: National Audit Office

NOTES

- 1 Previously responsibility for the ChangeUp programme rested with the Home Office Active Communities Unit.
- 2 Prior to April 2006, funding to consortia was managed through the Government Office in each region.
- 3 'Improving Reach' is a funding stream introduced in April 2006 to improve access to support for a range of frontline organisations, in particular black and minority ethnic, refugee, migrant, faith and isolated groups.

Figure 2
Funding streams of the ChangeUp programme



Part Two

Our approach to researching the impact of ChangeUp

2.1 The research presented here on the impact of ChangeUp was undertaken as part of a value for money study *Building the Capacity of the Third Sector* which looked at the impact of two government programmes: ChangeUp and Futurebuilders.⁵ Our report can be accessed through the NAO website http://www.nao.org.uk/our_work_by_sector/third_sector.aspx.

2.2 In summary, the conclusion of the NAO value for money study was that:

- ChangeUp has generally been a significant factor in establishing better partnerships between local support providers;
- the improvement in partnership working has benefited frontline organisations, although the impact on them has varied;
- there are no targets for outcomes or a baseline against which achievement of the ChangeUp vision can be measured;
- while ChangeUp has delivered benefits, the way the programme was managed has created problems;
- significant changes have been made to address problems in the early phase of the programme;
- a challenge for Capacitybuilders and the sector is sustaining the improvements delivered by ChangeUp by finding new sources of income to fund services.

2.3 Various parts of ChangeUp have been subject to review on a number of occasions, including three assessments commissioned by Capacitybuilders;⁶ but there remains no comprehensive assessment of the full programme or the impact of it on frontline organisations. A report commissioned by Capacitybuilders in 2007⁷ looked at 49 potential sources of evidence on the impact of ChangeUp and found that:

⁵ Futurebuilders is a programme which offers loan financing, often combined with grants and professional support, to help third sector organisations in England that need investment to help them bid for, win and deliver public service contracts.

⁶ See Appendix 2 of the value for money report *Building the Capacity of the Third Sector* for more information of the aims of these three reports and their principal findings.

⁷ *Scoping the evaluation of ChangeUp* (COGS/ Sheffield Hallam University/University of the West of England Partnership, October 2007).

- it was hard to gain a comprehensive sense of what had been funded in detail or of the overall balance of funding on different areas of support;
- much of the evaluation evidence referred to processes;
- there were few evidenced outcomes from ChangeUp activities: rather achievements tended to be 'showcase' descriptions of outputs rather than the difference these made.

2.4 In undertaking our research for the value for money report we carried out fieldwork in six of the 112 consortium localities to understand the nature and extent of the impact of ChangeUp on support providers and frontline organisations. The case studies in this and our value for money reports are drawn from our interviews with 34 local support providers and 37 frontline third sector organisations.

2.5 We selected six consortia based on their localities. The localities cover variations across a range of characteristics: population density, ChangeUp funding (type and amount), the area covered by the consortia and its membership size, its maturity and public-sector involvement. We looked at consortia which included: a small city and unitary authority, a large conurbation of urban areas, an area of low population density and areas which covered a range of medium-sized towns. Between them there is considerable variation in the size of population they serve, ranging from approximately 200,000 to 1.5 million.

2.6 The aim of the methodology was to find examples of the indirect impact that ChangeUp had had on frontline organisations. It does not therefore capture the views of organisations that may not have benefited from the services consortium members provide.

2.7 This report provides illustrative material drawn from our fieldwork in six localities. It gives more detail than was possible to include in our value for money report to Parliament. This report also builds on the theme of sustainability and focuses on the potential risk to the legacy of the programme if improvements to services are not maintained.

Part Three

The impact of ChangeUp on support providers

“Given where we started from, there is a real sense of progress and pulling people together. However, there are still understandable tensions.”

Director of Improvement and Engagement in the statutory sector

The impact of ChangeUp on support providers has varied

3.1 Support providers range in size, purpose and scope. ChangeUp gave many of them the first opportunity to come together and review their collective and individual aims and objectives, and assess the resources they had to achieve these.

3.2 Although we found differences in the strength and maturity of consortia partnerships, there was a general improvement compared with the position prior to ChangeUp. Inevitably, when organisations with similar or overlapping roles come together to co-ordinate and re-configure their services, there follows a process of debate and negotiation in which some tensions materialise. Tuckman⁸ identified that as a new group forms it will go through four stages to reach a state where it is performing well. We observed such a process of development within those consortia we examined firsthand (**Table 1**).

3.3 We found that the maturity of relationships between support providers prior to ChangeUp influenced the extent to which consortia developed. Where support providers were working together before ChangeUp, they had, informally, already gone through the early stages of group development and were therefore closer to a ‘performing’ state sooner than providers in areas characterised by weaker relationships.

