2006

funders' footprints

Impressions from the Voluntary and Community Sector of funding and its delivery

funders' footprints

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Executive Summary

Introduction

This study looks at the current view of funders and funding from the perspective of the Voluntary and Community Sector in the South West Region. Based on the views of over 350 mainly smaller Voluntary and Community Organisations, it listens to the Sector's experiences of working with a range of funders, including Government funding streams and Independent Trusts and Foundations. It is the Sector's impression not just of the way in which funding is delivered, but also a reflection on the overall 'footprint' that funders make on the Sector when seeking to support it.

As travellers pass across the globe, viewing the earth's wonders, unintentionally inflicting damage through their carbon footprint, so funders forge their way through the Voluntary and Community Sector, rarely looking behind to view the impressions they make. This report is intended to make funders look back at their footprints and to see what can be done to reduce the damage that those footprints make.

The Voluntary and Community Sector is an essential ingredient in tackling poverty, social exclusion, and inequality in communities in the South West Region. Its knowledge of communities and its ability to work with them to bring about improvements in the lives of people living there is applauded by policy makers, funders and Government. It is because of these very qualities that funders wish to invest in and support it. However, for all their good work, the evidence of this report is that some funders, like modern travellers, appear to be harming what they come to admire, as well as bringing economic benefits. There is however, also evidence of good practice in the region, and of funders who are particularly valued by the Voluntary and Community Sector. These 'positive footprints', too, are highlighted.

This report is intended to help funders listen to the Voluntary and Community Sector and its criticisms of them. It is an opportunity for them to look back at the imprints their footprints make and to consider how they might adopt some of the supportive funding practices that exist in the region.

Funders' Footprints
What Voluntary and Community Organisations said

Footprint 1: Poor communication between funders and the VCS
Funders need to be good communicators if they are to ensure the Voluntary and Community Sector understands their criteria and the funding process.

Funders should be very clear about what they are aiming for and very specific about their criteria, so that we do not waste time applying for something they are not interested in. (Voluntary and Community Sector Organisation)

Footprint 2: VCS Organisations
Organisations indicated that working with and supporting individuals in communities who were not deemed to be 'worthy causes', is leading to those organisations having difficulty in accessing funding.

The main issue for us is that homeless young people are not 'sexy'. Young people are seen to be causing their own problems, taking drugs etc. Therefore we spend a lot of time trying to explain the reasons for homelessness and issues such as the consequences of abuse. (Voluntary and Community Sector Organisation)

Footprint 3: The Effects of short term funding
The Voluntary and Community Sector understands that there is only a certain amount of funding to go round, but short-term funding is causing the Sector to be unstable, and to waste resources constantly by employing staff for short-term projects.

No sooner do you start a piece of work, just when it is up and running, than it is time for the workers to start looking for new jobs. Short term funding is disruptive and difficult to manage. *(Older People's Forum)*

Footprint 4: Core Costs
There is a real division between what the Sector would like funders to fund and what many funders decide that they would like to fund. Nowhere is this clearer than around the issue of core funding. The one element of funding that the Sector would most like funders to cover is their core costs, and this is the element that funders seem least inclined to fund.

The main issue for (our organisation) is the unwillingness of funders to provide core funding. Without the core funding – premises, basic office facilities, IT, information and advice - additional projects such as our advocacy project cannot run, as they are dependent on the basic service and do not stand alone. (Older Persons' Assembly)

The benefits to organisations of having their core costs covered are immense.

Having our core costs covered would enable our association to spend more time developing new projects/managing existing ones and improving and measuring how we have improved the quality of life for young people. (Voluntary and Community Sector Organisation)

Footprint 5: A Focus on Project Funding
Due to the lack of core funding, organisations are forced to go for project funding.

Project funding is the focus – they treat that as the base activity and supporting the organisation is irrelevant. (Voluntary and Community Sector Organisation)

The focus on project funding, lack of funding for core costs and short-termism are all interlinked. The damage inflicted on the Sector by this approach is probably the worst of all the funders' footprints. It leads to the waste of resources and the closure of essential and well-delivered services.

Footprint 6: Innovation, Innovation, Innovation
Funders always wanting new and innovative projects causes huge difficulties for the Sector.

The main difficulty is that funders always want new projects. They do not recognise that we are doing what is needed by the community, and that many of these needs are ongoing. We have been going for 13 years and know what our community wants and needs. (BME Voluntary and Community Sector Organisation)

This desire of funders for something new and innovative can lead to the Sector being drawn away from its mission and values and from what it knows communities need. The Sector starts to reinvent itself.

Footprint 7: A lack of Flexibility and Trust
The lack of trust between funder and grant recipient is reflected by the onerous reporting requirements that some funders demand.

The main difficulties with some funders is they want too much control and need a vast amount of monitoring, feedback and reporting which takes up valuable and very limited time. (Voluntary and Community Sector Organisation)

Footprint 8: The Contract Culture and the Sector's drive to survive
Many VCS organisations are well placed to deliver services in a sensitive manner that is needs led because of their knowledge of, and their relationship with, the communities in which they work. This, however, can be at odds with the requirements placed on the Sector by contractors and purchasers of their services and can damage the Sector's values.

Footprint 9: The Future of Small Voluntary and Community Organisations
The focus of funders on the larger, more robust organisations leads to fears for the future of the smaller Community Organisations.

*Smaller organisations will die out – it worries me. There is a big role for them. You need so much in place to meet funders' requirements – policies, plans – you won't get away with lesser practice. You won't get funding if you don't have all these – they may have to be part of a bigger organisation. (*Voluntary and Community Sector Organisation)

Footprint 10: Funding Barriers Affecting the Black and Minority ETHNIC (BME) Voluntary and Community Sector
The issue of funding BME groups is such a multifaceted and complex one. A much wider understanding of the particular difficulties that BME groups experience when seeking funding is required if we are to bring about any chance of change. This Sector is affected by the funders' footprints outlined for the rest of the Sector, but often faces other additional barriers. These additional barriers include:

○ **The lack of accurate statistics**
One of the first barriers to funding BME groups is the difficulty that there is around obtaining statistics and knowledge both of the BME population and of the BME Voluntary Sector. The lack of accessible data on the BME Sector in the region has a direct effect on this Sector's ability to attract funding.

○ **Funders not listening to the Sector**
The BME groups felt that local public funders were often simply including them in their services to satisfy targets and criteria that were being set by central Government, rather than any genuine desire to involve and support the Sector. BME organisations viewed this as a particular problem with the statutory funders who want to 'tick their boxes' to say that they have funded BME organisations, but also have an agenda of what activities they need to fund.

So it's easy to become what others want rather than meet the needs of the group. The key funder thinks they have right to influence what the group does… (BME Voluntary and Community Sector Organisation)

○ **Lack of Infrastructure Support**
In some parts of the region there are support agencies such as the Black Development Agency in Bristol, Linking Communities in Gloucester. Some Racial Equality Councils (RECs), such as the Race Equality Council in Wiltshire, also undertake development as well as case work. Most of these agencies, supporting development, have access to very limited resources. Some BME groups felt that available resources were not well promoted to their communities and a number of BME groups feel 'locked out' of the infrastructure discussions.

○ **Use of the Internet**
A significant number of BME Voluntary and Community Sector Organisations still do not have access to the Internet, which puts them at a disadvantage when keeping up to date with available funding opportunities. There was, however, also a sense within the Sector that the Internet was not necessarily the most appropriate source of help for the groups.

The Internet shouldn't be the only place for information because if you're not fluent in English or comfortable with looking things up or don't have access to a computer then it can be really hard. (BME Voluntary and Community Sector Organisation)

○ **Invisible prejudice**
One of the more worrying issues within this research was the attitude of other Voluntary and Community Organisations within the Sector to BME and marginalised groups. Some non-BME organisations that took part in the research indicated, often erroneously, that the fact that they operate in a rural area, where the ethnic population is low, was a causal factor in them being unable to access funding.

Funding has trends - currently it's ethnic minorities, gays and lesbians. This is important but it should not be at the expense of services reaching many more individuals. (Voluntary and Community Sector Organisation)

Footprint 11: Lack of investment in funding advice, capacity building and developmental support
One way of minimising the damage that funders' footprints cause is to ensure that the Voluntary and Community Sector has good access to funding advice, capacity building and Community Development input. In the same way that we need to grow more trees in order to minimise the harmful effects of our carbon footprints, so we need to grow more skilled funding advice workers and Community Development Workers through investment in training and support to reduce the harmful effects of funders' footprints. This study, however, has found that 48% of the Voluntary and Community Sector in the rural areas in the South West Region and 51% in the urban areas still find it difficult to access the information and advice that they need on funding. The figures were similar for developmental support.

MINIMISING THE FOOTPRINTS
Some positive solutions

Positive Footprint 1: The Value of Generic Community Development input
Community Development works with communities to identify their needs and then assist communities to take action on these. The values and principles of Community Development link directly into the values of the Voluntary and Community Sector and are at the heart of their delivery. Good Community Development input running alongside funding assists organisations to be more attractive to funders and helps them with their sustainability. There are good examples of this approach in some Local Authorities where the community development worker is highly skilled, knowledgeable and accessible. As well assisting groups with funding applications, their help with small grants is an essential ingredient for the organisation's growth.

Positive Footprint 2: Development help alongside grants
There are the equivalent of 20,000 full time community capacity building workers in the UK. Half the community capacity building help available is focussed on particular target groups. (Source: Who are the Capacity Builders: CDF: 2005). A number of organisations employ development workers to work alongside their grant and resource programmes to provide developmental help as well as financial support for their own service users. Examples of this include Single Parent Action Network and Help the Aged. There is significant evidence to show that there is great value in larger agencies employing development workers who will assist their client group not just through the provision of small grants but also with their development help.

Positive Footprint 3: The Accessible Funder
One identified solution to improve communication between funders and applicants is for funders to be more approachable and accessible. This can overcome some of the issues around communication barriers. The Sector appreciates closer contact with funders and the creation of a relationship between funder and the funded.

I like to get to know a trust or other funders by calling them up on the phone beforehand. Some funders are not very friendly on the phone or helpful when you have questions that need answering. (Voluntary and Community Sector Organisation)

There was an undoubted preference within the Sector to use more local and approachable funders, such as some Community Foundations and South West Foundation, as the Sector found the direct connection to be of great benefit.

Positive Footprint 4: Community Foundations – Government funding at a local level
Community Foundations are charitable trusts that support local community causes. Their role is to manage donor funds and build endowment as well as make grants to charities and community groups, linking local donors with local needs. Community Foundations have also increasingly become the deliverers of Government funding streams. The Local Network Fund in Devon delivered through Devon Community Foundation is an example of a local funder delivering Government funding in a way that is accessible to local communities. One of the more unusual aspects of this fund is that the grant process of the Local Network Fund enables the administering organisation to offer support to grant recipients at the application stage.

Positive Footprint 5: Grant Assessments. Local Authority and the CVS Working Together
It can be extremely beneficial for local authorities to forge good working relationships with their local CVS and for each agency to make the most of each others skills and resources by working together. Mid Devon Council and INVOLVE (the local CVS) are piloting a new way of undertaking grant assessments in their area where the CVS undertakes the initial 'health check' on the grant applicants. 90% of groups who go through this process go on to receive grants. Any organisational issues raised within this 'health check' can be remedied during the lifetime of the grant with the help of INVOLVE.

Positive Footprint 6: Investing in Individuals
A number of grant programmes, such as the Community Champions Programme run by the Scarman Trust, invest in individuals who are active and energised within communities. By offering grants to active individuals these schemes invest in people who will take forward ideas and activities to benefit their communities.

Positive Footprint 7: The Grant Process
A number of funders active in the South West were recommended by the Voluntary and Community Sector for their grant processes. The best way for other funders to share these processes is to visit the funder's website and to discuss the processes direct with the funders.

Participation and Methodology
The results of this research are based on the views of over 350 Voluntary and Community Organisations operating throughout the South West Region. The majority of these organisations are small with an annual expenditure of less than £15,000. Their main focus is on working with and supporting those most in need in their communities. There is also a strong element of social justice, tackling inequality and improving the lives of individuals through their activities.

