

# DEMOS

## final report

### **Inside out**

Rethinking inclusive  
communities

A Demos report  
supported by Barrow Cadbury Trust

February 2003





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Typeset by Politico's Design, [design@politicos.co.uk](mailto:design@politicos.co.uk)

For further information and subscription details please contact:

Demos

The Mezzanine

Elizabeth House

39 York Road

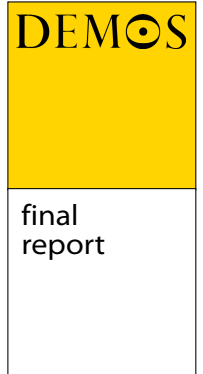
London SE1 7NQ

telephone: 020 7401 5330

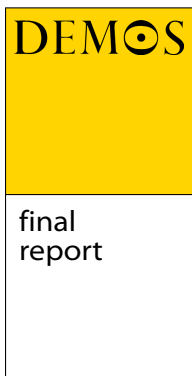
email: [mail@demos.co.uk](mailto:mail@demos.co.uk)

web: [www.demos.co.uk](http://www.demos.co.uk)

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# Foreword

Barrow Cadbury Trust has a reputation for funding cutting-edge projects on social inclusion that make a real difference in their local communities. The trust has an ethos of working in partnership with funded projects to promote their contribution and speed up the pace of social change. We are now seeking to engage other partners to get better leverage for the practical work of our projects and enable them to achieve impact with a range of audiences. We thought it fitting to join forces on this report with Demos, a think tank that places an emphasis on ideas that grow out of practice.

Through this project, the trust aims to highlight the enormous potential of community-based organisations to provide local leadership, reach people who are often marginalised and champion change. The report also reveals the challenge facing government, charitable founda-

tions and voluntary-sector organisations to learn from one another in order truly to advance inclusion and build capacity in our local communities.

Our thanks are due to our partner projects – WAITS in Edgbaston, Birmingham, TELCO in East London and the St James Advice Centre in Aston, Birmingham – for their participation in the fieldwork, and to all our funded projects in this field for responding to the questionnaire survey.

Finally, we would like to thank Jeremy Crook (Black Training and Enterprise Group), Carole Harte (Birmingham Women's Advice & Information Centre), Neil Jameson (Citizens Organising Foundation) and Marcia Lewinson (WAITS) for their contribution to the project.

**Sukhvinder Stubbs**

Director, Barrow Cadbury Trust

# Executive summary



This report was undertaken for the Barrow Cadbury Trust to help review the context in which it undertakes its grant-making programme. The report focuses on the challenge of building inclusive communities, and addresses both the public policy and the organisational challenges of investing in community capacity to encourage inclusion in diverse communities across the UK.

The research has involved a review of national policies relevant to social inclusion and community development. In addition, there has been qualitative fieldwork with organisations that have been funded by the Barrow Cadbury Trust (BCT) to ascertain their experiences of working with local communities, with government and the public sector and with other voluntary and community-based organisations (CBOs).

## Rethinking inclusive communities

The role of communities in tackling social exclusion is high on the political agenda of Western governments, international institutions, civil society organisations and grant-making bodies. The challenge of developing 'community capacity' is one that has long applied to governments of all political persuasions, and the discourse of 'community' is an important strand both in current public debate and in the UK government's social policy agenda. It is particularly prominent in the National Neighbourhood Renewal Strategy, but is also obvious in a host of other policies – from education and health reform to local government, and in initiatives such as local strategic partnerships.

The government's current approach to this issue involves several strands of policy and many different types of investment and intervention. Alongside income redistribution through the tax and benefits system, several major programmes are designed overtly to tackle the problems of

multiple deprivation, or social exclusion, in disadvantaged neighbourhoods. Reducing exclusion and improving outcomes for those who are worst off is also an explicit objective in several mainstream areas, including health, education and employment policy.

In several of these areas, 'building community capacity' is a priority, either implicitly or explicitly, and government has introduced a number of smaller funds and programmes to boost the capacity of locally based community organisations.

However, relatively little is known about the complex processes by which policies based on inclusive values such as participation and partnership achieve in practice the full engagement of local communities and the diverse groups and individuals within them. The experience of BCT-funded community projects is instructive in helping us to understand these processes better. Using in-depth case studies and qualitative survey findings, this report assesses the role played by independent grassroots-based organisations in facilitating capacity-building and leadership in the communities they serve.

## The goals of inclusion

Demos identified three key dimensions of 'inclusion' relevant to the work of community-based organisations.

The first of these is **access to social goods**. This involves ensuring that all individuals and groups, including those in the most marginalised communities, have equal access to collective goods that represent the citizen's basic social entitlement, such as welfare, housing, legal advice, social services, public transport, training and employment. Many BCT projects provide services and support to hard-to-reach groups,

therefore identifying and filling service gaps where statutory agencies struggle to achieve effective impact.

The second dimension is **empowerment**. Many BCT projects aim to transform relationships of dependency into individual and collective capabilities for autonomous action. These CBOs go beyond service provision by developing leadership skills in individuals and within groups, thus building the capacities required to demand real change in the balance of power between citizens, government and employers.

The third dimension is **institutional trust**. The findings of this research suggest that the current government's emphasis on participation and user engagement has not yet achieved the conditions for effective institutional collaboration to solve common problems. In the experience of many CBOs, the new local governance arrangements – built primarily around multi-agency partnerships – do not give central place to the real experiences and concerns of communities. The survey and interviews found that BCT project leaders are often dissatisfied with formal structures for participation at local or regional level, such as local strategic partnerships, domestic violence forums and consultation processes, finding them time-consuming and often unresponsive. The general culture and level of professional jargon surrounding these formal structures can make them inaccessible to the socially excluded individuals and groups served by BCT community projects.

### Capacity-building for inclusion

These three goals – access to social goods, empowerment, and institutional trust – can best be achieved by taking a 'capacity-building' approach to developing communities. This concept has gathered growing recognition from policy-makers, grant-making bodies and international development agencies in recent years. It rests on the principle that investing in the human and social capital of marginalised individuals and groups enables them to develop the capacities needed to thrive, and to play an autonomous role in developing and renewing their communities. The case-study projects achieved this through:

- acting collectively to demand change from others, such as local officials or employers

- generating change internally to strengthen social cohesion and empower marginalised sub-groups, such as women or youth.

This approach contributes a valuable perspective to the mainstream public services reform agenda, which has tended to frame citizens as consumers of services, albeit from an increasingly diverse and responsive state. The capacity-building work of CBOs offers important lessons for the government in its plans to enlarge the role of the voluntary sector in service delivery and to develop its thinking on building public value through user engagement and 'co-production'.

However, it also suggests that, for sustainable social inclusion to be achieved, a layer of independent civil society organisation must be nurtured and supported to generate trust and mutual understanding between different social groups across particular local communities. Government cannot achieve this directly, and very often large public-sector providers have difficulty in developing ongoing, responsive and high-trust relationships with citizens, particularly among some client groups.

In light of this, Demos identified three key conditions that need to be fostered if CBOs are to carry out successful capacity-building work:

**Longevity** – the importance of staying power for community organisations hoping to gain and keep the trust of the communities they serve. This is facilitated by sustained commitment from staff over a period of years and by a stable relationship with funding bodies that cover core running costs as well as project work.

**Leadership** – the quality of leadership that exists across the full range of stakeholders. BCT projects flourish under strong internal leadership, as well as by drawing on the resources of both formal and informal leaders in the communities they serve. Commitment to the values of inclusion from local government leaders and independent trusts can also enhance the environment in which CBOs operate.

**Leverage** – leverage on financial resources and learning opportunities. This is generated by CBOs through trust-building relationships

within and beyond the community sector. Most organisations are involved in formal or informal networking activities at some level, and seek to enhance the impact of their work by building strategic alliances with others, sometimes including larger voluntary sector organisations or statutory agencies.

