

**The *ChangeUp* national hub of expertise
for performance improvement
in the voluntary and community sector**

Business Plan

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Business Plan

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Introduction

Rationale

The voluntary and community sector (VCS) improves the quality of life for tens of millions and provides services to many of the most vulnerable in our society. It also builds communities and provides a voice for social change, positively influencing public policy.

Performance improvement in the VCS is ultimately about meeting *more* needs *more* effectively; about achieving bigger and better improvements to people lives; and about creating better quality organisations.

But voluntary and community organisations (VCOs) are not always aware of the performance improvement techniques available to them, and many do not have the skills to use these techniques. And although helping VCOs improve their performance is one of the primary aims of VCS infrastructure, this infrastructure is not always equipped to provide the support that is needed.

The role of the ChangeUp national hub of expertise on performance improvement is therefore:

- to bring together in one place the wealth of experience and expertise in performance improvement that already exists;
- to make this expertise far more accessible to VCOs;
- to help local, sub-regional, regional and national infrastructure improve the quality and quantity of support they can offer to VCOs;
- to work with funders and policy-makers to improve the environment within which VCOs operate.

This business plan sets out the hub's vision, aims, and objectives and provides supporting information on governance, budget, outputs and outcomes to give a fuller picture of its proposed work.

Background to the performance improvement hub

Following extensive consultation with the voluntary and community sector and local and national government, The Home Office published *ChangeUp* in 2004. The document sets out a ten-year framework for systematically upgrading the capacity of the infrastructure support available locally to frontline organisations, and the specialist expertise available at national level.

The national hub of expertise for performance improvement is one of six hubs that will offer support services to infrastructure organisations and partnerships that are already developing regionally, sub-regionally and locally throughout England. The other hubs will offer national support in the areas of workforce development, ICT, governance, finance and volunteering.

The business plan for the performance improvement hub builds upon the blueprint set out in *ChangeUp* as well as the extensive planning and consultation which led to the national *Performance Improvement Strategy*¹ published in April 2004. Annex 1 on page 39 cross-references the business plan to these documents and to the consultation exercises carried out in 2004 and 2005.

Partners

The business plan has been developed by the partners' group developing the performance improvement hub:

- Charities Evaluation Services (CES);
- National Council for Voluntary Organisations (NCVO);
- National Association of Councils for Voluntary Service (NACVS);
- British Association of Settlements and Social Action Centres (BASSAC);
- New Economics Foundation (NEF);
- Black Training and Enterprise Group (BTEG).

The Centre for Voluntary Action Research (CVAR) at Aston Business School also provided significant help with developing the plan.

CES and NCVO are the hub's lead partners. They have taken joint responsibility for the detailed work on this business plan. CES is the accountable body for the hub.

This business plan

This business plan contains 6 main sections:

Section 1 sets out the hub's scope.

Section 2 covers the hub's principles vision, aims and objectives.

Section 3 explains how delivery objectives will be achieved.

Section 4 explains how supporting objectives will be achieved.

Section 5 provides information on activities, project costs and outputs for 2005/2006 and 2006/2007.

Section 6 provides information on outcomes and how they will be assessed.

Funding assumptions

Our planning assumes funding from the Home Office for the national performance improvement hub of £1.5 million for 2005/2006 and £1.0 million for

¹ *Improving our Performance: a strategy for the voluntary and community sector*, QSTG, April 2004.

2006/2007. Further, the plan assumes that sufficient financial resources from the regional *ChangeUp* allocations will be made available by Government Offices for the Regions (GORs) to support regional, sub-regional and local infrastructure providers with their performance improvement initiatives, and specifically to cover the cost of local development agencies (LDA) incorporating the role of 'performance improvement advisors' into their existing workload.

ChangeUp is a ten-year strategy. While this business plan only covers the first two years of implementation, the intention is to lay strong foundations to ensure that over the longer term the hub makes a decisive contribution towards enabling voluntary and community organisations (VCOs) to improve their performance.

Because the hub will work with VCOs, infrastructure networks and funders, policy makers and regulators, it will increase the sector's ability to obtain its *own* funding for performance improvement work, delivering additionality.

Section 1

Scope of the performance improvement hub

Performance improvement

'Performance'

In the performance improvement hub, we use 'performance' to mean the extent to which a VCO achieves its mission and furthers its cause. Improving performance is, therefore, about better achieving your mission.

'Performance Improvement'

We use the term 'performance improvement' in two simple and related ways:

An improvement in performance

e.g., If an organisation has shown an improvement in achieving its mission then we can say "That VCO has shown a significant performance improvement"

The process of improving performance

e.g., If an organisation is working to improve its performance then we can say "That VCO is engaged in performance improvement".

'Performance' and 'performance improvement' are nevertheless complex and ambiguous concepts and there is currently little consensus on what they mean. The range of concepts and terms used to reflect and express performance improvement include 'accountability', 'capacity', 'effectiveness', 'efficiency', 'evaluation', 'goal achievement', 'outcome monitoring', 'quality' and 'standards'. The terms can be applied to both individuals and, more commonly, organisations.

During the consultation on the national *Performance Improvement Strategy*², it became clear that 'performance improvement' also meant little to some VCOs, although they do refer to 'doing things better' or 'improving client outcomes'. So despite being uncomfortable with the term, VCOs have a strong commitment to making a positive difference - either directly to their users or to the wider field in which they are active.

The pressures for performance improvement within the VCS come from a number of sources. VCOs *themselves* want to provide the best possible service for their clients and beneficiaries, to contribute to influencing public policy and building communities, and to compete for resources and support. *Donors, government funders, business sponsors and the general public* seek

² *Ibid*

reassurance that organisations are working effectively and ethically without wasting resources. Clients and potential clients want the organisation to deliver quality services that meet their needs. As many VCOs move more deeply into public service provision, the pressure to demonstrate performance improvement is likely to continue.

Scope

'Performance improvement' potentially spans a very wide range of activity areas, some of which (e.g. workforce development, governance and volunteer development) are the remit of other ChangeUp national hubs. To distinguish itself and to provide a clear focus for its work, the performance improvement hub will prioritise five related areas of the performance improvement field:

- diagnosing organisational strengths and weaknesses;
- assessing and improving quality;
- evaluating outputs, outcomes and impact;
- benchmarking, and
- strategic planning.

The hub will encourage the effective integration of these tools and approaches and their incorporation into the routine management practices of VCOs.

Target audiences

The hub's services are targeted at three main groups – frontline VCOs; infrastructure organisations and network; and funders, regulators and policy-makers.

Frontline VCOs

The hub aims to work with a very broad range of VCOs:

- working at the national, regional, sub-regional and local level
- working in a range of urban and rural settings
- working across a wide range of delivery areas
- BME organisations³
- community level organisations
- social enterprises.

Within these VCOs, our services will mainly be targeted at practitioners, management and trustees.

The main direct services offered will be the website, helpline and newsletter. The website and newsletter will contain information relevant to all VCOs with an

³ The views of BME networks have already influenced the development of this plan (this consultation exercise is detailed in Annex 1).

interest in performance improvement. They will provide a clear gateway into the hub's services and will foster the establishment of a community of people interested in performance improvement. The helpdesk will signpost VCOs to areas of further support.

In addition, the VCOs will benefit from the hub's work to enable infrastructure support organisations to offer personalised support with performance improvement approaches to frontline organisations.

Infrastructure organisations

The hub will work with a wide range of infrastructure organisations:

- Councils for Voluntary Service (CVS);
- Rural Community Councils (RCCs);
- social enterprise development agencies;
- Black and Minority Ethnic (BME) organisations;
- national organisations supporting local groups;
- specialist infrastructure (for example, those concerned with health or community care) operating at a national, regional or more local level;
- community anchors (community centres and other larger community-based organisations which act as local development agencies).

Within these organisations, the hub will target people who already deliver development work, training and support to frontline VCOs. These people, who we refer to as 'performance improvement advisors', will already have a demanding and multi-faceted role supporting their client VCOs. Their intended role within performance improvement will be to become skilled performance improvement generalists rather than experts.

The hub will provide them with training and support to help increase the quality and quantity of support that they can offer to VCOs:

- toolkit(s) on diagnosis;
- training in diagnosis and performance improvement tools;
- a telephone help-line offering specialist technical support.

Funders, regulators and policy makers

The environment within which VCOs operate has a significant influence on the degree to which they embrace performance improvement techniques. The hub will seek to generate a positive environment for VCOs by undertaking policy and advocacy work to influence a range of audiences, such as funders, regulators, and policy makers in central and local government (see page 20 for more details).

Section 2

Principles, vision, aims and objectives

Principles

The following principles underpin the work of the hub:

1. The hub will demonstrate effective partnership working at every level of its operations.
2. The hub will ensure that its work is properly and constructively integrated with performance improvement services provided at the national, regional, sub regional and local level.
3. The hub will ensure that its work is properly and constructively integrated with that of other hubs.
4. The hub will recognise and take active steps to reflect the diversity and difference within and across the sector.
5. The hub will draw on the actual experience and needs of practitioners at all levels.
6. The hub will signpost to other organisations and existing information first, and develop new materials and activities only where there are gaps and where these can best be filled by a national resource.
7. The hub will be based on the concept of informed choice, empowering VCOs to decide for themselves how to approach performance improvement.

