



Capital Investment Programme

A Capacitybuilders grant programme

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Capital Investment Programme

Developing third sector resource centres

This prospectus provides background information about Capacitybuilders' Capital Investment Programme 2008-11.

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1. Summary of programme and application process

By 2011 Capacitybuilders wants to increase the access that third sector organisations have to high quality, relevant and affordable shared facilities and services offered by local resource centres across England.

Capacitybuilders is defining third sector local resource centres as a building or area within a building which is used as a base for providing development and support services to frontline third sector organisations within a local area, and specifically:

- offers accommodation or shared services and facilities to frontline third sector organisations within the area
- offers services accessible all frontline third sector organisations within a local area

Our capital investment will support more efficient, effective and sustainable support services for frontline organisations.

Outcome of grants

Local third sector organisations have increased access to shared facilities and services through improved sector resource centres.

We plan a phased, scaled investment in three tranches:

Strand A (2008/09): Up to £30k for smaller-scale improvements to existing centres; for example by offering additional meeting, office or storage space, better IT, telephony or access to resources (such as a common library). There is a rolling application process with a final **deadline of 31 January 2009**.

Strand B (2009-11): Significant refurbishment (£50-£200k). Two-stage application process. Deadline for expressions of interest 31 January 2009, including opportunity to bid for two elements of revenue funding to support project development and delivery.

Strand C (2010-11): Flagship projects (£200-£500k). Two-stage application process. Deadline for expressions of interest 31 March 2009, including opportunity to bid for two elements of revenue funding to support project development and delivery.

Application forms available to download: www.capacitybuilders.org.uk/capital

Strand	A	B	C
Focus	Premises Improvement	Significant Refurbishment	Flagship Projects
Size of grants	Up to £30k	£50-£200k	£200-500k
Period of investment	Up to March 2009	Up to March 2011	Up to March 2011
Application Process	Single application form by 31 st January 2009	Expression of Interest by 31 st January 2009	Expression of Interest by 31 st March 2009
		Business Plans by 30 th June 2009	Business Plans by December 2009
Match funds required?	x	x	✓
Revenue support available	x	✓	✓
Funds available	£1m	Approx £2.5m	Approx £1.5m
More details	Pages 9 and 10	Pages 11-13	Pages 14-16

Resource centres may only apply for one grant under this programme

2. Background and context

2.1 Capacitybuilders and ChangeUp

The ChangeUp framework was published in 2004 by the then Home Office Active Community Unit, setting out a long term vision for how the support and development needs of frontline third sector organisations could be better met through the provision of high quality, accessible and sustainable support services. The framework presented an analysis of the needs of frontline organisations, and the changes required in the way support services were planned, organised and funded.

The framework was underpinned by an £80m investment programme to March 2006. This included the development of local and regional partnerships to develop long-term plans for more effective and sustainable support services (what became known as local and regional 'consortia'). Early learning from the implementation of the programme, led to a review of leadership and fund management, and the announcement of the creation of Capacitybuilders as an arms length agency to lead the programme from April 2006, with a brief to bring more consistency and coherence to the programme.

Following significant consultation across the third sector and with broader stakeholders, Destination 2014 was published in June 2007, setting out how Capacitybuilders will work to:

- a) improve the quality and effectiveness of support for third sector organisations
- b) demonstrate to key stakeholders the benefits of support services
- c) ensure equal access for all third sector organisations to mainstream support services, and will target resources where necessary to address the needs of particular excluded groups
- d) influence funding policy and practice to ensure sustainable support to third sector organisations
- e) engage with the public sector.

The 2007 **Third Sector Review** reaffirmed government support for continued ChangeUp investment through Capacitybuilders, with £88.5m allocated in the Comprehensive Spending Review for the further roll-out of the programme 2008-11. It also highlighted a commitment to ensure ChangeUp funds support social enterprise and the campaigning and 'voice' role of the sector and benefit small community groups.

Since then, Capacitybuilders has launched five main programmes for the 2008-11 period:

- National Support Services
- Improving Reach
- Consortium Development Grants
- Modernisation Fund
- Social Enterprise

This prospectus outlines Capacitybuilders' priorities for the last main programme for the 2008-11 – supporting the development of local third sector resource centres through a £5m capital grants programme.

