

Funding and Finance

Funds, glorious funds!

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West Midlands
Combined Authority

locality
the power of community

Workshop Agenda

09:45	Arrivals and refreshments
10:00	Introduction
	Funding
11:20	Break
	Finance
11:30	Group exercise
	Summary, Q&A and next steps
12:30	Lunch and networking

Workshop aims

To support groups to become funding ready by sharing:-

- details of different ways to raise funds to help take on and/or redevelop an asset;
- individual experiences of raising funds;
- guidance on what funders are looking for and what groups need to have in place;

By the end of the session participants will have:-

- increased awareness about the different types funding and finance options available;
- developed an understanding of the governance and management requirements needed to raise funds;
- access to resources and guidance to help you further explore and develop your funding plans.

Assumptions



All participants have:-

- Attended previous workshops which were:
 1. *Taking on an asset – ownership, lease, ACVs, CATs, & the BCC Valuing Worth (optional)*
 2. *Governance models and trading arms (mandatory)*
 3. *Income generation and business models (mandatory)*
- And are planning to attend the final workshop 'Business Planning'.
- Either have an asset or are exploring taking on an asset
- Have the appropriate legal and governance structures to take on an asset and apply for relevant funding.

Take a couple of minutes to introduce yourself, your organisation including one interesting fact, and what you are looking to achieve from today's workshop.

About Locality

Locality is the national membership network supporting local community organisations to be strong and successful.

We believe in the power of community to transform lives and create a fairer society.

We deliver work that aligns with our mission that includes providing specialist advice, peer-learning, resources and campaigns to help every community thrive.

Our network of over 1,800 members create the services their community needs most in spaces where everyone belongs.



Our Impact

♥ 2,616

The number of organisations we helped last year to become stronger and more successful



300,000

The number of people our members support each week



£3.9m

The amount we helped distribute to help organisations support their communities.

Funding and Finance Options

Grants

Fundraising

Social Investment

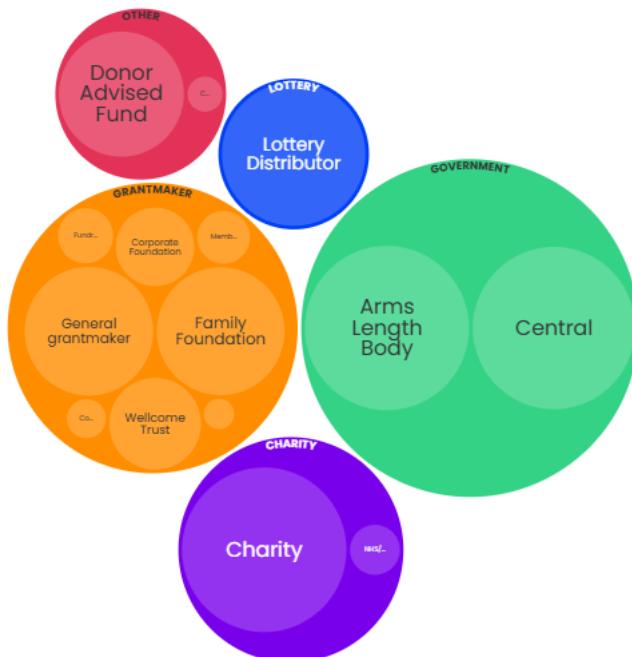
Grant making landscape (360 Giving)

- Over 13,000 UK grantmakers distributed over £20bn in grants in 2022-23
- The vast majority of grantmakers are small, distributing under £1m in grants per year
- The majority of grant recipients in data published using the 360Giving Data Standard were small charities and reported income under £1m
- The majority of grant awards are small – grants awarded were most commonly for a year or less and for under £10,000.
- Foundation giving was over £6.4bn in 2022-23
- Community Foundations distributed £175m, with the majority going to the most deprived communities in the UK