The following principles express the hub's approach to performance improvement:

1. Performance improvement is more likely to succeed where there are good internal communication systems within the VCO and a commitment to a culture of learning and development.
2. Performance improvement should focus on and engage with the views of users.
3. Performance improvement approaches should enhance and not undermine the independence and distinctive value of VCOs.
4. Performance improvement approaches should be appropriate to the organisation applying them – one size does not fit all.
5. Performance improvement is more likely to be successful if it is initiated by the organisation itself rather than imposed upon it.
6. It is generally more sustainable to help organisations learn how to design and implement performance improvement systems than to design systems for them.

Vision, aims and objectives

Vision

The hub's vision is of *voluntary and community organisations having a positive impact upon the lives of millions because they are performing excellently.*

Aims

The hub's aim is *to enable VCOs to better achieve their mission by placing performance improvement at the heart of the VCS*

Four specific aims contribute to this overall aim:

1. to increase VCOs' understanding of and ability to use performance improvement approaches;
2. to enable local, sub-regional, regional and national infrastructure to better support VCOs in performance improvement;
3. to increase the relevance and effectiveness of the knowledge base about performance improvement available to VCOs, and
4. to create a more supportive external environment around performance improvement for VCOs.

Delivery Objectives

These aims will be achieved through four delivery objectives:

1. to provide opportunities for VCOs to learn and share their knowledge about effective performance improvement approaches;
2. to develop, train and support a network of local advisors offering support on performance improvement;
3. to produce clear and simple guidance about what works in performance improvement and to develop new tools and techniques where needed;
4. to seek to influence policy and practice around performance improvement by engaging funders, policy-makers and regulators.

Supporting Objectives

In order to be fit for purpose in securing these delivery objectives, the hub will also pursue four supporting objectives:

5. to establish effective means of communicating with and obtaining input from hub stakeholders;
6. to effectively promote the hub's work to potential service users;

7. to establish robust governance and management arrangements, and
8. to maximise the sustainability of the hub.

Sections 3 to 6 of this plan explain these delivery and supporting objectives in greater detail, the activities we will perform in years one and two, and the evaluation we will undertake to ensure we are delivering our intended outputs and outcomes.

Section 3

Delivery objectives

Objective 1 To provide opportunities for VCOs to learn and share their knowledge about effective performance improvement approaches

Rationale

For large numbers of VCOs, performance improvement is a complex area. The consultation undertaken to inform the *Strategy for Performance Improvement* indicated that VCOs, like other organisations, believe that they benefit greatly from information, advice and support with performance improvement. Furthermore they particularly welcome the opportunity to hear about and learn from the experience of their peers.

Approach

The hub will:

- provide a gateway to information, advice and support on performance improvement;
- create a network of VCOs and infrastructure organisations with an active engagement with performance improvement;
- consider and disseminate information about how different types of infrastructure (for example, national organisations supporting local groups and specialist infrastructure organisations) support and encourage performance improvement; and
- capture and pool what we learn through delivering hub services of the needs of hub service users.

Delivery methods

The hub will provide the following:

Active network

The active network will bring together VCOs and infrastructure organisations that are interested in and engaged with performance improvement. Using e-mail, and potentially the website, it will be a forum for:

- encouraging debate
- generating case examples
- identifying opportunities for sharing and mentoring
- offering feedback to the hub
- continually pushing forwards the 'state-of-the-art' in the performance improvement field.

A website

The website will be created and actively promoted to signpost to sources of information and advice on diagnosis, quality, outcomes and impact, benchmarking, and strategic planning.

The website will also provide:

- a map of performance improvement services available throughout England;
- feature articles on how VCOs and public and private sector organisations approach performance improvement;
- a searchable database of case studies on VCOs' use of different approaches to performance improvement (see objective 3); and
- case studies of different models for providing support to VCOs on performance improvement (see objective 3).

Consideration will be given to whether the website might also be used to support the Active Network.

We are committed to learning from our users. We will seek feedback from website users about their needs, and the effectiveness of the website in addressing those needs, and will use this feedback to evaluate and improve the effectiveness of the hub.

The help desk

The website will be supported by a hub help desk. People calling the help desk with queries about performance improvement will be provided with customised information packages, referred to other hub services and signposted to other sources of information, advice and support.

Again, we will aim to learn from help desk users. Data capture tools will be developed and feedback from help desk users will be used to evaluate and improve the effectiveness of the hub.

The newsletter

The hub will also provide a quarterly hard copy and email newsletter to highlight topical developments and showcase innovative approaches from throughout the VCS.

An annual networking conference

An annual conference will be held to facilitate networking and the sharing of best practice; and to discuss the themes and issues emerging from the hub's work over the previous year and future plans to respond to them.

Objective 2 To develop, train and support a network of local advisors offering support on performance improvement

Rationale

The consultation undertaken for the *Strategy* demonstrated that VCOs value face-to-face help in diagnosing their strengths and weaknesses and in implementing an improvement plan. While both the public and the private sectors⁴ have a contribution to make in addressing these needs, most small VCOs benefit greatly from VCS support from:

- CVS;
- RCCs;
- social enterprise development agencies;
- BME organisations;
- national organisations supporting local groups;
- specialist infrastructure organisations (for example, organisations concerned with health) operating at a national, regional or local level;
- community anchors.

Many of these infrastructure agencies employ people, such as development workers and trainers, to help VCOs improve their performance. In this plan we refer to these workers as performance improvement advisors⁵. Some work has already been done at the national level to identify, support and develop performance improvement advisors and the hub will build on the best of this work.

Some performance improvement advisors use a 'diagnostic' approach or tool. However, these approaches have not been brought together and nor has an assessment been made of the strengths and weaknesses of the different approaches. An early priority for the hub has been to commission CVAR to undertake action research into 'performance diagnosis'. This study will:

- gather evidence directly from practitioners and funders;
- build a knowledge bank to support practice development; and
- develop practical materials to support performance improvement advisors and VCOs.

⁴ For example, private sector sources of support include private sector consultancy including that offered pro bono and public sector sources of support include business support agencies such as Business Links.

⁵ *ChangeUp* refers to the development of a network of performance improvement advisors operating at the regional or sub-regional level. It describes their role as to provide a lead on diagnosis and to facilitate VCS access to affordable services.

Approach

The hub will seek to increase VCS access to high quality, face-to-face advice on performance improvement by developing and supporting a network of skilled performance improvement advisors based within infrastructure agencies. These advisors will:

- be skilled generalists based within infrastructure organisations and supported by specialist staff based within the national hub;
- help organisations diagnose their organisational strengths and weaknesses;
- help organisations develop a performance improvement plan and encourage commitment to implementing the plan;
- help organisations access appropriate specialist input in implementing the plan;⁶
- refer to the services of the other hubs as appropriate;
- support the organisation throughout the performance improvement process, and will
- feed their experiences back to the hub in order that this learning may be captured and used to influence the ongoing review of hub services.

The hub will also promote investment by the public sector and other funders in high quality face-to-face advice by demonstrating the positive impact of such provision on organisational effectiveness.

Delivery methods

The hub intends to provide the following services and resources to performance improvement advisors during its second year and from then onwards:

- materials to help with diagnosis;
- training in diagnosis;
- training in supporting local groups through the performance improvement process;
- a reference manual;
- a telephone help-line offering specialist/technical support;
- networking and the sharing of good practice (see description of the website under the last objective);
- ongoing mentoring;
- development and piloting of introductory training for performance improvement advisors on outcomes assessment and quality.

⁶ For example, they may need detailed advice or assistance with implementing a quality system, or strategic planning or outcome or impact measurement – the performance improvement advisor might have the capacity to provide this assistance or might refer the organisation on.

Objective 3 To produce clear and simple guidance about what works in performance improvement and to develop new tools and techniques where needed

Rationale

The consultation undertaken to inform the national *Strategy for Performance Improvement*⁷ indicated that successful organisations tend to take a holistic approach to performance improvement, integrating selective use of particular tools or approaches into their management systems and promoting an organisational learning culture in which staff are committed to performance improvement.

To achieve such integration, organisations need a good understanding of different tools and approaches, an awareness of the value they might add, their appropriateness to different organisational contexts, and guidance on how best to implement them.⁸

Approach to be taken

The hub will:

- produce better guidance about different performance improvement tools and approaches;
- fill necessary gaps in the provision of performance improvement tools.

The *Strategy* identified gaps in the information and resources available on benchmarking, strategic planning and quality. Similarly work undertaken as part of the NEF Quality and Impact Project identifies a need for further work on outcomes and impact.

Delivery mechanisms

The hub will:

- use the website to signpost to sources of information, advice and support on the use of different tools and approaches;
- publish case studies on the website and in the newsletter illustrating the different methods used by organisations, together with an assessment of their costs and benefits;
- deliver projects that address identified gaps;
- commission a number of development projects that address key sectoral and subsectoral issues; and

⁷ *Ibid.*

⁸ This is supported by the findings of the Centre for Voluntary Action Research study (2004) *The Adoption and Use of Quality Systems in the Voluntary Sector*, QSTG/CES.

- work with network organisations implementing particular performance improvement approaches.

