

FUNDING OF VOLUNTARY SECTOR ORGANISATIONS

Background

The Institute of Fundraising is the professional body that represents fundraisers in the UK. Our mission is to support fundraisers, through leadership, representation, standard-setting and education, to deliver excellent fundraising. The Institute of Fundraising Cymru supports charities, community groups and other voluntary organisations in the essential task of identifying new sources of support. Groups have been equipped to win new donors and have been assisted with identifying grant-makers and winning other sources of new funding.

The Institute believes it has much work to do helping to make voluntary organisations more sustainable and less dependent on grants for their financial viability. This has been recognised in the invitation from the Welsh Assembly Government for the Institute Cymru to act as advisers to the Government at the Voluntary Sector Partnership Council.

In the event of any complaint against a group about its fundraising practices the Institute's codes of practice are used by the Fundraising Standards Board in determining whether or not a groups fundraising activities comply with both legal and ethical standards.

Along with other groups working to support the work of the voluntary and community groups in Wales, the Institute has a clear and unique place. The Institute plays a vital role in underpinning the ongoing viability of voluntary activity in Wales. The Institute of Fundraising Cymru provides a lifeline of information to all members of the Third Sector in Wales".

The Institute Cymru is grateful for this opportunity to submit evidence to The Culture and Communities Committee.

Discussion.

The call for evidence sought views on the following issues:

1. Ease or difficulty of obtaining funding from the Welsh Assembly Government or relevant national funding bodies.
2. Ease or difficulty in complying with constraints or conditions placed on funding.
3. Issues related to the duration or timing of funding.
4. Any other comments relevant to the inquiry.

Before commenting on the issues raised for discussion we should like to offer some background. State funding is very important to the viability of the voluntary sector in Wales. In fact the sector in Wales is more dependent on state funding than in the UK as a whole and England in particular. The reasons for this state of affairs are not completely clear, some would point to a lack of entrepreneurial spirit in Wales especially within the voluntary sector, others to the lack of headquarters of businesses in Wales, others claim that there is an England centric view taken by the very many trusts and foundations with their headquarters in England, other commentators point to a reluctance of the voluntary sector within Wales to seek funds from new sources especially from outside Wales. Irrespective of the validity of

any or all of these suggestions, the position of the sector in Wales is such that it is estimated that between 30% and 44% of voluntary sector income in Wales comes from National or Local Government. It follows that the funding processes adopted by both the Welsh Assembly Government in particular and Local Authorities have a major impact on the operation and the potential for services delivered by the third sector in Wales.

In order to gather the views of the sector to enable a fair response to the call for evidence we contacted the 700 or so organisations on our e-mail list and invited them to complete a survey which addressed the issues above. The response is unlikely to be statistically significant in that the respondents were not selected at random and the responses are limited to those who chose to respond. Responses received can be said to be from all regions of Wales, albeit with thin coverage. Nevertheless the results are interesting even if perhaps presenting somewhat uncomfortable reading.

The first question sought the information at issue 1 above and subsequent questions follow that sequence;

How would you describe your organisation's experience of obtaining funding from the Welsh Assembly Government or relevant national bodies?

Very Easy	0%
Easy	13%
Indifferent	20%
Difficult	60%
Very Difficult	7%

Whilst 33% described their experience as easy or not difficult, the remainder found it difficult or very difficult. One respondent commented that they *"would like to have regular information about what funding is available, particularly if a funding source ceases and is replaced by another fund, or if priorities change. It isn't easy to find information on the web-site and the sector isn't up-dated about what's available"*.

We then asked about constraints as relating to the application process in the following terms: How would you describe your experience of coping with any constraints in the application process for any Welsh Assembly Government grants?

Very easy	0%
Easy	7%
Acceptable	27%
Difficult	60%
Very difficult	7%

The response splits in a similar way to the experience of funding.

Once awarded the terms of a grant were not onerous with the vast majority (92%) finding compliance with the terms not to cause any problem.

There was a surprising variation in the responses to the question about the duration of any funding.

What would you see as a desirable duration for funding?

Less than a year	7%
1 - 2 years	0%
2 - 3 years	20%
3 - 4 years	13%
4 - 5 years	27%
More than 5 years	33%

It may be that the “less than a year” response was seeking one-off capital funding. This question also produced a number of comments, with one correspondent describing funding as; *“Piecemeal, inconsistent, short term and disjointed.”* The case for long term funding was expressed thus; *“All voluntary sector organisations work under the constraints of inadequate and insecure funding. It would be good to receive funding for long enough to really concentrate on delivering services.”*

The issue of defining projects as “new” or “innovative” is a frustration expressed as follows; *“We always seem to be re-inventing ourselves to gain funding for 'new' projects when we really want to obtain core funding for what we are already achieving”.*

Finally we asked about timescales in the following terms; What do you think of the time scales of funding, such as the amount of notice given to apply for funds?

Good timing	7%
Not sure	27%
Poor timing	67%

There do seem to be fairly widespread concerns about the timescales and the following comment was made reflecting concerns about timetabling, the disjuncture between strategies and a failure of joining up between Local Authorities and other funding agencies.

“Current deadlines for LAs completing their Health, Social Care and Wellbeing Strategies are not helpful and do not fit in with other local processes that should filter into these strategies. Funding is linked to agencies meeting the actions and priorities held within these documents and yet they are written as broad brush strokes making them impossible to cost and therefore easy to manipulate by Authorities.”

It is of especial concern that groups are signalling that WAG funding requires professional support to interpret schemes and for applications to be formulated. We know that many small organisations feel a need to engage consultants as well as that some large organisations find it necessary to employ people concentrating solely on applying for WAG funding. The following comments lend support to the findings described above which suggest that groups find the application process daunting and discouraging.

“It is important that 'consultants' should not dominate the funding applications. Many smaller charities are run by volunteers and cannot compete time and experience wise, with those who make a living out of it.”

“Within Wales there are too many gatekeepers to funding. Often this is unhelpful and causes delays in funding or delays in the application process.”

Finally there is concern that the impacts of zoning on the areas just outside the designated zone are not always helpful. It seems clear that many areas adjacent to the zoned areas suffer many if not all of the problems faced in the zoned area but are finding it extremely difficult to access resources. This would suggest that some consideration needs to be given to either porous borders to the zones or buffer zones in to which some funds can be directed.

“While emphasis on EU Objective areas is understood because of the need to match funding, these should not be the only areas that resources can be directed to; there are many and multiple needs outside these geographic areas that often seems to be by-passed by WAG and WCVA schemes in terms of serious money.”

The Institute would be delighted to have an opportunity to present its views in person to The Communities and Culture Committee and understands that both this submission and any oral evidence would be in the public domain.

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