Local Trust
trusting
local
people

How to design a community grants programme

REFLECTIONS AND TIPS FROM FOUR BIG LOCAL AREAS



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INTRODUCTION:

WHY ARE COMMUNITY GRANTS USEFUL?

When people want to make lasting change happen in their local community, they often need money to achieve their vision. Community grants can be used to fund new ideas or projects, help establish groups and support activities that respond to community needs.

Sometimes known as community pots or community chests, community grants are relatively small amounts of money (often in the hundreds or thousands of pounds, rather than millions) that are distributed to local people to do great things. However, distributing money is harder than it sounds.

That's why we've created this toolkit, to share tips and ideas on designing or refreshing a community grants programme.

This toolkit can help you:

- explore how community grants could support the change you want to make
- design an accessible application process
- define how you will decide which projects to fund
- explore how much risk you are willing to take
- attract applications from groups you haven't engaged with yet
- give out grants fairly
- review your community grants programme to check it fits with your priorities.

It's based on an action research project carried out by the Institute for Voluntary Action Research (IVAR) with four Big Local partnerships - Hateley Cross, Kingsbrook and Cauldwell, Rastrick, and Roseworth. The research supported these four partnerships to improve their grant-making approaches and share their learnings.

About Big Local

Big Local is a resident-led funding programme providing people in 150 areas in England with £1.15m each to spend across 10 to 15 years, to create lasting change in their neighbourhoods.



Based on IVAR's insight, this toolkit suggests seven things to think about when designing or updating a community grants programme:

1. WHAT DIFFERENCE DO YOU WANT YOUR GRANTS TO MAKE?
2. HOW TO UNDERSTAND LOCAL ISSUES AND REACH PEOPLE IN NEED
3. HOW TO TAKE MEASURED RISKS WHILE GRANT-MAKING
4. HOW TO ATTRACT AND SUPPORT NEW APPLICANTS
5. HOW TO DESIGN A SIMPLE AND ACCESSIBLE APPLICATION PROCESS
6. HOW TO MAKE TRANSPARENT AND FAIR DECISIONS
7. HOW TO MEASURE CHANGE MEANINGFULLY



Each section has questions you may like to discuss at a community meeting, or with a smaller group of people responsible for making decisions about grants.

We hope you feel inspired and informed by the experience of the Big Local partnerships featured, and that you feel confident to deliver your own community grants to make lasting change happen in your local area.

If you start by discussing the questions with a small group, it's a good idea to share the group's thinking with the wider group afterwards.



SECTION 1

WHAT DIFFERENCE DO YOU WANT YOUR GRANTS TO MAKE?

The hardest part about grant-making is that there is never enough money to support the many good causes and projects we'd all love to deliver. So, it's really important for your grants committee to set out why you want to give out community grants. Being specific will make it easier for you to make decisions and ensure you back projects that address local issues.

Whether you're designing or relaunching a community grants programme, it's important to align it with your aims. This will help you make decisions about **why**, **who** and **how** to fund. Here are three things to consider:



1 **Agree on the difference you want community grants to make.** For example, the Roseworth Big Local partnership uses community grants to encourage activities focused on supporting older people and those with long-term health conditions.

> "We are particularly interested in applications which encourage more activities and get more going on in the area; develop community spirit; encourage creativity; could lead to enterprise or bigger things."
>
> From the Roseworth Big Local community grants application form

2 **Define what success looks like for your programme.** For example, in Rastrick, short-term success is having more applications from groups they don't currently engage with.

> "It's a good thing when we get applications that are obviously from people who have not applied for funding before ... that's what we want."
>
> Rastrick Big Local partnership member



3 **Connect community grants to the themes and priorities in your plan,** like local resilience, community cohesion, young people, green spaces or health and wellbeing. This will help align the kinds of things you fund with what your plan aims to do. For example, in Kingsbrook and Cauldwell, improving the confidence and capacity of residents to start, develop and run things locally was their main priority.

> **"... [we want to] support local people to do things themselves ... build capacity in the area. Provide support for groups to develop and formalise. And provide support for people to continue Big Local beyond the end of the programme."**
>
> **Kingsbrook and Cauldwell Big Local partnership member**

If you can clearly explain **why** you are distributing community grants, **who** to and **how** they can be used, it will be easier for local people to understand if they can apply. It will also be easier for partners to promote your programme through their networks.

