



**Pathways for Change**  
**Report from the BAPS Consultation**  
**March 2004**



## **Introduction: The Background to Belfast Area Partnerships**

In 1995 the Making Belfast Work Strategy was launched and saw the establishment of five area Partnerships across Belfast; North, South, East, West and Greater Shankill. The establishment of these Partnerships was seen as a key mechanism for tackling Belfast's economic, social and environmental problems.

The Partnerships coordinate the commitment of all those central to the regeneration of Belfast from the business, community, political and statutory sectors including, among others, key agencies such as Belfast Regeneration Office, Belfast City Council and the Health and Social Services Trusts.

Belfast Area Partnerships (BAPs) is the coming together of the five area Partnerships to facilitate a city wide approach to regeneration and to enable more effective strategic liaison with other agencies operating in the city.

During 2002 BAPs made a successful application through the Building Sustainable Prosperity Measure 3.3. This provided BAPs with the chance to establish a programme of development over a two year period. One of the aims of this is to organise a number of events which will offer communities the opportunity to engage in the Sustainability Debate.

## **Pathways for Change**

With this in mind, BAPs felt that following the release of the Pathways for Change document on resourcing the community and voluntary sector, and the consultation sessions which have been held across the five Partnership Board areas – North, South, East, West and Greater Shankill it would be beneficial to produce a citywide agreed response which would highlight common issues, concerns and themes from across the Partnership areas. It was agreed that such a response would add value to the process of shaping Pathways to Change in a way that would sustain the community sector in these areas and act as a catalyst for the future lobbying of the Voluntary and Community Unit and other government departments.

South Belfast Partnership, acting on behalf of the Belfast Area Partnerships, held a facilitated meeting on Tuesday 23<sup>rd</sup> March 2004 at Grosvenor House, which pulled together community representatives from each of the five Partnership areas to discuss common citywide issues raised in response to the Pathways for Change document. It is as a result of this session that this citywide response document has been developed and submitted to the relevant authority. The following issues were discussed and agreed as city-wide concerns. The issues are organised under the headings of Pathways for Change though not as direct responses to the questions set in the document.

## **Funding**

Levels of funding and procedures for funding community and voluntary organisations were issues of key concern for all the BAPs organisations. It was recognised that there are many other, important calls on public funds and that European funds will continue to decline, particularly given the fiscal pressures of EU enlargement. And, while community and voluntary organisations will continue to explore alternative sources for new income, the obligation on the statutory sector will remain. This entails being clear about the value contributed by community-based organisations and establishing transparent criteria for funding. In particular, the consultation exercise raised the following issues:

### **■ How can we move to long-term funding strategies?**

There is now a general consensus that the deeply-rooted problems addressed by community-based organisations are not amenable to short term solutions. Accordingly, there is a need to emphasise the possibility of long-term funding for organisations that are demonstrating measurable impact. Funding should be strategic (focused on the solution of deep, structural problems) with the option of extension to achieve further progress. The perspective should be for five to ten year funding regimes with a view to shifting the development trajectories of the most disadvantaged groups and communities;

■ **How can funding criteria be made more transparent?**

Participants in the consultation complained that funding procedures and priorities remained opaque to many groups on the ground. There was still a concern that funding decisions could be ‘political’ rather than evidence driven. There was a consensus that funding decisions should be fully transparent and should be based on clear evidence of need and equally clear evidence of the opportunity to address particular problems. Too much funding is driven by the needs of programmes rather than communities – there is a need for customised packages of funding, tailored to the needs of actual communities with the full participation of beneficiaries in their operation.

■ **Can funding decisions be made on the basis of dialogue?**

Participants remained fearful that the entire exercise was essentially top-down, driven by statutory actors, academics and the big players in the voluntary sector. Funding would remain a competitive process where the criteria and targets for funding are decided in advance. The most effective funding would be made on the basis of dialogue with local organisations to determine the nature of the need, the possibilities for intervention and the actual deliverables for each unit of funding.

■ **Can the funding process be made less bureaucratic?**

Individuals complained that funding regimes were unnecessarily complicated and bureaucratic. The more complicated the application procedures, the less the chance of smaller organisations benefiting from the funding programme.

