Funding Community Groups

The Joseph Rowntree Foundation is grateful for the opportunity to respond to this document. The consultation document deals with a very important area of work, and the Foundation welcomes Government's intention to: establish an integrated source of information about Government funding for community groups; set in place outreach and development support for small grants programmes; simplify application processes, including a proposal to move towards a single grant administrator; and rationalise Government funding initiatives.

The main impetus for this response comes from JRF's very substantial involvement, over the last 10 years or so, in the field of regeneration. The importance of regeneration is of course acknowledged in the Consultation Document particularly in the Chapter 5. Much of what the Consultation Document describes is an accurate reflection of JRF's own experiences in researching and engaging with deprived communities: community groups with urgent needs for funding - often in modest amounts - are typically small, inexperienced, fragile and extremely diverse in nature. The JRF response starts with a few general comments about groups like these:

- **The community sector and its difference from the voluntary sector** First, small, localised groups of the kind described above are commonly referred to as "the community sector". It has unfortunately also become commonplace to lump this sector together with the voluntary sector, and the phrase "the voluntary and community sector" can be found in numerous Government Documents (not however from this one). Many people assume that the two sectors are seamlessly connected: but this is far from the truth.

  The differences between these two sectors, some obvious but some more subtle, are best captured in two reports supported by JRF. The first is *Low Flying Heroes (2001)* by Alex MacGillivray; and the second is *Neighbourhood Regeneration: Resourcing community involvement (2000)* ([*Findings* Ref 320](#)) by Peter Duncan and Sally Thomas. I enclose copies of these two reports, which not only describe the community sector but also describe the considerable skills and experience required to work with this sector. Both publications describe how inappropriate work with this sector, by those insufficiently experienced, can easily do more harm that good.

  These points are made to illustrate that the traditional voluntary sector, which may be asked to carry out some of the tasks identified in the Consultation Document may not necessarily have the skills to work effectively with the community sector. In dealing with this issue, one obvious strategy could be to equip voluntary sector bodies with the necessary skills. An alternative, favoured by some, would be to build capacity within

the community sector itself to carry out these tasks.

- **Residents active in regeneration and community development**
Small and often informal community groups exist in deprived neighbourhoods across the country - not all of them in areas receiving regeneration funds. However, all the characteristics listed above for the community sector readily apply to community groups that become active within regeneration and other community development programmes. Although regeneration has often failed community groups of this kind, it is also true that much good practice has also been developed within this field. It becomes important then to recognise that as a result, in many cities and rural areas, the skills for dealing effectively with community groups may be found within: a number of good regeneration partnerships; voluntary sector organisations and consultants that specialise in regeneration and community development; and, in the cases where local authorities have played a positive role in regeneration and community development, within the relevant local authority departments.

  It is crucial then that bodies appointed to carry out grant administration, outreach work and development support take the trouble to discover if and where such skills already exist, to work with the relevant organisations to build up a map of existing work with small community groups, and possibly to receive the training from those already experienced in this field of work.

- **Poorer cities and regions** A recent report from the Community Fund *Mapping grants to deprived areas in England* points to disparities in funding received by community groups as between the different regions. The study points to a concentration of these resources on London. Underlying this point there is a bigger issue about **capacity**: not just the lack of capacity in the community groups themselves, but more importantly insufficient capacity for delivering community development services, in most areas of England. The Consultation Document makes reference to the National Strategy for Neighbourhood Renewal and, within it, to the various policies to tackle these issues. Prominent amongst these are: the development of Local Strategic Partnerships; and plans to administer various grant streams (eg Community Chest and other funds) through bodies with relevant experience in the voluntary or the community sector.

  This raises the issue of how far the administration of grant to community groups needs to work with the grain of LSPs and the linked Neighbourhood Renewal Strategies that all such bodies will be expected to deliver. On the one hand, the community sector has been considerably helped by regeneration partnerships and local authorities, where good practice has been developed. In these cases, grant administration teams would do well to acknowledge and build on this good practice, rather than immediately taking steps to replace it.

