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Research on Allocation of Funding for Communities

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Executive summary

1. This report contains findings from Part 1 of a two part research project. Part 1 covers the range of methods that exist for allocating government funding to communities, and an assessment of the different allocation methods in terms of who they reach and what they support. Part 2, which is published as RR280, includes the evaluation of Community Champions and the Community Development Learning Fund, and suggestions for the development of outcome measures linking community activity to education, training and employment activity.
2. The conclusions of this report are based on telephone interviews with representatives from 17 funds which fund communities, and 10 recipients of some of those funds. Five categories of funder were included, all of which administer monies which originate with UK Government: Government Department funds, and funds delivered by Government sponsored public sector agencies, local authorities, the National Lottery and the voluntary and community sector. A descriptive mapping of current provision of community funding (section 2) includes European funding streams and private trusts and foundations for completeness, although they are excluded from the research sample.
3. The research also draws upon research conducted by Social Regeneration Consultants on behalf of Joseph Rowntree Foundation in 2000, and refers to both the Government's National Strategy for Neighbourhood Renewal, published in 2001, and the Active Community Unit's recently published consultation document 'Funding Community Groups'.
4. A reasonable estimate is that approximately £369m of public money is currently spent annually on supporting local communities (including a proportion which is either capital expenditure on buildings or may not strictly be regarded as direct funding for communities.)
5. The majority of funds are geographically targeted, primarily on urban areas with high scores on the local index of deprivation. Within the geographical targeting, individual funders develop their own criteria for who should receive funding, and these vary widely between funds.
6. Funders have made efforts to reduce the bureaucracy of the application process, and make their funds more accessible. Some have made particularly good progress; for example, abandoning application forms altogether and making funding decisions on the basis of visits to projects. However, the majority still rely on the traditional application process of form-filling, and decisions can take up to 5 months.
7. Most funds carry out some kind of evaluation of their effectiveness, although only about a third were being evaluated externally. Evaluation focuses mainly on checking up on how money has been spent, and very few recipients report being involved in any fund evaluation.
8. The recipients in this small sample were reasonably satisfied with their experience of obtaining funding. However, they would like to see further improvements in:

- Guidance on who funds what;
- More pre-application support and advice;
- Simpler application forms and procedures;
- Quicker decisions;
- Better understanding of community needs;
- Funding in advance rather than arrears;
- Longer term funding to meet core costs; and
- Less emphasis on innovation and more on good practise.

9. Most recipients didn't find the application forms hard to complete, although larger funders in particular were criticised for long complicated forms, and several recipients needed help.

10. Larger funders operating centrally or regionally find it hardest to meet recipients' criteria for effective delivery. Funds which do best are those which have on the ground support and assistance for applicants or draw on community workers to encourage applications. Locally based funders are generally most in tune with community need.

11. There are overlaps, gaps and duplications between funds as a result of the current unco-ordinated approach. Gaps in funding are apparent particularly for:

- Communities of interest spread over several neighbourhoods or local authority areas;
- Community groups in non-priority areas seeking small pots of money to pump prime activities;
- Pay for volunteers to spread knowledge and experience beyond their own community; and
- Funding for core running costs.

12. Intermediary organisations play a key role in getting funding down to individual communities, by offering direct support to groups, mediating between communities and professionals, employing community development workers, and supporting small mutual aid and self-help groups. However, their effectiveness is limited by:

- Patchy geographical spread;
- Variable quality;
- Financial insecurity;
- Lack of experience and understanding of community regeneration issues; and
- Lack of independence.

13. Government policy in future might usefully address the following issues:

- Number, type and complexity of funding programmes available;
- Inadequacy of structures and mechanisms to support use of grant-aid; and
- Priorities for funding.

14. **Number type and complexity of funding programmes available:**

There is a need to ensure that future funding developments are co-ordinated to avoid increasing gaps, overlaps and duplications. A new 'double key' system has been introduced by Government to ensure that new funds are set up only where genuine

need has been demonstrated, and 'Funding Community Groups' sets out proposals for making the Government's policies regarding small grants funding both more integrated and more accessible. There is also a need for a central information point so that all parties, including recipients, fund-administering agencies and central Government Departments themselves, have information about what is available. The National Strategy Action Plan proposes a website which will provide information about Government funds.

15. Inadequacy of structures and mechanisms to support use of grant-aid

The Government might:

- Develop a strategic approach to intermediary organisations;
- Make greater use of community development staff on the ground;
- Promote appropriate evaluation and better dissemination of evaluation findings (a Neighbourhood Renewal Unit set up under the National Strategy Action Plan will address this);
- Address inadequacies within the cultures of institutions which administer grants (the Neighbourhood Renewal Unit will also publish proposals for a learning and development strategy, based on work done by an Interdepartmental Working Group); and
- Continue and increase the trend to accept more risk in allocating funds.

16. Priorities for funding

Continued attention needs to be given to issues around funding for:

- Communities of interest, as opposed to neighbourhood-based community groups;
- Communities in non-priority areas; and
- Community groups as well as community leaders/entrepreneurs.

17. The National Strategy for Neighbourhood Renewal will have to work with the existing patchwork of unco-ordinated funds. It remains to be seen whether all the funds which have been set up prior to the Strategy will have a future within it.

1. Introduction

1.1 The present report constitutes the first part of a two part project. The overall aims of the project were:

Part 1 (this report)

- Report on the range of methods that exist for allocating government funding to communities;
- Assess the impact of the different allocation methods in terms of who they reach and what they support.

Part 2 (reported in RR280)

- Assess the early delivery of the Community Champions and CDLF initiatives and the activities they are supporting;
- In the longer-term to assess the outcomes of Community Champions and CDLF funding (in terms of effects on individuals and communities – networking, mutual support, community capacity building, management of community projects etc);
- Make early recommendations for improving the operation of Community Champions and CDLF and concluding recommendations on the most effective way to support a community level initiative of this nature; and
- Develop relevant outcomes for linking community activity to education, training and employment activity.

1.2 The research on methods for allocating funding to communities (**this report**) was carried out between April 2000 and September 2000. (Some funding streams may therefore have changed their practice since the research was completed. Also, some of the issues identified in the report are already being addressed. We have tried to include pointers in the text where this is the case.) The research addressed the following key questions:

1. How are funds allocated to communities? What is the role of intermediaries and what are the advantages and disadvantages of their inputs?
2. How easy is it for individuals or community groups to access funds and how long does it take?
3. Where are the key decisions about the uses of the funds made?
4. Does the method of allocating the fund seem to affect how well it reaches the community sector and levels of awareness that the support exists?
5. To what extent do the allocation methods enable individuals or groups in the community to develop and control their own projects?
6. To what extent do the allocation methods build in links to other relevant local provision?
7. Do the allocation methods show any relationship to the sustainability of the work funded?
8. What are the advantages and disadvantages of the various allocation methods?

1.3 The funding streams and specific funds covered by the research are listed in Appendix A. They fall into 5 categories: Government Departments, Government-sponsored public sector agencies, Local Authorities, National Lottery, and Voluntary Sector. The research specifically excluded European funding streams and those provided by charitable trusts and foundations, the aim being to restrict the project to funds which originate with UK Government. However, a brief overview of streams excluded from the research has been included in the analysis for the sake of completeness.

1.4 Methodology

The research methodology involved telephone interviews with representatives of 3-4 funds and two fund recipients in each of the 5 categories of funder. Representatives of a total of 17 funds (including CC and CDLF) and 10 recipients were included. Funders chosen were ones which were proactive in their approach to funding communities and had grant recipients able to provide feedback on the process. Each funder provided details of at least three recipients, and the recipient sample was chosen from the funder lists. Full details of funds and interviewees are included in Appendix A.

1.5 In January 2001, the Government published its Action Plan for the National Strategy for Neighbourhood Renewal, building on the framework for consultation published in April 2000 and the 18 Policy Action Teams reports. The Action Plan is referred to in the final section of this report.

2. Funding for Communities – who does what?

2.1 Many organisations, operating at national, regional and local level, have a direct role in funding communities. The plethora of agencies and programmes and the complicated nature of their funding conditions has contributed to a patchwork quilt of support which is, as yet, not comprehensive or well co-ordinated. Accessing funding is, as a result, not always as straightforward as it should be for local communities. This section summarises the main elements of the patchwork quilt:

Funding Bodies and Agencies

Government Departments

2.2 Government Departments provide a range of funds for communities, and also fund intermediaries involved in community-based projects and programmes. The main current programmes are:

2.3 The DETR Tenant Empowerment Grant programme:

- focused on local authority tenants;
- to capacity build tenants organisations, enabling them to play a key role in Best Value, particularly in those areas where participation has been slow to get off the ground;
- funds distributed through a national network of specialist intermediaries, who provide local support.

