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Funding Advice Services and the Big Society

Context

The Government recognises that it has an active role to play in strengthening the capacity of neighbourhood groups, social enterprises, charities and voluntary groups to take full advantage of new opportunities ahead.

Funding advice services are a crucial mechanism in building the capacity of voluntary, community and social enterprise sector organisations to attract investment into their communities and implement sustainable funding strategies to support their activities.

Funding advice services are delivered by individuals in local voluntary organisations, local authority departments and private consultancies, either as a special service or as part of a package of expertise that includes business planning, project management, market knowledge, basic finance and governance. A growing number of specialist funding advisors are accelerating the development of civil society skills and knowledge in areas like enterprise, commissioning and personalisation.

The wider development and application of funding advice skills and knowledge will be important in attracting investment and developing entrepreneurial behaviour in communities and volunteer-led organisations.

East Midlands Dimension

Funding advice in the East Midlands is characterised by a high degree of collaboration between organisations and across sectors. Strong, effective relationships between funding advice providers and funders, supports constructive dialogue around change and development in funding streams available to civil society organisations. Each county¹ in the region supports a cross-sector network that focuses on funding information and advice. Three pivotal networks are key facilitators of development at a regional level:

East Midlands Funding Forum is led and resourced by funding organisations. Its members include public sector bodies, trusts and foundations, but its events and newsletter also target frontline organisations, advice workers and leaders in infrastructure organisations. EMFF activities enable funding organisations to share information and discuss the changing funding environment at a strategic level.

East Midlands Funding Advice Network is a free to join network of over 240 individuals involved in giving advice on funding strategy and activities to VCS and social enterprise organisations. Currently supported by the Big Lottery Fund's BASIS programme it develops the skills and knowledge of funding advice workers through support to local networks, training, networking events and online promotional services.

A new **Business Advisor Network** hosted by Social Enterprise East Midlands provides support and networking space for specialists in business advice appropriate to the third sector. The Business Advisor Network is part of a programme to develop an accredited standard of business advice skills and knowledge amongst funding advice workers in VCS infrastructure organisations.

Challenges and opportunities

The East Midlands has good frameworks to drive creative and positive thinking about developments in funding. A big challenge for late 2010 and into 2011 is to utilise these frameworks to promote effective adaptation within the sector to enable it to maximise Big Society opportunities. Funding advice workers will need to

- develop and share models of advice and support to enable the implementation of Big Society Bank support for social investment,
- work in partnership with and support Community Organisers to help them secure resources for change in their communities,
- support disadvantaged communities to make good use of the Community First fund,
- aid modernisation of public sector commissioning and,
- enable civil society providers to access modernised commissioning and procurement processes.

In recent years, partnerships between local public sector and the VCS, with funding from Capacitybuilders, Big Lottery Fund and others have begun to develop new models of funding advice, especially around commissioning. Our concern now is that, at a time when their learning and good practice should be shared across the region, these development projects are coming to an end – in some cases prematurely – and potential sources of funding for similar work have not been described by the Government.

Doctor, heal thyself

Effective funding advice workers look for ways for their clients to diversify their income and advice workers should of course heed their own advice. Local authority funding is vital to many, probably the majority, of funding advice services, either through their partnerships with local infrastructure organisations or directly via the authority's community engagement and voluntary sector liaison. With significant cuts to local authority budgets every year for the next four years it seems highly likely that support for funding advice services will be cut. (These cuts may not be identifiable: where funding

advice is just part of an individual's or team's role, the work can be dropped without the quantifiable loss of a 'funding advisor'.)

Alternative sources of resourcing for delivery of funding advice services include grants from LSP's; infrastructure funding programmes like Capacitybuilders and Big Lottery's BASIS programme; and trading activities such as the sale of advice by individuals and consultants. The latter model is possibly one that could replace some of the lost public sector funding, but could not be relied on to provide the support necessary to build the Big Society. Selling funding advice is potentially lucrative however cuts in funding to groups using advice services and the tightening of funding criteria to exclude retrospective fees may be prohibitive to the future of this model. Grant-funded or contracted funding advice services paid for by public sector bodies could be more readily directed to work with the organisations most important for delivering Big Society initiatives.

Grow community support

The growth in civil society activism proposed by the Big Society agenda presents an opportunity for funding advice workers to attract new investment and generate new economic activity in the East Midlands. They could be catalysts for the success of Big Society in communities in the local areas they serve, combining their local knowledge with their understanding of grant funding, enterprise finance, community development, local philanthropy and public sector operations to maximise the value of a range of Government initiatives.

Impact of national policy

National policy impacts on funding advice services in three dimensions:

- Firstly when national policy leads to a change in the type and level of demand for funding advice from VCS organisations;
- secondly when national policy affects funding sources and thinking about funding;
- thirdly when national policy affects the sustainability of funding advice providers themselves.

The Comprehensive Spending Review, Big Society and associated reforms across a range of government departments will have an impact for funding advice services in all three of these dimensions. In turn, funding advice services will have an impact on the Government's success in stimulating Big Society and in minimising the pain to the VCS from local and national spending cuts.

Funding advice providers do their work at the heart of a fundamental conflict that the Government is tackling: the need to serve the public and build our economy while placing tight restrictions on budgets. There is a role for them in helping to deliver many of the government's initiatives to build a stronger civil society. For example,

Modernising public sector commissioning

- Supporting the VCS, social enterprises and co-operatives to be more competitive in tendering for contracts to deliver public services, with expert advice on accessing tender opportunities, making and managing successful bids, and effective collaboration.
- Disseminating and interpreting data to empower communities to open up services to providers from the VCS and social enterprise sectors
- Opening up opportunities for third sector organisations through GP consortium commissioning, advising VCS organisations about bringing local solutions to the doctor's surgery.

Promoting community action

- Aiding the development of local giving, building new links between private and corporate philanthropy and local communities, helping to establish local 'community funds'.
- Working with Community Organisers to help community groups understand and access a wide spectrum of funding opportunities.

- Using existing communication channels to disseminate information about Community First funding and encouraging and guiding small community groups to access the programme.
- Enabling VCS groups to take advantage of new opportunities to run community assets by advising on funding, finance and management.

A more enterprising sector

- Providing business advice for new employee-owned co-operatives, helping public sector workers to become social entrepreneurs and, potentially, to take advantage of resources ordinarily associated with civil society funding.
- Promoting sustainability by facilitating and providing access to business advice and encouraging balanced funding strategies and effective business plans.