

CAPACITYBUILDERS

BUSINESS PLAN

1 April 2006–31 March 2007

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Foreword

Much progress has been made since 2004 to improve the efficiency and effectiveness of the voluntary and community sector (VCS). A significant element of that progress has been the establishment of the ChangeUp¹ programme and, more recently, the incorporation of Capacitybuilders (UK) Ltd (Capacitybuilders) to deliver that programme. Getting even to this point is a tribute to the energies and commitment of all involved – be this the Home Office Active Communities Directorate,² the Government Regional Offices, voluntary and community organisations (VCOs) or, indeed, the staff at Capacitybuilders.

The production of this Business Plan, and its associated Corporate Plan, is a definitive moment for Capacitybuilders; it recognises that our aim is to continually improve and develop the VCS through to 2014, but that this will only be possible through sound planning, responsible governance and clear accountability. The 2006/07 financial year is very much a time for putting a solid foundation in place and hence our priorities are to:

- establish and develop Capacitybuilders within the VCS;
- define our funding strategy and deliver grants; and
- initiate the vital action that will enable us to measure our progress in the years ahead.

The last point is particularly important to Capacitybuilders, as we are fully aware of the significant investment that has been made into the VCS and, therefore, the imperative to confirm that this investment is delivering the intended benefits. This Business Plan (BP06) summarises the actions and outputs that Capacitybuilders will deliver this financial year towards meeting our long-term goals and objectives.

We have made an encouraging start by delivering continuation funding to regional consortia³ and funding to the national Hubs,⁴ but many challenges remain, not least securing funding for beyond March 2008. Meeting and exceeding the targets set in BP06 will reinforce the case for continued investment in Capacitybuilders and the ChangeUp programme.

Chris Pond
Chairman

¹ Government funding programme developed with VCOs to build capacity and infrastructure in the sector.

² Machinery of government changes have transferred ministerial responsibilities and administrative arrangements for Capacitybuilders, and therefore ChangeUp, from the Home Office to the Cabinet Office.

³ Consortia organisations supporting frontline organisations in their communities.

⁴ Centres of expertise.

Capacitybuilders

ChangeUp programme

1. The 2002 Treasury document, *The role of the voluntary and community sector (VCS) in service delivery: A cross-cutting review* led to the instigation of a 10-year programme running from 2004 to 2014. The programme was called ChangeUp, and it was allocated £80 million of funding for 2004/05 and 2005/06.
2. The aim of the ChangeUp framework is that, by 2014, the needs of frontline VCOs will be met by support which is:
 - available nationwide;
 - structured for maximum efficiency;
 - offering excellent provision;
 - accessible to all;
 - reflecting and promoting diversity; and
 - sustainably funded.
3. The years 2004 to 2006 have been spent in developing the VCS infrastructure. This has been achieved by forming regional and sub-regional (county, borough or metropolitan borough) consortia to represent the many VCS organisations, and establishing the Hubs.
4. There is no standard pattern for consortia, but they all have the role of ensuring that the priorities for VCS service delivery are sector-led, rather than government-directed. There are currently 127 consortia in England.
5. In 2005, ChangeUp set up six national Hubs to address VCS infrastructure issues. The Hubs are national centres of expertise and are a primary means of developing VCS capacity in the key areas of:
 - finance;
 - governance;
 - ICT;
 - performance;
 - volunteering; and
 - workforce development.

Infrastructure

Infrastructure is the physical facilities, structures, systems, relationships, people, knowledge and skills that help frontline organisations to achieve their aims.

Consortia

Regional and local groupings of VCOs who have come together to agree priorities for actions and funding.

Role of Capacitybuilders

6. Capacitybuilders (UK) Ltd (Capacitybuilders) was incorporated on 14 February 2006 as a company limited by guarantee. It is also a non-departmental public body (NDPB). It commenced business on 3 April 2006 and assumed responsibility for delivering the ChangeUp programme from the Home Office. Capacitybuilders has a £70.8 million budget to fund ChangeUp for 2006/07 and 2007/08. Capacitybuilders has replaced the nine regional Government Offices in coordinating the delivery of ChangeUp funding to the consortia. Capacitybuilders' budget also includes funding for the Hubs. Within the overall budget of £70.8 million, the Cabinet Office has mandated the annual allocation up to March 2008 for both the consortia and the Hubs.
7. Capacitybuilders is also tasked with developing funding streams to other qualified VCS entities.
8. The provision of effective infrastructure support to frontline organisations applies as much to the social enterprise movement, social businesses and non-profit businesses with social purposes as to the traditional voluntary and community sector. In this year Capacitybuilders will also begin to identify opportunities for investment in social enterprise and the wider third sector.
9. At the same time, it is important to recognise that the third sector is not just about service delivery but also campaigning and effective leadership. Capacitybuilders is committed to enabling ChangeUp consortia to provide local leadership for the sector alongside its service provision. This involves helping local and sub-regional consortia articulate a strong "voice" for the sector in local areas.

Corporate governance

Legal

8. At the corporate level, there is a governance protocol between the Cabinet Office sponsor unit and Capacitybuilders. This protocol is enshrined within the Governance Management and Accountability Agreement and covers areas including:
 - the appointment and role of the Accounting Officer;
 - the role of the sponsor unit;
 - the business and affairs of the company;
 - the provision of information and assistance;
 - the corporate plan;
 - freedom of information; and
 - confidentiality and announcements.

9. Among others, the Capacitybuilders Board will seek views from the Infrastructure National Partnership (INP), as an advisory group to the Board, on its strategy and funding programmes. The mechanism through which this advice will be sought will be agreed between Capacitybuilders and the INP. The Cabinet Office will fund the INP to enable it to meet and fulfil its advisory function in 2006/07 and consider any applications for future funding. The Cabinet Office anticipates that the Capacitybuilders Board will seek advice from a range of other stakeholders, including frontline VCS groups, and will fund this consultation/advisory mechanism from within the ChangeUp funds allocated to it.

