

Funding: a summary

This is one of four papers presenting learning and practical guidance from the Joseph Rowntree Foundation's Neighbourhood Programme (2002–6). Each paper is based on a theme that was important to several communities. The programme worked with 20 neighbourhoods in England, Scotland and Wales, bringing them together into a learning network and providing extra resources. These included a small funding pot, support from experienced independent facilitators, networking opportunities and access to information.

Voluntary and community groups can find fund-raising daunting. Even if grants are obtained, there remains the problem of avoiding dependency. The experiences of the neighbourhoods taking part in the joint project on funding indicated that:

- While groups may see funding as a competitive process, working together can make fund-raising more effective. Sharing good practice and skills and publicising successes improve chances of raising money.
- Resources may not always require cash: time, skills, equipment, office space or other support may be equally valuable.
- Successful fund-raisers look at things from a funder's point of view. They find out all they can about the funder's priorities and they answer the funder's questions in plain English. Some then very briefly summarise the questions and their answers so the funder has an easy checklist already done for them.
- Fund administrators are busy. Effective fund-raisers tell them how much money is needed, what is proposed and how it will meet a defined need.
- Pictures and personal stories can be worth paragraphs of text. Some fund-raisers send a small album of photographs with captions and brief stories unless specifically asked not to.
- Good fund-raisers are organised about why they need funds. Funds should not be chased simply because they are available.
- An applicant organisation must have the capacity to handle grants efficiently. Proper financial systems must be in place. Rather than having a separate fund-raising section, it is better for information and skills to be shared and systems to be open and accountable to everyone in the organisation.



Background

The need for resources is common to most groups. Funding was identified as a topic for a joint project to tackle, so that information could be shared across the Joseph Rowntree Foundation's (JRF) Neighbourhood Programme. The joint project had three aims:

- to help the neighbourhoods progress funding work within their action plans;
- to encourage networking and joint working around the issues; and
- to help neighbourhoods understand funding agencies and how funding advisers can help.

Joint working and detailed discussions were held at the networking events. It was difficult for groups to allocate time to workshops so only one was held. This helped neighbourhoods understand funding applications and the needs of funders. The *External Funding Bulletin* was circulated to all neighbourhoods to keep practitioners up-to-date on new funding opportunities and deadlines and provide examples of good practice.

Seven neighbourhoods completed a funding survey that gathered important information on the experiences of different funding programmes, ranging from small individual and group awards, to major European funding streams.

Five neighbourhoods originally offered to lead the joint project and others took part in the workshops and in the survey, so that the joint project drew on a wide range of experiences.

The project neighbourhoods

This section provides a brief description of six principal neighbourhoods that offered specific examples of practical experience to the workshops and networks. Other neighbourhoods also offered valuable advice on aspects of the joint project.

The Llanharan Community Development Project

involves the three mid-Glamorganshire mining villages of Llanharan, Brynna and Bryncae, with a combined population of 8,000. The Project has developed considerable skills in fund-raising that led to a wide range of community-building activities. Over the past five years, Llanharan has identified 28 funding streams, ranging from the very local to the national. The Llanharan Community Council has recognised the value of the community programmes and has pledged a significant and continuing financial contribution. Llanharan has a skilled volunteer who has become expert in fund-raising issues and has, in effect, made fund-raising a continuous core activity within the organisation.

Boothtown is on the north-east of Halifax in West Yorkshire, with a population of 6,000. Poor local facilities and a lack of opportunities for younger residents have made Boothtown eligible for funding from the Single Regeneration Budget. In 2002 the Boothtown Partnership was established by a small group of determined volunteers to improve the area and respond to the perceived neglect of the council and other service providers. Boothtown's attitude to the problems of funding can be summed up as 'find out as you go along and never take no for an answer'.

