

# **FUNDING COMMISSION**

## **Boosting Local Effectiveness: the future funding of infrastructure support**

A report for the funding commission based on the recommendations developed for the future of infrastructure paper.

### **Introduction**

This paper is a think piece' based on the 'future of infrastructure' recommendations. The 'future of infrastructure' recommendations were written as a result of a process of collective enquiry of people working across a diverse range of infrastructure organisations. This paper has been designed to provoke thought, identify possible areas for research and facilitate solution-focused discussion.

### **Local complexity**

Boosting local effectiveness has been an ongoing challenge. When that effectiveness is related to voluntary, community and social enterprise organisations (civil society organisations) then the role of the organisations and networks that support them (referred to as infrastructure) come to the fore. Confused, fractured and inefficient are some of the adjectives that have been used to describe infrastructure at a local level. Certainly in many localities there are many providers of infrastructure support working in different ways with different remits. However, a more apt term to describe local support structures is that they are complex. Whilst this charge can also be made at the national level, at local levels the complexity is more acutely felt. There has been increasing pressure to simplify how infrastructure is organised at local levels. However, over simplified solutions applied to complex situations can result in yet another level of complexity being added, because the causes of the complexity have not been addressed.

The challenge of understanding how effective infrastructure can help to boost local effectiveness requires some understanding of some key concepts. For the purpose of clarity it makes sense to explore some of the significant concepts. This paper will explore: the role of infrastructure, the dynamics of community and how to navigate local government. The paper will also highlight some relevant recommendations for government, infrastructure organisations and their stakeholders. First it will look at what is meant by the term 'local'.

### **Local**

The term local is a frequently used term; often used synonymously with local authority areas. However, local authority areas vary greatly across England.

There are two-tier local authority areas. At county level there is a local authority. Counties are then divided up into several districts which have district local authorities. These two tiers of local government will have a range of responsibilities divided between them. The largest county, North Yorkshire, covers 3212 square miles whilst the district can cover an area as small as 50 square miles, like [Blaby](#) in Leicestershire. Again many districts would again be subdivided into parishes. There

are unitary local authorities and metropolitan areas. These again are subdivided in to neighbourhoods which sometimes have decision making responsibilities. Local can refer to many different types of government and size of area with some localities having up to 3 levels of structured decision making. These different levels do not necessarily work in harmony; they may have different priorities and political agendas. From the perspective of communities and the organisations that work with them county level is not considered to be local. There is often a need to coordinate work at a town or district level. Effective support that is given to voluntary community and social enterprise organisations needs to be related and responsive to the needs of those organisations.

## **Community**

One of the ways that a strong civil society is manifested locally is by strong and vibrant communities who are able to identify needs and take action to address those needs. Community is often seen as local and more real whilst society can be seen as more abstract; hence Margret Thatcher's often misunderstood quote of "there is no such thing as society". In many localities there are multiple communities living or working in the same geographical area. Alison Gilchrest<sup>1</sup> asserts that a strong community is a well connected community where people who are able to access resources whether financial, organisational or cultural are able to find each other and enable things to happen that meet the needs of communities they serve. Gilchrest describes these informal networks as complex. Civil society organisations and the organisations that support them, when effective strengthen and enrich the social fabric. In other words civil society organisations form and participate in networks creating an environment where people can form stronger connections and in turn strengthening communities and civil society.

The main currency of communities that are strong and vibrant is not money but relationships. What drives those relationships is trust and a shared understanding of mutual benefit. This is also often the same for civil society organisations; they need to be able to trust the local infrastructure organisation to represent its issues fairly and effectively. The more trust an organisation has in a support provider, the more open the organisation is to the support and the more likely that the support will have a lasting impact.

## **The story of infrastructure**

In order boost local effectiveness, individuals and communities need to confidently develop and shape action that meets real needs and tackles complex problems. The way that they have done this in the past has been to organise themselves and to come together to make the change they want to see. It is in this response to unmet need that many voluntary, community and social enterprise organisations have developed.

These organisations have often found that they need to work together in order to be heard amongst decision-makers. They have formed networks, associations and councils, in which they can talk, share ideas, find mutual support, campaign and lobby on common concerns. They also find support here to learn skills to build their capacity to deliver services. This range of councils, associations and networks have become known as 'infrastructure'.

