

Community and Culture Committee

CC(3)-06-08 (p2)

Inquiry into the Funding of Voluntary Sector Organisations in Wales

Submission by The Community Foundation in Wales

1. Points relating to being a funder of voluntary sector organisations in Wales:

The Community Foundation in Wales is an independent charity, established to provide a permanent source of funding for community-based projects the length and breadth of Wales. Grants are funded by donations from individuals, families, businesses, other charitable trusts, and by the income from endowment funds held by us. As, uniquely amongst UK Community Foundations, we don't currently distribute any government or local authority grants programmes, our grants are funded from private sources, many of which we introduce from outside Wales.

Our purpose is to provide a grant-making and fund management service to our donors, while supporting projects that make a real difference to the quality of life for local people. We match the Donor with the Do-er, providing a business service for donors and helping them to get the most out of their charitable giving and maximise its impact.

Since 1999 the Foundation, working in partnership with local and national businesses, charitable trusts and individuals, has distributed more than £3 million in grants throughout Wales. In the last financial year, we distributed £816,000 to 183 Welsh community organisations, projects and charities.

Collectively, the 56 Community Foundations in the UK are the fifth largest funders of voluntary organisations and community groups.

Our grantees testify to challenges they face due to changes in the funding landscape (eg lottery funding and European funding diminishing).

Our straightforward and simple application process, flexibility, and added-value capacity building support are much appreciated by those we fund - the majority of whom are small, volunteer-heavy local charities and projects.

As an independent, cause-neutral, flexible funder we play an important role in the funding mix, particularly with regard to our ability to match-fund, seed-corn fund, support core and ongoing revenue costs, and fund a very wide variety of projects and organisations across Wales.

Our donors choose us because we are independent and offer a range of products and services, and our grantees value us because we channel private, clean funding to them.

Whether public bodies are procuring services, contributing grants or investing in third sector organisations, their financial support will undoubtedly comprise only a portion of the patchwork of funding required to maintain healthy organisations and projects.

Recent policy thrusts towards loan finance and supporting third sector organisations to achieve financial self-sustainability through community and social enterprise development, are supporting a more plural and sustainable landscape. However, there will always be a need for varied, flexible and ongoing grant funding.

2. Points relating to Welsh Assembly Government grant funding:

Recognising the need for strong infrastructure, and the costs of capacity-building in all its senses, the Community Foundation in Wales applauds the necessary funding of infrastructure organisations.

However, we recommend that the Inquiry reviews additional options for grant-distribution - including via the Community Foundation in Wales which would offer potential value-for-money gains and a stronger, more varied mix of grant distributors.

We urge the Welsh Assembly Government to recognise conclusions drawn by the Office of the Third Sector in England as a result of the Third Sector Review: these include a) that there is an ongoing need for small, grass roots grant-funding for third sector organisations, and b) that endowment funds are part of a long-term solution for sustainability of the third sector because they strengthen the independent funding infrastructure. This has resulted in the announcement of two new funds for England: an £80 million Small Grants Fund and an Endowment Building Fund of £50 million.

In our experience, and from communicating, on an ongoing basis with the hundreds of smaller voluntary sector and community groups with which we work, a mixture of project, capacity-building, growth, long-term and core grant funding will always be required. We therefore urge the Welsh Assembly Government to maintain and develop its programmes to include grants for these needs, in addition to loan finance, enterprise development etc.

Drilling down to meet local needs is vital: grants programmes should increasingly ensure that they acknowledge the importance of local - and even neighbourhood - priorities and needs. Moreover, we recommend that future programmes should increasingly accommodate the need for flexibility and risk-taking and for backing people in their own neighbourhoods who show the energy, drive, commitment

and determination which underpins our sector.

By extension, anecdotal feedback from our grantees indicates a concern around money spent on employing capacity-building infrastructure staff as opposed to investing in the development of local people and supporting them in creating solutions to the issues and needs they experience first hand.

3. Points relating to being a recipient of Welsh Assembly Government grant funding:

The Community Foundation is currently in receipt of a core grant under the Support for Voluntary Intermediary Services scheme.

The achievement of this grant was relatively straightforward.

The conditions and monitoring/reporting expectations are straightforward and appropriate.

The inflationary increase, the timing of the funding decision, and the quarterly payments in advance by BACS are helpful factors which reflect the sincere desire by the Welsh Assembly Government to deliver the principles within the Code of Practice for Funding the Voluntary Sector.

We had a concern about the tendering and procurement process of a grant management opportunity, but believe that concern to be historical: we applaud last year's internal exercise to assess compliance with the Voluntary Sector Scheme and Funding Code of Practice - and ongoing efforts to monitor and improve this.

4. Points relating to Welsh Assembly Government/Third Sector Unit:

The Community Foundation in Wales was keen to contribute to the consultation on the strategic development of the voluntary sector, and was pleased to recognise key points included in the 'The Third Dimension' Action Plan document. The consultation on the development of the Voluntary Sector Scheme was good and the resulting documents and action plans are well constructed and have been communicated effectively.

We recognise the need for Welsh Assembly Government departments to be further encouraged to include third sector organisations and their needs, agendas, feedback input and considerations. We are willing to support these internal initiatives but believe that the government's will to engage with the Code must be driven consistently and strongly at the highest level, and across all Divisions of the Welsh Assembly Government.