### Tensions

Clearly there are limits on how far these three conditions can be achieved in the current environment. The nature of grassroots-based projects themselves creates challenges for the capacity-building agenda:

**Funding** – BCT projects argue that they are under continual pressure to secure funds for core running costs. As well as being time-consuming, this reduces their ability to plan ahead and to sustain the trust of user groups. In addition, many organisations value their independence from government and other large organisations, and some will avoid applying for government funding wherever possible. This contributes to their fragile financial position.

**Campaigning role** – many organisations participate or aspire to participate in political debate and to influence policy at a national level. This can put pressure on their role as service providers rooted in the experiences and needs of local communities.

**Internal differences** – the potential for successful networking and alliance-building is limited by fragmentation within the community sector. Often organisations are competing for the same scarce resources, or avoid joint working due to anxiety about losing their independence and identity.

### Practical challenges

The experience of BCT projects proves that there are examples of good practice and effective capacity-building work going on in many communities across Britain. The current government's investment in a range of area-based initiatives has provided opportunities for pockets of innovation and good practice to emerge.

The challenge, therefore, is no longer to make the case for the value created by CBOs, but rather

to gather and spread the lessons of capacity-building at a system-wide level.

### Areas of priority

The report identifies three key areas of priority that must be addressed before such an agenda can be moved forward.

#### Mainstreaming across all areas of social policy

First, there must be better understanding and recognition across government of the conditions – identified through research and experience – that enable CBOs to contribute to the inclusion agenda. Second, this must be accompanied by a strong commitment to identify the lessons learnt from capacity-building work across departmental boundaries.

#### Recommendations

The Active Community Unit and Regional Co-ordination Unit should take a lead in mainstreaming community capacity-building activity in the implementation of three key policy agendas in particular:

- the *Futurebuilders Fund* for modernisation of the voluntary sector
- the *Private Action, Public Benefit* agenda for legal and regulatory reform of the charitable and wider not-for-profit sector
- the *Review of Area-Based Initiatives*, designed to improve the coordination and integration of area-based initiatives, including support for community groups.

### Governance

This commitment at central government level must also inform local government reform processes, especially those relating to regulation of the community sector. As this report shows, a heavy audit culture often breeds an atmosphere of distrust and risk aversion, which encourages uniformity in programme design and inhibits the distinctive contribution that CBOs make.

Government policy thus must do more to encourage experimentation with new methods and structures for partnership that balances the demands of upwards accountability with the needs of communities. This might include extending and developing 'people-based' systems



that emphasise ongoing, face-to-face contact between partners and rest on horizontal or mutual forms of accountability, or reducing the number of externally determined indicators and promoting locally determined priorities and outcomes.

There is a further role for various types of organisational ‘intermediaries’ in building the enabling middle ground through which this sort of collaboration can be successfully achieved. A key part of this challenge is to reconcile the professionalised culture of formal partnership structures with the ‘bottom-up’ orientation of grassroots-based capacity-building activity. Formal structures, such as local partnership boards and regional forums, might be better placed to address this challenge if supported by informal networks and relationships of learning and trust that provide more flexible access points for participation.

#### *Recommendations*

The principles of two-way accountability and people-based relationships should be promoted throughout all multi-agency schemes, all central and local government funding programmes, and in the implementation of the Area-Based Initiatives Review Action Plan for Support for Community Groups.

Within the National Neighbourhood Renewal Strategy, community empowerment networks (CENs) are an area of great potential for building capacity across the community sector. However, their progress to date is unclear, and there is a danger that the opportunity for strengthening the long-term development of capacity in this sector will be lost amid the continuing pressure to deliver year-on-year outcome and service improvement objectives.

We therefore recommend that government should initiate a review of the progress of CENs, with the aim of connecting them more strongly to other efforts, across government and beyond, to

build up the strategic capacity and longevity of effective community-based organisations.

#### **Strategic role of independent trusts**

While CBOs hold the potential to play a key role in improved service delivery, the distinctive value they contribute is inextricably linked to their status as a constitutive part of a rich, multi-faceted civil society. Given this, there is an important role for non-state actors in providing leadership and leverage for social change and fostering a shared commitment among CBOs for increasing the capacity of the sector as a whole.

Independent trusts are ideally placed to occupy this space if they can meet the organisational, learning and advocacy challenges of capacity-building in this sector. These challenges include:

- developing coherence and a distinctive identity for specific grant-making programmes
- fostering productive networking, learning and knowledge transfer across their families of partner organisations
- supporting the dual role of CBOs as local service providers and independent voices with a wider advocacy role.

There is real scope for a community capacity-building movement in the UK today, which could take the debate to a new level and establish organisations and social outcomes that create long-lasting value. If independent trusts are to take up this challenge, they will require the active engagement and support of policy-makers, high levels of trust between all community stakeholders and a readiness to challenge conventional wisdom and established practice in many different arenas.

# 1. Introduction



## Context and challenge

The role of communities in tackling social exclusion is high on the political agenda of Western governments, international institutions, civil society organisations and independent grant-making bodies. In Britain, the current government has taken up the community discourse in its social policy agenda, developing a cross-cutting strategy that integrates the task of building stronger communities with a range of broader objectives, from reducing child poverty and health inequalities to boosting economic regeneration and public services reform.

The role of community-based organisations (CBOs) and civil society is equally important across the political spectrum. The role of non-state actors in strengthening social cohesion and citizenship has a central place in the liberal tradition, and these themes have surfaced recently in thinking on the centre-right around civic conservatism and the impact of market reforms on the fabric of communities.

This direction represents a response to the growing phenomenon of economic polarisation and social inequality in the UK and other industrialised societies. Several interconnected drivers of change have, over the last two decades, contributed to the emerging phenomenon of 'social exclusion'. These range from declining confidence in national governments to deliver and the perceived breakdown of shared moral and social norms, to environmental disintegration and the increasing pressures of risk in the spheres of work, family and retirement.

Combating and reversing these trends is a central objective for the current government, and provides a focus across its major public spending programmes. This objective appears most prominently in the National Neighbourhood Renewal Strategy (NNRS), but also shapes strategic

thinking for education, health, crime, social security, equalities and many other key areas of policy.

Within this picture, investing in the capacities of *communities* is presented as a key pathway towards public policy and interventions that can understand and combat social division and exclusion more effectively. Current policies and spending programmes therefore shape much of the short-term context in which the role of communities and community-based organisations needs to be considered.

The key policy narratives that give shape to the government's social exclusion strategy can be organised around five core messages:

1. **Participation** – the engaging of individuals and groups in the renewal and strengthening of their own communities – is, at least rhetorically, at the heart of the strategy. The NNRS, launched in 2001, places 'giving local residents and community groups a central role in turning their neighbourhoods around' high among its objectives.<sup>1</sup>
2. **Inclusion** is recognised as a key principle for facilitating participation. The Active Community Unit (ACU) was created within the Home Office in May 2002, with the aim of making real the government's aspiration 'to support strong and active communities in which people of all races and backgrounds are valued and participate on equal terms, by developing social policy to build a fair, prosperous and cohesive society in which everyone has a stake.'<sup>2</sup> The ACU complements the work of the Community Cohesion Unit, established after riots in Burnley, Oldham and Bradford in the summer of 2001 to

- integrate diversity and cultural pluralism with regeneration and race equality strategies at local level.
3. Enhancing the role of the **voluntary and community sectors** is a crucial element in the government's strategy for facilitating both participation and inclusion. Last year's cross-cutting Treasury review and the Strategy Unit report *Private Action, Public Benefit*<sup>3</sup> both highlighted the importance of building the capacity of voluntary and community organisations and increasing public confidence in the sector to deliver public services.
  4. **Partnership** is another element in the government's community agenda. This is framed as the new mode of governance capable of engaging stakeholders across the community in tackling cross-cutting problems. Most new area-based initiatives since 1997 are grouped around the framework of multi-agency partnerships, from local strategic partnerships (LSPs) and 'Excellence in Cities' clusters to the New Deal for Communities and Sure Start.
  5. **Local leadership** is the final element driving this agenda. One objective of local government reform is to enhance the role of councils and councillors on the basis of their status as locally elected representatives. The Department of Transport, Local Government and the Regions' (DTLR) white paper of 2001 asserted that 'thriving communities and strong democratic leadership go hand in hand'.<sup>4</sup>

However, there is also some recognition of the importance of informal leadership via the Department for Education and Skills' Community Champions Fund. This scheme looks for energetic individuals within the community who take 'an entrepreneurial approach' and can inspire others to make change happen on the ground.<sup>5</sup>

### Community and the policy-maker

There is nothing especially new about the Labour government's interest in communities as a resource for tackling poverty and exclusion. Community development and 'empowerment' were fashionable terms among Western policy-

makers in the 1960s and early 1970s, informed by the flowering of new grassroots-based social movements and the civil and human rights agendas they espoused.