3.4 This variation in the maturity of partnerships meant that we observed stronger evidence of the impact of ChangeUp in some areas than in others. Of the six consortia we interviewed, all had developed through the first two stages of this model, though only one had clearly reached the performing stage.

3.5 Often a large number of organisations were involved in each consortium at the outset of the programme but some dropped out as the ‘storming’ process took place and it became clearer how the consortium was expected to operate. This process resulted in some consortia operating a two-tier structure whereby a core or central group of support providers existed with greater decision making powers and responsibility, alongside a wider group which met less frequently but whose views informed the consortium strategy and development.

⁸ *Developmental sequence in small groups*, Psychological Bulletin, 63, 384-399. Tuckman, Bruce W. (1965).

Table 1

Characteristics of group development in relation to consortia

Stage	Typical characteristics of the stage of Tuckman's group development	Typical characteristics of the consortia we observed at this stage
Forming	Group members meet each other and there is dialogue but typically members are guarded about their interests and act with reservation.	Consortium has regular meetings and is engaged with other stakeholders. It starts to develop a strategy.
Storming	Group members debate priorities for the group; they may lose their reservations and become confrontational. This could lead to greater and lesser alliances within the group and interaction is more selective.	Consortium members compete for resources to deliver the projects and there are winners and losers. Some may leave the consortium, while others form stronger partnerships.
Norming	Group members reach a stage of cooperation; members get used to each other, develop trust and agree on rules, values, behaviour, shared methods and tools.	Consortium members trust one another and know who is responsible for particular activities. They start to deliver the projects set out in their plans.
Performing	Group members work successfully together. Tasks are completed smoothly and effectively, and without conflict. Members achieve the goals set out at the start of the group development.	Consortia provide quality and effective services, in an efficient and sustainable way. They actively look at ways in which to demonstrate their impact.

Source: National Audit Office

Support providers have changed their structure and ways of working

3.6 The process of forming consortia helped local support providers to exchange information, to learn from each other and to build trust, as well as clarify their role and define their responsibilities – for many, this was for the first time. As a result, the local needs of frontline organisations were assessed more comprehensively and this helped to reduce duplication of services since consortia members were more aware of what others were doing. Consortia members were also therefore better able to address gaps in support to frontline organisations. Working in collaboration, support providers were able to pool resources, achieve greater efficiency and reach a wider number of frontline organisations.

3.7 As consortia formed, some support providers merged and grew, while others declined. Participation in a consortium has not been a positive experience for all local support providers and in one case the challenges faced were so severe that they led to the winding up of the organisation. One support provider took responsibility for delivering a project on behalf of its consortium but shortly afterwards faced a funding crisis and struggled to find the additional resources needed to sustain the organisation and the ChangeUp project. Consequently the project, and associated ChangeUp funding, was transferred to another consortium member. This left the original support provider in greater difficulties: it was unable to retain its paid staff and is now staffed by only one volunteer, and its future is uncertain.

Box 2

An example of a successful merger that is often cited took place in Cumbria

Cumbria county is made up of five districts and each district had a separate Council for Voluntary Service (CVS). The merger to form one county-wide CVS enabled a more effective and efficient implementation of ChangeUp. The five CVS organisations formed an association of councils during the development of the local infrastructure development plan and formally merged into one body two years later.

These changes were built on strong networks and close collaboration between local support providers prior to ChangeUp. While there were challenges during the merger, it has brought about benefits. For example, it enabled cost savings to be achieved through bulk purchasing and brought improvement in the quality of support services; the merger also standardised the support so that regardless of which of the CVS offices frontline organisations contact, the quality of service is the same.

ChangeUp has resulted in better joint-working

3.8 ChangeUp has driven a significant change in how support providers work together. They are more likely to consult each other about opportunities to develop or change support services, as well as involve and consult the statutory sector.

3.9 In launching its Building and Sustaining Infrastructure Support (BASIS) funding programme, the Big Lottery Fund is actively working within this changed landscape of support provision and making use of improvements in partnership working. BASIS is a competitive grant programme which aims to fund support providers throughout England, to ensure those organisations have access to high quality support that will help them be more effective. BASIS worked through the consortia and in applying for funding, consortia were required to show how their proposals related to the activities set out in infrastructure development plans.

ChangeUp has clarified the role of support providers

3.10 Prior to ChangeUp many support providers offered a range of services to a variety of frontline organisations. ChangeUp gave support providers the confidence to clarify their roles and responsibilities, and the resources to address duplication or gaps in support to the frontline. In particular, ChangeUp gave Black and Minority Ethnic (BME) support providers the opportunity to fulfil a role of supporting frontline BME organisations on a larger scale and in a more structured manner than before.

