All Party Parliamentary Group on Civil Society and Volunteering

New Landscapes in Funding – 13th May 2014

Speakers:

- Harvey McGrath – Chair, Big Society Capital
- Debbie Pippard – Head of Programmes, Barrow Cadbury Trust
- Shaun Walsh - Deputy Director of External Relations, Big Lottery Fund
- Mark McGann – Deputy Director of Knowledge Sharing & Policy, Big Lottery Fund

Harvey McGrath, Big Society Capital

- There has been a significant amount of change in the funding landscape in recent years.
- According to the NCVO Almanac there is a £1.3bn decrease in government income, but a 3.1% increase in individual giving which does offset it to some extent. The next report will likely show a continuation of these trends.
- There are many cuts at a local authority level and so much of what the sector does is at local level.
- Commissioning and procuring changes are well intended and are driving in the right direction, but they are making it more difficult for charities to be involved.
- Philanthropic giving has held up and increased somewhat despite the tough environment. Despite this there is a need for greater philanthropy at all levels.
- We need to recognise the importance of outcomes, effectiveness, and productivity. It is going to drive the decisions of funders and public service commissioners, especially with an increasing focus on payment by results.
- The sector needs to find a way to address commissioning challenges with government. They are not intrinsically bad but can have a clumsy implementation.
- The localism agenda needs to be pursued much further - decision-making needs to be at a much more local level.
- There is clearly a role for social investment to play in providing social capital, in being a guarantee for organisations to compete with the private sector. We need to help them get over the first hurdle in participating.
- It is important to remember that social investment is not income, it is repayable finance that requires income. It is not a panacea or a magic bullet, it is just one arrow in the quiver.
- Despite being a niche market it is growing, there are now £150m worth of commitments.
- Social finance not appropriate for everyone, but it is for a significant subset and there are four objectives we need to focus on in order to drive growth:
  - Improve access to small and medium size organisations (sub £250,000).
  - Provide capital to the most innovative responses to social issues, and grow them.
  - We need a suite of banking products for people to invest in through ISAs, pensions etc. We should explore crowd funding models.
  - We need a greater scale on finance

Debbie Pippard, Barrow Cadbury Trust

- Barrow Cadbury Trust is a small, Quaker foundation with a geographical interest in Birmingham.
- They are too small to fund lots of things, they fund in a year what BLF do in a day.
- The trust have three main programmes concerning criminal justice (young adults), migration, and resources & resilience (financial inclusion).
- BCT are fairly specialist and the model is of a complementary group of projects that add up to more than the sum of its parts. They bring best practice and policy research work together.
- BCT have moved into social investment and are at the edge of it, taking risks. 5% of their endowments are ring-fenced for social investment. They want to democratise social investment.
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- There is a trend towards collaboration. It's very beneficial and stimulates us all to do better, we can learn from each other and it is a serious resource to address tricky issues. Each party brings a different perspective.
- The experience in Birmingham is that a lot of the local funding has gone. It can sometimes be freeing to not have to jump through hoops and it can lead to innovative approaches.
- Applications are very, very stable. People are less confident and so stay with their partners.
- Trusts and Foundations can't replace state funding and they shouldn't try to do so, but they can empower people. The money doesn't have to be paid back and so it can fund things that the state can't, this funding can make all the difference.

Shaun Walsh and Mark McGann, Big Lottery Fund

- BLF are 10 years' old and the landscape has changed dramatically over that time. They offer a blend of funding – open, demand-led funding and responding to communities.
- The scale of funding means that they can test out models or approaches that others can't.
- Their size and closeness to government is often perceived to be an asset but lottery funding is different to other public funding. People feel as if it is their money.
- BLF are looking at how they can open up their data. They want to share data to allow others to compare, draw out trends, collaborate, map where grants go or where there are cold spots.
- Greater collaboration can help work out what areas aren't benefitting etc. and so cold spots are of particular issue of interest.
- In the past the Fair Share campaign tried to address this. The scheme came to an end last year and was borne out of the 2001 election – there was a commitment that money would go to those particular areas.
- The scale and reach of BLF is huge and it is in every community. There have probably been grants into every ward every few years.
- Collaboration has been difficult for an organisation of BLF’s size but we can expect more proper collaboration in the future.
- Lottery funding is not meant to replace state funding, but it is getting increasingly difficult now as funding is cut from services that would have once been covered by the state.
- For the future expect a degree of continuity and a level of radicalism.

About the APPG on Civil Society

The All Party Parliamentary Group on Civil Society and Volunteering exists to provide a forum for discussing issues affecting the voluntary and community sector with Parliamentarians from across the political spectrum.

How to get involved?

- **Come to a meeting** (details below)
- **Join the group** - APPG members get advance notice of all of our sessions as well as an invitation to our Christmas Parliamentary Reception. E mail for details
- **Give us a call, visit our website or follow us on twitter**

Web: [www.ncvo.org.uk/appg](http://www.ncvo.org.uk/appg)  E mail: [civilsocietyappg@ncvo.org.uk](mailto:civilsocietyappg@ncvo.org.uk)  Phone: 020 7520 2473  Twitter: #appgcs

Future Meetings

- **Tuesday 8th July, 4.30 – 6.00pm**

Please RSVP to Alison Evans on [civilsocietyappg@ncvo.org.uk](mailto:civilsocietyappg@ncvo.org.uk) or telephone 020 7520 2473.