

The Initial Report of the ‘Independent Person’ on the processing of appointments to the ICT Consortium during 2004

Summary

This Report was commissioned in February 2005 by the Home Office Active Communities Unit (ACU), after consultations with the ICT Consortium and with organisations in membership or associated with CITRA.¹

In the Report I examine how the ICT Consortium assessed and made decisions during 2004 about applications to join the Consortium, to become Development Partners or members of its Advisory Group.

The ITC Consortium was also required as a condition of the 6 month (April-September 2004) grant it received from the ACU *Capacity Building and Infrastructure National Exemplar Fund* “to enter into constructive dialogue with relevant groups or organisations to ensure a broad-based approach. These will include organisations that submitted proposals that the ACU assessed as having merit but were unable to fund.” In the Report I consider how the ITC Consortium addressed this grant condition.

In summary, my conclusions are that:

1. I have not found what I regard as any serious departures from the processes and criteria set out by the Consortium in May 2004 – which were agreed by the ACU and published on the Consortium web site. I am, therefore, able to state that I consider the appointments to the ICT Consortium and to the Advisory Group and as Development Partners have been undertaken by the Consortium in accordance with the published processes and procedures.
2. I do feel that some of the difficulties that were experienced in the summer of 2004 and subsequently could have been avoided if a more proactive strategy had been adopted earlier by the Consortium to engage with some of the “relevant groups and organisations” to which the ACU grant condition referred.
3. I question some of the tactics adopted by some members of CITRA and other organisations associated with it during the summer and autumn. I think that some of their behaviour and actions undermined the possibility of a positive and constructive outcome to the disputes that arose.
4. I am also critical of some of the actions of the ACU. I believe that their decision to support the ICT Consortium in the first place and the special conditions attached to this grant obliged them to play a more positive role when concerns were put to them during the summer – while the exemplar project was still in progress. Instead, I think the ACU became, in effect, part of the problem rather than a contributor to its resolution.

¹ For details of these organisations see the footnotes to pages 2 and 3 of the Report and the second paragraph of ‘Role 1 – The Methodology’ on page 6

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Introduction

The ICT Consortium² was awarded a grant by the Active Communities Unit (ACU) of the Home Office in March 2004 (terms agreed in May 2004) “to develop a partnership and business plan over a six month period to build infrastructure in the voluntary and community sector³.” The infrastructure strategy was intended to “improve voluntary and community sector ICT infrastructure to enable voluntary and community organisations to achieve their missions more efficiently and effectively through the better use of ICT.” The founding members of the consortium proposed to use the grant to “develop a two year business plan to set out how the consortium will deliver this implementation.” The proposal stated that “the consortium will explore in the development phase how best to work with other organisations who have expressed an interest in working with – or are well placed to work with – the consortium to deliver aspects of the strategy” and went on to say that “the business plan will set out how the consortium will work together, with other partners where appropriate, to implement the strategy.”

The grant to the ICT Consortium was one of 22 agreed by the ACU from its *Capacity Building and Infrastructure National Exemplar Fund*. This was part of the development of the ACU ChangeUp investment programme which is intended to address the “key support needs of frontline organisations in the voluntary and community sector⁴” by the setting up by 2006 of five national ‘hubs’ of expertise “dedicated to achieving excellence” in

- Performance Improvement
- Workforce Development
- Governance
- Financing voluntary and community sector activity
- ICT

There had been slippage in the development of the ChangeUp programme by the ACU and the announcement of plans for the five hubs and guidance on how they were to be constructed and organised was not made until June 2004, by which time the ICT Consortium was already two months into its six month project. The ICT Consortium adjusted its planning accordingly so that the 430 page business plan it produced in October 2004 was for the development of an ICT Hub.

² The founding members of the Consortium were London Advice Services Alliance (LASA), National Association of Councils for Voluntary Service (NACVS), National Council for Voluntary Organisations (NCVO) and IT4Communities. The Consortium was formed in September 2003 and applied for Exemplar Funding in December 2003. AbilityNet joined the Consortium in July 2004. The Worshipful Company of Information Technologists (WCIT) has been an active advisor to the Consortium from its founding and attended its meetings. NCVO agreed to be the grant holder for the consortium and to provide the secretariat and administrative functions.

³ The quotations in this paragraph are taken from the ITC Consortium’s grant application

⁴ The quotations in this paragraph are taken from the ACU *ChangeUp Guidance: National Hubs of Expertise* (July 2004)

At the same time as the Exemplar Fund grant application was agreed, the ACU rejected a bid from another consortium, the Charity Technology Alliance (CTA).⁵ The ACU described this application as being “very similar in scope and approach” to that of the ICT Consortium in that both applications “aimed at developing an overarching ICT strategy for the voluntary and community sector as a whole and defining how this would be best implemented. Both outline detailed consultation and research exercises which would then form the basis of a business plan⁶.”

During July and August 2004 some members of CTA (now renamed the Charity IT Resource Alliance – CITRA) complained to the ICT Consortium and to the ACU that the Consortium was not meeting the requirement set out in the ACU guidance (published July 2004) on the development of the five hubs that “Hubs will need to demonstrate that they are inclusive, responsive and accountable to the sector as a whole, bringing together specialists and generalists. Partners should include those with expertise on volunteering and the community, rural, BME, faith and social enterprise sectors.” In an email to the ACU sent on 16 August, CITRA asserted that:

- “The group feel that there has been a real lack of consultation by the ICT hub within the sector. They feel that CITRA members have not been consulted or involved in the development of the hub.
- “The group formed to 'run' the ICT hub does not represent the sector and that CITRA members have been excluded from this.
- “The group feel that the NCVO is using its role in the ICT hub for 'self promotion' which is not appropriate and works against the guidelines laid down by the ACU.”