Delivery methods

The hub will develop specific work on benchmarking, strategic planning, quality, and outcomes and impact in order to fill the gaps already identified both in the *Strategy* and elsewhere

Guidance on Performance Improvement

The hub will create clear and simple guidance on the topics within its scope: diagnosis, quality, evaluation and monitoring, strategic planning, benchmarking. This guidance will become the central resource for information on performance improvement in the voluntary and community sector and will form the bulk of the 'content' that is delivered through the website, helpdesk, newsletter (Delivery Objective 1), through the performance improvement advisors (Delivery Objective 2), and to funders and policy-makers (Delivery Objective 4).

This guidance will draw on the best existing knowledge in the sector and will build on the findings of the in-house and commissioned development projects.

In-house development projects

Strategic Planning

The hub will provide information and resources to support strategic planning in the VCS, including environmental analysis and trends information for different subsectors/types of organisation.

PQASSO recognition scheme

In line with the *Strategy*, the hub will undertake a pilot project to test the feasibility of an external 'kite mark' for PQASSO users assessed through peer review. PQASSO is the most popular quality system in the VCS, used by more organisations than any other but it is not externally accredited or recognised. There is clear evidence from within the VCS that it should be.

Commissioned development projects

In order to develop its knowledge base about VCS work on performance improvement, the hub will examine:

- VCS peer review schemes;
- the approach to supporting performance improvement taken by specialist infrastructure agencies (a recommendation from the *Strategy*);
- the support offered by BME second tier organisations to BME VCOs (a recommendation from the consultation meeting with BME specialists);

- the development of a bank of indicators for impact assessment. Libraries of performance indicators used within the local public sector are already features of the work of both the Improvement & Development Agency (IdeA) and the Audit Commission. Work undertaken by NEF suggests that VCOs would also welcome more information about choosing appropriate outcomes and impact indicators for their work. One way of addressing this gap might be to develop a bank of indicators. The hub will consider the feasibility of developing an indicators bank;
- the value of benchmarking and related approaches in improving VCO performance.

Objective 4 To seek to influence policy and practice around performance improvement by engaging funders, policy-makers and regulators.

Rationale

Responses to the consultation on the *Strategy* suggested that two of the most significant barriers to performance improvement in the sector are the lack of available resources and funders' attitudes. Funders are generally reluctant to cover the costs of performance improvement, preferring to try to fund only direct service delivery. The consultation also found that while organisations are being required to implement particular standards in order to access funding, contract payments/grant awards do not always cover the extra costs incurred. Indeed, in general, those funders that are *more* likely to insist on particular standards are *least* likely to accept the need to pay for these.

A major difficulty is that VCOs are being required to implement a number of different quality standards or frameworks by funders and regulators. These standards often have common components but organisations are being required to demonstrate they comply in slightly different ways. Moreover, sometimes these standards are not always appropriate to VCOs and they have to invest time and energy in negotiating adaptations. This is adding to an already heavy administrative burden.

Another challenge is the emphasis funders are placing on outcomes monitoring. Work needs to be developed with both funders and VCOs to ensure that this transition is beneficial.

There is good practice from funders and regulators and this can be used to address these issues. Examples include work on passporting⁹ and the provision of funding or consultancy to support VCS performance improvement efforts. The hub will promote good practice in order to encourage its wider adoption.

Approach to be taken

The hub will survey the terrain, developing its understanding of the changes needed and advocating for their adoption. More specifically it will:

- work with funders at the national level, encouraging them to passport and to fund performance improvement work;
- work with regulators at the national level encouraging them to work with voluntary and community organisations to develop appropriate performance assessment systems;

⁹ By 'passporting' we mean the achievement of one quality standard being recognised as being sufficient to meet other standards.

- support the policy and advocacy work undertaken by infrastructure organisations and frontline VCOs with local funders and other policy makers.

The performance improvement hub will also work with the Financing Hub to influence funder practice. That hub may take a lead on work with funders, coordinating contact across the hubs.

Delivery methods

The hub will:

- monitor and act on policy issues arising from VCOs', funders' and other agencies' responses to performance improvement;
- develop and pilot a passporting scheme for quality systems that has both funder and sector buy-in;
- commission policy work examining relevant aspects of funder and regulator practice;
- organise meetings, seminars and conferences for funders and regulators;
- develop resource materials to support the policy and advocacy work undertaken by infrastructure organisations and frontline VCOs with local funders and other policy makers;
- gather and promote intelligence about good funder and regulator practice at the national and local levels, and
- monitor funding for performance improvement work, especially the support provided by *ChangeUp*.

This work will be feed back to the VCS through the website and the newsletter, the annual conference, networking meetings and publications designed for a general audience.

Section 4

Supporting objectives

The performance improvement hub is a major new partnership and therefore new stakeholder involvement, promotional, governance and management arrangements need to be created in order to achieve the service delivery objectives set out above.

Objective 5 To establish effective means of communicating with and obtaining input from hub stakeholders

Rationale

The hub's work should:

- be based on the needs of VCOs working at the national, regional and local level;
- build on learning and best practice across the VCS, public and private sectors; and
- influence performance improvement practice across the VCS and the public sector.

The hub therefore needs to communicate with and obtain input from key stakeholder groups including:

- those who use the hub's services including second tier organisations and regional consortia;
- government departments as policy makers and funders;
- other hubs;
- other public sector funders (including those procuring services);
- private sector and public sector providers of advice, information and support on performance improvement; and
- charitable trusts and foundations.

Delivery

The hub will:

- fund a post at NACVS to ensure that the hub's work is properly and constructively integrated with performance improvement services provided at the regional, sub regional and local levels;
- establish an open invitation reference group to enable a broad range of interested organisations to inform and be informed about the work of the hub;
- seek appropriate public sector and other funder representation on the partners group;

- seek appropriate representation from the range of performance improvement service providers on the partners group;
- ensure that any ad hoc groups set up to steer particular elements of the work have appropriate VCS, public and private sector representation.

Delivery methods

- NACVS will undertake networking and liaison with key stakeholders at regional and county level, including support visits to regions and hosting a good practice network to ensure learning and best practice is gathered;
- NACVS will host and attend events to share practice with regional and sub regional forums;
- the reference group will receive regular communications including feedback requests on hub activities;
- CES and NCVO will undertake networking and liaison with key national stakeholders.

Objective 6 To effectively promote the hub's work to potential service users

Rationale

It is crucial that the hub effectively promotes its work to potential service users. An early task for the hub will be to raise awareness and understanding in the sector of the services available and how they can be accessed. The hub will also encourage an ongoing dialogue with its service users in order to continually improve its services.

Delivery

One of the first actions for the hub will be to develop a communications strategy. This strategy will include provision for:

- developing branding for the hub;
- utilising the website to promote hub services and cascade information;
- publicising the hub via the membership and networks of organisations on the partnership group;
- identifying and contacting other VCS agencies with a key role to play in promoting the hub;
- establishing data collection tools for the help desk, web site, PI Consultants and so on in order to capture and pool what we learn from hub users about their needs, and their views about the effectiveness of our services in addressing those needs;
- developing a knowledge base on VCO performance improvement services;
- consulting the VCS on a periodic basis about the appropriateness and quality of hub services;
- working with the media, particularly the specialist media, to promote the hub.

Objective 7 To establish robust governance and management arrangements

The hub will bring together organisations providing information, advice and support to facilitate better planning, to reduce duplication and to ensure that gaps in provision are filled.

The hub will:

- ensure partners reflect the broad target audience for the hub;
- achieve better linkages both horizontally and vertically between provision at the national, regional, sub-regional and local level; and
- ensure that the hub addresses the needs of VCOs, particularly specialist sectors for example, BME, social enterprise and rural organisations.

This creates challenges for the hub's governance. For example, it needs to achieve both inclusivity and a clear management focus. The governance structure for the hub seeks to achieve both of these.

The governance structure will have two main elements:

- a Partners Group - to determine strategy;
- a Management Board - to oversee operations and undertake detailed planning work.

Both these groups will be chaired by the same independent Chair. CES is the accountable body. CES, NCVO and the independent Chair will form the Management Board. These two national agencies have responsibility for delivering and commissioning core hub services. A significant amount of work will also be commissioned by the hub (see Annex 2 for a list of core and developmental work).

A sub group of the Partners Group will have responsibility for commissioning. It will work to the commissioning policy agreed by the Partners Group. The commissioning process will be overseen by the independent Chair (see Annex 3 for commissioning arrangements).

Delivery

The Partners Group will comprise those organisations currently on the partners group who wish to remain involved. New members of the group will be recruited based on the criteria and using the process outlined in Annex 4 – governance arrangements.

NCVO and CES will appoint staff to deliver the core hub services outlined in this plan (again, see Annex 2). Both organisations will appoint a hub co-ordinator to manage these services.

See Annex 5 for the Memorandum of Understanding between CES and NCVO regarding the conduct of the Management Board and the joint management and co-ordination of hub services.

Objective 8 To maximise the sustainability of the hub

Rationale

The performance improvement hub is part of a ten year strategy to make a decisive difference to performance improvement in the voluntary and community sector. It will be needed for longer than the two years covered by this business plan.

The extent to which government will be willing to invest in the on-going work of the national *ChangeUp* hubs is unclear. So far, confirmed funding is only available until March 2007. To contribute to the sustainability and growth of its services, the hub needs to review its expenditure and staffing levels annually, develop its own income streams, and think creatively about income generation.

