

Small groups and the emerging market for infrastructure support

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'Keeping on below the radar'

Reference group and mini-conference
Birmingham, 16th Sept '14

Background

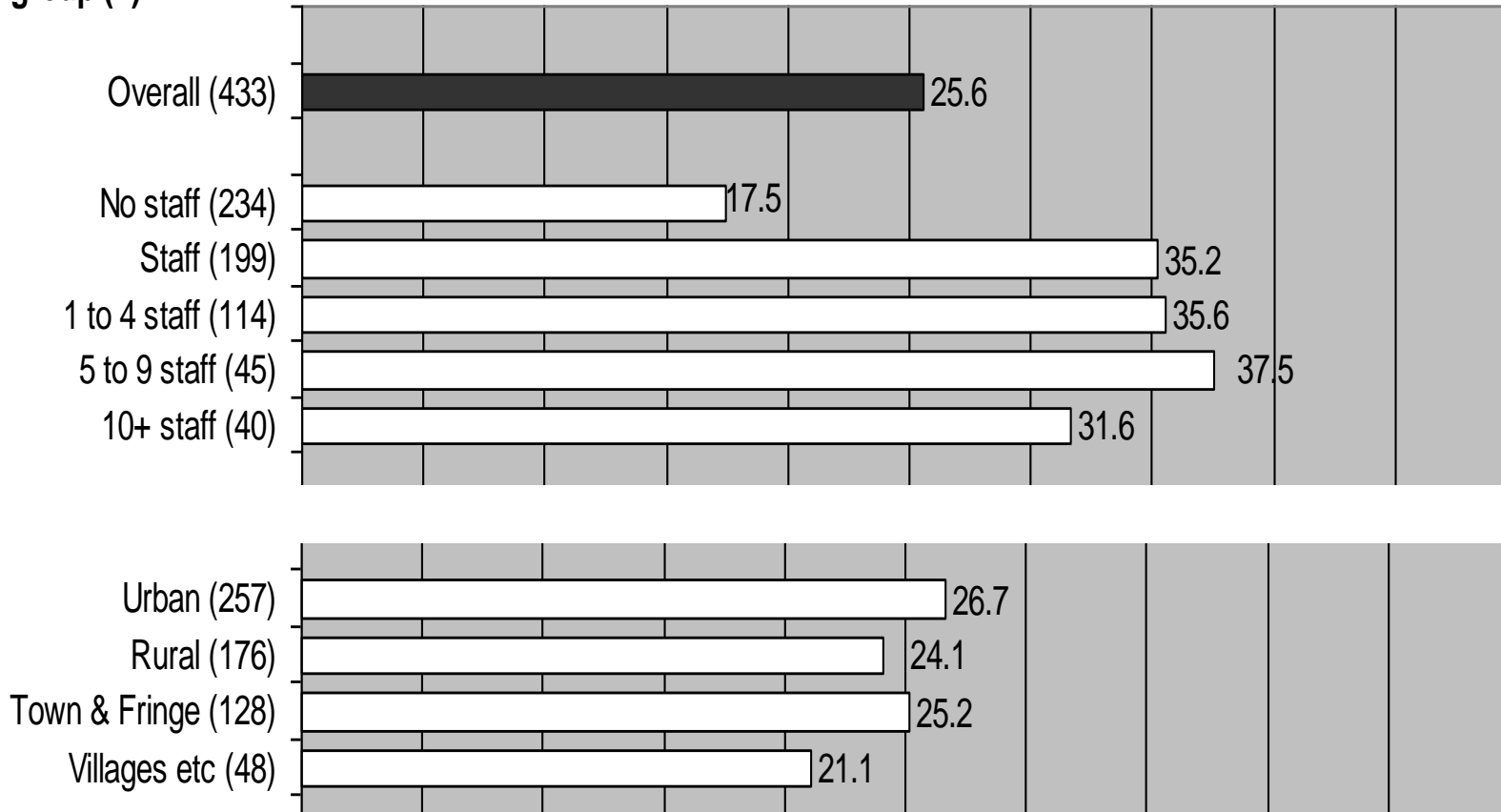
- Broader project: ‘making markets’ (...beyond ‘marketisation’)
- Big Lottery Fund – the ‘Building Capabilities’ agenda
- Two pieces of research:
 - ‘A brave new world for infrastructure’ (Walton and Macmillan, TSRC WP 118, Mar ’14) {*Sheffield TLI*}
 - ‘Building Capabilities in the Voluntary Sector’ (forthcoming) {*BLF*}
- Mind your language...
 - ‘small’ groups/organisations
 - FLOs, LIOs and STOs; ‘customers’ and ‘suppliers’
 - capacity and capability
 - ‘demand-led’ capacity building
- Overall - markets can be highly demanding environments (for frontline organisations and support providers alike)