2.2 Capital investment

The programme builds on significant capital investment in the first two years of ChangeUp funding (ahead of the establishment of Capacitybuilders in 2006) — primarily administered by Government Offices to support a range of ICT and premises projects by sector support providers.

The ChangeUp funds available to Capacitybuilders for 2008-11 include an allocation of £5m capital, profiled across the three financial years:

- £1m to March 2009
- £2m during April 2009-March 2010
- £2m during April 2010-March 2011.

Government accounting rules:

- require expenditure to be allocated and used within financial years
- forbid the use of capital funding for revenue costs, and there are specific rules as to how capital funding may be used. The principal test is to consider whether the expenditure is an essential part of, and is directly related to, acquiring an asset.

2.3 Links to broader initiatives and funding streams

There is significant policy interest and attention being given to the role that assets can play in building more sustainable voluntary and community action, especially in terms of community level infrastructure and enterprise.

- The Big Lottery Fund has recently announced grants under the Community Assets Fund with funding from Office of the Third Sector — supporting the transfer of local authority buildings to community-led ownership
- Futurebuilders investment, funded by the Office of the Third Sector, has been used to purchase premises for frontline organisations delivering public services.
- In some regions, European funds have also made a significant capital investment in resource hubs offering shared services.
- The new Communitybuilders programme, funded by both Communities and Local Government and Office of the Third Sector, is likely to offer a mixture of grants and loans to support the modernisation, improvement and development of organisations acting as Community Anchors.

Capacitybuilders wants to complement other available investment, with a distinct focus on the role and development local resource centres can play in improved support services for frontline organisations, including shared services/facilities as a means of encouraging collaboration and efficiencies in the sector.

3. Programme impact, aims and outcomes

We want to support the creation and development of shared premises and facilities for third sector organisations in England, through support for refurbishment and the enhanced use of buildings being used as resource centres.

We want to support initiatives which encourage collaboration and shared ‘back room’ functions, and to help third sector organisations which own or run resource centres make the best use of these assets in supporting frontline organisations.

In many cases, this will mean supporting the development of buildings with multiple third sector tenants. In others, it will mean supporting buildings which offer multiple support services for the development of third sector organisations with a focus on the shared use of facilities.

Our capital investment should result in more efficient, effective and sustainable support services for frontline organisations. The intended outcome is that a diverse range of third sector organisations have increased access to shared facilities and services through local third sector resource centres.

We plan to offer three levels of investment:

Strand A: 2008-9 Smaller grants to support premises improvements

Strand B: 2009-11 Grants for significant refurbishment and development

Strand C: 2010-11 Major grants to support Flagship projects.

Resource centres may only apply for one grant under this programme

4. Investment strands

STRAND A: 2008-09 Smaller grants for premises improvement

Up to March 2009, Capacitybuilders is making capital grants of up to £30k available for local resource centres to make improvements to their premises which result in improved *availability, or quality and accessibility* of accommodation or shared facilities for local third sector organisations.

This might include a range of changes to existing accommodation that will contribute to the programme aims - for example by offering additional meeting, office, storage space, better IT, telephony, access to resources (such as a common library).

This is an open programme, with applications welcome from existing local resource centres. Applicants will need to demonstrate that projects are in an advanced stage of planning, with any necessary permissions granted, and that they can be completed by 31 March 2009.

A single application form is available now for these grants and can be submitted to grants@capacitybuilders.org.uk at any time up to **31 January 2008**. Applications will be assessed and submitted for decision by the Funding, Policy and Programmes Committee on a monthly basis; so early applications are more likely to succeed.

We will acknowledge receipt of your application, and keep you informed of timescales for decision-making.