Delivery

The hub partners will address sustainability using the following process.

1. Analysis

The hub's partners group conducted a detailed analysis of the hub's delivery objectives to determine the number of staff as 10.5 FTE. These posts reflect the minimum for the services the hub proposes to deliver. They will be located within the offices of three of the hub partners as follows:

CES, London

Coordinator	1 FTE
Performance Improvement Consultants	3 FTE (staggered recruitment)
Executive Officer	1 FTE
Administrative Assistant	0.5 FTE

NCVO, London

Coordinator	1 FTE
Information Officer	1 FTE
Policy Officer	1 FTE
Administrator	1 FTE

NACVS, Sheffield

Project Officer	1 FTE
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2. Review

The management group will review the hub's staffing and activity levels in March 2006 and every 12 months. This will provide an opportunity to analyse current and emerging demand and revise staff levels and activities appropriately.

Each review will focus on:

- Analysis of staffing levels against the delivery plan
- Evidence of current and emerging demand
- Consideration of core/commissioned ratio and if this needs to be amended
- Levels of income generation and opportunities to increase
- Levels of replacement or additional funding and opportunities to increase
- Income generation and alternative funding options for specific projects
- Emerging delivery plan for subsequent years
- Additionality arising from regional and local funding.

3. Income generation

Years 1 and 2 have income generation targets of £10,000 and £16,000 respectively. Both lead partners have a track record of raising income through the sales of publications and event attendance. Progress against the target will be assessed and revised if necessary at the annual review outlined above. Opportunities to increase income generation will be monitored on an ongoing basis.

4. Fundraising strategy

A strategy has been put in place to raise funds from additional sources in the third year of the project and a target of £50,000 has been agreed. In addition, we have identified the following areas for potential replacement/income generation in year 3:

- NCVO exploring the potential of integrating some of the policy work into NCVO's policy team
- CES exploring income generation potential for PI consultants from Year 3 onwards.

The annual review will identify further opportunities for income generation via the sale of publications and event attendance.

Fundraising bids will be submitted jointly on behalf of the hub partnership, with the explicit agreement of both lead partners.

Section 5 Activities 2005/6 and 2006/7

This section of the business plan sets out the lead partner, milestones, planned outputs and costs for each of the four delivery objectives and for each of the four supporting objectives.

Objective One	To provide opportunities for VCOs to learn and share their knowledge about effective performance improvement approaches						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs¹⁰	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Create active network	NCVO	Achieve 400 active members (March 2006)	Active network		Achieve 600 active members by March 2007	Active Network	
Launch and develop website	NCVO	Developed site (Sept 2005) Launch (January 2006)	Website	£60,000	Email discussion forums established	Website discussion forum	£40,000
Create info and signpost function for help desk	NCVO	Help desk launched (November 2005)	Information signposting	£7,500	Help desk service	Information signposting	£7,500
Produce quarterly newsletter	NCVO	Newsletter launched (September 2005)	Electronic & paper newsletter	£10,000 (3,000 circulation)	Quarterly Newsletter produced	Electronic & paper newsletter	£10,000 (3,000 circulation)
Hold annual conference	NCVO	Conference (March 2006)	Annual conference	£6,000	Conference (March 2007)	Annual conference	£6,000

¹⁰ Please note that costs are direct project costs and do not include salary or running costs (however, all costs are included in the budgets at Annex 8).

Objective Two	To develop, train and support a network of local advisors offering support on performance improvement						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Develop toolkit(s) for diagnosis	CES (CVAR commissioned)	Initial research into diagnosis completed by CVAR (by Oct 2005)	Toolkit produced (by Feb 2006)	£3,000			
Development of training course(s) for PI advisors in diagnosis and supporting local groups through PI process	CES	Course content finalised end March 2006	Training course written and piloted Training delivery schedule planned	£8,100			
Develop PI advisors Manual (which includes the diagnosis toolkit, the training course(s), and guidance on their role in relation to local groups)	CES			Production costs (design, print etc) £29,200	PI advisors manual produced July 2006	PI advisors manual	

Objective Two continued	To develop, train and support a network of local advisors offering support on performance improvement continued						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Create network of PI advisors	CES	30 signed up (10% BME participation)	PI advisor network		Additional 70 signed up (10% BME participation)	PI advisor network	
Deliver training for PI advisors	CES	Training designed	Training in the diagnosis toolkit and in supporting local groups through PI process	£4,860	Training delivered	Training programme	£9,720
	CES		Introductory training on outcomes assessment and quality		Training programme starts September 2006	Training programme	£20,440
Develop and deliver training and support package for PI advisors	CES		Network event		Telephone help line launched Mentoring scheme launched September Network event	Provision of help line and mentoring support from September 2006 Network event	

Objective Three	To produce clear and simple guidance about what works in performance improvement and to develop new tools and techniques where needed						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Produce guidance about different PI tools and approaches	NCVO and CES	Clear and simple guidance on PI, including case examples (various milestones for different topics over years 1 and 2)					
Development projects	NCVO	Advice and support on strategic planning	Integrated strategic planning toolkit, and versions for specialist infrastructure	£100,000			
	CES	Research on recognition scheme for PQASSO	Report	£57,071			
Commissioned projects		VCS Peer review scheme		£35,000			
		Specialist infrastructure outreach		£35,000			
		BME outreach		£35,000			
		Impact indicator bank		£40,000			
		Benchmarking development		£40,000			

Objective Four	To seek to influence policy and practice around performance improvement by engaging funders, policy makers and regulators						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Monitor and act on policy issues arising from VCO, funders and agencies responses to PI	NCVO	Policy briefing papers Policy seminars for funders, regulators and policy-makers Case studies Report on policy developments and funders practice Database of funder contacts (30 active contacts by March 07)					
Commission research and policy work on aspects of funder and regulators practice	NCVO	Good practice guidelines Resource pack for VCOs	Policy work – good practice draft by March 07 produced by June 07 Resource pack by June 07	£42,859	Develop and pilot passporting scheme with funder buy-in	Pilot study of passporting scheme	£30,000
Encourage joint work with VCOs to develop appropriate performance assessment systems	NCVO	Meetings with funders Seminars and conferences for funders	4 meetings held with funders/funder forums 2 Seminars 1 Conference	£20,000	Meetings with funders Seminars and conferences for funders	8 meetings held with funders/funder forums 3 Seminars 1 Conference	£30,000

Objective Five	To establish effective means of communicating with and obtaining input from stakeholders						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Website	NCVO		Website	Costs listed under objective 1	Email discussion forums established	Website Discussion forum	Costs listed under objective 1
Establish open invitation Reference group	NCVO	Reference group established	Reference group views	£4,000		Reference group views	£1,000
Integrate work with regional, sub regional and local initiatives	NACVS	Regional visits Good practice network established	Shared practice and knowledge	£28,063	Regional visits Good practice network meetings	Shared practice and knowledge	£20,014

Objective Six	To effectively promote the hub's work to potential service users						
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Developing branding and ongoing marketing for the hub	CES/NCVO	Branding agreed (August 2005) Launch (June 2005)	Hub brand Launch events Ongoing marketing	£ 80,000 (combined)		Ongoing marketing	£20,000

Objective Seven		To establish robust governance and management arrangements					
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Appoint independent Chair	Partners group	Interim chair in place Recruitment for chair	Chairing of hub	£10,000	Review of Chair performance	Chairing of hub	£10,000
Resource partnership & membership group	CES	Meeting schedule and arrangements	4/6 Partners Group meetings 12 Management Board meetings	£21,900	Meeting schedule and arrangements	4/6 Partners Group meetings 12 Management Board meetings	£18,000

Objective Eight		To maximise sustainability of the hub					
Activity	Lead Partner	Year 1 Milestones	Year 1 Outputs	Year 1 Costs	Year 2 Milestones	Year 2 Outputs	Year 2 Costs
Annual review	Management Board	Annual review conducted March 06	Annual review		Annual review	Annual review	
Income generation strategy					Management board	Preparation of strategy to address £50K target for year 3	

Section 6

Evaluating hub outputs and outcomes

Evaluation framework

As the national hub of expertise on performance improvement, we are committed to and experienced in monitoring and evaluation. The hub will develop a detailed evaluation framework that combines the introduction of internal monitoring systems with the commissioning of external evaluations of our work. Evaluation and monitoring will be planned, budgeted, and incorporated into workplans right from the outset of the project.

We have budgeted £100,000 for evaluation for the first two years of the hub's operation, which will cover the evaluation of all the hub's activities:

- Objective One - helpdesk, website, newsletter, active network, and annual conference (£20,000)
- Objective Two - training and support for PI advisors (£30,000)
- Objective Three - guidance on performance improvement tools and approaches, and the five commissioned projects (£25,000)
- Objective Four - policy briefings, passporting scheme and policy seminars (£15,000)
- An analysis of the effectiveness of the hub's services overall, drawing on a number of sources including the learning from the evaluations of the four objectives listed above (£10,000).

We have already held a series of in-depth planning sessions to develop the outputs and outcomes outlined in this section. These sessions have been focused on developing outputs and outcomes that meet the needs of internal and external audiences, and that reflect the step change that will be delivered by the hub.

