

The Baring Foundation

On the Front Foot:

A review of grants made under the 2006 round
of the STVS – independence grants programme

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Strengthening the Voluntary Sector – independence

The Baring Foundation

The Baring Foundation was set up in 1969 to give money to charities and voluntary organisations pursuing charitable purposes. In 40 years we have given over £98 million in grants. Our budget for grant-making in 2011 is £2 million.

The Foundation believes in the fundamental value to society of an independent and effective voluntary sector. It uses its funds to strengthen voluntary sector organisations, responding flexibly, creatively and pragmatically to their needs. The Foundation puts a high value on learning from organisations and their beneficiaries and seeks to add value to grants by encouraging the sharing of knowledge through a variety of means.

Strengthening the Voluntary Sector

In 1996, the Baring Foundation launched the Strengthening the Voluntary Sector grants programme. This programme funds organisational development work aimed at supporting organisations to be efficient and effective.

Since then, the programme has supported 725 organisations, giving a total of £15.5 million.

Strengthening the Voluntary Sector – independence

In 2006, the trustees added a focus to the grants programme inviting organisations to apply for work that would help them to maintain or increase their independence from government. This paper forms part of a series of papers designed to draw out the lessons from this grants programme. Please see the back cover for details of other papers in the series. These are available on our web-site.

www.baringfoundation.org.uk

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Executive Summary

In 2006, the Baring Foundation launched the Strengthening the Voluntary Sector – independence programme (STVS). It was a response to the expanding role of many voluntary agencies in delivering a range of services in partnership with the state and a concern about the impact of these changes on their independence of action.

Independence is difficult to define and means different things to different people. The Foundation found it helpful to think about independence as the ability of voluntary organisations to enjoy a set of freedoms necessary for their work:

- the freedom to uphold purpose and values;
- the freedom to negotiate robustly with funders without fear of sanction; and
- the freedom to engage in public debate.

In reality, independence is never absolute: organisations operate via many relationships and within a framework of legal, financial and ethical responsibilities. These can have positive and negative impacts on the freedom of organisations to define their own purpose, to use their own language and to choose working methods for achieving the priorities they have chosen. The challenge of securing independence is, therefore, of course, a political one. The Foundation was interested in what strengths organisations could be helped to develop in order best to navigate these relationships and responsibilities.

In the first round of the programme, in 2006, grants were made to 22 organisations from across the voluntary sector. These included organisations delivering services as well as infrastructure organisations.

This report examines what these grants reveal about the theory and practice of these organisations' independence from government, funders and policy makers, local and national.

The findings are:

At the beginning of the programme, organisations reported actions by funders that compromised their freedom to uphold their purpose and values and to meet their users' needs. They consistently reported that funders' views of the problems being addressed were fundamentally different to their own, in ways that misrepresented the needs of service users and resulted in funding arrangements (increasingly in the form of contracts) being designed around inappropriate 'solutions'. The problems were exacerbated by funders' heavy-handed or controlling behaviour, or by funders not recognising voluntary organisations' expertise and potential contribution to understanding.

Following organisational development activity many organisations reported improved relationships with their public funders. In some cases this took the form simply of conflict being better managed, and in others real improvements were had in trust and understanding.

Some organisations were better able than others to achieve these improvements. As a group, these were more likely to have invested in certain resources than those achieving fewer positive outcomes, and to have done so in certain combinations. They included:

- Improved monitoring evaluation and learning systems and skills;
- Improved negotiation skills and communication tools;
- Improved relationship-building, capacity and skills;

- Improved accountability processes and tools;
- Improved strategic planning tools and skills;
- Reflecting on and valuing independence.

In addition, it was not enough for organisations simply to develop these resources. They had to consciously and actively use them in order to pursue their independence. This activity had political aspects and reflected organisations' using their new resources to increase their power to influence the context and relationships through which they do their work.

This offered some new insight into how the Foundation thinks about organisational development. In the past funded activities had been gathered under the categories of systems, skills, strategies and structures. These categories did not fully reflect the work carried out by the grantees under this programme. A fifth category had to be added, namely self awareness. This was about organisations focusing on the sense of who and what they are, their core identity and values. This was not a linear process of self awareness leading to better skills for independence, for example. Rather, these grants gave organisations time and space to reflect on and develop the sense of who they are and what they are distinctively contributing. This self awareness was the dynamo that converted potentially static and rather managerial organisational resources into independent action where they were better prepared and better equipped to negotiate the complex environments they work in and to shape the structures that affect their work.

Over the course of the grant period these groups reported other positive impacts on the organisation, for example being able to increase the level and quality of services provided to beneficiaries and increasing income. In these cases, we note that the issues of attribution and the impact of other activities on improvements are difficult to resolve. We report, however, the importance funded groups themselves attached to the STVS grants in achieving these changes.

We conclude that the independence of voluntary organisations is an important contributor to improved outcomes, particularly in the context of increased local and national government funding and contracting. Funders are likely to reduce the effectiveness of their grants in terms of user outcomes should they fail to recognise, protect and promote the independence of voluntary organisations.

Funders and voluntary sector organisations can respond to these issues through three main ways:

- 1) Being aware of their own and others' independence, roles, limitations and differences in power and vulnerability.
- 2) Developing relationships that proactively protect and promote voluntary sector independence (with both sides having responsibilities for this).
- 3) Investing in voluntary sector resources for independence, focusing on those outlined above.

How the programme worked:

Organisations presented a range of pressures on their independence from public funders which were reducing their freedom to operate.



Grants enabled organisations to carry out organisational development work that strengthened different aspects of their infrastructure and gave them new resources.



Organisations then set about using these resources consciously and energetically in the pursuit of their independence.



This had the effect of improving the ability of organisations to negotiate the complex environments in which they work in, in particular by improving the quality of relationships with public funders, meaning relationships became more honest, open and ultimately productive.

Introduction

The expanding role of many voluntary agencies in delivering a wide range of public services in partnership with the state has been accompanied by growing concern that the agencies' involvement poses a threat to their independence of action. It was in this context that, in 2006, the Baring Foundation completed a review of its Strengthening the Voluntary Sector Programme (STVS).

The programme had been established in 1995 in order to assist voluntary organisations addressing issues of disadvantage and discrimination to improve their efficiency and effectiveness. In 2006, the trustees of the Foundation decided to add a new focus to the STVS programme to concentrate on ways in which it might assist organisations involved in close relationships with government to pursue and secure their independence.

Independence was defined as the ability of organisations to enjoy a set of freedoms necessary for their work:

- the freedom to uphold purpose and values;
- the freedom to negotiate robustly with funders without fear of sanction;
- the freedom to engage in public debate.

By the end of 2006, the Foundation had made STVS – independence grants to 22 organisations. The 22 grants were evenly distributed between infrastructure organisations and those delivering front-line services (11 of each); between national and local agencies (10 national and 12 local); and between those with an annual income of more than £1 million (12) and those with less than £1 million a year (10). At the time of writing, all but one of the grants had come to an end.