Funders' footprints

Impressions from the Voluntary and Community Sector of funding and its delivery

Introduction and background

In May 2001 the Government published a consultation document 'Funding Community Groups' which set out its future plans to develop *an accessible small grant programme for the community Sector'*. The key purpose of this document was to present a number of proposals for making all grant programmes more integrated and accessible, '*so that they really did reach the new groups, the black and minority ethnic and refugee groups, those who are more isolated from the unusual networks.'* (Funding Community Groups: Active Community Unit: London: May 2001).

The Government's document also laid out an understanding of the funding process which it saw as consisting of information and advice on funding programmes; outreach and development support; and the availability of more intensive one-to-one help from community development workers '*to assist groups to express their ideas, plan their activities, and translate them into the terms of a grant application, grants administration and grant allocation'*.

Five years on from that report, this study takes a look at the current view of funding from the perspective of the Voluntary and Community Sector (VCS) in the South West Region. It looks not just at the Sector's view of government funding but also at the Voluntary and Community Sector's experience of working with a range of funders, including the Independent Trusts and Foundations. It is the Sector's impression of the way in which funding is delivered and also a reflection on the overall 'footprint' that funders make on the Sector when seeking to support it.

As travellers pass across the globe, viewing the earth's wonders, unintentionally inflicting damage through their carbon footprint, so funders forge their way through the Voluntary and Community Sector, rarely looking behind to view the impression they make. This report aims to make funders look behind at their footprints and to see what can be done to reduce the often unintentional damage that those footprints inflict on the Sector.

The Role of the Voluntary and Community Sector

The role of the Voluntary and Community Sector in tackling poverty, social exclusion, and inequality in communities is well recognised by both local and national government. The Voluntary and Community Sector is often reconnecting people who have become disconnected from their communities and who suffer disadvantage and exclusion, by both offering direct services, but also by providing opportunities for people to become re-engaged through employment and voluntary work, and acquiring skills and training. The smaller Voluntary and Community Sector organisations in particular offer the opportunity for people to become involved in activities that improve the quality of life for people in communities. The Sector is able to extend its reach beyond that of many statutory agencies. At its best it enables people's voices to be heard and empowers them. It is a Sector based on, and driven by, values and it is the way in which the Voluntary and Community Sector works which is valued by Government, funders and communities alike.

The Nature of the Voluntary and Community Sector in the South West Region

The significant contribution that Voluntary and Community Sector Organisations make to the social and economic well being of the wider community is well documented. Nationally the Voluntary and Community Sector is estimated by the National Council for Voluntary Organisations (NCVO) to have an income of £26.3 billion, an operating expenditure of £24.9 billion, assets of £66.8 billion and a paid workforce of at least 608,000 (Source UK Voluntary Sector Almanac 2006. The State of the Sector: NCVO 2006)

The South West region enjoys the highest level of informal and formal volunteering of all the English regions, and contains at least 25,000 Voluntary and Community Organisations (VCOs), including over 16,000 registered charities and 1,800 social enterprises. Their collective income is £1.5 billion, and they employ 54,000 people (approximately 2.3% of the regional workforce). The VCS is therefore of considerable importance to the region's economy as well as its community life. (Source South West Forum 2005).

Despite being very diverse, vibrant and creative, the Sector is also very vulnerable. Many smaller Voluntary and Community Organisations that are delivering vital services and improving the quality of life for people in their communities are fragile and inconsistently supported. Funding for the Sector is often "*restrictive and inflexible, stifling creativity and growth." (*Commission on Unclaimed Assets: 2006*)*.

There is also evidence to suggest that the Sector itself is dividing between those larger organisations that are engaging with the contract and service delivery culture, and gaining an increasing proportion of the funding; and those smaller organisations for whom contracts are currently seen as irrelevant and unimportant.

The economic value of the sector is often barely visible but the Sector has an important economic value as a provider of contracted public services, a generator of employment, an instigator of social enterprise and an enabler of the economic contribution of unpaid volunteers and staff. As Gabriel Chanan states this is probably the least recognised contribution of all.. *the hidden economic value of mutual aid…this is perhaps least understood because it is not transacted through cash. (*Chanan G. Searching for Solid Foundations: ODPM: 2003)

The current drive by Government is to improve the infrastructure of the Voluntary and Community Sector and to ensure that the Sector is 'fit' as a service delivery agent. In December 2004 the Government published Firm Foundations at its 'Together We Can Event' in London. Firm Foundations is the Government's framework for community capacity building. The earlier review, which informed the framework, indicated that the government would *'only achieve its objectives if it fully involved citizens and communities'*. This means *'investing in successful efforts to build the abilities and skills, knowledge and confidence of people and community groups to enable them to take effective action and to play a leading role in development of their communities'*.

To this end the Government has begun its investment in the Sector, firstly through the ChangeUp Programme and currently through the Capacitybuilders Fund. There is, however, evidence within this study to show that current funding regimes and practices directly conflict with many of the aims and principles expressed within the Firm Foundations document, and directly hinder the change that the Government is trying to achieve. It has to be said that many of the views of funders expressed by the Sector are aimed at public funders and investors, which the Sector viewed as the most difficult funders to obtain funding from. Given that 38% of the Sector's funding comes from statutory sources this is cause for concern.

The table below clearly shows that local authority and government funders are identified by the Voluntary and Community Sector in this research as the most difficult bodies to access funding from.

Funders that are difficult to access funding from

Type of Funder	Percentage of organisations that indicated they have difficulty accessing funding from this type of funder
Local authority	56%
Government funding	48%
Lottery Distributors	42%
Parish Council	16%
Independent Trust or Foundation	13%
Other(mainly corporate funders)	7%

The Focus of this Report

Funding is not the only key issue for Voluntary and Community Organisations but it is inevitably a major one. This report explores the Voluntary and Community Sector's views on the barriers to accessing funding, the way that it is delivered, and the way this affects the Sector's ability to promote its values, make the most of its skills and knowledge, and achieve positive benefits. It looks at what the Sector identifies as some of the current difficulties with accessing funding and how good models of delivery of funding can overcome these difficulties. It explores the importance of capacity building and community development input to enable organisations to adhere to their values and maximise the ability of funding to deliver what the communities want and need.

Participation and Methodology

The results of this research are based on the views of over 350 Voluntary and Community Organisations operating throughout the South West Region. A variety of research methodologies were used over a 12-month period to gain this insight into the Sector's views. (A full account of the methodology is available in Appendix 1).

Size of the organisations participating in the research
It is accepted that there is inevitably a bias in this research sample due to the sources of the data. Both the South West Foundation and the Community Foundations focus primarily on the smaller Voluntary and Community Organisations.

The majority of organisations that returned the survey (74% in the rural areas and 67% in the urban areas) had an annual income of less than £15,000 and have been classed in this research as small Voluntary and Community Organisations. The vast majority of these organisations are operating at a very local level. Many rely on sessional workers and the majority use local volunteers. All have locally based management group members.

This is, however, not unrepresentative of the Sector in the South West region. National research reveals that the majority (56.9%) of Voluntary and Community Organisations have an annual income of less than £10,000 and this statistic is higher in the South West at 62.5%.

In recognition of the additional difficulties faced by Black and Minority Ethnic groups (BME), and the fact that many BME organisations are underrepresented in most funding streams, 25 face-to-face interviews took place with BME organisations that offered services in Bournemouth, Poole, Dorset, Bristol and Gloucestershire to obtain a more detailed perspective and impression of funding and the difficulties faced by this Part of the Sector.

The Report-the main findings

Footprint 1: Poor Communication between funders and the Voluntary and Community Sector

Funders need to be good communicators if they are to ensure the Voluntary and Community Sector understands their criteria and the funding process. Good communication will ensure that funders do not waste their valuable time, as well as that of the applicants, in assessing applications that do not meet their criteria.

Voluntary and Community Sector Organisations, however, have issues with funders about the way in which they communicate their funding programmes to the Sector.

We have difficulty in understanding application jargon and criteria (Voluntary and Community Sector Organisation)

The fact that the Charities Aid Foundation (CAF) has just published a jargon buster to enable grant seekers to be able to decipher 'funder speak' should act as a wake up call to all funders to be careful of the words that they use.

Funders and support agencies use concepts and terms from the language of planning, project management and performance improvement in different ways. This lack of agreed definitions has led to widespread confusion about what particular terms mean and how to use them most appropriately. (Jargon Buster: CAF: 2006)

It is not just about clarity in the use of language. It is also about funders clearly stating what they will and will not fund.

Funders should be very clear about what they are aiming for and very specific about their criteria, so that we do not waste time applying for something they are not interested in. (Voluntary and Community Sector Organisation)

Funders should be clearer about what they will not fund. We try to read between the lines and apply if we think we have an outside chance – but often then we are wasting our time. (An Older People's Forum)

There have been times when our funding applications have been turned down because they "don't fit the funder's criteria". What makes this response difficult to understand is its generalisation. What criteria? How do the organisations know if they will fit all the criteria that the funders are looking for? The criterion for the funding application needs to be more clearly presented and feedback on why funding applications are turned down would be greatly appreciated. (Voluntary and Community Sector BME group)

There were many comments about funders continually changing their focus. What is in favour one month may not be the next and the Sector has little idea of why the focus is shifting.

At any one time different themes and target groups are "flavour of the month" – the type of service we offer for older people was viewed more favourably a few years ago, but now the interests of local authorities seem to have moved on, and they in turn have less money available to allocate. (Older Persons' Assembly)

The subject of the application form raised less comment than might have been expected, and did not come over as being one of the major issues for the Sector, despite the great deal of attention this subject has attracted over the years and the attempts that have been made to come up with a single application form.

There were, however, some comments about application forms which, it would appear, could be resolved by funders using some very basic principles of clarity and purpose. One big issue was around different funders asking the same questions but in a different way and not always in a logical order.

Funding could be improved by funders getting together and agreeing what information is needed and in what form. Often funders have a lot of similar questions, but they are asked in different ways, which adds to the amount of time needed to complete applications. (Voluntary and Community Sector BME Group)

Issues also occurred where public bodies used one form to cover a range of funding steams, retaining irrelevant questions with no explanation, leading to inevitable confusion among applicants.

The Lottery in all its guises also came in for some criticism about the way in which they communicate.

Community Fund (Exeter Office) was the most difficult funds to apply for. …There was no one person who we could speak to as the main contact for our application. They refused to have any meetings.

They were not interested in any updates on progress that we provided….The Big Lottery is a lot of work with no guarantee. It would be better to have one stage application instead of two - it is simpler. (Voluntary and Community Sector Organisation)

The (BIG) Grants officer put us up as 'a flagship project', and said that our application was one of the best she had seen, but then the bid was refused because 'not exceptional enough.' (Voluntary and Community Sector Organisation)

It may be unfair at this stage to look too closely at criticisms of the Big Lottery Fund or 'BIG' as it likes to be referred to. The Sector is still mourning the loss of an accessible regional office and the input from the Community Fund staff in regional activities. The Big Lottery at the moment does not have a track record of successful projects on which it can be judged, in the way that the Community Fund still does. However, a number of comments have been made, so these need to be reflected. The main criticism is around the lack of clarity of what BIG will and will not fund, despite numerous presentations around the region. Also there is a certain lack of clarity in the process, and the length of time the new two-tier process takes to get to a final decision.

Lack of clear communication also increases the amount of time that people spend on completing applications.

It's a hugely onerous business and is very time-consuming chasing after funding and writing all the bids. (Voluntary and Community Sector Organisation)

Within the focus groups, mention was made of the conflicting demands made on the time of workers in the Sector who are expected to undertake their demanding post delivering services while balancing the demands of their fundraising roles.

We do not have sufficient resources to deliver all the services that we are required to deliver but are so busy delivering services that we do not have the time to raise the funds that would enable us to access more resources. It's a Catch 22. (Voluntary and Community Sector Organisation)

Some organisations look to trustees and other volunteers to undertake the fundraising and this can be very time consuming and take them away from working with users.