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<sup>1</sup> Alison Gilchrist *The well-connected community* - The Policy Press – Bristol 2009



## All in a word: The problem with the word 'infrastructure'

Many infrastructure organisations dislike the term infrastructure. For good reason you could say. After all, to most people it means roads or telecommunications, not organisations that support the civil society organisations. This can result in confusion and misunderstanding.

The term was first coined to represent voluntary, community and social enterprise organisations who did not do direct work but supported other organisations that do. But, like all words, 'infrastructure' is defined by how it is used – in different contexts it can mean different things. Unfortunately, some of the assumptions around words can lead to harmful actions.

A positive outcome from the word infrastructure is that governments are familiar with supporting the development of others kind of national infrastructure. Roads, rail or even telephone lines (historically) became national programmes. It can be argued that the term 'infrastructure' in the voluntary and community sector made it easy for Government to invest in these networks of support and communication. It meant that these organisations that existed to support frontline organisations were more easily understood and valued and it resulted in a significant programme of investment and development called ChangeUp.

There are also more negative outcomes of using the word infrastructure. 'Infrastructure' does not do justice to the fact that support organisations came about as a result of civic society organisations wanting to work together. These organic processes cannot be managed successfully through either command and control or the rules of market competition. A lot of time and resources have been spent doing things to infrastructure. It can be argued that this simply resulted in additional layers of complexity.

## Diversity

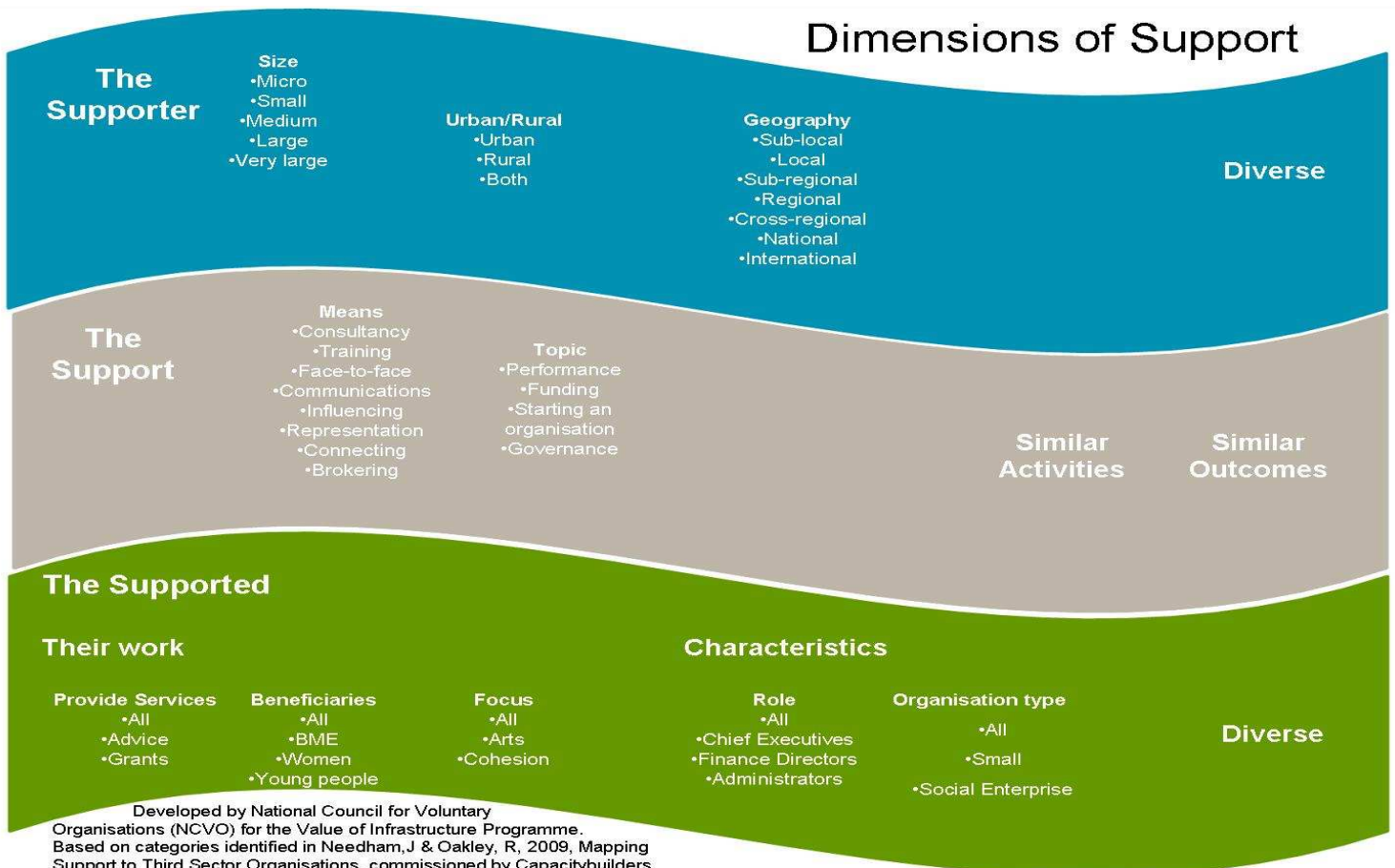
Understanding the diversity of infrastructure is important if the mistakes of the past are not to be repeated.