2.4 The Home Office's *Community Development Learning Fund*:

- aimed at small community groups within New Deal for Communities areas;
- primary purpose is to encourage groups to learn from each other, develop new skills and build their capacity;
- current fund is being piloted over two financial years;
- administration is carried out by the Federation of Community Work Training Groups, reporting to the Active Community Unit of the Home Office.

2.5 The Home Office's *Community Resource Fund*:

- also administered by the Community Development Foundation and the Association of Community Trusts and Foundations (ACTAF, now known as the Community Foundation Network or CFN);
- a small fund currently being piloted by the Active Community Unit of the Home Office;
- 30 pilot projects nationwide;
- allocation of £5000 each, providing grants of up to £500 to small and new community groups to help them get established.

2.6 DfEE (now Department for Education and Skills) *Community Champions Fund*:

- launched in late 1999;

- aimed at supporting individuals who can make a difference in their communities through formal and informal training, access to information and learning opportunities;
- being delivered throughout England, with administration carried out by Government Offices for the Regions.

2.7 The DfEE (now DfES) *Neighbourhood Support Fund*:

- also launched in late 1999;
- aimed at bringing disadvantaged young people into learning and work;
- targeted at 500 community-based projects in the 40 most deprived local authorities in England;
- £13.8 million over three years is specifically available for allocation directly to community organisations, and this part of the fund is administered through the Community Development Foundation.

2.8 Department for Education and Employment (now DfES) *Millennium Volunteers*:

- launched in January 1999 and now in its third round;
- aim of the programme is to encourage 16-24 year olds to commit 200 hours of planned and recognised voluntary activity which benefits themselves and the wider community;
- programme has a budget of £48 million in England.

2.9 Government Offices for the Regions are responsible for administering the *New Deal for Communities programme*:

- now entering its second round:
- the Government's flagship project for community-based urban regeneration, a significant proportion of the resources available for each ten year programme will be targeted at the local communities involved;
- to date, none of the pathfinder projects appear to have established funding programmes for community groups or individuals.

Government sponsored Public Sector Agencies

2.10 The Regional Development Agencies (RDAs) have a strong focus on economic investment. Currently responsible for the delivery of:

- The *Single Regeneration Budget* programme - up to 10% of expenditure on SRB round 5 and 6 programmes is targeted at building community capacity, often the largest resource available to local communities in these areas.
- The *Community Investment Fund* - a useful source of capital finance for a range of community projects, previously operated by English Partnerships. Is no longer a ring-fenced budget.
- No RDAs appear to be involved in direct revenue support for communities outside SRB areas.

2.11 The Housing Corporation:

- responsible for the funding and regulation of housing associations in England, many of whom have a substantial stake in local communities, through ownership

- and management of social housing;
- about to start a pilot programme of *Community Training and Enabling Grants*, aimed at assisting residents to play an effective role, with registered social landlords, in developing proposals for the future of their housing and neighbourhoods.

2.12 Some Training and Enterprise Councils (TECs) have been placing an emphasis on capacity building programmes for community businesses, primarily as partners in SRB initiatives. However, this has always been a very small part of their business.

2.13 Regional Offices of the NHS Executive have a similarly small, but growing role in funding communities. *Health Action Zones*, set up to work with community groups and other stakeholders to deliver health improvements in target areas, have resources for capacity building and community development work, as do the new Primary Care Groups.

2.14 Regional Arts Boards have a small role in capacity building, through their support for a range of community arts programmes.

2.15 *Education Action Zones* and *Sure Start* programmes, administered by the Department for Education and Employment (now DfES), have a potentially important role in community development and capacity building, although they were not set up to provide direct funds to communities.

Local Authorities

2.16 Local authorities:

- Have traditionally had a key role in funding communities, primarily through provision of grants to community organisations, running of community centres and employment of community development workers.
- Whilst non-financial forms of support are still much in evidence, and local authorities play a leading role in most SRB and New Deal for Communities programmes, funding restrictions have substantially reduced their ability to sustain grant programmes. Strategic partnerships with other funders have helped to plug some of the more obvious gaps.

European Funding Programmes

2.17 The European Union:

- Current round of the *European Regional Development Fund* (ending 1999) was used to support a wide range of projects in priority areas, some involving the development of local community partnerships, community training and a range of self help projects.
- Community involvement is a more explicit theme of the 2000 - 2006 Structural Fund programme.
- *URBAN Initiative* (European Regional Development Fund) was specifically targeted on community capacity building in inner city communities (also concluded 1999). Key themes included improving information and

communication within local communities and supporting the development and capacity of community organisations.

- *European Social Fund's* (ESF) Objective 3, Priority 4 Programme is currently being used to build the capacity of small, locally based organisations involved in community training and job creation initiatives - a relatively new aspect of ESF programmes, which have, in the past, mainly concerned themselves with mainstream training for unemployed individuals. 4% of the U.K ESF budget was set aside for capacity building local community organisations within this programme.

2.18 All European funding programmes carry with them problems of long lead in times and particular difficulties with matching funding, which continue to pose serious problems for local communities trying to access them. But some solutions to these problems are now being tested.

National Lottery Programmes

2.19 The National Lottery Charities Board is the largest grant making body in Britain:

- Runs two main programmes, administered on a regional basis - *Community Involvement* and *Poverty and Disadvantage*.
- Many of its grants support a broad range of community initiatives.
- Some grants are made England-wide.
- Board also operates a small grants programme - *Awards for All* - providing amounts of between £500 and £5000 for smaller scale community activities, with no deadlines or priority themes.

2.20 The Board embarked on a regional capacity-building programme for the voluntary and community sectors in late 1999.

2.21 The New Opportunities Fund distributes a share of the money raised by the National Lottery to health, education and environment projects across the UK:

- By working in partnership, aims to support sustainable projects that will encourage community participation and complement national strategies and programmes;
- Has specific targets for each of its programmes;
- Can fund capacity building as part of projects which meet its criteria.

2.22 The Arts Council of England runs its own Lottery programme as well as providing grant-in aid to arts based organisations. Since late 1998, the focus of its Lottery capital programme has shifted to projects in deprived areas and this is likely to be a stronger feature of its future programme. Half the awards within the '*Arts for Everyone*' small grants programme now go to locally based voluntary or community groups.

Community and voluntary sector intermediary agencies

2.23 Intermediary organisations provide facilities and resources targeted at increasing the capacity of community groups, including:

- advice, support and expertise e.g. on management, organisational, funding, legal

- and technical issues;
- resources, such as office equipment;
- training and information courses;
- opportunities for community groups to network, thus sharing skills, information and enabling joint working;
- developmental role, assisting with the establishment of new groups, giving on-going support and supporting voluntary activity in communities;
- can raise issues of race and gender and help ensure that groups operate on the basis of equality;
- some offer technical services, such as community planning and architecture.

2.24 Intermediaries rarely provide direct funding for local communities, although some act as administrators or gatekeepers for major funding bodies. Many are funded by the Home Office Active Community Unit, which has awarded £11.4 million for 2000/2001 to increase voluntary and community involvement and support the development of active communities. A further £12 million is administered by the Home Office's Race Equality Unit, through the *Connecting Communities* programme, to empower marginalised minority ethnic communities. A further £1.5 million over three years is being used to build a regional network for the black and minority ethnic sector. £1.5 million has also been allocated for the generic voluntary and community sector to build regional networks.

2.25 Key intermediaries involved in supporting community initiatives include:

2.26 The Development Trusts Association (DTA):

- 264 member organisation;
- organised on a regional basis in England;
- has been managing two small funds with a capacity building focus; an *Asset Base Development Fund* (financed through DETR's Special Grants programme, requires a 50% contribution from applicants) and a *Knowledge and Skills Exchange* (funded by the Baring Foundation). Both aim to equip communities with the understanding they need to establish Development Trusts.

2.27 Community Matters (National Federation of Community Organisations):

- nearly 1000 members;
- runs a Community Consultancy Service, using experienced practitioners within its network to work with community groups to help build their capacity;
- does not provide direct funding to communities.