Those organisations that do have the resources to employ someone with a fundraising role obviously fair better, but there is a certain unease in the Sector about utilising valuable funds that could be used on service delivery to support such activities.

The reality is that most organisations are not in a position to employ fundraisers and have to find the capacity within their existing staff and trustees.

Our difficulty is not having a dedicated bid writer, so our applications are not as robust as they could be. We don't have the expertise in the organisation to write bids, but we keep trying. The obstacles to obtaining funds are larger than they need to be. (Voluntary and Community Sector BME Organisation.)

Footprint 2: Voluntary and Community Sector Organisations working with unpopular causes
Some organisations indicated that working with and supporting individuals in communities who were not deemed to be 'worthy causes', is leading to those organisations having difficulty in accessing funding. In some ways this is a surprising finding given that so many independent funders aim their programmes at groups working with marginalised individuals.

Certain parts of the Sector found funders to be judgemental and negative about their cause or client group. One group supporting homeless people felt this to be a real barrier.

The main issue for us is that homeless young people are not 'sexy'. Young people are seen to be causing their own problems, taking drugs etc. Therefore we spend a lot of time trying to explain the reasons for homelessness and issues such as the consequences of abuse. (Voluntary and Community Sector Organisation)

We give support to people in recovery from drug and/or alcohol addiction….It is felt that many funders tend to steer away from funding those groups who are providing support for recovering addicts and alcoholics, reserving their limited funding for 'safer' less controversial projects. (Voluntary and Community Sector Organisation)

To some extent funding in the Sector seems to be being affected by media publicity around certain groups and causes, which makes funders nervous and 'risk averse' despite their desire to support those who may be the most excluded.

Some funders seem happy to fund refugees while deeming asylum seekers to be less worthy of support. Some funders are willing to only support one of these groups. It is hard for us to separate our work into just one target group. (Voluntary and Community Organisation)

Talking to groups in Swindon, refugees and asylum seekers appear to be the most disadvantaged of all groups when trying to set up activities to support their communities. Individuals, particularly those whose status is unconfirmed in the UK, appear to be not eligible to set up bank accounts, to hold office or to undertake any formal involvement. Activities have to be led and delivered by others who are not the service users themselves, as the service users encounter too many barriers to make participation possible.

Footprint 3: The effect of short-term funding
The Voluntary and Community Sector understands that there is only a certain amount of funding to go round, but short-term funding is causing the Sector to be unstable, and to waste resources constantly by employing staff for short-term projects. Many organisations have partially addressed this issue by

'recycling' their workers so that the workers stay employed, only the name and focus of the projects alter. But for many, the uncertain future for workers in the Sector leaves it frail.

Five-year funding is obviously more desirable than three-year funding but the surprising issue within this research is how many organisations are struggling with the implications of funding that still has to be agreed annually with their public funder, with late decisions, and sometimes payments in arrears.

No sooner do you start a piece of work, just when it is up and running, than it is time for the workers to start looking for new jobs. Short term funding is disruptive and difficult to manage. *(Older People's Forum)*

It's difficult to plan ahead when the money is only for one year and arrives so late; also we can't tell staff whether or not they have a job, which is very stressful for them. One year funding is a nightmare – five would be ideal to give continuity with built in reviews to ensure work is being done and is effective. (Voluntary and Community Sector Organisation)

A report published by NCVO in 2005 looking at whether the Treasury Cross Cutting Review of 2002 had been put into effect, found that annual funding of the VCS by statutory funders remained the norm and *that 'annual funding placed a costly burden on VCSOs as they deal with the uncertainty of their financial position.'* The 2006 guidance to funders and purchasers from HM Treasury on 'Improving Financial relationships with the Third Sector' identifies that '*longer term planning and funding arrangements can often represent better value for money than one year funding agreements*'. It is a view that is evidenced time and again within this study. The preference for short term funding of the Sector is causing serious damage in loss of workers and skills through stop start funding. It also brings about a significant waste in resources.

Footprint 4: The Issue of Core Costs
There is a real division between what the Sector would like funders to fund and what many funders decide that they would like to fund. Nowhere is this clearer than around the issue of core funding. The one element of funding that the Sector would most like funders to cover is their core costs and this is the element that funders seem least inclined to fund.

How does the argument go for not funding core costs? "*The Sector will become grant dependent*". Or "*If you rely on one funder for your core costs, then you make yourself more vulnerable.*" There is no well-researched evidence to support this view, but this is the argument that those who do not wish to support core costs make.

Obtaining funding for core costs was the most difficult of all funding issues identified by the Voluntary and Community Sector in this research. 64% of the organisations that took part in the questionnaires indicated that obtaining core costs was their prime concern. This was backed up by evidence from the face-to-face interviews and focus groups.

The main issue for (our organisation) is the unwillingness of funders to provide core funding. Without the core funding – premises, basic office facilities, IT, information and advice - additional projects such as our advocacy project cannot run as they are dependent on the basic service and do not stand alone. (Older Person's Assembly)

Core funding is always a difficulty – we have to deliver the basics as well as new things, but funders are generally not interested in this. It would be good if we could get the core funding if we have hit our targets, rather than having to make a new bid with changed parameters. This just encourages people to pretend their services are changing or to tailor them to funding criteria rather than real needs of clients. (Voluntary and Community Sector Organisation)

To many organisations in the Sector, there seems to be no logic behind funders inability to fund core costs:

Everyone wants a project… you wouldn't expect a statutory organisation to run without a manager or admin. My post is funded through 5 sources yet the role is crucial to the organisation's functioning. (Voluntary and Community Sector Advice Agency)

No Bureau in my experience receives enough core funding to provide casework or supervision. …No one would invent a national advice service funded this way. (Voluntary and Community Sector Advice Agency)

Lack of core funding leads to instability within the Sector even for the most experienced of organisations:

(Our organisation) has worked very much on a stop-go basis and staff hours have increased or reduced according to funding available. At one stage the worker was made redundant but continued on a volunteer basis. The current situation is looking very uncertain and the organisation does not yet have the basic funding in place for the next financial year. It is all very last minute. (Older people's assembly)

Life would be so much easier if potential funders would consider realistic core costs as part of the application process. (Voluntary and Community Sector Organisation)

Very few funders will give grants to sustain organisations. (A Community Centre Management Group)

The main issue is that there are grants available for specific project work but not for core costs which enable our organisation to continue working. (Voluntary and Community Sector Organisation)

There is evidence within the study that lack of core support leads to instability and frustration. Not knowing whether or not core activities are funded also makes it harder for organisations to have a base from which they can go out and earn income. None of this makes sense to the Sector.

Core-funding – this is always difficult to get, and funders do not recognise the need for it. If you are providing services, you have to have someone to do the work, e.g. run the office. You can't expect everything to be coordinated by volunteers. (Voluntary and Community Sector BME Group)

The benefits to organisations of having their core costs covered are immense. Once the organisation has the stability of having its core costs covered, it is able to take on a whole host of other activities and deliver its core aims, which is, after all, what the community organisations are established to do.

Having our core costs covered would enable our association to spend more time developing new projects/managing existing ones and improving and measuring how we have improved the quality of life for young people. (Voluntary and Community Sector Organisation)

It would also enable us to work in partnership with others to plan and deliver services to meet young people's needs. (Voluntary and Community Sector Organisation)

Not covering core costs is an expensive mistake on the part of funders, not just because of the effect that it has on each individual organisation, but the effect that it has on the Sector as a whole, driving organisations constantly to reinvent themselves, forcing the Sector further away from delivering what its community wants and plunging it into the realms of short-termism and project funding.

Footprint 5: The focus on Project Funding
Due to the lack of core funding organisations are forced to go for project funding:

Project funding is the focus – they treat that as the base activity and supporting the organisation is irrelevant. (Voluntary and Community Sector Organisation)

The fact is that constantly funding projects rather than longer-term costs is not good - funders often overlook value for money. (BME Voluntary and Community Sector Organisation)

The time, effort and resources that organisations have to use in order to access project funding is highlighted by a significant number of the organisations interviewed.

It seems crazy to risk a good energetic and productive scheme by making it almost impossible to find a further grant source…There seems to be more funding for projects and a lot less for funding core costs. (Voluntary and Community Sector Organisation)

The focus on project funding, lack of funding for core costs and short-termism are all interlinked. The damage inflicted on the Sector by this approach is probably the worst of all the funders' footprints. It leads to the waste of resources and the closure of essential and well-delivered services.

Footprint 6: Innovation, Innovation, Innovation
The difficulties experienced by the Sector due to the fact that funders are much happier about funding project costs than core costs are compounded by the issue that once a project is up and running and working well, many funders will not continue to fund it.

There are numerous references from the Sector not just to the short time scales of funding, but to the funders' desire and request for projects to be 'new' and 'innovative'. Over 50% of organisations that took part in the survey indicated that finding funding for ongoing work, even if it has been demonstrated through careful evaluation to be going well, is one of their main difficulties with funding.

The main difficulty is that funders always want NEW projects. They do not recognise that we are doing what is needed by the community, and that many of these needs are ongoing – e.g. providing interpreters, carers, and advice. Funders always say they are not interested in funding continuing projects. They are not willing to fund based on the needs that have been identified over a period of years. We have been going for 13 years and know what our community wants and needs. (BME Voluntary and Community Sector Organisation)

Funders are always looking for new projects and things that sound more exciting – for example there was a proposal for developing an opera. This may be interesting as a cultural activity, but it is no use for the immediate needs of our communit. *(Women's BME Voluntary and Community Sector Organisation)*

Funders want to fund exciting new projects but essential running costs and staff are difficult to get funding for..This often means that organisations have staff with different levels of security, often the co-ordinators funding running out and leading to staff and the organisation having no manager. (Multicultural Group)

Funders should not be frightened of offering the same money for the same job for next year. (Voluntary and Community Sector Organisation)

Many organisations talked about the amount of time that they have to invest in seeking funding, completing application forms, employing staff and getting projects up and running, which causes them great difficulties when the funding is only short term. One of the main problems, however, is not just the detrimental effect that all of this has on the individual organisation, but on the services that are then delivered to the community.

This desire of funders for something new and innovative can lead to the Sector being drawn away from their mission and values and from what they know their community needs. This is one of most disturbing and damaging aspects of the current funding regimes and trends. The constant demand for innovation leads to the Sector continually trying to re-invent itself so that it complies with the funders' desire for new and innovative projects, rather than being able to adhere to what the organisation, with its skills, expertise and knowledge, knows the community needs. The ability to re-invent itself has become part of the Community Sector's strategy for survival, but it comes at a cost. Organisations are drawn away from their focus and their values in an attempt to survive.

We know that our organisation meets the needs of children and their carers but we have to continually look to re-invent ourselves if we are to continue with our service. (Voluntary and Community Sector Organisation)

Funders are happy to start off a new post or idea but after a year or three and everything is going well and growing/ developing, it is hard to get money for continuation work. So you either stop or re-invent something, which is not quite what is needed or what you want to do. (Voluntary and Community Sector Organisation)

Often to get the funds you have to change the project to meet the requirements of the funding criteria. You can't be who you are- instead you need to shape your organisation with reference to the requirements of each funder. (Voluntary and Community Sector Organisation)

Footprint 7: A lack of Flexibility and Trust
It is not always possible for organisations to stick rigidly to budgets that were drafted prior to the project starting. Organisations do their best to ensure that their budgets are correct at the time of submitting their application. Once actual running becomes clearer, it is important that organisations can go back to the funder and alter the budget. Virement between cost centres is normal within Government and this approach needs to be available to the Voluntary and Community Sector. Often, however, money has to be returned unspent because the funder is unable to be flexible.

Sometimes the monitoring and reporting requirements are identified as excessively demanding, with different funders wanting different patterns of reporting and financial information.

