



Local and regional funding

A Capacitybuilders grant programme

Date: 3 December 2007

Version: FINAL

Strategic change in local and regional third sector support.

Programme prospectus

**Prospectus for Capacitybuilders'
main programme of local and regional
funding 2008-11.**

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1. Capacitybuilders, ChangeUp and Destination 2014

1.1 Background

The [ChangeUp framework](#) was published in 2004 by the then Home Office Active Community Unit, setting out a long term vision for how the support and development needs of frontline third sector organisations could be better met through the provision of high quality, accessible and sustainable support services.

The framework presented an analysis of the needs of frontline organisations, and the changes required in the way support services were planned, organised and funded, with an emphasis on more effective collaboration amongst providers.

The framework was underpinned by an £80m investment programme to March 2006, initially with three strands:

- the development of local and regional partnerships to develop long-term plans for more effective and sustainable support services (what became known as local and regional ‘Consortia’)
- supporting the development of six national hubs to lead work in the six key areas of organisational need identified in the framework (governance, volunteering, information and communications technology, finance, performance improvement and workforce development)
- a smaller programme supporting sector involvement in public service priorities.

Early learning from the implementation of the programme led to a [review](#) of leadership and fund management and the announcement of the creation of Capacitybuilders as an arms length agency to lead the programme from April 2006, with a brief to bring more consistency and coherence to the programme.

Capacitybuilders inherited a range of funding commitments from both the Home Office and Government Offices in the regions, which had managed local and regional funding arrangements. Whilst honoring these commitments, the Capacitybuilders board has sought to review achievements, progress and challenges, and set out a longer term direction for the programme.

1.2 Destination 2014 and the Third Sector Review

Following significant consultation across the third sector and with broader stakeholders, [Destination 2014](#) was published in July 2007, setting out how Capacitybuilders will work to:

- a) improve the quality and effectiveness of support for third sector organisations
- b) demonstrate to key stakeholders the benefits of support services
- c) ensure equal access for all third sector organisations to mainstream support services, and will target resources where necessary to address the needs of particular excluded groups
- d) influence funding policy and practice to ensure sustainable support to third sector organisations
- e) engage with the public sector.

These priorities were set against clear principles: to improve support services, ensure a focus on outcomes, and remain strategic in engagement and delivery.

The **Third Sector Review** reaffirmed government support for continued ChangeUp investment through Capacitybuilders, with £88.5m allocated in the Comprehensive Spending Review for the further roll-out of the programme 2008-11. It also highlighted a commitment to ensure ChangeUp funds support social enterprise and benefit small community groups.

This prospectus outlines Capacitybuilders' aspirations and expectations for a new £30m three year programme of funding in regional and local support services from April 2008.

Three year funding represents a significant move forward for a programme often criticised for being short-term and hurried. However, reduced annual resources has also required Capacitybuilders to reflect on how investment can best be targeted to achieve long-term improvements in the quality and effectiveness of support for the third sector.

The new programme has the theme of investing in **Strategic Change in Local and Regional Third Sector Support.**

2. Local and regional Consortia

2.1 Local and regional sector support

Most third sector organisations work at a local level and access support services in their area; this is why the majority of Capacitybuilders' investment is focused at this level.

Local and regional sector support services have a variety of specific roles, recognised in the ChangeUp framework, including:

- direct delivery of capacity building and learning opportunities for local organisations.
- providing information of relevance to the sector.
- encouraging networking and collaboration across the third sector and with private and public sectors.
- providing a vehicle for sector involvement and influence in local policy and decision-making.

Support services are delivered at a range of levels; from 'community anchors' to local authority districts, and across regions. Many support services are third sector organisations, with memberships drawn from frontline organisations. Their work is complemented by services focusing on particular parts of the sector, on specific areas of organisational

development, broader community development, local authority services and private sector organisations and consultancies.

This provision is supported by a range of funders, by membership subscriptions and through charging for services.

2.2 Local and regional Consortia model

The Consortium model was developed to foster better strategic planning and collaboration across sector support providers, and ensure services were structured and delivered to best support the role and potential of frontline organisations to deliver benefits for communities. Over 100 Consortia have developed in different ways under the ChangeUp programme, with different memberships and at different levels across regions, sometimes building on existing partnerships.

Over £70m of ChangeUp funds has been channeled through these Consortia since 1994, under five - often short-term, phases of funding. This investment has been divided between the development and operation of Consortia themselves and the delivery of sector support and modernisation projects, reflecting a range of local priorities and gaps in current provision.