On the other, there is plenty of evidence that the community sector has been failed by, or marginalised by areas where good practice has been ignored. In these cases, it would be equally important for the new grant administrators to recognise bad practice, and to take the necessary steps to circumvent this, possibly by bringing in new agencies to tackle the work.

- **Small grants** The last general point concerns very small grants (say those under £500) which, if handled well, can immediately give groups the resources they need to initiate useful projects. Paradoxically, these smaller amounts can very often be harder to find than larger grants. The Consultation Document does acknowledge this need, and in places suggests that the dispensation of small grants can be delegated to community development workers and others with the right skills and experience to do this job effectively. This is welcome. However, other parts of the Consultation Document raise worries that these small grants could become bound up with the more formal single grant administration process. I think the proposals in the Consultation Document would be strengthened if there was a clearer insistence that small grants would *always* be handled as a separate stream, which would ensure that they were: delegated to the appropriate level; fast-tracked; and handled as flexibly and responsibly as possible.

This response now turns to the questions for consultation posed in Chapter 4 of the Consultation Document (where we pass over a question, this is because we have no comments to offer):

How might the needs of groups which do not have direct access to the Internet best be met?
The needs of the community sector in most parts of the country are met in a variety of ways including: the staff of some voluntary organisations and local authorities; intermediary organisations and consultants; through networks and federations of community groups (coverage is often patchy); and in a variety of other less formalised ways.

Do you know the examples of good practice locally in funding advice provision and the sharing of good practice in relation to funding and fund raising, which might provide a model for future development?
It is clear that the authors of the Consultation Document are already well informed in this respect. JRF is aware of such initiatives as: Funderfinder; Aston Re-investment Trust; and the South Yorkshire Community Foundation (mentioned in the document). Other than that, JRF is aware of good practice that has developed within SRB and other regeneration programmes where capacity has been built in the community sector to manage Community Chest funds.

What do you think to the broad approach to outreach and development support set out here?

JRF believes that separating the functions of outreach and development support is a good idea in principle: in practice (see below) it may not always be achievable.

Another key issue is the need to understand, in each area, how these functions are currently handled and whether or not they fairly, flexibly and consistently provide good service to the community sector. If current strategies and practices are found to be effective, this will signal the need for the new funding arrangements to be developed in close collaboration with existing practices in local organisations. If not, decision may have to be taken to circumvent these organisations and develop new structures. These will not be easy decisions to reach. This issue is returned to later on in the response in relation to similar issues surfacing within the National Strategy for Neighbourhood Renewal.

Do you agree it would be helpful to have one organisation locally acting as the outreach agent for all Government small grant funds, or would you favour another approach?

This would depend in part on the capacity and experience of that organisation, and the size of the area to be served. Given the great variety of the community sector, it could prove difficult for one organisation to deal with this great diversity. It is possible that it might manage to do so by networking successfully with other local agencies currently engaged in the task. Such an approach might open doors which would otherwise remain barred. However, an alternative approach would be to accept that very different skills would be needed to access the various different parts of the sector and in these cases to sub-contract, or to divide up the contract, might prove a more successful approach.

How important do you think it is to separate the outreach and development support functions?

The answer to this depends on the capacity of the contracting organisations, and the size and nature of the area in question. Sometimes developing consistent and trusting relationships with parts of the community sector is a difficult job (often because of the way that the sector has been mistreated in the past). If trusting relationships are established, it may not be a matter of great concern to the community sector that their "contact" has more than one role. For the community sector, it is more important that they have a consistent contact whom they can trust. This does of course place greater importance on that person having the necessary probity and clarity of mind to meet these expectations. While therefore a separation of the two roles may be desirable where possible, in practice this may not always be achievable.

What works in your area? Can you provide examples of successful practice in the provision of outreach and development support, that can offer models for others to follow?