Different types of grant funders

Number and size of UK grantmakers
By grantmaking segment, 2022-23

Spending on grants Number of grantmakers



Number and size of UK grantmakers
By grantmaking segment, 2022-23

Category	Segment	Number of grantmakers	Spending on grants (£m)
Grantmaker	Community Foundation	49.0	175.7
	Corporate Foundation	152.0	709.4
	Family Foundation	273.0	1,878.6
	Fundraising Grantmaker	66.0	348.7
General	General Grantmaker	10,226.0	1,900.8
Government	Government/Lottery Endowed	12.0	105.9
Member/Trade	Member/Trade Funded	1,049.0	319.5
Wellcome	Wellcome Trust	1.0	967.3
Lottery	National Lottery Distributor	12.0	2,366.9
Charity	Charity	427.0	3,111.1
	NHS/Hospital Foundation	150.0	286.3
Government	Arms Length Body	14.0	3,106.3
	Central	14.0	3,035.6
	Devolved		
	Local		
Other	Donor Advised Fund	32.0	1,796.6
	Company (estimate)*	225.0	142.0
Total	Total	12,702.0	20,387.6

Grants Explained

What is it?	A financial award that is awarded by either a public body, charitable trust or private organisation.
Who is eligible?	is eligible: Any organisation (constituted or incorporated but can be given to individuals).
Its purpose	To support specific projects, activities, or outcomes.
Repayment	Subject to the terms of funding being met grants a typically non-repayable.
Conditions	Either are restricted and can only be used for specified purpose or unrestricted and can be used to cover any reasonable cost.
Schedule	Typically need to be spent within a defined timescale.
Reporting	Regular monitoring and reporting is required for larger amounts (>£10k).

Grant Types

Grant Type	Project	Core Funding	Capital	Research	Match
Purpose	To fund specific projects.	To fund operational costs.	To fund purchase and/or refurb of asset.	To fund academic or scientific research.	To complement funding already secured.
Criteria	Project plan with defined objectives and outcomes.	Sustainability.	Feasibility, sustainability and community benefit.	Research proposal with a clear methodology.	Evidence of secured funding.
Use	Restricted to project spend (capital and/or revenue)	Unrestricted. (capital and/or revenue)	Asset acquisition and/or redevelopment (capital only)	Restricted to research costs. (revenue)	Restricted to project spend. (capital and/or revenue)
Conditions	Regular monitoring and reporting.	Regular monitoring and reporting.	Regular monitoring and reporting. Security.	Publication or sharing of findings.	Proof of match.

Grant Funders



What are funders
looking for?

Share your experiences



Grant Funders - Mindset

<u>Always</u>	<u>Desirable/Occasional</u>
Inspiration	Collaborative working <i>Demonstrates organisational maturity.</i>
Evidence of need	Sustainable <i>Demonstrates effective management.</i>
Evidence of engagement	Identified development needs <i>Demonstrates self-awareness and commitment to growth.</i>
Impact	Environmental Impact <i>Demonstrates emphasis on sustainability and responsible resource use</i>
Clarity	Diversity, Equity and Inclusion <i>Demonstrates responsibility to being fair, inclusive and representative..</i>
Capability - Governance and Management	Matched Funding <i>Demonstrates financial stability and commitment to project.</i>
Alignment of priorities	
Risk - and how it is managed	

Grant Applications – Top tips



What are your top tips and advice for grant applications.

Grant Applications – Top tips

- **Eligibility:** Make sure your organisation is aligned with the funders strategy, values and fund criteria. If you are unsure - get in touch with the funder!
- **Guidance:** Read of all the application guidance including limits on word count, formatting, and supporting documents.
- **Evidence:** Provide evidence of need, engagement and impact of your project.
- **Be realistic:** Set achievable and measurable objectives that align with fund outcomes.
- **Presentation:** If the application allows it make your submission interesting, include data, case studies, images.
- **What next:** Explain how the project will continue to have an impact after the funding period ends and how you may evolve the project (future funding).
- **Full Cost Recovery** – Ensure the grant will cover all project costs.
- **Supporting documents:** Create and maintain a repository of information related to grant application and regularly update it.
- **Proofread:** Have others read it before you submit it.