Marilyn Taylor sees similarities between the current NNRS, which prioritises the coordination of services and community participation initiatives in the most deprived areas, and key policy initiatives of more than three decades ago, such as the US government's 'War on Poverty' or the National Community Development Project and the Urban Programme in the UK.<sup>6</sup> Capacity-building and community-development work has had a strong presence in the not-for-profit sector in the US ever since, represented by leading organisations such as the Coalition for Low Income Community Development and the Center for Community Change.

The 1990s arguably marked the end of a period in which individualism and economic rationalism dominated mainstream policy discourse, and witnessed the renewal of interest in ideas about community as a force for social cohesion. This was driven in part by the rise of 'civil society' after the fall of the Berlin Wall, and in part by a flurry of new thinking around the concept of 'social capital' and an emerging 'communitarian' agenda.<sup>7</sup> These new ideas have particularly informed the development work of international institutions such as the World Bank, the IMF and the UN over the last ten years, but have also gained purchase with national governments increasingly occupied with rising inequality at home and the emergence of a 'south within the north'.

In Britain, the debate has centred around the capacity of the central state to provide welfare in the context of growing societal complexity, and the implications of a larger role for the private and voluntary sectors in service provision. Constitutional reform and the prospect of greater devolution of decision-making powers to the regions is also shaping the terms of this debate.

In meeting this challenge, New Labour has championed a vision of 'governance', framing the renewal of political engagement and community cohesion in terms of a reinvention of government's traditional policy instruments. In this new approach, government institutions are to be relocated as one player among many, charged with an enabling role involving the devolution of

decision-making powers to frontline providers and users and the fostering of participatory forms of policy planning, implementation, evaluation and review.<sup>8</sup> One of the most recent contributions to this debate relates to the concept of ‘public value’. This discourse attempts to develop more sophisticated tools for assessing performance that reflect all aspects of the costs and benefits of government policy, including trust, legitimacy and perceptions of distributional equity.<sup>9</sup>

### **The challenge: making inclusive communities a reality**

Despite this commitment to rethinking the relationships between government and citizens, there remains considerable uncertainty about how successfully the current framework for tackling social exclusion is effecting real change on the ground. The goals of community development and capacity-building are now widely recognised as legitimate; however, the mechanisms required to realise them and spread best practice at a system-wide level have not yet been fully developed.

The challenge of coping with increasing complexity is widely recognised among policy-makers today. Reflecting on the achievement of the Attlee government after the Second World War, David Blunkett argued recently that

*fifty years on, we need to recognise how much more complex and sophisticated most people's expectations have become. A welfare society, and the institutions and norms which underpin it, must meet a greater diversity of need. It must also serve higher aspirations by recognising forms of well-being and fulfilment which were not available to most people for most of the twentieth century.*<sup>10</sup>

A similar view was expressed by Ed Balls, Chief Economic Adviser to the Treasury, in the foreword to a recent pamphlet on localism:

*in today's complex world, it is simply not possible to run economic policy or deliver strong public services using the old, top-down, one-size-fits-all solutions.*<sup>11</sup>

This shift in thinking is promising. Nonetheless, forging a coherent role for government in tackling

the multi-causal nature of exclusion and in understanding the multi-dimensional nature of ‘community’ remains a daunting task. The changing configurations of local governance – through ongoing devolution, growing diversity and partnership with stakeholders from the private and voluntary sectors – only adds to this challenge. As a recent Demos pamphlet summarised: ‘Government and public agencies are still struggling to find a coherent and credible approach to the engagement of communities in solving public problems or generating legitimacy for leaders and public institutions.’<sup>12</sup>

### **The fourth sector? Community-based organisations**

Of particular salience here are the distortions and dependencies as well as the capabilities and enhanced outcomes that can be generated by funding regimes (both state and independent) and the CBOs that are their beneficiaries. Government policy shows some signs of seeking to enhance the role of smaller members of the voluntary sector who work directly with communities, through moves to simplify funding regimes and unleash central government funds via grant programmes with a dedicated community theme, such as the Community Empowerment Fund, Community Chest and the Active Community Funding Package.

However, the importance of the sector's role in providing an independent voice for civil society presents a dilemma for policy-makers who hope to harness the resources of CBOs in pursuit of their social policy objectives. The current government produced a key document early in its first term setting out the framework for relations between government and the voluntary sector, which recognised that ‘an independent and diverse voluntary and community sector is fundamental to the well-being of society.’<sup>13</sup> In practice, as government makes more demands on voluntary and community organisations as agents of delivery, the independence and ability of the sector to scrutinise and challenge policy decisions has come under strain.<sup>14</sup> This is particularly the case for small community-based organisations with limited capacity operating in the context of an increasingly demanding infrastructure of local governance. In this light, the role of independent

trusts in offering an alternative source of leverage and support for community capacity-building work is crucially important. However, the organisational challenge for trusts wishing to take on this role is significant. Independent grant-making bodies must develop a coherence and distinctive identity for their work that adds value to government's social inclusion objectives, but which avoids duplication or becoming absorbed too heavily into any specific public policy agenda (such as neighbourhood renewal).

Nonetheless, identifying exactly what is distinctive about this diverse and little documented CBO sector and what forms of investment best enhance its impact is far from straightforward. The multiple roles its members play as service providers, practitioner networks and political pressure groups present a challenge for policy-makers and trusts looking to maximise the resources of this stakeholder group in combating exclusion. One of the objectives of this report, therefore, is to examine the place of community-based organisations in wider ecologies of trust, norms and social ties, and to assess their potential for creating a new kind of social value.

In this endeavour, we make three hypotheses about the types of contribution this sector might make to the inclusion agenda, all focusing around a central concept of 'capacity-building':

**Service innovation** – unlike public-sector agencies or larger voluntary-sector providers, community-based organisations are uniquely

placed to provide responsive services to a variety of hard-to-reach user groups, and to offer valuable lessons about how relationships of trust and legitimacy are forged between provider and user.

**Empowerment** – the social location of community-based organisations and the user groups they serve creates the conditions and capacities for empowering the most excluded by transforming relationships of dependency – commonly associated with the state – into individual and collective capabilities to act purposefully and autonomously for change.

**Institutional trust** – community-based organisations increase the legitimacy of decision-making processes and public debate by giving voice to and making visible the hidden needs of marginalised and informally disfranchised groups.

These hypotheses provide the themes for the analysis that follows in this report.

The case for community capacity-building and development in combating social exclusion is well established in policy circles, and as this report will show, pockets of best practice exist in marginalised communities across Britain. The challenge now is to understand better the sorts of capacities, cultures and relationships needed to generate and spread this best practice at a system-wide level, and to identify the forms of governance and partnership that enhance learning.

## 2. Community capacity-building: why does it matter?



Given the growing recognition in policy debates around exclusion of the importance of developing communities' capacities for change, this piece of research sets out to explore the question of how this is achieved in practice through the focus of community-based organisations funded by the Barrow Cadbury Trust (BCT).

The objectives of the research were to examine the role of community-based organisations (CBOs) in facilitating capacity-building and leadership in the communities they serve, and to produce a set of recommendations that will inform a new working agenda on building inclusive communities.

Crucially, the research aimed to uncover the frontline experiences of CBOs within the infrastructure of local governance, and identify the types of organisational qualities, relationships and wider cultural norms that produce and sustain good practice.

The first method employed was the development, collation and analysis of a qualitative questionnaire directed at service managers in community projects funded by the BCT. This was designed to generate a broad, impressionistic account of their experience of developing specific services, their relationships with statutory organisations, and how they and their clients are able to relate to wider community resources and institutions in seeking to tackle exclusion.