During the late summer and early autumn of 2004, relations between organisations in both the Consortium and CITRA soured further and attracted press coverage within the specialist media (see for example Third Sector 29 September 2004). The ACU convened a meeting on 11 October which was attended by representatives of organisations on both groups. Agreement was reached at the meeting “to introduce an independent assessor / auditor into the membership process and both parties also agreed to step back from making inflammatory comments to the press⁷.”

After further negotiations between the Consortium, CITRA and the ACU the terms under which the ‘Independent Person’ would work were agreed and I was asked to take on the task, agreeing so to do on 4 February 2005.

The Independent Person has two roles, as agreed between all three parties:

⁵ At the time of the application for exemplar funding, this Alliance included Association of Chief Executives of Voluntary Organisations (ACEVO), Charity Finance Directors Group (CFDG), Charities Consortium IT Directors Group (CCitDG), Institute of Fundraising (IoF), Association of Charitable Foundations (ACF), Centre for Charity Effectiveness at the Cass Business School

⁶ Extract from internal ACU note on the ICT applications to the Exemplar Fund

⁷ Extract from internal ACU note on the meeting

Role 1

“The initial assignment of the Independent person will be to produce a statement confirming that the current appointments defined in Appendix 3⁸ of the ICT hub business plan made by the ICT Consortium have been undertaken in accordance with published processes and procedures.”

Role 2

“On an ongoing basis the Independent person will be:

2.1 Responsible for providing an independent function for the ICT Hub which will ensure that all future applications to join the partnership board or invitations to join the ICT hub advisory group are reviewed by the project steering group in line with the published processes and procedures.

The Independent person will have final decision making authority with regard to future appointments to join the ICT hub project steering group or advisory group.

2.2 Responsible for providing an independent function for the ICT Hub which will ensure that all future applications to become a delivery partner are reviewed inline with published processes and procedures.

In the first instance delivery partners who wish to appeal against a decision to become a delivery partner must do so to the relevant partnership board member. If this is not resolved then they may wish to use the published complaints procedures. All complaints are reviewed by the partnership board. If the complaint is not resolved by the partnership board then this will be referred to the Independent person.

The Independent person will have final decision-making authority with regard to future appointments to become a delivery partner.”

This report is of the initial assignment set out in Role 1 above. First, I explain how I have interpreted the extent of the assignment and set out the methodology I have used. Then I describe what happened and present some general reflections on what I found. I conclude the report with some specific comments on the actions of the ICT Consortium, CITRA and the ACU.

⁸ The published processes and procedures were those agreed with the ACU by the ICT Consortium in May 2004 and that have been on the Consortium web site since then at:
<http://www.ictconsortium.org.uk/ICT%20Consortium%20guidelines%20for%20working%20with%20other%20organisations.rtf>

Role 1 – The Task

In its application for Exemplar funding, the Consortium proposed that it would work with other organisations in three ways:

- as full partners, who would become Consortium members
- as delivery partners, who would provide specific services agreed with the consortium but would not be full members of the consortium
- as members of an Advisory Group that was to be established when the plan was being implemented.

How organisations could become involved in these different ways with the work of the Consortium “to develop a business plan in the exemplar phase and to implement the business plan in a main spend phase” was set out in a paper agreed with the ACU in May 2004 and published on the Consortium’s website in June as *Guidelines for Identifying and working with new ICT Consortium Members, Delivery/Communication partners and ICT Consortium Advisory Group members*. This is the document against which I have tested the way applications from and invitations to organisations to join the Consortium were processed.

I have also looked at another aspect of the work of the Consortium. In the ACU’s Formal Offer of Grant (May 2004), a number of special conditions were inserted over and above the general terms that applied to all exemplar grants. These included:

“17. You will enter into constructive dialogue with relevant groups or organisations to ensure a broad-based approach. These will include organisations that submitted proposals that the ACU assessed as having merit but were unable to fund, details of which will be provided by the ACU. You will demonstrate an open approach to the existing capability and sources of good practice; in particular your assessment should not be limited to members of organisations affiliated to the consortium’s members, nor should sources outside the voluntary and community sector be ignored.”

“18. You will develop and publish criteria to ensure transparency when approaching/deciding on partners, including an explanation of how these criteria support the needs of the sector, and provide measures to demonstrate that these criteria have been applied fairly and consistently.”

Given the complaints made to the Consortium, the ACU and to the press on behalf of CITRA members alleging that the Consortium had not consulted adequately or adopted a suitably inclusive approach to engaging with other organisations, I have reviewed the implementation by the Consortium of these two special conditions.

The ACU letter also required the Consortium to “invite an ACU nominated observer to attend part of each meeting so the Consortium can update the ACU on progress made against the workplan and the ACU can update the Consortium on ICT infrastructure related initiatives” and to “record formally the key discussions and agreements from Consortium meetings and provide copies to the ACU.” Given the tensions that developed between the Consortium and the key

ACU liaison official during the summer and autumn of 2004, I have also reviewed how this condition was met.