Some existing research

- Macmillan (2004) – groups with staff are 2x more likely to access (formal) support than those without staff
- Harker and Burkeman (2007) – identify a power imbalance between small FLOs and STOs
- IVAR (2010) – small FLOs tend to prefer closer or more intense methods of support; clarity of capacity building purpose is needed
- Donohue (2011) - ‘micro-organisations’ are not well catered for by traditional (CVS) infrastructure
- McCabe and Phillimore (2012) – building skills and knowledge through ‘seeing and doing’ rather than formal training

Variations in accessing support

Sub-group (n)



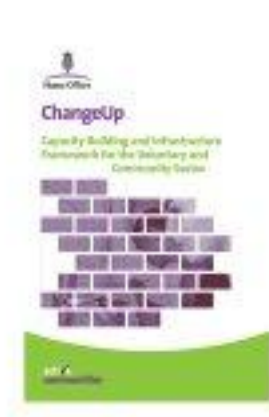
Macmillan (2004) *Shaping the Future: the development of voluntary and community sector infrastructure in County Durham*

Explaining variations in accessing support

Is it to do with differences in:

- **'need'** for external support - smaller organisations are less complicated?
- **'capacity'** within organisations - smaller organisations...
 - have less time and resource to engage?
 - are less likely to recognise the importance of external support?
 - are less likely to be aware of the availability of external support, how it works and how to access it?)
- **availability** of external support (including how secure and established it is)?
- **relevance**, usefulness and quality of external support?

Towards a 'demand-led' environment?



2004



Real Help for Communities:
Modernisation Fund



2009

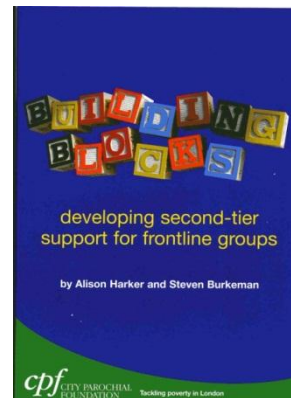
Cabinet Office

Supporting a Stronger
Civil Society

An Office for Civil Society consultation
on improving support for frontline civil
society organisations

2010

2007



2011



'Demand-led' capacity building – basic principles

1. Funding for capacity building is routed through frontline VCOs rather than directly to infrastructure support organisations...
2. ...Infrastructure support providers charge for their services...
3. ...Frontline organisations purchase support from a range of support providers.

Three buses all arriving at once...

Worcestershire Changing Futures Fund	Sheffield FUSE Support Fund	BIG Assist
<ul style="list-style-type: none"> • Apr 12-Mar 15 • Target: FLOs in Worcestershire • £750K • LA funded • Organised by Worcestershire County Council 	<ul style="list-style-type: none"> • Jan-Aug 13 • Target: FLOs in Sheffield • c.£105K • TLI funded • Organised by Sheffield FUSE TLI partnership 	<ul style="list-style-type: none"> • Oct 12-c.Sept 15 • Target: Infrastructure orgs in England • £6m • Big Lottery Fund • Delivered by NCVO

Common iterative learning

- Investing in diagnosis
- FLOs have difficulties selecting and working with providers
- A preference for familiar providers over ‘shopping around’
- Capacity building support is not necessarily a top priority

“it’s those smaller groups that are the ones that are very slow to go through it, and the more savvy ones that are quite quick and they know what they want and they’re coming in and going through quite quickly”.

Shaping an emerging market...

A final reflection from Worcestershire

“If I’m really honest with you...there is a lack of sophistication in the sector in terms of real ability to engage effectively with a model of this type at the moment. Particularly among smaller organisations...That whole concept of thinking like a business, thinking in a commercial way, is probably just not there....

*I think if this model were to continue then we would probably see that sophistication growing over time. Our early indications are that it’s not there at the moment, or there are a few, there are a small number who are more commercial and savvy to max out on shopping around and getting the person that really fits in....it’s a useful piece of learning, that **there is more that we need to do to support and shape the market**”*

Demand-led capacity building - a misnomer?

- A thought experiment...
 - An imaginary free market for capacity building
 - Demand-led capacity building in practice (diagnosis, menu of support, quality assurance, prices, feedback)
- Opaque role of funders and programme operators
- Beyond marketisation...to making and shaping markets