The second method involved qualitative fieldwork involving three key projects supported by the trust:

- **Women Acting In Today's Society (WAITS)** This is a grassroots organisation that works to develop and support socially

excluded women in the Birmingham area. Services include community organising, training, counselling, and support and advocacy for sufferers and survivors of domestic violence. WAITS was established in 1992, and currently has a team of two full-time members of staff, and two part-time support and development workers.

- **The East London Citizens Organisation (TELCO)** A broad-based citizens' organisation affiliated to the Citizens Organising Foundation Institute, this is composed of civil society institutions in the East End of London. TELCO's members engage in a series of campaigns at local, regional and, occasionally, national level on issues that impact on their communities. The 'Living Wage for London' campaign was launched by TELCO in spring 2001.
- **St James Advice Centre** Based in Aston, Birmingham, St James Advice Centre provides free expert legal advice to the local, largely Bangladeshi and Pakistani, communities. The centre is located within St James Church (Church of England), and is managed by a sub-committee of the church's board.

The fieldwork on these case-study projects was primarily carried out via on-site visits and in-depth individual interviews with staff members and representatives from partner organisations. The purpose of these interviews was to build up a fine-grained picture of how relations between projects, the public policy framework and statutory agencies work in practice, as well as to identify and evaluate examples of good practice.



### 3. The goals of inclusion

The twin concepts of ‘exclusion’ and ‘inclusion’ are freely deployed in political debate, despite being highly contested and opaque in nature. Both terms are typically used to refer to a cluster of related ideas, such as ‘poverty’, ‘disadvantage’, ‘deprivation’ or ‘inequality’, with different emphases depending on the context and stakeholder in question.

Despite this variability of usage, the exclusion/inclusion discourse is useful for policy thinking in that it implies the *multiple* dimensions of deprivation and locates these in the complex relationships between individuals, groups and the wider society.

On the basis of Demos research, it is possible to identify three key dimensions of ‘inclusion’ with direct relevance for policy-makers, public institutions and independent trusts with an interest in advancing this agenda.

#### Access to social goods

At a very basic level, inclusion involves ensuring that all individuals and groups, including those in the most marginalised communities, have equal access to the collective goods that are the citizen’s basic social entitlement. A recurring theme

throughout the research was the extent to which many individuals and groups do not enjoy equal access to benefits, housing, legal advice, public transport, education and training or other services. In the overwhelming majority of cases, this lack of access is due to the *informal* barriers of language, culture, disability or gender plus many others or, more often, a mixture of two or more. In contrast to the familiar narrative of rising public expectations and increased consumer literacy, the majority of these excluded individuals are not in a position to articulate their needs, make demands on the system or ‘opt out’ altogether.

For example, a support worker at WAITS highlighted the service gaps that exist for the Chinese community in Birmingham, whose status as one of the smallest minorities in the city in terms of population means that their culturally specific needs are often overlooked in council planning processes.

One of the major problems in this regard is the absence of ‘joined-up’ thinking at local level. Another support worker at WAITS described the fragmented nature of local government’s approach to domestic violence, pointing to its failure to ‘join up’ in any systematic way its work with sufferers

#### The surveyed organisations

Of the organisations selected by the Barrow Cadbury Trust (BCT) to participate in this research, 41 responded to the Demos questionnaire. All are independent organisations, the majority with charitable or charitable company status, and with staff numbers ranging from 1 to 26 full-time members, and annual turnovers ranging between £14,000 and £1m.

Annual numbers of frontline users vary between under 50 to over 10,000. The major user groups

served include: women, black and minority ethnic groups, asylum seekers/refugees, disabled people and young people. A few organisations serve trade unionists, single-parent families and the elderly. Practitioner and policy communities are also represented among the surveyed sample.

Most of the organisations have a local focus for their frontline work. However, around half also provide information or training services at the national level, and one fifth have an international reach.

and survivors to closely related policy on child protection and family services.

In this context, many of the Barrow Cadbury Trust (BCT) projects surveyed see their role as filling the gaps where statutory agencies have proved ineffective – for example, by providing training opportunities for unemployed black communities, childcare for single mothers or legal advice and translation services for non-English speakers. One of the most frequently cited benefits of partnership working was its usefulness in identifying these gaps and publicising them to the state through the partnership itself, through informal contact with officials from statutory agencies or through lobbying campaigns for legislative change at national level.

## Empowerment

This critique of exclusion was developed further by most BCT questionnaire respondents, many of whom frequently referred to the idea of ‘empowerment’ as a way of pushing the goals of inclusion beyond service provision. Inclusion in an ‘empowered’ sense means more than considering individuals as passive recipients of services, albeit increasingly diverse and responsive. Rather it implies a transformative experience for the individual, who transcends the relationship of dependency with a paternal and controlling state by discovering his or her own capabilities and capacity for autonomous action.

This vision of empowerment involves an analysis of power relations that leads to political action of various kinds. These ideas are important in the work of both WAITS and TELCO, who draw on models of ‘community organising’ first popularised in the US in the 1930s by Saul Alinsky in his pioneering work around citizen-led political action.

A technique used by both organisations is the ‘One to One’ interview. This is an intensive session in which the organiser attempts to uncover the issues that drive and agitate each individual, and which have the potential to motivate him or her into action. TELCO regards every person as a ‘project’, and the purpose of the ‘One to One’ sessions are to uncover and foster the qualities and strengths within individuals that create the capacity for leadership and action. WAITS organisers employ a similar process with the grassroots

women they work with; they use the ‘One to One’ to help their clients articulate the issues they care about, and to encourage them to form support groups for further exploration of these issues in a safe, supportive environment.

WAITS organisers were careful to emphasise that they do not go into community groups or meetings with individual women with a predetermined agenda regarding which issues to raise or organise around. Instead, they help the women to identify the issues that are important to them and let this evolve in a flexible way, led by the women themselves. As such, the issue that initially brings a group of women together may not be the one that sustains longer-term action. The value of having an open and flexible agenda was contrasted by WAITS staff to government-led initiatives that often appeared predetermined and unresponsive to what women perceived as their needs and the needs of their communities.

Driving these activities is the principle that empowering individuals also empowers the communities to which they belong. TELCO particularly targets individuals who act as ‘gatekeepers’ to larger communities – perhaps a priest or a schoolteacher or a shop steward – and who have the potential to engage a ‘following’. One such gatekeeper, a Roman Catholic priest from Stratford, got involved with TELCO because he was concerned about the declining social cohesion of his congregation and the number of individuals located ‘on the edge of things’ for whom the church was not a source of friendship and support. Active participation in TELCO’s Living Wage for London campaign has, in his view, generated a stronger sense within the congregation of ‘what we’re about’, and has given those marginalised individuals the self-esteem and confidence to play a fuller role in decision-making within the church.

In this sense, the inclusive force of TELCO’s work hinges on the relationship between the ‘rootedness’ of the civil society institutions it works with and their capacities for pooling their social capital resources for positive change. Another TELCO gatekeeper, a chaplain in a Roman Catholic secondary school with responsibility for the citizenship curriculum, believes that membership has provided her students with an enabling space in which disparate communities can engage in dialogue and mobilise around a shared



objective. Their participation in the Living Wage demonstrations not only brought the Catholic social teaching tradition to life for her students, but offered them an unprecedented experience of community, through collective action with a range of diverse groups. To borrow Putnam's terminology of social capital, the 'bridging' relationships across the community operate here in symbiosis with the 'bonding' processes that aid internal cohesion – the one reinforces the other.<sup>15</sup>

WAITS' model operates along the same theme. Its work often indirectly strengthens its clients' family relationships, and the local community might also benefit from the women's collective actions – for example, if a WAITS group decides to lobby for better street lighting or a children's playground. However, WAITS' work also creates *new* communities through bringing women together to form support groups around issues that affect them, such as a shared medical condition or a shared concern about their treatment as single mothers. Some of this work is aimed at challenging and turning around existing dominant views held by a local community. For instance, WAITS is currently working with a group of under-16 single mothers living in a hostel for homeless people who are experiencing a high level of hostility from the surrounding community. With WAITS' help, they are holding open days and beginning to raise their profile in positive ways.