Role 1 – The Methodology

I started my task by reviewing the Consortium's Guidelines and other basic documentation (the original ICT Consortium application for exemplar funding, the ACU grant offer and the Consortium's response, the Partnership Agreement between the Consortium members, copies of papers relating to applications from organisations seeking to join the ICT Consortium and the decisions made about them, and minutes of the Consortium's meetings from April 2004-January 2005).

I then contacted all members of the ICT Consortium and organisations associated with CITRA. I included in my 'trawl' organisations which are listed by CITRA on their website as 'members of the founding group of collaborating partners' (not all of whom now describe themselves as members) and others which have attended CITRA meetings and/or are described by CITRA as 'supporters.' There has been some confusion about the involvement of ACEVO with CITRA. They were a member of the pre-CITRA alliance which applied unsuccessfully for an exemplar grant, they signed a CITRA membership agreement in the summer of 2004 and are listed as a founding member on the CITRA website; they have been represented at CITRA meetings and attended the joint CITRA/Consortium meeting convened by ACU on 11 October 2004. However, the ACEVO position is that they are not a member of CITRA and do not wish to be involved as a member of either CITRA or the ICT Consortium.

I invited these organisations to send me relevant information about whether the decisions made by the Consortium during 2004 about appointments to the Consortium or the Advisory Group or as Delivery Partners had been made in accordance with the process set out in the Consortium's guidelines.

I was provided by Consortium members and by organisations associated with CITRA and by the ACU with over 500 emails and copies of correspondence. I have also spoken at length (some in person some by phone) with most of the people who have had central roles in the development of both the Consortium and CITRA. I have also had email and telephone contact with several organisations not associated with CITRA which applied or were invited by the Consortium to become involved in their work.

I have much appreciated the effort so many people have invested in searching their records for information which could assist me and with the time they have given to responding to my questions and requests. It is understandable for anyone to be anxious or defensive when subject to a retrospective examination, several months later, of emails and other communications that they have sent, sometimes 'in the heat of the moment.' I am very grateful for the openness and trust demonstrated to me by so many of those involved – even about aspects of their own actions and behaviour which they now consider to have been ill judged or intemperate.

Applications from/Invitations to Individual Organisations

To test how the published process (Guidelines) and Special Condition 18 (fair application of transparent criteria) were followed I examined the following:

1. the invitation to AbilityNet to join the Consortium
2. the decisions reached about the applications to join the Consortium from:
 - 2.1 Charity Logistics (a member of CITRA)
 - 2.2 The National Computing Centre (NCC)
 - 2.3 The Media Trust⁹
3. the invitation to the Community Sector Coalition to join the Consortium's Advisory Group and to be a Delivery Partner
4. invitations to a variety of generalist and specialist organisations that provide services to and/or represent specific parts of the voluntary and community sector to join the Advisory Group.

I do not intend in this report to provide a detailed narrative on all of these. The Guidelines set out the process in detail as to how an application can be sent to the Consortium and what information is required, the criteria that will be applied when the application is being considered, the timetable of meetings and for communicating decisions. The Consortium developed a matrix for recording how Consortium members assessed each application against the published criteria. I have seen these records and tested them against the published guidelines and criteria.

In summary:

1. **AbilityNet:** at their meeting in April 2004, the Consortium carried out (as agreed with the ACU) an assessment of skills gaps in their current membership. Detailed understanding and practical experience of ICT accessibility was identified as a gap. AbilityNet was identified as an organisation that might fill this gap and was approached by Consortium representatives. After feedback to the Consortium meeting in May of the response to this approach, a formal invitation to join the Consortium was extended to AbilityNet. A formal application was received in June and processed and the unanimous agreement of Consortium members to their membership was secured (as required by the Guidelines). AbilityNet attended Consortium meetings from July.

- 2.1 **Charity Logistics:** at their meeting on 10 June, the Project Manager reported to the Consortium members that the ACU had asked if contact could be made with Charity Logistics. A letter was sent on 24 June to Charity Logistics from NCVO (not from the Consortium) about "an initiative NCVO is involved with;" details were given in the letter of the Consortium's membership and aims and a reference was provided to the website. An offer was also made of further discussion if that would be useful. Charity Logistics then applied on 1 July to

⁹ I should record here that I was the founding Chair of The Media Trust and continue to be a trustee. I declared this interest to the ACU, the Consortium and to CITRA when I agreed to take on the role of Independent Person – all were satisfied that this did not create a conflict of interest which would undermine my independent status. I have, however, restricted my study of the application from The Media Trust to the documentation and have not discussed it further.

become a member of the Consortium. The application was considered at the meeting of the Consortium on 23 July. The decision was made to turn down the application to be a member of the Consortium but to propose that Charity Logistics become a Delivery Partner. Charity Logistics protested about this decision and there then began a long series of emails and phone calls between the Operations Director of Charity Logistics and the Project Manager of the Consortium. Charity Logistics asked a series of detailed questions to clarify the reasons for the decision. They also asserted that their membership of CITRA had been said (in a telephone conversation with the Project Manager) to have been a factor in the Consortium's decision, though this had not been referred to in the letter communicating the Consortium's decision. This reference to CITRA in a telephone conversation has always been denied by the Project Manager and the Consortium members have also stated that it was not a factor in their decision. This is confirmed by the minutes of the meeting and by the content of the document used by the Consortium to record how the published criteria were met.

