

Sir Stuart Etherington's speech on local infrastructure, delivered at the Big Assist Beacon awards in Manchester on Monday 5th October.

First of all can I thank you Alex for the opportunity to co-host this evening's event and also for the great work GMCVO is doing in Manchester as the opportunities and challenges of devolution grow in the region.

I am pleased to have this opportunity to speak to you today about work of local and specialist infrastructure organisations.

These organisations may lack the glamour of their sisters on the frontline, but I think it is about time a spotlight was shone on the vital work they do. **They are the ones in the boiler rooms at the back, powering the best voluntary sector to be found anywhere in the world today, and creating new partnerships that are capable of transforming the life chances of our communities.**

I am particularly pleased to welcome representatives of Big Lottery Fund, other funders including Seb Elsworth from the new Access social investment fund and commissioners, to our event today. I hope I can persuade all of you to look again at the case for supporting infrastructure as a vital partner in your work of improving the lives of individuals and communities.

My message about infrastructure today is a tough one. Political, economic, social, technological and structural transformation is taking place on an unprecedented scale, and at a pace that is faster than ever before. **None of us in the voluntary sector has the luxury of choosing to stand still. The status quo is not an option, and infrastructure organisations must adapt.**

But it is not a pessimistic message. **A growing number of infrastructure bodies are already hoisting their sails, navigating the storm, and making the most of the opportunities available to them in this brave new world.**

They are focused not on saving their own organisations, but on finding new ways of unleashing the potential of individuals and organisations in their communities. **They are unlocking community assets and sharing them in ways that deliver real social change.**

What all these organisations have in common is that they have made the changes necessary to ensure infrastructure is fit for the future. NCVO is committed to supporting all organisations that are willing to do the same.

More than 500 organisations have already received support on their journey of change from our Big Assist initiative, either in the form of vouchers for consultancy advice or peer to peer learning through wikis, visits and mentoring.

Today, I am pleased to be formally recognizing 27 of these organisations as Big Assist Beacons of Change. **These outstanding infrastructure organisations are working in new and exciting ways, committed both to sharing their own stories and learning from others’.**

I do not under-estimate the scale of the challenges faced by infrastructure organisations today. **The biggest of these is funding. While the rest of the economy has grown, income to the voluntary sector has flat-lined since 2009. Income from local government continues to fall, and neither the public nor the private sector is making up the shortfall.** Most government money now comes in the form of contracts for frontline services rather than core grants for running costs.

At the same time, many infrastructure bodies are facing sustained or increased demand for their services. The small- and medium-sized organisations that are their core customers need help to balance their own books, while continuing to support communities facing major reforms to public services and welfare.

Infrastructure organisations also face unprecedented levels of competition from ‘digital disruptors’ using on-line tools and platforms to offer new value to their traditional customers. **Today’s on-line groups expect flexible, fast, personalised and co-produced support for their social action. In the world of Wikipedia, we are all experts and old top-down models for delivering infrastructure services can look dated.**

The result is funding shortfalls that are sufficiently serious as to threaten the survival of support services in some parts of the country. They are especially severe in ‘charity desert’ areas, where our sector is overstretched and yet people are most in need of support and voice to tackle poverty and inequality.

Having spent the past few months working to address concerns about Kid’s Company and charity fundraising, I am very aware of the changing public mood towards charities. Although trust and confidence in the voluntary sector rightly remains high, and NCVO continues to make the case to government for grant funding, it is deeply unrealistic for us to expect government to restore core grants for infrastructure to their historical levels any time soon.

Faced with these shortfalls, infrastructure bodies have a clear choice to make: Some are opting for business as usual and hoping that the golden age of core government grants is returning imminently.

Other infrastructure organisations are choosing to take a long, hard look both at the infrastructure landscape as a whole, and their own role within it.

There are currently around 800 active voluntary sector infrastructure organisations. This may have been affordable in the era of generous government grants, but under the new financial settlement it is not. Today, there are far too many infrastructure bodies providing similar services in similar ways, competing with one another and with frontline organisations for a slice of a much smaller funding pie.

Today's true champions of infrastructure are focused not on saving their own organisations, but on safeguarding the services they provide for future generations. They recognise that if a local or specialist infrastructure body does not have the money to deliver high quality support services, or if it is duplicating the work of another organisation, it should pro-actively plan to shrink, merge, form a partnership or close. At NCVO we have experienced the challenges this all presents through a series of restructures, downsizing and mergers.

Take the example of Community Works Brighton and Hove: It was formed through a merger of four infrastructure bodies that redesigned infrastructure in the city and saved £150,000. Or ONE Lancashire, a company set up in 2012, which has brought together 36 infrastructure bodies into a single organisation. Other infrastructure organisations have adopted shared referral systems or merged specialist and local services to create cost savings.