3.11 Part of the role of support providers is to represent frontline organisations in front of statutory bodies, policy makers and other influential parties. The formation of consortia has helped to structure channels for expressing concerns and points of view of the sector.

3.12 The representative function of local support providers – referred to as providing “voice” – is one of the most difficult aspects to define, monitor and address, and yet it is an important aspect of the support provided to the third sector. Capacitybuilders recognises that there is still more to be done to ensure that the voices of all groups are represented. The Improving Reach Programme (see Figure 2), which was piloted in 2006-2007 and 2007-2008, was launched in April 2008. This £17 million grant scheme will run until 2011. It aims to increase capacity and sustainability for smaller third sector providers specialising in delivering support services to frontline organisations working with excluded communities.

Box 3

ChangeUp helped form a regional network to better represent BME organisations

ChangeUp helped to establish a regional network of 19 BME organisations. The network, called Uni (meaning 19 in Punjabi), aims to meet the needs of the communities of the 19 member organisations (one from each of the 19 consortium areas within the region) and work together to influence public policy. An attempt was made to establish a similar network prior to ChangeUp, but this failed, primarily because of the lack of clarity about the role of BME support providers. The 19 member organisations are leads within their consortia for the Improving Reach Programme (also known as the Additional Support Programme). ChangeUp funding helped the 19 organisations to become more organised, work together more effectively, identify important issues for BME groups and provide a voice for them at a regional level.

ChangeUp has improved the quality of support services

3.13 ChangeUp has driven and enabled a better assessment by consortia of the needs of frontline organisations in each area and helped to fill the gaps where needs are not being met. Support providers undertook extensive mapping and research at the outset of the programme in order to understand which of them does what. This has helped them address the strengths and weaknesses of support in each area. Rather than seeking to do everything, support providers were more likely to recognise the areas they were best placed to support (such as children or youth focused frontline organisations) and then address the gaps left. In addition, consortium members can more effectively direct frontline organisations to particular support services when they understand what support others are better placed to provide.

3.14 ChangeUp funds were used to improve support providers so that they could then provide better services to frontline organisations. While there is no robust system of measurement, the evidence we found suggests that the quality of services to the frontline has improved due to ChangeUp. ChangeUp initiatives such as consolidation of IT systems by consortia, developing and operating a single database, installing a single phone line have helped to improve the efficiency of support organisations.

Box 4

Standards used by a consortium have helped improve the quality of support they provide to frontline organisations

One consortium attributes their improvement in support services in part to the set of quality standards which they introduced. These standards were agreed by all consortium members and help ensure a more equitable service to frontline organisations across the locality.

“one of the [ChangeUp] funded things was to agree protocols for how we would deliver our services, so it’s almost like a standard that we would all agree to – so, there’s things like ICT Training, Social Enterprise, Volunteering, Representation, Funding Advice – so we’ve agreed, anybody in the county that needs funding advice, there’s a certain standard and there’s a protocol ... also the quality; that we have agreed quality standards.”

“Another of the things we developed ... is this new information pack for new and emerging voluntary and community groups and, again, we were all doing our own thing and so one person might say ‘well, I’ve really researched this well and I know I’m giving a good quality service but I don’t know if the group goes to them over there, what quality they’re getting’ and now we’ve agreed and we know and we’ve got confidence in each other.”

Chief Officer of a support provider which helps individuals and organisations across all sectors to have a positive experience of voluntary activity

The way the programme was managed caused difficulties for support providers

“There was something about the way in which the programme was dropped on the sector – short, sharp. I don’t think anybody had the time to think about the longer term really”.

Chief Executive of a support provider which delivers advice, information and support services to rural communities across a locality

3.15 Our fieldwork at six localities provided a number of examples of the difficulties that the Government’s management of the ChangeUp programme had caused local support providers. For example, consortium members referred to requests by the programme’s managers to submit funding applications at difficult times such as during the summer months and over Christmas. Consortia struggled to meet these deadlines but subsequently found that the programme took a long time to make decisions on who would receive funding. This left less time for consortia to spend the allocated funds which may have led to some funding being wasted and poorer value for money.

3.16 This problem was increased by the fact that the ChangeUp programme comprises a number of funding streams (see Figure 2). Consortium members felt that their lack of visibility on the duration of these various funding streams, compounded by programme management delays, reduced the opportunity for strategic, long term planning.

3.17 In 2008, Capacitybuilders made some changes to the way in which the programme is funded. Funding for specific projects is now awarded to consortia following a competitive process, although Capacitybuilders has set regional allocations to maintain a balance of expenditure across England. There is now no guarantee of project funding for each consortium.

3.18 The loss of expected funding can have a significant affect on sustaining improvements brought about by ChangeUp. We look at issues relating to the sustainability of the support services set up or improved by ChangeUp in the final part of this report.