Case Study – Mossley Big Local

- Community Centre. Poor condition, disrepair, vandalism. CAT from local Council
- Development of business plan and strategy including funding plan to redevelop. Community engagement, evidence of need.
- Successful grant applications to Community Ownership Fund, TNL Reaching Communities Fund, and other smaller funds to secure £390k.
- Project build commenced Autumn 2024 and due to complete in summer 2025.



Grant Funding – Helpful resources

Name	Details	Link
MyCommunity – Capital Funding Directory	List of funders that provide capital and revenue grant funding.	https://mycommunity.org.uk/capital-funding-directory
Grants Online	Active directory of grants.	https://www.grantsonline.org.uk/
Engage for Funding	Local CVS directory of funding opportunities	https://funding.idoxopen4community.co.uk/engageforfunding
TNL Heritage Fund	£10k - £10m for heritage projects.	https://www.heritagefund.org.uk/
Sport England	Capital and revenue funding	https://www.sportengland.org/funding-and-campaigns/our-funding
Newsletters	Regular funding updates from infrastructure organisations and funders.	NDSU Locality BVCS, Charity Excellence + Others

Fundraising

A way to match people who want to see change in the world with people who are able to achieve it.

Fundraising Facts

- ❑ In the UK the public donated over £13.9bn to good causes in 2023
- ❑ The average donation amount was £20
- ❑ 81% of people only donate after being invited to support the cause
- ❑ 63% of people who donate also do something else positive like recommending, promoting or volunteering for the cause

https://www.cafonline.org/docs/default-source/about-us-research/uk_giving_report_2024_final.pdf?sfvrsn=8ac35647_2

Fundraising – Who can fundraise?

Registered Charity

Yes

All can engage in fundraising.

Community Interest Company

Yes

Recommend to register with Fundraising Regulator (not mandatory).

Commercial Business

Yes

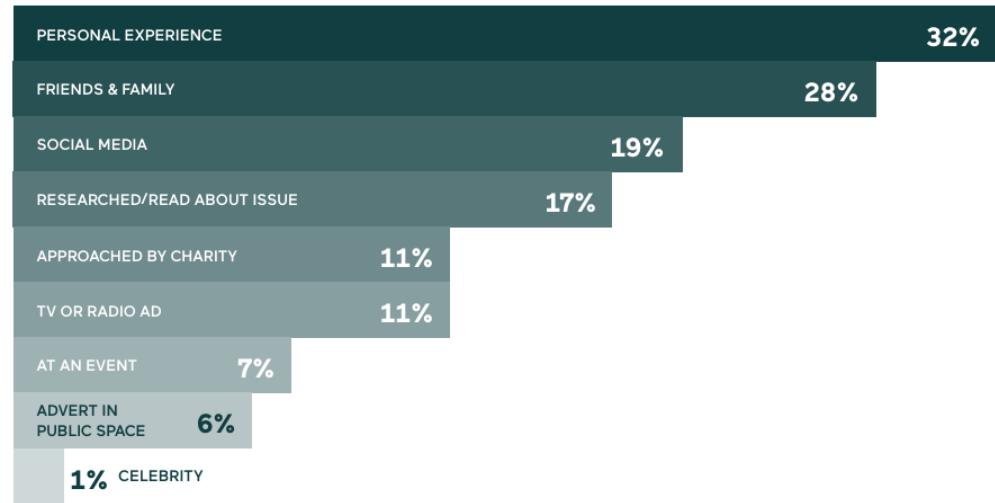
Can raise funds via:

- face to face, direct or telephone fundraising
- use online platforms for collecting donations
- run charitable lotteries, free draws or raffles.

