Investing in Capacity

A Review of Arts Waikato and
Social Services Waikato
for Trust Waikato 2006

Contents

1. Summary of Findings & Recommendations

Capacity building and the role of Trust Waikato

- Support for capacity building is important, and enables *Trust Waikato* to increase community impact, enhance non-profit sustainability and leverage (or add value to) the funds it distributes.

- There are a number of different ways for a funder to support capacity building, but there are distinct advantages to the model of investing in an organisation within the sector to carry it out.

- *Trust Waikato* is leading the development of investing in this model in this country. While other funders in Aotearoa New Zealand have begun to recognise the importance of investing in sector capacity, they are largely not yet funding this model of capacity building (though it is a long standing and well recognised approach in other countries, especially in the United Kingdom and North America).

- *Trust Waikato* could have an important national role in pro-actively promoting this model with other funders, and sharing its lessons from investing in such an approach.

The development of Social Services Waikato

- Overall, *Social Services Waikato* has a high profile, is greatly appreciated by key stakeholders and achieves excellent practice (on the 'good practice' criteria identified in the international literature). It works effectively at all three levels (personal, organisational and sector development).   And has been reasonably successful at attracting other resources.

- This appears to be well sustainable as it is built on a strong and effective investment in its own capacity as an organisation. This has probably only been possible because of *Trust Waikato's* sustained investment in core organisational funding.

- *Social Services Waikato* is generally well aware of the key issues requiring future attention, and these are essentially those of a successful maturing organisation:

    - the need to further increase awareness and reach across the region, while balancing the need for increased geographic spread with developing areas of specialist support (for example, with Pacific Island organisations & environment groups, with board or committee members, on evaluation, and on media & public relations);

- balancing the need for consolidation with issues of growth (for example, managing accommodation, staffing, intake and other systems development) and maintaining its highly effective approach beyond the 'enthusiasm' of the foundation and innovation stage, and especially with the transition to the second generation of leadership;

- building on its established feedback systems to develop a more structured and integrated framework for self-evaluation;

- documenting and disseminating lessons learnt, on capacity building, non-profit organisational effectiveness and public policy issues; and considering how to network with and support other 'capacity builders', including those outside the region; and

- attracting increased funding and resources from other sources (including through 'packaging' what it does as fundable projects until other funders recognise the importance of core funding).

- Overall, *Trust Waikato* has received excellent value for its investment in *Social Services Waikato*.

- Continued core funding from *Trust Waikato* is crucial, unless and until this model is recognised and supported by other funders.

- Indeed, very good value would be achieved from negotiating modest but sustained increases in funding – for example, for additional advisors based outside of Hamilton, when it can be done in conjunction with local support.

The development of Arts Waikato

- *Arts Waikato* operates in a different, and somewhat difficult, environment. There is relatively limited funding available for the arts as a field, funding categories are fairly rigidly determined, and there is even less funding for capacity building.

- In addition, the 'classic' model of organisational capacity building fits less well with the structure of the arts field. Even though it shares many of the characteristics of non-profit sector, large parts of the arts are formally in the commercial sector (though, at an artist or craftsperson level these distinctions can be less relevant). Few arts organisations employ staff, and even fewer employ staff in a management or organisational role (the main 'users' of other capacity building services).

- In many respects the arts is more like the sports field than, for example, the social services field, where there are relatively well-developed capacity building models. As a result, new and innovative approaches to capacity building will be required. *Arts Waikato* is still feeling its way in developing these, and a measure of 'trial and error' should be anticipated. Greater attention could be paid to models developed elsewhere.

- Nevertheless, overall *Arts Waikato* has already achieved a reasonable profile, is generally appreciated and seen as useful by most stakeholders, and achieves good practice on a number of the 'good practice' criteria identified in the international literature. There is evidence of it working across all three levels (personal, organisational and sector development), and it is passionate about promoting arts in the region, though some of this work could be better connected in a more strategic way. It has (for good reason) had difficulty attracting other resources.

- *Arts Waikato* has suffered from changes in leadership, inadequate core funding and (more recently) insecurity about its on-going funding, though partly this relates to its own conservative financial policies. This has made it more difficult for the organisation to invest in its own capacity. As a result, some systems are just being developed, there is still some uncertainty about the organisation's mandate and there is yet to emerge a clear and fully-articulated strategy and vision for the organisation, as it works to negotiate its difficult environment.

- Overall, *Arts Waikato* has provided reasonable value for what is currently being invested in the organisation. However, large parts of *Arts Waikato's* current activities are outside the areas that *Trust Waikato* wishes to fund.

- Sustained and reliable core funding from *Trust Waikato* is crucial for the continuing financial viability of *Arts Waikato*, unless and until this role is recognised and supported by other funders. Indeed, the current level of core funding is probably inadequate for ongoing effective work across the region.

- The immediate priority is for *Trust Waikato* to be clear about the boundaries of what mix of activities and outcomes it is willing to support (e.g. promotion of the arts as a field, support for individual artists, facilitation of community arts development, support for non-profit organisations, etc), and for *Arts Waikato* to further develop and clearly articulate its vision and strategy. (If required, it may be useful for *Trust Waikato* to invest in supporting this process.)

Recommendations

Rec 1: *Trust Waikato* should continue to actively promote its model of support for capacity building, and should advocate with government and other philanthropic trusts the benefits obtained from funding regional capacity building infrastructure for non-profit organisations.

Rec 2: Continued core funding from *Trust Waikato* remains essential for the financial viability of *Social Services Waikato* (unless and until the importance of investing in capacity building organizations is recognized by other funders). This should be committed for a reasonable period (say on a rolling 3-5 year cycle), subject to satisfactory performance – in order to provide some certainty for planning and programme development.

Rec 3: *Trust Waikato* should give favourable consideration to requests for additional support to implementing *Social Services Waikato's* strategic goal of having local advisors based around the region – especially when support can also be negotiated from relevant local authorities.

Rec 4: A medium term goal within *Social Services Waikato's* business plan should be further sustained efforts to diversify its funding sources, especially by identifying discrete projects that can be packaged to government and philanthropic funders, exploring opportunities for appropriate corporate sponsorship, and identifying additional opportunities for charges or donations which would not undercut the purpose of the organisation.

Rec 5: *Social Services Waikato* should in the near future undertake an explicit strategic review of the scope and boundaries of its capacity building work. The outcomes may effect its name, location and plans for growth.

Rec 6: *Social Services Waikato* should consider how to further network with, and support other capacity builders, both within the region and beyond. It could strengthen its contribution by researching, documenting and disseminating lessons on capacity building and effectiveness. *Trust Waikato* could give favourable consideration to a request for a time-limited documentation project, for example, leading up to *Social Services Waikato's* tenth anniversary.

Rec 7: *Trust Waikato* should clearly delineate what aspects of arts development and capacity building that it will and will not fund; and on this basis *Arts Waikato* should choose either to:

(i)   focus exclusively on those aspects that *Trust Waikato* wishes to fund, and seek full core funding from *Trust Waikato*; or

(ii)   maintain a wider focus, seeking part-funding from *Trust Waikato* and fund other aspects of its work from other sources.

Rec 8: If required, *Trust Waikato* should look favourably upon any request from *Arts Waikato* for financial or other assistance to undertake a comprehensive strategic planning process to assist in negotiating these choices.

Rec 9: Regardless of its choice, *Arts Waikato* should develop a strategy within its medium-term business plan to aggressively diversify its funding sources, especially by identifying discrete projects that can be packaged to government and philanthropic funders, exploring opportunities for appropriate corporate sponsorship, and identifying additional opportunities for charges or donations which would not undercut the purpose of the organisation. [This will be even more crucial if *Arts Waikato* chooses option (ii) above.]

Rec 10: Any continued core funding from *Trust Waikato* needs to be committed for a reasonable period (say on a rolling 3-5 year cycle), subject to satisfactory performance – in order to provide some certainty for planning and programme development.

Rec 11: In the medium term, and once the mix of funding is determined, priority should also be given to negotiating funding for an additional arts advisor to better service the region.

Rec 12: In terms of continuing programme development in *Arts Waikato*, some potential priority areas for continued attention include:

(i)   **exploring further opportunities for networking and peer-to-peer support,**

(ii)   **exploring further opportunities for flexible mini-workshops & training,**

(iii)   **documentation and wider dissemination of resource material,**

(iv)   **accessibility of services to, and engagement with, Maori arts organisations,**

(v)   **ensuring a high priority is given to development of web-based resources, information sharing, advocacy and support, and**

(vi)   **development of excellent collaborative relationships with Community Arts Councils, including *Hamilton Community Arts Council*.**

2. Methodology

This section briefly outlines the research methods used for collecting data for the Review: a literature review on good practice and multi-perspective stakeholder feedback (from interviews; postal survey; focus groups and mini-case studies). The structure of the Review involved three streams: comparison with 'good practice' elements from the literature; assessment of impact at three levels (individual, organizational, and community or sector-wide); and collecting feedback across a 'programme logic' continuum from (easily counted but less meaningful) activities to (more significant, but harder to identify) long term outcomes.

The Consultants were selected by *Trust Waikato* to undertake a review of *Social Services Waikato* and *Arts Waikato* ('the two Trusts'). A copy of the *Terms of Reference* is at Appendix 1. A small Steering Group was established, comprising the executive officer and a trustee (usually the chair) from each of the three Trusts, to oversee the Review process. The final methodology was agreed with this steering group. Individual members of the steering group were consulted as required throughout the Review, and met as a group on three occasions. The field work was primarily undertaken between June and November 2005.

A review was undertaken of the **literature** on non-profit organisational capacity building and evaluation and on capacity building and funders. Using internet searches and 'snow-balling' techniques, 94 relevant texts were identified and are detailed in the *References* section of this report.

This analysis of the literature was used to identify a range of elements that might be expected to describe '*good practice*' or '*quality*' in capacity building with non-profit organisations. The elements identified are outlined in Section 3.5: *Good Practice Principles for Capacity Building*, and were used as the principal criteria against which the performance of the two Trusts was assessed.

The literature also commonly refers to three potential levels of impact of capacity building: the individual participant; their organization; and the wider sector or community in which they are located (Morgan 1998, Peltenburg *et al*, 2000). Examples of capacity building and its potential impacts on each of these three levels are briefly outlined in Table 1 below.

Table 1: Three Levels of Impact of Capacity Building

Level of Impact	Examples of Capacity Building Interventions	Examples of Impacts
Individual participant	Training; scholarships; one-to-one advice; coaching or supervision; provision of resource material	Improved individual skills or knowledge
Organisation-wide	Advice or workshop with board; coaching for organizational change; provision of resource material or templates	Developed systems or structures
Sector or community-wide	Sector or community-wide events; convening or facilitating peer-to-peer links or collaborative action; media publicity; lobbying on policy or funding issues	Greater awareness of sector; collaboration; improved public policy or funding

Attention to impacts on all three levels has been incorporated into this Review, as much as possible. Though, it was recognised that within the resource and time limits of the Review, it would generally only be possible to assess sector or community-wide impacts indirectly – for example through key stakeholder's perceptions of such impacts (see the last panel on *Impact on clients and communities* in Table 2).

While beyond what was possible in this Review, it could be possible in the future for capacity building organisations such as *Arts Waikato* and *Social Services Waikato*, perhaps in conjunction with relevant sector bodies, to consider instituting tools for the regular monitoring of the 'health' and social impact of their respective sectors[1]. As well as assessing the wider impact of the two Trusts over time, such a monitoring tool in itself could also be a useful contribution to strengthening the sectors, increasing awareness and advocating for their interests. Trust Waikato may be interested in supporting such a process.

Connolly & York (2002) developed a <u>continuum for evaluating capacity-building</u>, ranging from assessing *Activities* (or through-puts) to the longer term *Outcomes* (or impacts). Activities are shorter term and less meaningful, but easier to measure; while Outcomes are longer term and harder to measure, but more meaningful. We have used this continuum (Table 2, next page) to structure the data collection methods and ensure the Review covers a range of perspectives.

In addition to administrative data and reports already held by the three Trusts[2], feedback on the operation of *Arts Waikato* and *Social Services Waikato* across these various issues was sought from a number of sources:

- interviews with chief executives, with other staff and with trustees of the two Trusts;

- interviews with other key individuals from *Trust Waikato*, social service and arts counterpart organisations in the region and nationally;

- short surveys mailed to all organisations on the mailing lists of the two Trusts (as noted below, a survey of social service organisations previously undertaken in 2004 was used for this purpose);

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[1] There are a number of different approaches to monitoring sector 'health', for example: the Boston Indicators Project, which has developed specific indicators both for *Civic Health and Cultural Life* funded by The Boston Foundation www.tbf.org/indicatorsProject/index.asp; the Urban Institute's *Arts and Culture Indicators Project* (ACIP) which has developed a general framework for cultural measurement (Jackson & Herranz, 2002); Johns Hopkins Centre for Civil Society Studies *Listening Post Project* which is qualitative process for monitoring national trends and developments that effect US non-profit organisations www.jhu.edu/listeningpost; and the international CIVICUS *Index on Civil Society* on non-profit structure, space, values and impact www.civicus.org/new/CSI overview.asp?c=FD8912, which has been trialed in Aotearoa/New Zealand (ANGOA, 2001).

[2] Documents reviewed included *Trust Waikato's* extensive files on the two Trusts, Annual Reports of the two Trusts, six monthly reports of the two Trusts to *Trust Waikato*, newsletters, policy documents, operational & strategic plans, and statistical reports of the two Trusts.

Table 2: Evaluation Questions & Data Sources

Evaluation Level	Evaluation Questions	Methods & Sources Used
ACTIVITIES/THROUGH-PUT		
Attendance, Usage & Participation	• How many and what types of people and organisations use the services, which services did they use and what was the extent of their usage?	Administrative statistics from Arts Waikato & Social Services Waikato; Survey of arts & social service organisations
Quality of Service	• To what extent do the services reflect best practices & current knowledge? • How relevant are the services? • How satisfied are the participants? What did they like and dislike?	Compare observed & self-reported practice with principles of good practice from literature; Interviews with key individuals; Survey of arts & social service organisations; Internal feedback forms, complaints & compliments
SHORT-TERM OUTCOMES		
Cognitive Change	• What did participants learn as a result of the capacity building activities, and how did they do so?	Interviews; Focus groups of arts & social service organisations; in depth arts & social service Case Study
Affective Change	• To what extent and how have attitudes & beliefs of participants changed regarding the problem/issue?	Interviews; Focus groups of arts & social service organisations; in-depth arts & social service Case Study
Behavioural Change	• To what extent and how did participants apply what was presented or advised? What is done differently?	Interviews; Focus groups of arts & social service organisations; in-depth arts & social service Case Study
LONG-TERM OUTCOMES/IMPACTS		
Impact on orgt'n management & governance	• How did overall orgt'n management capacities (ie governance, leadership, fundraising, human resource development, financial management, communication, community outreach, etc) improve as a result?	Interviews; Focus groups of arts & social service organisations; in depth arts & social service Case Study
Impact on orgt'n programmes	• In what ways (directly or indirectly) was the quality of programmes and services improved? • In what ways was programme capacity increased? (scale, reach, or extent of impact on target population)	Interviews; Focus groups of arts & social service organisations; in depth arts & social service Case Study
Impact on clients and community	• How has the capacity building impacted on the lives & experiences of orgt'ns constituents? • How have non-profit orgt'ns or the sector improved on the whole? • How has the performance of non-profit orgt'ns improved in addressing community challenges/opportunities? • How have changes in management, governance & programme delivery affected clients in the community? • What impact have these changes had on the community? To what extent have community conditions improved?	Interviews; Focus groups of arts & social service organisations; in depth arts & social service Case Study

Adapted from Connolly & York's "Continuum of Capacity-Building Evaluation" (2002)

- eight focus groups with a range of individuals and organisations assisted by the two Trusts; and

- mini-case studies of an arts and a social services organization assisted by the two Trusts.

The purpose of the **Interviews** was to elicit informed and reasonably detailed perspectives on how the two Trusts operate, both from those involved on the 'inside' (trustees, executive officers, and other staff of the two Trusts) and from selected 'outsiders' (local counter-part organisations involved in related activities, and national experts in the fields of arts and social services capacity-building). All those selected agreed to be interviewed. A list of those interviewed is at *Appendix* 2. All interviews were conducted by an independent consultant and anonymity was assured. A similar schedule of questions was asked of each of the different groups interviewed, though this was abbreviated in some cases and extended in others (for example, more detailed and extended follow-up questions were asked of the chief executives of the two Trusts). A copy of the standard question schedule is at *Appendix 3*.

It was planned to undertake two short postal **Surveys** across a wide range of arts and social service organisations in the region. The purpose was to get a broad and representative view of the sectors' dealings with the two Trusts, including an assessment of the Trust's reach. Upon investigation it was determined that the widest and most representative sample frames would be the mailing lists maintained by the two Trusts. These were more extensive than the mailing list maintained by *Trust Waikato* (from which they were originally developed) and than any publicly available directories in the region.

Social Services Waikato had recently commissioned its own evaluation (Laird 2004), which was based on a postal survey of organisations on its mailing list. This was undertaken by an independent evaluator for *Social Services Waikato*, and of the 350 general questionnaires distributed 110 were returned (a response rate of 31 per cent). A further more detailed survey was also undertaken with organisations that had specifically used the community advisory service in the previous twelve months. An extract from the Executive Summary is at *Appendix 4*. As there was considerable overlap in both the type of questions asked and the sample frame, it was agreed not to repeat a survey in 2005 with social service organisations, but rather to use the findings of the Laird (2004) surveys.

A postal survey was undertaken with arts organisations, and a copy of the survey instrument used and summary of results is at *Appendix 5*. 257 questionnaires were distributed and 75 were returned in time for analysis (a response rate of 29 per cent). A replied paid format was used, and a chance to win a small thank-you gift was offered as an incentive, but there was no follow-up of non-responses. Responses were returned direct to the consultants outside the region and anonymity was assured.

In discussion with the Steering Group, eight **Focus Groups** were identified and organised around the following groups of stakeholders:
- Hamilton-based social service organisations (2 groups),

- Thames & surrounding social service organisations,
- Maori social service organisations,
- Hamilton-based arts organisations,
- Waikato-based arts organisations (Waihi/Thames),
- Hamilton strategic arts contacts, and
- Individual artists.

The two Trusts nominated 76 potential participants for the above groups. Of these 42 were available and accepted the invitation from the consultants to participate in one of these focus groups – a number of which were arranged at relatively short notice. All were conducted in independent locations.

The purpose of the focus groups was to obtain more in-depth and qualitative feedback on the two Trusts from the users' perspectives. The feedback obtained is not necessarily representative but gives a fuller picture of the range of impacts. Given the selection methods, it is unlikely that the views of organisations with little or no experience of the Trusts would be included. Organisations or individuals with negative experiences may also be less likely to be represented. However, the extent of these experiences is available from the sector surveys. A copy of the prompt questions asked in the focus groups is provided in *Appendix 3*.

In order to obtain more detailed perspectives, especially on the longer-term impacts, the two Trusts were asked to each nominate an organization their trust had assisted. As a result mini **Case Studies** were undertaken of *Birthright (Waikato)* and *Waikato Society of Arts*. These are summarized in *Appendices 5 & 6*.

The **Review Team** was led by Garth Nowland-Foreman (*Community Solutions*), who coordinated the Review and is the principal author of this report. He was assisted by Tuwhakairiora Williams (*Williams & Associates*) with specialist advice on Maori organisations and in the conduct of focus groups, and by Aly McNicoll (*Credos Associates*) in the conduct of focus groups. Mary-Jane Rivers (*Delta Networks*) also provided specialist advice on arts & cultural development.

In all some 146 individuals or organisations generously assisted the Review by participating in interviews, focus groups or returning questionnaires. In addition the findings from the 110 responses to the Social Services Waikato survey (Laird 2004) were also incorporated into the findings of this Review. This Review would not have been possible without them. Particular appreciation is due to Arts Waikato and Social Services and especially their respective Chief Executives, Hilary Falconer & Bev Gatenby, for their cooperation, openness and valuable assistance often at short notice.

3. Capacity Building

This section provides an overview on capacity building for non-profit organizations in the literature: what is organisational capacity, and why does it need to be developed? The issue of under-investment by non-profit organisations, and a potential role for strategic philanthropy is identified. Some different ways of investing in capacity and organizational effectiveness are considered, and a model of 'good practice' principles for effective capacity building derived.

3.1 What is organizational capacity?

> *"Every organization has some capacity. But all organizations could use more, because with more capacity, there's a greater chance of better addressing mission or purpose. All organizations are strong in some areas and weaker in others, but the task is to build on existing capacity, to develop it further, to improve on it – to get to the next level of effectiveness. "Capacity" is not just a fad; it's the key to long-term sustainability. If an organization is working well in governing and managing itself, in developing assets and resources, in forging community linkages and in delivering valued services, it is a sustainable enterprise. It's taking care of business. It has the full array of options working for it. An organization that works on all these points is increasing its chances of survival. We believe that increasing an organization's overall effectiveness will contribute greatly to its programs, and that without strong internal operations (Board, management, staff, fund development, communications, accounting, community linkages, etc.), it's difficult to do a good job of delivering effective programs."* (Doherty & Mayer, 2003:2)

Before we consider the task of capacity building it is important to briefly consider 'capacity for what?' What is organisational capacity or effectiveness, and thus how might it be developed?

There are probably as many different lists of possible organisational capacities as there are books or articles on the subject. In fact, Light (quoted in Doherty & Mayer, 2003:1) identifies that one of the many problems of the field is the great variety of definitions and approaches.

Kaplan (1999:30-31) makes an important distinction between how capacity is seen from a funder's perspective compared to that of the non-profit organisation itself. If a funder sees non-profit organisations primary as their local delivery vehicles[3], then:

> *"…capacity here refers to the ability of organisations to implement and manage projects, to exercise financial and product accountability as per [funder] specifications, to employ and train staff competent to undertake specific tasks, and to report on their work in ways that which are acceptable to their [funders]."*

The other perspective that Kaplan describes comes where organisations sees themselves as important and viable 'organs of civil society', working towards, for example, social transformation and redress, inclusion and a

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[3] In fact some New Zealand government funders refer to 'provider capability' – that is, the non-profit organisation's capability in delivering contracted programmes on behalf of the government agency.

better deal for the marginalized, a sense of belonging creativity and identity. Kaplan notes this is also sometimes a perspective shared by some more progressive and community-based funders. Here, the emphasis is more likely to be on:

> "…building robust and sustainable organisations, capable of sovereign focus and direction, of strategizing and innovation, of responding with flexibility and adapting to changing circumstances, and of acting decisively to impact on, and change, their circumstances and social context."

This later view is, according to Kaplan (1999:32), "a more recent appreciation of capacity, and is in line with current organizational thinking and literature about effective and sustainable organisations." For example, see Herman & Renz (1999 & 2004) for a review of lessons learnt on non-profit organisational effectiveness. This has important implications for approaches to capacity building – requiring more of an emphasis on building the capacity to organize oneself sustainably for the long haul, rather than just improving the capacity to perform a particular task at a specific time.

This distinction is also one identified empirically by research of the *International Forum on Capacity Building* (Tandon 1998). As a result there is an increasing awareness that non-profit capacity is not just a series of piecemeal technical quick fixes (for example to 'fix' an organisation's accounts, fund-raising, board, technology or planning).

What, then, makes an organisation effective or successful?

> "The literature is very clear on one point. To be successful, an organization must be mission focused – that is, it must have a clear understanding of why it exists and what it wants to accomplish. Although this should be obvious to most, numerous studies and reports have concluded that cultural organizations often lack a clear idea of what successfully achieving their mission would mean. Building an organization's capacity to succeed requires that the organization be able to define success. Capacity building can help to build a better financial base, more adroit human resources policies, and can increase an organization's ability to market its activities, but unless it has a clear understanding of the ends to which this activity is directed, it is bound to fail. In the absence of clear 'ends', 'means' often take their place. Developing a sound financial footing becomes an end in itself. More media exposure, recruiting high profile board members, and the like become measures of success rather than tools for success." (Ginsler, 2005: 7)

Kaplin (1999: 23) has a particularly useful approach and identifies, from his experience in capacity building, a number of elements which must be 'present and coherent' for an organization to be said to have capacity or to be effective:

- "a conceptual framework *which reflects the organisations' understanding of the world;*

- an organisational 'attitude' *which incorporates the confidence to act in and one the world in a way that the organization believes can be effective and have an impact…;*

- clear organisational *vision and strategy, and a sense of purpose and will, which flows out of the understanding and responsibilities mentioned…;*

- *defined and differentiated organisational* structures and procedures *which reflect and support vision and strategy;*
- *relevant* individual skills, abilities and competencies*; and*
- *sufficient and appropriate* material resources.