There are a diverse range of infrastructure organisations. They are diverse because their structures and ways of working reflect the priorities, needs and beliefs of the different constituencies they serve. Many have risen through organic processes and it is understandable that self organisation reflects the complexity of human activity, especially when it engages with complex government structures and processes.

The diversity of infrastructure has been highlighted by many as problematic. But diversity is inherent in human creativity and activity and should be seen as a marker of health and strength rather than an indicator of weakness and inefficiency. Diversity should be valued and respected.

There are real challenges in relation to infrastructure organisations. Where should resources be invested to make the greatest difference? The Value of Infrastructure Programme (VIP) has been working with infrastructure organisations to navigate these complex structures of support.

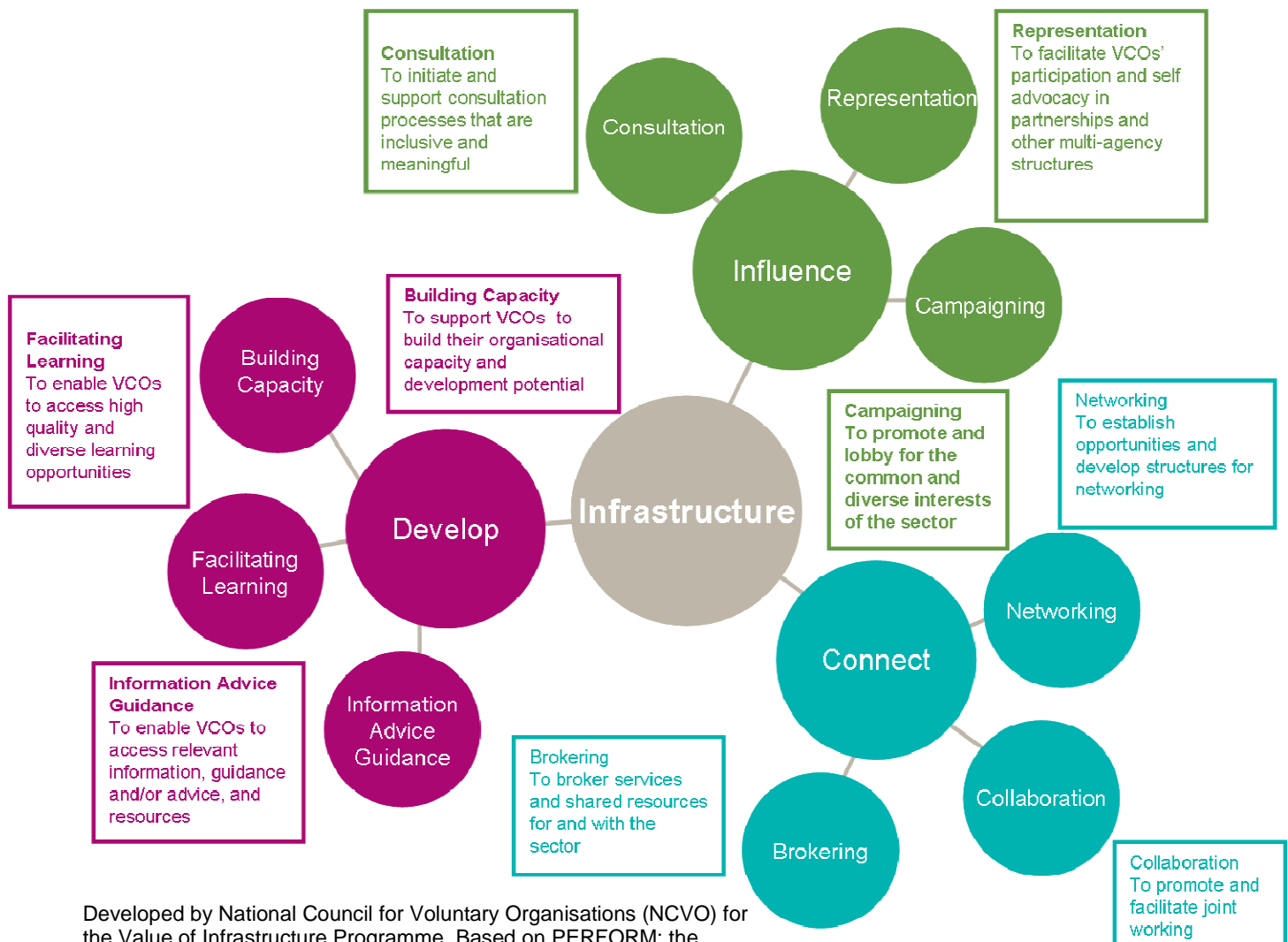
In their work on mapping support to third sector organisations, Capacitybuilders have grouped this diversity and it is represented here:



There are many different kinds of infrastructure organisations providing support and their characteristics are represented in “The Supporter”. They support a diverse range of organisations, some focusing on a particular group, others servicing all groups. These are represented in “The Supported”. So an infrastructure organisation could be small and operating at a sub-regional level supporting organisations that work with young people.

Despite the diversity of “The Supporter” and “The Supported”, there is less diversity in “The Support”. This refers to the topic and means of the support that is provided. Organisations tend to need support on similar issues and there are limited ways of delivering them. What infrastructure organisations do is create unique access routes to resources that are particular to the needs of their constituency. For instance, an infrastructure organisation might create unique access routes to resources that are particular to the needs of organisations working with LGBT people but they would still be working with those organisations on governance, still making visits to organisations or hosting training events. In essence, the work they do is very similar.

## The Functions of Infrastructure



Developed by National Council for Voluntary Organisations (NCVO) for the Value of Infrastructure Programme. Based on PERFORM: the Outcomes Framework for Infrastructure. Also influenced by the 'Engage, Develop, Influence' Model of Infrastructure Function as developed by Growing up in the West Midlands (G:Up).

Above is a map of high level functions areas for infrastructure organisations. Across the range of infrastructure organisations activities often fall into these three main areas. However, it is acknowledged that some organisations will focus only on some areas or will categorise their work differently.

**Develop** the capacity of organisations to provide their services. - This can include providing information, advice and guidance as well as direct 'capacity-building' support to organisations.

**Influence**, represent and advocate on behalf of voluntary community and social enterprise organisations. - By providing a 'voice' that represents the perspectives of organisations to decision-makers, infrastructure can create an effective bridge between government and civil society.

**Connect** organisations with those that they need to reach. - This can range from facilitating networking, brokering resources or supporting collaboration.