Principles

10. The Capacitybuilders Board will adhere to the following principles when making investments:
 - A minimum of 65% of ChangeUp funding will be invested regionally/locally.
 - Funding should support catalysing a step change, not funding core functions.
 - Funding decisions should be informed by, but not restricted to, the contents of the ChangeUp framework published in June 2004.
 - Funding decisions should be informed by and built on, but not be restricted to, the work completed on the Infrastructure Investment Plans (IIPs) at regional/sub-regional/local level.
 - Capacitybuilders should take forward, in the way it feels most appropriate, the work completed in January 2006 on mainstreaming diversity within ChangeUp.
11. Funding will not be made available through ChangeUp for the following purposes:
 - where there is a clear risk that it would be subsidising services or activities in such a way that would distort or threaten to distort open competition in line with current European Commission rules on state aid;
 - where the primary beneficiaries of the work would be outside of England;
 - where the primary beneficiaries would be animals; and
 - where the primary work would be promotion of religious activity.
12. Funding will not be available to the following types of organisations:
 - organisations that are not properly constituted bodies;⁵ and
 - organisations with purposes that include support for a political party, or political campaigning.

⁵ The Home Office requires that any bodies it funds have some kind of legal status and, for significant grants, requires that bodies have a management committee and that it sees a set of audited accounts.

13. As an NDPB, Capacitybuilders is charged with implementing policies that will enable it to adhere to the Government's approach in delivering UK sustainable development and, as part of its Annual Report and Accounts, a section will be dedicated to reporting on the achievements of implementing strategies on sustainable development.
14. As with all government bodies, Capacitybuilders is charged by its sponsoring department to seek efficiency gains. Creating greater efficiency is an important consideration for any public body, but it is not the sole driving force for our development strategy. Equally important is the need to fulfil important principles set by the Board:
- diligence, integrity and fairness, at all times;
 - a commitment to address diversity issues;
 - consistency of practice and procedure; and
 - streamlined and responsive management structure.

Strategic direction

Vision

15. Our vision is an independent, innovative, flexible, responsive and sustainable VCS which achieves its full potential in service delivery, policy analysis, community development and campaigning.

Mission

16. Our mission is to secure a **high-quality, sustainably funded infrastructure** for frontline VCOs. This should allow them to achieve their aims better and use their resources more effectively.

Principles

17. Capacitybuilders will:
- respect VCOs' independence;
 - take full account of diversity;
 - take account of frontline VCOs' experience;
 - recognise that a variety of approaches to capacity building may be successful; and
 - keep to the Nolan Report's public service principles.

Objectives

Key objectives

18. The key objectives for Capacitybuilders are to:

- improve the quality of infrastructure support to VCOs;
- encourage extra investment in infrastructure through demonstrating its benefits;
- ensure investment reaches diverse organisations; and
- develop knowledge of other funds available and influence policy and practice of other funders.

Achieving objectives

19. We will achieve our objectives by:

- creating and managing funds;
- helping organisations that offer infrastructure and capacity-building services to coordinate and cooperate with each other;
- supporting the development of infrastructure services;
- using the knowledge we gain of distributing funds to help develop policy and good practice;
- making an informed case to central and local government and other agencies for sustained, coordinated investment in VCOs over the long term so that they can develop their services and activities; and
- collaborating with others.

Business Plan 2006/07

Approach

20. It is against the background described thus far and the objectives stated that BP06 is produced. The key objectives are met by breaking these down into two subsets – business objectives and operational objectives.

21. The business objectives relate to Capacitybuilders as an organisation: establishing the brand; defining and communicating its place in the VCS; and meeting its statutory requirements in fields such as governance, finance, HR, diversity and equality, health and safety. There are in addition certain business performance targets that fall out from the key objectives.

22. The operational objectives relate to delivering funds to the VCS in accordance with our key objectives. The various programmes are described in more detail in BP06 itself.

Key Performance Indicators and measures

23. One of the business objectives is to develop more comprehensive Key Performance Indicators (KPIs) and measures. In this first year of operations, the baseline has yet to be established from which improvements can be identified, introduced and achieved. The targets and measures in BP06 are a starting position from which to develop further. Funds must be delivered in accordance with guidelines and so, for example, the measures are:

- meeting the key objective requirement;
- acting in accordance with the allocation guidelines; and
- delivering the allocation for each programme.

Business Plan 2006/07

Corporate Plan 2006–2009

24. Capacitybuilders' Corporate Plan 2006–2009 (CP06) sets out the long-term, high-level objectives and the medium-term plan for achieving them. In particular, CP06 shows the financial profile for 2006–2009. BP06 covers only financial year 2006/07 (FY06/07) taking the financial allocations for FY06/07 as shown in CP06 as its start point.

Business objectives

25. The business objectives are within the summary table at Annex A.

Legal entity

26. The incorporation of Capacitybuilders as an NDPB was an essential step in demonstrating commitment to the principles of ChangeUp. Incorporation is a business objective that has been achieved.

Credibility and recognition

27. Any new organisation is susceptible to a lack of confidence by stakeholders in its ability to deliver its objectives. The business objective targets are:

- the incorporation of Capacitybuilders;
- delivering continuation funding on time;
- delivering Hub funding on time; and
- acceptance by regional offices and consortia of Capacitybuilders' ability to fulfil its role.

Branding and differentiation

28. In a complex marketplace, there is little clarity between the roles of different funders, for example FutureBuilders, Big Lottery Fund (BLF) and Capacitybuilders. Capacitybuilders must take a leading role in helping the customers (VCO/VCS), other government departments and other statutory bodies to understand the complementary roles. Means of achieving this include:

- regular meetings with other funders;
- forming a Funders' Working Group or Forum;
- links from the Capacitybuilders website to those of other funders; and
- developing Capacitybuilders' own brand.

Performance

29. Capacitybuilders will deliver best value from its investments. However, to identify and measure this value requires a known starting point. From this starting point, performance reviews will determine the progress made by Capacitybuilders and the potential and actual benefits realised by Capacitybuilders and the ChangeUp programme. BP06 sets the necessary reviews and reports as its targets:

- baseline review;
- performance review;
- Hub review;
- third-party funding plan; and
- private sector investment target.