2.28 The 250 local Councils for Voluntary Service:

- provide a resource for local communities and often play an important role in capacity building, primarily through the provision of information, advice and training;
- supported by the National Association of Councils for Voluntary Service, funded mainly by the Home Office and the Department for the Environment, Transport and the Regions.

2.29 The British Association of Settlements and Social Action Centres (*BASSAC*):

- national organisation with a network of 78 members

- focus on locally-based multi purpose centres involved in helping deprived communities bring about social change.

2.30 The Black Training and Enterprise Group (*BTEG*):

- national black organisation established in 1991 by representatives from the black voluntary sector;
- contributes to the economic regeneration of black communities in the UK;
- represents over 200 organisations;
- focuses on training, employment, enterprise and regeneration.

2.31 The Scarman Trust:

- currently administering the *Community Champions Fund* on behalf of three Government Offices for the Regions;
- provides support to a wide range of individuals in communities, through the Millennium Volunteers – a Department for Education and Employment (now DfES) initiative - and the 'Can Do' programmes.

2.32 A number of other national organisations provide information and advice to enable local urban communities to access resources. They include:

- Urban Forum
- Church Urban Fund
- the Standing Conference on Community Development
- the National Association of Volunteer Bureaux
- the newly established Regional Voluntary Sector Networks are also beginning to play an important role in capacity building work.

Private Trusts and Foundations

2.33 Many Trusts and Foundations support community-based initiatives, ranging from well-known national bodies, such as the Baring, Calouste Gulbenkian and Joseph Rowntree Foundations, to small local charities with limited grant giving roles. Most wish to see tangible outputs for their investment - something to which community capacity building work is not well suited. Consequently, not enough of this money may be getting down to where it really counts. Nevertheless, considerable investment is going into helping intermediaries build their capacity, both internally and through developing networks. The umbrella body for these trusts and foundations is the Community Foundation Network (CFN), formerly the Association of Community Trusts and Foundations.

Community Foundations

2.34 CFN supports a growing network of 29 community foundations which between them make local grants of around £22 million per annum and hold endowment funds of more than £91 million, raised primarily from charitable trusts, companies, public bodies and individuals. Nearly half of these Community Foundations have assets of more than £1 million; seven of them have assets of over £5 million.

Fund values

2.35 The level of funding available to communities from different programmes and sources varies enormously – from up to £350 million annually through the National Lottery Charities Board¹ at one end of the spectrum, to less than £500,000 a year through the Community Development Learning Fund and as little as £10,000 a year through individual SRB Community Chests. (Table 1 in Appendix B shows the current value of funds being operated by Government Departments, Government-sponsored public sector agencies and the National Lottery. No figures are available for the total funds distributed to communities through local authority mainstream revenue budgets, European programmes and private trusts and foundations. Table 2 shows the current values and time spans of the funds specifically targeted as part of the research for this report.)

2.36 From Table 1 a reasonable estimate is that approximately **£369 million** of public money is currently being spent annually on supporting local communities through these national programmes. However, a substantial proportion of this expenditure, through the National Lottery Charities Board programmes, is capital spending on buildings for community use. It is also difficult to determine how much of the NLCB administered Awards for All and the NOF Out of School Hours Childcare programmes may be regarded as direct funding for communities.

Targeting

2.37 How individual funds are targeted and the range of community activities they support is of considerable interest, since it determines how widely or tightly scarce resources are spread and how easy it is for individual communities to access the funds they need to make a difference. (Table 3 in Appendix B sets out how the publicly funded national programmes are currently geographically targeted. Table 4 provides the further information on the range of activities supported by the research sample.)

2.38 Three of the twelve publicly-funded national programmes – National Lottery Charities Board Community Involvement; National Lottery Charities Board Awards for All; and the Housing Corporation Community Training and Enabling Grant programme – are deliberately not targeted on specific communities, local authorities, areas of deprivation or social exclusion. The Community Champions Fund, although not targeted nationally, is targeted in some regions on geographical areas of deprivation or at specific communities of interest. The other eight programmes are strategically targeted, primarily at urban areas with high scores on the local index of deprivation.

2.39 All but five of the seventeen programmes in the research sample carried out a needs analysis before beginning the distribution of funds to local communities. Those that did also involved representatives from community organisations in commenting on

¹ Average annual spend on all programmes 1995-2000.

the funding proposals, although the extent to which they did so appears to have been uneven.

2.40 The major national funders consult regularly with the voluntary and community sectors prior to starting up new programmes, but perhaps rather surprisingly, three of the locally-based funds in the survey did not. Local funds tended not to be piloted, but, with the exception of the National Lottery Charities Board Community Involvement Fund and the New Opportunities Fund Out of School Hours Childcare programme, all the national funds did test the water for at least one year.

Funding Criteria

2.41 The criteria different funders use to make judgements about who receives their money vary enormously. There is no standard approach, even amongst funders operating similar programmes, and little in the way of published guidance from central government on which criteria might be applied. In consequence, each funding programme tends to develop its own criteria more or less independently.

2.42 Table 5 in Appendix B sets out the main funding criteria for programmes included in the research sample, and identifies where they are set. Table 6 sets out the individual award limits, where applicable. Three of the seventeen funds have no maximum or minimum limits.

2.43 Few funds now require matched funding, something which was much in evidence only a few years ago. Of those in the research sample only two (North Chester SRB3 and the DETR Tenant Empowerment Fund) include it as either a requirement or an expectation. Interestingly, these two funds are also the only ones which were under spent in the last financial year.

Accessibility

2.44 Ease of access to funds for groups or individuals is of primary importance. Consultations with a range of national voluntary and community sector bodies, including funders, suggests that the interface between potential recipients and funders has been a well-known problem area for many years. Guidance has often been inadequate, application forms tedious and bureaucratic, there has been little in the way of support and application processing times have been lengthy. Most funders have now made considerable efforts to make their programmes much more user friendly and this was generally reflected in the research sample. However, there are still some problem areas.

2.45 The role of local support, whether through community development workers or other advisors, to encourage applications and help recipients through the application process is widely recognised as potentially very valuable by many funders, if administratively costly. Nevertheless, less than half the funders in the research sample

provided this type of assistance. Interestingly, 6 out of 10 recipients felt that personal support was a key issue for themselves and other applicants.

2.46 Despite the difficulty some applicants find in completing application forms, only one funder in the research sample - the North Tyneside area of the Tyne and Wear Health Action Zone – had made a decision to dispense with them altogether, relying instead on personal presentations and visits by assessors. (Table 7 in Appendix B gives more detail about North Tyneside’s process for delivering grants, and another instance of good practice from Hull DOC SRB 1 & 3) Applications forms clearly serve a useful purpose for funders, particularly in terms of equal opportunities and a transparent selection process, but small community groups and individuals with little experience of completing forms can find them intimidating and off-putting unless they have access to local support.

2.47 Decisions on grant applications can still take a long time. Funds which have specific deadlines for applications, and particularly those where decisions are made by committees, panels or boards, can take between 3 and 5 months to process. The New Opportunities Fund, the National Lottery Charities Board Community Involvement Programme and the Community Development Learning Fund all fall into this category. Even small funding applications to the National Lottery Charities Board Awards for All programme can take 2-3 months before approval. Other funds are much quicker – Tees Valley TEC turns round applications within 10 days.

2.48 All funders have an interest in ensuring that access to their grants is open to all those who may be eligible on an equal basis. Yet more than half the funders in the research sample do not require applicants to have equal opportunities statements, including the New Opportunities Fund and the National Lottery Charities Board’s Awards for All programme.

2.49 The encouragement of applicants from black and minority ethnic communities is a priority for most funds. Although nearly two thirds of funders offer translations of their applications forms and guidance notes, in many cases, take-up from black and minority ethnic groups remains at a lower level than funders would like. This, again, places an important emphasis on the need for local, targeted support.

Publicity

2.50 Funders use a variety of ways to make their funds known to local communities. Word of mouth, leaflets and use of the media are the most popular means of getting the message across, but some funds are finding that the use of local intermediaries, and particularly locally-based community workers, has a highly beneficial effect on take up.

Evaluation

2.51 Most of the funds included in the research sample were subject to evaluation.

For half of them, this involves an internal assessment report at the end of a specific funding period or programme, looking at outputs and outcomes against initial funding priorities and grant criteria. Only 6 of the 17 funds in the research sample are being evaluated externally; the others carry out their own internal evaluation.