In this review we report and reflect on the experience of the funded organisations. This should inform future actions of other voluntary organisations and their funders and partners, whether statutory or independent.

Section 1

The method adopted for this review

The approach

We aimed for the review to be:

- Formative for the programme – that is, the work has and will inform the Baring Foundation's approach both to subsequent rounds of STVS, and to other areas of its work which are concerned with funding for organisational development.
- Utilisation-focused – applying lessons to practice is the primary goal for the work. We have done this by taking a 'utilisation-focused' approach (Patton, M. Q., 1997), involving the future users of the report from the early stages through consultation. We spoke to individuals from voluntary sector organisations, local and national government, funders, commissioners, infrastructure and policy organisations. Together, their questions and thoughts have influenced this report in the hope that this might be of use to them in their work.
- Outcomes-focused – we have also sought to find out about change, or outcomes, and not only activity, at every stage.
- Theory-driven – we chose to approach the review with a basic theory, and to explore and refine this theory by its application to the available evidence. Our refined theory is represented in the programme model (see p. 4). We sought in our evidence-gathering and analysis to map available information to the different points on the theory.

Data gathering

Our findings are based on a variety of data derived from the contact between the Foundation and grant-holders throughout the programme. These include the original grant application forms, annual written monitoring reports, a final written report, annual network meetings where all the grantees were brought together, visits by Foundation staff and trustees to see the organisations in action and regular more informal contact between the Foundation and staff in the funded organisations. We also held a final network meeting in November 2009 specifically aimed at drawing out lessons from the programme. In the meeting, groups were asked to tell the story of their grant in four stages:

- (i) What did the grant enable you to have (that you didn't have before)?
- (ii) How did this affect your legitimacy and confidence?
- (iii) What did this enable you to do (that you didn't do / do so well before)?
- (iv) What did all of this mean for those you work with?

These data were supplemented by ten additional interviews with staff in funded organisations and five with relevant local authorities or government department contacts.

We make an important distinction between the 15 grants focused on helping organisations to strengthen their own independence and the seven grants made to infrastructure bodies to enable them to strengthen the independence of other organisations. In the case of organisations supporting others, the reports of threats to independence, activities and impact related to the organisations they worked with, and this meant that they needed to put in place measures to monitor the impact of their work on others. This proved challenging in practice. The level of reporting by infrastructure organisations also varied according to the nature of the interventions involved: from one organisation which delivered short training courses to more than a hundred organisations to another which worked in a sustained way with ten organisations over two years. In some parts of this review we have, therefore, made a separation between the two groups.

Analysis

Having gathered each organisation's grant 'story', we coded and mapped their experience using matrix analysis within a broad case study approach. Having collated the data and analysed it descriptively, we then used it to develop and refine our themes and categories and ultimately our theory.

Limitations

We asked groups to tell their stories on broad themes, but did not ask specific questions. The stories collected consequently represent what people found most important to say. This meant that, as the theory developed, we found some gaps in data available against the refined criteria.

We also acknowledge that grant recipients' responses may have been affected by a desire to tell 'positive' stories; similarly, responses from those connected with the Foundation may have been affected by the wish for the review to establish the effectiveness of the programme.'

We have sought to mitigate these limitations by being open about our approach so that our conclusions can be considered in context. In addition, the two authors have moderated one another's analysis of the grant stories to improve the reliability of the analysis.

Section 2

Pressures on independence and their impact

Previous reports in the STVS Working Paper series have analysed pressures on independence as they were being felt by the voluntary organisations that applied to the programme in 2006. Analysis carried out in 2007 of the 515 applications to the programme found that voluntary organisations felt most under threat when their core services were jeopardised by changed policy priorities resulting in funding cuts and by the mechanics of contracting. These included restrictive or inappropriate performance measures, under-funding and short-term funding. Overall, government was thought not to be listening. (Pharoah, 2007)

For this review, we began by analysing the pressures on independence as revealed in the application forms of the 22 grant recipients and found that these mirrored closely the findings for the sample of applicants as a whole.

The central theme of 'independence' was fairly openly defined in the application process in order to give applicants freedom to raise the issues most crucial to their organisations. The application form was also structured in quite an open way around a few key questions so as to leave applicants scope to describe their own particular situation in their own way. Some, common themes emerged:

At the start of the programme, a range of pressures were acting on organisations.

Policy change at national and local levels

Organisations felt that independence was threatened by policy changes at local government and / or national government level. This was summarised by one organisation in its application relating to the area of advocacy:

'In recent years we have seen a rise in prominence of advocacy in Government legislation and policy. The potential benefits of advocacy in relation to safeguarding the rights of vulnerable people and supporting people to have a voice and make choices has been recognised, however accompanying this recognition comes the government demand for greater scrutiny and regulation. As a consequence although this increased recognition presents the advocacy sector with the opportunities for growth, the agenda of the advocacy sector is in real danger of being overwhelmed by the Government, and its uniqueness, diversity and independence damaged. If development, commissioning and standard setting in advocacy is led by the statutory authorities the number of people who are able to access advocacy support, the type of support they receive and the circumstances when they can receive it could be severely limited and the independence and quality of services compromised.' Action for Advocacy

Other organisations talked of top-down approaches to reform, national schemes being parachuted in and disregarding local knowledge and of work being hijacked by the latest government consultation or regeneration initiative.

Public service commissioning

A strong theme in applications was the challenge associated with commissioning and the corresponding fears that it can increase government direction, make it hard to maintain quality, transfer risk to the voluntary sector provider, often fail to cover the full cost of delivering the service and unhelpfully increase competition between voluntary organisations. Some of these factors were neatly summarised in this application:

'The environment of flux in local authorities with the transition to procurement / commissioning is a severe challenge. We have short term financing with contracts of 6 months duration. Without them we cannot sustain the work. However, with

them we lurch from one financial crisis to the next. Whilst there is considerable recognition that our service works, supported by a sound evidence-base of qualitative and quantitative data, we are constantly challenged by the authorities' need to deliver a (generic) solution. We struggle to 'justify' full cost recovery to local funders. We constantly have to justify our model and why we deliver the way we deliver (even though they really value the high quality of our work).' Place2Be

Government funding practice

One organisation described the common story that:

'Public funders are dictating more and more how services should be run. There is a multitude of quality standards, inspection regimes and legal changes. These have increased bureaucracy and increased the need for complex administrative systems, which we have to find the money to pay for.' Barton Hill Settlement

Organisations also were finding it difficult to justify the wider community development benefits of their work when government was only interested in specific services that would be delivered. The sense some organisations had was that public funding was distancing them from the 'coalface.'

'New regulations push the focus of the organisation towards compliance issues and away from innovative, highly confidential, individualised services and training. One cannot argue against improved standards of care for vulnerable people. Indeed, we feel it is partly through the dissemination of our own practice that these standards exist. But our assessment of these pressures highlights what can be described as a clash of values between the statutory and voluntary sectors.'
Post Adoption Centre

These pressures were causing a range of adverse impacts.