Table A : Successes and challenges in the Consortia model

Successes	Challenges
<ul style="list-style-type: none"> • Consortia have often achieved unprecedented collaboration across support providers, sometimes working together for first time. Some rationalisation & mergers. • Most have developed a long term vision for support services in their area. • Funding has supported : <ul style="list-style-type: none"> - the development of new projects meeting clear gaps in current provision. - Shared development of practice e.g. around volunteering, ICT. • Some Consortia have actively engaged with the public sector, and are recognised as key partnerships in LAAs / by LSPs; and or holding other SLAs. • Consortia have understanding of the wider policy context and give consideration to the regional agendas. • Some Consortia have made links with specialist infrastructure at local / sub regional / regional level. • The sector has had a high level of involvement in setting local funding priorities and agreeing projects. • Some evidence of emerging commissioning processes. 	<ul style="list-style-type: none"> • Process of change is slow. • Danger of reinforcing infrastructure's 'own world'. • Some Consortia are dysfunctional or 'forced partnerships'. • Consortia don't always mirror political / administrative boundaries. • Viewed by some in sector as 'gatekeepers'. • Involvement from marginalised communities varies. • Often dominated by provider interests (lack of voice/influence for frontline organisations, public sector, and less developed/specialist providers). • Relatively expensive funding mechanism, sometimes with unclear lines of accountability. • Range of models, complicated to understand, including role of accountable or lead bodies. • Challenge of joining up between local-regional-national. • Lack of collective vision.

2.3 Building on achievements

Destination 2014 outlined Capacitybuilders' priorities for the programme in 2007/8 including:

- the Consortia Development Fund
- an external review of the Consortia model.

2.3.1 Consortium Development Fund 2007/8

Capacitybuilders earmarked £7m in 2007/8 to support Consortia to become - and demonstrate they will be - 'fit for purpose' by March 2008.

The prescribed outcomes are:

- Consortium development – including self assessment against 6 headings
- regional collaboration
- an Infrastructure Development Strategy
- an Infrastructure Business Plan.

The opportunity for Consortia members to discuss their current stage of development and agree actions for improvement was welcomed.

The process did not suit all Consortia, although external facilitation was generally valued.

Many Consortia are making good progress with drawing up the strategies and business plans, which are increasingly being recognised as potentially useful by other funders.

There is some evidence of successful collaboration but the overall situation will be clearer when strategies and plans are completed and shared within regions.

Capacitybuilders recognises that considerable effort has been made to improve the performance of Consortia. The rate of progress has varied around the country. We acknowledge that this work does not take place in isolation from other factors and circumstances. It is developmental and, sometimes, a slow process. We are keen to maintain a level of continuity as well as support change.

Recent and proposed changes in the role, remit and administrative boundaries of some key public sector agencies present a challenge to third sector support services. This may increase the need to review the most appropriate configuration of Consortia at local level. The new programme offers the opportunity to consider new working and partnership arrangements and any necessary realignment.

2.3.2 External Review

The independent review from In Auriga was undertaken in parallel to process of self-assessment under the Consortia Development Fund, and is published alongside this prospectus.

Principle recommendations are set out in Box A, below:

Box A

Key Recommendations of independent review of Consortia.

- Go with the grain: build on the current structures and programmes with a renewed focus on outcomes over process.
- Capacitybuilders to establish a clearer role as a critical friend to Consortia.
- More effective and focused evaluation, and proportionate monitoring.
- Capacitybuilders to be proactive in forging links with the national programme.
- Fair and transparent funding processes within each Consortia, including 'opening up' to broader range of providers.
- Strengthen representation of diverse communities on Consortia.
- Capacitybuilders and Office of the Third Sector to work to raise the profile of the programme with the public sector.

In Auriga, 2007

2.3.3 Capacitybuilders' response to the In Auriga report

The Capacitybuilders' board has considered the In Auriga report, intelligence from a range of stakeholders (including the consultation on the 'Destination 2014' document) and the changing environment facing the third sector, especially at local level. In particular we recognise the challenges local support providers face in moves to the 'commissioning' of their own and broader sector services.

We also believe that development of some Consortia among established providers within a locality has at times underplayed the potential role a range of agencies can play in delivering effective support (resulting in 'frustrated outsiders') and the need for planning and service development to involve local public sector partners.

We recognise there have been some tensions about the expectations placed on Consortia. For instance the competencies and partnerships required to take a strategic role may be quite different from an emphasis on effective delivery of projects. These ambiguities have at times increased tensions and resulted in conflicting expectations within the programme roll-out.

With reduced investment available and increased pressure to demonstrate the value of such investment, it is essential that Capacitybuilders is more clear about the purpose and outcomes of the programme.

This prospectus therefore sets out proposals and priorities in the evolution of the programme.

3. Vision and rationale

3.1 Principles

Capacitybuilders exists to help create a more effective third sector, increasing its ability to create a better quality of life for individuals and communities. We want our funding (and other programmes) to result in a step-change in the support available to frontline organisations working across England.

