

“Developing a better understanding of the impact of ICT in organisations we fund has helped us generate more significant outcomes from our spending”

– Grants Officer,
UK Grantmaking Trust

A large, stylized graphic on the left side of the page, resembling a right-facing curly bracket or a large '}' symbol. It is composed of various shades of green and yellow, with a textured, mosaic-like appearance.

Making more impact with your funds

Is this guide for you? Would you like to:

Invest your funds better • Get a measurable return on your investment • Save time and reduce inefficiency • Enable the organisations you fund to work efficiently, economically and effectively and as a result do more for people and communities?

Making a difference and having an impact through your funding

Information and Communication Technology (ICT) should help organisations 'to do things better' and 'to do better things'. Poor ICT due to lack of, or insufficient, funding can undermine the effectiveness of the delivery of the projects you are funding. ICT 'done right' is key to maximising return on investment and making a difference with your money.

KEY MESSAGES

Maximising return on investment and improving front line services

● **Why fund ICT?**

Because it is absolutely essential in running an effective organisation. It enables effective record keeping, efficient handling of information and communication within an organisation (including between sites) and is an essential ingredient for efficiency.

● **How, as funders, do we know what's needed?**

Getting expert advice at an early stage is essential – and will save money. Your help can start with a review of needs, leading to a clear specification of what's required, both in hardware and software. Support in acquiring and installing ICT is critical – and don't forget the training of staff and ongoing technical support.

● **Isn't ICT expensive?**

Not compared to not having effective ICT. Think of how much time (and therefore money) is wasted in organisations that do not have effective ICT. Would you consider operating with ineffective systems and equipment? Good ICT can generate a significant return on investment for the organisation and the cause you support.

● **Won't this take money away from front line services?**


Quite the opposite. Front line staff are often engaged in time-consuming inefficient administration or communication that is hampered by inadequate systems, especially in relation to client records and monitoring. Freeing up this time allows more effective work with clients – and more effective records of this, for the agency and its funders.

“83% of voluntary sector organisations said IT was very important to their core activities/delivery of services”
– ICT Hub/WCIT Funding Survey (2006)

How ICT can help solve problems

● How does a database get a homeless person a place to stay? By offering key workers more time to interact with the client, understand their needs and spend less time completing forms. In what way can this be achieved? By having online access (with alerts) to hostels, jobs, advice and support.

● How does better ICT infrastructure improve morale? A new PC in a women’s refuge helped improve communication between sites. It made office tasks easier and less stressful because of fewer system crashes. Computers were easier to use and information was shared more easily – resulting in more time and energy for clients.



“Understandably, some funders want to focus on supporting direct services for clients. However, the effectiveness of service delivery can be seriously undermined by inadequate ICT. Supporting ICT can provide the essential structure on which effective service provision is based.”
– Director, medium-sized grant-making foundation

CASE STUDY

Bad ICT hurts morale and disables services

The history

- Ten staff needed to use computers at the same time and had to share old, ineffective PCs. There was no ICT plan and no computer network.
- Staff and management were frustrated, losing 20% of their time because of the system.

The change

- A successful grant application was supported by expert ICT help.
- The charity developed an ICT plan – including a fully costed ICT support contract. Tenders were invited and a new system was set up with new policies/procedures in place. Information sharing was made easy.

The impact

- ICT supports staff to do their jobs effectively and easily, resulting in better services to clients. Monitoring and evaluation is more effective, morale and relationships between sites better. Information can easily be stored, shared and accessed when needed.
- The total investment was around £20,000. In terms of improved efficiency, the investment will pay for itself in just six months...

Learning points for funders

- Know what needs to be done and fund it adequately – don't shave a little off the budget here and there. If it needs doing, it needs doing properly.
- Check that the applicants have access to expert, independent support to plan and manage any implementation. Can they prove to you what they need and why? (See signposting section at the end of this booklet).
- Ensure the evaluation criteria and expectations are set before they start.



It's not just about you funding lots of computers

As a funder, your priorities understandably lie with people and services. The voluntary sector needs effective, supported ICT to deliver services, to support staff in being effective and to make a difference to people and communities.