The Consortium considered the detailed questions from Charity Logistics at their meeting on 16 August and wrote again on 24 August explaining and trying to clarify their original decision. By that date, however, Charity Logistics had already (18 August) emailed a complaint to the ACU which asserted that what it described throughout as the "NCVO ICT consortium" was:

- Anti Competitive
- Self promoting
- Anti collaborative
- Exercising Poor Governance.

Because of its length, I have not included here the text of the Charity Logistics complaint. However, I have included most of it in the report as Appendix 1 as I feel the bluntness and tone of the allegations that are made by Charity Logistics illustrate the manner in which some aspects of this dispute have been conducted – and indicate the difficulties the ACU and the ICT Consortium faced in deciding how to respond. It is my view that the allegations made by Charity Logistics are not only unwarranted but that they misrepresent the professional standards to which the members of the Consortium were endeavouring to work.

A meeting took place in September between representatives of the ICT Consortium and of Charity Logistics but, far from clearing the air, seems to have reinforced the already negative views felt by both about each other. Charity Logistics has not accepted the invitation of the Consortium to become a Delivery Partner, arguing that there is not enough information available about the Consortium's Business Plan for them to make a decision and also that they "do not trust the existing members of the ICT Consortium to act in the best interests of the sector."

2.2 *The National Computing Centre (NCC):* NCC was identified by the Consortium at their meeting in April 2004 as one of several organisations (including CFDG, ACRE, ACEVO "along with other organisations") that could

be invited to join the Consortium. Details of the (then) draft guidelines were sent to NCC and telephone discussions took place between NCC and the Consortium's Project Manager which resulted in an application from NCC to become a Consortium member being considered at the Consortium's July meeting. The Consortium decided to invite NCC to be a Delivery Partner and, following further discussions, NCC's plans for that role were included in the Consortium's Business Plan.

2.3 ***The Media Trust:*** the skills gap audit that the Consortium carried out in April 2004 identified New Media as a second area where skills were lacking. The Media Trust was suggested as a possible source of assistance and expertise. Discussions and at least one meeting took place between representatives of the Consortium and of the Trust and an application to become a Consortium member was considered at the July meeting. The Consortium decided to invite The Media Trust to be a Delivery Partner and, following further discussions, the Trust's plans for that role were included in the Consortium's Business Plan.

3. ***Community Sector Coalition:*** the Community Sector Coalition approached the Consortium in July offering input about how the Consortium might engage most effectively with small community organisations. At the Consortium's meeting in that same month it was agreed to invite the Coalition to join the proposed Advisory Group. Subsequent discussion and exchanges of papers between the Consortium and the Coalition led to the Coalition also being asked to become a Delivery Partner. The Coalition's plans for that role were included in the Consortium's Business Plan.

4. ***Advisory Group:*** the Consortium had included plans for an Advisory Group in the outline plan upon which the exemplar funding was agreed. This group was intended to be in place when the implementation of the strategy was to start i.e. it was never intended to provide advice during the development of the Business Plan but to be an active resource once the longer term structure (the Hub) was in place. The role of the Group, the criteria for appointing members and the management arrangements (including the appointment of an independent chair) had been defined when the Consortium's Guidance was published in the summer. By the time the Business Plan was sent to the ACU, 23 organisations had agreed to be members, representing a diverse range of national and local organisations, users and communities of interest. One member of the group of organisations associated with CITRA, the Charity Consortium IT Directors Group (CCitDG), joined the Group – invited in August, accepted in September. The Consortium had sent invitations to some other CITRA connected organisations (e.g. CFDG, ACEVO) but these had not resulted in a positive response by the time the Business Plan was completed. As no decision has yet been taken by the ACU about whether or not to fund the Consortium's Business Plan, the Advisory Group has not yet convened. Originally it had been hoped that the first meeting would take place in the late autumn of 2004 to coincide with the beginning of the implementation phase of the work. Even in August, the ACU observer at the Consortium meeting confirmed that he still expected the start date

to be “in November or at the very least by the end of the year.” This was not to be.

Special Condition 17

In testing how the Consortium addressed this condition (“constructive dialogue with relevant groups and organisations” including unsuccessful bidders for exemplar funds), I examined the Consortium’s minutes, correspondence and records of meetings with various organisations including NetGain (a successful applicant for exemplar funds), RuralNet (an unsuccessful applicant for exemplar funds though also a member of the successful NetGain Consortium), and several national organisations that were associated with CITRA – and specifically CFDG and ACEVO which were both identified by the Consortium in April as potential partners. I also spoke to representatives of several of these organisations.

The members of the Consortium used their own publicity and member information services to publicise their work and provide links to their web site. Meetings were arranged by the Consortium with RuralNet and NetGain in May and June. They were also in contact with CFDG and ACEVO and other national network or ‘umbrella’ organisations at various times from April onwards.

No approach was made, however, to the Chair of the unsuccessful Charity Technology Alliance (now renamed CITRA) until 22 July and then only as a result of a suggestion from another CITRA member, the Charity Technology Trust. Though the email from the Project Manager of the Consortium to the Chair of CITRA did not propose a meeting it did invite further contact if he so wished. The response from the Chair of CITRA on 27 July states that “from reading your email it appears that the purpose was just to update me on your initiative and thank you for that. If there was another reason for your email to me perhaps you could expand on this.”