We want to ensure that our future investment in local and regional sector support services:

- reflects our **principles** of improving support and remaining outcomes-focused and our **values** of and commitment to reducing inequality and supporting diversity, being open to learning and delivering programmes to high standards
- is informed by many of the helpful comments and questions put to Capacitybuilders during **consultation**, the recommendations of the In Auriga **review** and commitments in the **Third Sector Review**
- **simplifies and provides clearer focus** for ChangeUp investment at local and regional level
- builds on investment to date, whilst presenting a clearer long term vision for the role of Consortia as **strategic partnerships** with cross-sector involvement and being open to delivery of support services by a range of providers
- makes clear the '**prerequisites**' for continued investment in Consortia, and the expectation of continued improvements in accountability and engagement
- focuses Capacitybuilders' investment where it can be complimentary to other funders, and is likely to have most **impact** and deliver a **significant legacy** for the programme

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- **connects** with other investment being made at local, regional and national level, including Capacitybuilders' new National Support Services and 'Improving Reach' programmes (see box 2)
 - provides a platform for greater read-across between the programme and local policy affecting the third sector particular local area agreements
 - recognises that the pace of change and modernisation amongst support providers has often been slow, but remains a key challenge in delivering the D2014/ChangeUp vision and helping local support services to prepare for a more competitive and demanding funding environment in the future.

3.2 Approach

These principles and the process of review outlined in section 3 have led to a **two strands of investment** being prioritised for 2008-11, building on the approach taken with funding to Consortia since 2006.

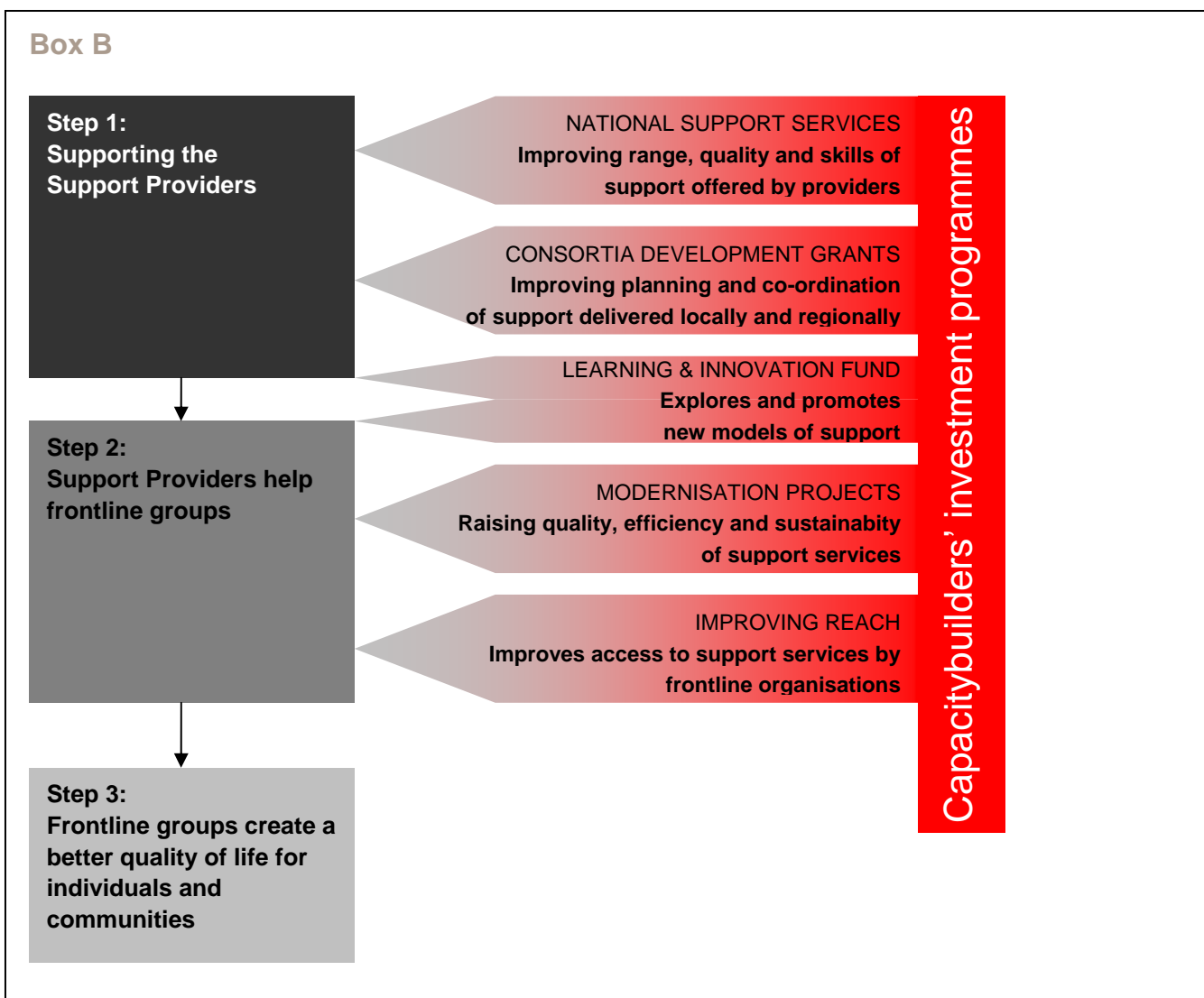
Strand 1: £12m in Consortia development grants with a grant agreement regarding basic standards and functions and relationship with Capacitybuilders and work with local partners. We want this continued investment to enable local and regional Consortia to lead longer-term strategic planning and investment in support services that meet the needs and potential of frontline organisations, and forge stronger links to local partnerships, decision-making and – in particular - Local Area Agreements.