The main difficulties with some funders is they want too much control and need a vast amount of monitoring, feedback and reporting which takes up valuable and very limited time. (Voluntary and Community Sector Organisation)

There is a call for funders to be more trusting of the Sector. To understand that it is the organisation that knows what their community needs best, and that they are best placed to deliver these services for communities. It is accepted that funders need to ensure they get feedback on the use of their grants, but this feedback needs to be meaningful and the process appropriate.

Footprint 8: Values: The Contract Culture and the Sector's drive to survive
"Values and the ways in which the Sector works are highly cherished by people active in the Sector. These must be preserved, celebrated and promoted." The challenge is how this can be achieved in a world of contracts and commissioning. (Community Links 2006

The Voluntary and Community Sector is criticised for being grant dependent and the current trend is to encourage and promote income generation, the selling of services, and a blanket application of the principles of Full Cost Recovery among the Sector. Many VCS organisations are well placed to deliver services, in a sensitive manner that is needs led, because of their knowledge of, and their relationship with, the communities in which work. This, however, can be at odds to the requirements placed on the Sector by contractors and purchasers of their services.

The Government's recent funding programme Changeup was aimed at strengthening the Sector to make it 'fit to deliver the Government's agenda'. However, the increasing use of contracts for services, as opposed to grants, has the potential to bring about a great change in the values of those organisations that are going down the route of becoming service delivery agents. Within the contract culture there is often little room for values. Government often sets the targets centrally for service delivery. These targets are passed down through the local authorities and this is where the driving force resides, not with the community.

The requirement of the Sector to become self-sustaining diminishes the responsibility of public Sector bodies to support the Voluntary and Community Sector. This form of income generation, instead of enabling the Sector to choose its own destiny, often leads to organisations being less able to deliver what their communities want them to deliver, and in the way that they want the organisations to deliver the services.

Another issue is that not all community groups are in a position to generate income in this way. Some do not have the resources or services they can sell, others may have goods and services they could sell, but no-one in their community can afford to pay for these services.

Given the extent and range of the services that the small community groups provide on very limited resources, their dependency is often not on grants, which add some support, but the input from volunteers and community

members, which helps them to achieve their aims, and retain their values. Some core funding however, is essential and needed to complement and maximise the other assets that the organisation is providing.

The view of the Voluntary and Community Sector is that commissioning and purchasing of services leads to the funder being prescriptive and target driven. The Sector has a sense that it must become '*what the funder wants it to become rather that retaining its own focus and identity*'. There is a lack of the flexibility in the commissioning approach that is often found in grant aid, particularly grants from the independent Sector. The Sector's values are 'squeezed out' in the organisations' drive to survive. There is a sense that this is not what either the funder or the funded actually want to achieve, yet this is the effect.

Footprint 9: The Threat to the Future of Small Voluntary and Community Organisations of the Current Funding Focus

The focus of funders on the larger more robust organisations leads to fears for the future of the smaller Community Organisations. Small Voluntary and Community Sector Organisations not only provide essential services within communities but they also provide the vehicle for individuals to become involved in their communities in a meaningful way. A report published by the South West Foundation in 2002 looking at its Small Grant Programme showed how significant numbers of people in local communities were involved in running and delivery services through very small Voluntary and Community Organisations on an unpaid basis. This was also commented on by report from the Government.

The community Sector role has not traditionally been regarded as a service, because community solutions make the service invisible by dissolving it in mutuality. This is precisely its special value. The fact that people are able to participate in community activity helping others in turn…reinforces their sense of giving something back into the community (Chanan G: Searching for Solid Foundations: 2003)

There is also the issue of not having the capacity within the small organisations to undertake all the external work that is needed to keep a high profile.

To survive you have to be jack of all trades, involved at many levels, engaging with developing strategy being always there at discussions – Local authority plans, Local Strategic Partnerships…if you don't do that you will 'die in the water'. (Voluntary and Community Sector Organisation)

The work of smaller Voluntary and Community Organisations, while appreciated by their communities, often goes unnoticed outside of those communities

Smaller organisations will die out – it worries me. There is a big role for them. You need so much in place to meet funders' requirements – policies, plans – you won't get away with lesser practice. You won't get funding if you don't have all these – they may have to be part of a bigger organisation. (Voluntary and Community Sector Organisation)

Small Voluntary and Community Organisations are a vital component of our communities in the South West Region, building social capital and providing opportunities for local people. They should be supported and encouraged through accessible small grant schemes, not marginalised and excluded by the constant attention that is given to the larger more robust groups that are obvious candidates to be service providers.

Footprint 10: Funding Barriers Affecting the Black and Minority Ethnic Voluntary and Community Sector

The National Compact on funding, in recognition of the disadvantage that Black and Minority Ethnic (BME) groups experience when seeking funding, makes specific mention of the fact that public funders should ensure that BME organisations should have '*fair and equal access to Government funding programmes*'. However, the issue of funding BME groups is such a multifaceted and complex one, that a much wider understanding of the particular difficulties that BME groups experience when seeking funding and how these barriers can be overcome is required if we are ever to bring about any chance of change. It is therefore worth taking a closer look at the effects of funders' footprints and other barriers to funding on this part of the Voluntary and Community Sector.

Barrier: Lack of accurate statistics

One of the first barriers to funding BME groups is the difficulty that there is around obtaining statistics and knowledge both of the BME population and of the BME Voluntary Sector. A recent report published by the Black South West Network(BSWN) looking into the issues had to rely on data from the 2001 Census because '*there is still a significant lack of information about minority ethnic groups in the South West.*' (Review of Research Data on Black and Minority Ethnic Population in the South West Region: BSWN:2006)

The South West as a whole has a much lower proportion of Black and Minority Ethnic people than England in general (2.3%, compared to 9% England). However, the percentage Black and Minority Ethnic population in Bristol (8.9%), Gloucester (7.46%) and Swindon (4.8%) is much higher than in the rest of the region, and in Bristol in particular approaches the national level.

A Joseph Rowntree Foundation report published in 2001, which looked at the future role of the Black and Minority Voluntary and Community Sector, estimated

there to be 5,500 BME groups operating in England and Wales providing a range of services to minority ethnic communities. The vast majority of the organisations they identified were found within the larger urban areas.

Research undertaken in 2001 in the South West region, commissioned by the Black Development Agency and the Community Development Foundation, identified 535 BME organisations operating throughout the region. (Williams and Taachi: 2001). The majority of those were found in Bristol, Plymouth and Gloucester. The results of this research showed that there were significant differences between the status and size of the BME Voluntary Community Sector Organisations and other Voluntary and Community Sector Organisations.

Only 75% of BME organisations in the South West were found to be companies limited by guarantee or registered charities. This compared with 94% of mainstream organisations. The majority of the BME groups had an annual expenditure of less than £50,000 per annum, while 22% had an annual expenditure of less than £10,000 per annum. Only 3% had a turnover of more than £200,000. 31% were completely unfunded and relied mainly on volunteers to run them. The BME Sector was therefore far more likely to be made up of small VCS groups many of whom were operating without any paid staff. It is difficult to find any other reliable data about the BME Sector in the region. These findings reflect the situation of most of the BME groups that took part in this research, many of whom were operating either without paid staff or with a very small staff team.

The lack of accessible data on the BME Sector in the region has a direct effect on this Sector's ability to attract funding. Firstly, it can be difficult for funders to identify and communicate directly with the BME Sector members without the appropriate data. Secondly, it is difficult for those BME groups applying for funding to identify and provide evidence of need without the data to support this. The report from the Black South West Network upholds this view.

Organisations told to evidence need in order to win funding for projects working with black and minority ethnic communities are being set up to fail by the difficulties they experience gathering data…Whenever a funding application is made, much time and effort is wasted searching for data to evidence need which does not exist. This also means agencies are dependent on patchy and hearsay evidence to direct policy on future action. (Black South West Network: 2006)

While some of the barriers that BME groups face when seeking funding are very similar to most small Voluntary and Community Sector Organisations, these are greater for the BME groups and heighten their exclusion.

Specific Issues For BME and other 'marginalised' Groups

It was recognised at the start of this research that BME groups traditionally miss out on their fair share of funding, despite funders, both statutory and independent, having a stated desire to ensure that their distribution of funding is fair and equitable. It is also noticeable when working in the Sector in the South West that the numbers of BME individuals making use of existing services, even where the population is higher, often remains low.

Within this research, a decision was taken to focus a number of face-to-face interviews with BME groups to obtain their experience of funding at first hand. BME groups in particular felt that funders had their own ideas about what was needed by the groups, ignoring the voice of the groups themselves. One organisation gave the example of a funder wanting to fund a carnival because they saw this as 'culturally appropriate' for the group, when in fact what the group wanted was the funding to allow them to get on and work with, and support people who were in need in their community. In another example the preference of the funder was to support an opera rather than meeting ongoing needs.

The main difficulty is explaining the ongoing needs of the community and the fact that the core services we provide are essential for our community members (our services are very attractive to our community!). Funders are always looking for new projects and things that sound more exciting – for example there was a proposal for developing an opera. This may be interesting as a cultural activity, but it is no use for the immediate needs of our community. (BME Voluntary and Community Sector Organisation)

The BME groups felt that local public funders were often simply including them in their services to satisfy targets and criteria that were being set by central Government, rather than any genuine desire to involve and support the Sector. BME organisations viewed this as a particular problem with the statutory funders who want to 'tick their boxes' to say that they have funded BME organisations, but also have an agenda of what activities they need to fund.

These are targets that are not set by the local community but by Central Government. (BME Voluntary and Community Sector organisation)

The BME Voluntary Sector, even more than the mainstream Voluntary and Community Sector, views funders as 'calling the shots'. Targets from Whitehall drive local government. These restrict both what local government can fund and how they can allocate that funding. This increases the influence of the funder and the Sector, in turn, finds itself becoming a partial agent of the state.

So it's easy to become what others want rather than meet the needs of the group. The key funder thinks they have right to influence what the group does… *(BME Voluntary and Community Sector Organisation)*

District Councils have their targets and they want the group to help them to these. This is often at the risk of the groups having to change what they really want to do. (BME Voluntary and Community Sector Organisation)

Barriers for the BME Sector: Lack of Infrastructure Support

In some parts of the region there are support agencies such as the Black Development Agency in Bristol, Linking Communities in Gloucester and some Racial Equality Councils (REC) that undertake development as well as case work, such as the Race Equality Council in Wiltshire. There was also clear evidence in this research that a number of Race Equality Councils are clearly stretched in the roles that they are trying to undertake within the funding available to them. Bristol, at the time of writing this report, does not have an active Race Equality Council. Most of these agencies supporting development have access to very limited resources, despite the advent of Changeup, the Government funding stream to support infrastructure development in the Sector. Some BME groups told us that available resources were not well promoted to their communities and a number of BME groups feel 'locked out' of the infrastructure discussions. One group noted:

In terms of ChangeUp I hope the small groups have access to funding to build up the expertise needed, and to develop a level playing field and meet the Government's expectations. Other larger organisations jump ahead of smaller groups and there is "A feeding frenzy", and those who are already strong get into the trough and those, who it is intended for, get pushed out. (BME Voluntary and Community Sector Organisation)

While there are moves, particularly within the developing infrastructure strategy, to improve support for BME groups, for groups interviewed in this study there was a real lack of engagement with the local Council for Voluntary Service (CVS). One group indicated that they had no links at all with the local CVS.

They know we exist because they used to be our PO Box but they're not proactive – they don't provide any support or community development for BME groups. (BME Voluntary and Community Sector Organisation)

The CVS didn't help us at all the first time even though we went to them. (BME Voluntary and Community Sector Organisation)

One group cited the membership fees of the CVS as being a significant barrier to them accessing help, alongside their own lack of knowledge of what the CVS could offer:

We don't get core funding to fund membership of other organisations so we haven't joined the CVS or similar organisations… so therefore we don't get access to any info they send out. (BME Voluntary and Community Sector Organisation)

There was also a feeling among the BME groups that some of the CVSs are not as helpful or proactive as they should be, because they have no experience or knowledge of working with BME groups. Without the developmental help that they need, groups get stuck at a certain level of development and are unable to continue to operate to their full potential without paid staff.