2.52 The nature of the evaluation does not appear to depend on the size of the fund or the type of organisation running it. The DETR Tenant Empowerment Grant and New Deal of Communities programmes sit alongside the Progress Trust SRB3 and Tyne and Wear (North Tyneside) Health Action Zone projects as the only ones subject to both internal and external evaluation. Interestingly, neither of the funds run through the Community Development Foundation are currently subject to external evaluation.

2.53 It is interesting to note that only one of the grant recipients in the research sample reported taking part in any evaluation of the fund. This reflects that evaluation has been more about checking up on how the money has been spent by funders and whether value for money has been delivered, than how it has actually been used by recipients.

3. Funding for communities - what works?

3.1 The key test for funders is how well their funds and systems meet the needs of those they are intended to support. This section of the Report looks at what works and what does not, and includes the views of recipients interviewed. Table 8 in Appendix B sets out the recipients interviewed for this research, together with their award values and time span for the grants received. Although these projects represent a very limited sample, they do provide a valuable consumer perspective for funders. This section also draws on research for the Joseph Rowntree Foundation, carried out by SRC and published in February 2000.²

What do recipients expect from funders?

3.2 Each grant recipient was asked about their experience of obtaining funding and what changes would help future applicants access the funds more effectively. There was a reasonable level of satisfaction with the way funders operated their programmes; funders are clearly getting many things right. Nevertheless, there is still room for improvement. Recipients concerns can be summarised as follows:

- * Clearer guidance on who funds what
- * Much more pre-application support and advice
- * Simpler application forms and procedures
- * Quicker decisions
- * Better funder understanding of community needs
- * Funding in advance, not in arrears
- * Long term core funding, not just short term project funding
- * Less emphasis on innovation and more on good practice

3.3 Recipients were generally satisfied with the information provided by funders about their funds, but less so with the application forms and procedures. This was particularly true of recipients of small grants. Larger funders, in particular, were criticised for having long, complicated forms which were difficult to complete.

3.4 Recipients from larger community organisations that already had specific funding expertise found it much easier completing applications; those from smaller ones found it

² *Neighbourhood Regeneration – Resourcing Community Involvement* Duncan and Thomas Policy Press 2000

more difficult. They also often struggled with the terminology and were unfamiliar with jargon and 'buzz words' they felt were needed to secure support. Although only one recipient rated the application form hard to complete, a further three said they had needed assistance. However, overall the majority of recipients rated completing the application form as easy rather than hard.

Which funders meet these criteria?

3.5 Some of the larger funders, operating centrally or through regional offices, and particularly those not targeted on specific communities of interest or neighbourhoods, find it most difficult to meet these demanding criteria. Those that do best provide on the spot support and assistance for applicants, or use community workers to encourage applications.

3.6 Table 9 in Appendix B gives more detail about two good practice examples of national funds which are effectively delivered at community level. The National Lottery Charities Board has recently piloted 'Brass for Barnsley', an initiative which aims both to increase its funding in low-take up priority areas and respond to criticism of its funding procedures from recipients. The Neighbourhood Support Fund also appears to be particularly effective in delivering funds at community level.

3.7 Generally however, the funders which seem to be most in tune with community needs are, perhaps not surprisingly, locally-based, with a significant element of community involvement in both the development of the fund criteria and decisions about distribution. The Hull DOC SRB programme and the Health Action Zones (HAZ) in Tyne and Wear (North Tyneside) and North Cumbria appear to be performing particularly well in this respect, although both the HAZs are still at an early stage in their development.

3.8 Two initiatives aimed at the black and minority ethnic communities in Manchester and the West Midlands – Progress Trust and the Black Regeneration Network – provide an interesting contrast to traditional funding routes, delivering support, expertise and training to communities, building their capacity to engage in regeneration programmes, but deliberately not offering direct funding. Further research, particularly with recipients, is needed to assess whether this approach has any significant advantages over direct funding.

Where are the gaps and overlaps in existing funding programmes?

3.9 The plethora of uncoordinated funding programmes targeted at communities means that there have inevitably been overlaps, duplications and gaps. No national assessment of community needs had been carried out at the time of this research which would underpin a strategic approach to resource allocation (a strategic approach to community resourcing is now being undertaken). Coordination of existing funding programmes, simply through sharing information, is unusual; funder partnerships are a

rarity. New publicly-funded programmes are often launched without sufficient consideration being given to where they fit within the overall funding picture.

3.10 Two major Government initiatives which might be expected to have a community funding dimension – Sure Start and Education Action Zones (EAZs) - do not yet appear to have the capacity to make direct grants to communities. This is causing some difficulty already for Sure Start programme managers trying to fund ‘extras’.

3.11 Problems of overlap and duplication are most evident within neighbourhoods targeted for regeneration. Community access to funding depends to a large extent on where they are geographically and whether their area has been targeted for resources. For example, compare access to funding for two hypothetical communities wishing to establish an identical small project on a local authority estate – one in a pocket of deprivation in an otherwise affluent area (Community A) and the other in an area relatively high on the local index of deprivation (Community B).

3.12 Although the criteria for various funding programmes appears to suggest that they perform complementary rather than overlapping roles, in practice, the flexibility which many of them build into their funding processes means that they can and do duplicate each other. For example, a group in Community B could receive funding for a small £500 - £1000 capacity building project from any one of the following publicly-funded programmes:

- * Awards for All
- * Community Champions
- * Community Development Learning Fund
- * Single Regeneration Budget
- * New Deal for Communities
- * Local Authority small grants programme
- * European Social Fund Objective 3 Priority 4 programme

3.13 Community A would need to focus their funding bids on the Awards for All and Community Champions Fund programmes. Funding might also be available to either community through various local or regional charitable trusts and foundations.

3.14 Gaps are evident particularly for:

- Communities of interest spread over several neighbourhoods/local authority areas;
- Community groups in non-priority areas seeking small pots of money to pump prime activities;
- Pay for volunteers to spread knowledge and experience beyond their own community;
- Funding for core running costs.

How effective are intermediaries in delivering funding to communities?

3.15 Intermediary organisations have a key role in getting funding down to individual communities. They can:

- directly support groups involved in neighbourhood regeneration programmes;
- play a vital role as independent organizations in mediating between communities and professional agencies; e.g. local authorities;
- employ community development workers, and support those employed by other agencies;
- are essential in supporting small mutual aid and self-help groups which have informal structures and often have no formal relationship with local or central government.

3.16 However, their effectiveness is limited because:

- Their geographical spread is patchy - SRC's research for the Joseph Rowntree Foundation suggested that many of the most deprived communities do not have access to intermediary organizations.
- Their quality is variable.
- Many are financially insecure, and may depend upon payment for services from community groups which themselves are poorly funded. Most have to 'follow the money', resulting in the development of projects and programmes which may not accord with the needs of local communities.
- Many have yet to catch up with the requirements of communities involved in regeneration programmes. Intermediaries often need capacity building themselves to acquire the skills and strategic approach demanded by an increasingly complex policy environment.
- Few are wholly independent. Those which are local authority funded cannot always afford to come into conflict with the authority on the side of residents, and those that are subsidiaries of larger organisations have agendas which may bring them into conflict with their parent bodies.

4. Pointers for future government funding policy and programmes

4.1 This section of the report sets out some pointers for future government funding policies and programmes, drawn from this and SRC's previous research for the Joseph Rowntree Foundation. Some of the messages will be familiar to those who have been involved with grant-giving to communities, but others are new and relate specifically to current government approaches to, and priorities for, neighbourhood regeneration. It has been noted below where issues have already been addressed by the National Strategy Action Plan published in January 2001. The Active Community Unit's recently published consultation document 'Funding Community Groups', which deals with the Government's policies regarding small grants funding for community groups, is also referred to. This document has developed from discussions in an Inter-Departmental Working Group, and draws heavily on the outcomes of a Consultative Conference organised in September 2000 by the Community Sector Coalition for the Working Group. The experience of the administrators and beneficiaries of existing small grants funds has also been carefully considered. The group brings together key policy makers from many departments as well as representatives from the voluntary and community sector.