Fundraising – What makes people donate

What makes people donate to a cause? The top 5 reasons are:

1. Personal experience
2. Friends & Family
3. Social Media
4. Researched issue
5. Approached by charity



Benefactors

Benefactors are people who have:

- access to resources to help support community organisations;
- a connection with the community of interest, place or mission;
- a desire to support because of their connection;



Benefactors can help to:

- Make financial contributions;
- Attract other donors, sponsors, and partners;
- Provide volunteering and promotional opportunities

How to identify potential Benefactors:

- Research local business leaders, entrepreneurs, or philanthropists who could be connected to your organisation;
- Attend networking events to meet potential benefactors and make connections;
- Share data, stories and invite potential benefactors to your events;
- Provide different ways in which a potential benefactor could support your organisation.

In-Kind Funding

Non-cash contributions that individuals, businesses provide to community organisations.
Examples include:

- **Equipment:** Food, clothing, supplies;
- **Services:** Architectural, Legal, Accounting, Marketing, Software,
- **Facilities:** Use of premises including meeting rooms;

How to access:

- Reach out to local businesses (small and large) and benefctors
- Connect with companies that have a CSR strategy
- Use online platforms (ie: InKind Direct, Furniture Reuse Network, LawWorks).

Fundraising – What approaches have you tried?



Type	Details	Considerations
<u>Donations</u>	Raising funds directly from the public.	Register with Fundraising regulator and follow guidance.
<u>Pro-Bono</u>	Receiving professional services (legal, accounting, marketing) at nil-cost.	Are the values of the supporting organisation aligned with yours.
<u>Gift Aid</u>	Claim back 25p every time an individual donates £1 to your charity	Can only be claimed by registered Charity.
<u>Events</u>	Holding a community event, fair, auction, etc to raise funds.	Register with Fundraising regulator and follow guidance. Also, event planning and risk management skills are required.
<u>Crowdfunding</u>	Digital platforms that help to raise funds from wider pool of people.	Think about the fees and whether the platform is non-profit.

Case Study – Zion Bristol

- Community hub providing spaces for local people to meet and for groups to deliver essential services
- Hosting over 200 events per year, there are groups and sessions for the very young to the older generation
- Run as a community space for 10+ years when owner decided to sell the building for £475k.
- Engaged with community to feed into business plan and developed funding proposal.
- Community Ownership Fund used to purchase the building with support from the local community through Community shares. In total £234k was raised via Community Shares and grants with the remaining 50% being funded by a capital grant.



Fundraising platforms

Name	Type	Link
Chuffed	Crowdfunding	https://chuffed.org
Total Giving	Crowdfunding	https://www.totalgiving.co.uk
Big Give	Crowdfunding	https://donate.biggive.org
Space Hive	Crowdfunding	https://www.spacehive.com
Action Funder	Crowdfunding	https://www.actionfunder.org/non-profits
Reach Volunteering	Volunteering	https://reachvolunteering.org.uk
DoIT	Volunteering	https://www.doit.life

<https://d13kjxnqnhcmn2.cloudfront.net/AcuCustom/Sitename/DAM/045/Fundraisingplatformpricecomparisonchart.pdf>

Fundraising – Helpful resources



<https://mycommunity.org.uk/how-to-raise-funds-from-donations-and-crowdfunding> - Information on different approaches to raising funds.



<https://www.fundraisingregulator.org.uk/registration/non-charity> - Guidance on raising funds for non-charitable organisations.



<https://ciof.org.uk/guidance-and-resources/new-guidance-and-resources> - Guidance and resources on how to fundraise.



<https://matchmyproject.org/birmingham> - Link to platform.

Social Investment - Introduction

- ❑ Social investment is finance that is designed to create social and financial return.
- ❑ Allows socially motivated investors to support good causes.
- ❑ Provides capital to organisations who wish to develop and grow.
- ❑ It is not a grant or donation so is repayable.



Social Investment – Why it might be needed?

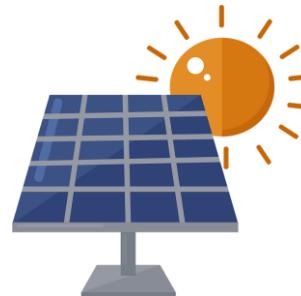
To develop new ideas into products and services.