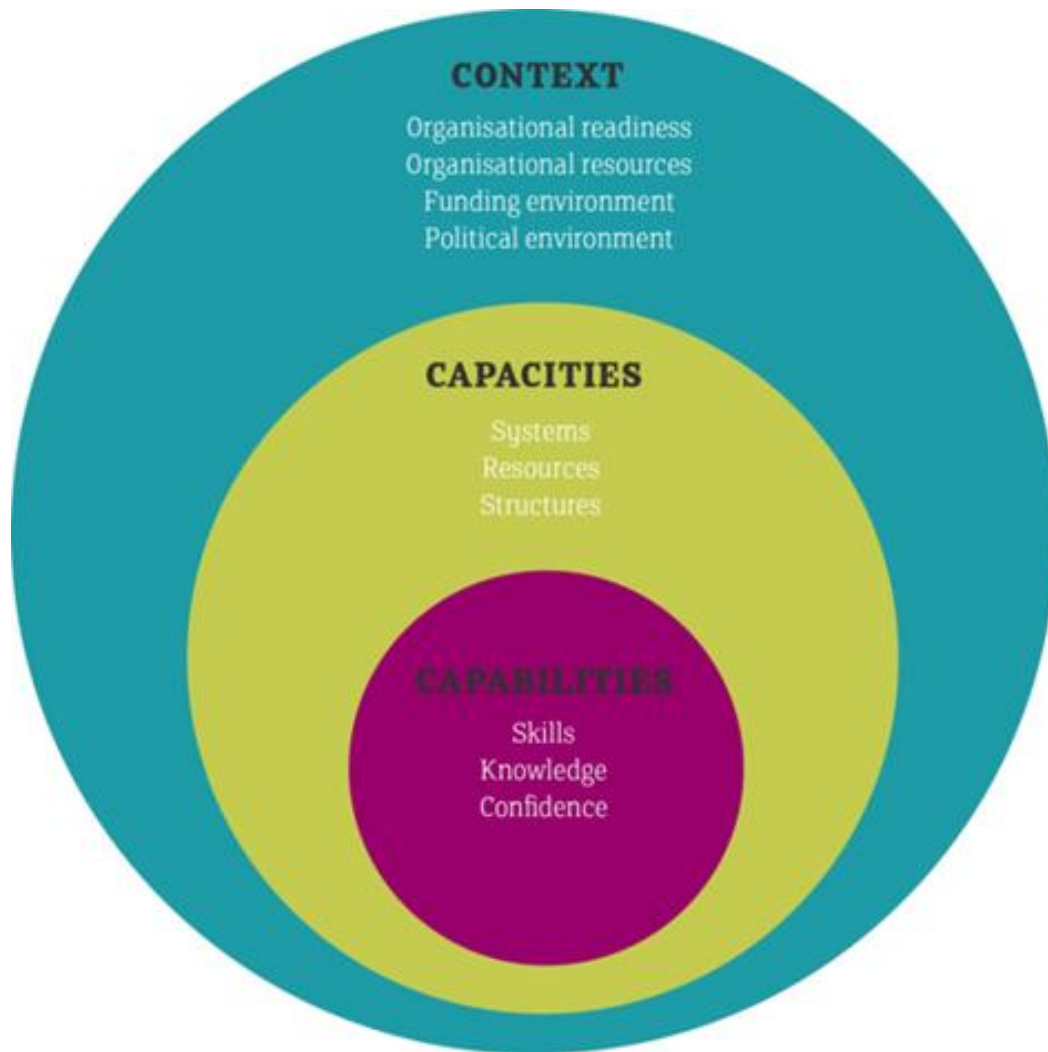
Building capabilities in the voluntary sector

Big Lottery Fund commissioned a study to explore:

- 1. *What works in building FLOs' and partnerships' capabilities*** to deliver outcomes (verifiably) to end-users more effectively and sustainably?
- 2. *What are the requirements for, and potential of, a marketised approach for capability-building***, including an understanding of the shape of the emerging market...
- 3. *What lessons can be distilled for the Big Lottery Fund, other funders, policy makers and market participants, from these new understandings?***

Study involves an exploration of nine associated hypotheses

Capability or capacity?



- Capability building requires some pre-existing capacity ('head-space') to be effective
- Context matters, in terms of organisational readiness and the wider environment of opportunities and constraints

The value of diagnosis...

*“as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also **unknown unknowns** – the ones we don't know we don't know.”*

(Donald Rumsfeld, 12.2.02)

- Wide range of diagnostic, health check and organisational review and audit tools
- Diagnosis of needs and priorities is a valuable form of capability building in its own right
- The diagnostic ‘moment’ - an opportunity to look back at an organisation’s previous development of strengths over time, to reflect on how best to develop and sustain new capabilities in the organisation
- Diagnosis is also a ‘market making’ process...

Next steps

- Think twice about building capability alone: capability, capacity and context are inter-related
- Adopt a comprehensive, systematic, and tailored approach, with highly capable providers
- Proceed with caution with a marketised approach – a demanding environment for FLOs and support providers; risk of losing specific functions
- Develop a learning system that starts with understanding:
 - the *day to day experience and evolution* of FLOs and partnerships, rather than the impact of specific interventions
 - *existing capabilities* in FLOs and partnerships, and how these have developed (using ‘the diagnostic moment’)
 - the *relationships* between FLOs, partnerships and external support providers

For discussion – what lies ahead?

- An emerging future of support in a constrained environment: from grand plans and equity to...
 - ... ‘capacity building for competition’ (a positional good)
 - ... ‘make-shifting’
- An unsettled ‘supply side’ – scale, scope, segmentation and resources
- Capacity/capability for shopping around...
- How will small groups fare?
- How can an emerging market be tilted in favour of smaller groups?
- What is the role for collective action?
- What is the place for advocacy and voice?