Number, type and complexity of funding programmes available

4.2 The first and strongest message that emerges is the overwhelming number, type and complexity of funding programmes directed at communities, whether at groups or individuals. SRC's report for the Joseph Rowntree Foundation found that *"the plethora of agencies and funding programmes and the complicated nature of their funding conditions has contributed to a patchwork of support which is, as yet, not comprehensive or well co-ordinated"*. Since that report was published, there are now more agencies involved in funding communities and more programmes aimed at communities. Whilst the message has got across that communities need access to small sums of money in a simple, uncomplicated way, the rush to achieve it has further confused an already difficult situation.

4.3 A number of related issues emerged from the research for this study and the earlier report:

Need to reduce gaps, overlaps and duplications

4.4 More funding programmes without any increase in co-ordination has resulted in continuing gaps, duplication and overlaps. This is both cost-ineffective and confusing for applicants. Much greater thought could be given to the establishment of funds, including more rigorous research about what already exists, what existing programmes could be flexed to fit, and the policy context within which new funds are established. Gaps exist mainly in non-priority areas for regeneration funding, but also in priority areas where there is insufficient support infrastructure for community involvement in the programmes.

4.5 The National Strategy Action Plan has introduced two additional funds for communities: the Community Empowerment Fund, to support community and voluntary sector involvement in Local Strategic Partnerships, and new Community Chests to fund self-help and support activity. (The consultation document 'Funding Community Groups' explains how the Government intends to establish and operate the Community Chests). However, a new 'double key' system has also been introduced to approve new 'area-based' initiatives and new waves of existing initiatives. This system aims to ensure that genuine need is demonstrated both centrally and regionally before new initiatives are launched.

Effective co-ordination of departmental programmes

4.6 The lack of information exchange, let alone co-ordination, between Government departments was a marked outcome of the first phase of the research. For all the talk about 'joint working', the PIU's report 'Reaching Out' and the cross-cutting Spending Review on Government Interventions in Deprived Areas, there is as yet little evidence of any practical impact on the ways in which Government Departments work.

4.7 The culture is still that grant programmes are conceived and managed separately by individual Departments, with the imperative of doing something new and doing it quickly. However, within the National Strategy Action Plan, a Neighbourhood Renewal Unit will be established within DETR by end 2001 to spearhead the follow-up of the strategy. This will be advised by a Community Task Force. Neighbourhood Renewal Teams will be established within Government Offices to co-ordinate neighbourhood renewal initiatives at a regional level. Also, 'Funding Community Groups' sets out proposals and options for making the Government's various small grants funding programmes both more integrated and more accessible to community groups of all kinds, particularly the more marginalized groups, those from black and minority ethnic and refugee communities, and others in the most disadvantaged areas.

The need for a central point of information

4.8 A strong case could be made for a national central point of information about grants, including advice on which grant programmes might be most suitable for potential applicants and what local support services are available. Everyone consulted for this project talked about the urgent need for free access to up-to-date, clear and simple information about the myriad of grant regimes on offer. This included the professionals administering and running funds, and the civil servants concerned with managing and monitoring them.

4.9 Government department staff themselves appear to be unaware of the range of grant programmes within their own department let alone across government. While there are information sources within regions about grants, these are not widespread, they are often provided by agencies for whom it is a side-line, their availability is often limited and poorly publicised, and the information is not always up-to-date.

4.10 The Directory of Social Change provides information about grants, but this is more likely to be accessed by the voluntary sector rather than community groups and there is no back-up service to offer potential recipients advice. It also becomes out of date quickly. There are funding information subscription services which provide grant

information, such as Pro-Funding and Funder Finder. Most of these, however, require payment and access to appropriate computer hardware and software.

4.11 The National Strategy Action Plan proposes the introduction of a website providing information on Government funding streams. There are also plans to make accessing public funds less bureaucratic by considering future rationalisation of funding streams, and in the shorter term moving towards standardised application forms and procedures. The Inter-Departmental Working Group (para 4.1) has been working on application processes for small grant funding, which will be passed on to the Neighbourhood Renewal Unit to implement.

Inadequacy of structures and mechanisms to support use of grant-aid

4.12 The second message from this and the earlier Joseph Rowntree research is the inadequacy of structures and mechanisms to support communities in accessing and using grant-aid. Getting money is only part of the equation if the overall aim is to enable communities to become actively involved in regenerating their neighbourhoods and communities at an equal level with agencies and professionals on a long-term basis. There are a number of strategic issues here:

Intermediary organisations

4.13 Local organisations geared up to support communities have an important role in ensuring successful access to appropriate forms of grant-aid and, thereafter, in maximising the benefits of the grant. Their role is complementary to the role of community development support dealt with below. Intermediaries play an important role in several of the funds researched. But there are a number of problems (outlined in paragraphs 3.15 – 3.19) which militate against a more widespread use of intermediaries and prevent those that are involved in funding communities doing it as well as they might.

4.14 A strategic approach to intermediary organisations might involve:

- Central Government taking responsibility for supporting the nationally-based organisations (as at present);
- Regional Development Agencies developing regional strategies to promote an infrastructure of intermediaries appropriate and accessible to the needs of local communities (would require an audit of what exists in each region, an evaluation of quality and needs analysis on the part of local communities); and,
- intermediaries developing their own relationships with government agencies.
- Funding is fundamental to this – the majority of intermediaries need more stable and long-term core funding.

Community development

4.15 To access funding and use it effectively, communities need on-going support from dedicated professional staff e.g. community development workers. Community development people on the ground can make the links between individuals and

communities receiving grants and the wider picture; for example, linkages to local regeneration programmes, training opportunities and the opportunity to build local partnerships between agencies and communities. This can add substantial value to the initial grant.

4.16 In the grant programmes surveyed, however, this approach is limited. Most recipients rely on support and advice offered at a distance, either regionally or nationally. This is too remote and impersonal for many communities, deterring them from applying for grants and limiting the opportunity for help in making good use of them.

4.17 Those grant programmes that appear to work best i.e. get money down to very local levels to meet clear local needs, tend to involve direct access by communities to developmental support and advice, often in the form of community development workers. If grant aid for communities is going to be better co-ordinated and tied more closely into the agenda for neighbourhood renewal and regeneration, the traditional role of community development workers may need to change. New skills and knowledge are likely to be required, including an ability to work across sectors, knowledge of a wide variety of regeneration and funding programmes, entrepreneurialism, and the ability to make clear linkages between communities and a range of agencies.

4.18 A possible approach would involve a change in the status of community development workers (in line with the status of any professionals working at neighbourhood levels). Delegated authority might be given to such staff for small sums of money that can be awarded to groups and individuals within a clear framework of checks and balances. The time and effort communities, and community development staff, can expend in getting £50 to hire a minibus is often hugely frustrating, and can divert energy and effort from the real objectives of local employment, childcare or better housing.

Evaluation

4.19 There is some evidence that evaluation of programmes needs to be undertaken more rigorously, more creatively and with a greater emphasis on the lessons being applied. The results of this research suggest that, where there are evaluation measures in place, there is an emphasis on internal evaluation by the agency running the funding programme, and little involvement of grant recipients in any evaluative process.

4.20 Possible strategies might include:

- clearer guidance about the requirements for evaluation when funds are established;
- a clear distinction between the appropriateness of internal and external evaluation;
- greater use of external evaluation;
- developing measures and indicators which are more appropriate to community activity;
- involving grant recipients in the evaluative process;
- greater diversity in the range of agencies doing the evaluation, including intermediary organisations and even communities themselves (which could have the added value of capacity building benefits); and

- better and wider dissemination of the lessons learned from evaluations (the Neighbourhood Renewal Unit will be responsible for a 'knowledge management system, which aims to ensure that knowledge about what works is collected, disseminated and applied).

Institutional cultures

4.21 There is increasing awareness of the need for capacity building within the agencies and organisations involved in delivering funding to communities. Several of the Policy Action Teams (9 and 16 in particular) made recommendations about the need for professionals to better understand the impacts of their policies and procedures and the issues faced day to day by communities. This will not be easy or comfortable – it will involve new ways of thinking and doing things. But it is important if the overall objectives - neighbourhood renewal, self-development, joint working - of getting grant aid to communities and individuals are to be realised. The research for this study found little evidence of staff working with communities through grant aid programmes being required to receive training in this area. The guidance for those administering the Community Champions Fund does, however, suggest that the provision of customised training for service providers and professionals working in communities could be supported.