Strand 2: £18m modernisation project fund to support improved performance, efficiency, greater collaboration and sustainability in the way local and regional support services are planned and organised. We want these projects to deliver better support services for frontline organisations.

We recognise that these priorities for Capacitybuilders' funding may exclude a range of local and regional priorities for the delivery of much-needed new or expanded services, but believe our focus is aligned with the vision of ChangeUp to provide 'transformational' rather than ongoing 'core' funding for sector support services.

3.3 Joining Up

Capacitybuilders has used the concept of a 'support cascade' to illustrate how it intends to benefit the third sector, and ultimately the quality of life in communities in England. Box B illustrates how we intend that consortium development grants and modernisation projects will intervene at different levels in this cascade.



We recognise that a key challenge remains the achievement of greater synergy across our programmes working at different levels. Our new 'national support services' programme will focus on work delivering training and development support to other support providers to improve and develop sector support in the following areas:

- Campaigning and Advocacy
- Collaboration
- Equalities and Diversity
- Income Generation
- Leadership and Governance
- Marketing and Communications
- Modernising Volunteering
- Performance Improvement
- Responding to Social Change.

Many members of local and regional Consortia will want to build links with and access services provided under this programme. Through the new Capacitybuilders national communication centre initiative, we will provide a 'gateway' in to these new services, and encourage 'joined up' communications and co-ordination with local and regional support providers. We are organising a seminar in early 2008 to explore how as part of the business planning process for the workstreams, national, regional and local partners can work together more effectively,.

The new national communication initiative will also include information on work being funded by Capacitybuilders across the country, facilitating communication across projects, and offering an archive of the many resources, projects and strategies developed under the ChangeUp programme.

We expect 'Improving Reach' grants to fill gaps in support available to third sector organisations from historically excluded communities, strengthening targeted provision and having a strong emphasis on mainstream best practice. We expect local and regional Consortia to

be active in making links to projects funded under this programme, and will seek to ensure information on projects is shared promptly with Consortia.

Capacitybuilders has also been awarded a £5m capital allocation over the new spending period of 2008-11. We expect this to support the development of shared resource centres and premises and are currently working on the likely scope and size of awards that might be available. This work includes exploring how best to link with the main local and regional programme and work of Consortia.

4. Consortium development grants 2008-11

4.1 Fit for purpose Consortia

We want our Capacitybuilders' relationship with local and regional Consortia to focus on the **strategic** role these partnerships can play including:

- a robust knowledge base about and analysis of the third sector in a given area
- a shared vision, with broad 'buy in' from stakeholders for more effective, responsive and efficient support services which meet the needs and aspirations of frontline organisations
- acting as a catalyst for improvements in way sector support services are planned, funded, delivered and evaluated
- taking an active role in influencing local and regional policy, decision-making and commissioning priorities to take account of the role and potential of the third sector and the support it requires to reach its potential.

To deliver these roles, we believe Consortia should be able to demonstrate that they are:

- **Informed:** with in depth of knowledge and understanding of their area of benefit, third sector and sector support services
- **Engaged:** with a range of stakeholders, including frontline organisations, a range of support providers and public sector partners.
- **Inclusive:** with a robust approach to promoting equality and diversity embedded across activity and processes.
- **Robust:** with adequate governance and partnership protocols
- **Learning:** Effective monitoring and evaluation systems in place.
- **Delivering:** Satisfactory fulfillment of previous funding agreements, including the Consortia Development Fund.