To purchase or redevelop assets.



To bid for and deliver new service contracts.

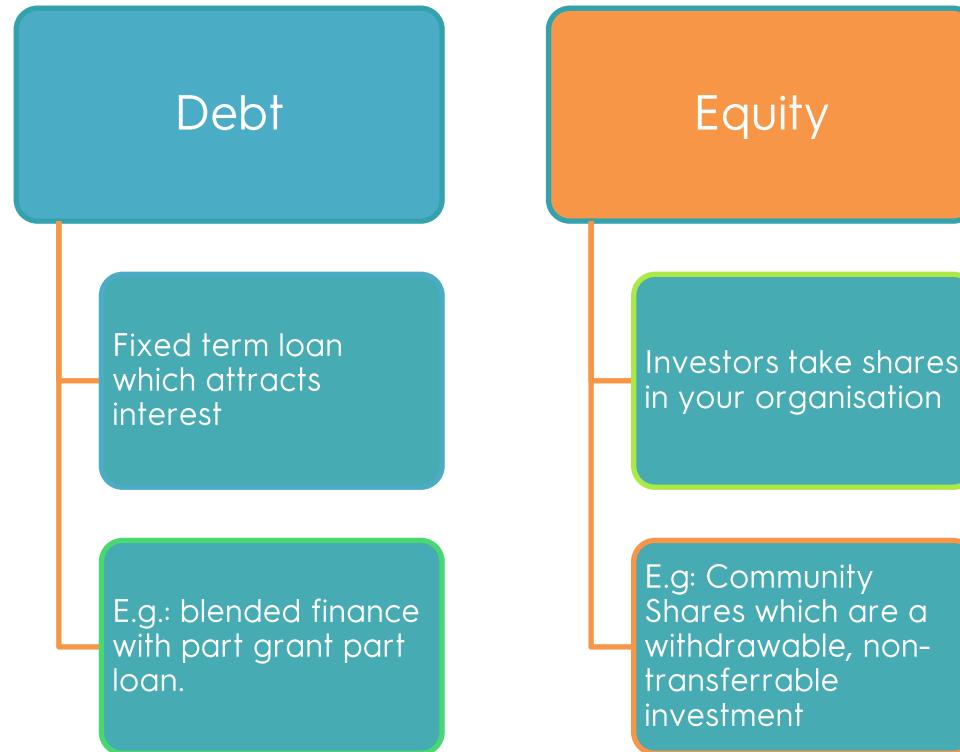


To fund energy efficiency improvements.



To match funds with other funding sources.

Social Investment – Typical types of social investment



Social Investment – Providers and Scale

Social Investment Firms	Social Banks	Trusts & Foundations
   	  	    

- UK social investment market has grown to £9.4bn in 2022, up from £7.9bn in 2021.
- Since 2011, 5,000 social enterprises and charities have received social investment
- 1,300 social investment deals were agreed in 2022 alone, for a total of about £1.8bn
- 62% of the recipients of social investment targeted the UK's most deprived communities
- As of 2022, 82% of social enterprises or charities receiving social investment were based outside London

Social Investment – Community Shares

Co-operatives and Community Benefit Societies can issue Withdrawable share capital which can be bought by people who then become 'Members'.



Members are shareholders, each member has one vote (regardless of share capital) and can vote on how the organisation is run. A democratic way in which a community organisation can raise funds from people who want to support your organisation.

The minimum share investment is £1, the maximum shareholding by one individual or company is £100,000.

Groups wishing to explore this can receive grant support to help develop their share offer (Booster Fund - T&Cs apply).

Social Investment – Community Shares: Case Studies

Barford Tigers Sports Club, Birmingham

One of the most diverse hockey clubs in the country, Barford Tigers aims to be a sporting and community model of excellence both on and off the pitch.