Ineffective or damaging relationships with government

In many cases, organisations felt that these pressures resulted in relationships with government which had negative impacts on their work. This was reflected in a number of comments including the following:

'This lack of understanding means local authorities proceed with relatively uninformed decisions and policies that do not meet our needs and which compromise our effectiveness.' Asian People's Disability Alliance

'The local authority can be unaware of the strong impact their actions have on both the independence and effectiveness of VCS organisations.'
Islington Play Association

Organisations feeling disempowered and seeing themselves as lacking in confidence or legitimacy

Organisations talked of feeling pushed around by government and lacking the confidence to challenge this.

Purpose and values under threat

As noted above, the Foundation adopted a definition of independence which built on the freedom of organisations to uphold their purpose and values. Where this was threatened, it went to the heart of the issue:

'Even where our work is high on government priorities, our way of operating and our development can be warped by the funders' agenda.' Quaker Social Action

'We have had to reduce our capacity to research, consult with and develop new approaches to supporting carers. We have been forced into being reactive and

focusing on survival rather than being able to reflect, appraise and move forward.'
Powys Carers' Service

'We are concerned that our governance, management and expertise are increasingly skewed towards a narrow group of services, organisations and interests. This compromises our ability to effectively deliver against our broader vision of the role and contribution of voluntary action.' Birmingham Voluntary Service Council

Organisations less able to meet beneficiaries' needs

The applications revealed the ways in which pressures on independence had direct consequences for the nature and quality of services.

'Local services have to fit in with a range of government led requirements which do not always reflect user needs.' Women's Aid

'There is pressure on our one-to-one approach and commitment to continuity of service.' Post Adoption Centre

'Our experience shows that where people have complex needs and have experienced difficulties in accessing mainstream services, it is best to intervene as early as possible and offer a range of different interventions. In practice, this means we work with people across the spectrum of need. The risk is that (arrangements for) mainstream funding determine that people cannot access services until their level of need reaches a much higher threshold (defined by the commissioner). Consequently the opportunity to intervene early is lost.' Health Advocacy and Resource Project

'Contracts drive organisations to focus exclusively on service delivery to the detriment of other important elements, e.g. advocacy, community development, user involvement that are essential to the purpose of the charity.' Glasgow Council for the Voluntary Sector

Organisations less able to speak up without fear of sanction

These pressures also had an impact on the freedom to be honest with funders about the needs of their users or about their own requirements.

'Sector agencies use self-censorship when fearful of threats to funding.' Northern Refugee Centre

'The fact that the people responsible for negotiating contracts are often paid, albeit indirectly, by the people with whom they are negotiating also makes it very difficult for them to stand up independently.' Directory of Social Change

Requirement to change the way organisations work and how they are perceived

Organisations reported being under pressure to operate in different ways.

'The concern is that this will stifle initiative and import inflexible, bureaucratic local authority methods. The council's approach diminishes the role of volunteers, discourages collaboration between providers, and undermines the roles and independence of management committees.' Islington Play Association

Two organisations reported problems with how they are perceived by their users as by running services in collaboration with government they were potentially being seen as part of government themselves.

'The organisation's identity as an independent charity as opposed to a statutory agency may be blurred by organisational and practice changes for some clients who may be hostile to social services.' Post Adoption Centre

Table 1 shows the grants that were made by the Foundation at the end of 2006 through which organisations sought to tackle the issues presented here.

Table 1 – Grants made by the Baring Foundation under the 2006 round of the STVS – independence programme

Organisation	Project Description	Grant Amount (£)
Action for Advocacy	To implement a quality assurance system for the independent advocacy sector.	100,000
AdviceUK	To challenge the top down Government threat to independent advice through a bottom up demonstrator project.	96,515
Asian Peoples' Disability Alliance	To fund a Compact Officer post to lead compact processes with local authorities and PCTs.	80,064
Barton Hill Settlement	To implement an improvement loop of bottom to top management training and systems upgrading.	63,421
Birmingham Voluntary Service Council	To identify, pilot and evaluate impact assessment tools across specific activities, particularly those relating to campaigning, advocacy, policy development and participation in strategic fora.	93,846
British Association of Settlements & Social Action Centres (BASSAC)	To support a Community Impact Programme – supporting governance and building the impact of community anchors.	100,000
Clinks	To support a grass-roots movement for change in the way people from BME communities are treated in the criminal justice system and for the way in which small BME-led voluntary organisations are treated by the wider statutory sector.	99,600
Development Trusts Association	To improve capacity to tell our stories – winning hearts and minds.	97,677
Directory of Social Change	To implement Fair Deal – a programme of practical training, advice and support to negotiate fairer contracts with government.	43,127
Furniture Resource Centre Ltd	To fund a post to support the work of two Directors concentrating on added-value local government contracts.	100,000
Glasgow Council for the Voluntary Sector	To deliver tailored work with 10 small voluntary organisations vulnerable to losing independence.	49,909
Health Advocacy and Resource Project	To support the transition of the Delivering Inclusion Network from a loose collaboration to a constituted partnership.	99,948
Islington Play Association	To build a consortium of children centre providers and share experience nationally.	55,089
Mental Health Media Council	To appoint a part-time head of engagement / user involvement and purchase a relationship management database.	84,701
Northern Refugee Centre	To fund work on consolidation of refugee organisations in Yorkshire and Humberside.	40,000
Partners in Advocacy	To employ a consultant to assist with devising and implementing monitoring and evaluation systems, and to support a team of people with learning disabilities to assist in gathering user feedback.	28,806
Place2Be	To build confidence and maintain independence, while at the same time nurturing a healthy, mutually beneficial relationship with government.	99,672
Post Adoption Centre	To develop PAC's evidence-base for its therapeutic work and develop better systems for gathering and using data about services and performance.	99,281
Powys Carers Service	For the employment of an Operations Manager, the cost of admin support, office base and travel.	92,343
Quaker Social Action	To deliver a programme to develop and maintain QSA as an independent charity with the ability to set its own priorities and fulfil its own aims and objectives.	87,540
Sheila McKechnie Foundation	To reinforce the sector's ability to challenge government through knowledge and skills development.	99,400
Women's Aid Federation of England	To strengthen the capacity of the domestic violence sector to provide specialist services.	98,223

Section 3

The experience of the funded organisations

There are four findings from our review of the experience of the organisations funded by the STVS – independence programme.

Finding 1 – Organisations used their grants to develop organisational capacity across five broad categories – systems, skills, strategies, structures and self-awareness.

Grants enabled organisations to generate organisational development resources across the categories of systems, skills, strategies and structures. These four categories had formed the backbone of the way the Foundation has thought about the STVS programme from its inception. Interestingly, we saw that a fifth category needed adding to fully define the activities that were carried out, namely work to reflect on the development of the organisation. We have named this category self-awareness.

Crucially, across all the different types of grants, an important contribution of the funding was to give staff time to devote to strengthening the organisation as opposed to dealing with delivering services and being focused on the day-to-day running of the organisation.