“As a funder, we don’t need to be technical experts but it’s important we know what ICT can and can’t do and where to get expert help to assess proposals.”

– Director,
Charitable foundation

“Research by the ICT Hub in 2004 identified that only 20% of funders fund the full cost of ICT.”

(ICT Hub Baseline Survey, 2004)

Total Cost of Ownership (TCO)

is the entire cost of owning something, for an ICT system that includes equipment, training, consumables and running costs. It also includes technical support (either service contracts, ICT staff or both), as well as the costs to replace equipment when it is no longer fit for purpose.

“ICT may not offer a front line service in the organisations you fund but service will be compromised if organisational ICT is ineffective. If you don’t make a contribution to supporting it, who will?”

– Large UK Charitable Foundation

What are the different types of costs involved with ICT and how do they compare?

	ICT
Preliminary work	ICT plan, fundraising
Capital costs	Buying computers, laptops, servers, installing networks
Development costs	Developing websites and databases (plus planning time)
Managing and maintaining costs	ICT support contract (someone to fix problems on call), printer consumables, time to develop systems, manage content for website, manage ICT plan
Replacement costs	Replacing PCs every three years, replace equipment as redundant
Training costs (and time)	General ICT skills training, support for specific tasks



ICT typically takes around 5% of an annual organisational budget. So what's included in total cost of ownership and what does 'Effective ICT' look like?

What does effective ICT look like? A checklist

We're not talking bells and whistles, we're talking basic infrastructure, supporting needs, enabling people.

- A computer (and software) for every member of staff who needs one (even outreach staff will need to use computers, often at the same time)
- A computer network for all organisations with more than five staff to enable information sharing
- Printers, scanners and back-up devices
- Training sufficient for staff to do their job and perform their key tasks
- A support contract so when things go wrong the organisation can call for help
- A website to publicise and share information
- A database to store, share and access information; from contacts to outcomes
- Access to email and the internet, preferably via broadband
- Communications which support the organisation and mission
- Managed ICT security – anti-virus, anti-spyware and firewalls
- Back-up and disaster recovery plan
- A good, well thought out, ICT plan (what you're going to do, how, when, why)
- Time for staff to share ideas, maintain websites and databases
- ICT policies which support and enable the organisation
- Management support and systems that support the organisation and the staff
- Consumables (new printer cartridges/toners, discs etc.) available as needed

All these elements contribute to better services, greater return on investment and maximum efficiency.

Every time you fund a project, think about how you can factor the above costs into the grant to account for full cost recovery and what we call 'total cost of ownership'. If you don't, the organisation/project may not be sustainable and the quality of its service delivery will fall.

What ICT costs...

It all depends on the size of organisation and what they want to do but here's a rough guide...

	Small org (1-5 staff)	Medium org (10-20 staff)	Larger org (50 staff or more)
ICT plan/strategy	£800-2500	£2000-5000	£5000 upwards
Computer equipment (PCs, printers etc – purchase only)	£500 per staff member	£500 per staff member	£500 per staff member
Software	£150 per staff member	£150 per staff member	£125 per staff member
Website	Simple site: £500 to £1000; otherwise up to £5000	£1000 to 20,000 (depending on nature and requirements of system)	Probably at least £10,000. Can reach £100,000 or more for major websites.
Database	A few hundred pounds	£1,000-30,000 (depending on nature and requirements of system)	Probably at least £10,000
Server and network (including installation)	May not be needed	Several thousand pounds	Over £10,000
Internet connection	Around £30 per month	At least £50 per month, up to £200 per month	Dependent on bandwidth used but likely to be thousands of pounds per annum
Training	A few hundred pounds, basic seminars available free	Probably £200 per person – opportunity to train one member of staff and cascade	Highly variable
Support contract	£250-2000	£2500-5000	Over £5000; likely to be employed a full time IT manager/technician
Security and backup	Simple antivirus, anti-spyware and basic software firewall are available for less than £150	Managed antivirus, anti-spyware and firewall could cost over £1000	Low thousands of pounds
ICT Consultancy	May be available from volunteers, otherwise £300-750 per day (£450 is a fair average)	£300-750 per day (£450 is a fair average)	Typically at least £500 per day

CASE STUDY

From Hopeless to Effective

These two examples offer contrasting pictures of how a voluntary organisation can use ICT.