Operational objectives

30. The operational objectives are within the summary table at Annex A.

Objective 1: Improve the quality of infrastructure support for VCOs

Continuation Fund

31. A fund mandated by the Cabinet Office to maintain existing infrastructure. The total fund is £7 million. It is paid in advance in quarterly tranches. The targets are:

- to deliver 100% of the Continuation Fund to the intended recipients; and
- to deliver 98% of payments on time each quarter.

Hub Fund

32. A fund mandated by the Cabinet Office to enable the six Hubs and Net:gain to deliver their missions. The total fund is £9 million. It is paid in advance in quarterly tranches. The targets are:

- to deliver 100% of the Hub Funding to the intended recipients.
- to deliver 98% of payments on time each quarter.

Consortia Projects programme

33. This provides funds for consortia to deliver high-priority projects up to March 2008, although all allocations made in FY06/07 must be committed by 31 March 2007. This is a discretionary fund whereby Capacitybuilders determines the size of the fund within Cabinet Office guidelines. The fund this year is £9 million. Payments will be made in the third and fourth quarters of FY06/07. The targets are:

- funding distributed across nine government regions;
- 95% of payments validated against relevant consortia or region Infrastructure Investment Plans (IIPs); and
- payments to commence by October 2006.

Non-Consortia Infrastructure programme

34. This aims to identify and develop the infrastructure of organisations that have a national presence but do not yet belong to consortia. Some £1.3 million has been allocated to this programme. The targets are to:

- write programme definition by the end of July 2006;
- release programme criteria by the end of August 2006;
- deliver 98% of payments by February 2007; and
- support at least one national infrastructure.

Website (commissioned work)

35. A major project to rationalise and improve Capacitybuilders websites (including the six Hub websites) is under way. This project has a partial dependency on the outcome of the Hub review. This is an in-year project with running costs thereafter absorbed into Capacitybuilders' agency costs. This is a £0.25 million project. The target timeline is:

- project approval by August 2006;
- project procurement completed by October 2006; and
- project delivered by February 2007.

Objective 2: Encourage extra investment in infrastructure through demonstrating its benefits

Hubs review (commissioned work)

36. There will be a review of the Hubs on how best to deliver national services to consortia. The target timeline is:

- invitation to tender for Hubs review, July 2006;
- review process, July to August 2006; and
- Board decision on best way forward, September 2006.

Learning and development (commissioned work)

37. This programme will support studies and activities that help us to understand what works in infrastructure provision and how best to improve the quality and effectiveness of services. This programme has been allocated a £0.5 million budget. The targets are:

- to commission ten studies;
- to commission or support five events or activities;
- to produce a matrix of areas for investment and sources of additional investment; and
- to produce an action plan for incorporating findings into Capacitybuilders' programme of work.

Best practice (commissioned work)

38. The aim of the best practice programme is to commission research that will help us to influence future programmes, increase investment, and secure funding for 2008 to 2014. This programme has been allocated £0.2 million. The targets are:

- to write the programme definition by the end of September 2006;
- to produce a first best practice report by November 2006;
- to deliver 85% of payments by December 2006; and
- to deliver an action plan based on the findings of this programme by March 2007.

Evaluation (commissioned work)

39. This consists of a Cabinet Office-mandated programme to evaluate the progress, outcomes and benefits of Capacitybuilders and ChangeUp. This programme is partly dependent upon the baseline review, which will report at the end of July 2006. A £0.3 million budget has been allocated for the FY06/07 review. The overall benefits realisation plan timeline targets are:

- to identify the baseline or start point for measurement of progress;
- to articulate the ChangeUp success criteria for 2014;
- to have an approved measurement methodology for the success criteria; and
- to produce a report on the benefits of ChangeUp from 2004 to 2006 by March 2007.

Objective 3: Improve reach of infrastructure services

Improved Reach programme

40. The aim of the Improved Reach programme is to extend ChangeUp beyond its current boundaries. Members of consortia are not excluded from this programme, but it is further intended for the smaller, fragile, fledgling organisations, which may need more time and support to complete applications and manage projects. With no established communication channels in place, and the number and scale of potential applications unknown, this is a higher-risk programme. Some £6.3 million has been allocated to this programme. The target timeline is:

- to develop Capacitybuilders' knowledge of those parts of the VCS that have not yet benefited from ChangeUp;
- to increase awareness of ChangeUp and Capacitybuilders among non-consortia VCOs and marginalised communities;
- to design application, payment and monitoring processes by October 2006; and
- to receive expressions of interest and deliver payments by January 2006 .

Objective 4: Develop capacity-building funding sources

Research programme (commissioned work)

41. The research programme will enable Capacitybuilders to develop expertise on changes to VCS management and work with others to use funds more effectively. This programme relates directly to the business objectives of delivering a growing proportion of ChangeUp using non-public funds, and also of becoming the delivery third party of choice for other government departments and NDPBs. This programme has been allocated £0.1 million. The targets are:

- market analysis through research studies, reports and surveys;
- to produce a database of potential sources of investment;
- a communications plan for influencing and approaching likely sources of investment; and
- to become the third-party fund deliverer of choice for other government departments and agencies, organisations and NDPBs.

Governance

Performance monitoring

42. The delivery of this plan will be monitored at three levels. The delivery against targets will be monitored by the Board on a quarterly basis. The programmes and funds will be monitored by the Grants Committee using a planned review programme. Programmes and funds will be monitored by the Programmes Directorate on a monthly basis, using the returns that grant recipients must submit as a condition of funding.

Risk management

43. Formal risk management is at the heart of Capacitybuilders' operations. The targets are:

- risk strategy approved by June 2006;
- risk workshop to be held July 2006; and
- corporate risk register approved by September 2006.

Operational continuity/disaster recovery plan

44. The VCOs funded by Capacitybuilders are highly dependent upon that funding. It is vital, therefore, that data and records are always available so that the operations of Capacitybuilders can continue. The targets are:

- operational continuity/disaster recovery plan approved by October 2006; and
- operational continuity/disaster recovery plan tested by March 2007.