Systems

Many of the activities here focused on improving the systems through which organisations monitored and evaluated their work and, in particular, assessed their impact. They included:

- developing a new monitoring and evaluation toolkit for use by staff;
- identifying and demonstrating outcomes for users at mental health services that went beyond clinical outcomes;
- gathering robust evidence to demonstrate value for money and cost savings generated by the organisation's work; and
- designing a Quality Performance Mark for advocacy organisations.

'Advocacy groups were concerned that without accepted standards for advocacy organisations, developed by and for the sector, the quality and independence of their services is hard to demonstrate. Organisations have to negotiate with commissioners to ensure that funding criteria and service level agreements do not compromise key advocacy principles. Action for Advocacy researched and published the Quality Performance Mark, launched in Sept 2008. By the end of 2009, over 100 advocacy organisations had signed up.' Action for Advocacy

'A method for assessing impact has been developed and piloted across five areas of work: our involvement in (i) the Birmingham Strategic Partnership, (ii) VCS Matters (Children and Young People), (iii) the CVS Chief Executives Forum, (iv) our role as an accountable body for public funding programmes and (v) our role giving advice to public funders on commissioning.' Birmingham Voluntary Service Council

'Our new monitoring and evaluation toolkit includes our Head, Heart, Carrier bag and Dustbin Questionnaire (what you have learnt, what you have experienced, what you will take away and what you will get rid of as a result of contact with the project.)' Quaker Social Action

'We revamped the content and format of our service evaluation and changed the method and frequency at which evaluations go out. As a result we have increased the response rate from 17% to 45%. This is a high rate of return compared with "industry standards". We are convening a special practice group of professionals eminent in the field to discuss and challenge the model developed by the organisation. In this way we hope to validate our practice.' Post Adoption Centre

'Our Business Impact Analyst has strengthened our ability to grow the organisation through the additional evidence and messages on impact which it has provided. It has given us leverage in negotiations with statutory partners and credibility in the eyes of private sector funders. We gathered robust evidence to demonstrate value for money and identify any useful cost savings. We now have a comprehensive analysis of the unit cost and cost-effectiveness of the service.' Place2Be

Skills

Other activities focused on improving the knowledge and skills of key individuals, for example, by developing and delivering a new training course on 'getting a fair deal from contracts' and holding events for commissioners designed to build relationships with them as well as increase their knowledge. Others used the grants to enable them to improve their ability to communicate with the outside world. Others gained relationship management and negotiation skills and developed expertise in engaging users.

'Media training was provided to 28 coalition members and supporting organisations. Delegates found this very useful and we are planning to replicate this training on a wider scale.' Clinks

'Organisations were helped to identify a bargaining position and to be better placed to oppose inappropriate funding arrangements and encourage sensible ones.' Directory of Social Change

'The (training) course (developed through the grant) looked at issues, processes and techniques involved in bidding for and managing contracts with public sector agencies. It looked at different types of contracts, good practice in costing and drafting contracts, organisational implications of contracting and the future of the contracting environment.' Directory of Social Change

'We have run workshops on entry level campaigning. One participant told us. "I have grown in my knowledge of campaigning and have become more professional about what I do to a marked degree."' Sheila McKechnie Foundation

Strategies

Organisations developed their capacity to develop their strategy in a range of ways.

'Training focused on clarifying the actions that need to be taken towards strategic organisational development or review.' Directory of Social Change

'Several (of the groups we supported) have developed live and robust strategic plans saying that the project has helped them to focus their work far more.' Glasgow Council for the Voluntary Sector

'We developed a new 5 – 10 year strategic plan supported by a 3 year business plan.' Place2Be

Structures

Some organisations used the grant radically to alter the structures through which they do their work. Islington Play Association led the development of a consortium of children's organisations in their borough. Clinks created a new coalition called Race for Justice consisting of BME organisations and other concerned voluntary organisations coming together to challenge the increasing over-representation of BME men, women and young people in the Criminal Justice System. Barton Hill Settlement carried out a more fundamental restructure of the organisation.

'The senior managers' training resulted in the conclusion that we had the wrong structure. This was a very sound conclusion.' Barton Hill Settlement

Self-awareness

Reflecting on what organisations had done with the grants, it became clear that many had taken the opportunity to focus on the sense of who and what they are, their core identity and values. For some, this led to new ways of thinking about their work. This related to planning and delivery, but also to deeper practices of reflective thinking across the organisation.

'We have discovered that independence is as much a state of organisational mind as a result of the availability of unrestricted resources.' Powys Carers Service

'The opening of this funding programme was fortuitous and timely for us as its aims chimed so closely with our preoccupation with how to navigate our future. With this support we have dedicated time, resources, focus, creativity and energy on each of the areas funded that we feel directly contribute to our independence through what has been a consciously reflective process. The greatest impact has been on our vision of ourselves: we now know very clearly what kind of organisation we want to be; we know why we exist and understand what we believe it is important for us to do. Our ongoing work on values continues to contribute to this understanding, constantly highlighting for us all the necessity of paying attention to the how as well as the what.' Quaker Social Action

One participant on the Directory of Social Change's training course captured a sentiment that is echoed across organisations' reflections on their work saying:

'We started thinking about what independence really means.' Directory of Social Change training participant

This is an important element and we considered possibly whether it should come first in any hierarchy of categories. In fact it is not a linear process. The actions and reflection that have been grouped under this heading inform and are informed by everything else. In essence, organisations used grants to create time and space to reflect on and develop the sense of who they are and what they are distinctively contributing. This was the dynamo that converted potentially static and rather managerial organisational resources into independent action. It was the mechanism that enabled organisations to put these organisational strengths to work in increasing their power to navigate the complex environments in which they work and to have greater influence over the structures that affect their work.

We see this process happening in the substance of what organisations went on to achieve.

Table 2 sets out the different types of activities carried out by organisations funded by the programme.

Table 2 – Organisational development activity carried out by grantees using STVS 2006 grants

Type of organisational development	Activity	No. of organisations (*)
Systems	Improved monitoring and evaluation and other systems for learning. Crucially, approaches were about enabling organisations to focus on measuring what is important to them and their users	16 (11:5)
	Improved communications and approaches to relationship management. This was both for work with government (events, lobbying, joint working) and with other voluntary organisations (networking, meetings and joint research)	14 (12:2)
Skills	Improved approaches to demonstrating accountability to users / establishing mandate. Included increasing user involvement in the organisation, including on the board, and carrying out stakeholder surveys	10 (7:3)
	Improved processes and systems for sharing knowledge. This included bringing staff together, sharing information on impact and fostering cultures of reflective thinking	8 (6:2)
	Improved skills or capacity in communication or relationship management, particularly with the Local Authority. This included media training	15 (10:5)
	Improved negotiation skills, organisations being helped to identify bargaining positions and be better placed to oppose issues like inappropriate funding arrangements	14 (9:5)
	Improved management and strategic thinking skills for example processes and techniques involved in bidding for and managing public sector contracts	13 (7:6)
	Improved user engagement skills or understanding of their users	11 (7:4)
	Improved skills in governance with trustee and leadership training	6 (4:2)
	Working together as consortia or coalitions	4
Structures	Entire restructure so that delivery would be more closely aligned to people and issues rather than to service areas	1
	Improved strategy tools and processes including standard strategic planning as well as placing work within wider area-wide or policy contexts.	13 (7:6)
Self-awareness	Reflecting on 'what kind of organisation we want to be'	12 (7:5)
	Reflecting on the importance of explicitly valuing independence	11 (8:3)
Strategies	Raising awareness across staff, trustees and beneficiaries of the purpose and values of the organisation	10 (6:4)
	Developing critical friends through e.g. methods such as establishing a Research Advisory Group	6 (4:2)