Kaplin (1999:24) notes that those elements towards the bottom of the hierarchy are more quantifiable and measurable, more easily grasped and worked with. While the elements at the top of the hierarchy are more ephemeral, not easily assessed or weighed and largely intangible – yet it is these latter elements which by and large determine organisational capacity. Or as Smillie (2001:182) notes:

> *"The transfer of information is a relatively simple matter, effective skill development is something more… changing attitudes may be extremely difficult… (and) altering behaviour – at an individual and at an organizational level – is likely to be even more problematic."*

It is perhaps for this reason that an 'empowerment' approach to capacity building (which we discuss in the next section) is now generally considered to be more effective in achieving sustainable organisational change.

Many of the major issues of concern identified by non-profit leaders themselves are also not merely the absence of technical skills, but rather are more systemic in nature and presumably will need to be addressed at a sector-wide and policy level:

> *"Frustrations with boards of directors and institutional funders, lack of management and administrative support, and below-market compensation add stress to a role that can be challenging even in the best circumstances."* (CompassPoint Nonprofit Services & The Meyer Foundation, 2006:2)

In Aotearoa New Zealand, the *Community and Voluntary Sector Working Party* identified a number of specific challenges facing the non-profit sector in this country:

- "the struggle for Maori and Pacific peoples groups to maintain their own identity and direction
- governance capability, and the confusion often experienced between governance and management
- how organisations carry out functions such as management, planning and funds management
- lack of core funding for administration and capability development
- networking and collaboration at local, regional and national levels
- the need for increased research to provide better information on the sector and who makes up the sector
- opportunities for community organisations to develop policy
- resources for advocacy to enable the sector to get its issues on the government's agenda
- recognizing the shortage of volunteers in some areas of work
- understanding the role and nature of volunteers and removing identified barriers to volunteering

- the need to strengthen Maori and pacific peoples' ownership of their organisations and to improve their capacity". (*Community-Government Relationships Steering Group, 2002: 24*).

Following research and consultation with the sector, the Community-Government Relationships Steering Group (2002:27-33) went on to propose five key themes for strengthening the sector:

1. to build a common sense of identity and purpose

2. to establish a recognized place in society

3. to build and maintain sustainable organisations

4. to encourage and support Treaty-based practices at all levels, and

5. to ensure the community sector is community driven.

Subsequently in a consultation with non-profit organisations on their capacity building needs, Family and Community Services & Office for the Community and Voluntary Sector (2005:6-8) identified six key areas where improved information and resources are needed: business processes, including planning; policies and procedures; employment and human relations; financial management; governance; and IT or knowledge management.

3.2 What is the work of capacity building?

Cairns *et al* (2005) identify a wide range of possible objectives or purposes of capacity building from the UK experience, including: enhancing the effectiveness and efficiency of nonprofits in delivering programmes "as delivery agents of public services (HM Treasury 2003), strengthening 'civil society' (Home Office, 2004) and contributing to political revitalization, social inclusion and community cohesion (Blunkett, 2004; Eade, 1997; Mayo & Taylor, 2001; Strategy Unit, 2002)." (quoted in Cairns *et al*, 2005:1)

More simply, Connolly and Lukas (2002:7 & 19) refer to capacity building as:

> "*…the process of strengthening an organisation in order to improve its performance and impact… [or those] activities that strengthen a nonprofit organization and help it better fulfill its mission.*"

Whatever its ultimate purpose, Carol and Lukas (2002: 19-21) go on to provide examples of a typical range of capacity building activities (see *Table 3*), and identify typical **means of providing this assistance**, as:

- *referrals* to resources that can help;

- *research* to develop models and tools for nonprofit organisations to use;

- *publications*, including hands-on, how-to guides, templates, policies, guidelines and articles;

Table 3: Capacity Building Activities

Mission, Vision, & Strategy
• Strategic planning
• Scenario planning
• Organisational assessment
• Organisational development
Governance & Leadership
• Leadership development
• Board development
• Executive transition
Programme Delivery & Impact
• Programme design & development
• Evaluation
Strategic Relationships
• Collaboration & strategic restructuring
• Marketing & communications
Resource Development
• Fund development
• Business planning for revenue-generating activities
Internal Operations & Management
• Human resource management & training
• Financial management
• Operations
• Technology & information systems
• Facility planning
• Legal issues
• Volunteer recruitment & management

- *education and training*, from one-shot seminars or workshops to accredited tertiary programmes of study;

- *peer exchanges*, including round-tables, learning circles, peer support networks and peer supervision groups;

- *convening* forums etc to facilitate joint action, collectively set agendas, advocate for policies to increase efficiency or impact; and

- *consulting* with a professional advisor, coach or facilitator.

Of course non-profit leaders, managers, trustees and committee members usually work themselves with their own organisation to improve performance:

"…by planning on an ongoing basis; providing stronger management and oversight; hiring new staff; training staff; upgrading systems; acquiring new equipment; and renovating and purchasing facilities. Indeed much organisational development work is a sensitive inside job that the organisations themselves *must* do on their own." *(Connolly& Lukas, 2002:20)*

Often, though, they will need to turn to outside capacity builders for assistance. There tend to be more capacity building resources (even on a per capita basis) in Europe and North America (Connolly & Lukas, 2002:23). However, we can also identify a range of different **capacity building providers** in Aotearoa New Zealand. The range in this country, at least, appears to be similar to that described in the international literature, which has been summarized in Table 4 (over page) and in which Aotearoa New Zealand examples have been inserted.

Internationally there is growing interest in building the capacity of non-profit organisations, and this is a **well established concept and practice** in a number of other countries, especially in Europe and North America. In the UK, Cairns *et al* (2005) reports that 'capacity building' is now increasingly recognized in public policy, *"for example, three recent central government publications (HM Treasury, 2002; H M Treasury, 2003; Home Office, 2004) refer to the need to build the capacity of UK nonprofits… and indicate that major funding will be available for this."* (quoted in Cairns *et al*, 2005:1)

There are over 350 Councils of Voluntary Service across the UK, which help build the capacity of non-profit organisations as local 'management support organisations'. In recent years a major public policy initiative has been

launched and £150 million has been allocated under the *ChangUp* policy to fund such local and national sector 'infrastructure' projects from 2004-2008.

A study of the 244 management support organisations then affiliated with the *Alliance for Nonprofit Management* revealed that the typical United Sattes management support organisation was formed in the late 1970s (Szabat & Simmons, 1993 quoted in Lyons & Nyland, 1995:49).

Table 4: Types of Capacity Builders

Management Support Organisations	Broad-based non-profit consulting & training groups, sometimes geographically based or can be based on field of expertise or both – eg Social Services Waikato, Arts Waikato, Sports Waikato, Business Development Centre (Enterprise Hamilton)
Specialist Intermediary Organisations	Specialist non-profit support or advisory groups – eg Volunteer Centres, Community Law Centres, Chambers of Commerce/Employers Associations, Wellington Community Accounts Mentoring Services
National Associations	Umbrella associations of non-profit groups – eg New Zealand Federation of Voluntary, New Zealand Associations of Citizens Advice Bureaux, Environment & Conservation Organisations of Aotearoa New Zealand
Professional Associations	Professional bodies – eg Associations New Zealand, Fundraising Institute of New Zealand, Australasian Association of Volunteer Administrators
Research or Policy Groups	Centres specializing in research or evaluation, often associated with academic institutions – eg, Children's Issues Centre (Dunedin), Centre for Social Health Outcomes, Research & Evaluation (SHORE)
Academic Institutions	Programmes and research in non-profit management, sports management, arts management, public policy, etc – eg Unitec NZ Graduate Diploma in Not for Profit Management, Waikato University Post Graduate Diploma in Management of Not-for-Profit Organisations
Independent Consultants & For-Profit Firms	Numerous individuals with varying levels of experience and skills working with non-profits, firms specialising in non-profit issues, - eg Saints Information Ltd – as well as large corporate management firms that have non-profit practices, such as McKinsey & Company
Government Agencies	Government agencies with advisors or resources to assist non-profit groups- eg Te Puni Kokiri, SPARC, Department of Internal Affairs, Office for the Community & Voluntary Sector

Based on Connolly & Lukas (2002:23)

Kibbe *et al* (2004:1) identifies a growing number of 'profound and plentiful' examples of nonprofit leaders in the US – grant-makers and grant-seekers alike – embracing the importance of investing in capacity and effectiveness of individual organisations and the non-profit sector as a whole. She is able to cite evidence from regular articles and columns in 'industry' newspapers, the growth in colleges and universities offering graduate courses in nonprofit management (up to 150 from only 32 in the early 1990s), a growth in research attention and publication, and the flourishing of the *Grantmakers for Effective Organisations* network (which now boasts around 800 members since its foundation in 1997).

> *"Perhaps the most important indication of how the nonprofit sector is embracing the need to build organisational capacity and effectiveness is the way funders throughout the country are incorporating this perspective into their grantmaking work. Foundation Centre statistics show a marked increase in funding for organisational effectiveness in recent years. Grants for capacity building grew from $300 million to $400 million in a single year (1998 to 1999); technical assistance grants alone rose by a remarkable 180 percent during the 1990s (Light 2002). In 2002, research by Tom Backer of the Human Interaction Research Institute identified more than 350 funder-based organisational capacity-building programmes in the United States."* (Kibbe *et al,* 2004:2)

A recent major US study of nonprofit leaders (CompassPoint Nonprofit Services & The Meyer Foundation, 2006:2) also observes from the perspective of the nonprofit organisations:

> *"A growing mix of leadership programs and services — from peer learning circles to coaching to executive transition consulting services — are building skills and lessening the isolation of nonprofit executives. An increasing number of grantmakers believe that strong executive leadership is essential to the effectiveness of their grantees and are searching for ways to strengthen and support current executive directors and to nurture new leaders."*

The interest in non-profit capacity building in **Aotearoa New Zealand** has been more recent and has not yet taken off as fast. Non-governmental organisations (NGOs) involved in international development have long been familiar with the concepts and language of 'capacity building' – perhaps since the 1970s. So New Zealand NGOs involved in funding international development and the New Zealand government agency responsible for funding international development - currently New Zealand Agency for International Development (NZAID) - were among the first to use the term in this country, and NZAID's predecessor was perhaps the first government department to explicitly fund this activity.

Interest in building the capacity of non-profit organisations spread little beyond this 'international enclave' until it emerged as a key policy instrument on 2000 - as an integral part of the new government's 'closing the gaps' policy, whereby "capacity building was designed to empower and energise Maori communities to take greater control of their own development" (Mika, 2003:13). The concept has only slowly spread beyond tangata whenua and Pacific Island community organisations. Where, in public policy terms, it has focused more on helping ensure organisations meet requirements to effectively deliver contracted services, especially from the State[4]

A slightly broader perspective on capacity building, more in line with international developments, is only just beginning to emerge, and is yet to find expression in any major funding programme either from government or philanthropic trusts. The most significant exception was the decision of *Trust Waikato* in 2001 to fund *Arts Waikato* and *Social Services Waikato*

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[4] For example, Child Youth and Family (CYF) & Colmar Brunton, (2002) *Strengthening Social Services: Assessment of the Capacity, Capability and Viability of CFY Funded Social Services*

after the successful experience in funding *SportsForce* in 1998. In late 2004, *Family and Community Services* and the *Office for the Community and Voluntary Sector* initiated a project to "to provide practical capacity building support to community and voluntary organisations" (Family and Community Services & Office for the Community and Voluntary Sector, 2005:3), and published its first report in October 2005. In 2005 Tindall Foundation initiated a national pilot programme to fund and evaluate capacity building services provided through consultants.

3.3 Why invest in capacity building?

Why would grant-makers need to get involved in supporting capacity building and what would it achieve? There is evidence from a number of quarters that the market fails to ensure adequate investment in non-profit infrastructure and capacity. Lyons & Nyland (1995:5) found that although non-profit organisations are generally better managed than conventionally thought, there was "a failure in the market for management support for community organisations" – 60 per cent of the more than one thousand organisations surveyed in Australia felt they had a need for management support which they could not satisfy:

> *"In a little over half of these cases, the reason that they were unable to fill that need was that although the support was available, they could not afford to pay for it, or could not afford the time away from the organization… However, in just under 50 per cent of cases it was because support was not available, or … inadequate to their needs."* (Lyons & Nyland, 1995:131)

As a result Lyons & Nyland conclude that action is required to address this **market failure** both on the *supply side* ("to ensure availability and relevance of needed support") and on the *demand side* ("to ensure organisations needing support have the capacity to pay for it").

From another perspective, an inquiry into high performing non-profit organisations in the US led Letts *et al* (1999:3-4) to suggest more systemic barriers behind the infrastructure or management support gap:

> *"The missing ingredient in the prevalent, programme-centred conception of social impact is organizational capacity. Programmes need solid organisations behind them… It is the capacity for strong performance in organisations – the ability to develop, sustain, and improve the delivery of a mission – that provides the foundation for lasting social benefits.*
>
> *As banal as this principle may seem, the nonprofit sector appears highly ambivalent about strengthening its organisations. On the one hand, everyone can agree that we need to take care of the organisations that are tackling difficult problems. On the other hand, deeply ingrained behaviours, public policy, funding systems, and the culture of nonprofit service itself have all led the sector to rely on virtually anything* but *organizational capacity as a foundation for lasting effectiveness."*

Drawing on matched case studies with non-profit organisations, Letts *et al* (1999: 30-34) found that for-profit managers are not inherently better managers, but they are better *supported* managers:

- **"excellent management practices are important: they help advance an organisation's mission in both sectors;"**

- **"the marketplace supports the organizational capacity of business; the nonprofit environment starves it;"**

"…In the for-profit sector, organizational capacity is valued as a primary means for succeeding in the market place. Investors, corporate boards and managers all understand that success comes not from a product or service alone, but from an organization's ability to market, distribute and improve it…. The relationship between programmes and organisational capacity is strikingly different in the nonprofit sector. The two are considered almost as competitors in a zero-sum struggle for limited resources. Money invested in [nonprofit] organisations is considered lost to direct service. While managers might know their organisations need certain capacities to be effective, funding guidelines, charity watchdogs groups, individual donors, and the vast weight of popular opinion sends a very different message…."

- **"indifference to organizational capacity has its roots deep in the nonprofit culture of service"**

"…With a commitment to serving those in need, and with few resources to do it, many nonprofit employees develop a 'just do it' attitude that places more value on service than on analysis and measurement needed to improve organisational performance. In this environment, organisational development may seem not only uninteresting, but like an indulgence that will deprive clients or beneficiaries of resources. Many nonprofit workers, moreover, believe in what one called 'the artistry' of their work. They tend to see their efforts as the product of personal commitment, perhaps professional training, and personal experience. They feel that measuring their efforts with the tools of organisational performance diminishes this artistry…"

The literature generally identifies three types of reasons, then, why funders would want to invest in building the capacity of nonprofit organisations:

- *To enhance programme or social impact*

  Letts *et al* (1999:15-27) identify that there is much more to effective impacts than just good programme design. They suggest that we all probably know of examples where the same basic programme has a significant positive impact in one area and a more ambivalent impact in another. The difference is usually *who* is doing the implementing and *how* it is being implemented. Perhaps even more important is the capacity to innovate and adapt to subtly changing situations. As a result they describe organisational performance as "the hidden engine of social impact." If funders are interested in effective programme or social impact, they need to be worried about how best to support organisational performance: "Although the link between increased capacity and increased impact may be hard to quantify, one does lead to the other" (McKinsey & Co, 2001:29)

- *To increase nonprofit and community sustainability*

  Connolly & Lukas (2002:9-12) point out that "Successful organisations must continually adapt and strengthen their capacity to survive and fulfill their mission. And, they must become ever-more agile as they strive to provide quality programmes to diverse constituents. In this rapidly changing and

highly competitive environment, it is harder for nonprofit organisations to sustain themselves and survive. Capacity building is needed to help nonprofits constantly scan their environments; stay on top of changing social, economic, and industry trends; and keep their organization healthy and viable." It is no use having wonderful programme ideas if they are not managed and nurtured by sustainable organisations with a diverse range of funding sources, and ongoing investments in the human and other resources needed to avoid organisational burn-out.

- *To leverage funding dollars*

  Porter and Kramer (1999:123-124) observe that, "Grant-makers purchases social benefits from the organisations they support. However, anyone including private donors and the government could purchase the same benefits with the same dollars. Foundations *create value* when their activities generate social benefits beyond the mere purchasing power of their grants. They can do so in four ways. The first two are relatively well known but are rarely practiced systematically. The last two are far more powerful but far less common." And it is these latter two which involve building the capacity of whole organisations and an overall field (see *Table 5*):

  o By improving organisational effectiveness, a grantmaker "raises the social impact of that organisation in all that it does (and to the extent that grantees are willing to learn from one another, it can increase the effectiveness of other organisations as well)."

  o Grantmakers "can create the greatest value by funding research and a systematic progression of projects that produce more effective ways to address social problems. At its best, such work results in a new framework that shapes subsequent work in the field, making every dollar spent by philanthropists, government, and other organisations more productive."

Table 5: How Grant-Makers Add Value

1. Selecting the best grantees Each dollar will earn a higher social return than a dollar given by a less knowledgeable donor	**One grant (x)** ▪
2. Signaling other funders By attracting other donors, effectively improve the return on a larger pool of funding resources	**Multiple grants (3x – 5x)** ▪
3. Improving the performance of grant recipients Helping a grantee improve its own capabilities increases its overall effectiveness and thus improves the return on all the money the organisation spends	**Entire operating budget of one organisation (50x – 100x)** ▬▬▬▬
4. Advancing the state of knowledge and practice Such agenda-setting work makes every dollar spent in the field – by philanthropists, government and others – more productive	**Entire field (>1,000x)** ▬▬▬▬▬▬▬

(Porter & Kramer, 1999:124)

While describing capacity building with arts and cultural organisations in particular (Ginsler, 2005: 5) also identifies the general point that often an external intervention is required to lead to change, and just pouring more money into organisations doesn't necessarily improve their performance if capacity building assistance is not available or accessible:

> "One observation that is fairly clear from the capacity building literature is that it is all but impossible for an organisation to increase its capacity all on its own. It has to involve funders, other community organisations, and its public if it is to successfully increase its capacity. This means that the way in which a community's cultural sector currently interacts with the broader community will have an impact on the capacity building strategies its cultural organisations develop.
>
> The last general observation from the arts stabilization literature is that money is necessary for increased capacity, but it is not sufficient. Many US foundations put hundreds of millions of dollars into endowments to pay off the debts of local arts organisations and provide them with operating subsidies only to find ten years later that many of the same organisations were once again on the brink of bankruptcy. If cultural organisations do not change the way they think, plan, and operate, there will never be enough money to keep even all the good ones afloat."

The Cost of Trust Waikato's Investment in Capacity Building:

In 2004/05 *Trust Waikato* invested $232,000 in *Arts Waikato* and $408,000 in *Social Services Waikato* (which included $18,000 specifically to manage the Child & Family Awards for Trust Waikato). These contributions came from overall donations of $7.122 million to around 862 groups (www.trustwaikato.co.nz). Thus while the donations are large in comparison both with most other donations and with the average donation of around $8,262, they still represent just 3.26 per cent and 5.73 per cent of total donations, respectively. They are also not large in comparison with the donations provided to *Sport Waikato* of $275,000 for general operations and $550,000 for SportsForce (which undertakes some similar organisational strengthening activities in the field of sports).

However, the **opportunity costs** of this investment in *Social Services Waikato* and *Arts Waikato* are significant – together representing the equivalent of 77 'average' donations. So it is proper that *Trust Waikato* should be concerned to assure itself that it is getting value for money from these two donations. Both *Arts Waikato* and *Social Services Waikato* should be expected to have an impact across the whole field of arts and social service organisations in the region. If they are successful, they will be improving the effectiveness both of all these other organisations and of the environment in which they operate. In this sense, the donations to *Social Services Waikato* and *Arts Waikato* are an investment in **leveraging** better impacts across just about all of the rest of the $7.122 million and the hundreds of groups that this funds, including all the other resources these organisations attract. For example, if they jointly achieved an increase in effectiveness of just 5-10 per cent across these other organisations, *Trust Waikato* would be receiving at least $2 in value for every one dollar invested in the two Trusts. This return on the investment would multiply again for every other dollar received by these organisations from other funders. So that if, on average, *Trust Waikato* donations represented around half the total income of the organisations it funds, then it would be

receiving up to $4 value and more for every dollar invested in the two Trusts. This would certainly represent excellent value for money.

In the 2005/06 year the donations to both Trusts were reduced by 10-14 percent each. Trust Waikato had made the decision to reduce the third year of its funding to signal to the two Trusts that it wanted them to find additional funding sources. At the same time, overall *Trust Waikato* donations increased to $8,066,650 in 2005/06, thus the share of total funding to *Social Services Waikato* and *Arts Waikato* reduced to 4.5 per cent and 2.5 per cent respectively.

In this sense then the crucial question is not so much whether the funding for the two Trusts is large in comparison with other donations ("can we afford to fund them?"), but rather how effective the two Trusts are in using their resources to improve impact and sustainability across the fields in which they operate ("can we afford not to have them?"). An analogy would be whether a philanthropic trust considered that the fees it paid for funds management and investment advice meant less money to invest or meant more effective investments (and hence better returns). Sound funds management and investment advice should add value across the board for all the funds available for investment, and thus would be a 'cost' we cannot afford to do without. The same should also be true of sound capacity building and development of organizational effectiveness.

Whether that is the case with *Social Services Waikato* and *Arts Waikato* is the focus of this Review, but before we explore that question further we need to briefly consider other ways in which *Trust Waikato* could invest in strengthening and improving the effectiveness of arts and social service organisations. We also need to identify what do we know about the most successful ways of improving effectiveness or building capacity in non-profit organisations – so that we may develop criteria against which to assess the impact and effectiveness of the two Trusts.

3.4 Different ways of building capacity

Connolly & Lukas (2002:56-57) identify that the wide range of options available to funders to support non-profit organisations can be summarised under seven main types of capacity building strategies:

1. *programme grants that promote organisational effectiveness* (by considering organisational issues when making programme grants)

2. *general operating support grants* (to cover organisational management or overhead costs, so organization can invest in what it wants)

3. *grants specifically to increase organisational effectiveness* (sometimes called 'technical assistance' grants and organisation purchases support it needs)

4. *capital financing for non-profits and intermediaries* (for facilities capital, working capital or permanent capital, usually depends on having an income stream to replay)

5. *grant support to capacity builders and intermediaries* (sometimes referred to as funding 'management support organisations')

6. *grants to conveners, educators and researchers* (on nonprofit organisational effectiveness issues)

7. *direct management assistance* (from the grantmakers own staff or consultants).