Equality and diversity policy

45. Capacitybuilders will be an advocate of sound equality and diversity practices. The targets are:

- equality and diversity policy approved by October 2006; and
- all Board members and staff to undergo diversity training by November 2006.

Key Performance Indicators

46. The KPIs given at Annex A are fundamental and effective. They are, however, more quantitative than qualitative measures and must be developed further in preparation for FY07/08. The Capacitybuilders FY06/07 deliverable is:

- to hold a KPI workshop in October 2006; and
- to approve KPIs by March 2007.

Benefits realisation

47. To enable the benefits of Capacitybuilders and ChangeUp to be fully assessed in 2014 and monitored in the interim years, the foundation needs to be set in FY06/07. There will be a number of deliverables under BP06 which will permit benefits monitoring to begin from FY07/08. The FY06/07 deliverables are:

- a. **Baseline report.** The baseline report will assess the impact of ChangeUp from 2004 to March 2006 by reviewing the IIPs produced by each consortium. The baseline report will be delivered in July 2006.
- b. **Evaluation report.** The evaluation will confirm the baseline and report on progress to date against IIPs. Measuring progress requires that success criteria for 2014 be agreed, and that the means of measuring these criteria are approved and validated. The evaluation report will be delivered by March 2007. The key outputs for FY06/07 are:
 - 2014 success criteria; and
 - measurement methodology.

Capacitybuilders will employ and validate the criteria and methodology in FY07/08.

Personnel development

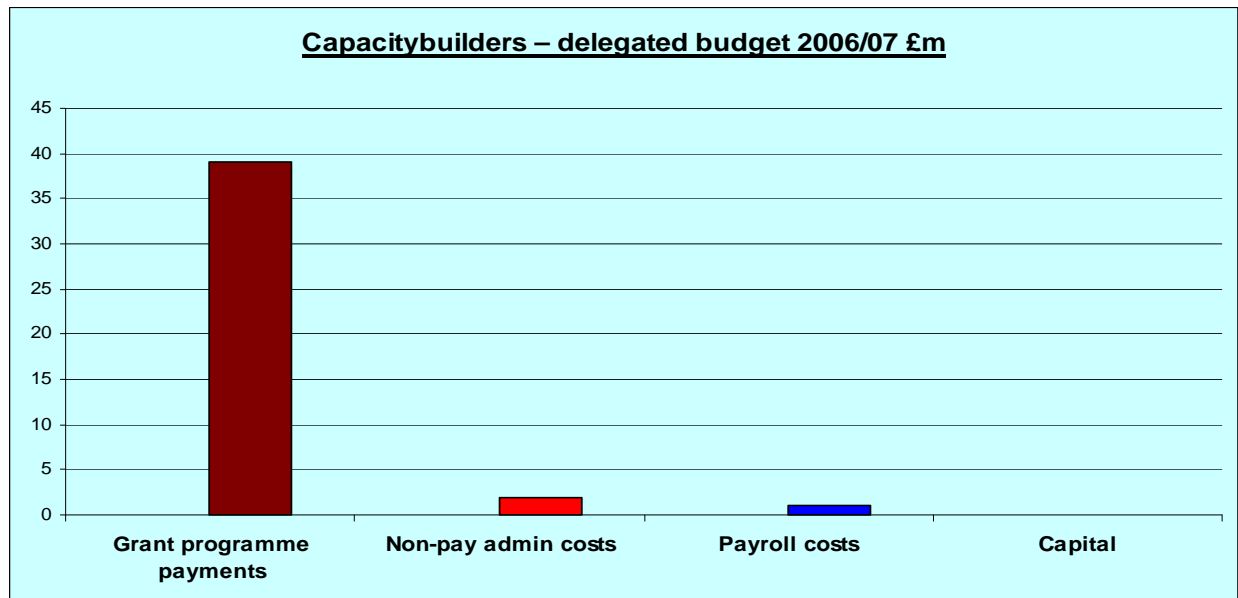
48. Capacitybuilders values its workforce and will make a considerable investment in its staff. The model will be very similar to the Civil Service model, with planned and open personnel development records, and individual personnel development plans, which are regularly reviewed and discussed with line managers.

Financial resources

49. Capacitybuilders has been allocated a budget of £37.3 million for 2006/07; this was agreed with the Cabinet Office.
50. As the Accounting Officer of Capacitybuilders, the Chief Executive is personally responsible for safeguarding public funds, ensuring propriety and regularity, and submitting the Capacitybuilders Annual Report and Accounts for public scrutiny.

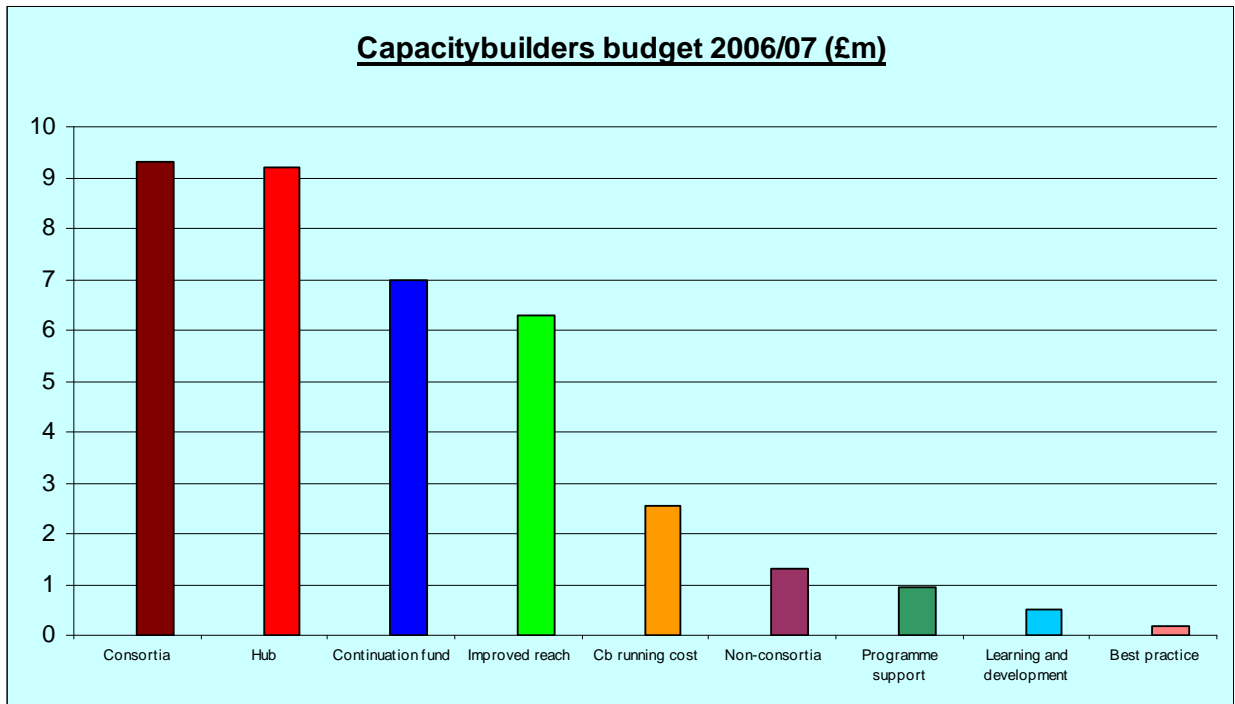
Delegated budget limits for resource and capital