* Numbers in brackets refer to the split between organisations that strengthened their own independence and organisations that strengthened the independence of others. For those that have been supporting others, activities and impact are reported in relation to the organisations they have worked with, not their own organisation. This means actual numbers of organisations that have carried out work in these areas is larger than shown here.

Finding 2 – It was not enough simply to have these new resources, organisations had to set about consciously doing something with them in the pursuit of their independence.

The next finding was that it was not enough simply to develop these additional resources; organisations had then to set about consciously using them in the pursuit of their independence. They did this by:

Sticking forcefully to purpose and values

The majority of the grants (19 out of 22) helped organisations to feel that they could stick more firmly to their purpose and values. They consciously reflected at all levels of the organisation on actions, decisions and behaviours and whether they were consistent with their purpose and values.

'ChangeCheck brings clarity to (organisations') core aims and outcomes – this has a favourable impact on their ability to assert and maintain an independent stance.'
Bassac

'The capacity building work around full cost recovery and defining and measuring outcomes has not only enabled improvements in children's centre management but also placed the VCS organisations in a better position to protect and promote their unique qualities and values.' Islington Play Association

'We have learnt that having the data with which to analyse situations means you can identify the right major decisions, for example discontinuing our adult education provision and restructuring our senior management team, and at the same time ensure values run more strongly throughout the organisations.'
Barton Hill Settlement

In four cases organisations turned down contracts when they did not feel they fitted with their purpose and values.

'The key to independence for us is that as much as we are needing funding, we still remain strong in our belief that where some areas don't meet our vision and aims as an organisation we will not carry out work on behalf of a funder.' Asian People's Disability Alliance

'We are very focused on achieving the financial model and walking away if this is not achieved because we know the service would not be the quality it needs to be to succeed.' Place2Be

'One of the organisations we worked with – a disability forum – was working on a particular model of services for disabled people. It came under pressure from the Community Planning department in Glasgow City Council to change its model of service delivery in order to attract funding, but said no. They went on to get money from a Secret Millionaire!' Glasgow Council for the Voluntary Sector

'Better management systems and more confidence have resulted in several examples over the three years of us discontinuing or not signing up to contracts which do not fit with our values. The most current example is Avon and Somerset Probation. This work started as a partnership and turned into a contract with specifications that mean we cannot deliver to the clients we consider most in need, we cannot deliver it in the places that clients want it delivered and the successive cuts to the Probation Service's budgets have been passed on to us which this year would mean a 22% funding gap. We have only just told them we are refusing to continue with the contract and they are astonished and furious.' Barton Hill Settlement

Organisations also walked away when the finances did not permit the delivery of a quality service.

Negotiating more strongly

In 16 cases, organisations that had been able to improve the strength and effectiveness of their negotiating methods reported that they were exercising influence on the way statutory bodies designed and funded services.

'After facing blanket funding cuts from the LA, we considered our options and decided to launch a vociferous objection. We could do this because we had the time and capacity to network (locally and nationally, political and civil servants) we had the staff skills and the capacity at middle management level to contribute to research and learn from the outcomes and thus develop and demonstrate good practice and innovation and we have a clear idea of what we are trying to achieve and confirmation from carers that we are really making a difference. Therefore: (a) we knew who to talk to (b) we were confident that we had an excellent reputation and that the commissioners needed us to deliver their goals and (c) we had support from senior officers in the council because of (b).' Powys Carers' Service

'The Consortium compiled a report for the local authority to evidence the impact of the local authority's actions on the independence and effectiveness of VCS children's centre providers and made the local authority answer to its findings. Making use of the Compact to argue for less prescriptive treatment has resulted in VCS organisations being given more flexibility to draw on the expertise of their trustees and advisors, which enables them to stay true to their values, priorities and stated purpose.' Islington Play Association

'We are engaging much more at strategic level on discussions about the future of mental health services.' Health Advocacy and Resource Project

'The participating organisations now have more experience and knowledge leading to confident approaches to negotiating contracts & Service Level Agreements. They are better placed to assess and review their position within the politics of the city and be able to discuss and negotiate with partners and stakeholders more effectively.' Glasgow Council for the Voluntary Sector

Campaigning and influencing policy

Twelve grants helped organisations to get better at campaigning and more involved in policy debates. This reflected improved skills, better understanding of how to get a message across and a greater ability to reach new areas of influence (government departments, local councils, MPs, the media and the general public). Having an independent voice was seen by organisations as essential to the success of campaigns, particularly in attracting support from users and other voluntary organisations.

'This made us much better at campaigning, pushing community self-help, community enterprise and community asset ownership much higher up the agenda. It was important to have consistent messaging. Evidence that this work generated contributed to the Quirk Review of community asset ownership and management which recommended greater transfer of underused land and buildings from the public sector.' Development Trusts Association

'I can now effectively plan, manage and deliver a campaign because I have that theoretical knowledge.../... The workshop helped me to think more strategically about my campaign – I started running it with my head as well as my heart.'
Comments from Sheila McKechnie Foundation training participants

'The campaign signifies a VCS response to a complicated issue that is often poorly articulated by the sector. Clinks feels that we have managed to stage a genuinely independent response to the issues of disproportionality in the Criminal Justice System.' Clinks

Finding 3 – Making use of these organisational resources has had important impacts on the quality of the relationships that organisations have with government.

As the funded organisations enhanced their organisational capacity and used it to achieve more independence, their relationships with government have changed for the better. The most common change (associated with 17 grants) was an improved sense by organisations of their own legitimacy in their relationships with government. This enabled them, for example, to make demands for less restrictive contractual terms and to develop a more robust collective voice in negotiations.