We had to cut down the group from weekly sessions because we were so successful – so many women and children came that the work grew too much – there was buying the food, preparing food, planning children's activities, sorting out the money afterwards, banking it…. that puts a real strain on such a small group…. I was doing so much work and my family was suffering - it was like a job without the pay. We could only sustain the original level of work because we weren't working elsewhere, but it was like a job the level of responsibility. A paid worker would have made this all so much easier, better and possible – but we weren't set up to employ someone. (BME Voluntary and Community Sector Organisation)

More than any other Sector, the BME Sector identified the need for appropriate Community Development and infrastructure development support as a vital factor in their quest for funding. It is important for the Sector to be able to access this if they are to grow and achieve any significant funding. The BME Sector knows its communities well, but without development assistance and appropriate funding they are struggling to deliver what their communities want. Instead they have to dance to the tune of the funders to survive.

Barriers for the BME Sector: Use of the Internet

A significant number of BME Voluntary and Community Sector Organisations still do not have access to the Internet, which puts them at a disadvantage when keeping up to date with available funding opportunities. There was, however, a sense within the Sector that the Internet was not necessarily the most appropriate source of help for the groups:

The Internet shouldn't be the only place for information because if you're not fluent in English or comfortable with looking things up or don't have access to a computer then it can be really hard. (BME Voluntary and Community Sector Organisation)

Barriers for the BME Sector: Banks

Opening a bank account was a huge stumbling block for many of the small BME groups interviewed. Since many funders will not consider applications until the

organisations have their bank accounts in place, this is a serious barrier.

Banks gave us some big problems – they always treat us with suspicion. They're not open and friendly, apart from Nat West and the Bank of Scotland who were really helpful. (BME Voluntary and Community Sector Organisation)

…banks were suspicious and questioned us a lot – one branch lost the application and the new branch manager found it under a pile of papers. (BME Voluntary and Community Sector Organisation)

Bank staff aren't professional - they don't understand or have any knowledge about how to set up community accounts. (BME Voluntary and Community Sector Organisation)

Other groups had difficulties with not being allowed to have a cheque book and having always to turn up at the bank in twos. When people are working and trying to undertake the work with the community group time is precious. There was a general feeling that banks did not know how to deal with BME groups and had no real knowledge of how to treat Voluntary and Community Sector organisations as customers. The Charities Aid Foundation banking facilities did get a good response but it appears that people need access to the Internet to be able to operate this.

All of these issues are difficult for many of the small VCS organisations. When banks are helpful it reveals how unnecessary it is for them to make life so difficult for the BME groups.

The Royal Bank of Scotland were very helpful to us in setting up our account. Some of our group had had problems setting up personal accounts with other local banks, but we had heard better things about the Bank of Scotland, so we went to them and they were very approachable. (BME Voluntary and Community Sector Organisation)

The fact that some banks can be so helpful reveals the lack of ability in those that are unable to assist. Even in the field of banking the Community Development Worker seems to have a role to play and mention was made of them advocating with the banks on behalf of the BME communities.

Barriers for the BME Sector: Finding Referees
Funders often ask for applicants to provide details of people who can act as referees. There is evidence to show that obtaining referees for some BME groups is difficult. The groups are well known within their community, but then many people who know the groups are also connected to them in some way, cannot be classed as 'independent' by the funder and therefore cannot be used as referees.

Barriers for the BME Sector: Finding Committee Members
Finding Committee members is a real problem for a number of BME groups because people do not know what the role entails and what the legal implications are. For Asylum seekers the situation is even more difficult. Where people wanted to set up support groups within their own communities, they found that not only were people reticent to take on any role that had a potential legal implication, but for some who had not had their status confirmed, there were actual legalities that prevented them from becoming involved.

Getting committee members is difficult because people are really worried about taking on such roles and there isn't enough information about what those roles entail. (BME Voluntary and Community Sector Organisation)

Getting people to commit to a formal structure is very difficult.

People are scared by it and the implications of this, and there's not enough advice and support available. (BME Voluntary and Community Sector Organisation)

Because of people's commitments they do not have the time, energy or expertise to fundraise and structure a group and have the vision. It's hard to find others to take these responsibilities on. *(Voluntary and Community Sector BME Organisation)*

These comments again only emphasise the lack of developmental support that is available and accessible for the BME Sector at a local level.

Barriers for the BME Sector: Invisible prejudice
One of the more worrying issues within this research was the attitude of other Voluntary and Community Organisations within the Sector to BME and marginalised groups. This was an unexpected finding in a Sector that champions itself in supporting marginalised and discriminated against individuals, and has such a strong focus on social justice.

Some non-BME organisations that took part in the research indicated that the fact that they operate in a rural area, where the ethnic population is low, was a causal factor in them being unable to access funding.

We have been turned down for not having anyone from ethnic minority groups. No-one has ever applied to join us. If they did we would never turn them away. (Voluntary and Community Sector Organisation)

Funding has trends-currently it's ethnic minorities, gays and lesbians. This is important but it should not be at the expense of services reaching many more individuals. (*Voluntary and Community Sector Organisation*)

So many funds these days are positively discriminating in favour of minority groups and disadvantaged elements of

society so that groups like ours lose out. (Voluntary and Community Sector Organisation)

These are just a selection of the many comments of a similar nature that were made. This may reflect the type of prejudice that underlies society as a whole and surfaces at times of difficulty, but in some ways it was even more shocking to behold within the Voluntary and Community Sector. Funders, in trying to encourage minority groups to apply for funding, by naming them as one of their target groups, appear to be indirectly and unknowingly building on people's prejudice. There is a growing underlying form of discrimination, and unwarranted blame against marginalized groups beginning to form within certain parts of the Sector.

Some of the misinterpretation of the situation is also based on the request by funders for organisations to monitor and specify who makes use of their services. The Sector often erroneously assumes that their application will be turned down if they cannot show significant numbers of BME individuals are accessing their services. This can be quite an issue in rural areas, where BME population figures are lower. Often the funder's reason for turning groups down for funding has nothing to do with this factor.

It is an area that needs addressing and funders perhaps need to be clearer in their literature about why they ask questions around equality issues. While there is an urgent need to redress the funding imbalance with regard to BME groups, it is highly unlikely that any of the mainstream groups that made these comments had been refused funding purely on equality grounds. Funders must seek better ways of expressing their desire to redress the funding imbalance and be clear when they are asking equality questions on application forms, why they are doing this. It is wrong to assume that the Voluntary and Community Sector is above prejudice in funding circumstances. The Sector itself still needs to be aware of these prejudices and encourage members to have a better understanding of the equality issues.

Footprint 11: Lack of investment in funding advice, capacity building and developmental support
One way of minimising the damage that funders' footprints cause is to ensure that the Voluntary and Community Sector has good access to funding advice, capacity building and community development input. In the same way that we need to grow more trees in order to minimise the harmful effects of our carbon footprints, so we need to grow more skilled funding advice workers and community development workers through investment in training and to reduce the harmful effects of funders' footprints. The effect of inadequate investment in funding advice and capacity building is wide reaching. A more detailed section on this topic follows.

The Vital Role of Funding Advice and Capacity Building to the Sector
There is a strong link between organisations' ability to access funding and the availability of good funding advice. The report from the Active Communities Unit in 2001 recognised the importance of organisations being able to access factual information about funding programmes, *'their scope and coverage, and application procedures, and objective advice to help potential applicants to identity the most appropriate sources of funds for their group'*. Five years later this current study has found that 48% of the Voluntary and Community Sector in the rural areas in the South West Region and 51% in the urban areas still find it difficult to access the information and advice that they need on funding.

Many organisations are run with the help of volunteers who usually have other jobs. To seek funding takes so much time – often a thing that volunteers don't have-we spend all our spare time running the organisation. (Voluntary and Community Sector Organisation)

Without help it's difficult to zero in on the right funding. (A Community Association)

Without vital assistance it is often difficult for smaller organisations to understand the game that they have to play to submit a successful application.

In terms of the funding application process, not all of the Voluntary and Community Sector Organisations know exactly how to complete a successful application, because they are maybe not aware of the content that needs to be included in order for the application to be considered. (Voluntary and Community Sector BME group)

A lack of accessible funding advice and capacity building can have a seriously detrimental effect on the Voluntary and Community Sector. The recent report undertaken by the Evaluation Trust on behalf of creating: excellence and the Wiltshire Charities Information Bureau, found that in areas of the South West

Where there is not significant funding advice and limited capacity building, Voluntary and Community Sector development, including the numbers of groups, the range of issues they cover, and their access and effectiveness, are much more limited. (*Funding Advice for the Voluntary and Community Sectors: What difference does it make? creating: excellence 2006*)

This report found a direct link between skilled funding advice and the organisation's capacity to attract funding. *Skilled funding advice linked to organisational development produces strong funding applications …*

Where are organisations obtaining information on funding?

Councils for Voluntary Service

The prime sources of information about funding, for the organisations that are able to access this service, are the Councils for Voluntary Service (CVS). 50% of the organisations accessing advice are using their Councils for Voluntary Services in the rural areas for this advice. This figure rises to 56% in the urban areas of Plymouth and 70% in Bristol. (Full details appendix 1)

Councils for Voluntary Service are often fairly local and cover a very specific geographical area, aligned to a district or ward. The main geographical exception to this is in Dorset, where the Rural Community Council there has also registered as a CVS, covers most of Dorset and is a countywide organisation. For most CVS, providing funding information and advice is one of their prime activities along with capacity building within the Sector.

Local Authorities

The second most widely used source of funding information, for the organisations that took part in this study, is the local authority. A significant number of Voluntary and Community Organisations are accessing funding information from their local councils

○ 38% rural areas
○ 31% Plymouth
○ 40% Bristol

This advice may be through an External Funding Officer, a specialist adviser such as an Arts Officer, or a Community Development worker.

The main issue with local authorities appears to be that provision is patchy and not all local authorities are providing this information. However, organisations receiving help from their local authority often indicated how valuable that help is. Often the help that is most appreciated focuses on one individual within the local authority who is very skilled and user friendly, bringing a great deal of value through their role with the Sector. Often such a worker is found within the community development unit of the local authority and uses a community development approach to their work. Providing funding advice is only part of their role.

One issue that some organisations raised with regard to funding advice that is provided by the local authority is that the help sometimes has a focus on assisting the local authority to achieve its targets, rather than looking at what the community wants to achieve.

The Internet

The third most widely used source of information on funding was identified as the Web. Within the urban areas up to 56% of groups indicated that they were using the Internet to access information. The Internet therefore becomes an important vehicle in their search for funds. This figure however falls dramatically to 29% in the rural areas. Given that many funders, including many of the Government funding streams, use the Internet as their first and sometimes only source of information for the Sector, the importance of funders using other means of disseminating their information is clear. If funders do not use other means, then the rural areas and those organisations that do not have access to the Internet are immediately excluded from accessing even the most basic information about funding.

The Internet, however, can only provide information. It cannot be a substitute for the face-to-face help that many small and new organisations need if they are going to raise funds.

Rural Community Councils

One of the more surprising statistics within this research was that only 24% of the small Voluntary and Community Sector Organisations in rural areas identified their Rural Community Councils as either a source of funding advice, or as a source of capacity building, despite the fact that a significant number of the organisations that took part in this research are village halls and community associations, traditionally viewed as the focus of the Rural Community Council.

Looking at this issue in more detail, it appears that this in itself could be due to the effects of funding, or the lack of it. As with many of the larger Voluntary Organisations, Rural Community Councils increasingly have had to restrict the delivery of services to those areas and services where they are funded and contracted to deliver in. Operating across a county, a Rural Community Council depends for significant amounts of their funding on statutory sources and may have to restrict services to certain geographical areas within the county, depending on which local authority has funded them to provide which service.

