What is a Place-Based Giving Scheme?

Place-based giving schemes (PBGS) 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.

Why might you want to set up a PBGS in your area?

Place-based giving initiatives are built on the idea that everyone has something to give, whether that is money, time or insights from lived experience. Schemes are usually set up because there is recognition that an area has either suffered due to socio-economic factors or has deep seated issues that cannot be addressed in isolation without collaboration between the community and a range of partners. Schemes look to raise funds for a specific community and geographic area that can be distributed to causes and projects that local people identify as the most relevant.

Since schemes are a way of getting together people with diverse knowledge and skills from different sectors in a local area, they provide a unique way of identifying local concerns. These might otherwise go unnoticed or may not be addressed by a single sector or organisation. Schemes enable those affected by issues to shape the solutions alongside charities, businesses and donors who each want to bring their assets and skills to bear on local concerns.

Insights for Places

There isn't a handbook for setting up a place-based giving scheme, and there's no 'one size fits all approach' that will work. However, the following insights came from six very different early stage schemes from across England which were supported by the Department for Digital, Culture, Media and Sport's Growing Place-Based Giving programme over a one year period, where the 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. We hope these lessons are useful to others looking to set up a place-based giving scheme in their area.
Timing and Strategy

New schemes should expect to commit significant time to partnership management

Typically partners might include charities, businesses, philanthropists, local authorities and individuals in the community. Each brings different expertise, perspectives and networks. They cannot solve local issues in isolation and by working together they have the opportunity to discover fresh ways of addressing local challenges.

To ensure that a scheme is a true partnership, all partners have to be brought along on the journey. This can lead to slow decision-making when participants come from very different perspectives and have limited availability to commit to this process. Some schemes created two tiers of partners, core members and wider group members, which enabled them to keep the diversity of perspectives but without having to run every decision past everyone. Several commented that they could only move as fast as their slowest partner.

Schemes need to determine whether they want to bring all their partners with them, which can create stronger buy-in and commitment often leading to stronger accountability. Alternatively schemes can press ahead and bring partners in further down the line. This enables them to move far quicker but may result in challenges to future support and ownership, so this is a balance each scheme must carefully determine. Trust, clarity of purpose and direction were key ingredients. As schemes developed these, they were able to delegate actions and grow more nimble, but often the initial stage required significant investment in stakeholder management.

A place-based giving scheme may start as a project by a single organisation with others playing a supportive role but should not stay that way. It is critical that new schemes think about how to be a genuine and inclusive partnership not owned by the lead organisation. Stronger schemes are typically characterised by broader partnerships. While stronger for diversity of participants, different sectors do not always speak the same language or hold the same assumptions. As such, it is important to invest time in understanding and aligning the vision with each partner.

CAF would recommend that schemes decide early on in the process how decisions should be made, who can make those decisions and how they will hold others accountable for engaging in the decision-making process.

New schemes should balance long-term strategy with quick wins

Balancing strategy with action was a challenge for most schemes. Partnership takes time, as does researching the needs of the community and determining the strategy for giving alongside this. Not to mention meaningful engagement with the community and setting up structures that keeps the community at the centre. Balancing each of these interlinking areas is challenging.

Many spoke of the ‘Catch 22’ of trying to ask for funding for the scheme without a track record to point to, and trying to create a track record of doing good in their communities without funds to give out. Schemes took different approaches, but most agreed ‘starting small’ and ‘doing something rather than nothing – don’t wait for perfection’ were good advice.

One example is where it was agreed that the giving scheme would take on responsibility for managing a local community grant, rather than the local CVS who had previously managed it. The scheme considered this a crucial task to raise their profile in the borough, and to use the process as a learning exercise for the scheme as a whole. Another scheme suggested time should be split equally between working on long-term strategic aims that give the scheme roots, and achieving quick wins that show the value of the scheme and keep people engaged. An example of one scheme’s quick win was running a very focussed public campaign that raised some money which they quickly distributed and so were able to publicise their impact.
Operational models, governance and partnership relationships

Relationships and people are key to the success of new schemes

Passion and the commitment of the individuals involved in the schemes matter. The partnership may be made up of all the ‘right’ organisations but if individuals designated to attend do not genuinely feel connected to the scheme’s aims it will suffer.

