

# Workshop D: Fairer Funding

## LACVS - LOCAL Project Strategic Launch: A Manifesto for Change



**Jointly facilitated by Warren Escadale, Voluntary Sector North West, and Lynn Saggerson,  
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Notes taken by Aimee Henderson, Volunteer Centre Blackpool, Fylde & Wyre  
12 participants**

### ***Suggestions for any local, regional, or national Lancashire 14 stakeholders, LOCAL should connect with on this topic:***

- DWP, though finding the correct contact can be quite difficult.
- Police and Probation, approached from a non-crime perspective as they have a greater role in the wider community.
- Co-operatives

Also focus separately on adults and young people/children as these funding needs are often different.

\*\*The groups were presented with slides from “A Fair Funding Protocol for Lancashire” as a prompt for discussion. **Link to full slides:** <https://www.locallancashire.org.uk/adequate-vcfse-resources-to-play-our-full-part-in-the-future-of-lancashire/>

### ***Some of the main challenges or hurdles to access funding:***

- When applying for funding, often the basic costs of running an organisation (such as maintenance, electricity, heating, and costs of core services) are thought to not be considered desirable on funding applications. It is felt that there is an expectation that this funding will come from elsewhere. Because of this, sometimes, existing services are pitched as if they are a new project to make them more appealing to funders when actually funding is just needed to continue the work the organisations are already doing. Because core funding for running costs is so difficult to achieve, it is good that this has been included in the protocol.
- Small grants programs are often too small to be very helpful for small / medium organisations. (though their benefits to micro-organisations and groups are recognized) With staff and core costs becoming higher, often small pots of funding cannot be considered unless there are multiple opportunities. But this then increases the number of staff hours spent applying for bids and reporting outcomes. Often the amount of work that goes into documenting impacts and reporting can be high and can represent a large percentage of staff hours.

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- It often seems as though funding disproportionately goes to larger organisations who may be approached with funding opportunities directly, whereas smaller groups feel as though they must pursue funding independently. Funders may not be aware of smaller local organisations, and it was suggested they could benefit from meeting with a panel who has this knowledge so that information can be distributed. When funders have visited organisations in person, it has been incredibly positive, and this makes funders more confident in awarding funding to those places even if they have limited relationships with them previously. “Seeing is believing”
- There is a misinterpretation that costs for staff and facilities for voluntary organisations are lower than for the private sector. Often partners and funders do not include provision for things like room hire, as it is thought that VCSFE organisations can provide these for free or at least reduced cost compared to other options, which can limit the organisations’ ability to create income streams and become more self-funded.
- Funding delays can leave people at risk of redundancy as smaller organisations are unlikely to have reserve funding to compensate for delays, particularly as projects are funded quite close to cost.
- There has been a drop-off in shared prosperity fund applications; one reason for this may be that the time scale for applications for some applications has been quite short. Often, where the notice given for funding applications is too short, this can affect an organisation’s ability to apply, especially those tenders asking for partnerships.
- Different areas in Lancashire can have very different needs in terms of community needs and the prevailing issues that need to be addressed. This means the scope of some targeting projects can be seen as quite small i.e. some projects are not suitable to be replicated or expanded outside of their local area, even though the service can be vital for that area. Steering groups have been set up in the past, enabling smaller organisations to have a louder voice and compete with larger groups who are perceived to get more funding, but the steering groups have had limited long-term success.
- Some technical information used by commissioners can be difficult for grassroots, small and medium sized VCFSE organisations. Support could be given to organisations with monitoring and reporting.