On the same day that he sent this message to the Consortium, the Chair of CITRA had already met with the ACU official responsible for liaison with the ICT Hub and raised his concerns about the way the ICT Consortium was developing and his wish that CITRA be involved in the development of the ICT Hub. On 29 July, two days after his first meeting with the ACU official, the Chair of CITRA complained to the ACU that members of CITRA felt that “they have been deliberately excluded from the process and were considering three options:

- “1. Go our own way without involvement in the ICT hub. This is currently the option that we are pursuing.
- “2. Bid to run an alternative hub to that currently being worked on. I note the potential issue this will raise for the ACU.
- “3. See if the existing hub can be refocused to involve CITRA members, allow all members an equal say and for decisions on future funding/policy etc. to be made by this group.”

The position of the ACU in these – as it has turned out – critical few days is unclear. On 22 July, the ACU official, commenting on the Consortium’s efforts to

address the special condition of the exemplar grant about dialogue with unsuccessful applicants wrote that “having reviewed these, I believe you are already in contact with all the organisations involved, with the possible exception of the Farndon House Information Trust”. No reference was made then – or when he attended the Consortium meeting the following day – of any concerns he may have had about the lack of prior contact with CITRA. Nor was the Consortium told that he was to meet the Chair of CITRA two working days later. He did, however, speak with the Project Manager after his meeting with the Chair of CITRA on 27 July and passed on the concerns that had been reported. As he was just about to go on holiday, he concluded a feed-back email sent on 29 July to CITRA by saying that he did not “feel there is great value in rushing this – it’s more important that we get this right and it was only two days ago that you first raised your concerns with me. Obviously if your group feels it must proceed its own way, then you are entitled to do so, although I feel it would be a missed opportunity for the sector as a whole.” In the same email, the ACU official pondered on whether “the only way forward may well be to get everyone around a table to thrash out a common understanding of the situation and agree a way forward that meets the needs of the sector. I’m quite happy to organise such a gathering if that’s what is required.” At that time it does not seem that the official had indicated to the Consortium that he had in mind such a possibility, despite the mutual information sharing obligations set out in the exemplar grant offer letter.

CITRA did move while the ACU official was away on holiday, speaking with and then sending an email on 9 August to the Consortium Project Manager in which the Chairman of CITRA proposed that a meeting be organised between the “ICT Hub and members of CITRA without the NCVO being present.” He had prefaced this proposal by referring to an attempt he had made the previous year – prior to the competing exemplar funding applications being sent to the ACU – to suggest collaboration with NCVO, a suggestion that had not been taken up.

At their meeting on 16 August, the Consortium rejected the suggestion that they should meet any group if a condition of so doing was that one of their members should be excluded. The Home Office official attended part of the meeting but the minutes do not record if he was briefed on the correspondence with the Chair of CITRA or that he reported to the Consortium on his discussions with CITRA or the suggestion he had made to CITRA that he might organise a meeting between both groups.

For the next three months, until the meeting convened by the ACU on 11 October took place, there was a continuing flow of communications between the Consortium, the ACU and CITRA, some of which became increasingly testy and robustly worded. The arguments spilled over into the charity press and both groups sought to engage senior members of the ACU. ‘Constructive dialogue’ was little in evidence and subsequent exchanges between the Consortium and the Chair of CITRA and with Charity Logistics about the response of the Consortium to requests that it publish all of its Business Plan do not encourage confidence

that the ill feelings that were generated between some of the individual protagonists in August and September have eased or are likely to do so.

The increasing frustration of the members of the ICT Consortium about the progress of their efforts is summed up in a letter they sent to the ACU in October:

“The Consortium has been keen to ensure that we worked in a transparent and inclusive way. In order to achieve this, and at the ACU's specific request, a clear process for working with other organisations was agreed and approved by the ACU at the outset. As a result we have already agreed to work with 28 organisations, participating as advisory group and delivery partners. One of these organisations is itself a coalition of a further 26 membership organisations. We have been mindful of the guidelines and have sought to build diversity and representation from rural, BME and other minority groups. We also envisage working with a far greater number as the Hub develops.

“During the application process for the Exemplar phase of ChangeUp, another coalition (CITRA) was formed specifically to bid for the development work for the ICT Hub, but was unsuccessful. Over the last six months we have attempted to engage some of the organisations who are members of CITRA, but have been informed that these organisations will only work with us if the seven members of CITRA are accepted as core members of the ICT Consortium. (At the same time there has been a lack of clarity as to which organisations are members of CITRA, and what CITRA has to offer other than being a group of organisations who wish to become core members of the ICT Hub).

“Our fundamental concern in relation to this situation is the way in which an 'inclusive' hub is being interpreted. We are confident that our approach, which has resulted in a coalition of 28 organisations, is evidence of an inclusive model. In a situation where different groups were competing for funding, it is not surprising that groups which were unsuccessful are unhappy with the decision. However it seems to us perverse to take the unhappiness of such groups as evidence that the overall (and agreed) process has not been inclusive. Had the ACU encouraged all organisations to work within the agreed framework, we feel that this matter would now have been resolved. Instead, the ACU's continued receptiveness to the complaints of a group who were unsuccessful in the initial bidding process has only served to escalate these complaints and has resulted in the current impasse.”