Ty Sign is an isolated community with a population of just over 5,000 located on a steep hill near Risca in Caerphilly. The neighbourhood problems include significant levels of crime and disorder and a level of deprivation that is masked in the overall statistics by the surrounding, more affluent area. The Ty Sign Local Community Partnership (TLC) involves 20 active volunteers whose plans for the neighbourhood involve opening a resource centre for youth activities and community events. Ty Sign has developed a positive partnership with its local council and has received funding from the Gwent Association for Voluntary Organisations.

Greater Pilton is an area of five neighbourhoods on the north edge of Edinburgh. It is one of Edinburgh's three major peripheral estates. Its houses range from 1930s tenements, through 1960s deck access and high-rise, to recent social-housing and owner-occupation developments. Greater Pilton's population is 27,000, making it the largest area in the Foundation's programme. Over the past ten years many community and voluntary groups have been learning to work together in the Pilton Partnership. The partnership has developed a successful fund-raising strategy but finds the big line departments of the Edinburgh City Council are still not especially well connected one to another and some are not particularly sensitive to the need to work with local communities.

Norfolk Park is an inner-city, local-authority estate in Sheffield originally built in the 1960s and with 3,000 properties. It has suffered a significant decline in popularity, leading to substantial regeneration plans involving a major remodelling of the estate. The Norfolk Park Community Forum was established in the mid 1990s. It achieved positive local publicity for its plan to take the lead in ensuring that the views of the local community were central to the regeneration programme. However, the physical clearance and rebuilding programme quickly dominated the plan of action and the demands of private developers over-rode community interests. The dislocation caused by the loss of population, many choosing not to return, has made the work of the Forum more difficult.

The Barne Barton Community Action Group was established in 1995 as part of a reaction to the

economic problems created by the reduction of Navy influence in Plymouth and Devonport. The Action Group became a Community Action Trust in 2000. In 2003, its name was changed to the **Tamar Development Trust** (TDT). Plymouth Council concentrated its allocation of the Neighbourhood Renewal Fund towards the support of community organisations and the TDT was one of those that gained some resources from the programme.

Promising practice identified through the joint project

While networking and understanding funders were the two subjects most often discussed, in practice most of the neighbourhoods were working to some form of a funding plan, even if this was not an explicit objective in their action planning process.

At a local level, sponsorship can be useful. Building positive partnerships with local authorities and other agencies, based on a good track record, is important. The experience of the Tamar Development Trust – where the local authority over-programmed Neighbourhood Renewal Fund allocations resulting in attempts to recover grants that had already been made – illustrates the wisdom of establishing a variety of funding sources. Boothtown persuaded a local car business to hold a fun night in its showrooms. Ty Sign got funding for CCTV cameras through support from the local council, and a grant for a full-time co-ordinator through a positive relationship with Gwent Association for Voluntary Organisations (GAVO). Ty Sign Youth has also organised a range of different events involving all members of the local community. These fund-raising events have raised over £500 for the NSPCC and, equally importantly, have shown the importance of involving younger residents in neighbourhood action.

Small-scale awards can be valuable in supporting residents with energy and expertise. 'Awards for All' was rated as a programme that was both relevant and trouble-free to access. The South West Foundation came to funding events to describe their programme of offering small grants to help local organisations to flourish.

Some opportunities cover more than one funding level. A number of neighbourhoods advise that it is important to have as extensive a funding portfolio as possible, and to be alert for any special opportunities that might be around. Llanharan has made a special study of every possible funding programme that the Community Development Project might access. Fundraising is seen as an ongoing process rather than a series of separate efforts to raise money for one-off causes. Boothtown took advantage of the Landfill Tax Credit scheme, whereby groups living within a prescribed distance from a landfill site can be

offered grants in lieu of tax liabilities, which can also count as matching funding for other programmes.

It is important to look at the funding landscape in as broad a way as possible. Some of the larger neighbourhood programmes recognised that extra funding might be achieved by influencing how the revenue and capital resources of the major service providers might be spent. This 'mainstreaming' is proving difficult to achieve in practice but remains a key objective of an integrated approach to local funding. Equally, if evidence of a particular neighbourhood need can be collected, it may be possible to try and 'reposition' the response of the local agencies to meet it.