The programme was hampered by a lack of evaluation of its impact

3.19 In trying to understand the impact that ChangeUp had had we looked at plans the six localities had drawn up on how they would use ChangeUp funds. In addition, we looked at progress reports that consortia made to programme managers. From these it was difficult to fully understand what difference the projects had made. No baselines had been drawn, descriptions were often slight, and reports focused on outputs that the programme had delivered rather than outcomes.

3.20 Support providers are complex and diverse in nature which can make performance measurement difficult. But difficulty is a poor reason not to collect evidence and evaluate the impact of resourcing decisions. Rather, it is vital in order to engage stakeholders, build an evidence base for future funding decisions, and determine what works and what does not in order to further improve support services. The difficulty of measuring outcomes has been noted elsewhere:

“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 [such organisations] and their work, such a judgement is unlikely to be straightforward.”⁹

3.21 The lack of systematic evidence-gathering is not down to a lack of available frameworks to help organisations assess their effectiveness – there are several.

Box 5

A consortium undertook to establish a baseline against which to track improvements across a range of performance areas

During our fieldwork we found one consortium had undertaken ‘baselining’ of its members albeit only for the first time in 2007 (three years after the consortia had come together). The approach consisted of a self-assessment questionnaire sent to all consortium members. The questions centred on efficiency, accessibility, diversity and sustainability; consortium members were asked to ‘score’ their individual organisation using a rating of levels 1 to 5 where level 1 was ‘unaware and inactive’ and level 5 was ‘exemplary’. The consortium plans to repeat the exercise annually which will provide an evidence base for the progress of the consortium.

⁹ *Building effective local VCS infrastructure: the characteristics of successful support for the local voluntary and community sector* (NAVCA, 2007) <http://www.navca.org.uk/NR/rdonlyres/10FD1287-5DA2-420A-915F-F223EA71F7B3/0/belvi.pdf>.

Part Four

The impact of ChangeUp on frontline organisations

“I think there’s much better networking. I think there’s a better flow of information ... We work more closely with the county council now on issues that affect the third sector. So, I think, probably, the services that we offer are more focused, more cohesive. We’ve got a better sense of what we’re doing in terms of offering capacity building to local groups and I think we’re getting better at doing it. And I think the ChangeUp funding has helped with that considerably.”

Area Manager for a support provider which provides generalist support to frontline third sector organisations in a locality

Frontline organisations have benefited from the ChangeUp programme in different ways

4.1 In the six localities where we conducted our fieldwork, we found that consortia provide many different support services, to a wide variety of frontline organisations. Support can range from the continuous, such as regular networking meetings, to the discrete, such as one-off grants to improve the buildings shared by frontline organisations.

4.2 The support services consortia provide through ChangeUp may be categorised into two types of support: services and direct funding. The former is more common and in the latter, which occurred prior to Capacitybuilders administration of the programme, some consortia used ChangeUp funds to directly provide frontline organisations with money for a specific objective, for example improving disabled access to a building.

4.3 The development of consortia was largely seen as positive by those frontline organisations we interviewed. However, efforts by consortia to develop their strategic direction meant that, in some instances, support to the frontline had reduced for a period. But in the longer term, frontline organisations have benefited from ChangeUp through improvements in the quality, focus and scale of support. In turn, some frontline organisations have improved the quality and scale of their support to their service users.

Box 6

ChangeUp helped frontline services to grow and support more users

An organisation providing educational support to young people who, through social and economic circumstances, would otherwise have left education, was able to extend its services and help more young people because of the support it received through ChangeUp. The support was advisory in nature, helping the organisation to develop from a small informal organisation into a registered charity and company offering young people training, flexible education and personal support in their development of life skills and employment potential.

Another project, run by a local neighbourhood watch organisation, aimed to reduce the likelihood of theft of vehicles and heavy machinery. The project was able to reach more users than would otherwise have been possible as a result of funds from ChangeUp.

An organisation which provides accommodation, support and aids independent living for young people was able to support more users as a result of a grant they received from their local consortium to improve their building. The improvements in access to the building meant the organisation could provide services to new user groups.

4.4 Many frontline organisations benefited from the advice and mentoring that consortia provided. It is difficult to assess the impact of this in all cases since it is less tangible than other forms of support and often provided informally. However, we found examples where outcomes were clearly due to advice provided by ChangeUp.

Box 7

Advisory support provided through ChangeUp has had an impact on frontline organisations

In one consortium, advice was given to fourteen organisations which helped them develop and agree the structure of their organisations and necessary documentation (such as formal constitutions), and build their confidence in applying for funding. One frontline organisation (a local drama school) has since been successful in applying for funding and is doing very well as a result.