Table 6: Benefits and Limitations of Different Capacity Building Strategies

Strategy	Benefits	Limitations
1. Programme grants that promote organisational effectiveness	• Relatively easy, incremental approach if you want to start small and simple • Programme grantee performance can be enhanced by improving its organisational management and governance • By integrating capacity building into your regular grantmaking, you avoid the possibility of having a 'special initiative' become marginalised	• If programme officers are not knowledgeable about organisational development, they may not be able to effectively integrate capacity building into regular grantmaking • This approach risks being shallow, not allowing for targeted capacity building efforts
2. General operating support grants	• Through general operating support you address the most pressing infrastructure needs for many nonprofits • This approach allows nonpofits to innovate, improve quality, or expand successful programmes • This approach provides a vehicle for rewarding and investing in nonprofits that are producing the strongest impact in your priority areas	• Determining the 'ideal' amount of investment to spur performance is challenging • It can be difficult to demonstrate the connection between operating support and programme outcomes
3. Grants specifically to increase organisational effectiveness	• Direct grants to nonprofits for capacity building allow nonprofits to manage their own development process • Direct grants can easily be tailored to the unique needs of each organization • This is a flexible strategy, allowing you to expand or contract your financial commitment as circumstances change	• Because nonprofits define and manage their own capacity building, you may need to negotiate the focus of your work if assessment f needs differs from the nonprofits assessment • Direct grants may require a different time table than your normal grants cycle
4. Capital financing for nonprofits and intermediaries	• By providing capital financing to nonprofit organisations, you can help them gain access to capital, improve their financial position, institute healthy financial practices, and ultimately, improve performance • By lending money, you can stretch your financial resources without depleting them	• Lending mony can be more complicated than simply awarding a grant, especially if the funding organization staff is not skilled in credit analysis and loan monitoring and administration • Nonprofits need some basic capacity to borrow money; a poor decision about a loan to a nonprofit without comprehensive planning can end up hurting the nonprofit organization
5. Grant support to capacity builders and intermediaries	• Through direct funding of capacity builders and intermediaries you can increase the likelihood that quality resources and assistance are available • This approach builds a stringer nonprofit infrastructure available to all nonprofits	• The indirect nature of these grants makes impact difficult to link with your other programme areas • Requires skill in assessing which capacity building providers to invest in

		• Direct funding assists with knowledge capture and transfer between organisations	
6.	Grants to conveners, educators and researchers	• By funding knowledge development, delivery, and exchange, you can help nonprofit leaders gain access to tools, develop skills, and learn from each other about nonprofit management and governance • Training and peer exchanges can complement other approaches, such as intensive one-to-one consulting • This approach helps build the capacity of the entire nonprofit sector	• This approach is more indirect and is not likely to result in short-term, direct benefits to nonprofit organisations
7.	Direct management assistance	• With sufficient time investment, skilled assistance, and nurturance of trust, this approach can result in close, mutually vested relationships and positive outcomes • This approach enables a funder to provide coordinated funding and capacity building assistance during a long-term engagement with a grant recipient	• It is very difficult to build genuine trust between a nonprofit and a funder who also serves as a capacity builder • Without staff who are knowledgeable about capacity building and have trusting relationships with grantee, this approach can be intrusive and harmful for the nonprofit organisations

Connolly & Lukas (2002:60-61)

As can be seen from the above table, it is possible to identify particular benefits and limitations with each of the different strategies. The establishment of *Arts Waikato* and *Social Services Waikato* are examples of *Type Five* strategies. This approach has the advantage of generally achieving a balance between nonprofit 'self determination' (not having solutions imposed by a funder or others) while still having some effective input and advice (given that organisations may not always in the best position to know exactly what they need). It also has the advantage of generally being able to achieve some economies of scale that are not possible if small sums are spread across a large number of organisations. Ongoing assistance and continuity of support is also more likely than with one-off grants used to purchase specific technical assistance from consultants. In the medium and longer term, it is also possible to build up a centre of expertise on non-profit management and effectiveness within the sector, rather than being dissipated among independent consultants or being retained inside a funder. The main limitation is that the non-profit organisations do not have full autonomy to select who provides the capacity assistance. The main risks are those involved in successfully selecting high quality and effective intermediary organisations – though there are perhaps similar quality assurance risks and they could be harder to monitor across a large number of independent consultants (though in this case, the risk would be spread more widely rather than concentrated in a single organisation).

In prioritizing and selecting strategies, Connolly & Lukas (2002: 62-63) suggests that grantmakers take into account a number of factors:

> *"Assistance sometimes needs to be tailored to a nonprofit organisation's programmatic niche – human services, community development, education, health care, arts and culture, religious, or environmental. While some principles and practices regarding nonprofit management and governance apply across industries in the nonprofit universe, each field has different circumstances and specialized knowledge.*

> *"Remember that you do not have to choose just one strategy. Frequently, a combined approach is the best course of action. For example, some management support organisations have found that facilitating peer exchanges of nonprofit leaders and then following up with one-to-one consulting is a particularly effective approach. Sometimes focusing on one or two highly concentrated strategies or a specific set of nonprofits is the best way to maximize impact."*

Indeed a key issue for any approach is how different capacity building initiatives relate to each other and how to achieve a cumulative effect over time. It is a mistake to see capacity building as merely a series of discrete technical interventions.

In this context, James (2000) observes that capacity building requires a shift in people's behaviours and attitudes. It involves giving up past ways of seeing the world and behaving, which have become comfortable. It is as much about letting go of the old as it is about taking on the new. Cairns *et al* (2005:1, 8-9), like many other authors, distinguishes between capacity building at individual, organisational and institutional levels, and the importance of an integrated and patient approach:

> *"Capacity-building involves change. Capacity-building is about changing people, organisations and the way they relate to each other. As we all know, organisations are made up of people and therefore to build the capacity of an organisation requires that the people within that organisation change. If no one within an organisation changes, then nothing will change. Yet human change is an incredibly complex and intensely personal process."*

> *"…The findings demonstrate the importance of securing resources that are specifically dedicated to supporting medium or longer term capacity building processes: the …capacity building programme achieved its greatest impact where it supported organisations over several years. We also found evidence to suggest that the distribution of small, short-term grants has only limited potential to produce the kinds of changes generally associated with an 'empowerment' model of capacity building."*

The 'empowerment' approach that Cairns *et al* (2005:2) refers to, draws on work by Harrow (2001) who distinguishes between capacity building for 'instrumentalist' ends and capacity building designed to engender 'social change'. She suggests that the former, a 'deficits' model, is essentially a conservative effort designed to replicate recognisable organisational structures that can be held accountable to funders whereas, in contrast, an 'empowerment' approach is aimed at encouraging local participation and engagement, and is designed to support organisations to achieve their missions more effectively. An empowerment approach is now generally accepted as more effective in achieving *sustainable* changes in organisations. While it may not be restricted to capacity building strategies that use some form of management support or intermediary organization within the sector, it is perhaps more likely to be associated with such a

strategy, and certainly fits well with such an approach. Further evidence for this proposition is offered by a review of principles of good practice for capacity building work.

3.5 Good practice principles for capacity building

"Capacity building is never easy. It takes more time and more effort than anyone thinks" (Kibbe, 2004 :19)

St Paul Foundation (2003: 3) in a report on capacity building for small and mid-sized arts organisations, identifies the heart of the value of the capacity building experience for participants as

- participants highly valuing peer interactions as opportunities to share ideas and resources, burdens and loneliness;

- the leadership team in the organization deepening their engagement with one another;

- organisational leaders being relieved to learn how to develop their business side without losing the essence of who they are;

- organisational leaders accomplishing a shift in thinking toward more focused, appropriately scaled, and strategic change; and

- concentrated time for thinking about the "whole" as a profound gift.

There are a range of different suggested principles or qualities proposed by different authors from their experiences of effective capacity building in order to achieve such successful experiences. Some critical qualities frequently identified as essential for the delivery of high quality programmes usually include: strong competence and expertise; ongoing learning and questioning; the ability to tap into networks; and the capacity to establish trust and respect (St Paul Foundation, 2003:2).

The following page includes some selected examples of such lists of key principles or qualities of effective capacity building initiatives. Kibbe *et al* (2004:9-11), for example, especially stresses a solid understanding of organisational theory and practice:

"Even small nonprofit organisations are complex systems… [A] naïve approach can do real harm… Familiarity with the current literature on organisational effectiveness is important – new information on nonprofit performance and effectiveness is appearing all the time…It is not just outside sources of knowledge and information that contribute to the success of capacity-building efforts. Often … [they] forget all the inside sources of information they have access to – including qualitative and quantitative data on the results of current and past capacity-building efforts."

She also stresses the importance of self awareness and reflection with capacity builders own internal commitment to continuous learning and improvement (Kibbe, 2004: 12).

A study of non-profit management support organizations, similar to *Arts Waikato and Social Services Waikato* in the USA identified the following as best practices in capacity building:

Table 7: Some Views on Qualities of Effective Capacity Building

A study by the Human Interaction Research Institute (Backer, 2000:3-4) found the most effective capacity building activities were:

- Comprehensive
- Customized
- Competence-based
- Timely
- Peer-connected
- Assessment-based
- Readiness-based
- Contextualised

Kibbe (2004:21) suggests that the most exemplary capacity-builders exhibit the following:

- A deep understanding of organisations and their constituents
- Expertise and experience directly relevant to the job at hand
- Awareness of developments in the field
- Commitment to continual learning and improvement of their own skills
- Openness to feedback
- Active engagement in a community of practice
- Enthusiasm for sharing learnings and for learning from the experience of others
- Commitment to skill building for nonprofit partners
- Ability to look beyond organisational dynamics to see the whole system
- Awareness of personal limitations

The UK Government's ChangeUp – Capacity Building and Infrastructure Framework for the voluntary & community sector is based on ten principles:

- Independent
- Needs led
- Collaborative
- Outcome-focused
- Sustainable
- Delivered close to the point of need
- Diverse
- Excellent
- Efficient
- Accountable

Cooke (2004: Appendix 1)

In the search for more effective capacity building assistance, Blumenthal (2003:197-206) concludes from her research:

- Consulting is not the same as capacity building (a developmental approach is required)
- Capacity building is not for everyone
- Capacity building requires strong nonprofit leaders
- Consultants need to learn a new approach
- Capacity building need not be expensive
- Grantmakers must choose a purpose: to strengthen civil society or to improve the delivery of services & programmes
- Capacity building should not ignore programme quality
- Management standards can be dangerous (risk of 'boiler plate' approaches)
- Capacity building requires evaluation.

Doherty & Mayer (2003:5-12) developed the following list of elements that work from their Inquiry:

- Capacity building is guided by over-arching principles or values (seen as 'assets' as well as 'deficits', a partnership, an ongoing process)
- The non-profit itself supports its own capacity building efforts
- The non-profit creates its own plan, based on an assessment of strengths and weaknesses
- The non-profit has choices about capacity building methods
- There is ongoing support from outside the organisation (peer support, financial support, facilitation, technical assistance)
- There is emphasis on outcomes and accountability
- There is emphasis on learning what is working and what is not
- The non-profit incorporates capacity building into day to day operations, and persists in implementing its plan
- Support is useful with resources, time and cache.

- *addressing a basic level of adaptive and leadership capacities, first;*

- *"leaving something behind" by transferring their technical expertise to the client;*

- *creating incentives for nonprofits to follow through;*

- *usually requiring a monetary commitment from the nonprofit to pay for the capacity building services;*

- *establishing credibility and influence in the community;*

- *serving as knowledge "curators" for the community;*

- *beginning by assessing organizational "readiness;"*

- *taking a "holistic" approach, integrating the benefits of capacity building intervention into the functioning of the whole organization;*

- *clearly understanding the level of service that best addresses the nonprofit's needs;*

- *engaging with real "change agents" within the organization;*

- *assessing and accommodating organizational culture; and*

- *ensuring the proper fit between the capacity builder and the organization.*

<div align="right">(Connelly & York, 2003:3)</div>

Our analysis of the capacity building research has identified widely acknowledged principles of **Good Practice** in six key areas:

Empowerment Approach

- A common feature of good practice capacity building is that it is seen as strongly needs-based and customer-led. This requires a high degree of flexibility and responsiveness. It is not possible to take a 'boiler plate' approach where 'one size fits all'. This does not reduce the need for the capacity-builders to know their fields, and be respected experts both in the subject area and in the process skills of group facilitation and development - but the respect is mutual. A core principle is that every organisation is capable of building its own capacity, and ought to be in charge of it - that is, it has its singular history, culture, and assets to draw upon. Capacity-builders who respect this, and work with an organisation's uniqueness rather than applying generic solutions, get better results. This principle is also closely related to the reflective capacity principle discussed below.

- Another important aspect of this principle is the importance of a holistic and comprehensive approach. While the interventions may start with some practical and immediately useful assistance (on the principle of initial success), the effective capacity-builder is able to see the connections and dig beneath the immediately presenting request. The overall approach is highly participatory & developmental – handing over power, knowledge, confidence, and skills (not promoting dependency). It involves a personal capacity for patient work over time, the ability to work with complexity and ambiguity, and is both comprehensive and customised.

- Perhaps all the other principles are built on this essential empowerment approach, and at the core of this is trust. The capacity-builder who can offer and nurture a trusting relationship sets the conditions for open communication and meaningful learning and change.

Approachable

- Effective capacity-builders are also valued as independent, confidential, accessible, easy to approach, culturally appropriate and inclusive.

Methods that Multiply

- Effective capacity building utilizes methods that achieve leverage or multiply impacts. This usually involves operating in an effective brokerage role, mobilizing other resources (not just referral) - both within and beyond the community served. Rather than needing to always be in the centre of learning, effective capacity-builders promote peer-to-peer learning, support and sharing of good practice. There will also be effective use of technology to maximize reach and impact in flexible and innovative ways.

Multi-level & Reinforcing Impacts

- Good practice capacity building is concerned to operate on multiple levels, developing individual skills, knowledge and attitudes, organisational capacity and systems, and sector- or community-wide impacts. These are not seen as just a series of one-off activities, but as part of a process of change, building on each other for *cumulative* impact. In particular, as well as working to improve the effectiveness of individual non-profit organisations (the supply side), part of the strategic approach includes a concern to achieve change in public policy and the overall environment in which the organisation needs to operate (the demand side).

Role model

- Effective capacity-builders know how to 'walk the talk'. As Gandhi exhorted, 'Be the change you want to see in the world.' Effective capacity-builders are able to effectively role model 'best practice' on key capacity issues in their own organisation in an exemplary way. This would cover all of Kaplan's (1999:23) six elements of capacity: a conceptual framework; a proactive organisational attitude; a clear organisational vision and strategy; defined and differentiated structures and procedures, relevant skills, abilities and competencies; and sufficient appropriate resources.

Learning Culture

- A genuine empowerment approach is based on an open and reflective learning culture. Most significantly the effective capacity-builder will have developed 'logic models' or equivalent for their interventions, so that they can test, monitor and refine lessons for how they work. On this foundation they will demonstrate a genuine eagerness to hear and

respond to stakeholder feedback. They continuously ask questions, and pro-actively learn from peers and colleagues (and are able to demonstrate change in their organization and personal practice as a result).

- As well as learning lessons for continuously improving their *own* practice, best practice capacity building is equally eager to document and disseminate lesson learning across the wider field of practice – contributing to the knowledge of the field.

And a warning from the UK experience about recognizing and addressing the factors that may be working against good practice:

> *"The importance of clarity if purpose in capacity building programmes is confirmed by our study. However, our findings suggest that a number of factors exist that can make it particularly hard to achieve this clarity. First, we found little evidence of practitioners having access to, or knowledge about, capacity building delivery models beyond a very basic understanding of low-level, technical skills transfer which is typically delivered with one-off interventions. Second, pressure from government funders in relation to the achievement of prescribed outputs, led to an emphasis on the assessment of projects based upon feasibility (in terms of securing programme expenditure in line with contractual obligations), rather than project purpose and the degree to which it would contribute to the overall vision of the programme. Third, these factors, in turn, contributed to the adoption of over-simplified concepts of capacity building – such as technical support or skills training – which were at odds with the programme's expected outcomes, such as 'empowerment' (of both individuals and organisations) and 'collaboration'. Such a mismatch between means and ends – and a failure to move beyond one-off skills transfer approaches towards medium-term, collaborative change processes – severely restricts the potential for achieving these kinds of change."* (Cairns *et al*, 2005:7)

Finally, we considered it might be useful to test the principles for good practice in capacity building for 'fit' with each of the seven main types of capacity building strategies available to grant-makers. In Table 8, we consider the above six good practice principles from the international literature, plus the principle of responsiveness to Maori – which is important in our national context.

The ratings are based on subjective assessments by the evaluation team, but a short summary of the rationale for the ratings are provided in the grids, so that the reader may be able to form their own judgments. While it is true clear that each of the seven strategy types have benefits and limitations. It is also clear however, that overall there is an easier and more natural fit between the good practice principles and Type Five Strategies. As we have noted earlier, *Trust Waikato's* funding of *Arts Waikato* and *Social Services Waikato* fits squarely within Type Five Strategies, and this also is a relatively under-developed strategy for supporting capacity building by Aotearoa New Zealand grant-makers. In this way, *Trust Waikato* is exercising an important leadership role among its fellow grant-makers in this country.

Table 8: Applicability of Good Practice Principles to Different Capacity Building Approaches

	Empowerment Approach	Approachable/ Accessible	Methods that Multiply	Multi-level & Reinforcing	Role Model	Learning Culture	Responsiveness to Maori
1. Funder Adds Technical Assistance to Programme Grants	* Possible with good suppliers; but funder defines problem (& solution) so can feel imposed; requires needs to be 'packaged' & pre-determined	*** Should be easy to get funds with good funder; but may be some difficulties finding appropriate supplier	*(*) Possible, but limited by one-off support; very strategic funder could build some links between individual grants, and/or leverage other resources	- Usually only operates at individual organis-ation level	(*) Possible for very good funder & providers to model good management practices etc; but could be limited if not seen as same sector	- If needs (and solutions) determined by funder could crush self-responsibility for learning or create defensiveness	*(**) Could be highly responsive if good funder; external initiative could be impetus for change or could feel imposed & be resented
2. Funder Provides General Operating Grants	*** Very high level of self-determination, but also highly dependent on good self-analysis	*** Should be easy to get funds with good funder; but may be some difficulties finding appropriate supplier	** With insightful organisation can be well integrated into all they do; but not overview to link with other organis-ations or resources	- Usually only operates at individual organis-ation level	(*) Possible for very good funder & providers to model good management practices etc; but could be limited if not seen as same sector	*(**) Adequate funding may create more space for learning; but not necessarily any external support to do so	*(**) May create more space to be responsive; but not necessarily external support to do so; funds could be equally available to Maori organisations
3. Funder Provides Technical Assistance Grants	** Possible with good suppliers; but funder has to agree with self-analysis; requires needs to be 'packaged' & pre-determined	* May be some barriers to applying for help from funder on 'tough' issues; may be some difficulties finding appropriate supplier	* May be some capacity, but limited by generally one-off nature of assistance	- Usually only operates at individual organis-ation level	(*) Possible for very good funder & providers to model good management practices etc; but could be limited if not seen as same sector	*(*) Application process may encourage self-reflection; but may limit learning to easily identifiable or 'safe' issues; limits on flexibility after approval may hinder on-going learning	*(**) Could be highly responsive if funder specifically prioritised this; but implementation could still depend on skills & commitment of organisation
4. Funder Provides Capital Grants/ Loans	** May lead to greater financial independence or better sustainability; highly reliant on skills of organisation	* May require sophisticated business or financial planning & documentation skills even to consider	** Insightful organis-ation can integrate into all they do; but not overview to link with other organis-ations or resources	- Usually only operates at individual organis-ation level	(*) Possible for very good funder & providers to model good practices; but could be limited if not seen as same sector	*(**) May create more space for learning, loan repayment may distract; not necessarily any external support	* May create space for responsiveness, or loan repayment may distract; not necessarily any external support

5. Funds Management Support Organisations	***(*) Highly possible with good MSO; easy for help to be more 'holistic' & developmental over time; but no choice over provider; organisation may not feel as much in control or demanding with free or subsidised service?	**(**) If independent and clearly 'arms length' from funder, good MSO can be very approachable	**(**) Good MSO is well placed to draw on wide range of methods, and has sufficient overview to link with other organisations and resources	***(*) Good MSO can readily operate at all levels, and is able to draw links between work at different levels	**(**) Good MSO is well placed to model good practice from within the sector	**(**) Good MSO can actively promote a learning culture	**(**) Good MSO can be highly responsive & promote responsive-ness among organisations it is working with
6. Funder Provides Grants to Educators & Researchers	** Increases knowledge and information for good organisations to pick up; usually lacks capacity to more pro-actively assist take-up	** Can be accessible if information is actively designed to be so; without assistance, may find difficult to apply	**(*) Research & resources themselves can have significant multiplier effect; & possible to make some links, but limited other leverage	(*) Operates only at field level; organisational impact usually depends on ability of organisation itself to pick up	(*) Possible for good educators/researchers to model good practice, but could be limited if not seen as same sector	** Should promote learning (especially if pro-actively disseminated) but not necessarily well equipped to embed learning culture in organisation	*(*) Possible for good educators/researchers to be responsive & promote responsive-ness; but may have difficulty applying to organisation
7. Funder Directly Provides Management Support	*(*) Very possible with good funder; can be more 'holistic' & developmental over time; but funder has to agree with analysis & solution; and can an organisation ever be truly unguarded even with a trusted funder?	- Very hard to be seen as separate from funding decisions (even with internal 'chinese walls'); may migrate to independent MSO over time (eg Fieldstone Associates spin off from Wilder Foundation in USA)	**(*) Good funder able to draw on wide range of methods; though may be some resistance or defensiveness if seen as funder, eg bringing organisat-ions together; reach may be limited beyond organisat-ions they fund	**(*) Good funder can readily operate at all levels; but as funder may be limited in sector-wide & advocacy work in need to maintain neutrality	** Good funder is able to model good practice, but likely to be always seen as different from operating non-profit	*(**) Good funder can actively promote a learning culture; but always some risk of defensiveness if seen as part of funder	**(**) Good funder can be highly responsive & promote responsive-ness among organisations it is working with; though some risk of defensiveness if seen as part of funder

KEY: In the above table, the star rating and comments represent an assessment of the fit of the principles of good practice identified from the literature to the particular different ways for a grant-maker to invest in non-profit capacity building. One star indicates that the principle could possibly be exhibited under this approach, but perhaps only with special effort. Four stars indicate that there is a very good or natural fit between the principle and the capacity building approach. No star indicates that the approach would not usually be compatible with the principle, or may even be counter-productive towards implementing this principle. Stars in brackets indicate a possible range of fit depending on how the approach is implemented. Supplier refers to private suppliers of capacity building services – individual consultants or businesses; Organisation refers to the organisation receiving the capacity building assistance; Funder refers to the grant-maker involved in financing the capacity building; Technical assistance refers to specifically funded capacity building projects; Management Support Organisation refers to non-profit organisations with a specific mandate of providing capacity building services

Rec 1: *Trust Waikato* **should continue to actively promote its model of support for capacity building, and should advocate with government and other philanthropic trusts the benefits obtained from funding regional capacity building infrastructure for non-profit organisations.**

4. Social Services Waikato

This section briefly describes the historic development of Social Services Waikato, it's funding, who is assisted, what services are provided, responsiveness to Maori and its performance against international indicators of 'good practice' in six key areas. The value for money Trust Waikato receives for its funding is considered, and issues for future development of Social Services Waikato are identified.

4.1 Background

Social Services Waikato Trust began in early 2001. The idea first emerged in 1998 following the funding of SportsForce in conjunction with *Sport Waikato. Trust Waikato* Chief Executive, Ken Gordon first raised the idea of investigating the feasibility of funding a similar programme focusing on social issues. A number of *Trust Waikato* trustees were conscious of the increasing number of requests for funding from social service organisations, and they wanted to ensure that funding granted to these groups was used effectively and to provide a means to strengthen these groups.

After lengthy discussions this led to *Trust Waikato's* decision in June 2000 to set up an independent trust designed specifically to support and strengthen the social services sector across the greater Waikato region, with three core **functions**:

• Be a friend of community groups in their sector

• Work to strengthen the operations of these community groups, and

• Advocate for and on behalf of those groups (*Review Terms of Reference*: 1)

Social Services Waikato was set up as an independent legal entity with the original seven trustees selected by *Trust Waikato* for their range of skills and community networks. They had their first meeting in March 2001 and the **trust deed** was finalized and agreed between the trustees and *Trust Waikato* in May 2001.

The Trust was **incorporated** in September 2001, and three months later *Social Services Waikato* appointed its **first employee**, Bev Gatenby as Chief Executive. Shortly after her appointment, a part-time staff member joined her to help with providing information and resources and with administration.   In August 2002, the organisation's first full-time Community Advisor, Jane Stevens, was appointed; followed three months later by a second, Hope Simonsen.[5]

Originally, staff of the two Trusts were **housed** in an office in the *Trust Waikato* building. As the two Trusts employed additional staff, they soon

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[5] Much of this part is based on "Our Story", *Social Services Waikato Annual Report 2002/03*, p7.

outgrew this accommodation and moved in 2003 to nearby McGregor House with *Arts Waikato*. However, with continued expansion especially of *Social Services Waikato*, this is already crowded and some communal space has been required for office accommodation.

By the end of 2005, *Social Services Waikato* employs nine full- and part-time **staff** (8.5 FTE), including one Community Advisor based in Thames area. Current staff include: Chief Executive; two Community Advisors, an Iwi Development Advisor, Youth Development Advisor & IT Community Advisor; Projects Coordinator, Communications Officer & Office Manager. There is also a kaumatua to advise the organization on Maori protocol and relations, as well as eight trustees who guide the organisation's overall direction.