■ **Can anything else happen without core funding?**

There was unanimity that without core funding, it would be impossible to raise the effectiveness of community and voluntary organisations. The current regime of short-term, project funding allowed no scope for organisational development and, thus for effective delivery of service. The argument that core costs should be disaggregated and included as overheads in projects applications is unrealistic. Unless all applicants did so, low cost applications would out-compete those who added overheads. If all applicants did include overheads, this would be no different from core funding.

## **Accountability**

Accountability is a term with multiple applications. However, within Pathways for Change the term is used with some precision: ‘organisations in receipt of public funds must be accountable, guided by Government Accounting rules and meet standards of financial viability and transparency proportionate to their circumstances.’(p.15). Thus, community organisations should be accountable in the same sense that statutory agencies are accountability for public monies. However, community organisations are not statutory organisations and do not have their accounting resources – notwithstanding the many scandals of public sector finance. Accordingly, the consultation exercise posed the following questions:

### **■ Accountability to Whom?**

The first call on the accountability of community-based organisations should be their constituent communities. To be fully accountable to these constituencies, local organisations should be flexible and adaptable – rigid accounting rules could damage that relationship.

### **■ Appropriate Risk Management?**

Pathways for Change uses the phrase ‘proportionate to their circumstances’, but how will this be translated into practice? Managing risk means exactly that – deciding where risk is greatest and taking steps to minimise it. Surely, financial risk is proportionate to the scale of the funding. Yet, many small groups find themselves subject to the same level of inspection and vouching as large voluntary organisations. Risk management itself should be subject to cost-benefits analysis to ensure that the scale of financial monitoring is proportionate to the level of funding.

### **■ Investment in Human Resources?**

Finally, if community-based organisations are to be subject to rigorous financial accounting, there should be substantial investment in training and support to create the capabilities for managing such procedures. Organisations have the primary duty to deliver welfare outcomes not struggle with endless accountability requirements.

## **Relationships**

By far, the section in the report which generated most debate was the section on relations with government. Many organisations felt that Partners for Change had sat on the shelf without being fully implemented. Some organisations had never heard of the Joint Forum, supposedly acting on their behalf. This part of the consultation six key questions.

### **■ Is there evidence that Government is prepared to look critically at its own role & performance?**

Many felt that the sector was subject to endless review and criticism but that government itself should be reflexive and self critical. From the Efficiency Scrutiny Review to the Harbison Report, there was considerable evidence that statutory agencies were unclear about why they should support community and voluntary activity and that diverse forms and procedures for support were employed. Part of a review document like Pathways, should have been a critical look at the performance of government in its relationship with the community and voluntary sector. There is little evidence in the document of any self criticism by government.

### **■ What is the relationship between Pathways for Change and other Programmes & Initiatives?**

Pathways for Change is not a new script, written on blank paper. It emerges from a particular history of government interventions and is located alongside many new initiatives. How does it relate to the equality agenda or TSN. Most importantly, it is being launched alongside another initiative of considerable importance for communities – the new strategy for neighbourhood renewal. How does Pathways link to other initiatives already taking place in the community? Is there not an imperative for joined up government with such closely aligned programmes?

### **■ Does Government have an adequate understanding of Community Development?**

There was some concern that Pathways did not reflect an adequate understanding of the current level of development of the sector and its current contribution to community life. The emphasis seems to be on how to proceed in an environment of

reduced funding rather than asking what community organisations are really contributing to their communities. In particular, are they making a contribution to local governance by enabling local people to have a say in the things that most affect their lives? Is government aware of the innovation and best practice that has been developed across Northern Ireland and how can these be animated in new programmes?

■ **Can Change be driven entirely from the top?**

Moreover, while it's clear that Northern Ireland needs to change, there is little evidence that government has all the answers. Accordingly, change should be driven from the bottom as well as the top. Pathways still smacks of a top-driven strategy constructed by a relatively small number of actors rather than collective thinking. It remains too constrained to deliver real change within the sector.

■ **Will Transition be adequately resourced?**

A crucial issue of changing the relationship between government and the voluntary and community sector is whether sufficient resources will be made available to effect the transition. The tone of the document is about reducing overall expenditure, yet it may be possible to achieve real productivity gains within the community and voluntary sector with a limited addition of resources targeted at human resource development, organisational management and strategic planning.