This section of the business plan also details, for information, some of the outputs and the medium-term outcomes (years 3 onwards) that the hub is planning to evaluate. These reflect our current thinking and are, of course, subject to further development. We have also provided our current thinking about relevant indicators that might be used to demonstrate change. To monitor these outputs and outcomes we will consider the full range of evaluation methods as appropriate, including regular process and quality monitoring, observation, self-assessment questionnaires, knowledge 'quizzes', interviews, group discussions, and policy document analysis.

<p>Objective 1. To provide opportunities for VCOs to learn and share knowledge about effective performance improvement approaches</p>	<p>Aim 1: To increase VCOs' understanding of and ability to use performance improvement approaches</p>
<p>Outputs/Indicators</p>	<p>Outcomes/Indicators</p>
<p>Information and signposting helpdesk/<i>No. accessing & user profile; type of information accessed</i></p> <p>Website/<i>No. of hits & user satisfaction</i></p> <p>Quarterly electronic and paper newsletter/<i>Distribution profile & user feedback</i></p> <p>Annual conference/<i>Numbers attending & profile</i></p> <p>Active network/<i>Number of active members & type of contact</i></p>	<p>Increased awareness of quality, evaluation and other approaches by VCOs/ <i>Nos. reporting increase</i></p> <p>Increased understanding of quality, evaluation and other approaches by VCOs <i>Nos. scoring highly in quiz</i></p> <p>Increased confidence in the practical implementation of performance improvement by VCOs/ <i>Nos. reporting increase</i></p> <p>Increased knowledge & sharing of learning and good practice/ <i>Nos. reporting increase and extent to which organisations' documentation shows awareness of and actual work around PI</i></p>

<p>Objective 2. To develop, train and support a network of local advisors offering support on performance improvement</p>	<p>Aim 2. To enable local, sub-regional, regional and national infrastructure to provide better support VCOs in performance improvement</p>
<p>Outputs/Indicators</p>	<p>Outcomes/Indicators</p>
<p>PI advisor network/<i>Number, profile & distribution of advisors</i></p> <ul style="list-style-type: none"> • <i>no. expressing interest</i> • <i>no. actually joining</i> • <i>no. dropping out</i> • <i>no. completing training</i> • <i>no. active</i> <p>A toolkit/s for diagnosis/<i>Quality of toolkit; User feedback</i></p> <p>Training in diagnosis and supporting local groups through the performance improvement process/<i>Numbers of programmes developed</i> <i>Number and profile of attendees</i> <i>Type of training intervention</i> <i>User satisfaction</i></p> <p>Development and piloting of introductory training for performance improvement advisors on outcomes assessment and quality/<i>Numbers of programmes developed</i> <i>Number and profile of attendees</i> <i>Type of training intervention</i> <i>User satisfaction</i></p> <p>Support package</p> <ul style="list-style-type: none"> • Reference manual • Telephone help line offering specialist /technical support • Ongoing mentoring • Networking and sharing of good practice • Use of website/<i>Website hits</i> <p><i>Number & profile of advisors accessing these support services</i> <i>User satisfaction</i></p>	<p>PI advisors are:</p> <ul style="list-style-type: none"> • more knowledgeable • more skilled • more confident <p>in supporting VCOs in quality, evaluation and other PI approaches.</p> <p><i>80% report that they feel more knowledgeable, skilled and confident to train and support VCOs.</i></p> <p><i>Reported levels and feedback from VCO recipients.</i></p> <p>Infrastructure organisations better supported in delivering support with PI approaches/<i>80% say they feel better supported.</i></p>

<p>Objective 3. To produce clear and simple guidance about what works in performance improvement and to develop new tools and techniques where needed¹¹</p>	<p>Aim 3. To increase the relevance and effectiveness of the knowledge base about performance improvement that is available to VCOs</p>
<p>Outputs/Indicators</p>	<p>Outcomes/Indicators</p>
<p>Clear and simple guides to the main areas of the hub's work:</p> <ul style="list-style-type: none"> • diagnosis • quality • evaluation and monitoring • strategic planning • benchmarking <p>Case studies on the website and in the newsletter illustrating the different methods used by organisations</p> <p>Strategic planning Foresight network Regional forums Seminars Annual conference</p> <p>Benchmarking Two seminars on the topic</p> <p>Commissioned work on:</p> <ul style="list-style-type: none"> • peer review schemes • approach to PI of specialist infrastructure • engaging BME infrastructure in PI • outcome/impact indicators bank <p>PQASSO recognition scheme Project examining the feasibility of an external kite mark for PQASSO assessed by peer review</p>	<p>Greater use of approaches to performance improvement within the VCS</p> <p>More informed use of approaches to performance improvement within the VCS</p> <p>Greater knowledge and understanding of different approaches to performance improvement</p> <p>Increased ability of VCOs to select and implement appropriate approaches for their organisation</p> <p>VCOs that use PQASSO have access to the benefits of external recognition.</p>

¹¹ The outputs for objective 3 are primarily drawn from commissioned work. Contractors will be required to specify output and outcomes for their work which will be agreed by the partners.

<p>Objective 4. To seek to influence policy and practice around performance improvement by engaging funders, policy makers and regulators.</p>	<p>Aim 4. To create a more supportive external environment around performance improvement for VCOs.</p>
<p>Outputs/Indicators</p>	<p>Outcomes/Indicators</p>
<p>Meetings, seminars Conference for funders and regulators/<i>Number of attendees, type of event and attendees, user satisfaction</i> <i>Type of follow up with attendees</i></p> <p>Policy briefings/<i>Number, type, distribution and user satisfaction</i></p> <p>Good practice guidelines for funders on relationship with VCOs/<i>Quality, distribution, usage and feedback</i></p> <p>Reports on policy development and funders practice/<i>Numbers and type</i></p> <p>Resource pack materials for VCOs/<i>Quality, distribution, usage and feedback</i></p> <p>Database of funder contact/<i>Type of contact, active contacts, number of funders</i></p>	<p>More funders recognise the costs of PI work (<i>numbers of funders policies and grant application forms taking PI costs into account</i>)</p> <p>More funders recognise the benefits of PI work for VCOs and themselves/<i>extent to which funders state the benefits</i></p> <p>Greater awareness about the potential benefits of passporting/<i>Number of funders participating</i></p> <p>More funders commit to consistent PI principles and language/<i>Numbers and type of funders committing</i></p> <p>VCOs more confident and able to negotiate with funders, regulators and policy makers about PI/<i>reported levels. Numbers using resource materials successfully</i></p>

Objective 5. To establish effective means of communicating with and obtaining input from its stakeholders

Outputs/Indicators	Outcomes/Indicators
NACVS liaison	Sharing of good practice
Good practice network	Ensuring lack of duplication
Reference group consultation	Stakeholders' views inform the programme delivery

Objective 6. To effectively promote its work to potential service users

Outputs/Indicators	Outcomes/Indicators
Logo and house style	Increased awareness of the hub and its services
Communications policy	

Objective 7. To establish effective governance and management objectives

Outputs/Indicators	Outcomes/Indicators
Staff appointed	An effective, cohesive partnership
Key governance documents	A high quality programme delivered on time and within budget
Independent dispute resolution	Well staffed and resourced project
Partnership meetings	
Management Board meetings	

Objective 8. To maximise the sustainability of the hub

Outputs/Indicators	Outcomes/Indicators
Fundraising strategy	Increased funding for and sustainability of the hub

All objectives

Some of the evaluation budget will be used to look at the overall achievements of the PI hub in terms of outcomes and processes for VCOs:

- To what extent has the overall aim been achieved?
- Has the effectiveness of VCOs improved?
- Are more VCOs implementing better quality/evaluation systems?
- Have VCOs improved their strategic planning processes?
- Have VCOs benefited from benchmarking?
- Are VCOs more committed to learning and development?

Annex 1

How the hub builds on *ChangeUp*, the *Strategy for Performance Improvement* and the hub consultation

This business plan is based on:

- the collective knowledge and experience of the eight organisations on the partners group;
- *ChangeUp* – the Home Office’s Infrastructure and Capacity Building Strategy for the Voluntary and Community Sector;
- the *Improving Our Performance: A Strategy for the Voluntary and Community Sector* and the extensive consultation which informed it (see Annex 1); and
- the process of drafting the business plan included consultation and analysis to identify the most effective and efficient way of putting the hub into practice. Extensive consultation was undertaken during December 2004 and January 2005 (involving contact with over 300 individuals).

Strategy

ChangeUp recommends the setting up of ‘a national hub of expertise’ in performance improvement to ‘build on the range of approaches already in use to support quality, outcome and impact measurement, strategic planning and marketing and continuous improvement’. It argues that:

“A systematic approach is needed to provide performance improvement tools which demonstrably improve the effectiveness of front line organisations and which command the confidence of funders. Leadership and co-ordination at a national level can achieve this.”

The sector-led national *Strategy for Performance Improvement* recommended the development of a national resource to support performance improvement. This recommendation was based on extensive consultation with voluntary and community sector practitioners and other experts over a 6-month period.