Social Services Waikato has been very effective in establishing its **mandate and credibility** in the social services sector and the wider community, as is indicated by its high regard and reputation reported in Sections 4.4-4.6 below. One external observer noted

> *"There was potential for tensions with the Business Development Trust, and perhaps also with Volunteering Waikato, but these didn't eventuate. It's a testament to the calibre of the people – both their skills and their commitment to collaborative approaches."* (Social Services Interview)

However, it was also noted that after an innovative start within *Volunteering Waikato* 13 years or so ago, that organisation had since lost some momentum, but more recently that was building up again:

> *"Some of the things Social Services Waikato has picked up were things* Volunteering Waikato *used to do (at least in part)… There is plenty for both to do and potential to on some joint projects."* (Social Services Interview)

While there are 'positive relationships because of the professionalism' (Social Services Interview), now it is important again that

> *"…we need to get together to look at what we are both offering to ensure no overlaps, define who's doing what and plan together."* (Social Service Interview)

Prior to *Social Service Waikato's* 2003 annual general meeting, *Trust Waikato* expressed a desire to **'cut the umbilical cord'** that bound *Social Services Waikato* to it, and at *Trust Waikato's* request *Social Services Waikato* began changing the deed to reflect that. *Social Services Waikato's* (then) chair described this as "an arduous and, at times, frustrating journey" (*Social Services Waikato Annual Report 2003/04*, p4), which was not finalized until 2005.

4.2 Funding

This coincided with the end of the first five year's funding, which also included a 10 per cent reduction in funding from *Trust Waikato* for 2005 after a number of years of rapid increases in funding (see *Table 9*), and the calling for expressions of interest to undertake this Review of the two Trusts (the terms of reference of which made explicit that there is no legal commitment for *Trust Waikato* to fund the two Trusts beyond the current period, and the timing of the Review should "enable, if necessary, the

planned wind down" of the two Trusts). This provided a context of vulnerability, especially as *Trust Waikato* is the **core funder** of the two Trusts.

Table9: Social Services Waikato Expenditure & Trust Waikato Funding (2001-06)

Year	Social Services Waikato Exp. (a)	Trust Waikato Funding (b)	Trust Waikato share of Exp. (b) /(a) x 100
2000-01	$27,593	$15,000 (start up costs)	54%
2001-02	$53,852	$100,000 (operating costs) $40,000 (scholarships)	260%
2002-03	$297,138	$210,000 (operating costs) $40,000 (scholarships)	84%
2003-04	$412,587	$390,000 (operating costs & scholarships)	94%
2004-05	$455,743	$390,000 (operating costs & scholarships) $18,000 (C&F Awards)	89%
2005-06	$622,000 (approx)	$350.000 (operating costs & scholarships) $18,000 (C&F Awards)	60%

Both staff and trustees of *Social Services Waikato* separately report the difficulties in attracting **other funders**, especially for core operating costs. They report that other philanthropic funders in particular see *Social Services Waikato* as having been initiated by *Trust Waikato* and hence are suspicious of picking up what is seen to be *Trust Waikato's* 'responsibility'. There is also currently no central government funding programme for the core costs of capacity building organisations. Indeed the lack of availability of core funding is one of the major reasons there are few if any comparable organisations in other regions[6].

In addition, *Social Services Waikato* reports that it was very cautious, especially initially while it was establishing its credibility, of being seen to compete for funding from sources also applied to by the organisations they would work with. Over time, as its value is now widely recognized by these organisations, it has identified that it is acceptable to do so, but with some limitations – especially on the total amounts sought from key sector funders.

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[6] For example, *CommunityNet Aotearoa* only lists four other local or regional not-for-profit support organisations along with Social Services Waikato: *Community Accounts Mentoring Service* (Wellington), *Community Group Development, Business Development Centre* (Hamilton), *Community Support Service* (Nelson), *He Oranga Pounamu Charitable Trust* (Ngai Tahu). http://www.community.net.nz/Community Centre/managing-well/National/who-can-help.htm#localandregionalsupport To this list might be added *North Shore Community Social Services Council*. Some Volunteer Centres and Community Law Centres offer support to organisations in specific areas. None of these have the breadth of roles of *Social Services Waikato*. *Compass Community Foundation* previously provided a number of similar services in Tauranga, but ceased to do so because of insufficient funding for these activities.

However, *Social Services Waikato* has been successful in attracting some **funding for specific projects** or activities, for example, from JR McKenzie Trust, Tindall Foundation, Lotteries Grants Board, WEL Energy Trust, Coalition for Gambling Reform, Community Employment Group, Department of Internal Affairs (Youth Worker Training Fund), Trust Waikato (Child & Family Awards), and Mental Health Training Fund. As this is project related, it has necessarily fluctuated from year to year.

In addition, *Social Services Waikato* has been successful in mobilizing resources and **support in-kind** for its work with organisations in the Waikato from Work & Income staff, Occupational Safety & Health staff, tertiary student placements or projects, Unitec Graduate Diploma in Not for Profit Management, Thames Coromandel District Council, Hauraki District Council, Office of the Privacy Commission, Department of Labour Mediation Service, Raupatu Lands Trust, Community Sector Task Force, Community Housing Aotearoa.

Some in-kind assistance is also provided by *Trust Waikato*, through access to *Trust Waikato's* server and internet connection, and not paying commercial rent on office accommodation (which was recently renovated by *Trust Waikato* to meet the needs of *Arts Waikato* and *Social Services Waikato*.)[7]

Most services, networking and resources are provided free of charge, so **fees** represent a very small proportion of income (a little over $3,000 or one percent of income in 2004-05). This has been a deliberate decision to reduce barriers to access, especially for small organisations. In fact, an important service is that of providing scholarships to enable people to afford the fees of tertiary training. Modest fees are currently charged for most training workshops. The new IT service represents an interesting new practice of charging fees on a sliding scale (depending on the annual turnover of the organization).

Some organisations specifically mentioned that they appreciated the 'low cost training and free advice' (Social Services Focus Group):

> *"We couldn't afford this level of support if we had to pay for it."* (Social Services Focus Group)

It is important that fees are not imposed in a way that reduces access to assistance for those organisations most in need. Where this could be the case, it may be more appropriate to offer organisations the opportunity to make a **donation** or koha. *Social Services Waikato* report that this has been done a few times, specifically for facilitation of planning or team days

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[7] *Trust Waikato* provides the premises for *Social Services Waikato* and *Arts Waikato* at $15,000 per annum; Trust Waikato estimates that a commercial lease would most likely be about $50,000 per annum for both Trusts. One estimate of the value of access to *Trust Waikato's* server and internet connection for the two Trusts could be half of *Trust Waikato's* average IT spend over a four year period (less PCs purchased), in order to include server replacement costs. The value to each of the two Trusts would then be about $5,000 each per annum for IT services. Over recent months in return *Trust Waikato* has benefited from some significant support from *Social Services Waikato's* IT Community Advisor.

for larger community organizations. It would need to be clear that such a service was in no way contingent on the level of donation, and the costs of collecting fees and donations would need to carefully considered.

It might also be possible, as *Social Services Waikato's* reputation grows to consider **'third party' payments** (for example, on a fee-for-service basis from government departments or other funders). *Social Services Waikato* also report that this has occurred in a modest way through *Child Youth and Family*. Again, however, it would be important to ensure that this did not undermine *Social Services Waikato's* goals, its independence, its values and successful methods of working. However, there is also potential for considerable advantage both for the organization assisted (quality assurance & back-up for the service provided, longer term support & more follow-up than private consultants are usually able to provide) and the funder (at a cheaper rate than is usually charged by private consultants).

4.3 Who is assisted?

The 110 social service organisations that responded to Laird's (2004:8-9) general survey were mostly **located** in Hamilton (56 per cent), with roughly an even spread among the remaining nine districts of the Waikato region. While one in five of these organisations employed no **paid staff**, most (52 per cent) employed 1-5 paid staff, a further 20 per cent employed 6-20 paid staff and the remaining 9 per cent employed more than 20 staff. Almost half the organisations reported 1-10 **volunteers**, and just over a quarter reported 11-20 volunteers, with just under a quarter reporting more than 20 volunteers.

> *"The big challenge is selecting a focus for who we serve with the resources available. We tend to be broad brush with the newsletter and resource material, but focus on smaller organisations for the one-to-one advisory service; while there is a bit of a mix in the training workshops."* (Social Services Staff)

The social service organisations were asked to indicate as many of the consumer groups **for whom** they provide services. The most commonly mentioned were *families* (served by 72 per cent of organisations), and *women* (69 per cent); closely followed by *children* (58 per cent), *Maori/Iwi* (57 per cent), *older people* (57 per cent), *people with disabilities* (55 per cent) and *youth* (54 per cent) (Laird, 2004:9).

The main **types of activities** engaged in by these social service organisations were *advocacy* (64 per cent of organisations), *education* (62 per cent), and *information* (61 per cent). Also frequently mentioned was *health* (42 per cent), *provision of resources* (42 per cent), *social work* (39 per cent), *counseling* (39 per cent), and *training* (36 per cent). Overall 617 services were identified (Laird, 2004:10).

4.4 What services are provided?

A summary of the services provided by *Social Services Waikato* is provided in *Table 10* (two pages over). In addition to the services provided to organisations in the region, *Social Services Waikato* also makes significant **contributions to the national community sector**, including in 2004-05:

- membership of the national Community Sector Taskforce, facilitation of regional input, & involvement in national hui in Hamilton

- participation in the working group developing a proposal for a national Research Centre for the Not-for-Profit Sector

- board member of New Zealand Federation of Voluntary Welfare Organisations

- board member of the Funding Information Service

- member of New Zealand Council of Social Services & assistance with the national conference in Hamilton

- member of a national working group on employment issues in the community sector, and

- member of New Zealand Association for Adolescent Health Development.

Social Services Waikato and especially its Chief Executive had an excellent reputation and were well respected by national bodies interviewed for this Review. It was considered that as well as undertaking valuable work in the region, the strategic work at a national level was well informed by regional strengths and issues. One person was also impressed at how good *Social Services Waikato* was at bringing other people from the Waikato into national forums.

Each of the 110 respondents to Laird's (2004:11) survey used at least one of the various **services** offered by *Social Services Waikato*. Seventy-eight organisations identified in detail which services they had received, and they had used 503 services in total (an average of 6.5 services each[8]). Eighty-four per cent of these organisations were aware of *Kumara Vine*, and 73 per cent had used it. Between 50 and 60 per cent were aware of the website (used by 32 per cent), the scholarships (used by 26 per cent), fund management (used by 20 per cent), and some specific training events (used by 16-26 per cent). Between 30 and 50 per cent were aware of other specific training events, most specific advocacy forums (used by 12-21 per cent), the community advisory service (used by 26 per cent), and most of the networking forums (used by 7-26 per cent). Only the resource library and a few of the forums had an awareness level below 30 per cent, and these had a lower usage as well.

The main reasons given for **not using services** offered by *Social Services Waikato* were: firstly, a perceived lack of need for the service; and secondly a lack of time (including travel time or lack of relief staff) (Laird, 2004:15-16). It is not unusual that a person should not see a need for <u>each</u> training offered, nor participate in <u>each</u> of the different networking forums, for example. Indeed, given that there is likely to be little overlap between the different networking forums, it is noteworthy that if usage of the five

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[8] For example attendance at different training programmes would count as separate services.

Table 10: Services Provided by Social Services Waikato

Service	Examples of Activities	Scope in 2004-05
One–to-one Community Advisory Service	Assistance with fundraising, governance, employment relations, strategic planning, policy development, facilitation of meetings, etc.	72 organisations assisted
Training workshops	Topics include workplace well-being (Taumarunui & Hamilton), health and safety, (Hamilton, Te Kuiti & Taumarunui), financial management (Hamilton), fund-raising (Tokoroa, Hamilton, Paeroa, Youth Wananga & National Toy Libraries in Cambridge) effective meetings and effective listening (Thames & Hamilton), community funding & entrepreneurism (Hamilton), peer mentoring (Thames x2, Hamilton & Taumarunui), IT development (Hamilton), privacy policies (Hamilton), lobbying (Hamilton), advocacy skills (Hamilton), community psychology (Hamilton), capacity building (Hamilton), culture & values (Hamilton), governance and management (Hamilton), self care (Thames & Hamilton), and mental health awareness (Thames & Hamilton). Partnership with Unitec NZ to increase participation in Not-for-Profit Management Programme in Waikato.	Over 560 participants in 20 training programmes
Networking Forums	*Managers Forum* (monthly in Hamilton and end of year retreat days in Raglan & Whangamata); *Coordinators & Fieldworkers Network* (bi-monthly in Hamilton); *Waikato Regional Community Houses* (bi-monthly around region & inaugural regional conference); *Waikato Youth Workers' Collective* (inaugural 3-day hui in Raglan); *Network of Services for Children with Disabilities* (bi-monthly in Hamilton); *GLAM Network of Problem Gambling Providers* (bi-monthly in Hamilton); *Thames-Hauraki Community Housing Providers Network* (quarterly, Thames & Paeroa); *Maori Community Nurses Network* (quarterly, around the rohe); and Maori Disability Workers Network (monthly, around the rohe). One-off assistance with Hamilton City Youth Awards; South Waikato District meeting with youth services; Funding Expos in Tokoroa, Thames & Hamilton.	Approx 250 participants in nine on-going networks
Advocacy Forums	Prime Minister's Social Development Forum in Hamilton (provide 3 lead facilitators); Social Service Managers' meeting with Deputy Prime Minister; Community Sector Forum; Meeting with Minister for Community & Voluntary Sector; two Charities Commission workshops; Financial Reporting Act forum; Social Worker Registration Board forum; National CommUnity Action Conference on Gambling. Initiated community sector involvement in Long Term Council Community Planning with district councils and in regional community planning; supported community organizations to participate in local community planning. Participation in eight other advocacy activities.	Over 800 participants in 9 policy forums
Fund Manager	Distribution of grants on behalf of Tindall Foundation to family & community services, and for regional projects administered by Social Services Waikato (Community Houses Conference, Privacy Act training, & community organisation resource development).	Distributed $45,000 to 13 organisations, & $15,000 for regional projects

Scholarships	Distribution of scholarships for tertiary study to develop leaders in the field of social service and non-profit management; and administering Mental Health Training Fund.	Distributed 40 scholarships worth $40,000 & awarded 2 Community Mental Health Grants ($1,000) for training
Child & Family Awards	Coordination of Awards on fee for service basis for Trust Waikato to recognize, celebrate & promote contributions of individuals, teams & organisations to child & family care. Awards made in six areas.	Approx 400 participants attending
Newsletter	Publish *Kumara Vine* providing information on coming events & resources, up-dates on government policy initiatives & developments in the sector, and occasional 'tips for your toolkit' inserts.	Distributed 8-page quarterly to mailing list of 500
Website	www.socialserviceswaikato.org.nz includes information on Social Services Waikato, its resources & activities, opportunities for study, a searchable directory of social service organisations, funding sources, how-to guides & info sheets, etc	Number of page or site hits not currently available
Resource materials	A library is maintained and resource materials, handouts & templates are tailor-made. Topics covered include…	Available to public, but mainly used by Advisors

networks listed is totaled it amounts to 75 per cent of the respondents. Similarly, if there was no overlap in participation at the different training programmes (and this is perhaps less likely) the total of the four training programmes listed in Laird's (2004) survey would cover 85 per cent of the respondents.

Overall, four out of five of the various services of *Social Services Waikato* used by respondents to Laird's (2004:12-13) survey were considered to be *very* (47 per cent) or *quite* **useful** (30 per cent). Less than 5 per cent thought any service they had used *not very* or *not at all useful*. Hamilton-based organisations were likely to give a slightly more favourable rating than those based elsewhere in the region. Of those using the community advisory service, nine out of ten thought it *very* (63 per cent) or *quite useful* (26 per cent). The two organisations which found the advisory service *not at all useful* were both Hamilton-based, but otherwise the service was equally appreciated by Hamilton-based and other regional organisations – though it appears from this sample to be proportionately more used by organisations outside of Hamilton. On the other hand there is some evidence that the Hamilton-based organisations are more likely to use the training and forums, and to find them *very useful*.

Outside observers (Social Services Interview) also identified consistently very good feedback on *Social Services Waikato* – in its support for individual organisations, in the provision of training opportunities, and in the strengthening of links across the sector.

> *"They are someone I can rely on – when I come across a group that needs support I know I can refer them to Social Services Waikato with complete confidence of the quality of what will be provided – and this has been reinforced by all the feedback I have received."* (Social Services Interview)

What was **most appreciated** about the *Social Services Waikato* services overall was the *guidance and support* (36 responses) and *timely, useful information* (33 responses). They also valued the advice, clarity, planning assistance, facilitation, networking, training, funding & scholarships, forums & conferences. Organisations appreciated that the assistance was affordable, accessible, knowledgeable/expert, up-to-the-minute and helpful. Larger organisations were more likely to emphasise the value of the *information*, mid-sized organisations were more likely to emphasise the value of the *networking*, *information*, and *scholarships & funding*, while the smallest organisations especially emphasized the value of *support* (Laird, 2004:17-19):

> *"Often as a community group you can feel very alone – isolated. What Social Services Waikato has done is dispel that feeling and isolation."* (Laird 2004:23)

> *"Actually, we feel quite nurtured by them."* (Social Services Focus Group)

> *"The Managers' Retreat was fantastic"* (Social Services Focus Group)

> *"Kumera Vine newsletter – long may it live!"* (Social Services Focus Group)

> *"The newsletter, the updates on legislation, funders, organisations – it helps you feel plugged in; its like having our own research unit on tap."* (Social Services Interview)

> *"They don't just relay information, they translate it – what it means for us!"* (Social Services Focus Group)

> *"The monthly meetings for managers are a great support; they are especially useful as a newcomer – they are good at networking and bringing people together"* (Social Services Interview)

One organization thought that the concept of 'awards' (and competing to win) was out of character with the sector and its need for collaborative approaches. However, most of the feedback on the Child & family Awards was appreciative, as one of the few occasions both to celebrate and publicise the work of people in the sector.

One of the activities most appreciated by the Maori focus group was in fact the Child & Family Awards, because of their recognition of people for strengthening whanau, hapu, Iwi and the community:

> *"The tone of the ceremony reflects the efforts the organisation makes to live by the values espoused in the waiata that has been especially composed for Social Services Waikato."* (Maori Social Services Focus Group)

The Maori focus group also especially appreciated the scholarships, the one-to-one support work with groups, the funding advice and the public forums. They highlighted the community-building role of *Social Services Waikato* and its work to promote strong community relationships and collaboration.

One role undertaken by *Social Services Waikato*, that of **fund manager**, deserves particular comment. Some of the literature particularly cautions about mixing roles as a funder and a capacity builder for reasons of conflicts of interest and potentially confusing messages to organisations assisted (for example, Cairns et al, 2005). *Social Services Waikato* indicates it was aware of these potential issues:

"We initially said no to the Tindall Foundation because of concerns with role conflict. However in the end we thought we could manage the risks – especially as it is not a huge sum, and it could be used to support things that could make a difference. We put in place processes to safeguard us. Funding decisions are completely separate from community advisors (the Chief Executive and trustees do it, as we do with scholarships) and Tindall set the priorities." (Social Services Waikato staff)

Social Services Waikato believe 'it doesn't seem to have affected us… probably because we already had high trust.' [9] And have identified a number of additional advantages – more dollars going into Waikato and the networking value of meeting with other funding managers.

As well as the impact on individual organisations assisted, Laird (2004:22-23) also identified that an important issue was the impact that *Social Services Waikato* had had on the **sector as a whole** across the region. For 12 of the 19 telephone interviews undertaken by Laird the difference *Social Services Waikato* had made here was both "highly positive and significant":

"It's on its way to bringing the sector together – collaboration, communication, cooperation." (Social Services Interview)

"We feel like we belong. They help define the sector in our region." (Social Services Focus Group)

Social Services Waikato was seen as 'bringing the sector into the 21st century' and 'providing a voice' and 'a focal point for action'. The majority also appreciated that now they felt like they could 'engage' and 'have input into legislation and policies', thanks to the support and facilitation of *Social Services Waikato* (Laird, 2004:22-23).

"They link us up with what's happening at a national level; this is important as we are isolated when we work individually." (Social Services Focus Group)

"They have a significant voice in the wider community and give our sector visibility, new respect, integrity and cohesion." (Social Services Focus Group)

As well as appreciating the practical assistance and support, their commitment and passion for the cause was also regularly mentioned:

"[Advisor] always gets the job done, is a mine of information, and is passionate about what she does." (Social Services Focus Group)

"Social Services Waikato has a very strong sense of social justice- a real fire on their belly for what they are doing." (Social Services Focus Group)

The feedback overwhelmingly emphasises that *Social Services Waikato* are trusted and respected as a good friend to the sector; they are effectively able to support and strengthen organisations; and they are a strong advocate of the sector and its interests.

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[9] This seems to be reflected in the absence of any concerns from organisations consulted. The only mention of the Tindall funding that *Social Services Waikato* manage in the Waikato was favourable: *"Being a funder as well has given them a good grasp of the sector"* (Social Services Focus Group) - even with *Social Services Waikato* granting only 10 out of 70 plus applications in the current year.

"They are the backbone of the sector and the envy of other regions." (Social Services Focus Group)

4.5 Responsiveness to Maori

The survey of social service organisations (Laird, 2004) did not disaggregate any feedback from Maori organisations and is silent on this issue. The issue of cultural appropriateness was only briefly commented on in interviews conducted for this Review, but always in a favourable light. One of the focus groups was especially constructed to obtain feedback from Maori organisations. Unfortunately because of organizational and timing difficulties on the part of the Review, attendance was low at this group, but it did offer some important and specific insights on this issue.

The group observed that *Social Services Waikato* has made a **conscious effort** to ensure that their processes and procedures are mindful of the presence of tangata whenua of the region it serves. A manual has been developed outlining some of the tikanga/kawa as the basis of its interaction with Maori in the region. The tribal affiliations include Ngati Maniapoto, Ngati Raukawa and Tainui. *Social Services Waikato* also attends one poukai a year, and staff participate in the Tainui games and coronation celebrations. A planning day is held every two weeks with an hour dedicated to working on tikanga matters with the staff.

> *"Social Service Waikato's protocol manual mirrors the bicultural status of Aotearoa New Zealand, while at the same time recognizing the many cultures that make up the community."* (Maori Social Services Focus Group)

This was also noticed by others:

> *"Social Services Waikato have worked hard with Maori organisations and Iwi. There is a sensitivity and awareness there that helps this."* (Social Services Focus Group)

This is consistent with observations of the consultants, for example with the recognition given to **te reo** – both visually around the office and in publications, and in assistance given to staff wishing to improve their language skills. As noted above, a kaumatua for the organisation has been appointed and his contribution is clearly respected and valued by staff and trustees. A Maori name was gifted to the organisation at the end of 2003 (*Nga whakaritenga mahi Toko i te Ora ki Waikato*), and the organisation also has a kaupapa: *Hei hapai, hei maia, i te mahi, toko i te ora ki te taumata*.

> *"Having [the Kaumatua] and Maori staff and Maori trustees (and more than just one) makes the difference… The key question is we have been given a significant community resource, how do we make sure Maori organisations get fair access to that?"* (Social Services Waikato staff)

The Maori focus group also observed that *Social Services Waikato* had strongly established **networks** across the region, and had been especially successful in 'strengthening community'. This had been achieved by assisting Iwi and other social service providers to build structures to help themselves, and was considered to reflect the highly skilled staff, well able to identify issues, to bring groups together and to deal with differences and

conflicts. One non-Maori observer (Social Services Interview) noted that the trust had struggled to build Maori representation, but was encouraged to keep working on this.

4.6 'Good practice' performance

A number of 'good practice' principles or indicators of 'quality' were identified from the international literature. This section should be read in conjunction with the discussion of the issues underlying these key principles, as outlined in Section 3.5: *Good Practice Principles for Capacity Building*. The feedback from the various stakeholder groups has been synthesized to offer a composite picture of *Social Services Waikato's* performance against each of these criteria. Any significant differences among stakeholder groups are noted.