These organisations know that social action comes in different guises these days. They are creatively re-designing their business models to find new ways of supporting their traditional clients. They know that social enterprise is flourishing, with more than 200 new Community Interest Companies currently being registered each month. By blending the best of public, private and voluntary sector approaches, they are creating new value for the communities with whom they work.

One option is charging for services. Voluntary Action Sheffield took the tough but ultimately successful decision to grow its earned income by charging for a range of products and services including renting out its Circle building. It is now working on new plans to transfer the building into community ownership.

Another option is consortia building. Young Lancashire, the only specialist infrastructure body for children, young people and families in its local area, was established back in 1923 but is now not only a registered charity but also a Company Limited by Guarantee. It recently created a consortium of frontline groups that has won contracts totalling £1.5 million last year, for which it earns a 5-10% management fee.

A third option is contracting. With help from Big Assist, Rape Crisis England and Wales managed to win a contract worth £2m from the UK Commission on Employment & Skills to provide training to Rape Crisis centre trustees, staff and volunteers. This is the first time a specialist women's infrastructure organisation has ever won this work.

The best infrastructure organisations recognise not only the challenges, but also the opportunities inherent in the newly localized world of public services commissioning. They are adept at spotting new ways to get local voices heard in the design and delivery of local services - whether by Police and Crime Commissioners, Local Enterprise Partnerships, Clinical Commissioning Groups or local government.

Hackney CVS has secured funding from the local CCG to reduce hospital overstay in A&E by leading a partnership of local VCS providers. Community foundations in Norfolk and Suffolk have worked with their local LEP to set up a £160,000 challenge fund supporting the most disadvantaged people in their local area. Many infrastructure organisations opt to support local frontline groups to win and manage contracts, complementing their skills instead of competing for the same work.

Local infrastructure's USP is its ability to act as a two-way street between the complex and often confusing range of new statutory bodies, and the rich range of community and voluntary groups operating at local level. Forging relationships between communities and government bodies is not without risks, but get it right and you can achieve big changes.

In Thurrock, for instance, when faced with significant cuts to the council's voluntary sector budget in 2014, the CVS led the development of an alternative budget that was ultimately endorsed by the council. Gloucestershire Association for Voluntary and Community Action is improving the PCC's approach to community safety. In Northamptonshire, youth umbrella bodies are talking to the PCC about changing the way stop and search powers are used.

But the best infrastructure organisations are even more ambitious. Like many commissioners, they are looking to unlock all the assets available in local communities – whether in the public, private or community sectors – and ensure they get shared for the common good. The community choir, the small business and the CCG may share the same goals of improving the wellbeing of local people, yet it often takes a creative local infrastructure leader to unlock their shared potential and realize their shared ambitions.

You will be hearing today from Voluntary Action Rotherham about its pioneering work in social prescribing. With funding from the local CCG, It has helped people with long-term health conditions access the full range of services on offer from local voluntary and community groups.

Another example is Voluntary Action Calderdale, which persuaded its local CCG to invest more than £2 million in frontline voluntary and community groups. It developed an online directory that can be used by GPs and other healthcare professionals to search for local voluntary sector services.

Of course, infrastructure is not a magic bullet. Where social prescribing works well, adequate funding is available for both the infrastructure organisation doing the referrals and the frontline groups delivering the services. To help change outcomes for individuals and communities, public services need proper funding.

The most creative infrastructure organisations have learned lessons from ‘digital disruptors’. They know how to use on-line tools and platforms to offer new value to their traditional customers, but they often combine digital tools with a presence in local communities to excellent effect.

Volunteer centres use a variety of national and local on line platforms to match volunteers to placements, but also operate face-to-face services to ensure placements are professionally managed and delivering maximum impact. West Norfolk Voluntary and Community Action meets people in person, but also uses Facebook and Twitter to communicate in a cost-effective way across a large, rural area. It has acquired an impressive 165,000 social media followers in the process.

Instead of trying to transfer expertise through top -down delivery models, the best infrastructure organisations are instead helping community and voluntary groups make the transition from a knowledge economy to a sharing one.

Community and Voluntary Action Torbay for example are developing an alternative to the traditional infrastructure model by setting up an organisational time bank. Local charities will be able to register their skills and knowledge, and then trade ideas, skills, resources and spaces amongst themselves.

Chester Voluntary Action is a further instance of an organization sharing the assets of both business and the community. CVA runs a 'Skillshare' initiative that matches an extensive bank of local business people and other professionals who want to volunteer their time, skills and expertise with local voluntary and community groups in need of their professional services. 180 professionals have signed up to deliver workshops on topics such as charity law, governance and marketing. The experts work for free, but CVA is able to generate income by charging for the services they provide.