Reviewing and refining the focus of community grants in Kingsbrook and Cauldwell



At the time of research, Kingsbrook and Cauldwell Big Local had welcomed several new members to their partnership and grant-making committee. They'd also just completed a community consultation to inform their new Big Local Plan. With new people and new priorities, they looked at their community grants afresh to see what they could be used for.

The grants committee discussed questions like 'what are community grants for?' and 'what does community activity look like?' to help them design and run an accessible and fair grant-making process.

They agreed that community grants should be given to projects that fit with the priority areas in their new plan: 'Future generations', 'Environment', 'Parks and green spaces' and 'Community'. Applications would have to demonstrate that they met three criteria:

1) Have community benefit

2) Support community action

3) Match one of the themes in their new plan

The grants committee became more confident in their decision-making as they were now clear about the kinds of activities they wanted community grants to support and why. The who, what and how was clearly explained in updated documents and processes, and communicated clearly within the partnership and externally to applicants and partners.



Questions to define the purpose of your community grants

- Why should you (or did you) create a community grants programme? How does it relate to your wider aims?
- What is the purpose of your community grants? What difference will they make?
- Who are you trying to reach?
- What types of activities do you want to fund?
- How much funding do you have to give out? How will you split it?
- What would 'good' look like?
- If you already have a grant programme, what has gone well? What's not working?
- What needs to be different? For example, grant application, reporting or decision-making processes; scale of funding; who you fund.

SUPPORT TO DEFINE YOUR GRANT PURPOSE

Learning about other grant programmes can help you define your own. For example, here's a blog about how the Tudor Trust defined wellbeing grants and what they learnt.

IVAR also ran a webinar with Big Local areas on the What, how and why of community-led grant-making.



SECTION 2

HOW TO UNDERSTAND LOCAL ISSUES AND REACH PEOPLE IN NEED OF SUPPORT

Distributing community grants is a privilege and an opportunity to make lasting change in your local area. To have the most impact, it's important to have a deep understanding of local needs; which organisations, projects or activities are already addressing them; and which groups will most benefit from your grants.

CARRYING OUT A NEEDS ASSESSMENT

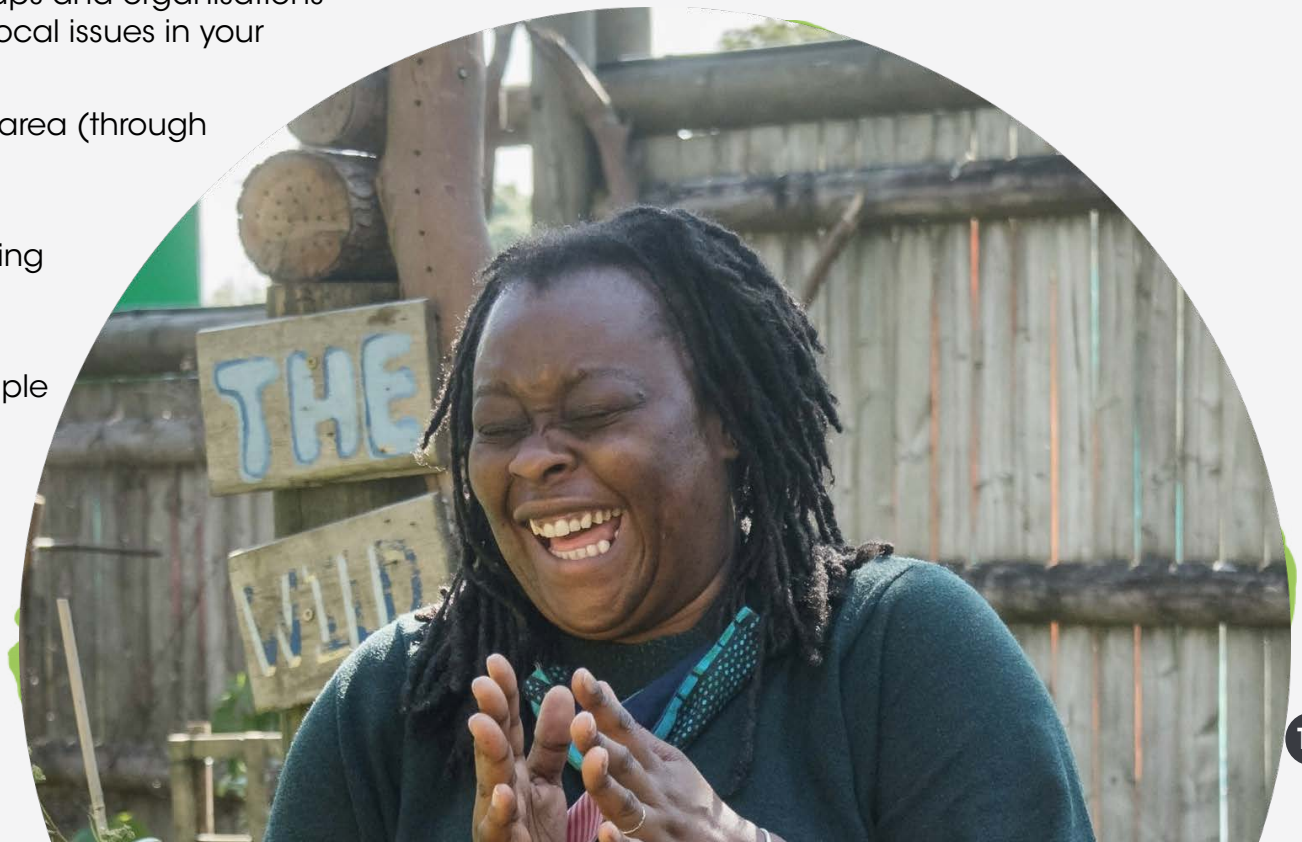
Before you decide what your community grants should be for, it's useful to carry out a needs assessment. This will help you understand what issues local people are facing and care about most, as well as what existing activities, groups and organisations are already helping people or addressing local issues in your area. You can do this by:

- looking at data and statistics about your area (through websites like localinsight.org)
- asking residents what they care about using surveys in-person or on local forums (like Facebook and NextDoor)
- doing a mapping exercise (see the example from Hateley Cross Big Local below).

SUPPORT TO ENGAGE YOUR COMMUNITY

Check out mycommunity.org.uk for practical guides, ideas and tips on engaging local people in your area.

Once you've identified gaps in services or local activities, you'll know where you could focus your community grants. Refreshing this knowledge regularly means you can adjust the focus of your grants to have the most impact and reach groups you've never engaged with before.





Mapping to understand needs in Hateley Cross

Hateley Cross Big Local wanted to understand how COVID-19 had affected community-based activities and services available to local people, and to identify where the gaps were. They did some research to help them reconnect with what was going on, to help them build new relationships and to distribute community grants to respond to local needs.

They mapped local activities and services which revealed a community hub that had recently opened. The hub hosted more than 75 local groups and organisations who could benefit from a community grant. Hateley Cross used this knowledge to build a relationship with the community hub and the organisations that use the space to encourage them to apply for community grants.

Hateley Cross will revisit this mapping exercise regularly because they have realised their community changes all the time in terms of needs, interests, demographics, local activities and spaces.

REACHING OUT TO PEOPLE IN NEED OF SUPPORT

The Big Local areas involved in this research were keen to receive applications from groups and individuals that had not applied before. Reaching people in need of support requires a mix of:

- community engagement through partner organisations, local networks and events
- strong messaging about who can apply, what grants can be used for and how to apply
- communication and awareness-raising through different channels, for example, a webpage, social media and posters and flyers in community spaces.

Another way to engage and include specific groups is to invite them to join your grant-making committee, or ask local people, groups or organisations to test your application process.



Attracting applicants in Rastrick

Rastrick Big Local wanted to attract residents who they had never engaged with before to apply for their community grants. They realised that their website was confusing, so redesigned it to make it more user-friendly and interactive, by reducing text and deleting confusing language. They included information about the purpose of community grants, what had been funded before, and the application and decision-making process. The website also included images and quotes from funded partners to help inspire potential applicants. As not everyone is online, they also put up posters and flyers in community hubs, shared spaces and at local events.



Questions to market your programme

- What groups and services already exist in your community?
- Who are you already reaching and who would you like to reach? Does this reflect the breadth of your community? Who is missing?
- What community engagement approaches have worked in the past?
- What might you need to do differently to reach new groups?
- Are there any local groups or organisations you could connect with to help you reach new groups?
- Are there local people – perhaps working in organisations or volunteering for groups you struggle to reach with community grants – who might want to join the partnership or grants committee?

