

Introduction

The role of the voluntary and community sector in public life and services, and how it is funded, is currently the subject of much debate. Discussion continues about the sector's involvement in delivering services on behalf of the public sector. The debate has also focused on ensuring that entering into contracts and service level agreements does not undermine the independence of the voluntary sector provider, or the sector as a whole.

However, this overlooks an important aspect of what the voluntary and community sector brings to its communities. It remains notoriously difficult to capture the true value and vitality of the contribution that a local organisation can make. And yet engaging the passion, resources and ideas of local people to address the complexities of local circumstances through a diverse range of local organisations is an essential part of any Community Strategy. It also complements the delivery of more single issue services designed to achieve targets set for the community.

We hope that this pamphlet will be used by local community groups, Councillors, grants' officers and others to:

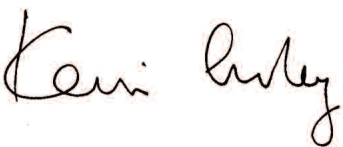
- Promote the benefits of an active community and voluntary sector
- Inform discussions about how to support community initiatives and social cohesion
- Maintain or increase grant funding
- Deliver improved outcomes in a local area in line with their priorities and aspirations

Grant aid is an essential part of the local funding mix for community organisations and remains essential for thriving local communities.

We call on every local authority and other agencies working with communities to establish grant funding to support community initiatives.

NAVCA will be publishing a report on good practice in grant aid by local authorities later this year.

We would like to thank all of the organisations whose logos appear on the cover for drafting and editing this pamphlet, and for helping to capture the supporting evidence it contains.



Kevin Curley, Chief Executive of NAVCA
June 2007

The vital role of local grant funding

The first thing to clarify is that not all grants are the same. There are many different types of grants that can achieve different purposes.

For some organisations only grants will enable them to achieve outcomes that matter for local people. A grant:

- Is a stepping stone and initial lifeline for a small organisation just starting out.
- Is in keeping with the voluntary ethos. It won't discourage volunteers from taking part, who might otherwise not want to volunteer to deliver services defined by the local authority as part of a paid for contract.
- Can create opportunities. It enables groups to take a risk and to innovate – to have a good idea and be able to try out something new.
- Can lever extra support. Local people might be involved through grants panels and decision making. Or private donors (businesses and individuals) who are unlikely to be interested in matching a service delivery contract.
- Allows organisations to work with the least advantaged in society from whom raising an income is next to impossible.
- Can be infinitely flexible and often made at low cost, proportionate to the size of group it is supporting.
- Builds and strengthens local linkages and relationships through what can be a less formal and more trust-based funding relationship.
- Can enable the organisation to meet the needs of the community and stay close to its missions and values, if it doesn't need to adapt to meet the requirements of a particular contract.

- Can underpin a variety of initiatives in regeneration and community development work, including those aligned with Local Area Agreements.
 - Offers the voluntary and community sector its independence, which it is universally agreed should be protected.
 - Can keep a good thing going. If it “ain’t broke” why fix it? Sustaining finance is sometimes all that is needed.
 - Can help an organisation take things to the next level. For example, it can move them to a position where they might be able to deliver a contract for the local council.
 - Can be used as a stop gap in an emergency or strategically over a number of years to achieve long term outcomes.
-

So local grant funding plays a vital role in supporting and maintaining a healthy local voluntary and community sector.

But the benefits don't stop with the beneficiaries or with the voluntary organisation itself.

Local authorities can gain from cultivating relationships with local voluntary and community groups. Not only can these help them to meet obligations and recommendations such as those in the local Compact, but also they can help local authorities deliver against their targets in a rich and meaningful way.

1

Impact beyond scale

A local voluntary and community sector group can make even a small grant go a long, long way.

Grants, including relatively small ones, can mean that local charities are able to make things happen for local people. Many are able to use this initial grant to lever funds from other sources. Brunel Community Museum, for example, was able to use its initial grant from Capital Community Foundation to lever in £14 from other sources for every £1 of the initial grant.

Other groups are expert at making the most of other resources around them, in terms of personnel, volunteers and free professional help. Many can also operate without the bureaucracy associated with larger agencies, and are able to respond flexibly, nimbly and cost-effectively to the needs of their beneficiaries.

Rape and Sexual Abuse Support Centre (RASASC), Croydon

RASASC provides long term face to face counselling for women who are victims of rape and/or sexual abuse, and provides training to professionals working with survivors of violence. They also run a national confidential helpline, an advocacy service for survivors and training.

RASASC provides 40 counselling hours per week, and each client is seen over a period of 18 months (compared to a maximum of 6-8 sessions under the NHS). In 2005/06 they supported 174 clients, which accounted for 1,840 counselling hours. And they recruited 24 new volunteers.