One Rural Community Council, for example, was funded to provide funding advice until four years ago. As the Director stated 'Without the funding in place, we were no longer able to deliver the service…we now signpost people on to their local CVS. A rural Borough Council has recently decided, unlike all the other District Councils in the area, not to provide a contract to the local Rural Community Council for the services of its fieldworker, with the result that, 'groups find it a real struggle. We work there when we can realistically, but we are reactive, rather than proactive like we are in other rural districts'. (RCC)

Rural Community Councils are active in many other fields in which they have built expertise, such as social enterprise and the delivery of direct services, but this 'start-stop' funding of advice services does lead to a loss of skills and continuity within the Sector, not just

for those groups who are delivering direct services to their communities, but also to the development organisations such as the Rural Community Councils which have to look to change their focus.

Despite the obvious importance of the Sector having access to appropriate funding advice, two recent pieces of research looking at funding advice provision in the South West shows provision overall to be patchy and unstable, with many advice workers undertaking this work as only part of their remit (Red Door Associates 2004:and creating:excellence 2006).

The provision of funding advice itself appears to be victim of a lack of stable and equal investment, leading to loss of essential workers in the field. It takes time for workers to *develop the knowledge and local credibility to make a difference. The VCS appears to be highly vulnerable to change in the provision of funding advice'* (creating :excellence). There are significant areas and communities in the South West that still have little or no access to consistent face-to-face funding information and advice, which makes it difficult for them even to get onto the starting blocks when it comes to accessing funding.

Capacity Building
Investment in funding advice linked to organisational development and capacity building can unlock significant income for the VCS, helping the Sector, including social enterprise, grow and be recognised.(creating:excellence: 2006)

Given the close connection between funding advice and the development help that organisations need to enable them to engage in the funding arena, it is not surprising that similar numbers of organisations that have difficulty in accessing funding advice also have difficulty in accessing capacity building support (full statistics in Appendix 2).

In addition to advice and information on funding, the development help that organisations need varies, from assistance with managing their finances, to advice on how to recruit and manage volunteers. Others needed help directly with their development and governance

Again the organisations providing that capacity building help are mainly CVSs (47%), and local authorities (46%).

While not specifically asked about networking, significant numbers of organisations indicated in the 'free question' that they are using networking as a means of collecting information about funding, sharing experiences, identifying active funders in the area and accessing the skills and knowledge of others. In the urban areas far higher percentages indicated that they were obtaining help with their capacity building through other group members and networking activities (72%) than in the rural areas (37%).

Given the fact that important bodies such as the Rural Community Councils are able to provide less advice on funding, that fewer organisations in rural areas access the Internet and appear to have fewer opportunities to network, the disadvantages experienced by Voluntary and Community Sector organisations within the rural areas are even more significant than those of their urban counterparts.

Minimising the footprints

Some positive solutions

Positive Footprint 1: The Value of Generic Community Development input

Community Development works with communities to identify their needs and then assist communities to take action on these. The values and principles of Community Development link directly into the values of the Voluntary and Community Sector and are at the heart of their delivery.

The first of the six principles in Firm Foundations underpinning the Government's strategy to improve community capacity building is that a 'Community Development approach should be adopted'. *(Firm Foundations: 2004). The document describes the Community Development approach as that of* 'working with communities to identify needs and to take action based on those needs …'It is a way of working, it helps to draw vulnerable and marginalised people and groups into the process of change.'(Firm Foundations: 2004)

The Voluntary and Community Sector has a long tradition of adhering to the principles of community development and it is where it has its roots, working with communities to identify their needs, collectively bringing about social change and justice**.** Community Development is about encouraging people to become active in their communities and enabling them to engage. However, funding regimes interfere with this process. By always wanting new projects and by not simply funding ongoing costs of organisations, the Sector is forced constantly to re-invent itself and move away from its community development roots. Funders lose sight of the fact that one of the main virtues of the Sector is its ability to identify what the community wants and to deliver that in the way that the community sees as most appropriate.

Organisations in this report indicated that they needed help with both the capacity building of their organisation and developmental help, usually through a community development worker. The assistance received went beyond providing advice on funding issues and supported the groups to consult with their communities, identify the need, and look at the structure of their organisations to make sure that they were robust enough to apply for funding. Much of this assistance, where it was available, came through the input of a skilled development worker, working to the principles of community development, often where community development was only one part of their role.

Case Study: Good Community Development Help through the local authority

The Community Development Unit of Bournemouth Borough Council was commended several times by the BME Sector in the area for the help that they had received from the Borough Council's Community Development worker. This is in a geographical area where the Sector has identified that past input from other development agencies, while assisting many community organisations, has not been effective in assisting the BME Sector.

The recent report on the value of funding advice (c:e 2006) refers to valuable input being provided by one very skilled and often inspirational community development worker. Bournemouth Borough Council has such an employee who combines developmental help for organisations, alongside funding information and access to the Council's small grant programme. The worker uses their wide range of knowledge to signpost organisations to opportunities for the resources they need. They also help to network people and advise them on a whole host of opportunities. The worker does not wait for people to approach the Council but offers outreach and onsite one-to-one help linking in with other workers and agencies.

Bournemouth Borough Council combines a wide range of information and advice to Voluntary and Community Sector organisations through their Community Development Team. There is significant evidence in the area of the work that they have been undertaking, in particular with BME groups.

Someone (from Bournemouth Borough Council) came to our Ramadan celebrations and told us how they could help find premises for the group. They paid the rent directly for a period and gave us £50 start up gran.t That was really good - there was very little paperwork and we then got into the swing of funding. (BME Network Group)

The Community Development Team (at Bournemouth Borough Council) were really helpful. I went to them – I can go and discuss any problems with them. (Voluntary and Community Sector BME Group)

While the input from Bournemouth Borough Council is valued by the Sector there is not enough of this type of help available. The organisations in this report have identified that they need help and advice with their development, but the community development help is not available in all areas of the region, or to all communities. This is a particular need identified by the BME Sector.

The need for development help and the lack of it is stifling the development of BME Groups. (BME Voluntary and Community Sector Group)

We want something like CEMVO (Council of Ethnic Minority Voluntary Organisations) but at a grassroots level to provide handholding for groups to grow in confidence and to give a clear idea of how groups can grow and what should be in place. (BME VCS Group)

Positive Footprint 2: Development help alongside grants

There are the equivalent of 20,000 full time community capacity building workers in the UK. Half the community capacity building help available is focussed on particular target groups. (Source; Who are the Capacity Builders: CDF: 2005) Many either use the community development approach in their work or community development forms part of the work that they are undertaking. Both Single Parent Action Network and Help the Aged are examples of organisations that provide small grant support alongside input from development workers, assisting groups to access funding and increase their sustainability, combining this service with other work that they are undertaking with their service users.

Case Study: Single Parent Action Network (SPAN)

There was considerable support within the focus groups and the questionnaires for the work of specialist organisations such as Single Parent Action Network who provide a wide range of services including development support, alongside small grants and resources.

Single Parent Action Network (SPAN) is a nation-wide umbrella organisation, supporting capacity building for self-help groups in disadvantaged/isolated situations focussing on single parents and their children. SPAN has its UK base in Bristol and is very active throughout the South West Region. SPAN is an excellent example of an organisation that combines development help and capacity building alongside grants and other forms of resource support.

SPAN develops training courses that strengthen the sustainability and access of self-help family groups; provides a help-line, sign-posting single parents to supportive organisations in their area; and provides high quality training and self-development courses for single parents. The self-help grants that SPAN administered in the South West Region through their Link Up Programme, over three years, assisted 45 small Voluntary and Community Organisations with grants up to £1,000.

The grants were given to meet the needs of more isolated/ marginalised self-help groups to enable them to strengthen networking, peer group support and sustainability. Grants were awarded to a broad range of groups, including fathers, young parents and refugee and asylum seekers. *"Working with these groups has enabled us to understand the more diverse, sometimes multiple issues, that single parents face and how we can work together."* SPAN UK.

Grants have enabled groups to: bring in supportive agencies to network and disseminate relevant information; provide computers for internet access, making links with other UK groups, collating local information and providing childcare so that essential training and services can run. Central to SPAN's ethos is the development of partnerships with organisations and decision-makers, to improve policies and resources for one-parent families in poverty. Significant partnership programmes in the South West include leading on the South West Strengthening Families; Strengthening Communities Programme. By combining a range of services alongside grants, SPAN can support lone parents in a range of ways that assist the organisations to become more sustainable.

As an organisation that specialises in supporting lone parents, the workers have built up skills and knowledge in these areas that they can share with grant applicants. SPAN also is able to reach many groups that other agencies might not be able to reach, both with their grant funding, and with their specialist knowledge.

SPAN member groups provide support for families from many different backgrounds and cultures. Some groups focus specifically on one parent families, some are for families on low income in general, and others focus on the needs of specific groups, for example refugee and asylum seekers, Asian women, parents with disabled children.

One of the barriers that prevents the smaller Voluntary and Community Sector Organisations from accessing funding is their lack of access to the IT equipment and the Internet. As part of the South West ChangeUp and Capacity Builders Programme, SPAN has been working to provide practical support services to more isolated groups in accessing community Sector resources and organisations. Part of this process, has been helping to narrow the digital divide by providing 20 small groups with reconditioned PCs, 17 of these in rural areas.

Case Study: Help The Aged

Help the Aged is an international charity fighting to free disadvantaged older people from poverty, isolation and neglect. Help the Aged campaigns for change in government policy, undertakes research into the needs of older people and provides local services in communities across the UK and overseas.

As part of their ongoing direct services in the UK, Help the Aged has Regional Development Officers who work with local groups on a range of projects. Their input works alongside Help the Aged's funding programme.

The Regional Development Officer in the South West offers guidance on areas such as the setting up and development of projects, identifying other fundraising sources and guidance on fundraising techniques. The Regional Development Officer can continue to offer contact with groups over a long period.

The input from the Regional Development Officer has a strong community development focus. Starting from working with the groups to identify what it is that they want to achieve. If Help the Aged is unable to help with funds from their own grant programme which has a simple access route, the Regional Development Officer offers a range of other capacity building help to organisations, such as help with developing services, business plans and fundraising.

The value of this approach of offering grants alongside development help is clear. Estimated sums of money raised by community groups offering services to older people as a result of the input from the Regional Development Officer for the past financial year in the South West is estimated to be in the region of £455,000.

Case Study: ROSHNI WOMEN'S CENTRE- Funding and Community Development working alongside each other

The Roshni Women's Centre is unique in Gloucestershire. There is no other community centre, which serves women only, and is sensitive to issues concerning women, particularly women from BME communities. Roshni Women's Centre has been operating for over 6 years in its current format. Throughout this period Roshni has developed very effective links, working productively with Asian women, voluntary and statutory agencies in Gloucestershire. Roshni is an inspirational example of an organisation that used and benefited from the community development approach in its overall development.

The Roshni Project sprang from a need to develop services that Asian women in Gloucester could access. The organisation used a whole range of planning and consultation exercises to ensure that the services that they delivered were ones that their service users wanted, and that they were delivered in a way that was acceptable to their service users. This included respecting the various cultural needs and requirements of the service users. These were women who for a long time had not been enabled to use health services, education services and social services.

To undertake the research for the project, Asian women were recruited from the local community and trained in research skills. The services were then developed according to the needs of the women highlighted by this research which included education and training in order to raise the confidence of women.

It was important that there was a centre that was local to the community and that appropriate childcare was available. Throughout all of these activities the women were supported by community development workers from the Gloucester City Council and by the two social workers from the social services Asian Projects Team.

The Community Development team assisted the Roshni women with funding applications and in 1996 the Roshni women were able to access the site of on old supermarket, submit a bid to English Partnership for funding and negotiated with Gloucester Housing Association. The Community Development workers also assisted the management group to build their capacity to manage a building and to run activities. The Community Development Workers and the Asian Projects Social Work Team continued to work with Roshni. Over 5 years Roshni Women's Centre worked towards the priorities as identified by the local Asian women. Roshni worked with funding from the Learning and Skills Council to develop the Centre and the training activities. The membership grew to 500 local women and the organisation developed a raft of partnerships and funding relationships. Roshni was and is an excellent example of how the community development approach and support, running alongside funding, can help an organisation to deliver services that the community wants needs and subsequently uses. It has to be remembered that of the 600 odd women who engaged with Roshni, many of them had previously not engaged with any services or made use of them.