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- Currently, connectivity is missing from the sector, and the group considered partnerships and more joined-up working to be important but discussed the practicalities of connecting organisations. The VCFSE sector in Lancashire is very large with new groups forming and it can be hard to keep up with new developments. Often each area's needs are very different and there is inequality across sectors, not only between small and large organisations but also those sitting in the middle. There was optimism that the 5 years LOCAL funding (which is longer than is typically awarded) will help push actual implementation of joined up working.
- Increased transparency is needed about funding recipients. Where funding ends for one organisation and has been given to another, it would help to know where to signpost people, as enquiries and referrals continue to come in to the original provider.
- For the first point on the “Potential Additional Elements” slide, about reserving some contracts, this is positive, but how do we make it work in reality?
- Emphasis is needed on funders strongly “considering” minimum 3-year terms for grants funding agreements, as these funding periods are not always something within their power.
- Rather than focusing on “the sector and not the sector”, VCFSE organisations should be considered within the same conversation as other contractors when considering budget cuts based on their impact.
- When considering “Priceless Procurements” on bigger, longer-term contracts. It was fed back that cabinet members have a set 60% quality 40% price consideration for deciding where to assign funding, and this may not be negotiable. It may help if they specify that this increasing the weight of quality over price is an aim and not a strict requirement.
- How can funders demonstrate that funding is awarded equally and how do they make decisions fairly, given that demand outstrips available funds? Funding will often be awarded to organisations with a more proven track record, which may lead to more contracts going to larger organisations.
- Do funders consider whether funds will be kept within the local community? For instance, national organisations receiving funding may not keep the same proportion of money within the local area when compared with a smaller, locally based organisation.
- Where funding is granted to organisations to be distributed, how do we ensure that these funding opportunities are made available to all equally, this is something that LOCAL should also focus on.

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- Restrictive and inconsistent practices mean that certain groups can't apply for funding because of individual council standards e.g. one borough might need an organisation to have a certain qualification before applying, but another might not.

At the end of the workshops participants were ultimately hopeful that these protocols and the LOCAL project could bring these ideas into reality: Link to full slides:

<https://www.locallancashire.org.uk/adequate-vcfse-resources-to-play-our-full-part-in-the-future-of-lancashire/>

### SUMMARY:

The Fairer Funding workshop explored the challenges faced by the VCFSE sector around developing income streams whether through grant or commissioning opportunities. Some of the challenges identified and included:

- Being able to bid legitimately for core funding.
- Limitations of small funding pots.
- The time commitment to generate output and impact reports on funded projects.
- Some larger organisations capitalising on their recognition to commissioners.
- Funding delays putting jobs at risk.
- Short lead time for funding bids can exclude some people from bidding.
- Some smaller groups need a larger voice to be able to compete with the larger organisations and may need support with monitoring and reporting back on funds.
- Lack of opportunity to create joined up working or collaborative projects.
- The need for increased transparency about new fund recipients and why they have been successful over unsuccessful organisations.
- Consideration for a minimum funding duration term of 3 years.
- Non-negotiable 60/40 quality and price split
- Keeping funding in the local communities rather than going nationally.
- Funding opportunities made accessible to all equally and removing restrictive practices resulting in unfair exclusion of some organisations being able to bid.

The presentation from Warren Escadale, Voluntary Sector North West (VSNW) focused on "A Fair Funding Protocol for Lancashire" as a prompt for discussion. Link to full slides:

<https://www.locallancashire.org.uk/adequate-vcfse-resources-to-play-our-full-part-in-the-future-of-lancashire/> which was positively received as a potential funding protocol for Lancashire and the need for this to be addressed in follow-up meetings.

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### Fairer Funding Workshop D – Potential Action Points

- i. Initiate the creation of a funders network to address the points highlighted in this summary.
- ii. Create a panel/consortium of a mixture of VCFSE organisations with funders as advisory panel.
- iii. Encourage commissioner to visit projects in person – “Seeing is believing!”.
- iv. Lobby to help commissioners to agree that core costs for the VCFSE and other sectors is appropriate.
- v. Explore how VCFSE fund recipients can feed back to funders about running costs of their projects.
- vi. Develop training/support group/infrastructure support for VCFSE sector organisations to share knowledge, experience & help with bids and report templates – look into possibility of AI assistance.
- vii. Explore the best way to help VCFSE organisations come together to nurture joined up working.
- viii. Explore how to help organisations given money to distribute, to have a greater reach and give all size of organisations the chance to bid.

#### FURTHER INFORMATION & LINKS:

- Community Research & Engagement Network (CoREN)  
<https://arc-nwc.nihr.ac.uk/get-involved/coren/>
- VCFSE Sector Manifesto for Lancashire 14  
<https://www.locallancashire.org.uk/wp-content/uploads/2024/01/A-VCFSE-Sector-Manifesto-for-Lancashire-2022-6.pdf>
- Media from the event  
<https://www.locallancashire.org.uk/strategic-launch/>