- Barford Tigers have big ambitions to take on and develop a multi-sport and wellbeing community hub
- Using Co-operatives UK's [model rules](#), they set up a new community benefit society
- With the help of the [Booster Fund](#), [pre-grant support](#) and a [development grant](#), they have been able to prepare for their upcoming share offer

Community Shares



"The Co-operatives UK Booster Fund has allowed us to seek professional advice through qualified practitioners in preparing and launching our community share offer. The funding from the Booster Fund further allowed us to enhance our business plan to make it more robust. This has made us more accountable in the sense that our members and investors are now fully confident that our community share offer has been expertly verified before being launched to our members."

Zion, Bristol

This valuable space, including a café, hall and events space has been at the heart of the local community in Bedminster for almost a decade.

- When the owner decided to step away during lockdown, the community stepped forward to buy the space and safeguard its future
- With the help of Booster Fund support, Zion launched a community share offer, raising £234,908 from 370 investors
- This included £25,000 match equity funding from the Community Shares Booster Fund



"We're an area where things are always being taken away and not being replaced. We're proof that you can save an asset."

Community Shares

Community shares stories

York Supplies, Birmingham

When the owner of a cherished hardware shop announced he was retiring and wanted to sell the business, the community stepped in and bought it.

- York Supplies received grant support to get investment ready ahead of launching a community share offer to raise the capital to buy the store
- Having achieved the Community Shares Standard Mark, they raised £350,000 from 700 investors

Community Shares



"Up until this point, we'd done things on a shoestring and were relying on money the committee had loaned to the operation. Getting the development grant meant we could pay for professional help to make sure the share offer document was as good as it could be. We are enormously grateful to Co-operatives UK for keeping on offering us different ways they could help, if we needed it. We really appreciated their supportive approach."

Social Investment – Benefits

- Support development of operational capabilities
- Access to high amounts of funding
- Fund growth ambitions including investing in innovation and new market opportunities.
- Demonstrate resilience and enhances reputation.
- Supports balances portfolio with mixed-funding sources (grant and finance).
- Long-term stability by providing access to finance.
- Attracts other funders to support your organisation.

Social Investment – Investor mindset

- **Social Impact:** What is the social impact of your project, what will it achieve?
- **Sustainability:** How financially sustainable is your project?
- **Scale:** Can your project be scaled and/or replicated?
- **Investment Strategy:** Does your organisation and the project align with the investors strategic aims, vision and values?
- **Partnerships:** Does the project have any partnerships/collaborations that increase its impact?
- **Track Record:** What is the track record of the organisation and the people involved?

Breakout Session



Objective: Work together to match different funding sources with your community asset project. This includes discussing funding examples mentioned earlier in the workshop and selecting the most suitable funding sources for your project.

Type of asset	Community Hub	Sports and recreation	Library	Cultural space	Enterprise	Other
Purpose of funding	Purchase asset	Repair asset	Refurb asset	Core costs	Other	Unsure
Amount of funding required	<£50,000	Between £50k - £99k	£100k - £250k	>£250k	Unsure	
Funding timeline	< 6 Months	6- 12 Month	>12 months	Unsure		
Type of funding preferred	Grant	Donations	Social Investment	In-kind	Crowd-funding	Other
Preferred Funder	National Lottery	Social Investor	Community Shares/ <u>Crowd-funding</u>	Trusts and Foundations	Other	
Funding ready status	Ready to go - show me the money!	Nearly there (<3 months)	Getting there (3 - 6 months)	Still thinking (6+ months)	Unsure	<input type="button" value="Open (Ctrl) ▾"/>
Type of 1:1 support needed	Business planning	Financial planning	Community Engagement	Social Impact	Asset Management	Other

Fundraising Plan

Purpose	Activity	Target Amount (£)	Target Funder(s)	Timescale	Owner(s)	KPI
Energy Efficiency improvements	Blended grant/Loan	£50,000	Groundworks, Friends Provident, Pilgrim Trust	Q1 - Year 1	Business Dev. Team	Net return on investment
Purchase minibus	Grant applications	£15,000	The National Lottery, Comic Relief, Clothworkers' Foundation	Q2 - Year 1	Operations Manager	Number of successful grants secured (£)
Core Costs	Crowdfunding campaign	£5,000	Space Hive	Q1 - Year 2	Operations Manager	Raise min 75% of fund target

Social Investment – Investment Readiness Checklist

- Funding** – What do you need it for, are there other options available?
- Legal Structure** – Can your organisation access social investment?
- Planning** - Do you have a business and financial plans?
- Impact** – What will the social investment help you achieve?
- Repayment** – do you have income to repay the debt?
- Risk** – Have you considered the risks?