ChangeUp advises that the hub should:

- improve voluntary and community sector access to and use of a range of diagnostic tools that assess organisational strengths and weaknesses;
- signpost to relevant sources of advice, information and support;
- evaluate, promote and disseminate effective approaches to performance improvement and measuring and reporting on outcomes and impact;
- facilitate the sharing of skills and good practice;
- support performance improvement advisors, sub-regional partnerships, infrastructure organisations and federations in their performance improvement work with local organisations and other members; and
- influence the practice of funders, purchasers and regulators so that outcome- focused performance improvement is recognised and supported and the regulatory burden reduced.

ChangeUp recommendations	PI hub business plan
Improve voluntary and community sector access to and use of a range of diagnostic tools that assess organisational strengths and weaknesses	Objective 2 – To develop, train and support a network of local advisors offering support on performance improvement.
Signpost to relevant sources of advice, information and support	Objective 1 – To provide opportunities for VCOs to learn and share knowledge about effective performance improvement approaches Objective 2 – To develop, train and support a network of local advisors offering support on performance improvement.
Evaluate, promote and disseminate effective approaches to performance improvement and measuring and reporting on outcomes and impact	Objective 3 – To produce clear and simple guidance about what works in performance improvement and to develop new tools and techniques where needed.
Facilitate the sharing of skills and good practice	Objective 2 – To develop, train and support a network of local advisors offering support on performance improvement.
Support performance improvement advisors, sub-regional partnerships, infrastructure organisations and federations in their performance improvement work with local organisations and other members	Objective 2 – To develop, train and support a network of local advisors offering support on performance improvement.
Influence the practice of funders, purchasers and regulators so that outcome focused performance improvement is recognised and supported and the regulatory burden reduced	Objective 4 – To seek to influence policy and practice around performance improvement by engaging funders, policy makers and regulators.

The Strategy emphasised the importance of diagnosis and face-to-face support. Following suit, *ChangeUp* also indicated that the hub might support what it calls performance improvement advisors housed at a regional or sub-regional level. It stated that an early task for the hub would be to explore ways of training workers in the sector who could diagnose organisational problems and support performance improvement efforts. Such performance improvement advisors would ensure that support and advice was available to frontline organisations and infrastructure workers at low cost.

Consultation

The partners' group undertook targeted consultation that builds on work undertaken to develop the strategy. This work included:

- a meeting with BME specialists e.g. second tier support organisations;
- a mapping exercise of existing PI initiatives based on telephone interviews;
- a seminar consulting on mapping exercise;
- a meeting with the Umbrellas Forum; and
- email consultation with over 300 first and second tier VCO members.

The consultation covered a wide number of areas including:

Support for the proposed statement of purpose, vision and principles for the hub

There was broad endorsement for the purpose, vision and principles particularly in relation to the recognition that the hub's work must be grounded in practical experience and needs of organisations and practitioners at all levels. Consultees placed emphasis on increasing the awareness of funders, regulators and policy makers.

Activities and Performance Improvement advisors

There was a strong preference for locally based PI advisors who would be skilled generalists. There was a good fit between what people wanted from the hub and the activities offered in the business plan. Consultation emphasises that it was important to address diversity, both in terms of who the PI advisors are and in terms of how they conduct their work.

Target audiences

Consultation with BME specialists confirmed that the needs of BME organisations were not necessarily different, however, the methods of addressing those needs would need to be different, e.g. more 'hands on' rather than reliance on websites and information.

Several consultation audiences including umbrella groups emphasised the need to draw on existing practice and not duplicate what had proved to work elsewhere.

bassac emphasised the importance of simple, direct and personal resources that could be adapted to meet the needs of community-based organisations. The under-representation of the community sector at the regional level drew attention to the need for PI advisors to advocate insights into the way smaller VCOs work with the wider PI framework.

Views were sought from NEF regarding social enterprise support infrastructure and they drew attention to national and regional level initiatives such as the RDAs and Government funding and supporting social enterprise business support and performance improvement to varying degrees and regional agencies providing support for start up, growth, and performance improvement. In addition, there are national umbrella organisations each with their own regional and sub-regional support structures. The need to work with the web of support that currently exists is emphasised, including PI advisors being drawn from within social enterprise support provision.

Annex 2

Core and development work

This Annex details the core work that will be undertaken by the lead partners and by NACVS, followed by the work that will be commissioned by the hub following the procedure outlined in Annex 3.

All of the core work below will be branded as being the outputs of the hub rather than the individual delivery agency/ies.

CES will undertake:

- the role of accountable body for the hub including financial management and reporting, liaison with the funder, distribution of hub funding through subcontracting to agencies carrying out hub-funded work;
- the servicing and maintenance of governance structures including administration and servicing of Partners Group and Management Board meetings;
- training and ongoing support for performance improvement advisors:
- identifying and working with community of performance improvement advisors
- diagnostic toolkit and training
- training in diagnosis
- training in supporting groups
- training on outcomes assessment and quality
- reference manual
- telephone help line offering specialist/technical support
- ongoing mentoring
- exploration of an external 'kite mark' for PQASSO users assessed through peer review
- development of relationship with infrastructure networks involved in the hub
- capturing the learning of PI Consultants about the needs of PI advisors, and the effectiveness of hub services in addressing them.

NCVO will undertake:

- providing the gateway to information, advice and support on performance improvement for VCO sector including:
 - the website
 - a quarterly newsletter
 - an information and signposting help desk
 - the annual conference;
- advice and support on strategic planning including:
 - building a Foresight Network

- holding regional training events
- facilitating seminars
- publishing planning tools
- holding national conference;
- policy work and reports in relation to funders and regulators including monitoring external environment to identify relevant initiatives and relationships;
- development of relationship with other hubs;
- management of independent evaluation of the hub;
- capturing the learning from the website, help desk and conference about the needs of VCOs and second tier organisations, and the effectiveness of PI hub services in addressing them.

NACVS will undertake:

- awareness raising and communication links between the national PI hub and regional/sub regional consortia;
- support for PI advisors and networks via a good practice network.

The following work will be commissioned:

- the project to research diagnostic tools (commissioned to CVAR)
- a project developing contacts with second tier BME VCOs providing support with performance improvement to first tier VCOs (a recommendation from the consultation meeting with BME specialists);
- research examining the approach taken by specialist infrastructure organisations to supporting performance improvement (a recommendation from the national Strategy);
- research examining the approaches that national organisations take to supporting their local groups (a recommendation from the national Strategy);
- development of a bank of indicators for impact assessment (identified as a gap by NEF); and
- a publication examining how VCOs use benchmarking and related approaches to improve their performance with follow up seminars (CES and NCVO proposal).

Annex 3: Commissioning Arrangements

Context

The hub is committed to ensuring that services are based on best practice and expert knowledge of performance improvement that add value to the VCS' knowledge and understanding.

This business plan identifies specific work that should be commissioned and it is envisaged that, as the hub develops, further work will arise that will be designated as being appropriate for commissioning.

The hub will operate a process to ensure that commissioning is fair and transparent.

The independent Chair will oversee the commissioning process.

Commissioning principles

- For commissioned work, open tendering will be the norm except where it is clear that there is only one credible provider.
- No organisation with an interest in bidding for commissioned work may take part in the commissioning process.
- A decision on whether to implement the chosen provider¹² process will be taken by the Partners Group prior to any work following the commissioning process.
- Commissioned work will be open to any applicant and be publicised using appropriate mechanisms.
- The commissioning process will be undertaken by Partners Group members who have no interest in applying for the individual piece of work.
- Partners Group members will declare their potential interest at the initial stage of the commissioning process and will not take part in the process regardless of whether they ultimately submit a bid.
- The commissioning sub group will report to the Partners Group who will review the process undertaken.
- The Partners Group can direct that individual experts should be involved in the commissioning process if there are insufficient parties to form a selection panel (due to a number of Partners Group members having a potential interest in a piece of work).

¹² A preferred partner for delivery, when there is no obvious competitor

Chosen provider process

The independent Chair will notify the Partners Group that the chosen provider process is to be implemented. This may arise due to any of the partners suggesting this process to the chair.

The chair will ensure that if the chosen provider is a member of the Partners Group they are not involved in any discussions at any stages of the process

A selection panel of minimum of 3 people (including the lead member who will manage the work) will meet and agree the specification and administer the tendering process that will include inviting the chosen provider to make a bid and interviewing the chosen provider to confirm they meet the specification.

If the chosen provider does not meet the specification the work will be subject to the following commissioning process.

Commissioning process

Once work has been identified as falling under this policy (through direction from Partners Group or Management Board members) the following process will apply:

- the Partners Group will be notified of a commission item and given details of its scope. Any interested parties should declare their interest at this stage;
- a selection panel should be formed from appropriate partners group members. Those members should agree whether to include an outside expert in the process. This should always be the case when there is not sufficient expertise on the panel selected; and
- the Management Board member that is not intending to bid for the work will service the process. Where both members wish to submit a bid the servicing will be undertaken by a nominated Partners Group member and costs will be reimbursed.