An empowerment approach

> *"They all have a very good sense of working <u>with</u> not-for-profit people; their style is very empowering."* (Social Services Interview)

There is a strong sense in which Social Services Waikato is customer-led and highly flexible, however the competence and experience of the staff is also recognized and usefully incorporated. The organization has a very high reputation and is a source of pride both within the organisation and across the region.

> *"The depth of knowledge we collectively have is a huge asset and gives the organization great integrity."* (Social Services Waikato Staff)

> *"We go to Social Services Waikato first because of the relationship we have and the confidence that they know their stuff."* (Social Services Focus Group)

> *"The team has a wide range of skills, especially in policies and systems."* (Social Services Focus Group)

> *"[Advisor] has a wide knowledge of non-profits and has worked in them, so she knows the realities."* (Social Services Focus Group)

They may start with some practical and immediately useful assistance, but what was frequently appreciated was their holistic and comprehensive approach. The style is patient, participatory and developmental. The organization is aware of building knowledge, confidence and skills (not dependency).

> *"They are able to offer practical support, excellent resources, knowledge and experience, but they let us do it our way."* (Social Services Focus Group)

> *"Their great strength is their comprehensiveness, and staff are very responsive to new developments"* (Social Services Interview)

> *"Our best work is done when working over a long period of time"* (Social Services Waikato Staff)

Approachable

The organization is aware of the importance of its independence. It also appears to value confidentiality, accessibility and cultural appropriateness very highly. People approaching the organization (even in difficult times) genuinely feel supported and nurtured.

"They are very visible, out and about, very approachable" (Social Services Interview)

"They came to our network to speak to us; and its great having the training in both Thames and Hamilton" (Social Services Focus Group)

"They are so available – they never make you feel like they are too busy to see you – even on weekends." (Social Services Focus Group)

"You can pick up the phone and get the information or advice you need" (Social Services Focus Group)

"We work along-side and are invited in by groups because we are seen as being of the sector, not some outsider coming and doing to people." (Social Services Waikato Staff)

The reliability and consistency of *Social Services Waikato's* assistance was also appreciated, and this encouraged further approaches:

"They always followed up and got back to us with responses to our telephone inquiries." (Social Services Focus Group)

Even with a good track-record on cultural appropriateness (as discussed above), there is also awareness that accessibility goes wider:

"For example, we are learning the language around disability, and have got some good guidelines for inclusive facilitation from the Royal NZ Foundation of the Blind." (Social Services Waikato staff)

"They have worked hard with Maori organisations…, but are other ethnic groups also accessing the services?" (Social Services Focus Group)

Methods that multiply
Social Services Waikato is highly skilled at mobilizing other resources, building networks and engaging key people. It does not appear to have to be at the centre of things, but can comfortably work with other organisations in a brokerage role.

"The whole relationship building is working exceptionally well. There may have been pockets that worked well together previously but this is much more embracing." (Social Services Waikato Trustee)

"Social Services Waikato has the capacity to be the facilitating body to pull groups together, and people would respond positively because they do have that reputation" (Social Services Interview)

In particular it has a strong track record of promoting peer-to-peer learning and sharing of good practice.

"When we were starting up, Social Services Waikato *took us to visit other similar organisations in Hamilton."* (Social Services Focus Group)

"We need to be constantly putting people in contact with each other – there's no point if we are the only ones they rely on – we know our limitations." (Social Services Waikato staff)

It is also making increasing and effective use of technology, with email newsletters, a useful website and mobile internet access in the field.

Multi-level & reinforcing impacts

The organization is aware of the impacts it can have at the individual, organizational, and sector- or community-wide levels. It also draws on the cumulative effect of its various activities.

> *"There is a good balance of working at different levels – between the day to day operating stuff and the 'big picture' thinking."* (Social Services Focus Group)

> *"Its not just a number of 'one shot' events, they see the important linkages and are able to build on the cumulative impact"* (Social Services Interview)

The breadth of their work is also appreciated – for example the wide range of training offered, 'from volunteers to managers', 'from individual self-care to organizational issues' (Social Services Focus Groups).

Social Services Waikato is also keen to impact on the policy, funding and political context (the demand side), as well as helping strengthen non-profits from the inside out (the supply side). It recognizes that both are required if sustainability and effectiveness is to be improved for the long haul.

> *"They are very strategic – good at seeing the wood from the trees, being able to see the big picture and make the linkages adds real edge to their work"* (Social Services Interview)

Even here, they do not just see their role as being a voice *for* the sector, but more to help the sector be better informed, up-grade its skills and help it make the contacts needed so it can better advocate for its own needs:

> *"They make sure we as a sector are heard by the right people, for example having the Mayor come to the Managers' Forum."* (Social Services Focus Group)

A role model

A number of people both inside and outside the organization commented on how well *Social Services Waikato* role models 'good practice' on key capacity issues in its own organization.

> *"You see them modeling good practice – there is no sense of it just being lip service, its very real; I am especially impressed with their bi-cultural practices."* (Social Services Interview)

> *Staff are doing their own personal development work, very professional with great attention to detail."* (Social Services Interview)

> *"We are very conscious of needing to act as a good role model as an organization. The policies we develop for our own organisation are offered as templates for other organisations."* (Social Services Waikato Trustee)

A learning culture

They report developing 'logic models' for their interventions, and are able to articulate a clear philosophy and logic to how their work fits together and rationales for the approaches they take. This is, of course a very firm foundation then for learning and evaluation, as the models can be tested.

"A logic model is crucial to lots of our work, and I think we do it well – we are always conscious though to start where the client is." (Social Services Waikato Staff)

Social Services Waikato appears to hear and respond constructively to customer feedback in a non-defensive way. There is a strong and genuine interest in continuous learning and improvement of their own operations.

"The challenge is to have a good ear to the ground, as well as maintaining the big picture stuff – they hold that balance very well" (Social Service Interview)

"They are genuinely well connected and in touch with the sector" (Social Service Interview)

"We are very conscious we are here to serve the sector – not the other way around!" (Social Services Waikato Trustee)

"[Staff member] is extremely effective and her knowledge is wide, but she always asks for feedback." (Social Services Focus Group)

"I admire the way these guys deal with negative feedback. There is not a closed mind or inflexibility, its always taken on board." (Social Services Waikato Staff)

"There are lots of opportunities for reflection and debriefing. There are evaluation forms from workshops. We are looking to take on board suggestions. There is an implicit culture of informal debriefs. But there are also the more formal stuff appraisals, formal reviews, for example of the Child & family Awards, evaluation of past training to feed into next cycle of planning, and evaluation and reporting on Tindall funding, scholarships and other discrete projects. We also did the general survey last year and provide six monthly reports to Trust Waikato*. The staff days are also very useful, and we plan for fortnightly 'home days' now. And of course we are very big on supervision for all staff working with groups.* (Social Services Waikato staff).

There is less evidence, however, of learning & disseminating lessons for the wider sector (ie, contributing to knowledge in the field). There are many informal opportunities to do so, and these are likely to be exploited in such a culture of learning, but there is probably room to formalize some of these learning and especially wider dissemination processes a little more clearly.

"I don't know if groups realize what guinea pigs they are for us; we are always sharing lessons learnt from one area to another. It's a huge privilege and it helps us keep it real." (Social Services Waikato Staff)

Social Services Waikato report that especially early on the Chief Executive and others did quite an amount of presenting their capacity building model to government agencies, other funders and organisations in other regions, and some of this broad dissemination work has continued.

4.7 Value for money

"Its very inspiring the huge difference a small amount of funding can make" (Social Services Waikato trustee)

It is always difficult to assess 'value for money' in community funding initiatives, with few agreed or objective indicators of financial benefits of outcomes. However, while precise financial values cannot be allocated, it is

possible to make broad estimates of what the value might be generally expected to exceed.

For example, if the 560 participants in *Social Services Waikato* training programmes in 2004-05, each received say only $500[10] worth of value from their participation, and the 72 organisations assisted by the advisory service received only $1,000 worth of value from that assistance, then the total value of funding from *Trust Waikato* to *Social Services Waikato* would already be exceeded (excluding the $40,000 for scholarships and $18,000 for Child & Family Awards). These notional figures are clearly under-estimates and very modest valuations of the assistance provided, given the high praise and the benefits of impacts reported from organisations assisted by *Social Services Waikato*. Yet if these benefits and impacts were to last in the organisations *just three years[11]*, then the annual funding by *Trust Waikato* would be reaping at least three times the value of its investment every year. And that is before any consideration is given to additional benefits and impacts arising from the networking forums, the advocacy forums, the newsletter, website and other resource material, and *Social Services Waikato's* wider contributions to the regional and national community and voluntary sector.

Indeed the real value of *Social Services Waikato* is not so much in *ad hoc* or one-off pieces of technical assistance, but in their holistic, empowerment approach which works in an integrated and cumulative way at a number of levels. This is recognized in the literature as the shift from limited "one-off skills transfer approaches towards medium-term, collaborative change processes" (Cairns *et* al, 2005:7) which are more effective in achieving sustainable change in an organization (see also, for example, Blumenthal, 2003 and James, 2002). Many social service organisations consulted could readily identify important **impacts** from the assistance or support they had received from *Social Services Waikato*:

> "We identified changes needed in the organisation, restructured governance and management, and the committee really picked up the governance role."

> "We are a new organisation, and we couldn't have survived without them."

> "The lobbying workshop assisted us to engage with major issues that arose in the community this year – gambling, housing and so on."

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[10] The modest nature of these notional valuations is illustrated by the fact that $500, for example, requires only a 5% improvement in outcomes or efficiency for an organization with an annual expenditure of $10,000, just a 1% improvement over a $50,000 expenditure, and a mere 0.5% improvement for a $100,000 organisation.

Furthermore, in comparisons with international unit costs benchmarks, inexpensive capacity building interventions have been identified at US$10-15,000 per organization assisted (Blumenthal, 2003:200). If the value added by *Social Services Waikato* was even half this level, the Trust Waikato funding would have a multiplier effect of between 10 and 30 times its investment.

[11] For example, in one study (Fletcher, 1999), organisations that received capacity building assistance on fund raising experienced a notable increase in the number of funding sources available, the amount of funds they received, and the variety of methods they used for fund-raising. Staff became more knowledgeable about fund raising, and the successful organisations continued or increased their fund raising capacity over the following *three to five years*.

> *"They provided valuable back up and support when major changes were required – we needed this added credibility for the Board to support the changes."*
>
> *"Staff were able to make changes to assist with their self-care"*
>
> *"The trainings always give you a toolkit to use."*
>
> *"Its had a great impact on retention – keeping good people in the sector."*
>
> *"The Managers' Retreat resourced the manager for another round of the hard slog of working in our sector."*
>
> *"Working with an organisation in 'start up' mode, ended up with the organisation* not *setting up a new service, and that resulted in a better all round service for the community."*
>
> *"Social Services Waikato has managed to overcome the historic turmoil in relationships between the Community Houses and the Council. They acted as a peacemaker and helped build an understanding which managed to turn around a relationship that had a 20 year history and give it a new start."*
>
> *"It impacts on better services for clients. The networking is very beneficial for an organisation who needs to refer clients – you are able to refer clients to organisations you know and trust."* (Social Services Focus Groups)

Whatsmore there is very close alignment between what *Social Services Waikato* is achieving and the expectations of its three key functions from *Trust Waikato*. Overall, there is considerable evidence that *Social Services Waikato* is establishing itself as a <u>friend of social service community groups</u> (it appears to be reasonably well known, is seen as very approachable, its services and support are highly appreciated and seen by community organisations as very useful); it has also undertaken highly effective work to <u>strengthen the operations of social service community groups</u> (where it is highly regarded and relied upon); and it <u>advocates for and on behalf of those groups</u> (providing a significant voice for the sector, and seen as giving it increased visibility, respect and cohesion).

So while a precise value-for-money equation may not be feasible (or even desirable), it is clear that *Trust Waikato* is receiving very good value for money for its annual investment in *Social Services Waikato*. People in the sector appear to be aware of the significant sums invested in the organisation, and yet there was no evidence of 'jealousy' or any suggestion in the interviews or focus groups that the funds would be better redirected to individual social service organisations. This relates directly to the considerable leverage that funders can receive for each dollar effectively invested in capacity building (as discussed in Section 3: *Capacity Building*).

4.8 Issues for future development

"Respondents struggled to suggest how improvements could be made. The most prominent issue was … a lack of knowledge or understanding of what services were provided, who the services were for, and how to access them. The lack of awareness was most common among small organisations that had had limited contact with *Social Services Waikato*." (Laird, 2004:19)

> *"If my chairperson hadn't known a* Social Services Waikato *staff member, I wonder if I would have found them."* (Social Services Focus Group)

The need to increase **awareness** cannot be neglected, but to some extent marketing experience tells us that people are not ready to hear a message until they need it – so rather than worry too much about awareness of <u>individual</u> services or programmes, it is more important to have widespread awareness of *Social Services Waikato* as the place to be plugged into if you want to be informed and well-connected, and as the place to go when you need to know something about running a non-profit organisation.

Another, and not unrelated, theme in Laird's (2004) surveys was the demand to take its services out to the greater Waikato region. This has been reinforced by feedback in the current Review. Indeed, *Social Service Waikato* has a strategic goal of having community advisors based around the region, and has been recently been successful in appointing a community advisor based in the Thames/Coromandel/Hauraki area, collaboratively with some support from local district councils.

> *"They are not as well known in Thames, but having a worker here will make a huge difference."* (Social Services Focus Group)

Linking such developments with at least some level of practical support from local authorities is a very useful tactic, both helping to build links with non-metropolitan councils and increasing their ownership of the process. It may take longer to achieve but is likely to do so with firmer foundations.

While wider **reach across the region** is an important priority for *Social Services Waikato* (and in the words of its trustees, 'the next big challenge' for the organisation), there is still an issue for the organization in how it manages, what the Chief Executive refers to as the 'matrix of geographical-based and specialist positions'. There are also issues in balancing further growth with an organisation's need for consolidation.

In fact while organisations consulted often struggled to identify areas for improvement, *Social Services Waikato* itself showed a healthy awareness of what it was not yet covering and an ambitious awareness of what more it could do to **better support the sector**:

- a specialist advisor for Pacific Island groups

- support for environmental groups

- additional Maori advisors, more work on indigenous governance models, should there be a parallel organization for Maori or a 'two-house' model?

- offering a specialist evaluator

- specialist help for organisations with media & public relations, more public advocacy for the sector in the media (a regional *ComVoices* project)

- working as much with board members as with managers

- developing stronger links with business

- bringing non-profit consultants together to strengthen their role

- developing data bases of consultants, supervisors, student placement portfolios, etc.

There is plenty of both room and vision for growth. At the same time, however, *Social Services Waikato* needs to deal with 'a lot of recent growth' even if 'some of it had been a long time coming' (Social Services Waikato trustees). *Social Services Waikato* has recently appointed a specialist IT advisor, a special youth development advisor, and a community advisor based in Thames (located separately from the rest of the team). A dichotomy between **growth versus consolidation** is not necessarily helpful, but it is certainly important for growth to be carefully managed, and for sufficient attention to be paid to internal organization maintenance tasks to stay in balance with external expansion (Dufau, 1995:1-2).

- The current <u>accommodation</u> is recognized as a limiting factor by both staff and trustees, and needs to be urgently addressed. The difficulty with parking at the current location was also one of the few accessibility issues raised by organisations consulted. However, it will be difficult to get as comfortable and affordable accommodation elsewhere, and *Social Services Waikato* identified distinct advantages of working in close proximity with both *Trust Waikato*[12] and *Arts Waikato*. Though there could also be advantages in co-locating with other capacity building or sector organisations.

- As an organization grows, maintaining high quality <u>staffing</u>, strongly committed to shared values and philosophy is crucial. This can be even more challenging when staff are split across separate locations. As demands grow, it can also be tempting to short-cut on continued up-skilling, team development, time for reflection, monitoring caseloads against burn-out etc. In fact, as an organization grows *increased* time, especially by management, needs to invested in the organization's own capacity.

- <u>Intake</u> and other systems will also need to be formalized as staffing increases and as internal communication by necessity becomes more complex.

- In fact, it will be necessary to increasingly <u>institutionalize</u> (that is, build into systems) some of the successful ways of doing things that staff have developed. For example, Trustees recognized that while their Chief Executive had been very successful at relationship building, perhaps this responsibility should also be taken up by them as well (for example in developing relationships with politicians etc). This is the challenge of maintaining the organisation's highly effective approach beyond the enthusiasm and passion of the innovation &

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[12] There can also be disadvantages with too close an identification with *Trust Waikato*, as a major funder in the region. Apart from having grown out of *Trust Waikato*, the Trusts share close location (with one staff member back in *Trust Waikato* offices as a result of the accommodation squeeze), email address domains (though this could be dealt with by 'aliases'), post office box, and even similar sounding names.

- growth stage, and especially through the transition to the second generation of leadership.

- As noted above, *Social Services Waikato* already has in place a number of formal and informal mechanisms for monitoring its activities and eliciting feedback. It has also identified a need to provide <u>evaluation</u> assistance to the sector. A first step could be to: (i) develop a more structured evaluation framework for itself (for example, using social accounting or some other ongoing and integrated impact assessment tool); and (ii) give a higher priority to researching the effectiveness of different types of capacity building interventions, documenting and disseminating the results – such as the 'nuggets' ("unpolished writings from the field") of *Community Development Resource Association* (http://www.cdra.org.za) or the research and 'how to' publications of *International NGO Training and Research Centre* (http://www.intrac.org). These would be a particularly valuable contribution to the field of capacity building in Aotearoa/New Zealand *and* beyond.

  Social Services Waikato report that undertaking any substantial documentation and dissemination work is beyond their current resources. In may be in *Trust Waikato's* interests to consider a request for a time-limited documentation project over the two or three years leading up to *Social Services Waikato's* 10th anniversary in 2011, to assist in preparation of some accessible and high quality web and other publications on lesson's learnt from *Social Services Waikato's* work with the sector. This could cover public policy, organizational effectiveness and capacity building 'lessons'.

A key issue as the organization grows and develops is the **scope and boundaries** of its work. Where does the 'social services' sector start and finish?

> "*We may work with kapahaka groups, playgroups, kohanga reo. We have done some joint work with* Arts Waikato*… A huge strength is our flexibility, and often a 'mustard seed' of support can lead to a huge impact. But there is a real skill around knowing your limits.*" (Social Services Waikato staff)

Two clear boundaries for its advisory work have been 'not outside the region' and 'not with government agencies'. However the organization has undertaken some valuable liaison outside the region and with national activities (and has much to contribute here). It has also aware that it could be the government agencies that need the skills in working with community groups. And some social service organisations themselves have suggested:

> "*Schools could benefit from this [advisory] assistance, and this would have an impact on social services in our community.*" (Social Services Focus Group)

In fact, it has been suggested that 'social services' is not necessarily a good description of the sector that it serves – given that its work is of value to non-profit organisations in a wide range of human service areas and potentially also others, such as environmental groups. There may also be room for more collaboration on sports and cultural capacity building. Even if 'social services' were not a limiting description of the field it works in, the name is confusing (implying that it might provide direct services). While a

review of the name may be useful, what is perhaps even more important is the 'brand' or 'image' that it has developed around that name. Consideration of a name change is not an urgent priority, as there is evidence to suggest that its current key target groups understand its functions. However, the name might be considered following a more intentional and explicit review of the scope and boundaries of its capacity building work.

Finally, some of the **other specific up-coming issues** for the sector raised in the Review process which could usefully be considered as a part of any future planning include:

- promoting more sustainable funding models

- assisting organisations deal with the practicalities of contracting, including compliance costs, and unit costings

- promoting effective and 'sector friendly' governance models

- advocating for better core funding for organisations

- monitoring government-community organization relations in general, and the *Statement of Government Intentions for Improved Community Government Relationship* (2001) in particular

- taking a more pro-active in pulling groups together to promote collaboration, avoid overlap and 'reinventing the wheel'

- follow-up training and training 'beyond the basics'.

Rec 2: Continued core funding from *Trust Waikato* remains essential for the financial viability of *Social Services Waikato* (unless and until the importance of investing in capacity building organizations is recognized by other funders). This should be committed for a reasonable period (say on a rolling 3-5 year cycle), subject to satisfactory performance– to provide some certainty for planning and programme development.

Rec 3: *Trust Waikato* should give favourable consideration to requests for additional support to implementing *Social Services Waikato's* strategic goal of having local advisors based around the region – especially when support can also be negotiated from relevant local authorities.

Rec 4: A medium term goal within *Social Services Waikato's* business plan should be further sustained efforts to diversify its funding sources, especially by identifying discrete projects that can be packaged to government and philanthropic funders, exploring opportunities for appropriate corporate sponsorship, and identifying additional opportunities for charges or donations which would not undercut the purpose of the organisation.

Rec 5: *Social Services Waikato* should in the near future undertake an explicit strategic review of the scope and boundaries of its capacity building work. The outcomes may effect its name, location and plans for growth.

Rec 6: *Social Services Waikato* **should consider how to further network with, and support other capacity builders, both within the region and beyond. It could strengthen its contribution by researching, documenting and disseminating lessons on capacity building and effectiveness.** *Trust Waikato* **could give favourable consideration to a request for a time-limited documentation project, for example, leading up to** *Social Services Waikato's* **tenth anniversary.**

5. Arts Waikato

This section briefly describes the historic development of Arts Waikato, it's funding, who is assisted, what services are provided, responsiveness to Maori and its performance against international indicators of 'good practice' in six key areas. The value for money Trust Waikato receives for its funding is considered, and issues for future development of Arts Waikato are identified.

5.1 Background

The Music and Art Waikato Trust (now generally known as *Arts Waikato*) began in early 2001. However the initial idea behind it first emerged in 1998 following the funding of the SportsForce programme in conjunction with *Sport Waikato*. In particular one of the trustees of *Trust Waikato* saw the need to have something similar for music and arts groups. At one stage there was discussion of establishing separate trusts for music and art. After lengthy discussions this led to *Trust Waikato's* decision in June 2000 to set up a trust designed specifically to support and strengthen the arts sector across the greater Waikato region, with three core **functions**:

- Be a friend of community groups in their sector

- Work to strengthen the operations of these community groups, and

- Advocate for and on behalf of those groups (*Review Terms of Reference*:1)

Arts Waikato was set up as an independent legal entity with the original seven trustees selected by *Trust Waikato* for their range of skills and networks in the arts community. They had their first meeting in March 2001 and the **trust deed** was finalized and agreed between the trustees and *Trust Waikato* in May 2001.

The Trust was **incorporated** in September 2001, and the first Chief Executive was appointed in October 2001. However, she resigned within eight months, as did two trustees around the same time. Whatever the reasons, this had a disruptive effect on the establishment phase of a new organization, and to some extent put the organization 'a year behind' in its establishment till her replacement and current Chief Executive, Hilary Falconer commenced in October 2002. The second full-time employee, an Arts Advisor was appointed around the same time in September 2002.

Currently *Arts Waikato* has three **staff** (2.75 FTE) - a full-time Chief Executive; a full-time Arts Advisor, and a part-time Office Administrator - as well as seven trustees who guide the organisation's overall direction.

Originally, staff of both *Arts Waikato* and *Social Services Waikato* were **housed** in an office in the *Trust Waikato* building. As the two Trusts employed additional staff, they soon outgrew this accommodation and both moved in 2003 to nearby McGregor House. However, with continued

expansion especially of *Social Services Waikato*, this is already crowded and some communal space has been required for office accommodation.

Arts Waikato has worked to establish its **mandate and credibility** in the arts sector and the wider community. By and large it has been successful in establishing its profile in the region and is generally well regarded, as indicated by feedback reported in Sections 5.4-5.6 below. However, there remains some confusion about the organisation's mandate reported by participants in the Arts Focus Groups:

> *"All the good work that they are doing is very useful -- but how much of it is happening as a result of the passion of the individuals, rather than a clear mandate that identifies this as its role and function."* (Arts Focus Group)

One external observer noted that after "starting further back", the new Chief Executive had to "retrieve and rebuild credibility; they need to keep building credibility with solid dependable work over a period of time" (Arts Interview). Both a third party and some focus group participants noted that there had been tensions with *Hamilton Community Arts Council* over what one described as 'patch disputes.' Some saw this as historic and now resolved, while others thought it still needed to be resolved:

> *"Collaboration between the two is critical and requires innovation, engagement and creativity in the relationship."* (Arts Focus Group)

In 2003 *Trust Waikato* expressed a desire to **'cut the umbilical cord'** that bound *Arts Waikato* to it, and at *Trust Waikato's* request *Arts Waikato* and *Social Services Waikato* began changing their deeds to reflect that. Despite all parties wanting this objective, there was considerable (and at times frustrating) discussion of various drafts with *Trust Waikato* and the revised trust deeds were not finalized until 2005.