These align with core elements of the self assessment exercise undertaken within the Consortia Development Fund (CDF). Through the CDF programme, we believe Capacitybuilders has sufficient evidence (from the business and strategic plans being submitted in December, the track record in delivery, and process of self-assessment) to make an assessment of 'fitness for purpose' against the above criteria. **This assessment will take place, based on existing evidence, in January and February 2008, with all Consortia informed of the outcome by 29th February.**

Capacitybuilders recognises the challenges of partnership working, including lack of capacity among partners, achieving a shared vision and the impact changes in personnel and funding can have on momentum. However, Consortia are in receipt of substantial public funds, and it is right to ensure that the partnerships are robust, and able to deliver against expectations.

It is not expected that all Consortia will be able to act and deliver as 'perfect partnerships' at any one time, rather we want to set our pre-requisites for public funding to deliver the strategic functions set out above. **We expect the majority of Consortia to be assessed as fit for purpose.**

Where a Consortia is assessed as **not** demonstrating 'fitness for purpose', we will inform them of Capacitybuilders' areas of concern by **29th February 2008**. For these Consortia:

- Capacitybuilders will offer a one year improvement grant, tied to limited delivery expectations and an agreed improvement plan, building on CDF.
- no project funding will be considered for 2008/9
- a further assessment of fitness for purpose by January 2009
- if assessed as fit-for-purpose, ability to put forward project proposals to start in April 2009.

Capacitybuilders will ensure these Consortia also have access to a range of good practice tools, and development support during 2008-11.

Where Consortia choose to end engagement with Capacitybuilders, or show little or no signs of improvement during 2008/9, Capacitybuilders will consider an alternative route for future local and regional investment.

4.2 Consortia development grants: Funding expectations 2008-11

Capacitybuilders intends to offer all Consortia assessed as fit for purpose a three year Consortium Development grant¹. We want this funding to support:

- Continued development of the consortium as an effective partnership.

¹ The grants will be available to 'locality-based' consortia which aim to work across the third sector within a given local area, subregion or region.

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- Delivery of core consortium functions, including communications, strategic planning and engagement.
 - Development and delivery of the strategic roles with strong links to local-decision making, including local strategic partnerships and the LAA, and the skills to respond to changing environment.

A focus on these roles also implies a clear need to move beyond Consortia as partnerships of 'provider interests', to include the views and perspectives of frontline organisations and local public sector partners (which a significant number are doing). It offers *potential* alignment to local partnerships, including LSPs and LAAs, and for a broader 'third sector' remit, of which sector support and ChangeUp is only a part.

The allocation of Consortium Development Grants to existing local and regional Consortia is listed in Annex 2, with a minimum of £19k available. We have based the allocations primarily on the number of 'top tier' local authority areas covered by a consortium, with some weighting for the number of district councils within counties. The allocation formula is explained in Annex 3.

The larger grants offered to Consortia covering more than one 'top tier' local authority area will be matched by expectations of linkages and work at local authority level.

Box C:

Reconfiguration of Consortia boundaries

Some Consortia have expressed concern that their configuration across more than one 'top tier' local authority area has worked against effective synergy and links with local public sector partners, and the involvement of smaller providers in the partnership. Against this, working at a 'subregional' level has offered some Consortia the opportunity to consider joint work across artificial 'administrative boundaries', achieve economies of scale, and develop projects of a larger scale than individual areas could afford. Capacitybuilders is willing to consider reconfiguration of some Consortia where a case can be made that this is likely to be more successful in achieving the programmes outcomes set out in Table B, below.

Capacitybuilders requests a formal indication of interest from Consortia wishing to explore reconfiguration by **31st January 2008**.

We recognise that this is a limited grant, and want to agree a realistic, focused set of priorities within the three areas of activity above. We would encourage Consortia partners to consider creatively how these resources can best be used to contribute to the outcomes specified. Some Consortia have found that a specific staff post has added momentum and focus to their work, whilst 'backfilling' arrangements have worked well for other Consortia in recognising the time members contribute to consortium work. There may be scope for neighbouring Consortia to share posts.

We do not expect this grant to cover the costs of being the accountable body for, managing or reporting on project grants.

The table below sets out our expectations of recipients of Consortium Development grants.

Table B	
Core roles and relationship to Capacitybuilders	Strategic development
Informed: Up-to-date intelligence on third sector needs, and support services, including evaluation and progress of relevant projects.	<p>Consortia continue to work to ensure the support the third sector requires to fulfill the aspirations of local communities and expectations of partners is recognised in local policy, planning and investment.</p> <ul style="list-style-type: none"> • Increased recognition and role for third sector in local partnerships and strategies. • Increased skills among support providers in commissioning and evaluating impact.
Engaged: Strategy for communication and engagement of members and stakeholders, and maintain page on Capacitybuilders national website.	
Inclusive: Evidence of embedding equalities and diversity in consortium’s work.	
Robust: Annual ‘light-touch’ self-assessment against fit-for-purpose criteria	<p>Each Consortium will be asked to specify 3-5 priority activities that will contribute to these outcomes, and report on progress.</p>
Learning: Monitor and review progress, and contribute to evaluation programme.	<p>These activities are likely to be drawn from the business plan submitted in December 2007, and can be ‘refreshed’ on an annual basis.</p>
Delivering: Meet grant requirements including financial returns to Capacitybuilders	
Outcome: By 2011, Consortia are strategic, credible and influential partnerships, to strengthen the third sector locally and regionally.	