SUPPORT TO MARKET YOUR COMMUNITY GRANTS PROGRAMME

Check out mycommunity.org.uk for practical marketing guides, ideas and tips, including making your communications inclusive and accessible.



SECTION 3

HOW TO TAKE MEASURED RISKS WHILE GRANT-MAKING

When you assess applications and award grants, you're making judgements that balance risks and benefits. Community grants often fund new ideas or help establish new groups who may not have a track record. This could make them more likely to fail or encounter obstacles. But that doesn't mean they're not worth funding.

Indeed, community grants are often about more than just supporting activities and projects. They're a way to build the confidence and skills of residents to deliver community activities and access further support and funding, as they did in Rastrick Big Local.

Upskilling through the application process in Rastrick

Rastrick Big Local partnership want their community grants to help local people turn new ideas into action. Ideally, they want to support groups they have not funded before. They recognise that encouraging new ideas means that the partnership has to be comfortable supporting people with activities that are not tried and tested.

The partnership understood that some funded activities might not achieve as much as others, or lead to lasting change in the community. They accepted these risks because one of their key priorities is to build an applicant's confidence and skills through the funding process. They believe that the experience, skills and knowledge gained by applying for funding is as important as the project funded.



Your grant-making process should help you make decisions in an informed way. The following questions can help your grant committee explore its risk appetite in relation to your goals and aspirations. It's important to create grant processes that will give you enough information to judge fairly. But they should be proportionate to the size and purpose of the grant. If you ask too much of your applicants, they won't bother applying.



Questions to define your approach to risk in grant-making

- What does risk mean to you? For example, are you worried about: project failure; organisational failure; fraud; reputational damage; time; cost; excluding groups?
- How will you judge how to balance benefit and risk?
- How could you manage these risks while keeping the application and reporting process proportionate to the size of the grant and nature of the work?
- When assessing applications:
  - Is the project or idea achievable?
  - Does the project have the right amount of people to deliver it?
  - Can you support applicants, or can you point them in the direction of someone else who can?

SUPPORT TO DEVELOP A RISK FRAMEWORK

In 2020, IVAR asked five foundations – of different scales, purposes and ways of working – to share their varied approaches to risk in grant-making. Their research report includes a risk framework for you to explore how comfortable your grant committee is with risk.



SECTION 4

HOW TO ATTRACT AND SUPPORT APPLICANTS AND FUNDED GROUPS

It can be overwhelming for residents to apply for funding and spend a grant as planned. That's why providing some support to applicants and funded groups is essential to making community grants accessible to people who may never have applied for a grant or run a project before.

This could include:

OUTREACH WORK THAT ENCOURAGES APPLICATIONS

For example, Roseworth Big Local planned to speak directly with older people at bingo events, lunch clubs and a knitting group, because they may not access information online.

GUIDANCE ABOUT HOW TO RUN A PROJECT OR SET UP A GROUP OR ORGANISATION FOR COMMUNITY BENEFIT

For example, signposting to the local Council for Voluntary Service (CVS).

HELP WITH WRITING APPLICATIONS

For example, in Rastrick, potential applicants are encouraged to have a conversation with partnership members or their Big Local worker before submitting a formal application, to help them develop their idea, or to get some guidance on how to write an application.

SIGNPOSTING AND SUPPORT TO APPLY FOR FURTHER FUNDING

For example, in Radstock and Westfield, community grants are sometimes used to assist groups to create plans that will help them access funds for capital projects.

HOSTING AN ONLINE WEBINAR OR IN-PERSON Q&A

To present the community grant application process to potential applicants.

> **"This is an ex-coal mining community, so there are lots of community clubs and social clubs. Sometimes we use small grants to support these groups with business plans for larger projects, so they can make applications to bigger pots of funding."**
>
> **Big Local chair**

Questions to assess your applicant outreach and support

- Are application forms accessible to the whole community in terms of language and format? For example, think about people who may not have English as a first language, who may find prefer another method to written applications.
- Do you receive applications from different parts of the community? If not, who are you not hearing from and why not?
- What additional support are you able to provide to first-time applicants or those with specific needs?

SUPPORT TO BE A FAIR AND FLEXIBLE FUNDER

IVAR's Open and Trusting grant-making initiative supports, shares and champions learning on how to make grant-making processes more simple, accessible and meaningful. Over 100 grant-makers have signed up to their eight commitments to funding charities in an open and trusting way.