Their work contributes towards reducing the impact of rape and sexual abuse, reducing isolation by survivors, improving awareness of issues around working with survivors and improving levels of mental health. As a result many of their clients are able, for example, to come off benefits, get back to work and reduce instances of self harming and alcohol abuse.

The total grant aid received by RASASC in 2005/06 was just under £23k. However a cost benefit analysis of their work found that the total economic cost of delivering these services was over £82k. The difference was covered by the leverage achieved. Organisations like RASASC make an impact beyond the scale of their grant funding.

2

VCS groups are particularly effective at reaching people whose voices are never heard

This often happens spontaneously as most voluntary and community groups are local and seen as accessible. Those who are socially excluded will often take part in local community-led activities as they aren't seen in the same way as the "authorities" are; they use outreach effectively; and the activities are tailored to local needs.

Other groups actively make it their mission and seek to bring help to "difficult groups" or take on "difficult tasks".

Positive Spirit, Essex

When Trevor became very isolated during an episode of mental illness he was horrified at the thought of attending traditional day care to support him to reconnect with society.

His social worker put him in touch with Positive Spirit.

Positive Spirit is a group of people, grant funded by the Fair Share Trust, who all have an interest in using the arts to promote emotional and mental well-being. Group members come together every two weeks to experiment with drama, creative writing and visual arts projects. The group is unique in that service users, carers, social workers, and community psychiatric nurses all meet together as equals to share their creative ideas and skills.

'The group has been a real catalyst in my life.' Trevor explained 'As a result of coming to Positive Spirit I have become re-involved in society and developed an active social life with other group members, visiting the theatre and cinema locally. Greatest of all I have even recently been able to return to work.'

3

Making links with the community

Embedded within the community and at the grassroots level, local voluntary and community organisations are particularly adept at involving their users and reflecting the diversity of the local area. They are also well aware of equality issues and embrace local diversity.

The smaller scale of their operations also makes them closer to their clients and hence closer to identifying and knowing about their needs.

Neighbourhood Improvement Fund, Ealing

The Neighbourhood Improvement Fund project is part of Ealing's neighbourhood renewal programme, where resident led panels on four key deprived estates have direct control over budgets for local service improvements on their own estates. For example, they can buy new equipment for older people's clubs, fund new activities for children, or make environmental improvements.

As a grant funded pot awarded from within the wider neighbourhood renewal programme, the Neighbourhood Improvement Fund not only demonstrates how grants can help a community help themselves, but is also an example of the role that a small grants pot can play as a proportion of a larger initiative.

Innovative grants programmes are also taking steps to involve all sections of the community in grant making...

Involving young people

The Fair Share Trust programme uses panels of local people in order to set the strategies for grants and to endorse applications. In one case the panel was making grants for young people and as it was difficult to get young people to engage in the panel process itself they made it a condition of the application that the organisations demonstrated that they had consulted with young people to check it met their needs.

The Fair Share Trust programme is part of the Fair Share Initiative announced by the Secretary of State for Culture Media and Sport in 2001. The Fair Share Trust programme was launched in June 2002 to ensure that a sustainable impact is made on the lives of people in the most disadvantaged areas in the UK. It is managed by Community Foundation Network.

4

Active citizenship – volunteering and philanthropy

Volunteers are often the lifeblood of local voluntary and community sector groups. Volunteers can be initiators of an activity. Local people associate to help each other perhaps initially in informal groups and then more formally in recognisable VCS organisations. Or they might be previous beneficiaries of the charity who now want to get involved.

Volunteering brings benefits to the individual involved, as well as extra capacity and expertise to the group.

Others may not have the time to volunteer but express their commitment to their community via charitable giving. Such philanthropists are often willing to allow their donations to local causes to be used to match a grant intended for the same purpose, so that the value of the initial grant can be multiplied several times over.

Home-Start – Goole, Yorkshire

Home-Start in Goole last year supported 64 families, including 130 children, by visiting them in their own home each week offering assistance, friendship and practical help. The aim of Home-Start is to empower families to find their own way forward through difficulties and achieve lasting change by providing family-centred support. It receives an annual grant for the local authority.

But what makes all this possible are the 34 local volunteers who give their time to visit the families, who may have approached Home-Start themselves, or been referred by a health visitor or social services.

Feedback from families receiving support from Home-Start in Goole is the clearest evidence of the contribution that these volunteers make to their community:

“My volunteer gets me motivated. Knowing she’s coming gives me a reason to get cracking” – “I look forward to Mondays. I’m off my anti-depressants and feel much better now” – “My kids are so much happier. When I’m ok they’re ok”.