5.2 Funding

This coincided with the end of the first five year's funding, which had seen a 16 per cent reduction in funding from *Trust Waikato* after an initial significant investment of funding (see *Table 11*), and the calling for expressions of interest to undertake this Review of the two Trusts (the terms of reference of which made explicit that there is no legal commitment for *Trust Waikato* to fund the two Trusts beyond the current period, and the timing of the Review should "enable, if necessary, the planned wind down" of the two Trusts). This provided a sense of vulnerability (and to some extent suspicion and resentment in *Arts Waikato*), as *Trust Waikato* had initiated the two Trusts, and remains the **core funder** of them as well.

The trustees of *Arts Waikato* have for some time taken the fiscally conservative approach of retaining funds in hand from the annual *Trust Waikato* funding because of the insecurity of its core operational funding (*Annual Report 2005*). While this may be considered financially prudent, with a view to enabling the Trust to continue operating while alternate sources of funds could be secured, it has ironically also had the effect of reducing the capacity of *Arts Waikato* to maximize its 'runs on the board' – which could reduce its ability to attract support in what is a very difficult

funding area. It reinforces some of the potential 'costs' of insecure and short-term core funding.

Table 11: Arts Waikato Expenditure & Trust Waikato Funding (2001-06)

Year	Arts Waikato Expenditure (a)	Trust Waikato Funding (b)	Trust Waikato share of Exp. (b) /(a) x 100
2000-01	$11,078	$15,000 (start up costs)	135%
2001-02	$72,237	$100,000 (operating costs) $40,000 (scholarships)	194%
2002-03	$189,024	$210,000 (operating costs) $40,000 (scholarships)	132%
2003-04	$223,475	$232,000 (operating costs & scholarships)	104%
2004-05	$242,922	$232,000 (operating costs & scholarships)	96%
2005-06	$305,000 (est)	$200.000 (operating costs & scholarships)	66%

While there are few funders interested in funding capacity building organisations in general, the pool of potential supporters almost completely evaporates when considering capacity building for the arts in particular. Government funders in the arts primarily prioritise national institutions for operating grants; local and regional funding is severely limited and highly structured. As Table 12 indicates the only significant arts funders across the country are philanthropic trusts (such as *Trust Waikato*) and local government.

Table 12: Shares of Non-Profit Funding by Field

	Philanthropic Trusts	Gaming Trusts	Local Government	Government (incl Lottery Grants Board)
Arts & Culture	10%	1%	18%	2%
Health & Welfare	31%	28%	39%	Welfare 13% Health 63%
Education & Research	19%	6%	1%	17%
Economic Development	3%		9%	2%
Sport & Recreation	29%	66%	11%	3%
Other*	8%		22%	1%

* Other includes: Community facilities, International, Religion, Environment, etc

Based on Robinson & Hanley (2002)

Nevertheless, *Arts Waikato* has been successful in attracting some limited **funding for specific initiatives** or projects, for example, from WEL Energy Trust, Perry Foundation and Creative New Zealand. Despite the difficulties, a broader and expanded funding base is potentially very important for *Trust Waikato,* and should continue to be pursued at every available opportunity. The Trust has considered this issue, and has (rightly) been concerned about seeking funding 'in competition' with the arts organisations it is aiming to assist. This concern should not be

underestimated, and neither should the sheer difficulty in successfully seeking funding for arts capacity building work. But if the alternative is that important work with the sector remains under-funded, creative solutions are required to attract additional sources of funds. For example, there are also some specific pockets of funding, for cultural industry, arts tourism and economic development – which could be relevant for some of *Arts Waikato's* activities (such as Enterprising Communities Fund through Ministry of Social Development, PACE scheme support through Work and Income.)

Some in-kind assistance is also provided by *Trust Waikato*, through access to *Trust Waikato's* IT network, and not paying commercial rent on office accommodation (which was recently renovated by *Trust Waikato* to meet the needs of *Arts Waikato* and *Social Services Waikato*.)[13] *Arts Waikato* has also negotiated a community discount from both the printer and designer for their newsletter, *ArtsReach*, and a discount lease on their vehicle in exchange for sponsorship signage. Other potential sources of in-kind assistance could also be investigated.

Commercial sponsorship and fees charged are a significant source of income for many not-for-profit arts organisations.   Most services, networking and resources are provided free of charge by *Arts Waikato;* and modest fees are currently charged for Arts Biz workshops.   So **fees** represent a very small proportion of total income (2% in 2004-05).

Arts Waikato trustees are strongly against introducing fees for services, other than for Arts Biz courses, as the organization is still in such 'unchartered territory' with its work in the arts sector and fees could also reduce uptake of services.

It is important that fees are not imposed in a way that reduces access to assistance for those organisations most in need.   The new IT service offered by *Social Services Waikato* represents an interesting practice of charging fees on a sliding scale (depending on the annual turnover of the organization). This could also be investigated by *Arts Waikato* to identify if it could be appropriate to any areas of their operations.

In some cases rather than introduce fees which could be a hurdle to access (either psychological or financial), it may be more appropriate to proactively offer organisations the opportunity to make a **donation** or koha when they have seen the value of the assistance provided. It may need to be clear that such services are in no way contingent on the level of donation, and the costs of collecting fees and donations would need to carefully considered.

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[13] *Trust Waikato* provides the premises for *Social Services Waikato* and *Arts Waikato* at $15,000 per annum; Trust Waikato estimates that a commercial lease would most likely be about $50,000 per annum for the two Trusts. One estimate of the value of access to *Trust Waikato's* server and internet connection for the two Trusts could be half of *Trust Waikato's* average IT spend over a four year period (less PCs purchased), in order to include server replacement costs. The value to each of the two Trusts would then be about $5,000 each per annum for IT services.

It might also be possible for *Arts Waikato*, as its visibility and reputation grows, to again consider commercial **sponsorship**. It would be important to ensure that this did not undermine either *Arts Waikato's* own 'brand' and independence, nor directly compete with other arts organisations in the region for the same sponsorship dollars. However, given its role in assisting arts organisations to attract sponsorship and other financial support, it could also aid its credibility to demonstrate that it is able to 'walk its own talk'.

5.3 Who is assisted?

The 75 artists and arts organisations that responded to the survey for this Review were most frequently **located** in Hamilton (36 per cent), but this compares with an even greater share (56 per cent) of the 110 social service organisations surveyed which were based in Hamilton (Laird, 2004:4). It also still means that almost two-thirds of the arts organisations were located in the remaining nine districts of the Waikato region, especially Thames/Coromandel (12%) and South Waikato (11%), closely followed by the Waikato District (9%), and Matamata/Piako, Otorohanga & Waipa (each 7%).

As a result, these organisations are also likely to be smaller and more reliant on volunteers. Half the arts organisations employed no **paid staff**, with a further third employing 1-5 paid staff and only 6 per cent employing 6-20 paid staff. Almost a third of the organisations reported utilising more than 20 **volunteers**, and just over a quarter reported 11-20 volunteers, and all up three-quarters of the organizations reported 6 or more volunteers.

This has significant implications for both the ease and the methods of providing capacity assistance. There is no evidence that smaller organisations and especially all-volunteer organisations have any less needs for capacity building or similar assistance. However, it is much more likely that all-volunteer and one-person organisations will have much less *time* available to invest in the 'luxury' of improving effectiveness. They are much harder to reach (often 'based' in the private and changing home addresses of office-bearers), and harder to engage in traditional capacity building activities, such as attending training, engaging advisory services or participating in network meetings. Most demand for these traditional capacity building activities comes from paid staff (especially staff in a dedicated management or coordination role, as opposed to art or craft tutors), and especially from middle-sized organisations – more particularly those that receive government contracts (which is also less common in the arts field. For example, Lyons & Nyland (1995:4-5) in a survey of over a thousand Australian community organisations found that while 60 per cent of organisations could identify a need for management support assistance, in a little more than one half of these cases, the organization reported they could neither afford the money or the time to access this support even when it was available. The single most important determinant of management support was the *size* of the organization: middle sized organisations (with an annual expenditure of between AU$100,000 and AU$1m) were most likely to express a need, and a high need, for

management support. This likelihood was increased if the organization provided multiple services and increased again if the organization was heavily dependent on government funding. In a similar way, it is frequently reported that the main purchasers of books on governance and the main participants in governance training, for example, are not the unpaid board members and trustees themselves but their paid managers.

5.4 What services are provided?

A summary of the services provided by *Arts Waikato* is provided in *Table 13*.

In addition to these services provided in the region, *Arts Waikato* has also participated in a number of national arts and community initiatives, including participating in *Community Sector Taskforce* hui, and attending conferences and co-facilitating hui with *Arts Access Aotearoa*. At least one national arts organisations interviewed, *Artists Alliance*, also thought it could be useful to develop a stronger relationship with *Arts Waikato* to improve their reach into and responsiveness to the Waikato region. But *Arts Waikato* was not necessarily seen by all as having a national strong reputation.

All but one of the respondents to the survey of arts organisations had heard of *Arts Waikato* - which is not unexpected given that the sample was generated from an *Arts Waikato's* mailing list of 250 arts organisations and others. Twenty per cent of those that responded were *very familiar* with the activities they provide, and a further 63 per cent were *aware of some* activities. **Awareness** is related to location: all Hamilton-based organisations were either *very familiar* or *aware of some* Arts Waikato services and activities; while all of those *not really sure* what activities *Arts Waikato* provide were from outside Hamilton.

Just under two-thirds (61 per cent) had used at least one *Arts Waikato* service or activity. These 46 people mentioned 61 **services they had used** (an average of 1.3 services each). Those most frequently mentioned without prompting were: newsletter, email news & publicity (25 per cent of mentions); and management advice, funding advice, & facilitation (21 per cent). Also mentioned were: scholarships (12 per cent); events & exhibitions assistance (12 per cent); Arts Biz courses (8 per cent); data bases & contact information (8 per cent); other seminars (eg Creative Tourism, Funding for Emerging Artists) (8 per cent); Creative Spaces Network (5 per cent); and research (one mention). Most used these services *just once or twice* or *a few times* (61 per cent of respondents), while 30 per cent used them *quite a number of time* or *frequently*. Hamilton-based organisations were slightly more likely to have used *Arts Waikato* services (70 per cent compared to 61 per cent). Size of the organization did not appear to significantly affect usage of services.

The main reasons given for **not using services** were: *No need for what they offer* and *Not heard of/not sure what they do*. This was closely followed by *Not enough time to take part* and *Needs met elsewhere*. *Cost* and *Distance* were also mentioned as factors.

Table 13: Services Provided by Arts Waikato

Service	Examples of Activities	Scope in 2004-05
One–to-One Arts Advisory Service	Assistance with strategic & annual planning; advice on funding; assistance with facilitation & problem solving; advice on creative tourism; project & event management	51 organisations assisted*
Collaborations & Resource Sharing	Convene *Creative Spaces Network* for tutors working with people on the margins (bi-monthly in Hamilton); Establish tutor data-base; Secretariat & support for *Creative Waikato*; Facilitating new community arts initiatives & collaborative arts/creative spaces in Waihi, South Waikato & Hamilton City	23 groups on network contact list; enquiries to tutor data base (8 entries); 25 meetings of Creative Waikato & attract $25,500 for scoping study for creative industries innovation centre; 24 meetings with 15 groups re collaborative arts/creative spaces
Workshops	Arts.Biz arts marketing workshops in Hamilton, Raglan & Huntly/Ngaruawahia, and jointly with Hauraki Coromandel Regional Arts Network. Regional funding workshops (jointly with other agencies)	60 participants in 3 Arts Biz programmes of 16 sessions; 60 participants in 3 funding workshops
Event & Exhibitions Assistance	South Waikato Arts Festival; Kimiora Festval (Turangawaewae), FUEL Festival, Creative Spaces exhibition, Huntly Arts Awards, Waihi Wearables, Raglan Art Expo, Floravision NZ, etc	At least 40 organisations arranging events for thousands of participants
Scholarships	Distribution of scholarships to recipients who best demonstrate commitment to both art practice and work in the community in music, visual, Maori & performing arts. Advise University of Waikato Sir Edmund Hillary Scholarships on arts aspects	Distributed 22 scholarships worth $40,000
Promotions & Advocacy	*Hamilton Arts Sector group* promote arts activities through *'Hamilton Arts Season'* (HAS), and provide focus group on arts & creative industries for consultation. Advocate for cultural well-being outcomes with local government community planning processes. Advocate for creative industries in *Katolyst's* regional economic development strategy	10,000 copies of 4 editions of HAS distributed; 14 focus groups consulted by 10 organisations; 27 meetings with 13 local authorities on cultural well-being outcomes; 4 meetings re Katolyst (not involved in current initiatives)
Newsletter	Publish *ArtsReach* providing information on coming events & resources	Distributed 4-page 3x annually to mailing list of 496 (1200 copies)
Website	Brief drawn up for proposals from website designers; and funding sought	
Resource materials	Develop resource material on planning, funding, governance, employment, competitions, awards, & contracts.	Figures not kept on number of copies of resource materials requested

*NB: Some of the organisations counted in the *Arts Advisory Assistance* category also appear in other categories where assistance is overlapping; not all figures should be treated as cumulative.

Sixty per cent of the organisations which had used *Arts Waikato* services found them *very* (43 per cent) or *quite* **useful** (17 per cent). Overall only 4 per cent thought the services were *not very* or *not at all useful*. However,

14 per cent of larger organisations (more than 10 staff) reported the services were *Not at all useful*, and a further 14 per cent found them of *marginal* usefulness (though these latter figures should be treated with caution as very small numbers are involved). Hamilton-based organisations are also slightly more likely to report the services as *very useful* (48 per cent) or *quite useful* (22 per cent).

What is **most appreciated** about *Arts Waikato* and its work is *being kept informed* (10 mentions), *support & advice* (7), *scholarships* (7), *being approachable & user-friendly* (6), *advocacy & promotion of the arts*, (5), and *expertise & knowledge* (4),   Also mentioned was *commitment & enthusiasm of staff*, *networking*, *publicity*, *Arts Biz workshops,* and *funding workshops.*

One outside observer saw that *Arts Waikato* was doing well in some areas, such as with the awards & scholarships (*"They are well run and have a clear purpose – it's a simple and effective idea that a lot of people can get"* - Arts Interview), had a growing reputation for delivery of the Arts Biz workshops, and more 'mixed results' with their roles in brokering, networker and political leadership. Another observer also noted that they had received varied feedback on *Arts Waikato* and it was crucial to build up a consistent reputation as a reliable and approachable source of help. However, others were definitely unequivocal in their appreciation for what *Arts Waikato* had done for them or the wider arts sector.

Both the scholarships programme and the Arts Biz workshops were considered to be particularly useful and well organized:

> *"[The annual scholarships] are a key area where they stand out in the arts community in the region."* (Arts Focus Group)

> *"We are especially proud of the annual scholarships. It showcases the Trust and is an important event on the artistic calendar. In part it's a marketing exercise… we picked up the idea of promoting 'cultural heroes'."* (Arts Waikato trustee)

> *"Arts Biz workshops consistently deliver maximum benefit."* (Arts Interview)

> *"Achieving a balance between the creative and commercial aspects is an issue that many artists have to come to terms with, and the training workshops that* Arts Waikato *provide are a good step towards that."* (Arts Focus Group)

Focus group participants also identified networking and relationship building as the 'hallmark' of *Arts Waikato* – by beginning to bring the arts community together and becoming an *"essential contact point for the arts world in Waikato"*.   The Chief Executive, in particular was identified by some as *"superb at building relationships"*, the centre of a number of formal and informal networks, and increasingly *"the face of the arts community in the region"* (Arts Focus Group).

One of the focus group participants was especially enthusiastic about the valuable support provided in setting up a charitable trust structure to manage a major project in a rural town, and the strategic and business planning which *"gave the project momentum"*.

Another focus group participant was concerned that more could be done, especially for groups in rural areas, amateur and 'grass roots' community

arts organisations. This was also mentioned by some respondents to the survey.

There were two views about *Arts Waikato's* capacity to provide support, advice and facilitation for community arts groups. The first of these was very positive about the assistance provided, especially for new groups, on funding issues, with strategic planning and with ongoing support:

> *"Information was readily available and accessible, advice about how to use the information was invaluable, and the connections that* Arts Waikato *had in certain areas of influence made the going that much easier."* (Arts Focus Group)

> *"Assistance with avenues of funding and the 'know how' of putting an application together really made the difference."* (Arts Focus Group)

The other view was that:

> *"While they are good at arranging meetings and other activities, they are less in touch with the needs of community-based groups, especially those in the more rural areas of the region."* (Arts Focus Group)

Trust Waikato also reported that it had received mixed feedback from arts organisations receiving one-to-one advice and support – with several reporting the assistance had not been useful.

To at least one organisation that had not yet used *Arts Waikato* services, it was also not always clear from the outside what assistance was available:

> *"It appears from the outside that they spend a lot of time networking and representing the arts in meetings, but I'm not 100 per cent sure what practical services are provided – apart from Arts Biz."* (Arts Interview)

Overall, focus group participants strongly appreciated *Arts Waikato*, felt it had an important role to play in the sector, and felt it was well placed to be a leader organization for arts in the region. Some participants, though, thought that it was 'an expensive undertaking' and that the funder should redirect resources into local community programmes. Most, however, believed they received 'value for money' from *Arts Waikato*:

> *"Its done what it has as well as it could, but its now reached a point where it needs to think at a higher strategic level about those needs in a way that encompasses the higher social benefits at a much broader level."* (Arts Focus Group)

In terms of areas for possible improvement, the survey respondents most frequently mentioned was *increased publicity & visibility* (10 mentions). The organisations also requested *more contact, especially outside of Hamilton* (5), *more of the same* (4), and *work more with grass-roots, amateur or 'hobby' groups* (3). Also mentioned was *increased funding for groups, survey of arts organisations, work more closely with other organisations,* and *simplify scholarship forms*.

5.5 Responsiveness to Maori

Treaty training has been arranged for trustees, staff advise that they are aware of protocols, and it is the practice to ask a group how they want to

open or close. Unfortunately little feedback was provided by or about Maori arts organisations in the survey or interviews.

A number of Maori organisations have, for example, received one-to-one Arts Advisory Assistance – approximately 12 out of 125 organisations assisted since *Arts Waikato's* formation. While this represents around ten per cent of the organisations assisted, access by Maori organisations appears to have been much greater in the first couple of years of operation (for example, around 5 out of 22 in 2001/02), and much less use appears to have been made of this service by Maori organisations in recent years. This may be an area requiring ongoing attention, to ensure that the early successes in outreach are maintained and built on.

5.6 'Good practice' performance

A number of 'good practice' principles or indicators of 'quality' were identified from the international literature. This section should be read in conjunction with the discussion of the issues underlying these key principles, as outlined in Section 3.5: *Capacity Building*. The feedback from the various stakeholder groups has been synthesized to offer a composite picture of *Arts Waikato's* performance against each of these criteria. Any significant differences among stakeholder groups are noted.

An empowerment approach

> *"We are not here to help in the sense of doing things for them – but helping them operate more effectively. We don't get involved in putting on events – that's not our role – we support then in how to do it. We are a point of contact and referral, with extensive information and knowledge. The phone is always running hot."* (Arts Waikato trustee)

There are a variety of levels of support provided by *Arts Waikato* – from relatively low level information and advice, to more extensive capacity building, which might be more likely to have longer term changes in knowledge, skills and attitudes.

> *"It's a huge impact to feel you have support"* (Arts Focus Group)

The Arts Biz programme in particular aims to empower artists to operate in their field, and make a sustainable living. Balancing financial sustainability with artistic purpose is a key element of these workshops:

> *"Arts Biz has provided highly successful training. Its very helpful in breaking down some of the barriers that are problematic in getting a balance between the creative and the commercial imperatives."* (Arts Focus Group)

As an example of *Arts Waikato's* flexibility and responsiveness, one interviewee especially noted that *"the Arts Biz workshop is also delivered in two action-packed days for the time-strapped"* (Arts Interview).

There is also a strong philosophy in the organization of only offering to provide assistance, if requested to do so.

"Relationship building is an essential part of being a friend of the sector and being alongside groups. It enables us to be responsive - a subtle combination is required between being responsive and knowing what's needed. You have to marry them together in a way that's owned by people." (Arts Waikato staff)

Generally the advice provided by *Arts Waikato* was seen as helpful. For a number of organisations, *Arts Waikato* has provided particularly effective and successful, holistic support – standing alongside and supporting the organization as it grows and develops. The 'patience' and absence of arbitrary time limits was especially appreciated:

"Assisting with the development of our strategic plan has been the most valuable thing they have done for us. They stayed on after that until the implementation phase was under way, and since then they have provided us with a space to meet, help with facilitation and advice with funding." (Arts Focus Group)

"Strong community development and group facilitation skills are what's needed; though sometimes what is needed is practical help – minute taking, judging, helping hang an exhibition - - you also need to be seen to get your hands dirty." (Arts Waikato staff)

"Working with groups is enormously complex, and always long term… You need to be thorough and systematic" (Arts Waikato staff)

Though some organisations reported that they did not feel that *Arts Waikato* always well understood their position or was in a position to provide useful support or advice (as noted above in Section 5.4).

Approachable

A number of organisations reported that *Arts Waikato* was responsive to approaches; also valued was their neutrality and approachability – *"its increasingly a good place to go"* (Arts Focus Group). And being '*approachable & user friendly*' was one of the more frequently mentioned aspects that was 'most appreciated' about *Trust Waikato*. Though, as one person interviewed also noted, *"there is a tension if too responsive and you can't be so strategic"* (Arts Interview).

Their flexibility and responsiveness made them very accessible:

"We were impressed with the hours they work, not just nine-to-five. They helped even with tight deadlines, and it was no problem to attend our meetings outside hours" (Arts Interview)

Particularly appreciative feedback was also received from some organisations working with people with disabilities and with ethnic minority communities:

"They have been very useful in helping us work through the conceptual issues related to people with disabilities and the arts – how to create a revenue stream from the work of people with disabilities and how to move people with disabilities into the mainstream." (Arts Focus Group)

"We [ethnic/migrant communities] are really appreciative of the support Arts Waikato has provided. Without their assistance, we could not have had access to the space that we have, and their advocacy and networks have been really important in establishing ourselves in the wider arts community of the region." (Arts Focus Group)

Methods that multiply

Collaboration was not seen as the 'natural' way of working in the arts sector, both by a number of participants in the Arts Focus Groups and by *Arts Waikato.* But they saw it as an important way of working – and had been involved, for example, in promoting the creative industries innovation centre through Creative Waikato, a proposed theatres network, and the shared creative spaces initiatives in Waihi, South Waikato etc. *Arts Waikato* note that this work is hard and not always immediately successful.

Arts Waikato has worked on building relationship both across the region and with key external resources. A number of people, indeed, saw this relationship building role as a particular strength of *Arts* Waikato in general and its current Chief Executive in particular. To date, however, it has had only limited success in mobilizing other resources into the region – but this is in the context of a difficult funding environment for regional arts activities. One observer in particular felt that they had achieved 'mixed results':

"I am not convinced that they are yet quite as able to do that [their brokering/networking role] as they might think." (Arts Interview)

However, some of its past efforts may come to fruition in the near future, for example with: Arts Waikato scholarships acknowledged for its link with the Sir Edmund Hillary programme; facilitating a creative industries innovation centre through *Creative Waikato*; inclusion of creative industries in *Katolyst's* regional economic development strategy, and a potentially higher profile for the arts with local government.

A number of people particularly appreciated the networks that had been built across the 'fractured' arts sector in the region:

"While there is still much to be done, the sector is more unified than it has ever been – much of this is due to the work of Arts Waikato. (Arts Focus Group)

"There are now both formal and informal networks where none existed previously and the Chief Executive is the constant factor in these networks – to the point where she is recognized informally as the face of the art community in the region." (Arts Focus Group)

Through *Creative Spaces, Arts Waikato* provides a useful deliberative peer network for organisations involved in promoting the participation of 'marginalised' or disadvantaged groups in the arts. *Arts Waikato* reports that it has tried to initiate other networks, but so far without success – for example, there was insufficient interest to keep a theatre group going. They have identified possibilities with secondary schools arts coordinators and community arts councils for the future. There is probably potential to promote and facilitate further opportunities for other peer support networks.