Central to this vision of inclusion is a fundamental change in the established balance-of-power relationships within which individuals or groups are located. TELCO, in particular, sees power as a key social dynamic, and much of its work involves helping members to understand relations of power between their partners, employers and the statutory bodies with which they interact and, through understanding, to learn how to use power for themselves.

Few other organisations were as explicit in their analysis of power as TELCO, but an anxiety that recurred frequently among the groups involved the preservation of their independence and the integrity of their work.

Many expressed this in terms of maintaining a distance from the agendas of government or other powerful institutions. For example, a significant number of the sample surveyed will not take government funding because they value

their independence; a few asserted that they will not apply for funding from organisations whose past activities have conflicted with their objectives; and a number of the community-based organisations (CBOs) whose work is underpinned by a strong Christian ethos will not take National Lottery money because they disapprove of gambling.

Others described more general fears of becoming co-opted by multi-agency partnerships without having a genuine stake in the decision-making process. These anxieties and fears illustrate CBOs' perceptions of their fragile and tenuous position in wider structures of power.

### Institutional trust

From the perspective of CBOs supported by the BCT, it is clear that government commitment to inclusion through 'participation' must extend beyond the creation of formal partnership structures and embrace instead a relationship of genuine power-sharing with community groups. Making visible and giving voice to the hidden needs of marginalised groups and the work of CBOs implies a governance agenda that looks far beyond ensuring a nominal role for a small number of CBOs in consultations or local partnerships.

Demos' research suggests that the community participation agenda is under pressure from what has been labelled 'initiativitis'. A recent study estimates that, in its first term, the government introduced over a dozen different multi-agency schemes, each carrying annual spending commitments from between £50m and £600m, and leading to the creation of thousands of individual partnerships.<sup>16</sup>

Other commentators see signs of government willingness to rethink this 'chaotic centralism' and move instead towards a 'steering centralism' in which the centre facilitates and enables rather than commands and controls. This new direction is reflected in the thinking behind local strategic partnerships (LSPs) – designed to help make sense of a mixed range of schemes in any one area and to help them cohere – and in attempts to rationalise and lighten inspection regimes for high-performing councils.<sup>17</sup> The recent Area-Based Initiatives Review also highlights the need to coordinate and mainstream new initiatives and targeted schemes.<sup>18</sup>

However, there is little indication from Demos' research that these policy moves have made 'participation' any more of a reality for communities on the ground. Furthermore, WAITS pointed out that one of the unintended consequences of 'initiativitis' is that people in areas where a high level of government effort is concentrated often become either fatigued or develop a dependency on others to take action for them. One WAITS organiser said that they find it very difficult to engage people in such areas, and this was particularly worrying because they often remained the areas of greatest need.

Staff at WAITS adopt a largely pragmatic approach to local partnerships, selecting carefully the forums or boards they will join through matching their objectives to WAITS' mission goals and calculating the time commitment that participation will entail. They encourage users to engage with formal structures of power as part of their group action plans – for example, one WAITS group produced a report in response to a Strategic Health Authority consultation, and a member from another group now sits on a low pay forum.

However, while WAITS believes that the voices of grassroots women should be heard wherever possible, the jargon and culture surrounding the professionalised structures of local government are such that full and equal participation is not really a meaningful possibility for most of their users. This view was echoed by one questionnaire respondent, who suggested that the organisational values of CBOs were not always promoted by the current local partnership model: 'Principles of

equality and participation "for all" are very difficult to practise in a framework that demands high levels of communications skills and very specific styles of working and learning.'

This problem has not gone unrecognised by the government, which in response has created 'Community Empowerment Networks' (CENs) in 88 deprived areas of the UK as part of the Neighbourhood Renewal Strategy. These are designed to serve as a communication mechanism between local government and the community sector to help local authorities meet the requirement for community representation within LSPs. Given that most are still in the process of being made operational, it is probably too early to judge how well CENs are working; their presence was not significantly felt by the organisations surveyed in this report.

TELCO organisers were more insistent that partnerships with government rarely lead to any change in the balance of power between state and citizens, and while generous financial resources might be on offer, as the weaker partner CBOs will always be in danger of becoming co-opted on to a government-determined agenda. TELCO prefers to engage with local government and public-sector agencies through building relationships that facilitate dialogue, rather than participating as an unequal voice in the formal structures of partnership. This 'relationship model' could offer a fruitful alternative, or addition, to the current focus on the 'partnership model' as the way to progress community engagement.

Views expressed by BCT projects relating to government partnerships and consultations tended to fall into one of two categories. First, that partnerships drain time away from organisational objectives without adding any clear value: 'The local authority we work with . . . has no real concept, commitment or experience of collaboration or partnership work.'

And second, that partnerships attempt to turn CBOs into agents of delivery, which compromises their independence and autonomy: '[The local authority] doesn't help community partnerships. It tries to determine/direct them.'

There were some instances in which dialogue *had*

resulted in positive outcomes, such as the creation of a local area forum for voluntary-sector organisations, or a local authority presence at events organised by BCT projects. Participation in policy consultations was also mentioned by several questionnaire respondents – one BCT project believes that its input into a government consultation on immigration helped shape the final guidelines that were issued.

This handful of success stories demonstrates that effective collaboration *is* possible, but that the conditions and capacities that facilitate good practice are not yet present at a more system-wide level.

## 4. Building capacity for inclusion

Much of the work of the case-study organisations can be usefully described as ‘capacity-building’ activities, involving investment in the human and social capital and the individual and organisational capacities of communities.

As a part of the terminology of community development, ‘capacity-building’ has a growing presence in the grant-making programmes of large independent trusts. As a concept, however, it encompasses a range of activities that focus on transforming relationships of dependency into individual and collective capabilities to act purposefully for change in their communities. Thus much of the work of stakeholders, from central government to community-based organisations (CBOs), involves some capacity-building element. At the same time, it is important to acknowledge that the term has been criticised in the past for being ‘top-down’ in usage and implying deficit on the part of the communities. This report argues that the concept of capacity-building remains a useful one when understood in terms of drawing out unrecognised or dormant potential by enhancing opportunities and access to resources.<sup>19</sup>

It is this formulation of capacity-building that this report believes government and grant-making bodies should promote. The challenge now for these parties is to make the goals of community capacity-building explicit, to communicate them effectively and to identify the sorts of cultures, conditions and relationships that most enhance their impact.

The short answer to this challenge is represented in one word: *trust*. This precious asset was cited repeatedly by staff at TELCO, WAITS and St James and by the organisations surveyed as being the most valuable resource they could possess, but also the hardest to develop and sustain. As such, trust represents the vital membrane of inclusive

communities. But what does it mean? And how can it be fostered by policy-makers, service providers and grant-making institutions?

### Longevity

A key theme recurring throughout the research was the importance of staying power for community organisations hoping to gain and keep the trust of the communities they serve. For many, this is quite simply the bottom line. If CBOs fail to provide the support and services they have been created to provide over a sustained period of time, the trust needed to reach the most marginalised user groups rapidly dissipates.

St James is a strong example of where longevity has produced a high level of trust, despite considerably challenging conditions. As a Church of England-run service, the advice centre has worked hard to gain the trust of the mainly Muslim local community, and has, over its 27-year history, maintained a strong commitment to reflecting the diversity of its user groups in its management structures and staff. This trust, built through the advice centre’s demonstrated staying power, has facilitated the widening out of the user group to reach the most marginalised – namely, women. The recruitment of two women’s support workers ten years ago saw the proportion of female clients rise rapidly from 5 to 50 per cent. A mark of St James’ success is that the local men are comfortable with their wives attending the centre – in contrast, newly arrived women’s support workers at a neighbouring advice centre experienced hostility and threats from the husbands of their clients.

A related element to longevity is reputation. Both the priest and the chaplain whom Demos interviewed had heard of TELCO several years before they actually made contact and were impressed by the extent to which it was held in

high regard. St James relies primarily on word-of-mouth publicity within the immediate locality to raise awareness of its services, rather than pursuing any formal outreach initiatives. However, these information chains can reach quite far: the centre sees a small number of clients who travel from other parts of Birmingham or from even further afield.