5

Multiple wins from a single intervention

Many voluntary and community sector groups, although set up or focused around a single issue, actually achieve multiple outcomes (for example social, economic and/or environmental).

So one good grant “investment” can be more effective than several distinct interventions.

Voluntary and community groups tend to focus on the person as a whole and will aim to tackle the breadth of the issues faced by their beneficiaries. By contrast statutory agencies may face pressure to focus on a tightly defined outcome, within their distinct remit, with an increased risk that they might only be dealing with one of multiple issues faced by the client.

South Shropshire Youth Forum Project

South Shropshire Youth Forum Project used a Sport Relief grant to address youth disaffection by arranging a football project over 3 months. In this time they reached 40-50 young people.

The project comprised a programme of weekly life skills workshops followed by football training and activities. So also included were drugs awareness, smoking dangers to health, alcohol, diet, nutrition and personal fitness.

In addition to the intended outcomes for young people involved in terms of fitness and personal fulfilment the following outcomes were also recorded:

- *Ludlow Police noted a 15% reduction in violent crime;*
- *Reduction in fear of crime within the community;*
- *Reduction in antisocial behaviour incidents;*
- *New links between local agencies;*
- *Springboard for new activities.*

6

Improving the quality of community life

Making their community a better place to live is the driving force behind the majority of local voluntary and community groups. They may have a specific objective or user group in mind when defining their “outputs” – but overall they are working towards improving the quality of life within their communities. And this can bring about positive benefits such a reduction in isolation, increased community cohesion, and building links between people.

These outcomes are difficult to achieve unless one is able to reach right down to the local level and meet people where they are. Local voluntary and community groups are particularly good at doing this and providing choice to their beneficiaries. Evidence from the Fair Share Trust and elsewhere suggests that for many services people tend to turn to locally provided support and provision.

The Asha Centre, Worcester

The Asha Centre opened its doors in April 2002 with the aim of providing services to and improving the quality of life for disadvantaged and vulnerable women in Worcester.

The centre has been successful in building confidence within the wider community so that women from Pakistani and Bangladeshi communities, usually seen as being hard to reach, have also been encouraged to attend.

In addition to providing much needed services (support for mental health needs, rehabilitation for ex-offenders and a prison in-reach scheme), the centre also acted as a social space for women who would otherwise have remained very isolated, which in turn has contributed to a greater sense of community.

7

Improving personal outcomes

Many grants to local organisations support people on an individual basis and try to help many of them find ways of dealing with the situations they find themselves in.

This level of one to one support achieves many qualitative outcomes for its beneficiaries in terms of building confidence, self esteem and rebuilding relationships.

Moreover, if one digs deeper, in most cases it is possible to see that the initial investment in a person's self confidence can lead to hard outcomes such as educational achievements, increased employability and often a job.

Inclusion Ventures, Essex

Having escaped a violent home with his mum J moved to Essex. His communication skills were poor and his behaviour aggressive, violent and destructive. His behaviour in school was disruptive and sometimes dangerous. He described himself as having no hobbies, used drugs and hung about the streets.

Inclusion Ventures (IV) received a grant from the Fair Share Trust to provide Domestic Violence Awareness training to school staff to help them understand how they can deal with the specific needs of young people who have witnessed domestic violence. J and his mother have attended programmes to help them understand how the violence at home has affected them and how they can change, heal and find new ways of dealing with conflict.

As a result, relationships have been strengthened and self esteem raised. J's behaviour at school has improved.

It is too early to judge any impact on recidivism, but J has not come to the attention of the police since IV started working with him. IV also support him in his leisure time, using outreach sessions to maintain contact, provide information, advice and support to make informed choices about his drug use and behaviour within his community.

8

Demand-led and responsive to the emerging environment

Local voluntary and community organisations have a good understanding of local needs and opportunities, and are able to develop initiatives, support organisations and launch campaigns that are tailored to that specific area or local estate. More effective than struggling with making a “one size fits all” model work for them.

This “bottom up” response to local issues and opportunities is a prerequisite for a healthy community and an essential component to externally driven regeneration and development programmes.

Local organisations can see issues emerging and can react quickly. And grant funding can be used to meet these needs more immediately. Many local grant makers have the capacity to turn around grants much faster than through national programmes or contracts.

Cumbria Community Recovery Fund

The Cumbria Community Recovery Fund was established by Cumbria Community Foundation to fund community “rebuilding” projects and direct support to those suffering financial hardship in the wake of Foot & Mouth Disease.

Cumbria was by far the hardest hit area and the community foundation wasted no time in responding to local needs around them.

A management committee met to approve the principles of the Recovery Fund on 26th March. The appeal was launched on 4th April and the first grants were approved by a newly formed grants committee on 11th April.