“Hopeless with systems” is a medium-sized organisation working with different client groups and offering a variety of services.

- They have to gather information manually to report to funders
- Their database is only accessible to a few staff
- The computer system is not properly maintained and crashes frequently
- Morale is low and service delivery suffers

“Thought it through carefully” have been successful in gaining funding to support outcomes management, ICT infrastructure and information management and database systems.

- Managers can view reports on organisational outputs and outcomes or service-specific ones and individual teams can view their own reports
- Front line staff can access case notes and records, set reminders and produce individual client progress reports to use in key work sessions with clients
- Clients can see their progress and be helped to see how to improve further

Users benefit because **“Thought it through carefully”** are able to record their work with ease, share information with each other and others as necessary, keep information safe and secure, satisfy reporting requirements and make use of the information they gather to inform the development of their service.

Learning points for funders

- Clients see the benefit and impact of good ICT, even if they never see the ICT!
- Ad hoc, under-funded systems frustrate staff, compromise service delivery and ultimately cost more money.
- Investing in systems and infrastructure impacts the whole organisation, eases management overload and facilitates a higher quality service to clients.

How you can help

ICT is a significant part of any efficient and effective organisation. As a funder you are responsible for contributing to the ICT costs in every grant you make. Whatever you fund, whether it's a key worker post or general office costs, ICT will have a part to play. Making that contribution to ICT funding is part of fulfilling the 'total cost of ownership' and supporting 'full cost recovery'.

Work with your grantees – start with a plan, build infrastructure and systems carefully. Having an idea of what ICT really means is crucial to informed funding. If all funders properly accounted for ICT costs and contributions in their grants, many organisations would already have support and infrastructure. Let's help them get there.

“97% of voluntary sector organisations said IT was very important to their administration, finance and communications”

– ICT Hub/WCIT
Funding Survey 2006

“ICT is like a pyramid. Without a solid infrastructure at the bottom, the whole thing can crumble in a moment.”

Summary

The Four Key Questions for a funder for any grant to make a difference

- 1** What is the impact (and cost) of ICT on whatever you are funding?
- 2** Have you (and your grantee) accounted for total cost of ownership?
- 3** Are you contributing to improving ICT in your grantee?
- 4** Are you getting value for money from your grant – or does your grantee need extra funds to enable their ICT?



Signposting

where to find out more

If you would like to find out more or support an organisation you are working with to source an ICT specialist, the following will be useful:

- **Cost of ICT** www.ichubknowledgebase.org.uk/calculatingtechnologybudget
- **Full cost recovery** www.fullcostrecovery.org.uk
- **Glossary** www.ichubknowledgebase.org.uk/index.php?id=46
- **ICT Hub helpdesk** 0800 652 4737
- **ICT Hub knowledgebase** www.ichubknowledgebase.org.uk
simple plain English advice on ICT and its fit within voluntary organisations
- **ICT Hub website for funders** www.ichub.org.uk/funders
- **Research ICT Hub Baseline Survey and Funding Survey**
are available from www.ichub.org.uk/research/
- **Suppliers directory** www.ichub.org.uk/suppliers_directory
sources of ICT specialists to help support organisations and funders
- **Discounted deals** www.ichub.org.uk/discounted_deals
learn more about discounted products available to the voluntary and community sector
- **Sustainable funding** www.ncvo-vol.org.uk/sfp/

What the ICT Hub is doing to help

The ICT Hub is working nationally and regionally to better inform voluntary and community organisations (VCOs) on how to cost and fund ICT.

The end result should be that more organisations better understand ICT and its implications and make more appropriate applications to you. We've published a series of guides and have developed a directory of funders which will be regularly updated. We believe it's the responsibility of the VCOs to make appropriate applications to you. More at www.ichub.org.uk



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