Clearly there are obvious barriers for CBOs hoping to achieve staying power.

- Long-term funding was cited by nearly all the surveyed organisations as a facilitator of sustained, high-quality service provision and strategic planning. This sort of funding is, however, hard to secure.
- Short-term funds for specific projects can sometimes push organisational agendas forward. However, all too often they create incentives for starting work that is unsustainable in the longer run, resulting in, as one CBO described it, 'a roller-coaster existence'.
- Reputation can also be damaged by competitive in-fighting between community groups over resources. This was cited as a common reason why partnerships failed or CBOs avoided them altogether.

## Leadership

The second related element crucial to building trust is the quality of leadership across the full range of stakeholders. Certainly leadership capacity is crucial within CBOs and the communities they serve, but of importance, too, are the capacities for leadership around social inclusion within the local government infrastructure and other funding institutions, which are key players in shaping the environment in which CBOs operate.

### Community organisations and their users

The case-study organisations encompass a range of leadership styles, but their success in building trust rests on the authority conferred on them by the community. Leadership mandated by internal or external structures of governance and seniority

is less significant in this case than the enabling cultures it achieves or fails to achieve.

For example, the community organiser at St James has, for many years, been a well-known and respected local figure with an influential family name. As such, his social location in the community gives him strong leverage to intervene effectively in local issues, and his relationship with senior local government officials gives him a wider public role in the city. The women's support worker at WAITS who works with Chinese survivors and sufferers of domestic violence (DV) displays a very different but equally effective sort of leadership. Given the taboo status of DV in the Chinese community, her role involves great sensitivity and discretion, which a more conventionally 'charismatic' or public leadership style would struggle to achieve.

One important ingredient in successful leadership, for both individuals and organisations, is political impartiality. The community organiser at St James argues that much of his success in mediating between Bangladeshi and Pakistani communities over issues such as youth crime or between husbands and wives over marital disputes rests on his being known as an impartial figure, distanced from the sort of local 'politics' found in other spheres of community life – for example, governance structures within the mosques. Individuals perceived to be motivated by personal or political gain are unlikely to facilitate the building of trust.

An interesting commonality between all three case studies is the extent to which individuals move freely from user status to assuming leadership roles within the CBO. Many members of staff at WAITS and St James had been users and volunteers before they took on salaried positions. One staff member at WAITS suggested that this gave credibility to the central message of their work that grassroots women can empower themselves: 'Many look on us as role models.'

This was also a theme among the surveyed CBOs, many of whom described users going on to become volunteers, to sit on forums or to carry out further community work elsewhere.

To enhance these opportunities, many CBOs run formal leadership-training programmes, workshops and mentoring schemes, often drawing on the skills and expertise of trustees. One BCT project has developed, through reflective practice,

a model for developing leadership in the individuals they work with. Informal leadership-building activities were also widely cited, such as organised sports, picnics, trips and outings to the theatre.

The questionnaire asked BCT project leaders to select the qualities they believe are necessary for effective leadership. Listed in order of importance, they were:

1. Strategic thinking
2. Honesty
3. Forward-looking
4. Inspiration
5. Approachability
6. Determination
7. Fair-mindedness
8. Courage
9. Ambition

Other words and phrases used to describe good leaders included 'openness', 'listening', 'transparency' and 'no self-interest'.

### Local government

The role of formal political leadership is less clear-cut. Certainly a total lack of official commitment to partnerships with community organisations inhibits the building of inclusive communities. However, a more likely scenario is that some level of official interest from council leaders will exist, but success in translating that commitment downwards throughout all levels of the local government infrastructure is highly variable.

Despite the government's commitment to renewing local democracy through the constitutional reforms for councils contained in the Local Government Act 2000, there is little sense among the case-study organisations that local government has become significantly more accountable to communities. TELCO organisers suggested that the creation of directly elected mayors in Newham and Hackney in London has provided some focus for public accountability around a persona, although the mayor of London, Ken Livingstone, remains a more important focus for TELCO's campaigning work. Certainly all the case-study organisations encourage their users to vote in elections. St James, for example, invited the

prospective parliamentary candidates for the 2001 election to a question-and-answer session for local residents in the church hall.

However, what most concerns CBOs is their relationship with the executive arm of local government and the statutory agencies with which they and their user groups have most day-to-day contact.

Attitudes towards local authorities were mixed. Some organisations found them generally supportive, and a few respondents were very positive about their relationships with particular agencies or local government departments. The staff at St James, for instance, have a good relationship with the Neighbourhood and Benefits team at the local council. Other respondents were fiercely critical, while still others were ambivalent.

On balance, the two factors most strongly determining the level of support available from local authorities are:

- the quality of local political leadership, and how far commitment to the community and voluntary sectors extends down the infrastructure of local government to frontline managers and officials
- the extent to which the local authority understands the challenges facing the sector and supports its ways of working.

Achieving this commitment throughout all levels of local government will require more than tighter strategic management from senior council executives or other public-sector managers. A recent study of communities in Coventry found that trust between public officials and residents tended to be particularly low where those officials had no social ties to the local area, leading residents to feel that 'the professionals and managers they dealt with had no real understanding of their needs or experiences'.<sup>20</sup> This is where CBOs, with their distinctive rootedness in the communities they serve, have potentially more leverage in providing responsive services and in building trust and legitimacy among the most socially excluded.

Where local authorities directly fund community groups, the research revealed the potential limitations of statutory funding given the divergent priorities and approaches of statutory and community groups. Birmingham City Council has recently introduced productivity



targets for the 250 community advice centres that it funds, one of which is St James. The targets are based on the number of enquiries the council believes each advice centre should deal with each year. While the council has been careful to negotiate the targets with individual community advice centres, it is acutely aware of how its primary responsibility to maximise the number of people receiving the statutory minimum (in terms of, for example, housing or benefit advice) contrasts sharply with the approach of many community groups who emphasise the importance of longer-term development programmes for individuals who come to them for help.

### Other funding bodies

All the case-study organisations acknowledged the positive impact of their long-term funding relationships with the Barrow Cadbury Trust (BCT). Equally, many organisations highlighted the value of the ‘people-based’ relationship and face-to-face contact they had with the trust, and contrasted this to the ‘paper-based’ accountability structures that tend to characterise their relationship with statutory agencies.

TELCO believes that it is important that independent, forward-looking trusts lead the way in community development by funding organisations whose work would be compromised by dependency on government financial support. Bold leadership by these grant-making bodies in championing capacity-building activities thus represents an important force for both challenging and reconfiguring the context currently set by mainstream government social exclusion programmes.

### Leverage

The third element in building capacity for inclusion is the leverage generated through trust-building relationships within and beyond the community sector.

It has been argued by thinkers in the field of community development that networks represent a particularly appropriate method of organising for CBOs. Given that much of the sector’s strength lies within its diversity, networks can mobilise a broad range of constituencies around a set of common values, and spread information and learning across a highly distributed system.<sup>21</sup>

Using the example of the Festival Against Racism in Bristol in 1994, Alison Gilchrist and Marilyn Taylor argue that networks build capacity across the community as a whole by drawing on the leverage of informal relationships and personal contacts within the community sector, and using this leverage to connect into key local power structures, such as larger voluntary-sector organisations, trade unions and statutory agencies.

However, as is the case with partnerships, CBOs are often ambivalent about networks if they appear too formalised. There can be fears that formally structured networks will attempt to impose uniformity of practice, or will become hijacked by statutory agencies wishing to use them as instruments of government policy. For example, WAITS is a member of the West Midlands Domestic Violence Network, created two years ago to open up communication and learning among the multiple providers in the area. Although there was wide recognition of the need for some sort of coordination, many members voiced concerns about autonomy when the network secured funding from the West Midlands Government Office in mid-2001, and was asked to produce a ‘regional strategy’ for domestic violence support services in the area. This case study illustrates the challenge of building trust between the state and the community sector, and of developing a culture of governance which enables effective collaboration. The network has seen some success in facilitating the sharing of best practice, but there is a sense that some members are less willing to engage, particularly those who have struggled with under-resourcing for many years and who consequently take a somewhat protectionist attitude to their knowledge and experience.