SECTION 5

HOW TO DESIGN A SIMPLE AND ACCESSIBLE APPLICATION PROCESS

Community grants programmes need simple and accessible processes to support residents to apply. Applications that require lots of information will take too much time to fill out and put people off, especially first-time applicants.

To streamline your application process, try to:

ONLY INCLUDE ESSENTIAL QUESTIONS



that you need to carry out due diligence and make sure the funding is used appropriately. Strip out requests for information that you don't use.

USE SIMPLE ENGLISH

and remove acronyms. Check out the guides from the Plain English Campaign.



ACCEPT APPLICATIONS IN A RANGE OF FORMATS

For example video applications, or hold events for residents to pitch their ideas.

CONSIDER APPLICATION REQUIREMENTS CAREFULLY

For example, if you require applicants to have a 'terms of reference' or 'constitution' (especially for grants below £500) you may exclude applicants from new or small groups. Decide what you feel the requirements should be and check with partners what information they need to do their checks and meet their policies.

SET AND PUBLISH CLEAR EXPECTATIONS

for potential applicants about what the grants can be used for. For example, applications need to be in line with your Big Local Plan.



SET AND PUBLISH REALISTIC AND TRANSPARENT TIMESCALES

for reviewing applications and communicating grant decisions. Groups are often waiting on your decision to move ahead with their plans.

PROVIDE SUPPORT TO NEW APPLICANTS

to develop their ideas, but be clear at which stage you are giving them advice and when you are assessing them.

INVITE SOME GROUPS TO TEST OUT THE APPLICATION PROCESS



once it is designed.

PROVIDE FEEDBACK ON UNSUCCESSFUL APPLICATIONS

and publish details of what has been funded on your website or social media.



Questions to create an accessible application process

- Is the process for making applications clear and available?
- What information do you really need? What do you use?
- What might need changing in your grants documents? For example, the application; guidance notes; terms of reference; budget template.
- Is the language accessible and inclusive?
- Is the amount of information you are asking for, and the length of your application, appropriate to the size of the grant?
- What information do your partners need? For example, if they are making the grant payment on your behalf.

SUPPORT TO MAKE YOUR APPLICATION ACCESSIBLE AND INCLUSIVE

The Plain English Campaign has lots of free guides to help you simplify your language, to make it easier to understand.

CharityComms.org.uk has a great introductory guide to accessible communications, from using alt-text on images to making your website easy to navigate.



SECTION 6

HOW TO MAKE TRANSPARENT AND FAIR DECISIONS

Sometimes conflicts and difficulties can arise when one group holds, and is responsible for distributing, funding. For example, some unsuccessful applicants may question decisions, especially if grants have been awarded to community members that are part of the grants committee. Making sure the way you make decisions is fair and transparent can help you avoid or navigate these types of problems if they arise.

Having an accessible application process is one step towards more transparent decision-making, but it could be helpful to look at how your organisation works. For example:

DEVELOP YOUR TEAM'S GRANTS AND APPLICATION MANAGEMENT SKILLS,

so they can make decisions confidently and explain the process should someone want more information.

HELP YOUR TEAM BE CLEAR ABOUT THE PURPOSE OF GRANTS,

including what priorities to support (for example, health and wellbeing, young people). This will lead to more transparency and fairness because decision-making is not based on personal preferences and the rationale can be explained.

AGREE HOW TO RESPOND TO CONFLICTS OF INTEREST

that arise when community members are both applying for and assessing community grants. Some Big Local areas who took part in the research ask members who are also applicants to step out of decision-making meetings; others defer difficult decisions to an independent partner.



INVITE DIFFERENT PEOPLE FROM THE COMMUNITY INTO THE DECISION-MAKING PROCESS,

to broaden the diversity of the group and share the decision-making, like they did in Radstock and Westfield Big Local (see box on the next page).

Participatory decision-making in Radstock and Westfield

Radstock and Westfield Big Local have developed an innovative way of making small grants through their Dragon's Den approach. Individuals and small groups with new ideas are invited to pitch for funding at an annual event open to the community. Attracting up to 200 people, 20 applicants present their ideas for a chance to win one of ten £500 grants. Applicants must link their ideas to one of Big Local's priorities and must demonstrate community benefit. Voting rules apply, with all attendees required to place five votes. This prevents large groups from swinging the votes.