In the area that JRF knows best (York) the kind or roles outlined in the Consultation Document are carried out by a variety of organisations including: the local CVS; local authority staff of various departments; community work networks; and although still in its very early stages, a community development trust that was spawned by a local regeneration initiative. While there is evidence of good practice in all of these bodies, the co-ordination and simplification promised by the Consultation Document would probably be welcome to all parties. The most striking factor in York (and doubtless in many other cities) is the large role that is being played by the local authority, both in regeneration and supporting community groups. While the local authority has on occasion been guilty of bad practice, it has contributed much good practice as well. It currently has more capacity than the other sectors to support the community sector, although this balance could, and perhaps should, alter, in future.

Accordingly, it is JRF's belief that your document needs to do more to acknowledge the existing role of local authorities in respect of supporting and funding community groups. Although there is currently a great deal of emphasis on moving the control of funding and support *away* from local authorities (and there are valid reasons for doing this), the Consultant Document does need to acknowledge good practice as well. And, if there are compelling reasons even in good local authorities to take the funding and support of community groups away from statutory bodies, ways of achieving this progression constructively need to be thought through. Alternatively, consideration needs to be given to leaving those functions with local authorities (ie appointing them as outreach or development support organisations) where appropriate. This area of the work needs to be handled sensitively; failure to do so could result in a disservice to the community sector.

Have you any comments on the idea of a single application form for all small grants programmes?
In principle the idea is a good one, which would streamline the process for small groups in the community sector. The one worry is that for very small grants, often required more or less immediately, the unified application form and the bureaucracy surrounding it (however streamlined) may be an impediment rather than a help. JRF would rather see a rather fast-track administration developed for these small grants, for which an application form would not be necessary.

Are you in favour of a single grant administrator for Government small grants programmes in each area?
In principle this is a good idea, subject to the reservations mentioned below. In theory, it could provide a much better service than currently exists to the community sector. The extent to which this is possible will of course depend to a substantial degree on how easy it is to achieve co-ordination at other levels of policy and practice, including: Local Strategic Partnerships; regional agencies; and Whitehall departments. Obviously, there would be

limited value in co-ordinating and streamlining small grants programmes, if parallel changes were not achieved at different levels of governance.

Do you have details of situations where this approach has been tried or is currently in use, with a range of different funding programmes? How successful are they? What are the advantages and disadvantages of this approach?

JRF does not have details of situations where this approach has been tried. Many of the reasons given for a single grant administrator are valid. However, there have to be some worries about the possible flaws in such systems. Having a unified database of local community groups has obvious advantages: but what if inaccurate or prejudiced information has been collected about a particular group or groups? This could lead to the assessments of these groups staying on record permanently, and might result in the blacklisting or exclusion of these groups.

Although it is clear that a single grant administrator could, if efficient, reduce the time taken to process grants, this might not be the case for very small grants, unless systems could be set in place to fast-track decisions on these small amounts.

Better value for money is clearly going to be a consideration, but it should not be the only one. The enclosed report by Pete Duncan and Sally Thomas shows the immense time and resources that are required to build capacity effectively within the community sector. To the extent to which this task proves to be beyond the capabilities of the single grant administrator, and the outreach and development support agencies, it will be important for them to network and collaborate effectively with other relevant local agencies.

Do you have views about the size of area that a single grant administrator should cover?

Do you think the size of the area covered by a grant administrator affects a fund's accessibility to communities of interest?

These are similar questions and are taken together. These are difficult questions to answer without having the detail of how, in each area, the process might unfold. The Consultation Document does suggest that the size of areas could range from "part of a borough to a sub-region or larger, depending on local circumstances". Given the complexity of the community sector, as described above, it could well prove very difficult, where a grant administrator is expected to cover a number of cities, to develop a detailed knowledge of the community sector across these cities and to develop relationships of trust with existing intermediary bodies, networks and other organisations.

What are your views on the options presented in paras 4.23 & 4.24 above?