This clearly relates to the dynamics of power discussed in Chapter 2, and raises an important question about how the value created by community-based organisations can be enhanced by investment in networking activity. The fortunes of CENs in the Neighbourhood Renewal Zones will serve as something of a test bed for policy intervention in this area. The organiser of the Birmingham Community Empowerment Network describes his role as a facilitator of new, value-adding relationships rather than as the convener of a new structure of governance for grassroots organisations. The thinking behind CENs emphasises the importance of tapping into pre-existing community networks,

so as to create a type of ‘network of networks’ that will provide easier access for CBOs to the structures and procedures of local strategic partnerships.<sup>22</sup> The resilience and capacity of a CEN, however, will rest on how well supported it is by the cross-cutting, horizontal links that already exist in the community, and how well it can generate more of these strong and weak ties. There is a danger that, if the CEN is seen as the only or primary access point to participation in LSPs, the challenge of building a wider range of more flexible routes into the formal power structures of local governance will be pushed to one side.

Related to this is the function of community networks to support not only learning or knowledge sharing, but also action and advocacy. Many CBOs funded by BCT view networking in terms of building capacity to influence national policy or public attitudes and discourse around the broader issues surrounding social exclusion. WAITS, for example, while emphasising the personalised nature of their work with individual women, expressed an aspiration to communicate at a national policy level their message about grassroots empowerment. This illustration points to the dual role of CBOs: they might, individually, help to alleviate the symptoms of exclusion, but some also see a role for themselves in contributing to the diagnosis of the problem at the level of public policy and debate.

CBOs thus occupy an ambiguous space, needing to face in several directions to achieve their full potential. Their ability to deliver and sustain positive social outcomes rests on their ‘rootedness’ in the communities they serve, and on the levels of trust they can build with user groups. However, this social location can make it more difficult to deal with the routines, languages and formal systems of large-scale governance and public service management. Nonetheless, some CBOs have found themselves ‘in demand’ among local authorities and other statutory organisations charged with the task of ensuring ‘community representation’ on partnership boards and forums, and their participation and other advocacy work draw them into national policy debates as the informed and independent voice of ‘grassroots’ experience.

At the beginning of this report, we suggested three hypotheses about the distinctive contribution that CBOs might make to an overarching agenda for

creating inclusive communities. Given the examples of good practice found among BCT projects and in other studies of community development, our research suggests that there may be specific cultural and organisational characteristics that enable such organisations to operate effectively amid the challenges and contradictions of the wider environment. The scope of our research is not sufficient to establish these characteristics authoritatively, but there do seem to be common characteristics that might act as a focus for further development.

These recognisable qualities, common to many of the CBOs that took part in this research, include:

- strong commitment to the value of social and organisational diversity, following a user-centred model that sets organisational priorities in line with individual needs
- strong commitment to building an organisational culture and identity around the values of integrity, openness and transparency
- sustained effort to develop the skills and capacities of client groups themselves, to enable autonomous action that improves quality of life within their communities
- continuity in relationships, respect, mutual understanding and social identity between user groups, volunteers and staff, and strong links to informal leaders in the community
- the development of wider organisational relationships, leadership roles and personal networks that help small organisations to gain leverage on the use of wider resources
- strong, people-based systems of mutual accountability based on trust and shared expectations, which often work alongside more formal structures and systems of accountability
- the ability to form networks and alliances around broadly shared values, and to use them pragmatically.

These characteristics may be important for government in understanding how to deliver and sustain improved social outcomes. But in the long run, they may be even more important to

the overall health and vitality of civil society and the chances of generating trust and self-organising capacity, particularly in those communities most affected by social and economic disadvantage. This latter agenda is one that should

arguably be taken forward by organisations that have a long-term presence, political and financial independence and the ability to shape their investments and activities according to good evidence.



Networking and alliance-building between CBOs engaged in similar or related work is a standard activity within the sector.

The most common forms of contact are:

- information exchange – for example, regarding new funding streams or policy changes
- joint activities, such as special events, trips or workshops
- joint bidding for projects
- joint campaigns
- client referral
- shared resources, such as training materials or legal expertise.

CBOs use these strategies to widen their geographical reach – for instance, by coordinating meetings between activists from different localities, or to replicate what has worked in one community in communities elsewhere.

They also help CBOs to understand better the values underpinning the work of others and, through coalitions and networks, to avoid fragmentation under funding regimes that force them to compete against each other for resources.

Some organisations are linked at regional or national level to larger voluntary-sector networks, such as NCVO or NACVS, or to practitioner networks for specific areas of work – for example, education or working with disabled people.



## 5. Conclusion and recommendations

This report has reviewed the potential role of non-governmental community-based organisations (CBOs) in tackling social exclusion and set out a forward-looking analysis of the challenges involved in making inclusion a positive reality. It has used qualitative research to gauge the experiences of some of these organisations, in order to assess their potential role in creating wider societal change.

Our conclusion is that, in the short to medium term, a public policy agenda committed to combating exclusion needs to find even more effective ways of supporting and partnering these kinds of organisations. In the long term, however, such organisations play a crucial role in creating and sustaining ecologies of social and institutional trust, and in enhancing the capacity of different communities for self-organisation, adaptation to social and economic change, empowerment of vulnerable or marginalised citizens and collective problem-solving.

The research has illuminated some of the limitations of the present policy instruments and governance arrangements, and has shown that efforts to create more flexible institutions and funding streams still face significant challenges.

As the experience of the Barrow Cadbury Trust (BCT) projects shows, there are examples of good practice and effective capacity-building work going on in many communities across Britain. The challenge is no longer to make the case for the value created by CBOs, but rather to understand it better and develop the conditions that enhance its impact.

In conclusion, this report identifies three areas of priority that need to be addressed if, first, the obstacles preventing CBOs from taking a fuller role in building inclusive communities are to be removed, and second, a better understanding among all stakeholders can be achieved of how, in

the long run, diverse communities can become both inclusive and sustainable.

### **Mainstreaming community capacity-building as a principle for social inclusion**

If government is to maximise the potential of CBOs in combating social exclusion, it should think more clearly about the forms of direct investment and strategic thinking across mainstream spending programmes that it can use to involve such organisations in service delivery in a sustainable way.

This may mean developing further the guidance and incentives for large public-sector delivery organisations and other statutory agencies to work effectively with distributed groups of smaller, community-based organisations.

For this effort to be effective, central government needs to draw together existing lessons about community capacity-building and partnership from the many different sources of direct experience embedded in its current programmes, including Sure Start, Welfare to Work, the New Deal for Communities and local strategic partnerships (LSPs). The government's investment in a range of area-based initiatives has created opportunities for pockets of innovation and good practice to emerge. But to have a systematic impact, the urgent task is to identify and learn from pioneering practice, share lessons across departmental and agency boundaries and foster capacity-building work at multiple levels of governance.

### **Recommendations**

The Active Community Unit (ACU) in the Home Office and the Regional Co-ordination Unit (RCU) in the Office of the Deputy Prime Minister

should lead this process. It will involve taking a cross-cutting approach to gathering the lessons of capacity-building across all major social policy areas and facilitating collaborative enquiry and reflection among departments and agencies. The Office of the Deputy Prime Minister should also be fully involved in identifying the ways in which local authority structures and practices can encourage the identification of similar lessons.

To ensure that these lessons have a full impact on the short- to medium-term agenda for communities, the ACU and the RCU should emphasise the importance of mainstreaming community capacity-building activity, particularly in the implementation of the following three key policy agendas:

- *Futurebuilders Fund*: created to meet the need of long-term investment for modernisation in the voluntary sector and informed by the Treasury's cross-cutting review of 2002.
- *Private Action, Public Benefit*: the Strategy Unit's agenda for reform of the charitable and wider not-for-profit sector, focusing largely on law and regulation.
- *Review of Area-Based Initiatives*: carried out by the RCU to improve the coordination and integration of area-based initiatives, including support for community groups.