'The identification of common problems in managing children's centres has increased the consortium's sense of legitimacy and confidence in their demands for less prescriptive treatment from the local authority. This has in turn developed the VCS organisations' skills and capacity in using a more robust, group voice in negotiations.' Islington Play Association

'We knew how important the involvement of voluntary and community sector representatives on children's trust arrangements is but the Impact project helped us to find ways to evidence this and show it to others. It gave us more confidence to be open about our role in influencing and that in turn helped us identify ways of becoming better at it. We have built credibility just by undertaking the work and announcing it publicly. It put us in a position of making a commitment to impact measurement and improvement.' Birmingham Voluntary Service Council

'Having something new and positive to propose, rather than simply criticising, has undoubtedly given us a real boost and returned the initiative to us and partner organisations in the independent advice sector. As an organisation, we are taking a stand for a rational, challenging approach.' AdviceUK

More than half of the grants helped organisations to change government's view of them for the better or improve their understanding of their work. Government agencies were more prepared to be challenged even where this was uncomfortable, and were more prepared to treat organisations as more equal partners. One government official welcomed the fact that one organisation was now 'punching above its weight' (Birmingham Voluntary Service Council). Another noted that:

'There's been a step change in the way the organisation operates at LSP [Local Strategic Partnership] level and their capacity to shape the sector, especially around influencing. They've created a very strong voice... [with a focus on]... helping the sector to achieve outcomes for their users.' Interview with Birmingham City Council worker

'At the regional seminar, relationships between national and local Women's Aid and government at national, regional and local levels were strengthened and awareness increased regarding the needs of victims of domestic and sexual violence, and how local services operate to respond to those needs.' Women's Aid

'Our independence has been strengthened by developing a closer relationship with the local authorities that we deal with. By providing them with more information, establishing good networks with them and consulting them on where they would like to see improvements, we have established a level of trust, confidence and respect.' Post Adoption Centre

In some cases, the statutory sector has been eager to learn from voluntary organisations. An event organised for commissioners of advocacy services, for example, was heavily over-subscribed. More generally, organisations who were part of the programme reported increased levels of trust, confidence and mutual respect:

'Our ability to use and develop best practice and our focus on values and promoting the voice of our users enables us to speak to the local authority with authority and as equals.' Powys Carers' Service

Although gaining a better understanding of government had not been raised as an issue in grant applications, it was interesting to note that eight funded organisations said that their understanding of government had improved. Participants in the training course run by Directory of Social Change said that it had helped to de-mystify contracting.

More generally, high importance was attached to building personal relationships with staff in local and central government:

'The most significant activity for our organisation has been the more personal relationship building and interaction with staff in the local authority and relevant central government departments. We believe this has strengthened our understanding of the local authority and the local authority's understanding of us.' (interview with grant recipient)

In an interview with the lead member of staff in the corresponding local authority, the relationship with the STVS funded organisations was said to have

'vastly, vastly, vastly improved. I cannot tell you how much. They viewed the council with suspicion. They thought we were going in to close them down. That's certainly not the way I approached it, but there was a past history of mistrust between the organisation and the council.' (interview with local authority worker)

Another council officer, talking about relationships with an STVS funded organisation in a different area of the country, told us that:

'It has been a big change for both sides. What's been helpful is that they write and tell me when things are going wrong. That's really what we want, that people are open and honest about their concerns and about the help that they need. We want them all to succeed... The essence is the dialogue, not just monitoring reports. We understand each other better. There is a more trusting relationship.' (interview with a local authority worker)

Finally, nearly all of the funded projects led to the development of further strategic relationships or partnerships. This seems both to have contributed to the success of the work and been a product of it. Strong partnerships were seen as being important to independence both for responding to needs and for building confidence and influence.

*'An important way of achieving independence is through strong partnerships. The Barton Hill Partnership, which has developed constantly through this period, is proving to be a strong framework from which to assert our independence. We have been working with the local primary school and healthy living centre to see how far we can work together while retaining our separate identities. The partnership represents a broader vision of what working together can mean for the local community. It is a recognition that the sectoral and administrative boundaries between the types of services that are separately offered, has no meaning for the local people who simply need the **right** services at the **right** time in the **right** place and delivered in the **right** way by the **right** people to meet all their needs. To achieve that, local people must have the knowledge and confidence to contribute so the ways and means of community participation will be at the forefront of activities. This closer partnership means much greater potential to retain our independence – delivering our distinctive role as effectively as possible.'* Barton Hill Settlement

'We have built up relationships with national children's charities involved in the children's centre programme, the Department for Children Schools and Families, Together for Children, NCVO's Public Service Delivery Network and the Compact Advocacy team at NCVO who have raised the consortium's issues with government directly.' Islington Play Association

'Nottingham City Council is now working with us and local advice agencies to fully implement a systems thinking approach to advice. Links with other partners (such as Law Centres Federation, NAVCA, nef, Directory of Social Change and Refugee and Migrant Justice) have helped us to disseminate our message and increase our influence.' AdviceUK

Birmingham Voluntary Service Council reported the impact the work had on its reputation with other voluntary organisations, one of which said:

'It's impressive to see that Birmingham Voluntary Service Council sees its independence as being so important – it's quite brave of the organisation to ask people to analyse it in this way.' Voluntary organisation Chief Executive quoted in Birmingham Voluntary Service Council monitoring report.

In more than half of the cases, organisations reported that government was listening more. There was better communication and greater willingness to negotiate. Organisations talked of playing a valued role of 'critical friend' and regularly being asked for advice by local and central government.

'The local authority has proved willing to listen and to work with the group. A survey carried out with the members found that all of them thought the quality of the relationship with the local authority had improved – there is better communication and willingness to negotiate.' Islington Play Association

'We have been actively involved by our strategic partners in providing a "critical friend" input to such initiatives as Total Place and the Future Jobs Fund.' Birmingham Voluntary Service Council

'We are now regularly asked for advice by local and central government on how to tackle issues. This is a complete change of approach, and we take this as evidence that the organisation's greater confidence is making others see it in a different light.' Barton Hill Settlement

Finding 4 – Having these organisational development resources and using them in pursuit of independence had other positive impacts on the organisations.

The improved capacity to pursue their independence had positive impacts on the effectiveness of the organisations involved with the programme. The great majority of organisations (19 out of 22) reported growth or change in the services they provided, extended areas of operation, increased income and/or increased membership.

'One of the organisations we worked with has gone on to lead a (city-wide) consortium. It would not have had the capacity to do this before. Our support was around strategic development and negotiation skills. The consortium went on to tender successfully with the City Council to run a joint pot of funding for youth services.' Glasgow Council for the Voluntary Sector

'This work has contributed to securing the Advancing Assets for Communities Programme. This is direct investment to support local authorities and 3rd sector partners to develop joint plans for asset transfer. It also contributed to securing help through the Communitybuilders Fund for community anchor organisations to develop enterprising activities.' Development Trusts Association.

In a large number of cases, organisations reported that outcomes for users and the communities they served had improved. They had more time to devote to service quality and improvement, were able to conduct better analyses of data about service users and this had enabled them to develop a more tailored and specialist response. At the same time, some achieved improvements in productivity:

'Productivity has improved and evidence of this is that over the three year period of the grant, we have been gradually removing posts and re-locating people... with an overall drop in staffing of ten posts (20% of total) but with outputs and outcomes remaining at the same level and overall usage of our services up 8%.' Barton Hill Settlement

In half of the funded projects organisations had developed their ability to exert more influence on a variety of governmental actors. These included MPs at Westminster, Members of the Welsh Assembly, Select Committees and All Party Parliamentary Groups as well as government ministries. They had influenced commissioning frameworks, national guidance and standards and quality marks, as well as wider government strategies.