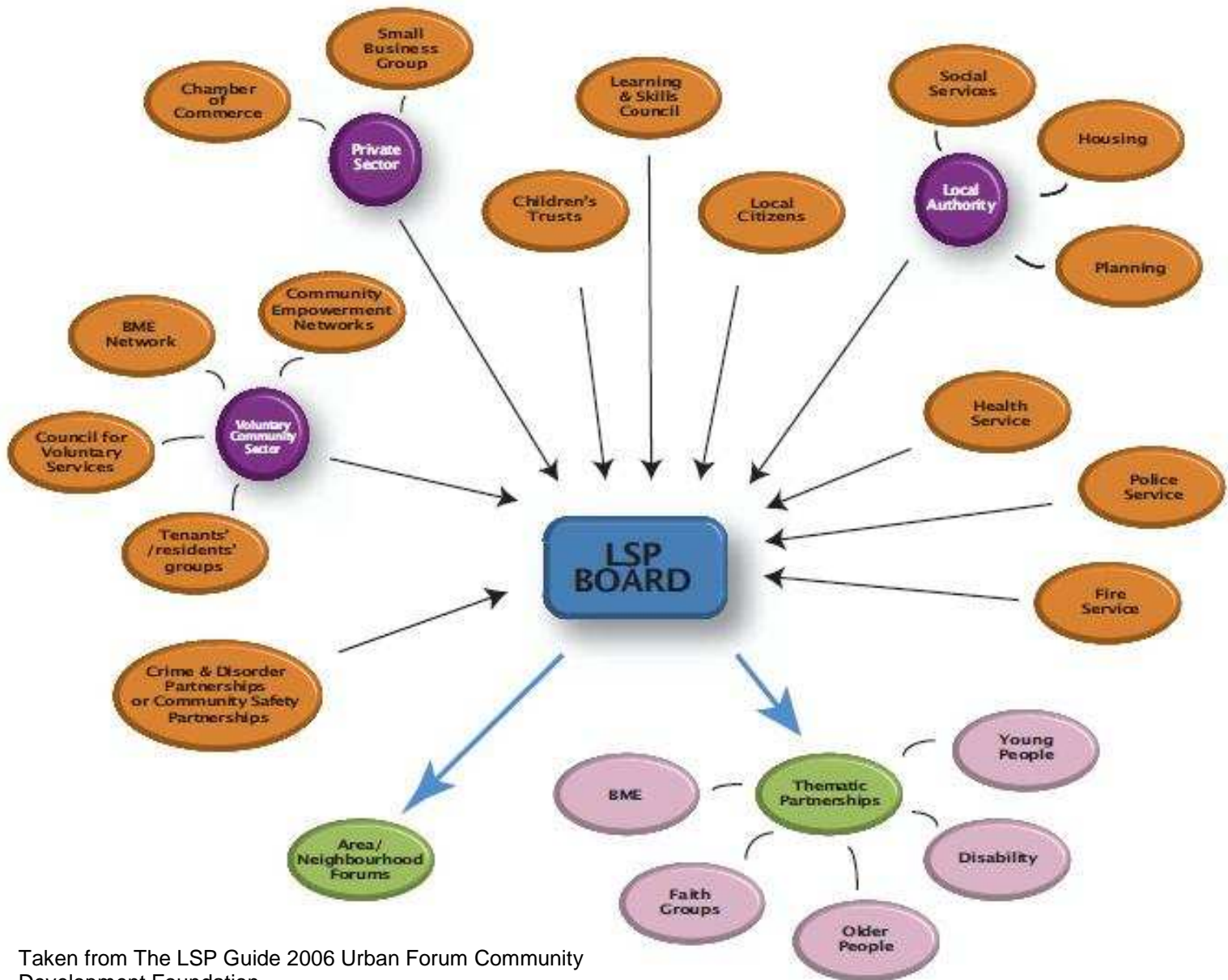
These areas are interdependent and dynamic so the connect functions often drive and are driven by priorities developed by influence and development work. Whilst most infrastructure organisations are able to locate their activity within this framework it is not expected that infrastructure organisations will all function in all these areas as that would lead to duplication. The map is a simple way of looking at what infrastructure organisations do in general.

Much of the emphasis by policy makers and funders has been on the 'develop' part of infrastructure work. However, many infrastructure organisations find themselves doing considerable amounts of work in the 'influencing' areas. Over a period of time the implications for their constituencies of their influencing can be more significant than the development work. Having a healthy operational environment is as important as being well-run for civil society organisations to deliver effective work. A more rounded approach that recognises a much wider spread of activity by infrastructure organisations is needed if their contribution to boosting local effectiveness is to be understood.

## **Complex Government**

There are numerous central government departments, executive agencies and non-departmental public bodies; many of these will be setting policy at the local level. In an attempt to make the requirements on local government from central government more transparent the previous government set a performance framework that had 198 different indicators.