The response to the Carlisle floods in January 2005 demanded a similar response, which was executed even faster.

9

Being strategic – helping to meet key local outcomes

Local organisations funded to meet local need rather than hit a specific target do make a major contribution to the attainment of strategic priorities over a wider area.

At a recent evaluation session of the DfES' Local Network Fund, groups were asked how they felt they had contributed to the government's Every Child Matters outcomes. And although most groups had applied for a grant under the outcome "Enjoying and Achieving" – on reflection most groups found that they were also hitting their local targets for the outcomes "staying safe", "making a positive contribution", "achieving economic well being" and "being healthy".

Healthy Communities Fund – Lewisham PCT

The Healthy Communities Fund operated for 3 years, providing grants of up to £5,000 for voluntary and community groups. The fund was part of the Health Action Zone programme, and has been delivered for the Lewisham PCT by Capital Community Foundation.

The key to this programme was that the community foundation was able to act as an interpreter on the PCT's behalf, and to translate the outcomes they wanted to achieve into the work that was being done by a wide variety of small community groups.

In effect these groups were meeting their own aims and those of their beneficiaries. Yet at the same time they were also delivering against the PCT's strategic outcomes.

10

Gateway to local services

Local voluntary and community sector organisations are well placed to reach those who may otherwise “avoid” approaching or responding directly to statutory providers. Sometimes these organisations may provide services directly themselves, but in other situations they may encourage, support and guide individuals to access the services available to them in their local area.

West Norwood Community Development, Lambeth

West Norwood Community Development (WNCD) delivered an anti-gang, gun and knife crime workshop, using a grant from the Home Office.

WNCD is a grassroots organisation, set up 10 years ago, and provides support to its local community in West Norwood. An advantage of WNCD’s position within the community is its ability to appeal to young people through outreach work and to get to know the community in a way which the local authority does not have the time or resources to commit to.

WNCD youth workers will attract people to their projects by visiting estates and hard to reach areas, talking to and getting to know the residents and communities.

WNCD’s programme was a success. It was fully attended and acted as a gateway to the gang, gun and knife crime scene, which is at the forefront of the local authority’s agenda.

Conclusion

There are many different types of voluntary and community groups, of all shapes and sizes with different missions, ambitions and achievements. Similarly their capacity or readiness to use available forms of finance also varies.

But one constant remains: the need for funding that is accessible, flexible and low cost to arrange and deliver, and that is linked to the achievement of strategic outcomes that matter locally. This funding is grant aid.

There will be a place for contracts to deliver centrally set outputs, and there will be a place for loan and other forms of debt finance.

But a centrally set target can often be achieved at lowest cost by focusing very narrowly and not always getting to the hardest to reach. And debt finance is only viable when the revenue from an activity exceeds the cost of provision. Neither of these approaches necessarily maximises social or community benefit.

This pamphlet argues that a good grant, well structured around locally owned outcomes, can be strategic and can help all parties focus on maximising social and community benefit.

Grant funding must be sustained as a critical part of the local funding mix.

Supporting organisations

Advice UK - www.adviceuk.org.uk

Charities Evaluation Services - www.ces-vol.org.uk

CLINKS - www.clinks.org

Community Foundation Network - www.communityfoundations.org.uk

Community Sector Coalition - www.communitysectorcoalition.org.uk

Directory of Social Change - www.dsc.org.uk

NAVCA - www.navca.org.uk

The Scarman Trust - www.thescarmantrust.org

Urban Forum - www.urbanforum.org.uk

Women's Resource Centre - www.wrc.org.uk

Case study sources

WRC evaluation, RASASC, Croydon - www.rasasc.org.uk

Positive Spirit, Essex Community Foundation - www.essexcommunityfoundation.org.uk

Neighbourhood Improvement Fund, Ealing CVS - www.ealingcvs.org.uk

Fair Share Trust - www.communityfoundations.org.uk/fair_share_public.php

Home-Start, Goole - www.hsgooleandwolds.com

South Shropshire Youth Forum Project, contact Community Foundation for Shropshire and Telford for further details - www.cfsat.org.uk

Asha Centre, Worcester, contact CLINKS for further details - www.clinks.org

Inclusion Ventures, Essex, contact Essex Community Foundation as above for further details

Cumbria Community Recovery Fund - www.cumbriafoundation.org

Healthy Communities Fund, Lewisham, contact Capital Community Foundation for details - www.capitalcf.org.uk

West Norwood Community Development, contact Capital Community Foundation as above for further details

This pamphlet can be downloaded from www.navca.org.uk

SUSTAINING GRANTS

Why local grant aid is vital for a healthy voluntary and community sector and thriving local communities