Findings and Commentary

I have divided this section into three main parts – considering each of the main ‘players’ in this saga in turn: first the ICT Consortium, then CITRA and finally the ACU. As a preface, however, I offer a few comments derived from reading through the documentation and speaking with many of the participants. Clearly, the wrangles which have beset the development of the ICT Hub did not occur in isolation – many of the participants had prior ‘baggage’ in their prior relationships which influenced negatively the way they approached and reacted to each other. Nonetheless, it is my view that the problems that arose were avoidable and that all involved share some of the responsibility for what has been a sorry and exceptionally time consuming and energy-sapping saga. The charity sector is said to be preoccupied with the importance of maintaining public trust and confidence. For so many of the leading organisations within the sector to have demonstrated such an intensity of mistrust and mutual lack of confidence in each other has been of no benefit to anyone. The CEOs of the leading organisations should, in my view, have anticipated that the development of the ICT part of the ChangeUp programme could create problems and reputational risk. They could have intervened to ensure that any difficulties that there may have been between them and their organisations in the past – or even currently – did not have such a deleterious impact on this important part of the programme.

The ICT Consortium

1. It is my view that the Consortium worked hard to develop and implement a transparent and open process for deciding whether or not an applicant or invited organisation should be offered a place as a member of the Consortium, a Development Partner or a member of the Advisory Group; and that – with some minor exceptions that are dealt with below – they applied that process fairly, consistently and assiduously. I am able, therefore, to state that I consider the current appointments to the Consortium and to the Advisory group and as Development Partners have been undertaken by the ICT Consortium in accordance with the published processes and procedures.

2. The administration of the process failed on several occasions to meet the timetable targets the Consortium had set itself. The communication, for example, of the decision of the Consortium about the application from Charity Logistics did not meet the published commitment that “a written decision will be provided for every organisation who seeks to become an ICT Consortium within a week of the ICT Consortium meeting.” A failure on such a small point may be excusable, perhaps, in isolation, (and especially if the target is missed by only one day) but is less so when the applicant is already suspicious of the process.

3. I also have concerns about the system adopted by the Consortium to record how an applicant organisation fared against the published criteria. This was intended to be a comprehensive record of the Consortium’s assessment of the extent to which an application met the published criteria. The format that the Consortium adopted, however, recorded how the Consortium judged the criteria applied for the relationship (Consortium Member or Delivery Partner) that the

Consortium had concluded should be offered. The file notes, for example, recording the outcome of the applications from The Media Trust and NCC to be members of the Consortium are headed 'delivery partner criteria.' The record, therefore, is of how the applicants met the criteria applying to Development Partners, not how they met (or failed to meet) the criteria set out in the published guidelines for Consortium Members – the role for which they had applied.

4. A number of organisations who have discussed with me their experience of applying – or considering whether or not to apply – to be involved in the Consortium's work have reported that they felt that there was a rigidity about the Consortium's approach – “there's the process – take it or leave it” as one commented. The Consortium may not have been sufficiently alert to the possibility that the process might need some adjustment when exposed to 'real life' applications. This could have been especially relevant to possible applications from other consortia. I can understand the Consortium members' reluctance to change a procedure mid-way through a six month project. However, to be seen to be prepared to review a process that was attracting criticism could, I believe, have diluted some of the negative perceptions of the Consortium that were generated during the summer and autumn of 2004.

5. The application from Charity Logistics to be a Consortium member generated the most criticisms of the process. It is my view that the Consortium did apply the published procedure to this application. It is possible, however, that some of the misgivings and concerns that Charity Logistics had about the process and the structure of the Consortium might have been allayed if the Consortium had met with Charity Logistics (as they did when considering some other applications) before the application was considered formally. The detailed challenge from Charity Logistics to the reasons they were given for the Consortium's decision would have carried more credibility if Charity Logistics had allowed the Consortium an opportunity to consider their detailed questions before making a formal (and robustly worded) complaint to the ACU (see Appendix 1) – a complaint which, in my opinion, was ill-judged in its timing, intemperate in its tone and unfair in its allegations. The rapid deterioration in subsequent communications between Charity Logistics and the Consortium to 'yes you did – no I didn't' type emails was unfortunate and unproductive.

6. The Consortium's ability to implement its strategy and to meet the ACU special condition about “constructive dialogue with relevant groups or organisations to ensure a broad-based approach” was undermined by:

- their not adopting at the very start a sufficiently high profile, comprehensive and proactive strategy for explaining to other organisations beyond their own memberships and networks what they were planning to do and inviting comment and involvement. They became more active in seeking out organisations during the summer and autumn; the minutes of their meeting on 10 June record the decision that “it was important to initiate meetings with potential partners A.S.A.P. so new Consortium members had enough time to business plan before 30 September 2004.”

In the crucially important first few months of the exemplar project, however, rather than initiating contacts, they seemed on too many occasions to have been reacting to enquiries from organisations that a comprehensive strategy for implementing the ACU requirement for ‘constructive dialogue’ would have identified as likely to have a legitimate interest in their work.