Criteria for premises improvement grants

All applicants will be required to demonstrate that:

1. capital investment of up to £30k before March 2009, will help achieve a significant improvement in the *availability or quality and accessibility* of accommodation and shared facilities provided by resource centres for third sector organisations in a local area
2. at least three organisations will directly benefit from the improvements to premises
3. that appropriate groundwork, research, planning and budgeting has taken place
4. any additional running costs resulting from the improvements have been anticipated
5. premises will meet high standards of access. (*this includes compliance with the Disability Discrimination Act.*)
6. premises will comply with environmental standards under the Building Act 1984
7. premises are owned or on at least 5 year lease
8. The project will deliver value for money. *We will seek to measure the range of benefits for local organisations from the investment, and ensure costs are appropriate and realistic.*

Prioritisation criteria for premises improvement grants

Capacitybuilders will prioritise projects which can demonstrate:

1. that smaller, community-based frontline organisations and/or excluded communities will benefit from the project
2. that improvements to properties or facilities significantly reduce environmental impact, or increase environmental sustainability
3. that the project will meet the aims and priorities of the business and strategic plans for improved third sector support developed and agreed by local ChangeUp consortia (available on Capacitybuilders' website).

STRAND B: 2009-11 Investment grants for significant refurbishment

Between April 2009 and March 2011, Capacitybuilders intends to make up to 25 grants for the significant development of local third sector resource centres.

We want our investment to support significant improvements in the *quality, accessibility* and *availability* of accommodation, shared services and facilities provided by resource centres.

Capacitybuilders plans to make a range of grants for the **significant refurbishment** and the development of existing premises, with investments of between £50k-200k. Projects will need to demonstrate how they increase access to accommodation, shared services and facilities for organisations in local area.

This is an open programme for proposals from existing or developing resource centres. We expect the majority of significant refurbishment projects to be completed before 31 March 2010; all projects will need to be complete by 31 March 2011.

Application process

There is a two-stage application process for these grants, with a deadline for initial expressions of interest: **31st January 2009**.

Up to 50 applicants will be invited to submit more detailed business plans for further assessment.

Applicants for refurbishment projects (between £50k-200k) will have up to 3 months to develop business plans from Capacitybuilders' decision on the expression of interest (with a deadline of 30 June 2009).

Capacitybuilders is also offering applicants the opportunity to bid for two elements of revenue funding to support project development and delivery:

- **Capital expertise support:** As part of the expression of interest stage, applicants can apply for a one-off grant of up to £10k for any professional specialist capital support needed for the development of the business plan. However, any such award would not guarantee the success of the final application.

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- **Project management grant:** We recognise that a critical success factor for some projects will be the employment of skilled and dedicated staff to manage the delivery of the project and grants will be offered to facilitate this.

Criteria for all significant refurbishment grants

All applicants will be required to demonstrate that:

1. capital investment of between £50k and £200k between April 2009 and March 2011 will contribute to Capacitybuilders' aim of achieving a step change in the quality and range of local support available to third sector organisations.
2. the proposed project either:
 - increases the *availability* of accommodation and shared facilities/services for third sector organisations; or
 - increases the *quality* and *accessibility* of accommodation and shared services/facilities for third sector organisations as existing or prospective tenants, and will benefit other organisations within a locality (such as meeting facilities, shared services etc).
3. at least five organisations will directly benefit from the investment in refurbishment and improved facilities
4. the broader third sector in the local area will also benefit from the available facilities, or from improved services that result from the investment
5. the future sustainability of the improved facility or service can be demonstrated. *We expect you to have considered how any additional revenue costs resulting from the development of new services and facilities will be met in the short and longer term.*
6. premises will meet high standards of access (this includes compliance with the Disability Discrimination Act.)
7. premises will comply with environmental standards under the Building Act 1984
8. premises are owned or on at least 5 year lease
9. the project will deliver value for money. *We will seek to measure the range of benefits for local organisations from the investment, and ensure costs are appropriate and realistic.*

Prioritisation criteria for significant refurbishment grants

Capacitybuilders will prioritise projects which can demonstrate:

1. that smaller, community-based frontline organisations and/or excluded communities will benefit from the investment
2. a significant 'shared services' component within the project
3. that appropriate groundwork, research and planning have taken place. *Evidence might include business plans, consultation and other funding proposals.*
4. commitments and support from other funders, or sustainable income from other funding sources. *Capacitybuilders will liaise with relevant funders as part of initial assessment.*
5. that Capacitybuilders' investment will make a tangible and distinct contribution to the realisation of the project
6. that improvements to properties or facilities significantly reduce environmental impact, or increase environmental sustainability
7. that the project will meet the aims and priorities of the business and strategic plans for improved third sector support developed and agreed by local ChangeUp consortia. *We will ask consortia to comment on the congruence of proposals with their business and strategic plans.*

STRAND C: 2010-11 Flagship projects

By March 2011, Capacitybuilders intends to invest around five 'flagship' projects to developing or significantly expanding local third sector resource centres.