Social Investment Funds

Regional social investors that providing funding for capital projects:-

Funder	More Info
Key Fund	https://thekeyfund.co.uk/funding/
Resonance	https://resonance.ltd.uk/impact-property-funds
Big Issue Invest	Big Issue Invest Funds
Charity Bank	https://www.charitybank.org/loans/
Natwest S&SCC	https://www.natwest.com/business/loans-and-finance/social-and-community-capital.html

Visit <https://www.goodfinance.org.uk/investors-advisors> for further options.

Social Investment – Helpful resources



www.reachfund.org.uk/what-access-point to learn more about the Reach Fund grant programme

<https://mycommunity.org.uk/understand-different-forms-of-repayable-finance> to learn more about social investment

www.goodfinance.org.uk to find out about social investment providers and becoming investment ready.

<https://www.uk.coop/support-your-co-op/community-shares> to find out more about community shares.

Funding capital projects – essential criteria (1)

Criteria	Details	Supporting information
The Asset	Current status including condition, uses (previous/current/proposed). Sale/lease terms, restrictions.	Business plan, evidence of ownership/lease, condition report/survey, valuation.
Community engagement	Community engagement approach, alignment of project with local community needs, support for project.	Surveys, consultations, focus groups, evidence of need via primary sources (IMD, ONS, Local and National policy).
Benefits	What benefit will the project deliver to the community and beyond, is the project inclusive and accessible.	Theory of change, impact measurement. Local ward plans, citywide strategy, national policies.
Environmental	How sustainable is the project.	Feasibility study, Energy assessment/audit

Funding capital projects – essential criteria (2)

Criteria	Details	Supporting information
Funding	Breakdown of funding requirements (capital and revenue), financial forecasting including multi-year budgets, matched-funding (where applicable)	Financial forecasts, funding plan, project plan with milestones.
Skills and experience	Evidence experience of managing an asset, board and management experience, proposed recruitment.	Governing document, policy and procedures, role profiles.
Project management	For redevelopment of assets – experience of managing projects, procurement, budget management.	Project plan, CV's,
Transparency and accountability	Ensuring the asset is accountable to the local community, local people can access the asset.	Governing document, community consultations.
Risk	Issues that could adversely impact the project – how will these be mitigated.	Risk register, scenario planning.

MyCommunity - Helpful resources

myCommunity

www.mycommunity.org.uk

- How to write your business plan for a capital funding application
- Tips to create a strong funding or support application
- How to forecast financial information
- Renting your space for the benefit of your community
- Why community engagement is key to your success
- How to measure and show the impact of your project
- How to create a risk register
- Top tips for submitting your capital funding grant application

Make sure you do the basics

- Strong governance and leadership need to realise a vision.
- Develop a clear and concise business plan including resource requirements.
- Ensure your financial projections add up!
- Engage with your local communities.
- Create a 'plan on a page'. A one-page document that can summarise your organisation and its strategic aims.
- Maintain a repository of information that is required for funding applications
- Think about the risks - taking on an asset for your organisation must be a viability and not become a liability

Viability Not Liability

Q&A



Final Workshop

Final Workshop:

Date and Time:

Location:

Booking Link:

Business Planning

27th February 10am to 1pm

James Horsfall School Room,
Fordrough Birmingham B25 8DL



Locality supports local community organisations to be strong and successful. Our national network of over 1,600 members helps hundreds of thousands of people every week. We offer specialist advice, peer learning and campaign with members for a fairer society. Together we unlock the power of community.

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