A football club for children aged between five and eighteen in a highly deprived urban area received advice from its local consortium on fundraising, governance, and business planning. This led to improvements in the management of the organisation, helped it overcome some of the funding issues it was facing, and become more sustainable.

An organisation which offers educational support in an area of high deprivation received guidance and support from its consortium that enabled the project – as it was then – to become a registered charity and company. The organisation has since been able to provide a new range of services and increased its user numbers tenfold.

ChangeUp has helped frontline organisations to access funding

4.5 Historically frontline organisations have received the majority of their public sector funding through grants. While this is still the case, an increasing proportion of their income from the public sector comes from contracts to deliver public services. As a result, frontline organisations seek support in applying to deliver public services and look to consortia to help with this. We found examples of consortia helping frontline organisations with the procurement process through:

- one to one mentoring;
- holding practical training courses;
- detailing funding opportunities in newsletters;
- holding funding fairs; and
- an online portal.

Box 8

Informing frontline organisations about available funds through an online portal

A funding portal was set up by a consortium in 2006 with £18,000 from ChangeUp. An online resource, it gives information on new funding opportunities, gives access to a database of funding sources (e.g. charitable trusts and foundations), and provides advice on seeking funding and links to further support. It is available to a range of audiences including individuals, community groups, voluntary organisations, registered charities and social enterprises. In a 2008 survey, frontline organisations attributed almost £270,000 of funds raised to their use of the portal. The funding portal has also had a positive impact on the support providers themselves because it has freed up time which would otherwise have been spent advising frontline organisations individually.

ChangeUp has increased training opportunities for frontline organisations

4.6 Some consortia have used ChangeUp funds to run a variety of training courses for the staff and volunteers of frontline organisations, ranging from first aid to measuring outcomes effectively. The courses were typically free although in some cases cost penalties were put in place to deter people from dropping out.

4.7 Frontline organisations find such training courses beneficial: it saves them from using their own resources to put on courses and frees up time and resources that would otherwise be spent running such courses internally. In addition, there are benefits from sharing information and meeting people from other organisations.

Box 9

A consortium provided training to help frontline organisations become more outcome focused particularly when applying for grants

One consortium provided training on outcomes. They used the Charity Evaluation Services (CES) trained Outcomes Champion to promote a standardised approach for measuring for outcomes. This helped improve forward planning by organisations and the quality of funding applications. We spoke to an organisation which had attended the outcomes training. It believed that as a result of the course they were able to develop a better strategic plan and communicate it more widely and more effectively. The organisation, which works to meet the needs of deaf and deaf-blind people, changed the way it worked to become more outcome-focused. For example, changing its action plan to include greater detail on outcomes. The organisation felt that this had helped them to be more successful in grant applications.

ChangeUp has improved access to support from volunteers

4.8 We found all six consortia provided frontline organisations with support on volunteering. Frontline organisations regularly seek support from consortia to ‘broker’ volunteering opportunities, provide training to new volunteers and advice on volunteering good practice.

Box 10

A consortium employed a volunteer outreach worker to help frontline organisations recruit and retain volunteers

Research carried out by a consortium in 2006 identified that a priority for frontline groups in its area was help with recruiting and retaining volunteers. The consortium used ChangeUp funding to employ a member of staff to work with organisations in its area, specifically on brokering volunteer opportunities. Having a dedicated resource led to an increase in the number of volunteer enquiries and the number of people working as volunteers with frontline organisations.

The extra resource also freed up other resources within the consortium enabling a wider variety of support to be provided to the frontline. For example, the consortium was able to undertake research into volunteering good practice and issue a pack for frontline organisations to help them use volunteers more effectively. The consortium also ran a seminar about volunteering policies and procedures for frontline organisations. An organisation reviewed their policies as a result of attending and found some of their policies out of date. They felt that updating and amending their policies had a positive impact on their volunteers.

Box 11

A consortium has developed a project to help raise the profile of volunteering and share good practice in the support and management of volunteers

£15,000 of ChangeUp funds were used by a consortium to bring together local volunteer centres and CVS's to share good practice, maximise county wide opportunities and increase partnership working and communication. It also sought to improve the recruitment and retention of volunteers from different sectors of the community particularly those from under-represented and traditionally hard-to-reach groups (such as BME groups). This was achieved by widely promoting volunteering opportunities through the consortium website, the local press, and an online volunteering database.

Pilot projects, run by a member of the same consortium over a nine month period, aimed to encourage engagement between organisations and older people, ethnic minority groups, and young people at risk of anti-social behaviour. One pilot project focused on people who had little time to commit to volunteering and encouraged them to help at one-off events. The local authority used the pilot to increase awareness of volunteering across its area and was very pleased with its success in the build up to the 2012 Olympics.