	2006/07 £
Resource Allocation	
Grant Programme Payments	33,827,000
Non-pay Admin Costs	2,192,000
Payroll Costs	1,229,000
	37,248,000
Capital Allocation	
Capital Costs	50,000
	37,298,000



Breakdown of budget by main areas of spend

	2006/07 £ million
Infrastructure	
Continuation Fund	7.00
Hub	9.20
Consortia	9.30
Non-Consortia	1.30
Learning and development	0.50
Best practice	0.20
Improved reach	6.30
Programme support	0.96
	34.76
Running cost	2.54
	37.30



Annex A: Capacitybuilders objectives and Key Performance Indicators

CAPACITYBUILDERS objectives, targets, time-bound tasks and KPIs for 2006/07				
Capacitybuilders Key Objective	Operational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
Improve the quality of infrastructure support to VCOs.	Maintain, strengthen and develop the infrastructure that ChangeUp has already established.	Deliver Continuation Fund to 127 existing consortia in a timely and effective manner.	Process 100% of funds to consortia by March 2007. Deliver 98% of consortia payments on time and accurately each quarter.	Programmes Director Resource Director
		Deliver 2006/07 funding to the six Hubs in a timely and effective manner. Hub review to improve current delivery model.	Process 100% of funds to Hubs by March 2007. Deliver 98% of Hubs payments on time and accurately each quarter. Hub report by August 2006. Action plan by October 2006.	Programmes Director Resource Director Chief Executive Chief Executive
		Further improve infrastructure by funding high-priority projects identified by consortia in their IIPs.	Process 95% of funds to high priority projects by March 2007. Deliver 98% of high priority projects payments on time and accurately. Write programme definition by end of July, 2006. Payments to commence by October 2006.	Programmes Director Resource Director Programmes Director Resource Director

		Identify other infrastructure that is not part of or associated with existing consortia.	<p>Release programme criteria by end of August 2006. Deliver 98% of high priority projects payments on time and accurately.</p> <p>Support at least one national infrastructure.</p> <p>Identify at least one infrastructure per region.</p>	<p>Programmes Director</p> <p>Resource Director</p> <p>Programmes Director</p> <p>Programmes Director</p>
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Capacitybuilders Key Objective	Operational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
Encourage extra investment in infrastructure through demonstrating its benefits.	Fund studies and activities to identify and understand what works best in infrastructure provision, and how best to improve the quality and effectiveness of services.	Commission studies. Commission or support events or activities. Produce a matrix of areas for investment and sources of additional investment.	Studies commissioned and published. The number of events and activities that take place. Production of matrix.	Programmes Director
	Identify trends and technologies that will influence the future social and economic conditions for the VCS.	Commission research studies or surveys. Produce an action plan for incorporating findings into Capacitybuilders' programme of work.	Studies and surveys commissioned and results published.	Programmes Director
	Quantify the progress and benefits to date of ChangeUp.	Identify the baseline or start point for measurement of progress. Articulate the ChangeUp success criteria for 2014. Have an approved measurement methodology for the success criteria. Produce a report on the benefits of ChangeUp from 2004 to 2006 by March 2007.	Changes introduced to objectives and/or programme of work. Board and Cabinet Office approval for the Nigel Siederer Consultancy Report. Board and Cabinet Office approval for the success criteria delivered in the evaluation report. Board and Cabinet Office approval for the measurement methodology recommended in the evaluation report.	Chief Executive

			Board and Cabinet Office approval for the evaluation report.	
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Capacitybuilders Key Objective	Operational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
Improve the reach of infrastructure services.	<p>Deliver funding for improving infrastructure services within marginalised communities.</p> <p>Develop the understanding and capacity for applications and fund management among marginalised communities.</p>	<p>Develop Capacitybuilders' knowledge of those parts of the VCS that have not yet benefited from ChangeUp.</p> <p>Increase awareness of ChangeUp and Capacitybuilders among non-consortia VCOs and marginalised communities.</p> <p>Design application, payment and monitoring processes.</p> <p>Receive expressions of interest and deliver payments.</p>	<p>Number of new applications.</p> <p>Number of different types of communities benefiting (black and minority ethnic, faith, age, rural etc).</p> <p>Geographical spread of applications.</p> <p>Functional spread of benefits (IT, training, governance etc).</p>	Programmes Director
Spend up to limits contained in the budget allocation letter covering Resource and Capital DEL budgets.	Monthly monitoring to Board, Cabinet Office finance, treasury and Senior Management Team.	Develop and implement Capacitybuilders' reporting and monitoring process by June 2006.	Quarterly statutory account reports and annual accounts.	Resource Director

