



Grants and Funding: Meeting the philanthropic needs of rural England

Discussion Summary

How is the current funding landscape changing?

- We all need to get smarter and understand that funding is changing – less about grants and more mixed/diverse income streams which may still include grants.
- It's important to remember that there is still funding out there – but where is the money, who is it and are they willing to let it go or is it tied up?
- As national and local government funding streams reduce, other funding bodies have to be flexible and think about where and how they can offer support.
- It's a difficult time for local authority officers who have ever reducing budgets and are trying to balance meeting need/demand with the money they have available.
- We depend more on the Voluntary and Community Sector (VCS) to meet local needs – but the sector is underfunded and there is sometimes an expectation that they will do it for free.
- With the withdrawal of statutory funding rural communities are having to forage for funding.
- Will combined authorities led to a further squeeze in funding for rural areas?
- Funding is focused on long term conditions (health, social care), high users and needs not supporting good ideas.

How can rural players adapt to this changing landscape?

- In an era of cuts, public, private and VCS groups need to be proactive not reactive.
- Finding data and evidence to support your funding application – and the role of local authority research observatories and funding officers in helping community groups to do this.
- In making a funding application, what is it that you are looking to improve?
- There is a perception that funders favour urban areas over rural areas.
- Funder's value conversations – identifying areas of need will still be important but it's not just about deprivation statistics but funders having conversations at a very local level about the challenges and issues.
- Every funder has a limited pool of staff to work with communities at a local level.
- Funders need to be prepared to support all aspects of rural places (e.g. transport, shops, farming).
- New streams of income – Social Impact Bonds and community loans.
- If you believe in something it will happen.

Do funders pay enough attention to 'sustainability' in deciding whether to invest in a given project/organisation?

- We need a sustainable funding model for rural communities – not funds put into specialist areas (e.g. health, farming).
- Some applicants will be doing a finite piece of work with a start date and an end date.
- Sustainability is / should be part of the application scoring process.
- Trustees and people on funding panels often know very little about business plans or accounts.
- Applicants should speak to or visit similar projects to share good practice.
- Continuity is difficult in many community projects – with the community leaders / residents with the initial idea moving on after the first 1-2 years. There are often a handful of doers in rural communities and they may become fatigued or unpopular as the project progresses.

- Funders can always identify the desperate applicants – those that are very close to the end of their current funding and are applying to funding streams rather than thinking about where their project is going and what they actually need funding for.
- It's important for applicants to not only read the eligibility criteria but also know the success and failure rates and examples of good projects which have been funded before they make an application.
- Funders spend lots of time on the application process and very little time on the grant management process. Spending more time with projects once they have been awarded the funding and working with them over time may lead to more sustainable outcomes.
- Funders should fund successful projects not expect applicants to always come back with something different and innovative.
- The importance of funders taking risks and testing new things – without seeing something that doesn't work as a failure.
- Organisations want core funding but are being led by project specific funding – makes it hard to achieve sustainability.
- Funders investing in community run services (e.g. Holbeach Hospital, intermediate care).
- There is a lack of professional support to help community groups with their application and implementing their projects – where/who are the gifted amateurs in rural communities?
- Measuring social value and softer outcomes rather than being driven by targets and outputs (the Social Value Engine <http://socialvalueengine.com/>)

Other points raised during the morning session

- Should funders target a particular community, geography or area of need; and work at national as well as local levels?
- We need to think about preventive funding not just responding to a crisis – but it's about making the case for early intervention and prevention. The relationship between direct and indirect services – e.g. domestic violence also generates resource from police, courts, mental health, housing etc. if you can reduce or prevent domestic violence this money won't need to be spent.
- We need to fund the VCS sector as they provide the infrastructure to support communities.
- Local authorities need funding intelligence (what funding is available, when, examples of successful projects, dates for calls) to be able to support local communities.
- How can local authorities and the VCS work together to share capacity and expertise?
- Working in partnership with others to pool funding and resources – but this requires additional resource.
- Working across administrative boundaries – delivering services to a wider area.
- Some parish councils will meet the current challenges head on (i.e., they have legal, technical, financial skills and willing volunteers) while others lack the capacity to do this.
- Is rural deprivation going to increase?
- The role of local authorities in providing a safety net for communities is no longer there – what does this mean for the hardest to reach?
- Should application processes be online or should you be able to speak to a funding officer first?

Points raised during the afternoon session

- Competition and choice means local authorities are awarding fewer and larger contracts – funding is procurement led and on a 3-4 year commissioning cycle.
- Communities are acting as place shapers – the need to go back to commissioners with an offer.
- How can you isolate the actual impact of your project and measure the possible impact of other organisations (attribution)?
- Audit Commission's value for money methodology <https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>
- Place based giving <http://londonfunders.org.uk/what-we-do/london-funders-e-bulletins/project-groups/place-based-giving>
- What's happened to people (a deficit/need model) to the strengths people bring (assets model).
- Do we need separate applications and processes for capital and revenue project applicants?
- Where are the middle funders for community groups wanting to apply for £50,000? How can we meet this gap?

- How can communities phase projects to target different funders?
- The challenge of retrospective funding – you can't make a start on a project before you hear if you have the money and if you do make a start the funder assumes you didn't need a grant. You need to keep the momentum going and timescales are important or the fizz goes out of a project.
- Some community groups see funders as a revolving door.
- How can we encourage communities to be aspirational and to build on their aspirations?
- Is it up to funders to identify and work with communities without capacity and aspirations?
- Select Committee on Charities –the impact of the changing funding landscape on larger charities
<http://www.parliament.uk/business/committees/committees-a-z/lords-select/charities-committee/news-parliament-2015/evidence-session-commissioning/>

Overarching points summarising the day

1. **Narrative:** if we are going to be good at seeking funding in a 'post truth' world, we need to be clear about what we are seeking first and not begin with the application form.
2. **Conversation:** key funders want potential applicants to be proactive and enter into a dialogue with them early on rather than always sending the application form in.
3. **Rural:** how can we communicate the issues and challenges facing rural places to funder? The rural context, being place based and measuring social value.
4. **Community:** community-to-community learning to showcase good projects and share ideas and expertise.
5. **Risk:** in satisfying lots of different funders, sometimes organisations forget what their original idea was.