4.22 One approach could be to build institutional capacity to plan and deliver programmes of grant aid which support a community-based approach to neighbourhood regeneration. This would involve:

- providing internal training and development for staff working with communities (which could be provided in part by communities themselves);
- encouraging greater influence by 'front-line' staff on decision making at strategic and operational levels in organisations awarding grants; and
- linking programmes of grant aid to other measures to encourage a more community-led approach to regeneration.

4.23 The Neighbourhood Renewal Unit will publish proposals about a learning and development strategy for all those involved in neighbourhood renewal, including social entrepreneurs and community activists. The Inter-Departmental Working Group (see para 4.1) has been developing a learning and development strategy for the Neighbourhood Renewal Unit to implement. Clearly, the need for cultural and organisational change is also closely linked to the government's proposals for modernising local government, best value and the requirement for community plans.

Risk-funding

4.24 There is some evidence of a move towards greater risk-taking by some funders. The Community Champions Fund, in particular, seeks individuals with new, un-tested ideas which may benefit their communities. Other funds, aiming to get money to groups who have difficulty accessing more traditional programmes of grant aid or mainstream funding, require less evidence of financial security or expertise than previously. The current interest in neighbourhood endowment funds, with funds effectively invested in communities by communities themselves, is also commendable.

4.25 Risk can also involve:

- assessing applications and making decisions more quickly,
- delegating decision-making,
- requiring less information from applicants,
- not requiring certain phrases and jargon to appear in the application, and
- not expecting quantifiable outcomes.

4.26 This approach should be welcomed. While it may not make sense to apply it across the board, there are persuasive reasons for relaxing bureaucratic and administrative requirements and procedures if money is to get to where it is most needed. Thought could be given to extending a more risk-based approach to a wider range of grant programmes. This would particularly apply to the National Lottery Charities Board programmes and SRB funding

Priorities for funding

4.27 The third main issue is about the priorities for funding.

Neighbourhoods or communities of interest?

4.28 The current focus on neighbourhood regeneration implies prioritising funding for communities identified by geographical location rather than issue. Further, it also implies priority for communities located within certain designated areas, for SRB, NDC and other government programmes. This emphasis on neighbourhoods is also confirmed by the National Strategy for Neighbourhood Renewal.

4.29 Few would argue with the approach, or with the provision of significant revenue funding which it will entail, to enable local communities to play a strong and central role in the process. But it may not be appropriate to channel all the resources for communities in this way. Many community organisations cross neighbourhood boundaries, helping to break down barriers by establishing often informal, issue-based networks. They can help deprived neighbourhoods look outwards, rather than inwards, when attempting to resolve long-standing problems. They can also draw people into activities who would otherwise not become involved in any form of community activity. Their 'social glue' is important and a strong case can be made to continue support for them with funding.

Communities in non-priority areas

4.30 Urban regeneration policy tends to take a reactive approach to problems. Funders mirror this, awarding grants in the main to groups and individuals tackling already entrenched problems. There is much to be said, however, for balancing this with a preventative approach. Recent research shows that current targeting of the 'worst estates' as perceived by local authorities and measured against standard statistical indices of need, misses a significant proportion of residents living in what they themselves perceive to be squalid neighbourhoods with serious problems. If these

residents are denied access to programmes and resources which enable them to address their local conditions, their neighbourhoods will quickly become tomorrow's problems.

4.31 Thought might usefully be given to how best to achieve a balance between reactive and preventative funding, often differentiated by an area being designated a priority or not. Currently, the majority of funds available for communities goes to priority areas while others often struggle to find appropriate and available sources. There could be guidance, possibly as part of the National Strategy for Neighbourhood Renewal, on funding non-priority areas and the balance between the two.

Community groups or community leaders/entrepreneurs

4.32 The relatively new emphasis on individuals, often in the form of community leaders, entrepreneurs or consultants, raises important issues about the respective value of funding groups as against individuals. There is an increasing Government interest in funding individuals, most notably through the Community Champions Fund. From the initial research, there was a somewhat sceptical view amongst some funders that individuals are more easily identified and easier to deal with than groups or networks, and therefore easier to fund; and that what government thinks is that 'poor people need leaders to whip them into action'. The question was raised as to what individuals leave behind and how it can be measured.

4.33 While there is a current dearth of opportunities for residents at the forefront of community activity to access support in order to allow them both to continue their work on behalf of their communities and develop their individual capacity, more thought could be given to the criteria for funds for individuals. This is particularly important, given the potential for resentment and division when one member of a community group receives financial preferment.

4.34 Key issues here are:

- Whether communities themselves nominate 'leaders' or 'champions' rather than people nominating themselves;
- Greater emphasis on ways of ensuring that awards to individuals benefit their respective communities;
- Development of linkages between individuals receiving awards, to enable regular contact with others like themselves locally, regionally or nationally (possibly based on the community leaders support scheme currently run by the Scarman Trust as part of both their 'Can Do' programme and their delivery of Community Champions); and
- Advice for individuals on further opportunities for self-development and learning.

National Strategy for Neighbourhood Renewal

4.35 The implementation planning for the National Strategy for Neighbourhood Renewal began in January 2001. Clearly, for the National Strategy to work, the involvement of local people will be critical. Fundamental to this involvement will be access to appropriate grant aid and all the support mechanisms mentioned above. The Strategy offers the potential to provide the definitive strategic approach within which funding for communities and support structures would sit.

4.36 It is striking, therefore, that the recent proliferation of small grant programmes for communities (the Community Development Learning Fund and Community Champions as well as the Community Resource Fund) have all been established prior to the National Strategy being consulted upon, let alone implemented. This raises important questions about how effectively they will contribute to meeting the Strategy's objectives and whether they should be regarded as short term pilot programmes or funds with a longer term future.

4.37 The recommendations contained in the PAT 9 report are being implemented in their own right; i.e. they are not directly linked to the National Strategy, at least for the present. Both the Community Development Learning Fund and the Community Resource Fund were established quickly in response to the recommendations contained in this report, albeit with rather limited consultation with other Government departments. An Inter-Departmental Working Group is looking at community capacity building and how it is funded.

4.38 These are important steps forward and it is inevitable that the National Strategy for Neighbourhood Renewal will have to work with the current plethora of largely uncoordinated funding programmes, rather than taking the clean, fresh approach which, ideally, is required. In this sense, the fact that CDLF is a pilot is important – there is the opportunity to review it against the National Strategy for Neighbourhood Renewal Action Plan before launching a full programme.

Appendix A Funding Streams and Funds covered by the research

A.1 The research covered funds within five categories of funders:

- * *Government Departments*
Community Champions – Department for Education and Employment (now DfES) (managed by Government Offices)
Neighbourhood Support Fund – Department for Education and Employment (managed mainly by the Community Development Foundation)
Community Development Learning Fund – Home Office (managed by Federation of Community Work Training Groups)
Tenant Empowerment Grants Programme – Department of the Environment, Transport and the Regions
- * *Government-sponsored public sector agencies*
Teesside TEC Fund – Tees Valley Training and Enterprise Council
Community Fund – North Cumbria Health Action Zone
Community Fund – North Tyneside Health Action Zone
- * *Local Authorities*
Community Grants Programme – Kirklees Metropolitan Council
Community Development Grant Fund – West Chester SRB3
Community Grant Fund – Hull SRB1 and 3 Developing Our Communities
Barton Hill, Bristol New Deal for Communities
- * *The National Lottery*
Community Involvement Programme – National Lottery Charities Board
Awards for All – National Lottery Charities Board (with support from Millennium Commission, Heritage Lottery Fund, Arts Council of England and Sport England)
Out of School Hours Childcare Programme – New Opportunities Fund
- * *The Voluntary Sector*
Community Resource Fund – Community Development Foundation
Black Regeneration Network, West Midlands
Community Engagement Programme – Progress Trust, Manchester

A.2 Both the Black Regeneration Network (BRN) and the Progress Trust operate SRB3 programmes offering training and support to black and minority ethnic organisations rather than direct funding. BRN also runs a Community Champions Fund on behalf of Government Office for the West Midlands.

A.3 Funds were selected for inclusion with guidance from: DfEE, Home Office, Department of Health's NHS Executive, the Local Government Association, Regional Development Agencies, and Government Offices. Plans to include funds administered by Regional Development Agencies, Sure Start programmes and Education Action Zones were abandoned once it became clear that none of these were running community funding programmes. Barton Hill NDC was not

yet running a community grants programme at time of research.