More details of the terms of grants and agreements will be issued to Consortia by January 31st 2008:

- as now, a single agency will hold the grant agreement and responsibility for meeting the conditions of the grant
- specific conditions and agreed activity will relate to co-operation with the new national communications initiative and evaluation, and other Capacitybuilders programmes, including National Support Services and the Improving Reach programme
- following feedback, we intend to reduce the level and regularity of qualitative reporting required on activity, whilst quarterly financial information will still be required.

We have a duty to ensure all grants represent value for money, and work is delivered efficiently. We are committed to funding at a level that recognised the true costs of delivery, whilst recognising that we may have shared interests with other funders.

We believe that the expectations from funders of local and regional support providers to demonstrate impact and value against alternative providers will increase over the coming years. Any future project funding from Capacitybuilders would be subject to rigorous expectations that proportionate and transparent processes had been followed to identify the best provider. Consortia may wish to be proactive in working with public sector partners over the course of the next three years to consider an appropriate funding/commissioning model for the range of support services required in a locality.

Box D: Regional co-ordination, involvement, advice and communications

A range of mechanisms and partnerships have supported the implementation of the ChangeUp programme in each region. This has ensured that each stage of implementation is strongly informed by third sector views and perspectives, and often key public sector agencies in the region. A range of agencies have taken a lead role in developing and delivering regional communications strategies.

Arrangements vary across each region, and in 2007/8 this work includes the development of a 'regional metaplan' bringing together the plans from localities across each region with regional-level plans and exploring potential for synergy and joint work across Consortia boundaries.

We want to work with each region to ensure that roles and structures are clear, add value and continue to build an ethos of 'shared ownership' for the programme. We have allocated around £25k per annum to each region to support these arrangements within the programme.

Capacitybuilders is currently reviewing all advisory relationships, and this review will inform discussions in each region about the structures and mechanisms that will be supported through these funds. We are also developing the national communications initiatives to bring together information about work funded across the country. We have earmarked up to £25k per annum for each region for this work, and aim to agree allocation of these funds in each region by **March 2008**.

5. Project funding

5.1 Modernisation of Sector Support Services

ChangeUp investment aims to be catalyst for change and improvement. The funds are not envisaged as a permanent funding stream for sector support services, rather seeking to achieve a radical change and improvement in the way sector support is delivered, organised and funded. This is ambitious, requiring new ways of working by support providers. Local and regional Consortia have provided a platform for a range of joint initiatives and innovations across the country, now delivering better support to frontline organisations.

The ChangeUp framework recognises that achieving a more sustainable funding base is a central challenge for sector support providers; too many important services rely on short-term project funding. There is a risk that without a clear focus on strategic investment, ChangeUp funds become ‘just another funding stream’ supporting a range of worthwhile, but inevitably short-term projects which meet gaps in sector support, but do not provide the basis for long term improvement.

The overall annual ChangeUp funds available from 2008-11 represent a significant reduction in the levels of investment available in previous years. **Capacitybuilders’ intends to ensure that this more limited investment is focused more clearly on achieving changes in the way local and regional sector support is developed, delivered, evaluated and funded.**

We believe that this clearer focus for investment will deliver the most impact for frontline organisations by improving support services in the long term, and is distinct to the focus of other key funders of sector support.

We want the all projects funded from the £18m available over the next three years to contribute to the outcome of **modernising third sector support services delivered locally and regionally by 2011, to achieve demonstrable gains in efficiency, effectiveness and sustainability.**

A range of innovations and developments by sector support providers might contribute to this outcome, including work which:

- embeds more effective partnership and collaboration across sector support providers, including links between 'generic' and 'specialist' services
- develops accountability and ensures services meet frontline demands
- develops skills, competencies and improves performance across services
- builds independent income
- transforms existing services to meet new needs in the third sector.

Local and regional Consortia are submitting business and strategic plans to Capacitybuilders in December. Our assessment of these plans will include the identification of key projects or strands of work likely to contribute to the outcome of modernisation, and reflect local need and circumstances.

We recognise that the range of local priorities identified by Consortia in their business and strategic plans will be broader than this theme. Indeed, the purpose of these plans has been to take a broad view of local need, priorities and resources available to support the third sector. Our strategic funding aims to assist Consortia in continuing to work with a range of funders to build support for the plans and integrate sector support in local planning and strategies.