'We have had regular meetings with government officials on the issue of capacity and funding of services and the challenges to develop an appropriate commissioning framework. With further lobbying by us and others, the government has also acknowledged the need for comprehensive national guidance to be implemented for Local Strategic Partnerships for commissioning of domestic violence and other violence against women services. A new paper 'Mainstreaming the Commissioning of Local Services to Address Violence against Women and Girls' is currently out for consultation. The government has also agreed to fund the next stage of the implementation of National Standards for Domestic and Sexual Violence. We have been able to draw on the learning and data from the project to maximise opportunities to influence policy development. This is particularly evident in the development of the government's new Violence Against Women and Girls strategy, which reflects many of the issues that we have been campaigning for an improved response to.' Women's Aid

Half of the grants had led to organisations helping others to understand or improve their sense of independence, beyond the requirement or intention of the funding itself. In some cases, organisations took on leadership roles in stimulating and shaping debates about the role of the voluntary sector. One grantee had rolled out a training course to hundreds of organisations and had shaped the materials for the course into a publication called *Surviving Contracts*. (Lawrie and Mellor, 2008) In other cases, organisations had chosen to invest further in their own independence by, for example, supporting trustee training or leadership development programmes and by restructuring the organisation.

In all of these examples, it is important to note that independence has been seen as a necessary but not sufficient factor in achieving change. Many of these activities took place in the context of wider organisational and funding change.

Finally, a common thread through the grant stories is that activities contributed to a sense of greater organisational confidence.

'This is one of the main principles behind our sense of independence: the confidence we gain from knowing that our work is directly responsive to the experience of people living in east London.' Quaker Social Action

'Campaigners had their confidence in themselves and their campaign increased. One participant told us, "My confidence is much greater. Now I believe in myself as well as the campaign."' Sheila McKechnie Foundation

'Our efforts to improve our independence did not insure us against sudden drops in income (and it was probably naïve to think that it would) but it has made us more resilient as an organisation and more self-confident.' Powys Carers Service

'The programme has boosted confidence in a number of ways; it reasserted to many that they have already been doing the right things; delegates felt more empowered to stand up to local government and equipped to negotiate better terms.' Directory of Social Change

'We have definitely taken a stronger position in the face of requests as a result of the grant. In one case, we were unsuccessful in tendering for a contract, though we think this may be attributed to our stance in refusing to comply with a number of their contract demands. We have successfully used the Compact in opposing certain decisions by the local authority.' Post Adoption Centre

Section 4

Reflections, conclusions and recommendations

Organisational development has a crucial role to play in developing independence.

Grants helped organisations to carry out a variety of organisational development activities, but it was not enough just to generate these resources, they then had to be used systematically in the pursuit of independence. Here, a distinction is drawn between having resources and the gathering of these resources together and realising their potential.

This has interesting resonances with Amartya Sen's work on individual capabilities, where a distinction is drawn between human 'functionings' (the various things a person could potentially do or be) and capabilities (the particular collection of functionings that a person is able to choose, and then live out). We can see this idea of separating potential functionings and actual capabilities can be applied to organisations. It is also important to recognise that in the same way as outside influences can affect the 'extent and reach' of individual freedom (Sen 1999, p. xii), so too they can have an impact on the freedoms of organisations.

Sen argues that distinct types of rights and opportunities help to advance the general capabilities of a person. This concept of *instrumental freedoms* adds to the telling of the stories behind the STVS grants through its emphasis on the range of *practical* activities that build independence. As Sen argues for individuals, so it is important to see organisations as active agents of change rather than passively at the mercy of the actions of state institutions. One STVS funded organisation talked persuasively about building independence into 'the structure and operations of the organisation,' making independence real and tangible.

Certain combinations of organisational development resources and actions seem particularly important for pursuing independence.

It might appear that certain individual activities can make especially important contributions to independence. Crucially, we have found that it is the connections between, and the combinations of, resources and actions that lead to improved relationships and improved outcomes.

We limited our analysis of this question to those organisations that worked on strengthening their own independence as they have been able to provide most evidence to support the impact of their work. We saw very clear patterns. Certain groups of resources and subsequent activities recur repeatedly in association with good outcomes. Given the types of data we are working with, and the limitations of our analytical resources, we are not making causal assumptions, but describing common patterns. Further work would be needed to be sure about the strength and direction of causality.

We can however show that for the organisations that have achieved most in terms of increased independence and the achievement of desirable outcomes, certain categories of activity and investment were common. Furthermore, these groups of activities are remarkably consistent across organisations, even of different sizes and types. The following pattern came through:

Organisational development activity focused on:

- 'improved systems for learning and monitoring and evaluation'; and
- 'improved relationship management and communications skills.'

This enabled organisations to:

- 'stick to their mission and values';
- 'communicate or demonstrate their worth better';
- 'campaign better or become more involved in policy debates'; and
- 'negotiate better or more strongly.'

Which led to:

- 'improved confidence in themselves'; and
- 'improved partnerships or strategic relationships.'

These outcomes in turn collectively contributed to:

- 'improved outcomes for users and communities';
- 'exerting more influence';
- 'service growth or improvement'; and
- 'more funding / improved funding mix.'

It is also important to look at the mutually reinforcing connections between types of resources and the action of using these resources. Not only are these resources and actions important elements of independence, they also contribute to strengthening resources and actions of other kinds. This leads to a virtuous circle of generating and using resources, leading to improved relationships that enable independence, which in turn increases the potential for generating and using resources, and so on. It is the activities gathered under our heading 'self awareness' that provide the mechanism that ultimately powers this virtuous circle.

An important impact of this work is the improvement in the quality of relationships with government.

Where effective relationships have grown up between voluntary organisations and the different branches of government. Evidence drawn from the data analysed for this review reveals organisations saying there was more trust, both sides had more confidence in each other, both sides were more honest, both sides understood the circumstances (drivers and limitations) of the other, information was gathered and communicated more effectively, both sides moved towards a shared understanding of the problem or issue, decision making became more shared, both sides demonstrated dynamism (i.e. enthusiasm and commitment to the work) and both sides were clearer about what process is being followed.

Some organisations reported that activity had led to establishing 'a new conversation' with government where language around meeting community needs and the importance of the relationship between state and voluntary action was becoming genuinely shared. In one example, we saw how Action for Advocacy's work on the Quality Performance Mark had succeeded in establishing a framework that had developed a common language with which both commissioners and frontline groups could discuss issues of quality, based on advocacy principles. We felt this was significant, and evidence that organisational development had led organisations to engage with and influence official positions in some powerful ways.

Conclusions

We conclude that there is a pattern between the activities that have been funded by the STVS programme and the ability to act with greater independence.