Developing a service in this way takes time, and funders need to understand this. At the time of writing this report the future of Roshni is sadly uncertain, not because the needs of the service users have changed but because the focus of the funders has.

Positive Footprint 3: The Accessible Funder

One identified solution to improve communication between funders and applicants is for funders to be more approachable and accessible. This can overcome some of the issues around communication barriers. The Sector appreciates closer contact with funders and the creation of a relationship between funder and the funded. Several organisations refer to the fact that it is very helpful to be able to speak to the funder before the applicant sets out to draft an application.

I like to get to know a trust or other funders by calling them up on the phone beforehand. Some funders are not very friendly on the phone or helpful when you have questions that need answering. (Voluntary and Community Sector Organisation)

The approach of funders who are accessible and seek to establish a relationship with the Sector is greatly appreciated.

We found the South West Foundation were very helpful. People contacted were supportive, understood what we were trying to achieve and kept us informed at all points. (BME Voluntary and Community Sector organisation)

Delivery of funding generally could be improved by the funders taking a more accessible and amenable approach to organisations funded by them. We feel that application forms on the web….and a clear agreement for an end of project Report and what it should cover, would help to reduce the pressure. (Voluntary and Community Sector Organisation)

There was an undoubtedly preference within the Sector to use more local and approachable funders.

We tend to use the small local grant giving bodies. They are easier and friendlier and don't require a forest of paperwork and six months to find out the results. (Voluntary and Community Sector Organisation)

Where funders are more willing to engage with potential applicants prior to applications being submitted, the rate of ineligible applications falls rapidly, saving both the funders time and more importantly the applicants time in completing applications that will never be funded.

There is a good and strong argument for national funders to use regional funding agencies and more local funders to either distribute their funding or to act as local alchemists giving national funds a new value. Not only does using regional and local funders who have an 'engaged' approach enable a more accessible grant system to be used, but these funders are also able to identify and bring in development help, enabling groups be able to deliver more for the money, and to look towards their own sustainability.

Case Study: South West Foundation: An example of an accessible funder

The South West Foundation is a small (£300K per year) regional funder. The criteria used for targeting grants were developed following the research they undertook across the South West five years ago asking the Voluntary and Community Sector for their views on where and how their funding should be allocated. The policy is informed and influenced by regional and national developments and the evaluation work they have undertaken in the different grants programmes. Because of the research, they target small, marginalised groups in rural areas, market and coastal towns. Their grant assessment process averages 7 days ensuring the groups have quick access to small amounts of money. The Foundation will fund core costs, ongoing costs and start up costs of organisations

The Foundation puts a high premium on outreach to groups and the promotion of grants. Early on they identified many development workers in the region and decided to formalise the relationships by registering them as 'associates', to promote the programmes and help with capacity building of some applicant groups. They now have 80 associates, many of whom are Community Development Workers, who are kept informed of the grant programmes, and a database of 1200 organisations, and will mail out regularly to them. The Foundation is often found at funding fairs as they work well for the Foundation and help them to become more visible. As a result of this accessible approach the Foundation receives far fewer ineligible applications, and only an 8% failure rate for eligible applications to their Small Grant Programme.

The Foundation has a very strong belief in the value of community development input working alongside grant making. To this end they support a number of networks throughout the region, for both community development workers and funding advice workers, to bring them together, to share expertise and good practice.

The Foundation manages funds for other funders and agencies and brings their wide range of contacts with development workers throughout the region in to play in their funding, to ensure organisations are at the stage where others would also look to fund in the future.

Positive Footprint 4: Community Foundations– Government funding at a local level

Community foundations are charitable trusts that support local community causes. Their role is to manage donor funds and build endowment as well as make grants to charities and community groups, linking local donors with local needs. Created by and for local people they help donors express their long-term interest in an area and its needs. Community foundations have been active in the UK since the 1980s and a rapidly growing network of approximately 60 foundations is now established across the country. About 90% of the UK population has access to a community foundation (Source Community Foundation Network: 2006). Community Foundations have also increasingly become the deliverers of Government funding streams.

Case Study: Devon Community Foundation

Devon Community Foundation was commended for its delivery of the Local Network Fund by a number of the organisation that took part in this research. The Fund was set up by the Government and aims to make a real difference to the lives of disadvantaged children and young people. Grants of £250 to £7,000 are available across the County to locally managed voluntary, community or self-help groups based in small neighbourhoods, or those bringing children and young people together from a wider area who are facing poverty, isolation or who are disadvantaged.

Devon Community Foundation (DCF) was appointed to administer the Local Network Fund in the county of Devon and the unitary authorities of Plymouth and Torbay in 2003 and has continued to administer this fund. In the first three years of the fund 421 grants were agreed totalling £1,923,000. Of the 133 grants that were examined in detail by the evaluator, 17,393 children had benefited. The grants were also benefiting the whole range of age groups, and were reaching more children from BME groups than the population figures indicated would be the case (2.6%).

The Local Network Fund grants were also found to be supporting a significant amount of volunteering and community engagement. 50% of grant recipients had involved children/young people as volunteers and in total 2,100 volunteers were involved in the LNF funded projects. Overall 1,560 people with disabilities were reported to have benefited.

The grants not only benefited individuals, but also the organisations that were the direct grants recipients, which is often the case with locally delivered grants. Through telephone interviews the evaluator of the fund established that the additional benefits to the groups themselves ranged from enabling organisations to provide a new service, to expanding the organisations. For some organisations it was actually a real lifeline and enabled them to continue when they would otherwise have had to close. 89% of recipients interviewed said that the activity funded by the Local Network Fund would continue beyond the end of their grant.

The grant process with the LNF enables the administering organisation to offer support to grant recipients at the application stage. This is one of the more unusual features of this grant programme but it must be noticed that the costs of this approach need to be included in the delivery costs of such a programme. The feedback on the grant process was excellent. Groups found the form easy to complete, organisations appreciated having help and support throughout the application process. Some organisations felt that the process had increased their capacity to apply for other grants. The indications were that these small grants were having a wider impact within communities than just for the organisations and the beneficiaries directly funded (With thanks to Sarah Taragon and the Devon Community Foundation)

Positive Footprint 5: Grant Assessments. Local Authority and the CVS Working Together
It can be extremely beneficial for Local Authorities to forge good working relationship with their local CVS and for each agency to make the most of each others skills and resources by working together. Mid Devon Council and the INVOLVE the Local CVS are piloting a new way of undertaking grant assessments in their area.

Case Study: Mid Devon
One example of community capacity builders and funders working together in a new way can be found in Mid Devon where the District Council has a very strong and fruitful relationship with INVOLVE, the local CVS. The Grants and Development Officer with Mid Devon Council found he was spending a great deal of his time undertaking 'health checks' on VCS organisations to ensure that they were structurally sound, and that they had appropriate policies in place as part of the Council's grant assessment process. It seemed to make sense that this role be undertaken by an organisation that had a wider understanding of the issue, and was in a position to offer assistance to organisations that needed this capacity building input. In recognition of this, Mid Devon Council decided to use the expertise of their Local CVS, to undertake the initial 'health checks' on the applicant organisations to their grant programmes.

The grant appraisals have now been broken down into two sections. The appraisal of the project or purpose of the grant is undertaken by the Council to ensure that the application falls within the Council's strategic objective. The other section of the assessment is the 'health check' element, where policies and procedures are checked through INVOLVE. INVOLVE are not told what the organisation is seeking funding for. Their remit is purely to look at the organisation's governance, structure and finances to see if this needs any additional input to make the organisations more 'fundable'. Each applicant organisation is taken through the same assessment.

The 'health check' has involved the CVS in undertaking evaluations of more than 45 organisations to date. INVOLVE then write reports and feed these back to the Council. Around 90% of organisations seeking funding go on to receive funding through this process. However, if there are issues and problems with the group's governance which have been highlighted in the 'health checks', the group will still get funding with a strong recommendation that they address the issue or put in place policies and structures that they are lacking.

Within this process the organisations receive both their grant and information about what organisational issues they need to address to make their organisations more robust and fundable. The organisations go on to address the issues either through their own means or by seeking the advice of INVOLVE. From the point of view of INVOLVE it has enabled them to engage with some organisations that have been working in isolation for some time. While it is too early to tell what impact this process may have on future funding of organisations, the responses to this new way of working have been positive.

Positive Footprint 6: Investing in Individuals

A number of grant programmes, such as the Community Champions Programme run by the Scarman Trust invest in individuals who are active and energised within communities. By offering grants to active individuals these schemes invest in people who will take ideas and activities to benefit their communities forward. One example of a scheme that invests in individuals is the scheme form the Centre for Public Innovation.

Case Study: 'Spark Plugs'

A scheme headed up by the Centre for Public Innovation invests in individuals who take the lead in their communities. They call these community motivators **'Spark Plugs'.** The Real Time Community Change Programme runs in Neighbourhood Renewal areas and aims to inspire local people to take the lead in their community and to make sure that they are part of the solution to. *'create neighbourhoods that are good places to live and work'*

In a normal grant giving exercise the funder carries out a fairly lengthy application and grant assessment process. Within the Community Change Programme the funder takes on the role of an investor who, just like a business backer, has a vested interest in making it work and views the grant as just the start of the working relationship.

The funder, after doing the background work, identifies a number of people living or working in an area who have the energy to make things happen and the inspiration to lead change. These individuals are called 'spark plugs' within this programme, as they are seen as powerful motivating agents.

The case study below shows the experience of one of these 'spark plugs'.

I was phoned a few weeks beforehand by the worker in the Community Safety section of the Council to see if I had a project in mind, she then called back a week or so later to see what it was. I did have a project. I wanted young Muslims to talk to other local young people about their religion and to have some money to do up a room in the mosque in a welcoming way and buy some equipment for it too. (a local BME Voluntary and Community Sector Organisation

Two people came down from the Sparkplugs Fund and ran a day workshop:

We spent the morning at the Sparkplugs Day putting down on paper what we wanted to achieve, how much money we wanted and for what and looking at what could go wrong.

The individuals then undertook a 15-minute presentation to a panel on their ideas. They got a decision from the panel on their funding request the same day. Grants are usually £4-5,000 and last up to six months. The funder stays in touch with the group for the lifetime of the project.

The group that took part in this study appreciated the approach of this funding programme. They did not have to complete lengthy application forms. The decision was quick and funded an idea that had come from the community. It is too early to assess the impact of this programme but the programme uses residents as the critical resource to bring small projects to fruition. It shows the value of small grants, and the value of the quick response without the need for lengthy applications forms. The hope is that lots of small projects can gather momentum and move toward a much larger regeneration success.

Positive Footprint 7: The Grant Process

A number of funders active in the South West were recommended by the Voluntary and Community Sector for their grant processes. The best way for other funders to share these processes is to visit the funder's website and to discuss the processes direct with the funders.

- ○ Barnwood Trust
- ○ Community Champions-
- ○ Baring Foundation
- ○ BBC Children in Need
- ○ Calouste Gulbenkian Foundation
- ○ Charles Irving Trust
- ○ Comic Relief
- ○ County of Gloucestershire Community Foundation
- ○ Devon Community Foundation
- ○ Esmee Fairbairn
- ○ Gulbenkian Foundation
- ○ Help the Aged
- ○ Henry Smiths
- ○ John Paul Getty Junior Charitable Trust
- ○ Laingtree Trust
- ○ Lankelly Chase Foundation
- ○ Lloyds TSB Foundation for England and Wales
- ○ Milne Charitable Trust
- ○ Nationwide Foundation
- ○ Peter Lang Trust
- ○ Princes Trust
- ○ Quartet Foundation
- ○ Rank Foundation
- ○ Somerfield Charitable Trust
- ○ South West Foundation
- ○ St Monica Trust
- ○ Wiltshire and Swindon Community Foundation

It is vital that funders active in the region come together to share good practice with each other and bring themselves up to date with both policy and practice through a network or forum. It is also vital for funders to listen to what the Voluntary and Community Sector is saying and to take action to improve funding relationships.