We want our investment to support significant improvements in the *quality, accessibility* and *availability* of accommodation, shared services and facilities provided by resource centres.

Capacitybuilders will make around five investments of between £200k and £500k for major projects. We expect at least 50% match in funding from other sources, supporting the development of new facilities with significant elements of shared services for co-located organisations.

This is an open programme for proposals from existing or developing resource centres. All projects will need to be complete by 31 March 2011.

Application process

There is a two-stage application process for these grants, with a deadline for initial expressions of interest: **31 March 2009**.

Up to 10 applicants will be invited to submit more detailed business plans for further assessment. Applicants will have up to six months for the development of business plans from Capacitybuilders' decision on the expression of interest (deadline 30 December 2009).

Capacitybuilders is also offering applicants the opportunity to bid for two elements of revenue funding to support project development and delivery:

- **Capital expertise support:** As part of the expressions of interest stage, applicants can apply for a one-off grant of up to £10k for any professional specialist capital support needed for the development of the business plan. However, any such award would not guarantee the success of the final application.
- **Project management grant:** We recognise that dedicated project management will be a critical success factor for some projects and one off and time limited grants will be available to facilitate this.

Criteria for all flagship investments

All applicants will be required to demonstrate that:

1. capital investment of between £200k and £500k between April 2010 and March 2011 will contribute to Capacitybuilders' aim of achieving a step change in the quality and range of local support available to third sector organisations
2. at least 50% of the overall costs of the project is being met from other sources.
3. the proposed project increases the availability of accommodation and shared facilities/services for third sector organisations
4. at least five organisations will directly benefit from the investment in refurbishment and improved facilities
5. the broader third sector in the local area will also benefit from the available facilities, or from improved services that result from the investment
6. the future sustainability of the improved facility or service can be demonstrated. *We expect you to have considered how any additional revenue costs resulting from the development of new services and facilities will be met in the short and longer term.*

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7. premises will meet high standards of access (*this includes compliance with the Disability Discrimination Act.*)
 8. premises will comply with environmental standards under the Building Act 1984.
 9. Premises are owned or on at least a 10 year lease
 10. The project will deliver value for money. *We will seek to measure the range of benefits for local organisations from the investment, and ensure costs are appropriate and realistic.*

Prioritisation criteria for flagship projects

Capacitybuilders will prioritise projects which can demonstrate:

1. that smaller, community-based frontline organisations and/or excluded communities will benefit from the project
2. a significant 'shared services' component within the project
3. that appropriate groundwork, research and planning have taken place. *Evidence might include business plans, consultation and other funding proposals*
4. commitments and support from other funders, or sustainable income from other funding sources. *Capacitybuilders will liaise with relevant funders as part of initial assessment.*
5. that Capacitybuilders investment will make a tangible and distinct contribution to the realisation of the project
6. that improvements to properties or facilities significantly reduce environmental impact, or increase environmental sustainability
7. that the project will meet the aims and priorities of the business and strategic plans for improved third sector support developed and agreed by local ChangeUp consortia. *We will ask consortia to comment on the congruence of proposals with their business and strategic plans.*

5. Exclusions

This programme will not support:

- resource centres that have previously received significant capital investment (over £150k) through ChangeUp funds
- facilities which primarily:
 - are to be used for the promotion of religion

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- are to be used for mainstream education, including schools
 - for which the prime beneficiaries are individuals
 - projects which have already been completed
 - projects outside of England.

6. Evaluation and learning

The programme monitoring will be designed to demonstrate benefits to local organisations in line with the programme aims:

- increased *availability, access* and *quality* of office accommodation to local third sector organisations.
- increased use of shared 'back office' services.
- increased use of shared services and facilities by local third sector organisations.

We will require submission of reports on progress and completion of the project, but also a 'one year on' report to the benefits that the investment is achieving for local third sector organisations. Recipients will also be expected to contribute to broader evaluation of the programme.