



PLACE-BASED GIVING

How funders can support these schemes

What is a Place-Based Giving Scheme?

Place-based giving schemes are a means of fostering local philanthropy, increasing investment in local communities, and supporting the development of local places. They bring together residents, philanthropists, corporate donors, public sector organisations, and civil society organisations to raise money and address local priorities. The schemes put local people at the heart of funding decisions, engaging citizens as donors and volunteers to help set priorities and choose what projects will be funded.

Therefore, place-based giving is rightly seen by many funders as an exciting way to use their funds to respond to community needs and ensure the community, especially those most affected by local issues, have a genuine say in how funds are used.

So how can funders support schemes and what should they consider when doing so? The next section explores our learning from the work CAF undertook with six schemes across England as part of DCMS' Growing Place-Based Giving programme where Government provided funding of £100,000 over 18 months and put in place a support programme with CAF, to help them to set up and make strides towards raising funds to address local issues.

Insights for Funders

Funding and operational models

Funders can help stimulate giving by putting in seed funding

Early stage schemes can find it difficult to attract giving and create momentum without a successful track record or case studies that demonstrate their impact. Being an early funder that provides money for grants can help a scheme stimulate giving from others who may need encouragement. This will also allow a scheme to start monitoring and evaluating their impact on their local community. Match funding is another useful tool to achieve this.

People are the biggest core cost to most schemes

Schemes often only have one or two staff members at most and they are not always full time, but this core staffing makes a huge difference to a place-based giving scheme's ability to operate. Schemes told us that this was the area they found hardest to fundraise for, and yet it was crucial to effectiveness because their staff can coordinate the work and ensure that momentum is created and maintained. Most felt that having long-term funding for staff to enable continuity was their biggest need and they would prefer a part-term role, supported by multi-year funding, over a full time short-term post. This is because of the time it takes to build relationships in the community and across the partnership.

Schemes try to keep themselves lean so they are not perceived as wasting resources. However, this can create a risk that schemes are too fragile and lose momentum due to the lack of staff resource. Funders can support sustainability and resilience by enabling long-term stability through funding of core staff.

Support to map the landscape

Funders who have data or insight expertise on their local communities could potentially support schemes by sharing data or their own staff time. This would help schemes by supporting them with the mapping that they need to do to understand the needs of their local community.

Embracing flexibility is essential

Funders should be prepared for the needs and plans of place-based giving schemes to evolve over time. Schemes may begin by being focussed on strategy, narrative and relationship building skills but as they develop they are likely to need more project development and fundraising skills. This means that the ideal funder is one who can flex what support they offer and what their funding pays for, as schemes develop over time.

Timeframes and commitments

More than anything else, schemes need funders who understand that this model is not a quick fix but a long-term solution rooted in a community requiring huge amounts of collaboration and goodwill. As such, progress will not be achieved overnight and results may be slow. However, if schemes are funded for time to think, plan and shape the right kind of relationships with trust and commitment, this can build a strong base.

Some schemes said that their partners were reluctant to engage with the process because they were not confident that the scheme would survive beyond the initial grant funding. Place-based giving is a marathon rather than a sprint and funding of the scheme should reflect this.

We know from Growing Place-Based Giving that schemes will continue to be in start-up mode for at least 12 months. From our experience with schemes that were already established before joining the programme, it is likely for many schemes that embedding in their communities and starting to see the impact of their strategy takes closer to two years. This will vary depending on resources, opportunities, and partners.

Establishing benchmarks of success

Judging the outward 'success' of one scheme over another is misleading, given that they are not equal in terms of their ability to raise funds nor in meeting the needs of their community. The prevalence of, and mind-set of businesses, high-net worth individuals and the affluence of local people varies hugely and thus does the funding opportunity. For example a deprived rural area with little business infrastructure is unlikely to be able to raise funds to anywhere near the same degree as an urban area with numerous wealthy individuals and businesses on its doorstep.

Furthermore, for a scheme to be a vehicle that helps the community, it is important that the community is given the voice to decide what services and support they need, rather than a funder imposing pre-identified targets. Schemes need to develop in a bottom-up manner, rather than a top-down approach, and it is important that funders' benchmarks for success recognise this. Long running schemes in London (for example Islington Giving and Camden Giving) have created mechanisms (for example community grant panels) for the community to decide the support they want in a way that suits them.

For impact, building capacity in the local voluntary sector to better support local people can be equally as important as giving out large sums of money. Where small projects receive help to access practical items they need to deliver their work, are given support to develop their 'pitch' and matched to affordable or free venues to work in – these things can provide a huge boost to the local community and be equally as needed as giving out funds.

As a funder, don't measure impact solely on money granted.

Conclusion

Providing core funding to new place-based giving schemes has immense value. Without it, schemes find it difficult to put together the building blocks of their scheme (such as trust between partners, an agreed vision, a strategy based on local needs, a fundraising plan) which allow them to begin to deliver work with and for their local communities. Core funding at the start allows schemes to focus on raising money to then distribute, demonstrate their value as a way of directing funds to what communities need and encourage further donations.