## **Infrastructure**

The consultation saw complete agreement in the idea that infrastructure should be considered in terms of supporting functions rather than supporting structures. Support structures too often switch resources to self support rather than developing capabilities within the sector. The discussion on infrastructure generated the following issues

■ **Critical questioning of Partnerships**

Were there too many partnerships to the point where communities were unclear about their functions and responsibilities? Were partnerships fully representative of all in communities or were the more 'acceptable' faces selected to sit on boards? Were partnerships properly conceived? For example, area partnerships in Belfast are

frequently perceived as umbrella organisations for community groups rather than the multi-sector organisations they were set up to be. Do unequal powers exist within partnership boards with those providing financial resources believing that they should have priority in decision making?

#### ■ **Support Structures**

Support structures should be defined functionally, i.e. in terms of the actual services they can deliver to local organisations. There is scope for rationalising such provision so long as support structures do not act as gatekeepers on services, resources and information.

#### ■ **Advocacy – Campaigning**

Participants in the consultation wished to make clear that without an advocacy/campaigning role, community and voluntary organisations would be much diminished. However, the resourcing of the sector is organised, it must allow for local organisations to disagree with, and campaign against, government

#### ■ **The Importance of Localism - diversity**

A crucial strength of community and voluntary organisations is their diversity – many different organisations meeting many different local needs. It is difficult to put a single template on how they should be supported. We should accept that diversity is an asset that needs to flourish.

## **Social Investment<sup>1</sup>**

The Belfast consultation exercise looked closely at the idea of social investment, and while the groups involved in the consultation gave the concept qualified support, there was a strong feeling that it was insufficiently explained within the document. On this key issue, conceptual and operational clarity are paramount. Social investment is likely to be the template through which statutory organisations will fund community and voluntary groups. Given the diversity of statutory agencies and their very different missions, there is the possibility of considerable variation in the implementation of the social investment approach. Since this would raise substantial equity questions, there is an imperative to be clear about what social investment means and how it should be implemented.

If statutory agencies are to adopt a social investment approach, how would this differ from existing procedures and mechanisms for supporting voluntary and community organisations? During the consultation, there was universal agreement that this must be different from contracting and commissioning.

Almost 60 years after the inception of the welfare state in Britain, there is almost universal agreement that its delivery model (specialist services delivered by ‘neutral’ public sector professionals) is no longer appropriate. Initially, the arguments (first raised by the Conservatives in the 1970s and 1980s) were about costs rising faster than either inflation or economic growth, thus increasing the size of the public sector relative to the economy generally. It was assumed that this would crowd out the private sector and stifle enterprise and economic growth. Although such arguments were based on faulty data and shaky theory, the debate about the public sector was about its need to become a purchaser rather than provider of services, an enabler rather than direct intervener. That debate has been resurrected in terms of whether the substantial new amounts of new public spending initiated by Gordon Brown are sustainable and whether it will have the desired impact. There are worries about the level of borrowing required and whether it will lead to measurable increases in the volume and quality of services. For example, the Wanless Report (2002) suggested

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<sup>1</sup> We are grateful to the West Belfast Economic Forum, which helped prepare the response to the social investment proposal.

that under current trends, an unreformed NHS will require an extra £30 billion by 2020.

Among those to whom public services are being increasingly contracted out are community and voluntary organisations. The rationale for choosing such organisations has been essentially low cost. A combination of relatively low wages and the ability to tap into the services of volunteers, gives community and voluntary organisations a comparative cost advantage in bidding for certain kinds of public contracts. In addition, these organisations frequently operate in conditions of market failure – circumstances where it is inappropriate for the private sector to deliver services – and are thus ‘the only game in town’. Indeed, the growth of spending on community and voluntary organisations has been largely driven by the state using them for the delivery of low level services – from ACE, through the provision of social care, to New Deal. This creates a certain irony for those concerned that there is too much state support for community and voluntary organisations.

It is vital that a social investment approach is significantly differentiated from contracting and commissioning. It should be said here that the latter is fully capable of being outcome focused and being long, rather than short, term – many defence contracts take years to deliver. Simply refocusing funding arrangements on longer-term outcomes reconfigures contracting out but does not fundamentally change its nature. An exclusively contracting out strategy, in any form, compromises the integrity of community and voluntary organisations, undermines their autonomy and ultimately treats them as the new ‘water carriers’ of public policy.