It's a great opportunity for local groups to showcase their ideas and get support. Even if they don't win, it's about *'letting people know you're out there'* and potentially learning about *'other pots of money available'*. And for Radstock and Westfield Big Local, it helps them engage more local people with their main priorities.

Questions for grant-making

- Who makes grant decisions?
- Who else could you invite to be involved in deciding who receives grants?
- How do you deal with conflicts of interest when assessing community grant applications?
- How can you separate grant support from grant decision processes?

SUPPORT TO UPSKILL YOUR TEAM IN GRANT-MAKING

The Directory of Social Change has a comprehensive Guide on the Principles of Good Grant Making.



SECTION 7

HOW TO MEASURE CHANGE MEANINGFULLY

Measuring change or 'monitoring and reporting' helps you find out what is going well, what hasn't gone as planned and how things could be improved. It's important to balance what you need as a funder with what is realistic to expect of the groups and residents you want to fund.

Some useful approaches to collecting information and feedback include:

BE CLEAR FROM THE BEGINNING

that those receiving community grant funds will be asked to provide updates about how the funded project or activity is going. Agree on how they will do this, what information you would like to know and when or how often they will report back.

ONLY ASK FOR INFORMATION THAT WILL BE USED

and let funded partners know how it will be used.

> **"We don't want groups to simply [provide] evidence, but also share stories and use this as promotional material that would encourage other groups to apply for community grants."**
>
> **Roseworth Big Local partnership member**

ALLOW FUNDED PARTNERS TO CHOOSE HOW TO PROVIDE FEEDBACK

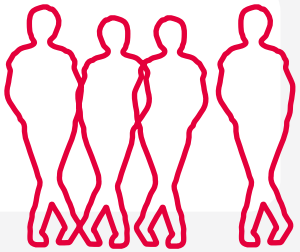


and agree to this early on. For example, photos, videos or written feedback.

HAVE DIFFERENT TOUCH POINTS TO ASK FOR FEEDBACK.

You might want to ask about peoples' experience of applying for funding in the grant confirmation email, and about how the activity or project went when the project ends.

VISIT THE GROUP IN-PERSON



to see the project or activity in action and gather feedback.

The insight and feedback that funded groups provide will help you assess whether the project is having the impact you'd hoped for and how the group is managing the grant. You could also review the programme as a whole to assess what has gone well or not so well; how community grants are helping you achieve the priorities in your plan; whether you need to make changes to the way you make your grants; or whether your community grants are helping the people you intended.

Questions to assess your monitoring and reporting process

- How do you use the information and feedback gathered for measuring change?
- Are you asking for additional data you do not need or use?
- What information does your funding partner need to do their checks?
- How are you feeding back lessons learnt or successes to funded groups?

SUPPORT WITH MEASURING CHANGE

NCVO has an extensive library of free resources to help you measure impact and set up an evaluation process.



Additional support

If you need additional support, the following sources can help you explore the ideas in this toolkit further:

- MyCommunity.org for crowdsourced resources, toolkits and advice from across the third sector
- Your local Council for Voluntary Service
- Your local Community Foundation

WHO WROTE THIS TOOLKIT

This toolkit has been written by Sonakshi Anand and Houda Davis from IVAR, based on work carried out by the authors with Eliza Buckley, Vita Terry and Surya Turner. It was edited by Charlotte Cassedanne and the Local Trust Communications team.

Thanks to the four Big Local partnerships, Hateley Cross, Kingsbrook and Cauldwell, Rastrick, and Roseworth, for participating in the original research and for sharing their experiences and ideas so openly. We would also like to thank Big Local partnerships Kirk Hallam, Radstock and Westfield and Whitley Bay who shared their experiences of community grants with us.

JUST THE BEGINNING

This handbook is designed to help you design or update a community grants programme. The process of distributing funding is an opportunity to back local people, develop their skills and make lasting change in your neighbourhood.



If you've found this handbook useful, share it with someone else who might too!

SHARE IT

About Local Trust

Local Trust is a place-based funder supporting communities to transform and improve their lives and the places where they live. We believe there is a need to put more power, resources and decision-making into the hands of local communities, to enable them to transform and improve their lives and the places in which they live. We do this by trusting local people. Our aims are to demonstrate the value of long-term, unconditional, resident-led funding through our work supporting local communities to make their areas better places to live, and to draw on the learning from our work to promote a wider transformation in the way policymakers, funders and others engage with communities and place.

localtrust.org.uk

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