The schemes CAF worked with mostly had at least one individual who was funded to focus on the scheme and this person was often co-ordinating the work and ensured momentum was maintained. We know from the work that London Funders does, that successful schemes may have between two and four co-ordinators (although this is rare to achieve due to core cost challenges). Co-ordinators generally manage the day to day running of the scheme and maintain momentum as well as undertaking scheme administration, promotion and delivery. Most schemes agreed that the role of the co-ordinator changes over time. For example, it may start by being largely about partnership management, then need to focus on fundraising and related skills such as communications, branding and social media. Whilst continuity is ideal for relationship management, one individual cannot be expected to excel in all these and schemes need to be realistic about this and look for support in delivering activities from their core partners.

Schemes found that having a co-ordinator was extremely valuable and ideally this person should not have a split role so preferably would work only for the scheme. Where an existing staff member was given set days to work on place-based giving alongside another role it usually didn’t work out as well. Schemes that started this way often changed to having an independent person co-ordinating the running of the scheme. Schemes that had an independent co-ordinator, found that the wider core group members valued their neutrality. They weren’t seen as a representative of a particular organisation, but of the scheme.

Costs of setting up

Staffing is the biggest expense but there are other considerations. Depending on how much research has already been carried out to identify needs in an area, and whether the coordinator has the capacity and skills to do further work on this within their role, then the scheme may wish to fund further research. Sometimes this takes the form of staff following up on existing research in the public arena by engaging with the community to obtain feedback and contextualise insights, and help develop solutions.

New schemes should also think through marketing and communications which are important for getting a scheme known. Often this includes building and hosting a website, promotional literature, creating branding for the scheme and creating videos that showcase both the need and work that has already been done to address it. The needs will vary from scheme to scheme and the skills and capacity of its coordinator and partners. There are also costs associated with launch events, community meetings as well as grant panels made up of those with lived experience who decide how funds are used.

Finally there are a range of other expenses that may be incurred including, travel, job adverts, finance support and office related costs such as phones and printing. It is worth noting that whilst some costs such as equipment and website development can often be sourced through pro bono support, staffing is more difficult and so this is one area where the scheme requires funding upfront.

Be clear on commitment from the outset

Commitment is a key feature of good partnerships and new schemes are advised to make it very clear from the outset that partners must be prepared to do more than just attend meetings. They should each commit time or other assets towards the scheme. Some schemes found partnership agreements a useful tool. For example, one scheme held workshops to create a partnership document that sets out their history, values, priorities, ways of working, their structure and roles. Another scheme transferred the role of chair for core meetings from the co-ordinator to another partner. This allowed the chair and the other partners to keep the co-ordinator and the other partners accountable for the actions they said they would achieve between each quarterly meeting.
Schemes are their own entity
A place-based giving scheme should be distinct from the other work of the partners including the lead organisation. It should centre on trying new approaches and convening different parts of the community who wouldn’t normally work together to address underlying issues in their day to day. It cannot be ‘owned’ by one partner but instead needs to be a genuine collaboration where all voices are heard.

Communications and branding

Prepare to explain what a place-based giving scheme is!
When first building a partnership it can take people a while to get a clear understanding of how this is different from a charity. Those we worked with felt it was important to be able to explain the scheme as it is a new concept for many people. However for the public, schemes may find it is better to move away from trying to explain technical aspects of the scheme unless there is an urgent need. Instead, focus on communicating the difference the scheme makes to the local area in a simple and relatable manner.

Plan for public communications from day one
Generally schemes found it challenging to talk publicly about their scheme before the groundwork was complete. For example, if they did not have an agreed vision and strategy yet. However, the schemes CAF worked with advise that planning for public communications should happen from the beginning; “even if it’s just a web landing page, you should show some online presence from the start”. Without a fully agreed fundraising plan or strategy, branding should not be settled on as the audiences will determine the direction and schemes will end up reworking it later. However this doesn’t mean that a scheme can’t talk about itself and what it wants to do. At the early stages this is framed more around asking people for their input to help shape the scheme rather than presenting a fully fledged ‘ask’.

