Access + ICRF providers roundtable

On 15th September, I met with representatives from 6 organisations who had acted as ‘approved providers’ on the ICRF programme: Eastside Primetimers, PWC, Social Finance, Resonance, ClearlySo and Numbers4Good.

The purpose of the roundtable was to get a ‘provider’s perspective’ on ICRF, discuss current challenges and opportunities for the social investment ‘scene’, and explore how they felt Access’ capacity building programme could achieve the greatest impact.

ICRF

There was a consensus that the strengths of ICRF greatly outweighed the weaknesses, and that it was most constructively viewed as a programme set up to test a new way of working, and 'iron out the bugs'.

"It was an extraordinarily positive development for the market – it allowed a set of organisations to go through a really constructive, supported process to develop their business models"

The structure of the funding – joint applications followed by grants given to organisations, who then paid provider invoices directly - was felt to be a positive shift away from paying providers directly. For both parties, it set the right tone - that of a transaction in which the costs were more visible, and hence the process was more highly valued by the recipient organisations, created a collaborative relationship between VCSE/provider and kept providers more 'on their toes'. This was also a shift away from awarding capacity building grants directly to the front line that then just get absorbed into day to day running costs.

The group were open about the fact that ICRF was key to growing their practice, and built greater understanding of the value of - and demand for - their services amongst social organisations. They reported instances of repeat business, and some clients engaging them absent of any grant funding: although the prospect of a fully functioning market without subsidy “still feels a long way off”. This is especially so for small/medium organisations who have less wherewithal to pay and are typically the target audience for funded capacity building. The group also highlighted the value of the ICRF work they took on in allowing them to hone and refine their practice to become 'slicker and smarter', increasing innovation, efficiency and reducing their costs.

"It brought providers of all varieties into a highly networked social sector"

There was a clear acknowledgement of the presentational delicacy for the sector, in that public money has supported the development of consultancies, often for-profit companies. However, putting this perception up against the quantifiable impact of their work for their clients, the group were comfortable in making the case that the success of their practices is a necessary development for a more resilient social sector which is increasingly seeking to take on support to adapt and address the challenge of becoming more sustainable and resilient.

Another positive aspect of ICRF for the group was giving them a market development role. ICRF incentivised providers to bring organisations into the programme and positioned them as ambassadors promoting the initiative. There are costs from doing this – sometimes referred to as “origination” costs – and therefore the economics need to be judged to make it worthwhile for providers to participate. ICRF worked because the grants were of a large enough scale to cover these costs.
The aspects of ICRF which worked less well are instructive for the design of any similar future programmes. Firstly, the absence of a triage process imposed a variety of unanticipated costs: providers fielding dozens of time-consuming calls from unsuitable organisations, who in turn were wasting their own time; organisations 'gaming the process', making the right noises, but not committing the necessary time and resources (despite having been allocated up to 25% of the grant funding to release staff time). In some cases, providers felt that organisations awarded grants could and should have paid for the service themselves: generally speaking, larger organisations with well-developed fundraising operations, responding to an opportunity for 'extra money'.

One of the group has, partly in response to this experience, developed its own diagnostic process for prospective clients, and there was agreement that getting this aspect right was crucial for future programmes (and Big Potential, despite good intentions on all sides, has fallen down on this aspect). The imperfections of the approval panel process, managed by SIB, hinged on a lack of consistency. While supportive of SIB's efforts - "SIB did a great job – it's bloody hard to be the gatekeeper" - the variation of the members of the panel made it hard to know whether proposals would be approved. There was agreement that whilst the variability of the approvals panel was sometimes frustrating, their flexible, principles based approach was definitely preferable to a rigid rules bound one.

Also, the fact that the panel initially sat every 2 weeks was a big positive, as it avoided rushing proposals through: similarly, the generic programme was greatly preferred to the thematic calls, as it allowed organisations and providers to work together as and when it made most sense to them, rather than in response to a time-bound opportunity.

"Find a gentle, consistent rhythm and stick to it."

It was also suggested that the practical accountability provided by the approval panel was limited – e.g. in some cases the activities the panel were likely to approve differed from what the provider felt was actually needed for success. In the absence of any 'delivery audit', what ended up on the documentation did not always reflect the work actually undertaken. An example given here was working with a Founder-CEO to reflect on whether they are a key barrier to growth and sustainability (and if so, helping them to find a suitable successor).

To paraphrase the general position: ‘Either trust our judgement, or put in the resources needed to have full accountability’. A practical balance could also be an 80/20 approach – run 80% of projects with a light-touch, trust-based process, and focus resources on the 20% which would most benefit from more scrutiny. This would reflect the relatively consistent set of issues which are likely to need attention in most cases. While each organisation presented its own set of challenges, there was agreement that providers were predominantly working on “frailties in the fundamentals” such as governance, ready access to financial information, and quality of data in general. Broadly speaking, those organisations which managed to improve these aspects are now on a more steady, sustainable footing.
Looking ahead

“This market needs to be competitive, but if it is going to be sustainable and not reliant on grant funding, we need to be innovative in delivery. Collaboration is key – but this will only happen where the relationships are there. We need to work together to build trust.”

The key opportunity identified by the group was to design any future ‘ICRF-like’ programme in a collaborative, iterative way. Inviting providers – as well as social organisations and investors - in at an early stage to develop the shape and structure of the programme, would be most likely to result in a well-tempered process. Building an expectation of iteration, with periodic ‘review and refine’ points, would allow for the programme to fix bugs, but also respond to new opportunities as they arise and could also help with one of the great challenges with building capacity which is how to adapt programmes to inevitable changes in the operating landscape and needs faced by VCS organisations over a long period.

NESTA’s Open Data Challenge series was cited as an example from which we might learn: the supportive, interactive nature of their ‘challenge weekends’ meaning that even those who didn’t win went away having got something of value from the process. Teasing out how to apply the best aspects of other ‘adjacent’ programmes such as this, and reflect what was learned through ICRF, will require a flexible, open and collaborative approach.