The experience from these pilots has led to the development of toolkits and an interactive website to raise the profile of volunteering, and share good practice in the support and management of volunteers. The website is still in its infancy and evidence of its impact on frontline organisations has yet to be seen.

ChangeUp has supported the back office and administrative functions of frontline organisations

4.9 Consortia have developed toolkits and guidance to help reduce the administrative burden for frontline organisations and have also provided support for 'back office' functions such as payroll, human resource management and bookkeeping. This support enables frontline organisations to concentrate on delivering their core services and gives reassurance to management and trustees that these important tasks are carried out by knowledgeable and experienced staff.

Box 12

A payroll support service provided through ChangeUp saved frontline organisations time and provided reassurance to their management

A consortium used ChangeUp funds to begin a payroll service. Using the service meant that frontline organisations saved time, which could be better spent delivering their core services, in the knowledge that their payroll was being professionally processed at an affordable cost. In addition to reducing the administrative burden of the task, frontline organisations were able to avoid the cost of re-training when staff move on.

A frontline organisation involved in youth work began to use the payroll service because the organisation had grown to a size where managing its payroll had become difficult. Using the payroll service removed what could have been a constraint on the organisation's continued growth. Another organisation believed that it saved two staff-days per month by using the service.

Frontline organisations value the level of understanding the payroll provider has about the sector.

"it was also the feeling that we were going to get more; we were going to get the assistance we needed rather than it just being a straight 'send us the thing' ... the idea that they would understand because we're a small organisation ... when you're struggling with something ... it is good to have somewhere outside and reliable to be able to do it ... Because it is being done by a separate organisation, you therefore have less chance of fraud, so when you're getting the cheques signed, you know that it's been checked by somebody else".

Manager of a charity which researches the housing needs in the locality and campaigns for affordable housing to be provided where it is needed

Box 13**A consortium has enabled frontline organisations to access professional advice on important issues, such as health and safety, at a reduced cost**

A consortium pays for membership to access a service providing professional and legal advice on personnel, employment law, and health and safety issues. This membership enables frontline organisations in the consortium area to access the advice at an affordable cost.

One small organisation had a member of staff off sick for substantial period of time. Through the subsidised membership the organisation was able to receive advice on what they should do for the employee to return to work on a part-time basis.

"I wanted to be able to have that reassurance I was doing things right, answer to the trustees and also I wanted someone that the staff could talk to if they wanted to, that they could contact to get advice as well."

Manager of a charity which researches the housing needs in the locality and campaigns for affordable housing to be provided where it is needed

Although some of the services, such as HR advice, could have been available to organisations through a peer-to-peer network, frontline organisations felt that the informal nature of such an approach would not have provided the same degree of reassurance, confidence, and continuity of support.

ChangeUp has helped to build and formalise networks

4.10 One consortium used ChangeUp funding to formalise and publicise a number of informal networks that operated between frontline organisations across its area to enhance the sharing of good practice and knowledge, as well as peer support. The formalised networks help reduce the feeling of isolation felt by some small frontline organisations with few staff.

Box 14**A consortium has set up an Employment Network which allows frontline organisations to share information and reduces the feeling of isolation by staff**

The employment network provides a useful forum for discussing personnel issues which might arise.

"Once a month they'll have a lunch-time meeting and there'll maybe be somebody from ACAS (Advisory, Conciliation and Arbitration Service) there or there might be somebody from the Charities Commission. Now, that's been really useful ... it just keeps you up-to-date. I mean, we're a very small organisation and trying to keep up with everything, all the latest developments on maternity, contracts of employment, grievance procedures, whatever it might be, that's been really useful."

Chief Officer of an organisation which provides support to the voluntary youth sector in the locality.

Another attendee welcomed the provision of specific and tailored advice.

"[The session with the ACAS representative] was really, really useful because short of using a lawyer to do all of this stuff, you're pretty much on your own. Also listening to what other people have got as problems and you're thinking 'gosh, I never thought of that, I bet I've got that problem' – so I need to have that awareness".

As well as sharing information, the network was seen to reduce the feeling of isolation felt by some staff working in small organisations.

"... it breaks down that isolation that I've got, you know, it's a great connection for that and also just the networking; getting to know what's going on with other organisations, who's who, who are the new people in the organisations, and things like that".

Chief Officer of a frontline organisation which provides information, support and a point of reference for carers

ChangeUp has enabled staff to develop their skills and achieve recognised qualifications

4.11 A consortium used £60,000 of ChangeUp money to set up a bursary for third sector staff that wanted to study for professional qualifications. Frontline organisations believe this opportunity helped build individuals' confidence and skills, and also improved the quality of service they provided to users. One frontline organisation attributes a recent successful contract application to the new qualifications held by its staff.