Local authorities are expected to have a local strategic partnership (LSP). Each LSP is at the center of the strategic planning process of a local authority. Below is an illustration of a well developed LSP board. It maps the complex decision making processes at local levels. However, many of the bubbles on this map represent structures and decision-making process that are themselves as complex as the overview map shown below.



Taken from The LSP Guide 2006 Urban Forum Community Development Foundation

Infrastructure is complex because it is representing a complex sector working with complex government. However, there is a need for more joined-up, coherent and effective infrastructure. At all levels, government and infrastructure need to work together in partnership to achieve this.

## Recommendations

For infrastructure organisations to play their full role in boosting local effectiveness local government and statutory agencies should:

1. Fund local infrastructure locally
2. Develop a joined up approach to commissioning local infrastructure. (This should include the various Local Authority departments, and other strategic bodies such as Primary Care Trusts and Local Criminal Justice Boards)
3. Consider within this tight fiscal climate how small the funding is to local infrastructure in comparison to general spending. (An insignificant reduction in funding to government spend can result in significant harm to civil society organisations in the medium to long term.)
4. Encourage infrastructure organisations to work collaboratively with the focus on impact (the difference that infrastructure makes).
5. Shape commissioning process to be more sensitive to the complex environment in which infrastructure organisations are operating.
6. Develop joined up commissioning process that do not foster an overly competitive environment but encourage more collaborative working (an example of alternative approaches to competitive tendering is *Developmental Commissioning*.)
7. Encourage generic infrastructure organisation to merge if they are not big enough to deliver effective services (whilst recognising the role of specialist infrastructure organisations)
8. Recognise the full role of infrastructure organisations in bringing people together to make the change they care about, helping them to connect with others, representing, influencing and supporting voice (not just capacity building).
9. Acknowledge the role of infrastructure organisations as critical friends who have responsibility to lobby and campaign on behalf of the interests of their constituency.
10. Adequately cost and fund the infrastructure support needs of all their initiatives, programmes and consultations that involve the voluntary, community and social enterprise sector (Infrastructure proofing).
11. Commit in principle to funding infrastructure beyond 3-year periods
12. Recognise the strategic role infrastructure organisations play in helping to engage voluntary, community and social enterprise organisations and their beneficiaries in reviewing and improving government services.
13. Fully cost this representative communication and consultation work and pay for it.
14. Consider shifting appropriate assets to infrastructure organisations

For infrastructure organisations to play their full role in boosting local effectiveness  
**National** government and statutory agencies should:

15. Invest in national infrastructure whilst encouraging and incentivising local government and corresponding departments and agencies to invest in local infrastructure
16. Provide additional resources when new national initiatives are likely to mean that civil society organisations need more support or capacity to engage in influencing programmes.
17. Provide support when gaps in infrastructure support are identified nationally or when new and emerging good practice of national significance needs to be spread.

For infrastructure organisations to play their full role in boosting local effectiveness  
local infrastructure organisations should:

18. Develop a stronger asset base through pooling and asset transfer schemes
19. Use its physical, strategic and intellectual assets creatively to generate income
20. Provide support to specialist infrastructure without undermining their specific mandates and independent voice
21. Develop relationships with private and public sector as paying clients and charge for services where appropriate.
22. Focus on their impact and use the goal of improving impact to guide their collaborative working.

For infrastructure organisations to play their full role in boosting local effectiveness  
National infrastructure should:

23. Review its present roles with a view to reducing duplication.
24. Work more effectively with local infrastructure in developing resources so that there is a reduction in the need for every local partnership to develop their own organisational healthcheck tools etc.
25. Not compete with local infrastructure but use resources to strengthen both levels in their respective roles.

For infrastructure organisations to play their full role in boosting local effectiveness  
Grant making trusts should:

26. Consider supporting local infrastructure
27. Recognise that infrastructure influencing roles might have a greater impact on the capacity of organisations than direct development work
28. Encourage the diversification of income streams for infrastructure; pump-prime new approaches to income generation
29. Incentivise frontline organisations to make the most of infrastructure support (these can be creative incentives such as match funding for consultancy and development work or using health-checks as a route in to receiving grants - like an organisational MOT.)