5.2 Award of Project Grants

We want to fund a range of high quality projects with demonstrable impact for frontline organisations. We want to build on what has already been achieved and move the modernisation of local and regional support services forward. We want to support both short and longer term initiatives, with a mixture of one, two and three year grants.

We do not believe this can be achieved by spreading funds evenly across all areas of England; for instance £6m a year spread evenly across existing Consortia (which vary significantly in their geographic coverage) would provide a project fund of less than £55k per annum. We believe this 'blanket' approach would exclude some important and innovative projects from Consortia wanting to take significant steps in modernising sector support in their area.

Capacitybuilders has therefore decided against allocated a set amount of project funding for any given Consortia or local area. We are committed to making investment across the country, and will use a weighted formula to ensure a range of projects are funded across every region (see Annex 4).

We will be working with our existing partnership structures in each region to ensure strong regional intelligence from third and public sector partners (as well as our team of Regional Managers) informs recommendations for a portfolio of projects in each region. We aim to ensure a transparent and fair process which makes awards against clear criteria, and does not create unnecessary demands on Consortia.

We will discuss the assessment and advisory process with stakeholders in each region, and issue more detailed guidance on project funding by **31 January 2008**. Capacitybuilders' Grants Committee will make final decisions on project funding in March 2008.

As not all modernisation projects will require 3 year funding, further funding windows will be available. This will enable Consortia which meet our 'fit for purpose' criteria after a development grant to put forward proposals, as well as Consortia unsuccessful in securing funding for projects from April 2008, to apply for shorter-term projects starting in April 2009.

Box E:

Lead/accountable bodies for project grants

Although most projects will involve partnership work, all grant agreements for projects will be between Capacitybuilders and a single organisation. However, we will not insist that this is the same accountable body as for the consortium development funding, where this would create an unnecessary 'middle' layer of report. We would include requirements for all projects to report on progress to relevant Consortia.

Annex 1 : Timetable for roll-out of programme

<ul style="list-style-type: none"> • Programme launch. • Indicative strategic funding allocations to Consortia announced. 	3 December 2007
<ul style="list-style-type: none"> • Consortia submit business and strategic plans. • Future fund management arrangement confirmed 	December 2007
<ul style="list-style-type: none"> • Guidance on consortium development grants agreement. • Regional assessment process for modernisation grants agreed and guidance published. • Any proposals from local Consortia for reconfiguration of geographical boundaries submitted to Capacitybuilders (via Regional Manager) 	31 January 2008
<ul style="list-style-type: none"> • Regional briefing sessions on programme (at existing events where possible) • Assessment of Consortia plans and fitness for purpose • Modernisation projects identified in Consortia plans (additional information requested where necessary) • Seminar on effective working between Consortia and national support services 	January/February 2008
<ul style="list-style-type: none"> • Offer letters for Consortia development grants to 'fit for purpose' Consortia • Consortia judged not to have demonstrated 'fitness for purpose' informed, with details of improvement grant offer. 	29 February 2008
<ul style="list-style-type: none"> • Modernisation project proposals assessed at regional level • Regional 'priority portfolio' of projects put forward to Capacitybuilders 	February/March 2008
<ul style="list-style-type: none"> • Capacitybuilders' Grant committee agrees modernisation projects • Agreement of arrangements for future regional advice and overview • Decision on any request for Consortia reconfiguration 	March 2008
<ul style="list-style-type: none"> • Programme commencement and first grant payments 	April 2008
<ul style="list-style-type: none"> • Capital programme announced 	By 30 June 2008
<ul style="list-style-type: none"> • Consortia awarded 'improvement' grants assessed against fitness for purpose 	December 2008
<ul style="list-style-type: none"> • Second window for modernisation projects 	January/February 2009

Annex 2 : Investment principles : Funding for change

Capacitybuilders wants to use its resources to achieve real change in the sector support service, making investment that helps deliver more effective, client focused and sustainable services for frontline organisations in the long term.

- Funded activities and interventions should reflect the role of support services in meeting the needs of the diverse third sector organisations in England.
- We want to be equitable in supporting generalist, specialist and thematic support providers.
- Our priority is to build on earlier investment from the Home Office and Defra and strengthen what exists rather than create new organisations or unsustainable initiatives.
- Our investment should:
 - not replace or displace funding or responsibilities of other funders
 - have a multiplying effect wherever possible – providing leverage for additional funding and resources; and
 - support activities and interventions in England only.
- The programme will only fund activities and interventions that improve sector support services, by which we mean the physical facilities, structures, systems, relationships, people, knowledge and skills that help front line organisations achieve their aims.
- Funding available under this programme is expected to be in region of £30 million over three years, beginning April 2008.
- Expenditure under all grants awarded must be committed by 31 March 2011.