Box 15

A bursary project run by a consortium with ChangeUp funds improved staff qualifications and skills

An organisation, which provides inclusive educational activities at an outdoor centre, had two members of staff who received a bursary. One undertook an NVQ in accounting and a professional certificate in Management.

"It's given me greater knowledge of accounts and it means I can give greater information to our trustees. It's given me a recognised qualification, which gives me credibility as well (with our auditors), I know how to read a balance sheet now, so it helps really, when you're doing accounts".

Staff no longer rely on input from others and this frees up their time and helps the organisations run more efficiently.

"Now I've got this qualification, it's really helped me a lot in my accounting. We have a trustee, who also acted as treasurer if you like, and it's meant that she's able to take much more of a proper trustee role; not having to deal with the day-to-day activities of the charity".

Support Services Manager of a frontline organisation which provides inclusive educational activities for disabled and non-disabled people

Buildings and access to them have been improved

4.12 In some instances, ChangeUp funds were used to improve buildings used by frontline and support organisations. This had a positive impact on those organisations and their service users. One organisation said it helped them win further contracts. As well as providing a better environment for staff and users, improving access to the building for those with disabilities increased the number of users of a service. Furthermore, money to refurbish a building used by a community organisation meant that it could provide a counselling service, in addition to its core service offering, because new soundproofing enabled confidential discussions to take place.

4.13 Typically ChangeUp funds were used for a specific aspect of the building work, such as installing a lift, and in many instances the money was matched by funding from elsewhere.

ChangeUp has helped frontline organisations become established through the provision of 'start-up' funds

4.14 One consortium gave small grants, around £250, directly to frontline organisations, usually with a faith or cultural focus. These relatively small amounts of money helped frontline organisations grow from smaller, informal groups into larger, more well-established organisations. As a result, these frontline organisations can involve more users and develop their facilities and services further.

Box 16

A consortium provided small development grants to frontline organisations

A Chinese community group launched in January 2006, with a small grant funded through Change-Up, aims to bring people together and promote Chinese culture. It began with 20-30 people and has now grown to 60-70 members, all volunteers. The group received an additional small grant which was used to run English classes and to teach Tai Chi exercise.

A member of the consortium said *"Change-Up helped the group sort out their constitution and they've now got a structure"*.

The Chair of a local community group that brings together people from all faiths and communities, to help build community cohesion, said *"classes are not just for Chinese; it's a combination of everybody in the community ... it means that [they] are integrating into other cultures and the other cultures are integrating with [them]"*.

The grant also went towards organising the two most important holidays in the Chinese calendar: the New Year Event and the Mid Autumn Festival Event. Activities at the New Year Event include lantern making for all the children, and parades including the lion and dragon dance. At the Mid Autumn Festival Event people admire the mid-autumn moon, eat moon cakes and fruit, carry lanterns, burn incense, plant trees and watch fire dragon dances. Both events are very popular.

The Chair told us that *"...the wider community are very happy about our Chinese New Year Event"* and another member of the consortium said that the Chinese New Year celebration *"...is the most popular event in town"*.

Part Five

The sustainability of ChangeUp

“That might be one of the tests of how successful a programme was; I mean, if an organisation has managed to launch itself and become quite high profile through the programme but then disappears from sight, when the support it received is withdrawn, then that would indicate that the funding wasn’t used appropriately, it was used as revenue funding rather than development funding. I think that’s the big problem, that everyone’s coming along and they’re going ‘oh, yeah, this is another stream of revenue’ rather than ‘this is about development’.”

Development worker of a not-for-profit organisation which is a member of a local consortium

Sustaining the improvements from ChangeUp to support services is a challenge

5.1 Sustainability is a central part of the vision for ChangeUp. However, we found little evidence of consideration by support providers that they had put in place plans to ensure the sustainability of their services. Sustaining the improvements brought about by ChangeUp remains a challenge for consortia.

5.2 ChangeUp funds were not intended to replace other sources of funding but rather to develop support providers and the services they offered. In some cases, however, ChangeUp funds have been used to maintain existing support, rather than setting up something new.

5.3 Capacitybuilders has changed the way the programme is funded and with increasing competition, support organisations are now seeking funds from other sources – in particular from the BASIS programme. As Macmillan et al (2007)¹⁰ observe, the number of organisations which are relying on BASIS to continue their services is of concern:

“A striking feature ... 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 over subscribed, this may be a general indication of the degree of financial insecurity facing local [support providers].”

¹⁰ *Building effective local VCS infrastructure: the characteristics of successful support for the local voluntary and community sector* (NAVCA, 2007) <http://www.navca.org.uk/NR/rdonlyres/10FD1287-5DA2-420A-915F-F223EA71F7B3/0/belvi.pdf>.