## Governance

If these new learning processes at central government level are to impact at local level, they must inform the local government reform agenda, with a particular emphasis on regulatory structures and accountability systems governing the community sector.

As this report has shown, a heavy audit culture often breeds an atmosphere of distrust and risk aversion, which encourages uniformity in programme design and inhibits the distinctive contribution that CBOs can make. Too strong an emphasis on quantitative outputs, advance specification of priorities and performance criteria determined by external administrators and funders can sap morale and undermine the knowledge and expertise of community leaders on the ground.

Government policy must thus encourage experimentation with new methods and structures for achieving accountability in partnership and funding relationships to foster collaborative, jointly owned projects and a culture based on trust. This will involve balancing the demands of upwards accountability with the needs of communities – through, for example, extending and developing 'people-based' systems that emphasise ongoing, face-to-face contact between partners throughout all stages of funded projects. Monitoring should be understood on both sides as a learning experience, not punishment for failure.

Accountability should flow downwards, too, with local communities having a greater say in the criteria against which performance is measured. Reducing the number of externally determined indicators and shifting the emphasis on to outcomes defined by local communities and agencies together is more likely to build legitimacy and trust around partnership working, as well as deliver enhanced inclusion outcomes.

Identifying the intermediary organisations – which are often to be found in and around local government, and which can help to establish the shared spaces in which productive collaboration can flourish – is another important task. A host of new methods and techniques of civic engagement and public participation in decision-making have grown up over the last decade. The task in this context is to ensure that they become effectively integrated into mainstream decision-making, particularly where community-based organisations are involved in partnership with statutory bodies.

A key part of this challenge is to reconcile the professionalised culture of formal partnership structures with the 'bottom-up' orientation of grass-roots-based capacity-building activity. Formal structures, such as local partnership boards and regional forums, might be better placed to address this challenge if supported by informal networks and relationships of learning and trust (among CBOs, community leaders, larger voluntary-sector organisations, independent social entrepreneurs and consultants) that provide more flexible access points for participation.

## Recommendations

These principles of two-way and mutual accountability should be promoted and developed across all multi-agency schemes (Sure

Start, LSPs, EYCDPs, Regeneration Partnerships, New Deal for Communities, etc.) and all central and local government funding programmes (Active Community Funding Package, Children's Fund, Community Empowerment Fund, Community Fund, Single Regeneration Budget, Neighbourhood Renewal Fund, etc.), and in the implementation of the Area-Based Initiatives Review Action Plan for Support for Community Groups. They are also highly relevant to the grant-making programmes of independent trusts.

Given its local status and level of resources, the Community Empowerment Network (CEN) is an area of great potential for developing capacity across communities via the intermediary role. However, the various directions in which CENs have progressed are not yet clear, and neither are the levels of community engagement they may have achieved across the 88 Neighbourhood Renewal Zones. This report, therefore, recommends that the NRU should initiate a review of the progress being made by CENs, the lessons learned so far and the potential for making clearer connections between the establishment of CENs and the development of a further-reaching agenda for increasing understanding of how to support and work with community-based organisations across the whole of social policy.

### Strategic role of independent trusts

While CBOs might play a key role in improved service delivery, the distinctive value they contribute is inextricably linked to their status as a constitutive and independent part of a rich, multi-faceted civil society. Strong partnerships with government are crucial if the multiple dimensions of social exclusion are to be tackled.

However, in a diverse and complex society, the longer-term value of these organisations may be as part of an independent tier of organisational life, enlarging and enriching the public sphere and enhancing opportunities for civic participation, without ever becoming fully dependent on the mandate or the resources of government. There is a vital role, extending far beyond the life of any one government, for non-state actors in providing leadership and leverage for social change, and in building community capacity, the independent voice of citizens, and

the ability to participate equally in public debate and conflict.

It is increasingly recognised that independent grant-making bodies are ideally placed to occupy this space, and collectively to act as stewards of independent, community-based capacity for social problem-solving and adaptation.

As has been noted in a recent report on the future of philanthropic foundations:

*In a society in which government, business and mainstream voluntary sector increasingly resemble each other and are driven by short-term, often spurious, performance measures, foundations have a unique role to play in questioning conventional wisdoms, making new connections, thinking and working 'outside the box' . . . They can become the intellectually active, independent and informed institutions that push innovation and social justice in modern societies.<sup>23</sup>*

Developing coherent long-term support for community-based organisations dedicated to empowerment and social inclusion is one area of focus for foundations seeking to play this kind of role. Several major trusts and foundations in the UK treat this area as a priority, but the ways in which they can have the greatest collective impact on the capacity of the sector and the problems it is addressing are still unclear.

Issues of best practice and knowledge-sharing among grant-giving bodies are important here, and the potential role of umbrella initiatives such as Philanthropy UK, established by the Association of Charitable Foundations, deserves more concerted attention. Several trusts and foundations – including the Barrow Cadbury Trust, the Joseph Rowntree Foundation, the Baring Foundation, the Esmée Fairbairn Trust, the Sainsbury Family Charitable Trusts and the Calouste Gulbenkian Foundation – all prioritise support for community-based voluntary organisations. In 2000, the Baring Foundation's Speaking Truth to Power report explicitly made the case for sustaining the credibility and independence of voluntary organisations whose concerns or methods might not fit neatly within governmental priorities at a given time. All such organisations, in their different ways, are committed to creating both knowledge and capacity in this area. But the

UK still does not have the philanthropic culture or the strategic influence exerted by such organisations in other countries.

While the specific focus of different institutions will rightly vary, there is enormous potential for drawing together relevant knowledge about what practices and strategies are effective in seeking to build up independent organisational capacity at community level. Inevitably, this agenda is not one that can or should be taken forward by any institution other than the community of trusts and foundations itself. But our analysis and the growing salience of community capacity in a wider social and political context suggest that there is an important opportunity to establish momentum behind this overarching goal that could have a powerful long-term impact.

## Recommendations

Independent grant-making bodies with a long-term presence are ideally placed to lead this agenda, both by providing focused support for particular kinds of organisation and by designing programmes and knowledge-spreading networks that can influence the behaviour of other institutions.

Given this opportunity, an exploratory account of the organisational challenges facing trusts is as follows:

1. Determining organisational priorities in terms of grant-making programme design and selection of partners. How is the goal of social inclusion to be reflected in the types of projects trusts decide to support? What sorts of themes are most appropriate or most helpful in providing focus for CBOs' capacity-building activities?
2. Managing this commitment over the longer term. How are trusts' social inclusion programmes to develop an identity and added value that represent more than the sum of the CBOs they support? How can these programmes enhance shared policy objectives in tackling exclusion while remaining independent of any specific public policy agenda?
3. Strategic investment in partners to

encourage networking and learning. How can trusts enhance knowledge-sharing relationships across their families of partner organisations? What strategic alliances and methods of knowledge creation and diffusion are needed to ensure that lessons are genuinely learned and spread? How can a shared responsibility for building the capacity of the sector be nurtured?

4. Balancing the roles of local provision and national advocacy across their partner organisations. Many CBOs provide essential services to marginalised groups at local level, but their leaders are also motivated by a desire to influence policy decisions at national level and beyond. How can trusts support both these roles? How far should trusts and foundations, individually and collectively, commit themselves to supporting and amplifying the experience of locally based organisations through advocacy? What are the ethical or political dilemmas for trusts in doing this?

The potential role of civil society organisations in helping to create social value and sustain trust across increasingly diverse communities is becoming widely recognised across political parties, sectors and regions in the UK. There is real scope for the development of a movement dedicated to community capacity-building that could have a cumulative, long-term impact on the UK's social fabric. Developing such a movement will challenge government to take more risks in its approach to governance and social inclusion, grant-makers to lead in championing innovative practice and finding effective ways to share it, and community-based organisations and their leaders to engage in much wider sets of learning relationships.

If these kinds of commitments combine in the right ways, the ideas and practice of social inclusion could become embedded in community life in the twenty-first century in ways that reduce our dependence on short-term events and on the shifting priorities of public policy for securing the well-being of all our communities.

# Notes

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