- their reluctance to engage with CITRA as a group. There may have been some confusion at times about which organisations were in membership or associated with CITRA. There may also have been some resentment among Consortium members about the tactics adopted by CITRA and the statements attributed to them. But the ACU requirement was that dialogue should take place with relevant groups as well as organisations – CITRA, as the renamed Charity Technology Alliance was not only a relevant group but, as an unsuccessful applicant for exemplar funds, was among the groups and organisations explicitly referred to in the ACU special grant condition.
- the past ‘history’ of some other organisations involved in ICT development in the voluntary and community sector with one of the Consortium’s members, NCVO. The level of mistrust about and antagonism towards NCVO expressed by some of the people involved with CITRA and by some other organisations with which the Consortium tried to engage was so intense and pervasive that it prevented some of them from ever accepting the reality of the Consortium as a genuinely functioning and equal collaboration (whether or not such mistrust was well founded is immaterial – it was clearly deeply felt). The Consortium members were unprepared for the negative reactions to some of their approaches to other organisations. In retrospect – and, therefore, I accept, with the benefit of hindsight – it is my view that some, at least, of these reactions could have been anticipated. More could also have been done to reduce the prominence of NCVO within the public perception of the Consortium’s work and to demonstrate that assertions that the Consortium was a creature of NCVO were unjustified. The sending out to organisations that were known to be mistrustful of NCVO’s role, for example, of the copy of the ICT Consortium’s guidelines for working with other organisations and a copy of “our six month partnership agreement” which will also “be available on our website which we are intending to launch today” above the signature of the NCVO ICT Development Manager was unlikely to challenge that mistrust. Similarly, the continued incorporation of NCVO membership details in the email signature of the Consortium’s Project Manager (despite protests by Charity Logistics) was at best insensitive. Each such practice may seem of little consequence on its own but, in an environment of mistrust and wariness about NCVO’s position, they attracted considerable negative significance. The attitude of the Consortium to CITRA was also illustrated by the two page letter that was sent to the Home Office on 25 August about their efforts to engage with other national organisations which were associated with CITRA. The letter never referred to CITRA as such or to any of the exchanges that had

been taking place with the CITRA Chair during the previous weeks – though it seems unlikely that the meeting with the ACU which had prompted the letter would have taken place but for the intervention and ‘campaign’ of CITRA.

7. When the Consortium felt itself to be under particularly unfair criticism there were occasions when it might have responded more effectively if members other than NCVO had taken the public lead. The efforts the Consortium members made to organise themselves as a genuine partnership do seem to me to be commendable, but the external mistrust might have been reduced if a Chair from one of the organisations other than NCVO (or even from outside the Consortium) had been appointed to lead the exemplar project. Such a person could also have supported and taken some of the pressure off the Project Manager. She does seem to me to have been subject to unacceptably hostile behaviour from some of those who were challenging the legitimacy and work of the Consortium.

CITRA

1. It is my view that there have been times since July 2004 when the actions of CITRA and the position taken by its Chair have not always lived up to the Group’s aspiration to bring the voluntary and community sector together. To have moved in less than two weeks, for example, from an initial response to the first approach from the ICT Consortium to a demand that NCVO be excluded from a proposed meeting between CITRA members and the Consortium and without there having been any discussion with Consortium members does not seem to me to indicate that a constructive approach was being adopted to resolving the tensions that already existed between some Consortium members and some of the organisations associated with CITRA.

2. From the emails and correspondence that I have been shown, I do believe that there were occasions on which the CITRA reporting of contacts with the ICT Consortium has gone beyond what can be demonstrated. For example, I have not found any evidence to support the insistence of the Chair of CITRA that CFDG, CTT and ACEVO were told that they "would not be welcomed as a core partner" within the ICT Consortium – though each of those organisations has been invited to provide confirmation if it existed.

3. In the same week that CITRA and the Consortium first exchanged emails, the Chair of CITRA met with the ACU and began to argue that the ACU should, in effect, intervene to merge the Consortium and CITRA. Whether or not the ACU should have responded at all positively to such a proposal, given that the Consortium was at that stage only half way through its six month period of funding (which had been secured in a competitive bid process in which CITRA in its previous incarnation had been unsuccessful) and that the ACU had agreed all the processes and arrangements that the Consortium were implementing, it is hard to see that the Consortium could have responded with enthusiasm to such a campaign, especially at that point in the development of their Business Plan.

4. Some members of CITRA felt that their previous experience of working or negotiating with NCVO did not encourage them to have confidence in the work of the Consortium. They were also concerned about the structure of the Consortium – to which the ACU had agreed when deciding to allocate exemplar funds. As one CITRA member wrote in August 2004 in response to the Consortium’s suggestion that they might become a Delivery partner: “as a delivery partner I get the impression that we would have no involvement in defining the strategic direction/focus of the Hub and that we would only get work supported by the Consortium so long as it was not something that any Consortium member wanted to do themselves and so long as there was no perceived overlap/competition with any Consortium member. This is not what I would characterise as a partnership.” It seems to me to a sad feature of this whole saga that some leading organisations in the voluntary and community sector decided on the basis of ‘impressions’ not to enter into negotiations with the Consortium and, therefore, chose not to test the reality – or legitimacy – of the proposed structure of the Hub.

ACU

1. It is my view that some of the tactics adopted by the ACU during July and August 2004, however well intentioned they may have been, contributed to the exacerbation of the gulf between members of the ICT Consortium and of CITRA. In its *ChangeUp Guidance: National Hubs of Expertise*, which was published in July 2004, the ACU asserted that it would “be proactive in working with the emerging hubs including facilitating their cross working and achieving coherence across the hubs and ChangeUp implementation overall.” By mid-September, the ACU official dealing with the ICT Consortium and the development of the ICT Hub was being told by the CITRA Chair that his “members are losing confidence that you will actually do anything about the issues that we all have raised” and the ICT Consortium had recommended that he should not chair the proposed joint meeting between them and CITRA – an indication that the Consortium members had also lost confidence in him. The ACU became, in effect, part of the problem rather than a contributor to its resolution.