> "Isolation is a major issue and they are well placed to create the glue that brings people and groups together in a purposeful way and break down the barriers that cause isolation." (Arts Focus Groups)

Some of this peer support and networking also happens informally, for example through the Arts Biz workshops:

> "What's useful beside the content and good presenters, because it takes place over a reasonable period of time, are the strong relationships that develop. A couple of people on the course even ended up setting up a gallery together." (Arts Interview)

Greater use could be made of technology in providing information, support and advocacy for arts organisations. *Arts Waikato* currently has plans to develop a website, after initial delays when it had originally hoped that a wider consortium of arts organisations might have developed an arts website.

Multi-level & reinforcing impacts

There are examples of *Arts Waikato* operating at all three levels in building capacity (the individual, the organizational and at sector- or community-wide levels). However there was consistent feedback that to people outside the organization, it was difficult to identify the strategic focus, and the cumulative benefit of *Arts Waikato's* range of engagements:

> "It needs to be more clear about its strategic direction and what its key objectives are. Without this it has an ad hoc feel to it... It cannot be all things to all people; it needs to be more targeted in the services it provides and how best to serve the needs that are out there." (Arts Focus Group)

> "It does provide a valuable service and their greatest value is in their passion for the sector. What they need to do is take that passion to a strategic approach. Who are we serving? How best can we do this? What are we trying to achieve by doing this? (Arts Focus Group)

> "It is a very good networking organization, but the networking needs to be purposeful and driven by a clear set of outcomes that are derived from a higher level strategic approach." (Arts Focus Group)

> "Arts Waikato projects tend to lack a long range vision. The organization is confused by wanting to help people and with what its mandate really is." (Arts Focus Group)

The cumulative impact of working at different levels could also be a more deliberative part of *Arts Waikato's* strategy.

Nevertheless *Arts Waikato* has positioned itself strongly…

> "Through the Chief Executive, Arts Waikato is represented at every function and event that concerns the sector. This is recognized and acknowledged by the community to the extent that the organization is recognized informally as the voice of the arts in the region. It is an essential contact point in the arts world in Waikato." (Arts Focus Group)

…and it has clearly seized opportunities to use this position to advocate for the interests of the arts:

"In the Long Term Council Community Plan (LTCCP) process we have been really effective in advocating for the arts at that level – here we have been strategic." (Arts Waikato staff)

"There has been a complete mind shift – for example the Arts & Culture Unit in Hamilton City Council, and now they're creating an arts and culture policy. Its all about planting the seeds of ideas." (Arts Waikato staff)

"They are an increasingly credible voice for the arts." (Arts Interview)

A role model

Arts Waikato's passion for the arts and its strong networking skills are prominent and frequently commented upon by other organisations and observers. As such it provides a shining example for other arts organisations, and can be energizing and a source of much encouragement.

> *"Its provided energy and connections to make things happen."* (Arts Focus Group)

Organisations interviewed commonly reported strong support for *Arts Waikato* and especially felt that it has an important role to play in the sector and is well placed for this leadership role:

> *"Arts Waikato has a leadership role in the sector and that should be extended to include the facilitation of the changing face of the creative environment. Keeping everyone connected is a key role for the organization."* (Arts Focus Group)

However, at times this could over-shadow other important aspects of sustainable and effective organisations (as discussed in Section 3.x):

> *"The Chief Executive is excellent and is passionate about the sector, however, this does mean that on many occasions the organization becomes less visible than it should."* (Arts Focus Group)

Arts Waikato's own strategic planning started at a relatively rudimentary level but is now becoming more developed, and a number of internal organizational systems have only recently been developed. In part this has been a result of initial delays and limited funding (both the total funds available from the *Trust Waikato* and its own policy decision to under spend in order to accumulate funds in case funding was not on-going). Because of the funding environment in which it operates, it has been very difficult for *Arts Waikato* to attract a more diversified funding source. While this is completely understandable, it may (indirectly) undermine their capacity to role model better fund-raising and more sustainable financing models with the arts organisations with which they are working.

A learning culture

> *"We ask for feedback, we get unsolicited letters, and there is the Arts Biz feedback form."* (Arts Waikato staff)

Arts Waikato also noted that they knew this Review would be taking place so hadn't initiated any other organizational evaluation, but did undertake performance reviews of staff and trustees and provided six-monthly accountability reports to *Trust Waikato*.

One observer noted that *Arts Waikato* was not initially operating in a capacity building mode with local arts organisations needing management assistance etc, nor was it as 'familiar' with such approaches and the particular skills involved. However, there is now some evidence of effective capacity building support and advice being provided with a number of organisations, as *Arts Waikato* has been *"building credibility for some solid dependable work over a period of time"* (Arts Interview). Building such a role and achieving successes in this area is a positive outcome of a 'learning culture'.

> *"Let me give you one example of lesson learning. Earlier on I was tempted to hang on with a group even if I didn't agree with what was happening. Now I have learnt to pull back, and wait for the right time to be invited to help."* (Arts Waikato staff)

While not so familiar with 'logic models' for their organizational development interventions, *Arts Waikato* does nevertheless discuss some informal reflection and review process:

> *"We have gone to someone who's done something well, learnt from that and documented it, so we are developing resources around that for others."* (Arts Waikato staff)

There is not so much evidence to date of learning and disseminating lessons for the wider sector (ie, contributing to knowledge in the field) in any formal way – beyond the material covered in individual training courses. To some extent this may be premature in terms of the overall development of the organization, as it is still 'finding its feet' and establishing its presence in some areas. Though there have been some approaches about using the material developed for the Arts Biz workshops more widely for similar courses in other areas. If this occurs it is testament to the value of the material developed for this programme.

5.7 Value for money

It is always difficult to assess 'value for money' in community funding initiatives, with few agreed or objective indicators of financial benefits of outcomes. However, while precise financial values cannot be allocated, it is possible to make broad estimates of what the value might generally be expected to be achieved.

Arts Waikato has had a **slower start** because of early changes in staff and the more challenging environment in which it operates, and is perhaps still at an earlier stage in development of some programmes and services than might have been hoped for (for example, the tutor data base, development of resource material and website). Nevertheless, a number of useful programmes have now been developed or are in the process of development (as outlined in Section 5.4 above). *Arts Waikato* is currently actively working to reach out to artists and arts organisations, to respond to needs for support, and to promote the arts in the region (through advocacy, publicity and developing strategic relationships). This represents reasonable 'value for money' for what is currently invested in *Arts Waikato*. Indeed, to some extent, the effectiveness and reach of the organization has been limited by inadequate and uncertain core funding. For example, there is a limit to what can be achieved with a single arts advisor in the field

across such a wide region, and some internal organizational systems are just now being developed. As a small organization, it is also very much *"dependent on the skills and backgrounds of the individual staff"* (Arts Waikato staff). As one organization noted their impact is hampered by the small number of staff:

> *"It's a chicken-and-egg thing – this has hampered growth. To do more they need to have more than two staff, but to address that they need to prove their worth to funders and the community. Its especially difficult to really know your communities of interest out in the regions; they really need conduits and key partnerships on the ground, and to be able to build on the good things that are happening in Hamilton to help service the regions."* (Arts Interview)

However, there also appears to have been some important **differences in purposes** between *Arts Waikato* and *Trust Waikato* as its principle funder. In short, *Trust Waikato* has indicated that it is interested in funding a more specific range of programmes and services aimed at supporting and developing the capacity of not-for-profit arts organisations (Interviews with *Trust Waikato* ex-Chief Executive), while *Arts Waikato* and its trustees appear to be interested in a broader role of promoting the arts in Waikato. While there is considerable overlap between these purposes, and a collaborative arrangement is possible, it needs to be carefully negotiated in order to be satisfactory to both parties (this is discussed further below in section 5.8).

In particular *Trust Waikato* has indicated that it is not among its priorities (and in some cases is unable under its trust deed) to fund the organization of arts events/exhibitions nor support for commercial arts organisations and individual artists (apart from scholarships), including creative industries, cultural tourism and other arts economic development activities. While these may all be important contributions to the overall development of the arts in the Waikato and potentially useful tasks for an organization like *Arts Waikato* to undertake, if *Trust Waikato* does not wish (or is unable) to fund them, *Arts Waikato* needs to find other sources of income. While it is not possible to exactly attribute costs to different purposes, it is clear that large parts of *Arts Waikato's* current activities are outside the areas that *Trust Waikato* wishes to fund[14]. This would include its flagship and highly regarded Arts Biz workshops, some of the one-to-one arts advisory work involving arts economic development, the tutor data-base, arts events & exhibitions assistance, and some of the promotions and advocacy work.

It may also be necessary for *Trust Waikato* to clarify the extent that it wishes to fund the objective of "increasing access to and participation in the arts", which is different from strengthening individual arts community organisations. It is also of note that some of the organisations consulted believe that *Trust Waikato's* approach is too narrow:

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[14] For example, among the 51 organisations assisted in 2005, excluding what was primarily liaison & participation in other events, economic development or for-profit groups and event management & judging, approximately 12-14 organisations received strategic planning support or capacity building assistance, and 6-8 received funding advice from *Arts Waikato*.

> "A definition of the arts and the creative side of the arts is not well understood by Trust Waikato. Arts Waikato needs to be given a broader brief to encompass this in its work." (Arts Focus Group)

However, the scope of activities and purposes that it wishes or is able to fund is obviously finally a decision for *Trust Waikato*.

Overall, there is evidence to suggest that *Arts Waikato* is establishing itself as a <u>friend of the arts sector</u> (it appears to be reasonably well known, is generally seen as very approachable, and many of its services and support are appreciated and seen by arts organisations and individual artists as useful); it has also undertaken work to <u>strengthen the operations of arts community groups</u> (though only a proportion of this work has been with non-profit organisations); and it <u>advocates for and on behalf of those groups</u> (though it may be more correct to describe its strength as advocating for 'the arts', rather than especially for arts community groups). It has established a strong presence, invested in networking, begun to establish itself as a 'voice for the arts', and seized opportunities to promote the arts – especially with local government.

While it might be difficult to fully justify impacts to date from the total of funds invested in *Arts Waikato* since its establishment ($1.2 million) because of its establishment phase and its initial set back, etc., the current level of organizational support of $160,000 per annum (if a notional amount of $40,000 is deducted for scholarship funds) is not an unrealistic level of investment to achieve the increased profile for the sector, increased information sharing & networking, and support to individual arts groups, which is evident. The extent to which, however, all of the activities of *Arts Waikato* are within what *Trust Waikato* wishes to fund, remains an important issue of contention.

People in the sector appear to be aware of the significant sums involved, and although not universally agreed, generally the view of those consulted was that the arts sector in Waikato is receiving 'value for money' from *Trust Waikato's* investment in *Arts Waikato*.

5.8 Issues for future development

Arts Waikato operates in a very different, and somewhat **difficult, environment**. Though this is unique neither to the Waikato nor New Zealand:

> For most of the arts, culture, and heritage sector's capacity building models, indicators, benchmarks, and evaluations are rudimentary. (Ginsler, 2005:5)

There is relatively limited funding available for the arts as a field, funding categories are fairly rigidly determined, and there is even less funding for capacity building. In addition, even though it shares many of the characteristics of the non-profit sector, large parts of the arts are formally in the commercial sector (though at an artist or craftsperson level these distinctions can be less relevant).

"There are only a few community groups which are arts-based. By and large its an economic activity (individual artists, hobbyists, businesses, etc). I don't know if the Trust has really teased out the implications of that." (Arts Interview)

In at least two respects the arts is more like the sports field than, for example, the social services field, where there are relatively well-developed capacity building models. First, as we have noted above, arts organisations are more likely to be small or all-volunteer run. Yet it is paid staff, and especially paid staff in a management or organizational development role that are more likely to participate in 'classic' capacity building activities – especially training courses, but also ongoing consultancy services and utilisation of resource material.

"The arts are a more challenging environment to work in; organisations are smaller, less have staff, and they don't always work well together" (Arts Interview)

"Many of the arts groups in the Waikato region are the result of small groups of like-minded people who share a particular passion and through their collective volunteer efforts have developed these groups into successful organisations. The challenge facing the arts groups of today is the dwindling number of people who have the time or energy to provide the many hours of voluntary work. Ultimately it is left to the chosen few." (Arts Waikato Chairperson's Annual Report, 2005:1)

This does not mean that capacity building is not possible with arts organisations. Indeed this is a well established field of practice in a number of other countries (see, for example, the survey of the field in Canada by Ginsler, 2005 and the *Cultural Management Document Centre* http://arts.uwaterloo.ca/ccm/documents). However, this experience also shows us that capacity building with arts and cultural organisations does need to be more creative, to provide more immediate tangible benefits, and to involve reasonably limited chunks of time commitments.

"You need to create training around times that suit – people will make the time available if you are giving them what they really need, and if you are meeting them in their territory." (Arts Interview)

The SportsForce programme had to face a similar set of issues when being developed. It should also be noted that while there are fewer organisations with paid staff in the arts field they still do exist. For example, while 51 per cent of organisations responding to the arts survey had no paid staff (compared to 19 per cent of social service organisations, Laird 2004), a third of the arts organisations still had between one and five staff, and a further 15 per cent had more than five paid staff.

As a result, new and **innovative approaches** to capacity building will be required. Arts Waikato is still feeling its way in developing these, and a measure of 'trial and error' should be anticipated. However, greater attention could be paid to learning from and adapting models developed in other countries with a stronger history of arts capacity building and with greater investment in arts-specific management support organisations (often with philanthropic support in North America, for example). Across the Tasman, for example, Regional Arts Victoria has established a range of electronic and peer-to-peer resources to support those organizing festivals (www.festnet.com.au) and *Net StART* handbook for those planning events & exhibitions, access to affordable public liability insurance for cultural

organisations, arts and museum volunteer training for rural areas (*Creative Volunteering*), and an annual *Meeting Place* for the equivalent of Community Arts Councils.

There is a further complication in the arts field in the existence of a network of **Community Arts Councils** in all local authority areas across the region. Though some have a more significant role than others, and only one – *Hamilton Community Arts Council* – has dedicated staffing. Community Arts Councils also have funding available to distribute to local arts groups from *Creative NZ*. While this could potentially complicate any advisory or support role they might also undertake, it does have the advantage of giving them something very tangible to attract contact with arts and community organisations.

As one observer noted, applying for funding can be a 'carrot' to also open up opportunities to consider the group's planning, systems, overall finances, etc. In working with a number of applicants there is then also the potential to identify common themes and issues which could be better addressed collectively – through workshops, training, resource material, etc. This is especially the case with *Hamilton Community Arts Council*, which employs arts advisors and runs its own training workshops, such as *Tempo* for musicians.

A number of people noted tensions, at least in the past, between *Arts Waikato* and *Hamilton Community Arts Council*. While one option could theoretically be for *Arts Waikato* to leave Hamilton based groups to *Hamilton Community Arts Council* and concentrate on the rest of the region, this is probably neither possible nor useful. As one organization noted:

> "*There's never enough people to do the job, and you can never have too many advocates for the arts, however, sometimes it could be better if there was more clarity in their different roles. It can be a waste if both are at all the same meetings. They need to be more aware of each other's business plans, and what to focus on.*" (Arts Interview)

Even if the two organisations do not exactly delineate completely different roles, it is crucial that they have excellent working relationships. In fact in some cases it may be useful that they are both working on an issue – but the value would be from working *together* on the issue. This may require increased communication between the two organisations, and also with other Community Arts Councils across the region. Proactively working on these relationships should be a key part of *Arts Waikato* overall strategy. *Arts Waikato* has already identified the importance of working in this area:

> "*We did a planning process with A and B community arts council – it showed all you are doing is funding; you can also be an 'arts hub' in the local area, and provide local arts leadership.*" (Arts Waikato staff)

> "*[Arts Waikato] are hampered by only having two staff… Its especially difficult to really know your communities of interest out in the regions; they really need conduits and key partnerships on the ground.*" (Arts Interview)

The arts field also shares another similarity with sports in the **in-built tensions** between focusing on the 'pursuit of excellence' or 'high performance' peak activities versus focusing on promoting wide

participation, affirmative action to enable greater engagement by non-traditional or disadvantaged groups or otherwise broadening the base of participation. While in theory both may be possible, in practice they usually work to pull an organization in opposing directions – needing different types of staff with different skills to engage different types of participants in different types of activities in very different (if not contradictory) organizational cultures. Usually one approach or the other dominates.

In addition there are a wide range of different arts (music, visual performing, traditional, etc), each potentially jealous of how much attention the other is receiving – not unlike the potential rivalry and competition among different sporting codes. Thus one survey respondent could fear that too much time and attention was being spent by *Arts Waikato* on visual arts to the detriment of the performing and other arts; while another was concerned amateur groups were not of interest to *Arts Waikato* because they did not wish to become 'commercial'; and yet another was concerned that 'grass roots' and hobby artists were being over-looked.

Some of the organisations consulted in this Review expressed views that implied it was not possible or useful for *Arts Waikato* to try and cover such a wide field. They suggested there would be value in 'greater focus', setting clearer priorities and choosing who to focus on. On the other hand, at least one observer saw *Arts Waikato* as working hard 'trying to straddle both [the elite and participatory aspects]' and believed there was value in this. Indeed, as noted above, quite a number of organisations highlighted the invaluable role of *Arts Waikato* in bringing the wider arts sector together, which had been seen as highly fractured.

> *"Building and strengthening relationships across the sector throughout the region has been a significant contribution that* Arts Waikato *has made to creating a sector that is more cohesive and collaborative. It has the best networks regionally and nationally."* (Arts Focus Group)

It is assumed that a more collaborative sector will be more 'self aware', more visible, and stronger in ensuring its interests are recognized.

Funding: as already noted above, *Trust Waikato* may not be interested in or able to fund the full range of activities across the commercial and economic development as well as non-profit community parts of the arts sector. This then leads to two options, either:

(i)   *Arts Waikato* focuses exclusively on those aspects that *Trust Waikato* wishes to fund, and seeks full funding from *Trust Waikato*; or

(ii) *Arts Waikato* maintains a wider focus, seeking part-funding from *Trust Waikato* and funds other aspects of its work from other sources.

To some extent, the first may be the easier and simpler option (especially given the limited funding available). However, this may not necessarily be the more effective option for the sector in the long term. Although 'on paper' some of these distinctions can be clear cut, in practice there may be much more blurring of boundaries than first appears. Artists and

craftspeople do not always operate on a 'commercial' model, even when that might be their formal legal structure. There is also likely to be significant migration across these sectors, and some of the differences *inside* the boundaries may be greater than differences *across* them (for example, a small all volunteer hobby arts group may have less in common with a large professional orchestra or theatre company, even though all have a non-profit legal structure).

There may also be additional benefits in keeping this work across the wider arts sector together, not only in building a strong and more cohesive sense of an arts sector in the region, but also if the linkages are used more strategically there may be potential for more deliberate cross-fertilisation of ideas and resources between the commercial and the non-profit aspects, between cultural and economic development, between small grass-roots and hobby groups and larger professional 'companies' (see for, example, Ostrower, 2004).

This is a key strategic choice for *Arts Waikato*. The choice of options should not be made lightly, and would preferably arise out of a comprehensive strategic planning exercise, involving a wide range of internal and external stakeholders and with independent facilitation. In part such a process could be used to help engage other potential funders. Rather than blurring the potentially different roles, it should identify discrete programme areas which could be funded from different sources (for example, promotion of cultural tourism & cultural industry development; strengthening of community arts organisations; promotion of arts participation, etc). If required, it may be possible to approach *Trust Waikato* for financial assistance for this process.

While useful outreach across the region can be achieved indirectly by careful further building of strategic relationships with Community Arts Councils, as one observer noted, *"There is a limit to what two staff can achieve across such a wide region"* (Arts Interview). Once the general mix of funding and strategic direction for the organization is settled, there would be considerable additional benefit in negotiating funding for at least one additional arts advisor to help better service regional areas.

To some extent *Arts Waikato* is still confused with *Trust Waikato* (*"Some see us as the arts arm of Trust Waikato"* Arts Waikato staff). However, at least three people – two in Waikato and one outside the region – spontaneously mentioned that, although too strong a link with a funder can be a 'two-edged sword' for a capacity-building organization, the association with *Trust Waikato* (and to some extent *Social Services Waikato*) enhanced *Arts Waikato's* reputation and gave them 'instant credibility'.

Finally, some of the **other specific up-coming issues** for the sector raised in the Review process both by *Arts Waikato* itself and other arts organisations include:

- the governance of arts organisations
- copyright issues for artists and the broader community
- audience development skills and resources

- recruitment, retention and development of cultural volunteers
- promotion and support for arts in schools
- collaboration of choral groups
- further specific (and/or advanced) workshops & training opportunities.

These issues could usefully be considered as a part of any future planning.

Rec 7: *TrustWaikato* should clearly delineate what aspects of arts development and capacity building that it will and will not fund; and on this basis *Arts Waikato* should choose either to:

(iii)   focus exclusively on those aspects that *Trust Waikato* wishes to fund, and seeks full funding from *Trust Waikato*; or

(iv)   maintain a wider focus, seeking part-funding from *Trust Waikato* and funds other aspects of its work from other sources.

Rec 8: If required, *Trust Waikato* should look favourably upon any request from *Arts Waikato* for financial or other assistance to undertake a comprehensive strategic planning process to assist in negotiating these choices.

Rec 9: Regardless of its choice, *Arts Waikato* should develop a strategy within its medium-term business plan to aggressively diversify its funding sources, especially by identifying discrete projects that can be packaged to government and philanthropic funders, exploring opportunities for appropriate corporate sponsorship, and identifying additional opportunities for charges or donations which would not undercut the purpose of the organisation. [This will be even more crucial if *Arts Waikato* chooses option (ii) above.]

Rec 10: Any continued core funding from *Trust Waikato* needs to be committed for a reasonable period (say on a rolling 3-5 year cycle), subject to satisfactory performance – to provide some certainty for planning and programme development.

Rec 11: In the medium term, and once the mix of funding is determined, priority should also be given to negotiating funding for an additional arts advisor to better service regional areas

Rec 12: In terms of continuing programme development in *Arts Waikato*, some potential priority areas for continued attention include:

(vii)   exploring further opportunities for networking and peer-to-peer support

(viii)   exploring further opportunities for flexible mini-workshops & training

(ix)   documentation and wider dissemination of resource material

(x)   accessibility of services and engagement with Maori arts organisations

(xi)   ensuring a high priority is given to development of web-based resources, information sharing, advocacy and support

(xii)   development of excellent collaborative relationships with Community Arts Councils, especially *Hamilton Community Arts Council*.

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Appendices

Appendix One: Terms of Reference

*Extract from 'Request for Proposal: Review of Arts Waikato and Social Services Waikato'
(March 2005). The timelines were subsequently amended.*

Introduction

Trust Waikato initiated and has been the major funder of the *Music and Arts Waikato Trust* (Arts Waikato) and the *Social Services Waikato Trust* (Social Services Waikato). Since 2001 the Trust has paid $1,204,000 to *Social Services Waikato* and $769,000 to *Arts Waikato*.

Both *Arts Waikato* and *Social Services Waikato* each have three core functions all aimed at strengthening the community groups in their sector in the greater Waikato region. These functions are to:

- Be a friend of community groups in their sector;

- Work to strengthen the operations of those community groups; and

- Advocate for and on behalf of those groups.

The existing commitments to *Arts Waikato* and *Social Services Waikato* extend into the 2005/06 financial year and conclude on 31 March 2006. There is no legal commitment to *Arts Waikato* and *Social Services Waikato* beyond this period. At the end of that period the Trust would have paid a combined total of $2.523m to *Arts Waikato* and *Social Services Waikato*.

The Trust had previously indicated that it wished to formally review *Arts Waikato* and *Social Services Waikato* early in the 2005/06 financial year, with a view that it would be able to make a final decision about its ongoing involvement, or otherwise, with the project by the end of September. This timing was considered to be important as an end of September decision would enable, if necessary, the planned wind down of *Arts Waikato* and *Social Services Waikato* by 31 March 2006.

Trust Waikato's core funding of *Arts Waikato* and *Social Services Waikato* is significant for their ongoing viability.

The Trust's core funding of *Arts Waikato* and *Social Services Waikato* needs to be reviewed for both financial and philosophical reasons. That is,

- Sustaining donations of this size is difficult for the Trust.