Consortium Development Grants will be offer for three years from April 2008.

Modernisation projects may be funded for one, two or three years, depending on scale and scope of work proposed.

We have a duty to ensure all grants represent value for money, and work is delivered efficiently. We are committed to funding at a level that recognised the true costs of delivery, whilst recognising that we may have shared interests with other funders.

We currently have a range of fund management arrangements, working with partners in London, the East Midlands, the North East and Eastern region. The effectiveness and 'added value' of these arrangements is currently under review, and a final decision will be made on future arrangements in **December 2007**.

Annex 3: Consortium Development Grants 2008-11

- The following allocations are subject to a 'fit for purpose' assessment, and the terms of consortium development grants (to be published January 2008).
- The allocations assume Consortia maintain their current geographical configuration.
- Minimum grant is £22k for Consortia covering single 'top tier' local authority area (with the exception of London, see below), with additional 'top up' allocations in county council areas for each district.

Consortia by Region	UA	CC	Districts	Annual Consortium Development Grant
				£
North East				
County Durham		1	7	27000
Tyne & Wear	5		0	110000
Tees Valley	5		0	110000
Northumberland		1	6	28000
North West				
Cheshire & Warrington	1	1	6	50000
Merseyside	6		0	132000
Lancashire	2	1	12	78000
Greater Manchester	10		0	220000
Cumbria		1	5	27000
Yorkshire and Humber				
The Humber	4		0	88000
North Yorkshire	1	1	7	51000
South Yorkshire	4		0	88000
West Yorkshire	5		0	110000
East Midlands				
Rutland	1		0	22000
Leicestershire	1	1	7	51000
Derbyshire	1	1	8	52000
Northamptonshire		1	7	29000
Lincolnshire		1	7	29000
Nottinghamshire	1	1	7	51000
West Midlands				
Telford & Wrekin	1		0	22000
Black Country	4		0	88000
Birmingham	1		10 ²	32000
Herefordshire		1	10	32000

² Birmingham's constituencies have been recognised as 'districts' in the formula

Coventry & Warwickshire	1	1	5	49000
Solihull	1		0	22000
Shropshire		1	5	27000
Staffordshire	1	1	8	52000
Worcestershire		1	6	28000
East of England				
Bedfordshire	1	1	3	47000
Cambridgeshire	1	1	5	49000
Essex	2	1	12	78000
Hertfordshire		1	10	32000
Norfolk		1	7	29000
Suffolk		1	7	29000
Greater London				
All borough level Consortia	33			19000
<i>NB This allocation at borough level is slightly reduced to ensure sufficient resources can continue to support subregional work in London at a comparable level (£19k per subregion)</i>				
South East				
Medway	1		0	22000
Milton Keynes	1		0	22000
Surrey		1	11	33000
West Sussex		1	7	29000
Southampton	1		0	22000
Oxfordshire		1	5	27000
Hampshire		1	11	33000
Brighton & Hove	1		0	22000
Wokingham	1		0	22000
Slough	1		0	22000
Isle of Wight	1		0	22000
West Berkshire	1		0	22000
Windsor & Maidenhead	1		0	22000
Reading	1		0	22000
Portsmouth	1		0	22000
Bracknell Forest	1		0	22000
Buckinghamshire		1	4	26000
East Sussex		1	5	27000
Kent		1	12	34000
South West				
Bournemouth & Poole	2		0	44000
Bristol	1		0	22000
Cornwall		1	6	28000
Devon		1	8	30000
Dorset		1	6	28000
Gloucestershire		1	6	28000
Plymouth	1		0	22000
Somerset		1	5	27000
Torbay	1		0	22000
West of England	3		0	66000
Wiltshire & Swindon	1	1	4	48000
9 Regional Level Consortia				27000 each region
Regional Co-ordination grants (TBC)				c £25,000 per region

Annex 4: Project funding allocations by region

The available funds for project funding have been allocated across the nine English regions to a weighting formula which builds on that used for ChangeUp regional and local funds since 2004.

£18m has been allocated to this fund over the three years 2008-11 (£6m per annum).

50% of the available funds have been allocated even across the regions.

The remaining funds have been weighted as follows:

- Indices of multiple deprivations (20%)
- Population (20%)
- Rural 'lag' (10%)

The weighting for the number of local authority areas applied to regional allocations has not been applied to project funds as it is the principle weighting for the strategic grants available to Consortia.

We expect projects to have significant impact for local organisations, and a maximum of 20% of funds will be available for projects working at regional level.

Region	Funds available for modernisation projects
	Approximate funds per annum (2008-11)
	£
North East	580000
North West	810000
Yorkshire and Humber	690000
East Midlands	610000
West Midlands	680000
East of England	600000
Greater London	745000
South East	650000
South West	620000