National funding usually came through a specific programme: Communities First in Wales or programmes under the Communities Scotland initiative. In England, most funding is presently available at a local level through the development of Local Area Agreements (LAAs). But it is still important to scour the territory. Some funding opportunities in England remain outside the LAA structure, such as some health programmes delivered through Primary Care Trusts. The Big Lottery Fund (see 'Signposts for further information' on page four) is an important source of possible funding, as are the capacity-building programmes being developed by the new national agency, Capacitybuilders, with its 'ChangeUp' programme. Most government departments have a fund to support local initiatives if they have a potential for influencing national policy thinking.

Earning money is possible, but needs to be approached with care. Llanharan has raised small sums of money from renting out space in properties they own. Some groups are exploring the idea of establishing social enterprises to improve local service provision while employing local people. It is, however, important to remember that such activity involves risk; it is vital to prepare thoroughly before embarking on an enterprise that could threaten the organisation.

Extra revenue can also be found through controlling administration and management costs: £1 saved is £1 less to raise. Co-operation is important, too, as it can lead to economies of scale. In Pilton, two local arts organisations were about to apply independently to the Arts Lottery for the cost of repairing their buildings. By working together and sharing costs, they managed to win a £2.8m grant for one new Arts Centre rather than patching up two inadequate ones.

European funding should be approached cautiously: both Gellideg and Boscombe reported serious problems in applying for these programmes. In Pilton, however, a structured approach to both European and Lottery funding has been successfully established. Here

European funding has increased by 600 per cent and numerous Lottery awards have been achieved.

If a vibrant voluntary and community sector is to flourish in challenging neighbourhoods, more sophisticated support to help newer groups is essential.

Learning points

- Support for fund-raisers might take the form of help with access to advisers, networking, opportunities for matching funding or linking up with community workers in the neighbourhood. If the voluntary and community sector is to grow it will be necessary to support those long-standing intermediary organisations with a strong track record of helping the smaller groups that engage directly with neighbourhood issues. Once these groups' capacity, determination, toughness and local credibility is established, they need a simple and sustainable funding framework to allow them to plan ahead with confidence.
- It is also important to note the pitfalls that a number of groups experienced. Some funders now appear to be reducing the funding they offer while others are now expecting more significant matching funding or are introducing sharper tapers over the lifetime of the funding. Some larger, time-limited, national grants can cause an unsustainable short-term expansion of staff and projects that is hard to manage over a number of years. Most project funding still arrives attached to a specific target that may not be the most important neighbourhood priority. Moving projects into mainstream programmes remains extremely difficult. Project budgets too often ignore the core costs that the voluntary and community groups incur in their management, and few are updated to meet the cost of inflation.

Signposts to further information

There are many web sites to guide groups wishing to explore the issue of funding. In addition to the JRF's (www.jrf.org.uk) these include:

- www.acf.org.uk

This is the website of the Association of Community Foundations, a membership organisation of grant-making trusts of all types. The site has links to the websites of its members and advice on applying to them.

- www.communityfoundations.org.uk

This provides information on community foundations, which are grant-making organisations that generally work in particular areas.

- www.biglotteryfund.org.uk

This site gives information on programmes run through the National Lottery. See also www.lotterygoodcauses.org.uk for different lottery programmes including those offering small sums of up to £5,000.

- Other websites offer help with fundraising but charge a subscription. Most will offer a free trial period. Try www.funderfinder.org.uk or www.grantfinder.co.uk

- www.grantsnet.co.uk

This is a free service that gives information about grant schemes open to businesses and charities.

- www.guidestar.org.uk

A comprehensive and easily accessible source of information about UK charities that is linked to the Charity Commissioners database, an up-to-date source of information about grant-making trusts.

- Most of the largest grant making trusts have their own website. For example, www.lloydstsbfoundation.org.uk will give you details of the Lloyds TSB Foundation.