A.4 The 10 grant recipients selected for interview were:

Community Project	Funder
Portrack and Tilery Human Resource Initiative, Stockton on Tees	Tees Valley Training and Enterprise Council
Rising Sun Trust, Cockermouth Cumbria	North Cumbria Health Action Zone
Burnopfield Community Association County Durham	National Lottery Charities Board Community Involvement Fund
Scotswood Natural Community Garden Newcastle Upon Tyne	National Lottery Charities Board Awards for All
Playlines, Exeter	New Opportunities Fund Out of School Hours Childcare
The Advice Centre, Thornaby	New Opportunities Fund Out of School Hours Childcare
Indian Muslim Welfare Society, Batley	Kirklees Metropolitan Council
Orchard Park Community Group Hull	Hull Developing our Communities SRB3
Womens Action Forum, Moss side Manchester	Progress Trust
Hanley Crouch Community Association London	Neighbourhood Support Fund

A.5 Funders and recipients completed a 45-60 minute telephone interview during June to early July 2000.

Appendix B – Tables

Table 1 Revenue funding for communities - publicly-funded national programmes

Fund	Current Annual Value
Awards for All (NLCB)	£39,000,000
Community Champions Fund (DfEE)	£810,000
Community Development Learning Fund (HO)	£325,000****
Community Involvement (NLCB)	£150,000,000
Community Resource Fund (HO)	£150,000
Community Training and Enabling Grants (HC)	£3,000,000
Health Action Zones (DOH)**	£4,100,000
Neighbourhood Support Fund (DfEE)	£4,600,000
New Deal for Communities (DETR)*	£25,000,000
Out of School Hours Childcare (NOF)	£55,000,000***
Single Regeneration Budget (DETR)*	£81,400,000
Tenant Empowerment Grants (DETR)	£6,000,000
Total	£369,385,000

* no firm figures available; estimate based on 10% of projected 2000/01 spend (DETR Annual Report 1999)

** estimate based on 1999/2000 expenditure on community involvement (Department of Health)

*** NOF has £220 million for distribution through this fund by 2003. There is no annual programme, so this figure represents our estimate of average annual expenditure.

**** CDLF budget for 1999/00 £325,000; £650,000 for 2000/01.

Table 2 Research sample - fund values at April 2000

Fund	Value (£)	Time span
Black Regeneration Network SRB3 programme	2,100,000	Over 7 years
Barton Hill, Bristol New Deal for Communities	To be decided	Over 10 years
DETR Tenant Empowerment Grant	6,000,000	Over 1 year
DfEE Community Champions Fund	1,500,000	Over 2 years
DfEE Neighbourhood Support Fund	13,800,000	Over 3 years
Home Office Community Development Learning Fund	975,000	Over 2 years
Home Office Community Resource Fund	340,000	Over 2 years
Hull DOC SRB 1 and 3 programmes	40,000	Over 1 year
Kirklees Metropolitan Council	598,000	Over 3 years
New Opportunities Fund Out of School Hours Childcare	220,000,000	Over 4 years
NLCB Awards for All	39,000,000	Over 1 year
NLCB Community Involvement	150,000,000	Up to 3 years
North Chester SRB3 programme	10,000	Over 1 year
North Cumbria Health Action Zone	410,000	Over 2 years
Tyne and Wear Health Action Zone*	250,000	Over 2 years
Progress Trust SRB3 programme	250,000	Over 3 years
Tees Valley Training and Enterprise Council	1,900,000	Over 3 years
* North Tyneside part of the HAZ only		

Table 3 Fund targeting – publicly-funded national programmes

Fund	Target Communities
Awards for All (NLCB)	No geographical targeting
Community Champions Fund (DfEE)	No geographical targeting
Community Development Learning Fund (HO)	In 18 local authority areas in New Deal for Communities Round 2 areas only
Community Involvement (NLCB)	No geographical targeting
Community Resource Fund (HO)	30 urban and rural deprived local neighbourhoods, covered by Community Foundations
Community Training and Enabling Grants (HC)	No geographical targeting
Health Action Zones (DOH)	26 health priority areas – 23 urban and 3 rural.
Neighbourhood Support Fund (DfEE)	Worst areas of deprivation in 40 urban local authorities
New Deal for Communities (DETR)	Communities of 1000-4000 households in major areas of deprivation
Out of School Hours Childcare (NOF)	Socially excluded, low income communities in local areas. Up to 10% of funds targeted on most deprived wards.
Single Regeneration Budget (DETR)	80% targeted on urban areas of greatest need. 20% to pockets of need in rural and coalfield areas.
Tenant Empowerment Grants (DETR)	Local Authority estates

Table 4 Research sample – targeting

Fund	Activities Supported
Black Regeneration Network (W.Midlands)	Empowering black organisations throughout the West Midlands to play an active role in urban regeneration programmes and build local networks.
Barton Hill New Deal for Communities	Initial focus on training NDC board and committee members covering key programme areas – community safety, housing, early learning, education within the NDC area.
DETR Tenant Empowerment Grant	Focus on council tenants, tenant participation and capacity building on mainly deprived estates.
DfEE Community Champions Fund	Support individual champions who can make a difference to their own and others communities through formal and informal training, access to information and learning opportunities
DfEE Neighbourhood Support Fund	Tackling social exclusion among 13 to 19 year olds, with emphasis on 16 to 17 year olds in the 40 most deprived local authority areas in England
H.O Community Development Learning Fund	Grants are available to community groups with broadly charitable objectives within designated areas and whose annual income is less than £10,000
H.O Community Resource Fund	Aimed at small community organisations with annual turnovers of less than £10,000 in 29 urban and rural local neighbourhoods, selected by local community trusts and foundations.
Hull DOC SRB1 & 3	Aimed at community and voluntary groups city-wide, with a focus on first time applicants.
Kirklees Metropolitan Council	Aimed at local authority identified areas of disadvantage within the Borough.
NLCB Awards for All	Increasing participation, extending participation, increasing skills and creativity, making a difference to a community, and delivering long-term benefits throughout England. Geographical equity important.
NLCB Community Involvement	Aimed at community groups who are disadvantaged or excluded throughout England. Regional priorities established. Particular focus on supporting minority ethnic and disabled groups. Geographical equity important.
NOF Out of School Hours Childcare	Supports a diverse range of good quality, affordable and accessible out of school hours childcare that responds to local needs. Targeted towards community-based groups in areas of greatest need in local areas.
North Chester SRB3	Aimed at new and existing community groups in the West Chester area

North Cumbria HAZ	Focus on community involvement in health, poverty and disadvantage, children and young people, heart health and older people with disabilities, in North Cumbria.
Tyne and Wear HAZ*	Aimed at three priority areas, identified by largest health inequalities, in North Tyneside.
Progress Trust SRB3	Aimed at black and minority ethnic groups, to support sustainable organisations delivering programmes to promote personal achievement throughout Manchester.
Tees Valley TEC	Training and education opportunities, particularly for young people, within 5 local authorities on Teesside.

* North Tyneside part of HAZ area only

Table 5 Research sample - funding criteria

Fund	Funding Criteria
Black Regeneration Network (W.Midlands)	Training and support only for emerging networks – no grants through SRB3 programme at present. Networks must have robust administration and finance systems Must be able to account for SRB funds. Criteria set locally
Barton Hill New Deal for Communities	Not yet established, but will be set locally
DETR Tenant Empowerment Grant	Project must benefit individuals and communities on LA estates Projects must empower council tenants Partnerships between tenants and local authorities, with match funding, preferred Criteria set by DETR
DfEE Community Champions Fund	There are no generic criteria for this fund, which can support a wide range of activities and is very flexible. Each region has a different way of assessing applications Will not support a specific activity already being funded through other sources. Criteria set up DfEE Fund cannot be used to fund activities which are mainly about animal welfare, political campaigning, religious goals or general appeals.
DfEE Neighbourhood Support Fund	Can be used for a range of activities, very flexible Applicants must be in target age range and geographic area Criteria set by CDF and DfEE
H.O Community Development Learning Fund	Community groups in the designated areas who have an annual income of less than £10,000 Group should have broadly charitable aims, benefiting the community. Overall criteria set by Home Office ACU and FCWTG, and more detailed criteria set by steering group
H.O Community Resource Fund	Groups must have broadly charitable objectives No individuals or businesses Must have access to a bank account Must have an independent referee Criteria set by Home Office
Hull DOC SRB1 & 3	Group must have named people with specific responsibilities Group must have a constitution, but doesn't have to be a