2. The ACU convened and chaired the meeting on 11 October which was attended by the ICT Consortium members and organisations that were in membership of or associated with CITRA. The ACU described the aims of the meeting as to:

- Clarify the role and purpose of an ICT hub
- Identify the desirable characteristics of the hub (from both the ACU and Voluntary and Community Sector perspective)
- Identify issues and blockers preventing a single proposal for the ICT hub
- Agree a way forward to address these issues.

Given the importance of this meeting and the ‘atmosphere’ of mistrust within which it was held, I do find it regrettable that the ACU does not seem to have kept and circulated a written record of the meeting. The absence of such an agreed record has made it possible for different interpretations to be placed on

decisions made at the meeting to suit the different agendas of some of the participants.

3. The ACU had agreed (May 2004) to the process and procedures that the ICT Consortium was using during the exemplar funding period to appoint new Consortium and Advisory Group members and to recruit Development Partners. The exemplar grant agreement with the Consortium obliged the ACU to attend part of each Consortium meeting “so the Consortium can update the ACU on progress made against the workplan and the ACU can update the Consortium on ICT infrastructure related initiatives.” When the ACU began to be dragged into the dispute between CITRA and the Consortium, it should, I believe, have endeavoured to review with the Consortium whether or not the agreed process (which had been designed to be relevant to applications from individual organisations and not for requests from a group of organisations which, on their own, have varied engagement with ICT issues) should be amended or left as it was until the end of the exemplar funded period. If the latter, the ACU should have supported the stance of the Consortium that other organisations should apply using the published process. Instead, and within days of his first meeting with the Chair of CITRA, the official was suggesting that he might convene a joint meeting of the Consortium and CITRA. In some of his exchanges with colleagues and with voluntary and community sector organisations he seemed also to collude with the view that the Consortium was a NCVO project – and he described CITRA as an ACEVO-led consortium. I can understand why the ICT Consortium felt that “had the ACU encouraged all organisations to work within the agreed framework, we feel that this matter would now have been resolved. Instead, the ACU's continued receptiveness to the complaints of a group who were unsuccessful in the initial bidding process has only served to escalate these complaints and has resulted in the current impasse.”

4. Some organisations – and not just those associated with CITRA – raised concerns during 2004 with the ACU and with the Consortium that the process for appointing members to the Consortium which had been agreed by the ACU was flawed. It appeared to some, as one (non-Citra) organisation observed to me, that “The process was designed to enable existing members to restrict membership and control any structures established.” If the ACU did begin to share a similar concern during the period of exemplar funding, it should, I believe, have worked with the Consortium to see if the process could be redesigned. If it did not have that concern, it should have insisted that the organisations that were making complaints must test the agreed process fully before they asked the ACU to act formally on the complaints.

David Carrington
9th March 2005

Appendix 1

Charity Logistics Complaint to the ACU 18.08.2004

Charity Logistics set out their 'concerns' under four headings, alleging that what it chose to describe throughout as "the NCVO ICT Consortium" was:

Anti Competitive

Charity Logistics argued that "The NCVO ICT consortium actively bars any involvement from an organisation in an area already covered by a consortium partner. The approach appears to be anti competitive, so although Charity Logistics has experience of negotiating deals for the VCS, we are excluded from contributing in that area. We are excluded from operating in the training and support area, indeed, although we have specific QA skills and experience, and these skills are not listed as a current skill set amongst the existing partners. We are excluded in this area as well simply because the NCVO ICT Consortium feel that is an area they want to cover. As a 'delivery partner' we would only be allowed to operate in areas that the consortium allowed. In effect the NCVO has set up a government funded closed shop that effectively pays the NCVO to go to market with their products regardless of whether or not they are the best product for the sector."

Self promoting

Charity Logistics pointed out that the 'signature' to emails from the Project Manager of the ICT Consortium followed the strap-line of the Consortium with a NCVO membership solicitation which includes a reference to discounted services and products. Charity Logistics (CL) pointed out that it also "offers cheap software to its members but membership is free" and argued that "by excluding CL from membership of the NCVO ICT Consortium, and dictating in what areas we can operate as delivery partners, they are protecting their own income, and disadvantaging the sector they claim to be serving."

Poor Consultation - Anti collaborative

Charity Logistics pointed out that it is a member of CITRA, along with "some of the leading umbrella groups in the sector such as ACEVO, Charity Finance Directors Group and the Institute of Fundraising" and that CITRA was at that time planning an IT information portal. Charity Logistics reported that "at a recent meeting of the group it was stated by all the organisations present that they felt excluded by the NCVO ICT Consortium" and alleged that the Project Manager of the Consortium considered that CITRA was "a threat to the NCVO ICT Consortium rather than a benefit to the sector."

Poor Governance

Under this heading Charity Logistics claimed that "despite the fact that the NCVO ICT Consortium claim to be transparent, there is no clear information on what they are doing, on what grounds they have rejected applicants for membership of the consortium, or what the role of 'delivery partner' entails."

Charity Logistics concluded its complaint with the allegation that the “NCVO ICT Consortium” are “both the recipient of government money, and the final arbitrator on what and where it is spent. They decide the policy, exclude competition, and pocket the money. If the next stage of funding follows the same pattern as this phase, then they and only they will decide how to spend £10 million, benefiting themselves in the process. Other initiatives, such as CITRA's information portal will be excluded as it does not benefit the consortium members.”