This finding, however, needs to be treated with caution. The programme devoted to exploring this question made only a small number of grants. The organisations that were

funded were by no means representative of the sector, nor were they intended to be. Some grants might have influenced the working out of some of the deeper agendas at play and could therefore in time have a wider strategic impact on relationships with government.

We found that there are things that voluntary bodies can do. They can take active responsibility for monitoring independence and ensuring that their decisions and subsequent behaviour are consistent with purpose and values. The role of boards and trustees is crucial here. In the wider sector, representative bodies have responsibilities to act as guardians and advocates, both formally within the framework of the 'refreshed' Compact decision taking machinery and in challenging specific developments that might put independence at risk.

We also found that there are things that government can do. It can listen, seeking to understand better the values and objectives of voluntary organisations operating in the areas where they have been assigned a leading role. In so doing, they can help these organisations to understand government motivations and the limitations on governmental freedom of action, both financial and political. This is particularly relevant at local level, where local authorities and other statutory agencies should aim to carry out their work with voluntary organisations on the basis of the principles of effective partnerships. Grant recipients have shared their concerns about the future, but feel that the work they have done to strengthen their infrastructure and the relationships with government have put them 'as good a place as possible' to face the storm.

The trustees' decision to continue funding under the STVS programme in 2008 and 2010 stems from a belief in the fundamental value to society of an independent and effective voluntary sector and a judgment that the activities funded through this programme have made a significant contribution to this objective.

Recommendations

Recommendations for funders

Decisions taken by public funders, as well as the policy-making and funding mechanisms that public funders design and implement, have the potential to undermine voluntary sector independence. Funder actions can, however, equally be carried out in ways that establish relationships with voluntary organisations that support and enhance independence.

As a first step funders should value the independence of the voluntary sector.

Independence leads to better outcomes for users, organisations and funder-fundee relationships. It encourages debate and improves understanding and the development of alternative solutions. It is a necessary component of voluntary effectiveness and is crucial in the context of the service delivery roles of voluntary organisations. Acting in ways that compromise independence undermines not only the ability of voluntary organisations to meet the needs of their beneficiaries, but also the ability of funders to achieve the positive outcomes they seek.

From a position of valuing voluntary sector independence, funders can usefully support organisations to invest in resources for independence.

Many of the positive outcomes reported by organisations in this report derived from establishing more effective relationships with funders. The findings from this grant programme suggest helping voluntary organisations to invest in the following should be prioritised:

- Strengthening their capacity for self-reflection about their role, methods and how to navigate the relationships and structures that affect their work;
- Systems, skills and capacity for monitoring, evaluation and learning;
- Skills and capacity for negotiation and tools for communication;

- Skills and capacity for relationship-building;
- Systems, skills and capacity for improving accountability;
- Skills and capacity for strategic planning; and
- Systems, skills and capacity to reflect on the value of independence.

Funders need to be self-aware regarding their role and how they relate to the organisations they work with, adopting practical methods of improving relationships with voluntary organisations, and avoiding approaches likely to threaten their independence.

Different types of relationships directly promote or undermine independence. For instance, independence can be supported when funders:

- Support organisations being funded or those seeking funding to understand their aims, objectives, limitations and needs as a funder;
- Seek to listen to and understand the organisations they fund, their context, beneficiaries and the value they provide;
- View those being funded as partners;
- Consult with those being funded with a genuine commitment to listen and respond to views;
- Work with an awareness of the imbalances in power and financial stability inherent between the public sector and voluntary organisations.

Independence can be threatened when funders:

- Act in competition with those being funded;
- Design solutions, contracts and procurement processes without seeking the views of voluntary organisations with expertise in the area;
- Use buying power to force organisations to accept prices that do not fully cover costs or that contravene the purpose and values of voluntary organisations;
- Change policy without consultation.

Funders and policy makers should make voluntary sector independence a consideration in commissioning procurement frameworks and practice.

Contracts and monitoring requirements should be designed in order to promote independence by setting out the relationship as a collaboration, for instance by working together to define problems, design solutions and set outcomes.

Funders should make the independence of voluntary sector organisations part of their definition of organisational quality.

The way partners are viewed and treated by staff in statutory agencies could be assessed, both internally and externally, as part of staff and organisational performance management, for instance through an annual perception or relationship survey.

Recommendations for voluntary sector organisations

Voluntary organisations should value their independence as a source of their legitimacy, effectiveness and distinctive role in society. From this starting point, organisations should prioritise work to develop resources which support independence.

There are resources that appear to make the most useful contribution to independence:

- Systems, skills and capacity for monitoring, evaluation and learning;
- Skills and capacity for negotiation and tools for communication;
- Skills and capacity for relationship-building;
- Systems, skills and capacity for improving accountability;
- Skills and capacity for strategic planning; and
- Systems, skills and capacity to reflect on the value of independence.

In the course of their relationships with funders and policy makers, organisations should actively use resources to support their independence.

Organisations can practically do this by:

- Sticking more forcefully to purpose and values;
- Turning down funding when it does not fit with purpose and values;
- Demonstrating the effectiveness of the organisation's work in compelling ways; and
- Negotiating more effectively and strongly.

These resources can also be used in work to help shape the environment in which they work through organisations:

- Campaigning;
- Being more involved in policy debates; and
- Actively seeking out new areas of influence.

The quality of relationships between voluntary organisations and funders is significant in enhancing independence, while allowing for challenge on both sides. The following are important:

- Helping funders to understand the organisation's users, values and the value of its work;
- Spending time understanding the funder and how the organisation can bring its expertise to its decisions, operations and policies; and
- Emphasise their legitimacy with confidence.

Organisations can helpfully review and monitor their own independence. This should be led by the board, but should happen throughout the organisation.

Organisations can carry out a self-assessment of their independence. For example by considering:

- What does independence mean to the organisation and its stakeholders (including users, staff, volunteers, trustees and funders)?
- How does the organisation relate to its funders: does it defend its beneficiaries' interests and its mission and values in negotiations? How well does the organisation understand its funders? How does the organisation support its funders to understand it?
- Does the organisation have the right resources to promote its own independence?
- How is the organisation using these resources to promote its independence?
- How will the organisation plan for future independence: will it be able to develop the right resources for independence into the future?
- How much does the organisation value its independence?

Recommendations for further research and development

- 1) This report proposes a model for developing independence. This model can be further tested and developed through more in-depth research with a larger group of voluntary sector organisations, particularly focusing on the links shown between the crucial resources for independence, action for independence, improvements in relationships and then improved outcomes. This would provide further guidance for improved practice for funders and voluntary organisations.
- 2) Develop a more refined self-assessment check-list tool for funders and funded groups to assist them to self-evaluate and then further develop their independence. This would be a practical tool to support organisational investment and development.
- 3) Use this tool or associated measures to produce a regular 'state of the sector' report into independence
- 4) Review existing models of organisational 'health' or quality in order to see where independence could fit in. This could further disseminate the findings, and increase their influence.

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Strengthening the Voluntary Sector

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A selection of publications arising out of work supported by the STVS – independence programme

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