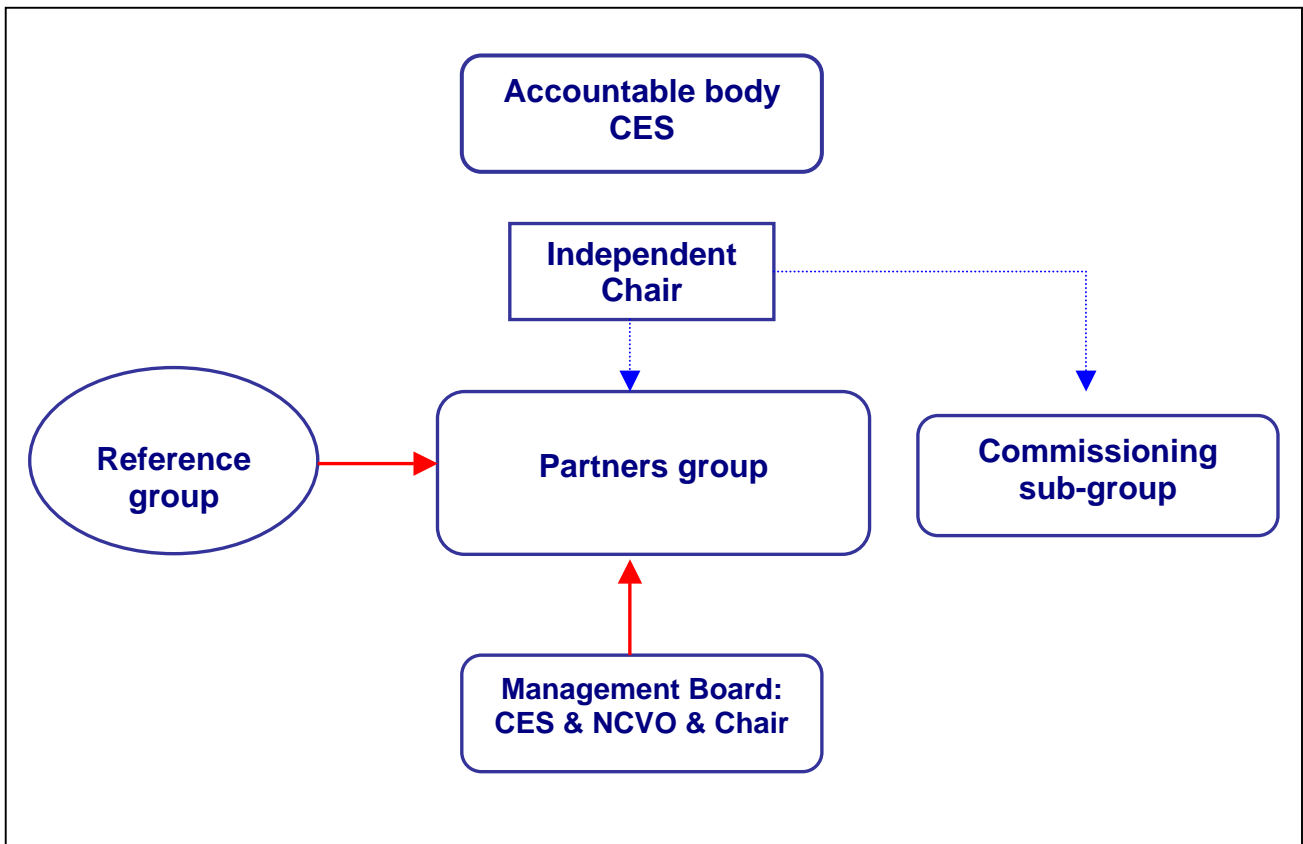
The selection panel will ensure:

- a timetable is set for the commissioning process;
- the specification follows hub house style;
- selection criteria is fair;
- appropriate advertising/circulation is achieved;
- shortlisting of tenders/applications is against agreed criteria;
- papers are stored with relevant Management Board member; and
- a report is submitted to the Management Board and Partners Group.

Once selected the work will be managed by the relevant Management Board member (to be agreed by Management Board).

The Partners Group is responsible for monitoring compliance with this policy.

Annex 4 Governance arrangements



The accountable body

CES is the accountable body for the hub. The responsibilities of the accountable body will be agreed with the Active Community Unit.

CES will be accountable for the finances of the hub and for reporting to the ACU. Given this responsibility, the CES board will need to have the authority to take any decision necessary to comply fully with its legal responsibilities as the accountable body, including signing off hub strategy and other planning documents, including budgets.

Independent Chair

Open recruitment will be used to appoint an independent Chair who will chair the Partners Group and Management Board. This will be a paid post with selection criteria agreed by the Partners Group.

The partners have agreed to appoint an interim chair during the development stage and move to open recruitment once the hub is established. Partners have identified an interim chair.

Terms of reference for the Chair are at page 53.

Partners Group

NCVO and CES are the lead partners of the hub. Together with the additional five organisations they comprise the partnership that steered hub development and devised this business plan:

- Black Training and Enterprise Group (BTEG).
- British Association of Settlements and Social Action Centres (BASSAC)
- National Association of Councils for Voluntary Service (NACVS)
- New Economics Foundation (NEF)

As the hub enters its operational stage any of the above members who choose to will form the Partners Group for the hub. The Partners Group will oversee strategy and be responsible for feeding into, approving and reviewing the hub's strategy and other planning documents.

Terms of Reference for the Partners Group are at page 54.

Management Board

The Management Board will comprise CES and NCVO. It will have responsibility for:

- developing strategy proposals for discussion and approval by the national strategy steering group;
- employing staff and delivering core hub functions;
- overseeing the day-to-day operation of the hub; and
- acquiring adequate resources for the hub.

The Management Board will comprise the independent Chair and senior manager (e.g. line manager or trustee) of each of the hub lead partners (CES and NCVO). Hub Coordinators from CES and NCVO will report to, and attend the meeting. The operation of the Management Board is addressed in the terms of reference at page 56.

Commissioning sub-group

The Management Board will devolve commissioning decisions to a sub-group. This group will comprise CES and NCVO (provided they do not have an interest in bidding for the work being considered) and other members of the Partners Group (who will also not have an interest in bidding). Membership of the sub-group will rotate depending on the work under consideration. A commissioning policy at Annex 3 details how this group will operate. The independent Chair will oversee the commissioning process.

Reference group

A reference group already exists and will continue to operate. This is an open group and it is intended that it will be consulted at least annually on the strategy in addition to receiving regular updates. This group will also be encouraged to provide feedback that will influence the operation of the hub and consultation will

be carried out through email, meetings and conferences. Membership of the reference group will be monitored to ensure that it reflects the intended diverse audience for the hub. Hub Co-coordinators will be responsible for promoting the reference group and seeking inclusion of identified groups e.g. community anchors and social enterprise organisations.

The Partners Group will conduct an annual review of the governance and management arrangements. The reviews will use independent facilitation and focus on whether any changes are needed to enhance the quality and scope of services and the smooth running of the hub. The first such review will be conducted before March 2006.

Lead partners

NCVO and CES are the lead partners in hub planning and delivery. Each of the partners has either unique expertise in promoting performance improvement tools or techniques in the VCS and/or can provide unrivalled access to potential service users. The formal relationship between the lead partners is expressed in a Memorandum of Understanding (Annex 5), which details the type of decisions that require agreement between lead partners, e.g. core concepts, content of plans, budgets including:

- marketing and promotion, e.g. how public statements will be agreed, how contact with media will be managed, how the website content will be agreed;
- future development of the hub, e.g. what happens when initial funding ends; and
- dispute resolution processes.

Staffing

CES, NCVO and NACVS will each employ staff to deliver hub services. CES and NCVO will each appoint a Coordinator to manage the work programme for their organisation and to work between the partners to ensure consistency and a strong partnership. The Coordinators will lead on delivery issues and will attend relevant meetings to report on progress.

PERFORMANCE IMPROVEMENT HUB

INDEPENDENT CHAIR

TERMS OF REFERENCE

Purpose:

The independent Chair will oversee the governance and management of the hub and ensure that the functions and mechanisms for the hub work effectively.

The chair will receive an annual salary of £10,000 for a time commitment of 2 days per month and will be accountable to the Partners Group.

Functions:

To chair Partners Group meetings

To attend management group meetings on request

To oversee the commissioning process including recommending when the chosen provider process should be actioned

To provide guidance and initial dispute resolution to lead partners

To act as a champion for the hub

Operation of role:

Recruitment

Recruitment will be overseen by the Partners Group and the position of chair will be subject to open recruitment against a specification agreed by the Partners Group

This post will attract payment which will be set by the Partners Group.

Performance management

The chair will be appointed on an annual basis and can be invited to continue for one further year by the Partners Group.

Performance will be reviewed via an annual 360° review to be facilitated by lead partners and reported to the partners group for decision.

If concern is expressed about the performance or conduct of the chair the Partners Group will consider and act appropriately on the matter. Discussions will be held at Partners Group meetings without the chair being present.

If performance is consistently poor the 360° review will be implemented before the annual date and discussed by the partners group and if removal is in the best interests of the hub and its service users one months notice will be given.

PERFORMANCE IMPROVEMENT HUB

PARTNERS GROUP

TERMS OF REFERENCE AND MEMBERSHIP

Purpose:

The Partners Group oversees the strategic direction of the hub and is responsible for feeding into, approving and reviewing strategy and planning documents.