Appendices

Appendix 1 - Methodology

A variety of research methodologies were used over a 12-month period. Initially focus groups were held with around 30 voluntary and community organisations operating in Cornwall and Dorset. These included infrastructure organisations, organisations involved in the delivery of play resources, members of Rural Community Councils, CVSs, development trusts and a number of very small VCS organisations, including one tenants' group who stated that they had never before been asked their views on anything.

Then 400 questionnaires were sent out to small VCS organisations, including infrastructure organisations that were on the database of the South West Foundation. These were virtually all based within the market and coastal towns and rural areas of the region. To ensure that organisations from urban areas were also included in the report, a further 400 questionnaires were sent out through the Quartet Foundation (the Community Foundation operating in the former Avon Area) and in Plymouth questionnaires were sent out through the Devon Community Foundation. The response rate in the rural was high at 76% (307), with 31% (123) responding in the urban areas. Significant number of organisations operated throughout the South West Region.

Then 40 face to face and telephone interviews were completed with a range of mainly small VCS organisations across the region, and archive information provided by the South West Foundation who led on the research. In addition, a limited number of funders were interviewed to explore their perceptions and good practice.

Appendix 2 - The Statistics

Funding research questionnaire results

RESPONSE RATE

Rural
South West Foundation sent 400 questionnaires to small voluntary and community organisations operating within the rural areas market and coastal towns of the South West Region.

267 (67%) responded by the time the results of the questionnaire were fed into the questionnaire database. A further 30 responded and their free information on the last question was fed into the results (76%).

Urban
In addition to the questionnaires sent out through the South West Foundation, a further 400 questionnaires were sent out to the urban areas of Bristol and Plymouth through the Quartet Foundation and Devon Community Foundation. The

Community Foundations in Bristol (the Quartet Foundation) and Devon Community Foundation provided a further 200 contacts each. This ensured that the research had an urban as well as a rural focus and the two areas could be compared and contrasted to ensure that the urban perspective was taken into account. These urban questionnaires had an overall response of 123 (31%).

The research evidence included in this report from the questionnaire sample is therefore based on the written responses of 390 voluntary and community organisations operating throughout the South West Region.

Other sources of data
In addition to the questionnaires, two focus groups took place during the period of this research - one in Cornwall and one in Somerset - with over 45 VCS organisations. The views expressed were taken into account in this research.

A further 40 Voluntary and Community Sector Organisations were interviewed through face-to-face and telephone interviews.

Over 15 interviews were undertaken with individuals involved in funding both through statutory and non-statutory sources.

GEOGRAPHICAL SPREAD
Rural Market and Coastal Areas
Organisations responding came from across the region with the highest number responding from Cornwall 19%; Somerset 19%; Dorset 18%; Devon 14%. All the following counties were represented with less than 10 % responding from each of BANES, Bournemouth; Gloucestershire; N. Somerset; South Gloucestershire; Torbay and Wiltshire

Urban areas
52% of the organisations that responded from the urban areas were offering services in Plymouth and 48% in Bristol.

ACCESSING FUNDING ADVICE
Rural Areas, Market and Coastal Towns
Of organisations based within the rural areas and market and coastal towns, 48% reported that it was difficult to access information on funding while 52% felt that they did not have any difficulties with access information on funding.

Differences between smaller and larger groups
There is very little difference between the smaller VCS organisations and the larger VCS organisations when we look at the percentage that state they have difficulty in accessing information on funding. 48% of the small organisations have difficulty in accessing information on funding, and 46% of the larger organisations.

Geography
There is, however, quite a difference between counties. Statistics remain similar to the overall statistics for BANES; Bournemouth; Cornwall; Gloucestershire and North Somerset. However, there is quite a marked difference in

Devon where only 27% of organisations said they had difficulty in accessing information on funding compared to the overall statistic of 48%. Devon has a long history of good quality funding advice, was the first County to establish a funding advice network, and has strong funding advice provided by the Devon County Council, who publish a funding bulletin called Funding News which is well received. Virtually all of Devon is covered by local active CVS.

	Council for Voluntary Services	Local Council	Internet	Rural Community Council	NewsP/ Radio	OtherInc Networking
Rural areas	50%	35%	29%	24%	20%	29%
Plymouth	23%	31%	56%	N/A		43%
Bristol	70%	40%	76%	N/A	17%	35%

DIFFICULTIES IN ACCESSING FUNDING ADVICE BY COUNTY
Rural Areas
Geographical area   Percentage having difficulty accessing funding advice   Percentage having no difficulty in accessing funding advice

BANES	50%	50%
Bournemouth	50%	50%
Cornwall	52%	48%
Devon	27%	73%
Dorset	45%	55%
Gloucestershire	50%	50%
N Somerset*	38%	62%
Somerset	55%	45%
S Gloucestershire*	33%	66%
Torbay	75%*	25%
Wiltshire	57%	43%

*Responses in these geographical areas too small to make any general assumptions from these statistics.

Urban areas
51% of organisations based within the urban areas reported that it was difficult to access information on funding while 49% felt that they did not have any difficulties with access information on funding.
There is no perceptible difference between Bristol and Plymouth.

Where are organisations getting information on funding from?

People could identify all their sources of information on this question and may have ticked more than one box.

Rural Areas Market and Coastal Towns
○ 50% Local Council for Voluntary Services
○ 38% Local Council
○ 29% from the internet
○ 24% from their local Rural Community Council
○ 20% from the local radio station or Newspaper
○ 29% identified other sources. Most of these were via networking with others including word of mouth

Urban areas
In the urban areas it was a different scenario. 66% identified that they were using the internet to access information on funding

Bristol
○ 70% of organisations were using VOSCUR
○ 76% the internet
○ 40% the local council
○ 17% the local newspaper or radio
○ 13% the Black Development Agency (this percentage is reflective of the percentage of BME respondents)
○ 11% BACEN (This is not surprising as BACEN focuses on advice to social enterprises in the main)
○ 35% identified other sources of information, most of which were again focussed on informal contacts and networking

Plymouth
○ Considerably fewer organisations were using the internet in Plymouth (56%)
○ 31% were using the local Council
○ 23% were using the local CVS/Plymouth Partnership
○ 4% the Rural Community Council
○ 43% identified other sources mainly around informal contacts and networks

A number of positive comments were made on the questionnaires around the help offered by Plymouth Partnership

Comparative table on sources of funding advice between rural and urban areas

○ Far fewer organisations are using the CVS in Plymouth than in other geographical areas although there were a number of very specific positive comments made about Plymouth Partnership.
○ Organisations in rural areas are showing far less use of the Internet
○ More information is being accessed through networking and word of mouth in the urban areas
○ There are a number of organisations actively providing funding advice in Bristol in addition to the CVS (VOSCUR). These include BACEN and the Black Development Agency.

CAPACITY BUILDING: OTHER HELP THAT ORGANISATIONS NEED IN ADDITION TO INFORMATION ABOUT FUNDING
Rural Areas
52% of the organisations overall felt that they were unable to get all the help that they needed with the development and management of their organisations.

Additional help needed
Rural areas
○ 51% need additional advice on filling in application forms
○ 46% need additional advice on how to recruit and work with volunteers
○ 28% need additional advice on how to manage and present finances
○ 11% specified other help from training needs to support for the management committee

Urban areas
60% of organisations in urban areas indicated that they were not able to access all the additional help that they needed with their development. This was fairly uniform in both Bristol and Plymouth

Additional Help needed
○ 69% need additional advice on filling in application forms
○ 50% need additional advice on how to recruit and work with volunteers
○ 31% need additional advice on how to manage and present finances
○ 11% specified other help from training to organisational structure

WHERE ARE ORGANISATIONS GETTING CAPACITY BUILDING HELP FROM?
Rural Areas
○ 47% are accessing help from their local CVS
○ 46% from their local council,
○ 21% from their local Rural Community Council
○ 37% from informal sources including their own Board members and informal networks.

URBAN AREAS
Bristol
○ 59% are getting additional help from Voscur (CVS in Bristol)
○ 18% from their local Council
○ 26% BACEN (Bristol Agency for Social Enterprise Support)
○ 15% Black Development Agency
○ 56% are accessing this sort of help and information by other means again through group members and informal networking. The statistics are showing the great value of networking as a means of information exchange and support.

Plymouth
○ 33% were using their Local CVS / Plymouth Partnership
○ 31% the Local Council
○ 72% other sources including networking and informal sources.

STATISTICS IN RELATION TO FUNDING
Organisations were asked to identify the three most difficult things about funding.

Rural areas
○ 64% Obtaining funding for the core costs of the organisation
○ 54% Finding out what funding is available
○ 47% Finding available funding for ongoing work even if it is going well
○ 30% having to always think up new and innovative projects
○ 29% seeking funding taking too long
○ 24% Responding to funding timescales that are too short
○ 22% having to report back on what you have done with the funding

Urban areas
○ 66% Finding available funding for ongoing work even if it is going well
○ 65% Obtaining funding for the core costs of the organisation
○ 51% Finding out what funding is available
○ 46% having to always think up new and innovative projects
○ 29% seeking funding taking too long
○ 29% Responding to funding timescales that are too short
○ 15% having to report back on what you have done with the funding

Difference between small and large organisation for large organisations

	Small Organisations	Large Organisations
Core costs	58%	78%
Finding out what funding is available	59%	44%
Funding for ongoing work	45%	50%
Seeking funding taking too long	21%	39%
Funding time scales too short	22%	30%
Reporting Back to funders	21%	21%
Having to think up innovative projects	29%	33%

For small organisations finding out information about funding (59%) is almost as big an issue as finding funding for core costs (58%). While for large organisations obtaining funding for core costs (78%) is a much bigger issue than finding out what funding is available (43%). Both larger and smaller organisations find having to find funding for ongoing work, even if it is going well, is equally significant at 50% and 45% respectively. Surprisingly few groups both large and small indicated that reporting back to the funder was a major issue.

Comparison of Difficulties experienced with funding between Urban and Rural areas

Type of difficulty	Urban	Rural
Core costs	75%	64%
Funding for ongoing work	71%	47%
Seeking funding taking too long	42%	29%
Funding time scales too short	8%	24%
Reporting back to funders	10%	22%
Having to think up innovative projects	32%	30%

Again, obtaining funding for core costs was identified by an even higher percentage of organisations in the urban areas (75%) as being the major issue when it comes to funding with finding available funding for ongoing work, even if it is going well, coming a close second (71%) and both issues receiving a far higher response than in the rural areas.

Seeking funding taking too long (42%) and having always to think up new and innovative projects (39%), while being a far lesser issue, came in third.

Having to report back to funders on what you have done with the money was even less of an issue than in the rural areas with only 10% of the organisations indicating that this was a major issue.

Where is the funding coming from?

Funding Source	Large Organisations	Small Organisations
Independent Trust or Foundation	74%	73%
Local Authority	66%	53%
Government Funding	40%	15%
Lottery Funding	57%	29%
Parish Council	15%	24%
Other including income generation	25%	13%

Note: Very little government funding appears to be going to small VCS organisations.

Funding Source	Urban Organisations	Rural Organisations
Independent Trust or Foundation	74%	72%
Local Authority	51%	57%
Government Funding	28%	21%
Lottery Funding	30%	36%
Parish Council		21%
Other including income generation	33%	16%

Note: Independent Trusts and Foundations including Community Foundations appear to be the main source of income for organisations of the type that took part in this research. While few identify Government funding as a source of support some government funding is coming through Community Foundations and other sources.

Funders that are difficult to access funding from Rural Areas

Type of Funder	Percentage of organisations that indicated they have difficulty accessing funding from this type of funder
Local authority	56%
Government funding	48%
Lottery Distributors	42%
Parish Council	16%
Independent Trust or Foundation	13%
Other(mainly corporate funders)	7%

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funders' footprints