	<p>charity</p> <p>Half of the group must be resident in the priority areas and half must be users of the services</p> <p>Criteria set by Hull DOC</p>
Kirklees Metropolitan Council	<p>Not for profit organisations only</p> <p>Must comply with KMC equal opportunities policy</p> <p>Groups must have democratic structures and operate a bank account</p> <p>Organisation must demonstrate its policies and procedures comply with the KMC policies, aims and objectives</p> <p>Matched funding required for larger grants</p> <p>Criteria set by local authority</p>
NCLB Awards for All	<p>Not for profit groups only</p> <p>Must have a constitution or set of rules which have been signed or 'approved'</p> <p>Must have a bank or building society account</p> <p>Must spend or commit the award within six months of payment being made</p> <p>Criteria set by national steering group</p>
NLCB Community Involvement	<p>Not for profit groups only</p> <p>Must have a constitution or set of rules which have been signed or 'approved'</p> <p>Must have a bank or building society account</p> <p>Must have signed accounts or 1 year income and expenditure or projection if a new group</p> <p>Full business plan for bids over £200,000</p> <p>Must have an independent referee</p>
North Chester SRB3	<p>Must have a bank account</p> <p>Must have a statement of aims – not necessarily a constitution</p> <p>If more than £150 required then must have matched funding of 20%</p> <p>If groups have been running for 1 year must have equality policy</p> <p>If groups have been running for more than 2 years then must have audited accounts</p> <p>Criteria set by SRB partnership</p>
North Cumbria HAZ	<p>Fund groups rather than individuals</p> <p>Must meet national HAZ targets</p> <p>Must have an impact in reducing health problems</p> <p>Criteria set by HAZ board</p>
Tyne and Wear HAZ*	<p>Applications must come from groups of three or more people</p> <p>Must meet HAZ priorities</p> <p>Project must benefit community</p> <p>Project must be evaluated on completion</p> <p>Criteria set by panel members</p>

Progress Trust SRB3	<p>The project must demonstrate and provide evidence to indicate at least 3 years or more experience in the specific field</p> <p>The project must demonstrate joint working relationships</p> <p>The project will meet outputs and timescales as required</p> <p>The project must represent good value for money</p> <p>Must have a commitment to training programme</p> <p>Director and staff responsible for setting criteria</p>
Tees Valley TEC	<p>Projects must meet or fit in with main TEC mission and strategic objectives</p> <p>Chief Executive sets criteria</p>

- North Tyneside part of HAZ area only

Table 6 Research sample – individual award limits

Fund	Maximum and minimum award limits
Black Regeneration Network (W.Midlands)	Not applicable.
Barton Hill New Deal for Communities	Not yet decided
DETR Tenant Empowerment Grant	None
DfEE Community Champions Fund	From around £500 to £2000+
DfEE Neighbourhood Support Fund	No minimum; maximum £100,000. Most grants at or around £20,000
H.O Community Development Learning Fund	£250 - £3000
H.O Community Resource Fund	£50 - £500
Hull DOC SRB1 & 3	£500 maximum; no minimum
Kirklees Metropolitan Council	£250-£1500 small grants programme £10,000 minimum for larger grants; no maximum.
NLCB Awards for All	£500 - £5000
NLCB Community Involvement	£5000 - £1 million, although there is no formal upper limit.
NOF Out of School Hours Childcare	£50,000 single bids; no minimum
North Chester SRB3	£750 maximum per group per annum; no minimum.
North Cumbria HAZ	£2000 - £5000
Tyne and Wear HAZ*	£5000 minimum; no maximum
Progress Trust SRB3	Not applicable
Tees Valley TEC	None

- North Tyneside part of HAZ area only

Table 7 Delivering grants at local level – two good practice examples

Hull DOC SRB1 & 3

In each of the DOC areas there is a community development worker who hands out application forms and explains the process to applicants.

Each month the CDW and three community volunteers go through the applications. Then the Board has a final say on approval. The decision can be appealed against. The applicants are supported through the whole process by the CDW. Decisions are given within a month

**Tyne and Wear HAZ
(North Tyneside)**

Local groups send in a letter explaining what they want to do. Two panel members then visit the group to discuss their application and to check whether it meets the criteria.

If it doesn't, the panel members work with the group to bring it up to the required standard.

The HAZ expects to provide very quick decisions – on the spot, in most cases

Table 8 Research sample - fund values and time spans

Recipient	Award Value	Fund	Time span
Burnopfield Community Association	£104,171	NLCB Community Investment	Over 3 years
Hanley Crouch Community Centre	£ 60,000	Neighbourhood Support Fund	Over 3 years
Indian Muslim Welfare Society	£ 10,000	Kirklees MBC Community Chest	Over 3 years
Orchard Park Community Cares	£250	Hull DOC SRB Programme	No expiry
Playlines	£281,515	NOF Out of School Hours	Over 18 months
Portrack & Tilery Human Resource Initiative	£ 12,800	Tees Valley TEC	Over 1 year
Ryan Smith Rising Sun Trust	£4,595	North Cumbria HAZ	Over 1 year
Scotswood Natural Community Garden	£2,000	NLCB Awards for All	Within 6 months
Thornaby After School Centre	£35,000	NOF Out of School Hours	Over 1 year
Womens Action Forum	Training/support only	Progress Trust SRB Programme	Over 18 months

Table 9 Two good practice examples of delivery of national funds at community level

Brass for Barnsley

Brass for Barnsley is a National Lotteries Charities Board initiative launched as a one year pilot in April 1999. Barnsley was chosen for this programme after it was identified as one of 'specific areas which are among the most disadvantaged in the region, but which have so far not succeeded in securing a fair share of National Lottery Charities Board funding.'

Brass for Barnsley seems to have been very successful; just over £3.4 million has been awarded to projects during the year; 56% of applications were successful (the current rate across England is just over 36%); there has been a 150% increase in projects gaining awards; grass roots and community based organisations received almost half of the grants awarded.

These results were achieved through setting up a small project team, involving staff from the regional National Lottery Charities Board office. A satellite office was set up at Voluntary Action Barnsley and staffed one day a week. The initiative also included publicity and promotion, leaflet distribution and a newsletter, working in partnership with local agencies to encourage voluntary activity in the district, outreach work including surgeries and briefing sessions.

The Centre for Regional Economic and Social Research at Sheffield Hallam University was commissioned to carry out an evaluation of this initiative. Two issues in particular emerged during this evaluation; many groups find the application process a difficult and time consuming one. Regular advice surgeries and increased outreach work have proved useful strategies for providing information and support to groups, a consistent message from groups is that they have welcomed increased contact with lottery staff to discuss applications and project ideas. Groups also felt that site visits by staff allowed project ideas to be explained in context.

Neighbourhood Support Fund

The Neighbourhood Support Fund is aimed at bringing excluded young people into learning and work. Part of this fund, £13.8 million over 3 years, is being directed towards 550 community-based projects working with young people. It is being administered by the Community Development Foundation (CDF) and the Community Education Development Centre (CEDC) through 42 umbrella organisations located in 40 of the most deprived local authority areas in England. The overall aim is to provide up to £20,000 to established community-based projects to work with young people in a wide variety of ways. It is anticipated that each project will work with between 20 to 30 young people.

The umbrella organisations are responsible for advertising the Fund and generating bids locally, receiving and reviewing applications and recommending bids for funding to a national Selection Panel. Regional Advisers have also been appointed to liaise with and support the projects at local level. The use of the money is very flexible – it can be used for equipment, staff, activities and courses.

While this Fund is new and the money was only distributed in May 2000, a recipient of the Fund highlighted several key issues which made it stand out from others to which they had applied – local briefing sessions were held to publicise the Fund and this was particularly useful for spreading the word and enabling groups to find out about the criteria first hand; the money is released up front; the use of the money is flexible and the project did not have to distort their work to make it fit the criteria; the application process was very straightforward; a training manual is given to all the projects providing advice and guidance on working with young people; and it supports existing ideas which are successful as well as new ideas.

In strategic terms, the Fund is interesting because it combines strong central control with local knowledge and expertise in order to direct money towards small community-based projects working with particularly disadvantaged people. The capacity building potential of this approach will be extended by plans for annual conferences for the groups and individuals involved, a web-site, training support and area meetings.