Capacitybuilders Key Objective	Organisational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
Develop Capacitybuilders' funding sources.	Delivering a growing proportion of ChangeUp using non-public funds.	<p>Market analysis through research studies, reports and surveys.</p> <p>Produce a database of potential sources of investment.</p> <p>A communications plan for influencing and approaching likely sources of investment.</p>	<p>Studies and surveys commissioned and results published.</p> <p>Declarations of intent from private, charitable and EU sources.</p> <p>Number of approaches made.</p>	Programmes Director
	Deliver a growing amount of funding on behalf of other government departments and agencies, organisations and NDPBs.	Become the third-party fund deliverer of choice for other government departments and agencies, organisations and NDPBs.	<p>Number of other government departments and agencies delivering through Capacitybuilders.</p> <p>Increase in total payments as a result of third-party funds.</p>	Chief Executive

Capacitybuilders Business Objective	Organisational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
To promote equal opportunities and diversity in Capacitybuilders.	Improve equality and diversity performance monitoring across the organisation.	<p>Review and maintain a comprehensive equality of opportunity and diversity policy in accordance with CRE guidance to focus on staff and service delivery by December 2006.</p> <p>Carry out a diversity audit (age/gender/sexuality/ethnicity/disability/religion) of all HR policies and procedures.</p> <p>Offer all guidance leaflets translated into other languages and formats to comply with the requirements of the Disability Discrimination Act 1995 and the Race Relations Acts.</p> <p>Monitor current agreements set up for arranging interpreters (including deaf signing). Monitor the use of interpreters and translators, and languages required.</p>	<p>Review policy submitted by the end of quarter 2.</p> <p>Board members to attend diversity training by the end of quarter 3.</p> <p>Capacitybuilders staff to receive diversity training by quarter 4.</p> <p>Report to Board in quarter 4. Implementation of plan by quarter 4.</p> <p>Monitor number of translation requests and languages requested. Provide a report to the Board by quarter 4</p> <p>Provide a report to the Board by quarter 4 to raise awareness of diversity of users.</p>	<p>Resource Director</p> <p>Chair</p> <p>Chief Executive</p> <p>Resource Director</p> <p>Communications Manager</p> <p>Communications Manager</p>

Capacitybuilders Business Objective	Organisational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
To be incorporated as an NDPB.	<p>To become a legal entity.</p> <p>To be able to operate.</p>	<p>Articles of incorporation by 14 February 2006.</p> <p>Bank account opened by 30 March 2006.</p> <p>Procurement authority granted by Cabinet Office by July 2006.</p>	<p>Company registration number.</p> <p>Bank account details.</p> <p>Signed agreement.</p>	Resource Director
To be recognised and credible.	<p>Have a logo.</p> <p>To be an acknowledged lead on relevant VCS matters.</p> <p>To establish brand differentiation from similar organisations such as the Big Lottery Fund and Futurebuilders.</p>	<p>Logo awareness.</p> <p>Established communication channels.</p> <p>Funders' Forum.</p>	<p>Regular surveys showing increasing awareness.</p> <p>Hits on website.</p> <p>Regular newsletters.</p> <p>Quarterly meetings with Regional Offices.</p> <p>Invitations to speak at VCO meetings.</p> <p>Attendance at forum.</p> <p>Reduction in redirected approaches and applications.</p>	Communications Managers

Capacitybuilders Business Objective	Organisational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
Provide a first-class service to the public, stakeholders and the sponsoring department.	Promote Capacitybuilders as a learning organisation.	<p>Promote and instil a culture where everyone takes responsibility for total quality management, reviewing all activities and recommending improvements.</p> <p>Introduce an annual training programme based on needs identified from the appraisal process and prioritise in line with business needs in a corporate training programme</p> <p>Provide senior management training on objective setting, action planning and equality monitoring.</p> <p>Continuously identify best practice and implement through the Senior Management Team.</p>	<p>Review training needs for appraisal by quarter 3 and implement appropriate action by the end of quarter 4.</p> <p>Devise annual training programme by Q4.</p> <p>Devise training programme by the end of the third quarter and evaluate feedback received on a monthly basis.</p> <p>KPI workshop, October 2006.</p>	Resource Director

	<p>Develop a robust and coherent performance management regime.</p>	<p>Coherent governance structure.</p> <p>Effective risk management throughout Capacitybuilders.</p> <p>Operational continuity/disaster recovery plan in place.</p>	<p>Number of changes implemented and benefits that ensued.</p> <p>Effectiveness of Board and its committees.</p> <p>Regular review of corporate and programme risk registers.</p> <p>Plan approved by Board.</p> <p>Plan tested by March 2007</p>	<p>Chief Executive</p> <p>Resource Director</p>
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Capacity Builders Objective	Financial				
What This Means	Key Tasks	Targets	How Measured	Lead Executive	
Ensure the appropriate allocation of public funds in meeting the business needs and to consider the effective application of financial resources.	Ensure compliance of accounts direction issued by the Cabinet Office sponsoring team and HM Treasury guidance.	Produce statutory accounts by May 2007 to include applicable elements of Cabinet Office accounts direction and HM Treasury guidance.	Review by external auditions on compliance of accounts direction.	Resource Director	
	Secure economy, efficiency, effectiveness, regularity and propriety.	Implement Internal Audit recommendations by March 2007.	Quarterly monitoring of the Recommendation Action Plan by the Internal Audit Committee.	Resource Director	
		Review all existing contracts for services employed locally to identify central providers by Quarter 4.	Creation and implementation of central service contracts.	Resource Director	
	To consider the allocation of funding in providing financial resources to deliver business objectives.	Ensure expenditure is contained within resources available.		Documentation of tendering processes to demonstrate competitive basis and tenders representing value for money.	Resource Director
			Implement financial controls within Quarter 2.	Resource Director	
	Produce unqualified annual accounts.	Devise and publish year-end timetable by February 2007.	Quarterly monitoring of budgets by the Board.	Resource Director	
	Prepare a budget for the incoming 2007-08 financial year.	Consider financial resources required to meet 2007-08 business objectives.	Board to approve budget allocation. Submit a draft expenditure plan to the sponsoring department.	Resource Director	