- The Trust needs to be clear that both organisations are achieving the goals described above.

- Some people would argue that it may not be the role of philanthropy to sustain organisations like this after an initial set up period.

- Other people would argue that contributing to building the capacity of community organisations is a very appropriate role for philanthropy.

Trust Waikato also needs to be able to asses the impact of the operations of *Arts Waikato* and *Social Services Waikato*. Such an assessment will be a key factor which informs the Trust's ongoing involvement in this area.

Matters to be considered in a Tender

The purpose of this review is to:

1. Assess the extent to which *Arts Waikato* and *Social Services Waikato* have made progress towards the achievement of the above functions.

2. Provide advice to *Trust Waikato* in relation to the value for money that it is receiving in relation to the services provided by *Arts Waikato* and *Social Services Waikato*.

3. Give advice to *Trust Waikato* as to whether it should continue to fund *Arts Waikato* and *Social Services Waikato* and if so, on what basis.

4. If it is decided that *Arts Waikato* and *Social Services Waikato* should continue to be funded by *Trust Waikato*, recommend an appropriate level of donation (having consideration to the Trust's other commitments) and any necessary programme improvements.

5. Work with *Trust Waikato* to manage any changes recommended as a result of the review.

Without limiting the scope of any review to be undertaken, *Trust Waikato* would expect that the following matters would be canvassed:

- Articulation of the anticipated goals from the programmes

- Review existing data and reports, including strategic plans, evaluation reports and anecdotal data, with a view to a picture being formed with regard to likely goal achievement. Due to the timing of this first stage interviews should be limited to:

    o *Trust Waikato* Chief Executive and three Trustees;

    o the Chief Executives of *Arts Waikato* and *Social Services Waikato* and their respective Chairs and possibly the past Chairs as well;

    o a selection of community groups chosen by the reviewers in consultation with *Trust Waikato*;

    o a group meeting of other staff of *Arts Waikato* and *Social Services Waikato*; and

    o other key informants who may become apparent during the course of the review.

- A literature review which outlines best philanthropic practice in relation to such capacity building programmes.

- Evidence that both Trusts are increasing attempts to obtain additional funding streams.

Appendix Two: Individuals & Organisations Interviewed

The following people were interviewed face to face, unless otherwise indicated. All interviews were conducted in a confidential setting and on a one-to-one basis, except that group interviews were conducted with Arts Waikato trustees, Social Services Waikato trustees, and Social Services Waikato staff.

Trust Waikato	Ken Gordon, Chief Executive, Trust Waikato
	Daphne Bell, former Donations Advisor, Trust Waikato, & Hamilton City Councillor
Arts Waikato trustees	Alison Gibb (chair)
	Grahame Cleaver
	John Lawson
	Donna Lewin
	Yanny Split
Arts Waikato staff	Hilary Falconer, Chief Executive
	Saskia Schuitemaker, Arts Advisor
Social Services Waikato trustees	Jim Annett (chair)
	Anne Bennett
	Sandra Metcalfe
Social Services Waikato staff	Bev Gatenby, Chief Executive
	Sheryll FitzPatrick, Community Advisor, Thames/Coromandel/Hauraki Districts
	Neill Hunter, Communications Officer
	Sandra Larsen, Projects Coordinator
	Maraea Nikora, Youth Development Advisor/ Kaihautu Rangatahi
	Sandy Pokaia, Iwi Community Advisor/ Te Kaiwhakarite
	Jane Stevens, Community Advisor
	Robert Brewis, Community IT Advisor (by email)
Local counterpart organisations	Tracey Wood, Arts Manager, Hamilton Community Arts Council
	Alison Marshall, board member & former Chair; and Carol Anderson, Manager (by phone), Volunteering Waikato
National organisations	Peter Glensor, Chair, Community Sector Taskforce
	Andrea Goble, General Manager, Funding Information Service & board member, New Zealand Federation of Voluntary Welfare Organisations
	Maggie Greeson, Artists Alliance (by phone)
	Elizabeth Vaneveld, Creative NZ (by phone)

Jo Robertson (Manager, Birthright Waikato) and Pam Nash (Past President, Waikato Society of Arts) were also interviewed as a part of developing the **mini case studies** on assistance provided to those two organisations (see Appendices 5 & 6).

In addition, 42 other individuals and organisations participated in eight **focus groups**:

- Hamilton-based social service organisations (two groups of 5 & 8 participants)
- Thames & surrounding social service organisations (6 participants)
- Maori social service organisations (2 participants, plus 1 by email)
- Hamilton-based arts organisations (6 participants)
- Waikato-based arts organisations (2 participants, plus 2 by email & 1 by telephone)
- Hamilton strategic arts contacts (4 participants, plus 1 by email)
- Individual artists (3 participants, plus 1 by email).

Appendix Three: Interview & Focus Group Questions

Focus Groups commenced with a round of introductions (name, organisation, and what involvements participants have had so far with *Arts Waikato* or *Social Services Waikato*), and an explanation of the purpose and ground rules for the focus group (emphasising anonymity of all comments). The following questions were then asked of the group:

- What has been most useful about your involvement/s with *Arts Waikato* or *Social Services Waikato*?

- How was that involvement helpful for your organisation? (if necessary, prompted to ensure benefits or impact for individual staff/volunteers, organisation, and wider sector or community was covered)

- Do you think others could benefit from that sort of assistance? Who makes use of *Arts Waikato* or *Social Services Waikato* assistance and who doesn't? Why might that be?

- What, if anything, did not go so well? Even if it went well, how could it be improved? (if necessary, prompted to ensure relevance of assistance, capacity/expertise to provide assistance, ways in which assistance provided, etc, was covered)

- Who else provides this sort of assistance? Either in Waikato or elsewhere? How does *Arts Waikato* or *Social Services Waikato* compare? What's different or important (if anything) about the particular type of assistance provided by *Arts Waikato* or *Social Services Waikato,* or the particular way it is provided?

Finally, participants were invited to contribute any other or concluding comments they would like *Arts Waikato* or *Social Services Waikato* to hear, reminded of how the material would be used, and thanked for their contributions.

Individual and group interviews (including interviews for the mini-case studies) generally followed a similar format. In addition, interviewees were provided with a list of features of 'best practice' or quality in capacity building, and asked to comment on how *Arts Waikato* or *Social Services Waikato* performed on each aspect (recognizing that they may not be aware of all aspects of their operation). They were also asked about up coming issues for their sector that *Arts Waikato* or *Social Services Waikato* might need to help organisations in their sector deal with.

Interviews with national contacts were asked about the general reputation of *Arts Waikato* or *Social Services Waikato* – strengths, limitations and areas for further development (rather than their use of *Arts Waikato* or *Social Services Waikato*). Other questions were the same.

Chief Executives, staff and trustees were asked about what they were most proud of or thought were particular strengths of *Arts Waikato* or *Social Services Waikato*, what were the main limitations or areas for further development (rather than their use of *Arts Waikato* or *Social Services Waikato*). Other questions were the same. Chief executives and other staff were also asked about the operation of each of the main services or programme areas of their organization.

Appendix Four: Survey of Social Service Organisations

Laird (2004) undertook an evaluation of the services provided by Social Services Waikato to organisations working in the social services in Waikato. The overall aim was to gain feedback from organisations which had been recipients of the range of services provide by Social Services Waikato in the previous 12 months (Laird, 2004:6).

A **general questionnaire** was sent to 350 organisations on the Social Services Waikato mailing list. 110 were returned, providing a response rate of 31 per cent. A **community advisor questionnaire** was sent to 78 organisations which had received one-to-one advice or support from Social Services Waikato in the previous 12 months. Of these, 23 were returned, providing a response rate of 29 per cent. An in-depth telephone interview was undertaken with 19 self-selected respondents from those returning the above two questionnaires.

The findings and conclusions of these surveys were utilized in the current Review. The following is an extract from the **Executive Summary** (Laird, 2004:3):

- "Respondents comprehensively considered the services provided by Social Services Waikato useful.

- Nearly 80% believed that the Community Advisory Service was either *very useful* or *quite useful*.

- Awareness of services was variable. While the newsletter *Kumura Vine* had a high profile, a group of forums retained a low profile.

- The use of services closely corresponded with the levels of awareness. Some were well-used, others were used selectively.

- Respondents indicated that they did not use services because they either considered they didn't need them, or they had neither the time nor the resources to participate.

- Social Services Waikato made a difference in many ways, but feedback showed that *support* and *information* made the biggest impact.

- Raising awareness about the services offered and taking more services to organisations outside of Hamilton, for example basing Community Advisors in the greater Waikato, were the two main improvements suggested by respondents.

- Respondents regarded further assistance with organisational structure and process as paramount, but also considered training, education, and networking useful.

- Unity across the social services sector was seen as one of the biggest achievements by Social Services Waikato.

- Overall, respondents were highly respectful and hugely complimentary about the services provided. The value of Social Services Waikato was never in doubt."

Further information on the findings from Laird's (2004) surveys are reported in Section 4: *Social Services Waikato* and the full report is available from *Social Services Waikato*.

Appendix Five: Survey of Arts Organisations

The following results are based on the 75 responses were received in time for analysis. All questions were multiple choice unless indicated.

Question 1: Have you heard of *Arts Waikato*?

YES (74); UNSURE (0); NO [go to question 12] (1)

Question 2: Do you know what activities they provide?

VERY FAMILIAR (15); AWARE OF SOME (47); NOT REALLY SURE (13)

Question 3: Have you or your organization used any of their services or taken part in any *Arts Waikato* activities?

YES (46); UNSURE (6); NO [go to question 7] (23)

Question 4: Please list as many services/activities you or your organization have used or taken part in? [summary of open-ended responses]

NEWSLETTERS, INFO, PUBLICITY (15); MANAGEMENT ADVICE, FUNDING ADVICE, FACILITATION (13); SCHOLARSHIPS (7); EVENTS, EXHIBITION ASSISTANCE (7); ARTS BIZ (5); DATA BASE, CONTACTS (5); CREATIVE SPACES NETWORK (3); OTHER SEMINARS [Creative Tourism, Funding for Emerging Artists, Selling Art] (5)

Question 5: How often do you or your organization use these various services or take part in these activities?

JUST ONCE OR TWICE (20); A FEW TIMES (15); QUITE A FEW TIMES (12); FREQUENTLY (6); REGULARLY OR ALL THE TIME (0)

Question 6: Overall for your organization, how useful were the services used or activities you've taken part in?

VERY USEFUL (32); SOMEWHAT USEFUL (13); MARGINAL (4); NOT MUCH USE (2); NOT AT ALL USEFUL (1)

Question 7: Generally, when thinking about why you have not used or taken part in <u>any</u> or <u>all</u> *Arts Waikato* services or activities, what have been the barriers? [tick as many as relevant]

NOT HEARD OF/UNSURE WHAT THEY DO (23); NO NEED FOR WHAT THEY OFFER (26); NEEDS MET ELSEWHERE [please specify] (15); DON'T REGARD TEHM HIGHLY ENOUGH TO USE (1); NOT ENOUGH TIME TO TAKE PART (18); COULD NOT AFFORD COST (7). A further 6 wrote in 'distance' and 4 wrote in 'no barriers'; 9 gave no answer.

Question 8: Go back and circle <u>one</u> main barrier from Q.7

NOT HEARD OF/UNSURE WHAT THEY DO (15); NO NEED FOR WHAT THEY OFFER (16); NEEDS MET ELSEWHERE [please specify] (4); DON'T REGARD TEHM HIGHLY ENOUGH TO USE (1); NOT ENOUGH TIME TO TAKE PART (8); COULD NOT AFFORD COST (3). And 1 wrote in 'distance'

Question 9: What would you say was most valuable or impressive about *Arts Waikato* and its work? [summary of open-ended responses]

KEPT INFORMED (10); SUPPORT & ADVICE (7); SCHOLARSHIPS (7); USER-FRIENDLY/ ACCESSIBLE (6); ADVOCACY/PROFILE/PROMOTE ARTS (5); EXPERTISE/KNOWLEDGE (4); COMMITMENT/DEDICATION (2); OTHER [networking, Arts Biz workshops, funding workshop] (4)

Question 10: How could *Arts Waikato* and its work best be improved? [summary of open-ended responses]

MORE PUBLICITY/VISIBILITY (10); MORE CONTACT/ESPECIALLY OUTSIDE HAMILTON (5); MORE OF THE SAME (4); WORK MORE WITH GRASS-ROOTS/HOBBY/AMATEUR GROUPS (3); LOBBY FOR MORE FUNDING FOR ARTS (2); OTHER [work more closely with other organisations, simplify scholarship application form, survey arts groups, develop website] (4)

Question 11: Overall, how useful do you see *Arts Waikato* for the Arts sector in Waikato?

VERY USEFUL OR ESSENTIAL (44); SOMEWHAT USEFUL (16); NOT MUCH USE (0); NOT AT ALL USEFUL (1); DON'T KNOW (8). And 2 indicated 'outside region'.

Question 12: How many staff in your organization (full time equivalents)?

NONE (38); 1 TO 5 (25); 6 TO 10 (4); 11 TO 20 (1); MORE THAN 20 (6)

Question 13: How many volunteers in your organization (incl board/committee volunteers)?

NONE (9); 1 TO 5 (8); 6 TO 10 (21); 11 TO 20 (13); MORE THAN 20 (23)

Question 14: Where is your organization based?

HAMILTON CITY (27); HAURAKI (3); MATAMATA/PIAKO (5); OTOROHANGA (5); RUAPEHU (2); THAMES/COROMANDEL (9); SOUTH WAIKATO (8); WAIKATO DISTRICT (7); WAIPA DISTRICT (5); WAITOMO DISTRICT (2)

Appendix Six: Case Study – Birthright (Waikato)

*"They are like the glue in the community
– what would we do without them?"*

Birthright (Waikato) Mission Statement: *To provide information and support to one-parent families that enables them to make life enriching choices*

Birthright New Zealand was established in 1955. It is a national network of independent local branches which works to support, strengthen and advocate for one-parent families. Birthright (Waikato) Te Whanautanga Tika Inc was established just a few years later in 1958. Today, it has a significant contract with *Child Youth & Family* and offers social work and counseling services, practical assistance with school shoes, clothing and second-hand goods, school holiday camps and group activities. It also operates an opportunity shop and is supported by philanthropic trusts. In 2004/05 it assisted 430 families, including 906 children. It employs eight paid staff (3.75 FTE) and involves 11 volunteers.

*"[*Social Services Waikato*] helped over time with a number of issues and on a number of levels. It's been their cumulative help that has really been invaluable. First we faced huge changes in the organisation. I had been appointed as the organisation's first manager, and we were faced with the task of dividing up governance and management roles. We did some work with* Enterprise Hamilton*, but then went to* Social Services Waikato *for this help when they started.* Enterprise Hamilton *could only work with you for so long.*

"I also sought out help on a potential conflict of interest issue – and through that doorway Social Services Waikato *helped us look at our whole accountability structure, roles and responsibilities.*

"What I especially appreciated was the personal nature of the support. It was a very individualized approach; they made sure it was exactly relevant to our organization and where we were at. They were careful at listening to what was needed; and carefully tailored the help to specifically address our situation. [The advisor] followed through on what she said she would do; she was very reliable, kept everyone's needs met, and very diplomatic. She had us coming up with our own questions and answers – and we really owned the result; we felt like we had done the work - but I know we couldn't have without her. She kept us on track, was a supporter of where we had said we wanted to go, was a good advocate for ourselves, and hung in there with us till we felt the process was complete.

"The impact was amazing. We changed our knowledge level; we changed our behaviour (we are using the stuff); and we changed our attitudes (we have gone about recruiting now in quite a different way). By the end of the process we had made a successful transition from a part-time staff with a few volunteers and anyone we could draft onto the committee to make up the numbers, to a strong professional organization, well governed and managed. In the past I felt like if I pulled out, the organization could have easily collapsed. The organization now is more confident and capable, strengthened and able to move on, knowing it is has the strength and capacity to continue.

"All of their assistance was pretty spot on. It's hard to think of anything that could have been done better. When necessary, I appreciated that [the advisor] was flexible enough to take the initiative and be a good advocate for us when we were tired out.

But through strengthening our own processes she actually helped lift the organizational 'self esteem' and our belief in ourselves – so we could go on and have the energy and the skills to run it ourselves.

"[Another staff member] helped facilitate a strategic planning process with our committee and staff. This was very valuable. What I really appreciated was she made it a more holistic process - not just looking at services and mechanical details, but also reevaluating our beliefs & values and where were going (in fact, there was even more work on that foundational work than the services, and out of that we were then able to more easily develop the more practical improvements – for example to our financial systems). The follow up was also very useful - asking how it worked, whether we had been able to put the changes into place, what was useful about the process and what was not. They were really interested in our feedback and it made us feel well-held and supported.

"We have also used their premises for functions; it's nice to have a pleasant venue for our AGM, and they made it very easy to arrange. We have also participated in their workshop on governance and management and other workshops, and found it really useful. They also helped with a scholarship for training in the Unitec Graduate Diploma in Not-for-Profit Management. It's a wonderful flexible course, and I wouldn't have had the funds personally or from the organisation; so wouldn't have been able to do it otherwise. The application process was straight forward, not over-complicated; and the reporting requirements were reasonable.

"The Mangers' Forum is also really useful, as it's quite an isolated position. It's so good to have a sense of peer support; to be able to discuss a range of issues that we have as managers (pay rates, conflicts in workplace, holidays act, etc), find out what others think about an issue, and hear from expert guest speakers (for example on industrial relations mediation service). You feel you can raise pretty much anything. You get a sense that you count, can make a difference and are listened to. The information is always useful, but what I especially appreciate is the sense of connection and the relationships we develop. It means we can also access support etc from each other outside the monthly meetings. The retreat days at the end of the year have also been very much geared towards meeting our needs.

"Even when I can't get to the regular monthly meeting, it feels good knowing that it is there for support when you need it. The Managers' Forum helps develop and strengthen the sector as a whole, there is great peer learning and sharing with each other of resources, procedures and templates. It's a testament to the generosity of the sector – but Social Services Waikato *has helped that happen.*

*"*Kumura Vine *is a very useful newsletter. The information is practical and spot on - it helps you know what's going on, what funding is available, important changes effecting the sector, like the Charities Commission, and much more. It's good that it's a nice quality and professional – which makes it easy and attractive to read.*

"I have not really used the website much. It's the personal contact that's hugely important and valuable - they know who we are, and there is such a strong feeling of belonging.

"Although there are some other sources of training or assistance available, Social Services Waikato *are very specifically targeted to our needs; they can see the help through to completion, without any arbitrary time-limits. But they don't create*

dependency, because it's always very much working together on a collaborative process. They also have a high level of transparency, and don't pretend to know what they don't. They have walked alongside us, helping us find solutions together. They have really helped us embed systems and policies for ongoing organizational learning and development. We have used over again the targeted committee recruitment matrix and process they showed us – this alone has added immensely to the professionalism of the organisation. They don't just offer a quick fix, they focus on foundational stuff and long term sustainable solutions.

"If anyone else was having an issue, I would have no hesitation immediately suggesting they call on Social Services Waikato. Even if they are just wondering what's the best way to handle something, they can connect you up with other resources, or act as a sounding board. They are very approachable, always hospitable, and offer a genuine warmth in their response.

"Social Services Waikato was able to assist with personal support and crisis management planning with a very difficult workplace issue, over an extended period as required. That was incredibly valuable. The whole situation could have gone disastrously wrong, and could have ended up closing the doors of the organisation if it had gone wrong. It really was life saving for the organisation (and also for me, knowing that I had that kind of support). Overall, the value is in the relationship and trust we have built with them, based on their integrity and credibility. There is a real sense that this is an organisation that's ok to approach even in difficult circumstances.

"I'm involved in anther organisation on a voluntary basis and have taken the support and what I have learnt to that organization as well; and I'll also be taking it to future jobs in the sector. Their influence for good will multiply in ways they don't even know.

"We would really miss them if their services were not available. They have become woven into the fabric of our community, and there would be a great gaping hole if they disappeared. They have woven links between all of us, and strengthened the community as a whole, far more than we would have ever been able to do on our own."

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Based on an interview with Jo Robertson
Manager, Birthright (Waikato)
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Appendix Seven: Case Study – Waikato Society of Arts

"I felt like they were batting for us."

Waikato Society of Arts Mission Statement: *Making art work through education, exhibitions, advocacy and support for visual artists in the Waikato community*

Waikato Society of Arts (WSA) was formed in 1934 to develop and encourage artistic talent in the region, though its origins have been dated back to 1916. The Society was custodian to the growing art collection of Hamilton City. In 1970 public art classes began. It is now based at ArtsPost. The Society currently provides a range of services to the community. These include; Galleries, Art School, Printmakers and an Artist in Residence programme. The Arts School has around 1,500 students per annum from six years up, and its school holiday classes are full with waiting lists. The Society has also introduced two awards - The National Summer Art Award (held at the Hamilton Gardens) and the National Contemporary Art Award (held at the Waikato Museum). The Summer Awards is one of the largest in the country and is seen by around 20,000 people each year.

"WSA has been going for 70 years and its exciting what we can do with so little. Although one of the more successful Societies in the country, WSA *found itself in considerable difficulties, with a substantial financial loss and high turnover of staff as a result of actions by a manager who then resigned, and left the organisation in an unsustainable situation.*

"Arts Waikato helped us through a process to a satisfactory resolution of the difficulties. They attended meetings as facilitators and ensured impartiality to help us consider all options – that was wonderful. Through a helpful process they encouraged us to come to our own conclusion. They helped with problem solving, with potentially very difficult general meetings, and with negotiations with Hamilton City Council. It was useful that they were highly respected by the Council.

"Personally I didn't know they existed before this, but I'm glad that someone found them for us. When I first heard of them, I didn't exactly know what they were here for, especially compared with Hamilton Community Arts Council*, but now I think* Arts Waikato *are all we need.* Arts Waikato *are more proactive and do their job better. Even though we actually share the same building as the Community Arts Council, I guess we didn't have as good a relationship with them. Perhaps, being in the same building they didn't want to be seen to be playing favourites. I am not sure, but we didn't get the help from them that we got from* Arts Waikato*.*

"Arts Waikato offered to be there for us in a neutral capacity to help solve our difficulties. At the first meeting they suggested we needed to look at our structure, set clear goals and operational plans. This had fallen apart somewhat with the previous administration. So they got us to look at underlying issues as well as the immediate crisis. All up it probably involved eight or so meetings at their offices with our elected officers. We worked through a clear structure, clarified which of our activities were really most important to us in achieving our mission, and as a result we were able to achieve a very good result (especially in the circumstances) with their guidance.

"They also provided practical help, for example, they offered to print out the plan for us, after helping us set it up on a computer (which was new for us). We felt better able to approach the Council with an effective document, and then they also helped by

coming with us and supporting us in the negotiations with the Council (though we took the lead and the responsibility for the negotiations).

"Arts Waikato *also helped us see a 'helicopter view' of our own strengths and weaknesses, what we needed to keep, and as a result what might be optional. As a result we realised that we weren't, or at least should not necessarily be, in the business of being retailers.   So we could stick to our mission - what we were good at.*

"*After losing key staff, and a quick succession of young, inexperienced staff, it had become the case of the blind leading the blind. And how can you train someone when you are not really trained in gallery retailing yourself? We also found out the hard way that employing people with art qualifications is not necessarily the most appropriate requirement for a retail outlet! They helped us get out of a spiral we felt trapped in, as just a group of volunteer committee members.*

"*I honestly can't think of anything to improve the service we got from* Arts Waikato*. They were very proactive, they helped us come up with the ideas ourselves, they helped us tap into resources we didn't know about (for example, for sponsorship and funding), they also helped with how to put together funding and sponsorship proposals. Their help was genuinely a matter of our survival for us. I don't think we could have got through without their help and guidance."*

"*I first heard of them regarding the awards, but didn't really know what else they did. Others in the Society may have known more about them.* Sport Waikato *has a much higher profile (for example, I think they have had a regular page in our community paper – perhaps* Arts Waikato *could also do that). One thing* Arts Waikato *definitely need to do is to raise their profile. More people should know about them.*

"*They helped us work our way through a process, with handy hints along the way, but we achieved it ourselves – though we couldn't have done it without them."*

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Based on interview with Pam Nash,
Past President, Waikato Society of Arts

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