5.4 Organisations at any level may fall into a ‘vicious circle’ when their funding is reduced which prevents them from winning further funding because they are perceived to be unstable, in turn increasing the likelihood of financial instability. In contrast, a ‘virtuous circle’ can occur when organisations grow and develop through funding, demonstrate greater financial stability and thereby attract further funds and in turn experience further growth.

The economic downturn is likely to increase the risk that services may not be sustainable

5.5 These patterns may be accentuated at a time of economic downturn. As the report ‘Managing in a Downturn’¹¹ points out:

“There will be winners and losers during this downturn as with any other ... All our experience of recessions says that they tend to polarise: the strong get stronger and the weak either fail or lose their identity through enforced merger.”

5.6 The downturn may reduce both the funding opportunities and the financial stability of less well-established support providers, as well as the ability of frontline organisations to pay for their services. This may therefore increase the risk of collapse of those providers.

When support services collapse it impacts on frontline organisations and their service users

5.7 As described earlier in this report (paragraph 3.7), the future of one consortium member we interviewed was uncertain and it is unlikely that it will be able to maintain support services on the scale and of the quality previously provided to, and now expected, by the frontline organisations it supports. This in turn may affect the users of those frontline organisations.

5.8 When a support service stops it leaves a gap and this is particularly true of services which are continuous (such as the payroll service described in Box 12). We found an example of a community accountancy service, run by a consortium to advise and train frontline organisations on their accounts, which provided valuable support to frontline organisations until the funding from ChangeUp ended. A similar service offered by another consortium was able to continue, partly because it was sustained by fees charged to the users of the service.

5.9 In our value for money report we recommend that consortia and Capacitybuilders identify sustainable services, articulate how this sustainability was achieved and help spread best practice. Achieving sustainability of services is critical if the vision for the ChangeUp programme is to be delivered, and a lasting legacy achieved.

¹¹ *Managing in a Downturn: November 2008 survey results, analysis and key messages* (PWC, Charity Finance Directors’ Group and the Institute of Fundraising 2008) http://www.pwc.co.uk/pdf/charity_sector_midt_dec_08.pdf.

Box 17

The impact on frontline organisations when support services are not sustainable

ChangeUp helped a member of a consortium to begin a community accountancy service providing training and advice to frontline organisations.

The treasurer of an organisation (which came together to preserve and maintain a local park) attended training in bookkeeping and accountancy. This was of particular value because she had no experience of being a treasurer and looking after an organisation's finances. The course helped her to set up and run the accounts for the organisation and to understand the legal responsibilities and other issues involved.

"At the end of the first year I had to produce the [annual] accounts and ... [the community accountancy service] ran through what we needed to do and gave us examples of ways I could do the accounts and then having done it I sent them all to [the community accountancy service] to be checked ... and [they] showed me where I'd gone wrong and sorted it all out for me ... and then the second year it worked out all right, so I haven't actually contacted them since".

Treasurer of an organisation which works to improve a community park to best serve the various community needs

Another organisation which benefited from the service was a forum promoting sustainable development. It has over 450 member organisations, including businesses and individuals. The service provided practical help and reassured the trustees of the forum that its financial accounts were in order.

"it was really useful actually because [we] also got support and guidance on how to lay out spreadsheets and things like that, so that was very useful, just to get advice on whether we were doing it properly and that kind of thing".

One-to-one support was also provided by the consortium to meet specific needs of frontline organisations.

"I'd give them a call, we'd arrange a meeting, I'd take my accounts folder to them, leave it with them and they'd go through it, then I'd meet up with them, we'd go through it and produce an accounts spreadsheet ... which I could then give at the AGM to all our members ... so it makes it all very legitimate."

As well as increasing staff skills, the support provided reassurance to the organisation as a whole that the accounts were being drawn up correctly.

"It shows that we're being responsible for the funds that we get. Members do like to know where they're spending the money ... and in the case of the committee as well, it's reassuring to them to know that it is being properly looked after ... In a way, it took some pressure off them as a group as well – it certainly took some off me as I am responsible through the year for making sure it's all kept up-to-date and everything. We have a secretary and she goes through it as well but having a professional look is very helpful, I must say."

However, the community accountancy service closed due to lack of funding and left both organisations without support. Fortunately, the park preservation organisation has not needed further support. But the sustainable development organisation has felt the loss of the service as it no longer has anyone to check its accounts. It also feels that there was a lack of communication about the closure which left them without support without warning.

"Maybe they could have pointed me in the direction of somewhere else to go to give me the support, maybe a little bit more warning that it was going because, to me, it seemed like it went quite quickly."

Outreach Worker of a voluntary organisation which promotes sustainable development in the locality

This report has been printed on Consort 155.

Design & Production by
NAO Marketing & Communications Team
DP Ref: 008726-002 | Printed by Dudfields