Capacitybuilders Business Objective	Organisational			
What this means	Key tasks	Targets	How is this measured?	Lead Executive
Value and develop our workforce.	<p>Maintain human resource practices, training and development.</p> <p>Promote communication within Capacitybuilders and provide all staff with regular briefings and updates, and the means for broad discussion.</p>	<p>Produce Capacitybuilders staff handbook.</p> <p>Review and monitor employees' information.</p> <p>Regular meetings with all staff to provide briefings, and receive feedback and ideas.</p> <p>Review Capacitybuilders communications strategy.</p> <p>Develop an internal communications policy.</p> <p>Implement initiatives to maintain staff morale and reputation of Capacitybuilders as a good employer.</p>	<p>Published by end of quarter 4.</p> <p>Provide accurate information to the Cabinet Office on diversity of Capacitybuilders employees.</p> <p>Continue to build on dissemination of information through the Capacitybuilders Senior Management Team meetings.</p> <p>Provide regular updates on corporate issues via newsletters and intranet.</p> <p>Conduct staff survey by end of quarter 3 and review action plan by quarter 4.</p> <p>Issue a minimum of four Capacitybuilders newsletters during the year.</p> <p>Involvement in Capacitybuilders activities.</p> <p>Staff turnover.</p> <p>Planned training and development.</p> <p>Corporate away days.</p>	<p>Resource Director</p> <p>Resource Director</p> <p>Chief Executive</p> <p>Communications Manager</p> <p>Communications Manager</p> <p>Communications Manager</p> <p>Resource Director</p> <p>Chief Executive/ Resource Director</p>

Annex B: Risk register

Ser*	Risk no.	Risk	P**	I**	Action	Comment	
1	003	If Capacitybuilders does not have funding for more than two years it will not have credibility with stakeholders.	Red	Black	<ol style="list-style-type: none"> 1. Develop Business Plan. 2. Secure funding in SR06. 3. Identify other sources of funding. 	First draft Business Plan being developed alongside strategy.	
2	017	If Capacitybuilders has not added value to the sector then it will not have credibility with stakeholders.		Red	Red	<ol style="list-style-type: none"> 1. Evaluation Reports FY06/07 and FY07/08. 2. Benefit Realisation Plan May 07. 3. Research programme 	
3	009	If Capacitybuilders' role is not clearly defined then it will not be seen as an effective body.		Red	Red	<ol style="list-style-type: none"> 1. Need clear strategy. 2. Need to identify markets. 3. Identify and approach partners and competition. 	Board has approached BLF and been briefed by FutureBuilders. Need to develop Working Group.
4	011	If Capacitybuilders does not deliver the bulk of grants in Oct 06 then it will have an underspend resulting in a serious loss of credibility with stakeholders.		Red	Red	<ol style="list-style-type: none"> 1. Produce criteria by mid-May latest. 2. Contract third-party support. 3. Publish assessment criteria. 4. Get agreement to role of RC in regions. 	Criteria with INP for comment.
5	012	If the monitoring system is not robust then Capacitybuilders will not be able to demonstrate that funding has achieved intended objectives.		Red	Red	<ol style="list-style-type: none"> 1. Meet with Performance Hub. 2. Use of RC. 3. Clear criteria for every programme. 4. Make monitoring and performance module part of acceptance. 	Must tie in with Funding Strategy. Consistent with intended outcomes. Is there a baseline?
6	013	If there is no funding strategy then Capacitybuilders may not deliver funds in accordance with Capacitybuilders' strategy.		Yellow	Red	<ol style="list-style-type: none"> 1. Produce Funding Strategy to Board 	Approved by Board 23 May 06.
7	014	If there is no early evaluation of ChangeUp then the programme might be cancelled through lack of evidence of its impact.		Yellow	Red	<ol style="list-style-type: none"> 1. Evaluation funding in budget. 2. Establish baseline. 3. Competitive tender for Evaluation Project in autumn 06. 	Baseline to be delivered by Nigel Sedera Consultancy in July 06. Evaluation contract to be let in autumn 06 (and