Blackburn with Darwen CVS has turned a traditional approach to corporate social responsibility on its head by encouraging local people to volunteer their time and skills to help start-up businesses. After a one-year pilot phase, the CVS now focuses on social enterprises rather than businesses in general, but these span education, recycling, health, social care and other fields. This is a 'triple win' approach that boosts the local economy, helps people gain skills, and simultaneously tackles social problems.

Today's infrastructure pioneers recognize that even the most marginalized groups represent assets rather than liabilities for local communities. Volunteer Centre Swindon does this by supporting volunteers with a mental health background to do clerical and administrative work for a range of voluntary, community and public sector organisations. This helps people learn new skills, make new friends, and build self-esteem. It is done informally with cup of tea and a chat. Their clients have moved on to undertake training, volunteering opportunities and paid employment.

Volunteer Centre Leeds has set up a volunteer centre inside a prison that is staffed entirely by prisoners. As well as creating micro-volunteering opportunities inside the prison, it helps prisoners match their skills and expertise with community groups outside that need volunteers.

This work has transformed lives and delivered massive savings to the public purse: 316 people with criminal convictions have received support to volunteer. 0 per cent have reoffended, according to police and probation services. For every £1 invested in the programme, the criminal justice system saves £114.

As the Leeds example demonstrates, infrastructure organisations deliver not just social but also economic value. Andrew Haldane, Chief Economist of the Bank of England, pointed out recently that the economic value of volunteering in the sports sector alone is £50 billion a year or 3.5 % of UK annual GDP – on a par with the energy sector. Volunteer centres play an important role in supporting local good volunteer management that helps secure the full value of volunteering in communities.

What all these organisations have in common is the will to change in ways that will help ensure infrastructure services survive and thrive into the future. NCVO is committed to actively supporting other organisations that want to do the same.

Over the past year, we have been working with the Independent Commission on the Future of Local Infrastructure and with our colleagues at NAVCA to develop a shared vision for the future of local and specialist infrastructure. We are also convening a series of conversations around the country to hear your ideas on what funders and government can do to help you make this change happen.

Today I want to thank Big Lottery Fund for funding Big Assist over the past four years. I hope both the government and other funders present today will talk to us about the future of Big Assist, because I believe it is a tried-and-tested resource that could help support the next wave of organisational change by infrastructure organisations.

I also want to thank all the infrastructure organisations who are present here today for the vital work you do in support of the voluntary sector and the communities and individuals with whom we work.

There is a view amongst some in government and funder organisations that some in infrastructure do not want to change and adapt. I hope the stories I have told today have begun to disprove this myth, but further work is needed by all of us to convince the skeptics.

Infrastructure organisations have an impressive track record of adapting to changing times. Many were founded at the end of the 19th century to help co-ordinate the efforts of the hundreds of philanthropists emerging at the time. It was through the efforts of a couple of leading Guilds of Help and CVSs during World War 1 that the decision was taken to create to create a national voluntary sector body, the National Council for Voluntary Service – later to become NCVO.

Local and specialist infrastructure bodies also have form when it comes to being resourceful and resilient. They played a leading role in the development of the voluntary sector: from the New Philanthropy of the Inter-War years with its focus on partnering with local government, through the new search for a role in the welfare pluralism of the post-War decades. Infrastructure joined new forms of social action at the turn of the 21st century and led the call for a Third Way and Big Society long before our politicians did.

Infrastructure organisations are a vital part of a unique but fragile voluntary sector ecosystem that has more than proved its worth in the past. The pressures of today mean all of must all be willing to work in closer partnership with one another, as well as with government and funders. It is only by so doing that we will ensure the potential of the voluntary sector ecosystem is both preserved and realized for future generations.

Our work of championing and catalysing communities, especially their most marginalized members, is way too important to leave to others in the public or private sectors.

In our desire for a robust debate with other infrastructure organisations about the difficult future we now face, we are aware that some who do the right thing may nevertheless find themselves in difficulty. This is wrong, and it reminds us that there is an on-going risk that good, well-managed organisations will not survive because of the environment we are operating in. NCVO will therefore continue to argue for support for infrastructure where we can demonstrate that it is effective and needed.

Over the next few months and leading up to the BIG Assist conference in February next year, NCVO and I will be working hard to help secure a better understanding and support for infrastructure who as you have heard this evening are tackling many of the challenges funders, local authorities and commissioners are facing. We will be showcasing the best of local infrastructure working with the BIG Assist Beacons as well as working in collaboration with NAVCA and other national infrastructure.

I hope all of you present here today will join me in doing all we can to make sure the infrastructure organisations of the future are capable of rising to this challenge.