Social investment should be based on a different understanding of the relationship between the state and community and voluntary organisations. Different from the arguments of neo-liberal economics, there are alternative reasons for suggesting that everything cannot be done by the state. Quite simply, the state does not always get it right, it may operate with flawed knowledge, it might be insensitive in its working and it might have the wrong priorities. The experiment in neo-liberal economics in the 1980s produced the second worst recession in the history of the British economy. Accordingly, there is a need for dialogue and a genuinely collaborative approach to problem solving. Crucial to this is the full involvement of those experiencing social

problems in the design and delivery of programmes aimed at tackling them. And, that dialogue should be about overall priorities rather than merely the best means of implementing a particular programme – neighbourhood renewal, New TSN, the equality agenda, economic development etc. Since all these need to be integrated to have optimum impact, a dialogue about social investment should look at its relationship to all kinds of programmes. In this respect, there have been arguments that 21<sup>st</sup> Century knowledge essentially involves a synthesis between professional and local knowledge and 21<sup>st</sup> Century governance requires a new localism that fully involves people in new forms of active citizenship.

The idea of open dialogue with community and voluntary organisations as full partners is even more important in Northern Ireland, struggling to make its transition from 30 years of political conflict. Northern Ireland has been a contested state. Not only is there a dispute about whether the state gets it right all the time, there are also concerns that the state has acted in the interests of specific interests to create patterns of inequality yet to be fully addressed. This is not to deny that considerable progress has been made, but neither is the process fully complete. Accordingly, government has not only to be open to dialogue and fully transparent, but it has to be self critical in recognising that many problems were created by government in the first place.

How would this perspective inform the idea of social investment? In the first place, investment should be about adding to the stock of community assets with the long-term goal of sustainable communities. For communities, sustainability is about being connected to employment opportunity, about living in a safe, clean environment and about having access to services of sufficient quality to meet their needs. Community-based organisations cannot do everything in that respect, but they have a vital role. This might be summarised as:

- Providing a better understanding of local problems;
- Mobilising and empowering local people in helping to address the problems they face;
- Reaching out to groups who distrust state agencies;
- Tackling needs that fall through the gaps of state provision;
- Campaigning on issues vital to the community;

- Representing communities as a complement to the work of elected politicians;
- Participating in networks and partnerships to link local people to a broader institutional environment.

The challenge is to find the mechanisms that will enable such organisations to fulfil these multiple functions thus complementing forms of mainstream intervention. The long-term goal is sustainable communities (not the preservation of actual organisations) through a new localism that would progressively decentralise decision-making to levels to where it maximises participation and has real effect. This is the central message of the latest report from the Social Exclusion Unit and is even more pertinent in the divided, contested society of Northern Ireland. A serious approach to social investment could have a distinctive effect on this form of development.

What should be the targets of social investment?

- First, there should be investment in community capability – the combination of skills, expertise, leadership and organisational capacity, and values that make up an active rather than a dependent community. It is difficult to see how a system of project funding could enhance this necessary capability – social investment should thus look seriously at the whole issue of core funding, i.e. an investment in organisational development;
- Second, there should be investment in community and voluntary organisations' delivery of welfare. Monitoring should be rigorous, evaluation should focus on outcomes, but accounting procedures should be based on rigorous systems for managing financial risk that are able to differentiate between different degrees of risk;
- Next, the success of the social investment approach should be judged on measurable improvement in a community's social assets – indicators of improved quality of life, greater self confidence, enhanced social capital and the ability to make links with other communities and providers.
- Finally, social investment should be under-pinned by a clear value statement, at the heart of which would be a commitment to continuous empowerment of, and engagement with, actual communities. The function of community organisations is to develop them, not just to service their needs.

The BAPS consultation recognised that this is a radical interpretation of social investment that cannot be realised overnight. However, it is crucial that Pathways for Change represents the start, rather than the finish, of a dialogue between government and community and that social investment is seen as an evolving approach, hopefully leading to a new form of local governance.

The BAPs' consultation endorsed the consultation document as an important first step, but suggests that the pathway should continue towards a new form of development and a continuous, friendly, but critical, engagement between people and those who currently wield power.