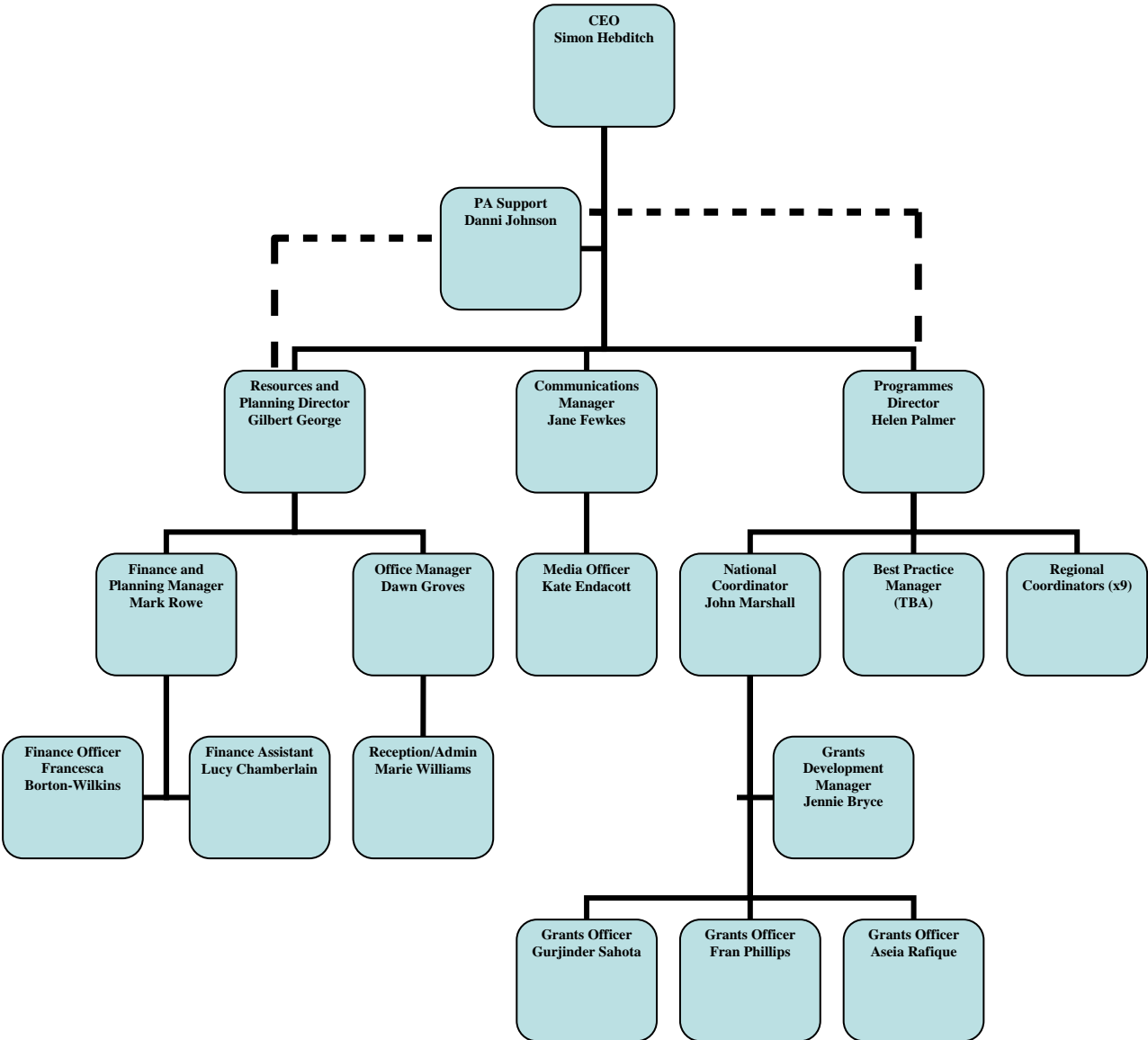
						also in autumn 07).
8	015	If there is no future guaranteed beyond Mar 08, private funders will be reluctant to invest in the VCS.			<ol style="list-style-type: none"> 1. Produce evidence through R&D programmes. 2. Develop concept and plan by Aug 06. 3. Secure FY08/09 funding 	
9	016	If all third-party funding channelled through Capacitybuilders then the exposed total may be subject to pruning.			<ol style="list-style-type: none"> 1. Communications plan needed. 2. Incremental approach. 3. Research potential economies of scale. 	

* Serial number. ** P = Probability of risk occurring. I = Impact of risk should it occur

Annex C: Board Directors, Managers and Regional Coordinators

Board	Chair	Chris Pond
	Chief Executive	Simon Hebditch
	Non-executive	Caryl Agard
	Non-executive	Margaret Bolton
	Non-executive	David Harbourne
	Non-executive	Julia Kaufmann
	Non-executive	Roger Singleton
	Non-executive	Margaret Talbot
	Executive	Gilbert George
	Executive	Helen Palmer
Managers	Communications Manager	Jane Fewkes
	Office Manager	Dawn Groves
	National Co-ordinator	John Marshall
	Finance and Planning Manager	Mark Rowe
	Grants Development Manager	Jennie Bryce
	Best Practice Manager	<i>(to be appointed)</i>
Regional Coordinators	East Midlands and East of England	Kally Barot Mike Wilkins
	North East and Yorkshire and Humberside	Sandra Beighton Neil Bennett
	West Midlands and North West	Corrina McHale Mary-Jane Peach
	South West South East	Vernon Samuel <i>(to be appointed)</i>
	London	Jill Walsh

Annex D: Organisation chart



Annex E: National Hubs – details and allocations

Hub name	Address	Chief Executive	Total grant 2006/07 £
Finance Hub	7th Floor, St Andrew's House 18–20 St Andrew Street London EC4A 3AY	Stephen Aingis	1,000,000
Governance Hub	Regent's Wharf 8 All Saints Street London N1 9RL	Ben Kernigan	1,381,000
ICT Hub	Regent's Wharf 8 All Saints Street London N1 9RL	Ben Kernigan	2,388,667
Net Gain Hub	National Rural Enterprise Centre Stoneleigh Park Kenilworth Warwickshire CV8 2RR	David Head (sec)	679,993
Performance Hub	4 Coldbath Square London EC1R 5HL	Colin Nee	1,321,510
Volunteering Hub	New Oxford House 16 Waterloo Street Birmingham B2 5UG	Christopher Spence	1,338,878
Workforce Hub	Regent's Wharf 8 All Saints Street London N1 9RL	Ben Kernigan	1,355,000

9,465,048

Annex F: Alignment with Cabinet Office strategic objectives

CABINET OFFICE			CAPACITYBUILDERS			
STRATEGIC OBJECTIVE	STRATEGIC TARGETS	STRATEGIC ACTIONS	OPERATIONAL OBJECTIVES	KEY OBJECTIVES	2014 AIMS	INTENDED OUTCOMES
Citizens, communities and the voluntary sector are more fully engaged in tackling social problems and there is more equality of opportunity and respect for all races and religions.	TARGET 6 Increase voluntary and community engagement especially amongst those at risk from social exclusion.	Dismantle Barriers	Continuation Fund	Improve the Quality of VCS Infrastructure	Support Available Nationwide	Structured For Maximum Efficiency
		Encourage Participation	Hubs			
		Improve VCS Capacity	Consortia Projects			
		Charity Laws Modernised	Non-consortia Infrastructure			
		Promote culture of citizenship	Consortia Projects			
	TARGET 7 Reduce race inequalities and build community cohesion.	Invest in infrastructure	Learning & Development Fund	Extra investment in infrastructure through demonstrating benefits	Accessible to All	Reflecting and Promoting Diversity
		Accountable Public Services	Best Practice Fund			
		Tackle Inequality	Evaluation Programme			
		Reduce Discrimination	Improved Reach Programme			
		Eradicate racism & extremism	Research Programme			
Promote inclusive citizenship	Investment in Diverse Organisations	Develop knowledge and Influence	Sustainably Funded	More Efficient VCS Infrastructure	Better Effective Delivery of VCS Services	
Participation by all communities						Structured For Maximum Efficiency

Annex G: 2006/07 payment profile