There is also no set timeframe to engage with the community. Different schemes did this at different points. Some waited until the vision and strategy of the scheme was defined and could be presented to the community for discussion and feedback. Other schemes involved the community from the beginning, from picking out scheme names to helping to co-create activities together. It is important that a scheme engages the community in a way that will be most effective for them, while ensuring that the local community has a sense of ownership over the scheme.

Think about communications whilst writing the fundraising strategy
Communications and fundraising are interlinked and it is important that each is developed with the other in mind. When building a fundraising strategy consider how many different asks you will have and which audiences will be targeted. For example, schemes might target local people to give £5 a month, while also looking at businesses and other major funders to invest large sums of money. All of these potential donors will need different fundraising approaches and different communication plans. A community campaign may focus on the need whilst a corporate business case may be about the impact their money can have. It is essential that schemes do not underestimate the time, resources and the publicity materials needed to support successful fundraising activities.

It’s not just about money
Place-based giving schemes are about more than just raising and distributing money, especially in areas where there is less disposable wealth in the community. For example, it can be about balancing assets and need rather than distributing grants in a traditional sense. Another example includes developing a matching programme by identifying local charitable projects which need specific support such as equipment or expertise, and then matching them with an organisation (for example a local corporate) that is able to provide that support. Schemes may also focus on getting local businesses to come together and commit their time to provide pro-bono support to the local community. For example, one scheme we worked with did this by getting local businesses and advice agencies to work together to provide a one stop shop for local people seeking employment, offering CV workshops, interview attire and benefits advice. This helped to raise awareness of the value of the place-based giving scheme in advance of asking for donations.
Your scheme will be determined by your place and what your community needs

The most effective place-based giving schemes are deeply rooted in their community, meeting local priorities with a strong sense of community ownership over the fund. In order to meet local needs effectively, schemes should start by mapping local assets - what are the community's strengths? For example, local community organisations, a strong sense of local identity or physical community assets, such as community centre, library, or good transport connections. It may also be useful to consider what could be improved, such as lack of community resources, high unemployment or lack of local business coordination. By talking to the community and local stakeholders (such as local businesses, public institutions and the council) about this, a place-based giving scheme can define its vision based on local context, opportunities and needs. This would mean that each scheme would be unique.

There's no right way to cover core costs

Fundraising for money to be onward granted to the community can be hard but fundraising to cover the schemes' core costs can be even harder. Different schemes have covered these in different ways. For example, by having partners contribute, applying to locally focussed grant funders, and by taking a percentage from donations received.

Network for inspiration

Despite the individual nature of schemes, participating in peer to peer sharing of their experiences and strategies with others was really valuable. Schemes find it challenging to see the creative ways and varying interpretations of what place-based giving looks like in different contexts. Whilst they could rarely 'cut and paste' an idea they saw elsewhere, what was useful was reflecting on how each scheme had responded to their area and considering what that would look like in their own contexts. See below for ways to reach out to existing schemes.

Conclusion

Working with six early stage place-based giving schemes has shone a spotlight on the potential such schemes can have in building and empowering communities. Partnership, collaboration and flexibility are key elements to success, and we hope that these insights provide helpful pointers for any place looking to set up a scheme.

CAF has been delighted to work in partnership with DCMS on this project. The places we live in have become ever more important in recent times. Growing levels of community action through mutual aid groups and the response to COVID-19 shows the huge levels of generosity at a local level across the UK. People, businesses, governments and civil society have come together to support one another and we hope that this document provides information for place-based giving schemes to thrive, in order to support people in their communities.

You may want to reach out to the schemes we worked with. If so please email campaigns@cafonline.org to request this. If you are in London you can contact London Funders1 whose London’s Giving initiative is worth engaging with.

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1 https://londonfunders.org.uk/londons-giving-0/about-londons-giving