Functions:

To approve the strategy and key documentation for the PI hub
To review and monitor progress on the strategic priorities and targets in the business plan
To approve the appointment of independent Chair and subgroup membership
To review and provide direction in relation to emerging issues arising from consultation and networking activities, e.g. reference group consultation, gaps identified through hub activities.
To monitor the effectiveness of collaborative working by the hub and input into further developments.
To oversee the annual review of governance and management arrangements using external facilitation.
To promote greater awareness and integration of core PI principles through communication with own membership and supporting hub staff in relationships with key stakeholders.
To act as ambassadors for the hub and its work
To consider annual reviews of hub's governance and management arrangements including review of Partners Group core competencies.

Method of operation:

Chairing of meetings: Independent Chair appointed by Partners Group
Current chair:

Frequency of meetings:
4 – 6 times per annum

Location of meetings:
To be agreed

Partners' costs:

A quarterly fee can be claimed for attendance at meetings (inclusive of any necessary preparation) at a daily rate of £400. This cost will not be claimable for non-attendance at meetings. Travel costs for those based outside London will be met but accommodation costs will not be covered. Agreed time spent contribution to marketing and promotion will also attract a daily rate of £400.

Standing agenda items:

Progress report from lead partners.
Progress reports from any commissioned work.
Consultation and networking feedback.
Governance and management review (annual).
Strategy performance review (annual).

Membership criteria:

The maximum size for membership is 12, minimum is 6.

The composition of the group will ensure diversity of skills, expertise and knowledge drawn from representatives from organisations:

- supporting second-tier organisations;
- providing direct support on performance improvement issues to frontline organisations at the national, regional and local level;
- with knowledge and expertise relating to particular underprovided-for segments of the VCS, for example, BME rural organisations and community groups; and
- with private and public sector experience of performance improvement

Members will receive reimbursement for time commitment at an agreed rate (see above). Members should ensure they attend each partners meeting or send an appropriate deputy.

An annual assessment of areas of expertise will be undertaken to help determine priorities for additional membership.

A maximum of 3 co-opted places will be available for funders or public body representatives. Co-opted members will not have decision-making powers.

Consideration of application to join membership

Organisations making an application to join the partners group should demonstrate that they meet the above membership criteria and bring expertise and experience that is not represented among current partners group membership.

Terminating membership

Members should ensure they attend each partners meeting or send an appropriate deputy. If a member fails to attend a minimum of 4 meetings per annum their membership of the Partners Group will lapse.
A member may be expelled from membership on a majority vote at a Partners Group, meeting provided this items is properly notified to partners by the Chair with at least 2 weeks' notice.

PERFORMANCE IMPROVEMENT HUB

MANAGEMENT BOARD

TERMS OF REFERENCE AND MEMBERSHIP

Purpose:

To co-ordinate the management and operational development of the hub.

Functions:

develop strategy proposals for discussion and approval by the Partners Group overseeing the day-to-day operation of the hub;
acquire adequate resources for the hub;
subject to approval by accountable body, authorise variations to the budget;
and
oversee the commissioning process.

Method of operation:

Chairing of meetings: Independent Chair. If the independent Chair is absent, one of the line manager representatives will chair (alternating chairing of meetings where possible).

Frequency of meetings: monthly.

Location of meetings: alternate premises.

Standing agenda items:

Stakeholder engagement and development opportunities.
Communication and marketing.
Work reports.

Membership:

Independent Chair.
One representative from CES and NCVO (line manager or equivalent, e.g. trustee of Coordinator).
CES and NCVO Coordinators to attend.
Each partner to bring one additional individual to the meeting if required e.g. trustee or staff member.

Annex 5

A Memorandum of Understanding between CES and NCVO covering joint management issues

Context

CES is the accountable body for the hub. NCVO and CES are the lead partners in hub planning and delivery. Each of the partners has either unique expertise in promoting performance improvement tools or techniques in the VCS and/or can provide unrivalled access to potential service users. The formal relationship between the lead partners is expressed in this memorandum of understanding, which details:

1. The nature of decisions that require agreement from lead partners.
2. The terms of reference for the Management Board.
3. Dispute resolution.

1. The nature of decisions that require agreement from lead partners

AREA	RESPONSIBILTIES	MECHANISM
Accountable body	TBA with ACU	CES, through its Board of Trustees, has authority to take decisions on any matter necessary to fully discharge its legal responsibilities as the accountable body. It must always exercise this power reasonably and at all times respecting the expertise and competence of its partners in the hub.
Strategic direction of the hub	The Partners Group oversees strategy. The lead partners develop strategy proposals for discussion and approval by the Partners Group including: - new developments - strategy when initial funding ends.	Management Board (see 7.1)

<p>Profile of the hub</p>	<p>The Partners Group will monitor communication and consultation. The lead partners will each undertake communication with key stakeholder groups and promote the hub. Agreement between the two lead partners will be made in relation to how public statements will be agreed, how contact with media will be managed.</p>	<p>Management Board (see 7.1) Communications strategy</p>
<p>Budget variations and viring</p>	<p>Variations exceeding £5,000 to budget lines, and the viring of funds exceeding £5,000 between budget lines and/or between budget years need to be agreed by the Management Board and ratified by the accountable body.</p>	<p>Management Board subject to approval by the accountable body</p>
<p>Branding and marketing of the hub</p>	<p>The lead partners will agree a branding policy and ensure consistent marketing of the hub.</p>	<p>Management Board. Coordinators to agree protocol that defines key terminology, house styles and processes for signing off promotion and information content.</p>
<p>'Ownership' of contacts data and information sharing</p>	<p>Subject to complying with data protection law, all contacts data generated through the hubs activities will be jointly owned and shared by the two lead partners.</p> <p>All feedback, complaints, and requests from individuals and organisations wishing to participate in the governance and management of the hub made to either lead partner are to be shared promptly with the other lead partner.</p>	<p>It will be the responsibility of the relevant managers in CES and NCVO to ensure this happens.</p>

Ownership of intellectual property	Intellectual property remains with the generating agency unless an explicit written agreement is made for joint copyright.	
Funding of the hub	The Management Board will oversee the funding strategy for the hub. The lead partners will be responsible for agreeing and implementing a joint fundraising strategy including income generation and addressing future development of hub when funding ends. Grant funding bids to be joint bids agreed by the lead partners.	Management Board Funding strategy
Hub activities	Each lead partner will undertake their own work programme in relation to hub activities. Each lead partner will be involved in the commissioning process and lead on managing appropriate work.	Management Board to agree relative responsibilities in commissioning process Coordinators to establish regular liaison and monitoring to ensure work programmes are complementary and consistent.

2. The terms of reference for the Management Board (see page 56)

The Management Board comprises the independent Chair, and one senior manager or equivalent member from CES and NCVO. It is the main formal reference for the working relationship between lead partners.

3. Dispute resolution

The independent Chair will provide informal dispute resolution and offer guidance in any area where lead partners cannot reach agreement. If disputes arise either within or outside the Management Board lead partners should follow the process outlined below:

Stage 1

Senior managers from lead partners should meet, each bringing one additional representative (e.g. staff member or trustee) to analyse issue and try and reach solution. If that does not resolve the issue, move to Stage 2.

Stage 2

Lead members should meet with Chief Executives or Chairs of each organisation. If that does not resolve the issue, move to Stage 3.

Stage 3

External dispute resolution will be purchased through a recognised member of CEDR.

Annex 6

Glossary and acronyms

ACU = Active Community Unit

BASSAC = British Association of Social Action Centres

Benchmarking = Learning from others in order to improve performance

BME = Black Minority Ethnic

BTEG = Black Training and Enterprise Group

CES = Charities Evaluation Services

ChangeUp = A joint Government and voluntary and community sector vision for how capacity building support and infrastructure for the VCS should develop in the next ten years.

Community anchor = Community centres and other larger community-based organisations that act as local development agencies

CVAR = Centre for Voluntary Action Research at Aston Business School

CVS = Council(s) for Voluntary Service

Frontline organisations = organisations delivering services to the public

GOR = Government Office for English Regions

Hub = National hub bringing together expertise

ICT = Information and Communication Technology

Infrastructure ('second tier', intermediary, umbrella) organisation = organisations that support frontline organisations. They are generic (supporting all frontline organisations within a particular geographic area) or specialist (supporting a particular subsector of the voluntary or community sector)

LDA = Local Development Agency

NCVO = National Council for Voluntary Organisations

NEF = New Economics Foundation

Outcomes = all the changes and effects that happen as a result of service delivery

Passporting = the achievement of one quality standard being recognised as being sufficient to meet another standard.

Performance Improvement (PI) = an improvement in performance, or the process of improving performance

PQASSO = Practical Quality Assessment System for Small Organisations

PI Advisors = development workers working in LDAs and other second tier agencies providing face-to-face advice on performance improvement

PI Consultants = a new team of three to be set up at CES to provide training and ongoing support to PI Advisors

Quality = 'excellence' and working on seeking excellence both in the services an organisation offers and the way it operates i.e. doing the right things, in the right way and continuously learning and improving

RCC = Rural Community Council

Social enterprises = organisations that achieve social or environmental aims primarily by trading

Strategy on Performance Improvement = one of four strategies commissioned by the Home Office Active Community Unit to inform the development of *Changeup*

Strategic planning = determining where an organisation is going, how it is going to get there and how it will know if got there or not

VCO = Voluntary or Community Organisation

VCS = Voluntary and Community Sector