What would be the advantages and disadvantages of each approach?

These two questions are taken together. It would seem logical to go as far as possible down the more radical approach suggested in para 4.24. A glance at annexe C suggests that many of the existing funds administered by various departments have remarkably similar objectives. In these cases, amalgamation into a single fund seems desirable and, although worries have been expressed about the resulting limitation of choice for community groups, there is a big potential gain. The potential gain would be in achieving greater impact and also critical mass, at various levels of governance, in the work of establishing, funding and sustaining community groups. There would obviously be a greater opportunity too, to make the important links to Neighbourhood Renewal that your document highlights in chapter 5. This could all contribute to a more co-ordinated, consistent and intelligent discourse, across a wider range of departments, around citizen involvement and user empowerment.

A few of the funds (eg Tenant Empowerment Grant Programme and the Neighbourhood Support Fund) are more specialised, and could continue as separate funds. It would appear then that there are opportunities for substantial streamlining, but that a few distinct and appropriately targeted grant funds could be retained within particular departments.

The Consultation Document also talks of the danger of vesting too much power and influence in the hands of one group of decision-makers. Without wishing to minimise this danger, we would want to point out that this is not the only policy area where such a potential danger exists. Similar dangers surround Local Strategic Partnerships, the Neighbourhood Renewal Strategies that LSPs are responsible for and even plans to create voluntary/community sector fora to take forward the Community Empowerment Fund and the Community Chest initiatives. A very real worry that is frequently expressed in respect of these (and a number of other) policy areas is that the community sector will find itself marginalised within the partnerships created for these purposes. From the JRF standpoint, it makes sense then to combine efforts to fund and support the community sector. Only by concentrating efforts in this way will there be a chance that the community sector can achieve the critical mass to make an impact on other linked policy areas. This response concludes with a few extra thoughts about this:

- Once again, it necessary to stress that the voluntary sector and the community sector are very often quite different. Although in some areas the voluntary sector may have succeeded in developing sophisticated links with the community sector - for example by developing a range of successful services around improving community sector access to regeneration programmes - it is equally likely to be the case that the voluntary sector has *not* engaged in this way, but is busy with more traditional voluntary sector concerns. In these cases, the community sector's concerns are either dealt with by other agencies, or largely ignored.
- As highlighted in *Neighbourhood Regeneration* (Findings Ref 320) by Peter Duncan and Sally Thomas, developing the capacity of the community sector is a huge issue in

its own right. It can be addressed by the voluntary sector but it often isn't. A range of other players are also involved including: various intermediary agencies; specialised consultants; regeneration partnerships; and local authorities, (often those involved in regeneration).

- It may be appropriate, in attempting to establish effective and independent administrative arrangements for Community Chests and for the Community Empowerment Fund, to build the capacity of the voluntary sector at the local level, to the point where it can meet these expectations. Even where this is a valid decision, developing this capacity in the voluntary sector will be very far from a quick fix: it could in some cases take several years.

- There may be several areas where to develop the voluntary sector capacity in this way is *not* the most logical or desirable option. In some areas, an equally valid decision might be to build on good work already being done by the local authority and its partners. Another decision could be to build capacity in the community sector itself: and there is plenty of evidence from recent regeneration projects that sound and durable organisations can be developed in this sector. However, experience also shows that capacity building work of this kind needs to be: sensitive and flexible; move at the pace of those involved; and be available in consistent ways over extended periods of time.

- This all illustrates that the proposals in the Consultation Document for streamlining and co-ordinating different funding streams for community groups are playing into what is already quite a complex field. It is to be hoped that, when these proposals are implemented in due course, that this will take place within a suitably long timescale. This in itself will allow the new arrangements to be introduced in each area after careful preparation which would include: understanding existing work with community groups in those areas; negotiations with appropriate partner agencies already engaged in the field; and, where changes are necessary, the capacity and resources to introduce these carefully, over a sensible timescale.

Bibliography

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