



UK COMMUNITY
FOUNDATIONS
GIVING FOR LOCAL GOOD

The value and impact of the UK Community Foundation network

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All community foundations share the belief that locally-owned, locally-led development is not just the latest sector jargon, but the reason they exist. Although their capacity may differ, the aim for a community foundation is to build a connection between those with resources and those with needs. The fundamental vision is one where “donor” and “recipient” are one and the same. (Longhurst, 2018)

Community foundations are a global movement originating in the US in 1914, spreading and growing throughout the world. Community Foundations have been a major feature of the UK philanthropic landscape since the 1990s. There are currently 46 active members of the UK Community Foundation (UKCF) network. By 2019 UK Community Foundations had, collectively, granted over £1 billion over the lifetime of the network to local voluntary and community sector organisations. Taken together, the network is currently the fourth largest grant-maker in the UK. This singular achievement, alongside the sustainability granted by a total combined endowment of over £690 million, might persuade many of the ultimate success of Community Foundations in the UK. But are these financial measures the only parameters of success for Community Foundations? If not, then by what additional yardsticks should we judge the collective impact and added social value of UK Community Foundations?

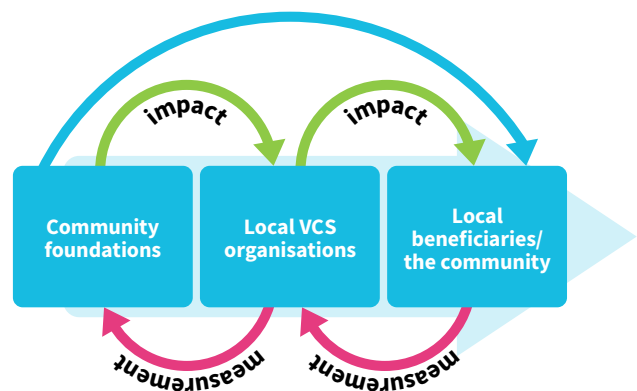
‘Community Foundations play a valuable role in the ecosystem of their local voluntary sector and recognise that the grant funding and support can only be a contribution towards the overall goal.’

(Michael, 2019)

This research project set out to assess how the impact they have on the communities they serve is viewed by Community Foundations; how that impact is measured and assessed; and whether a sense of the collective impact of the UK Community Foundation network is possible. The report reviews the evidence collected by Community Foundations, both individually and collectively, and finds that while definitions of impact vary across the UK Community Foundation network there are many commonalities which allow a degree of collective impact to be measured, and that further work is already underway to improve this.

DEFINING IMPACT - THE DOUBLE AND TRIPLE IMPACT OF COMMUNITY FOUNDATIONS

On the one hand, Community Foundations are similar to other grant making foundations in that they have a double impact on the communities they serve via the voluntary and community sector (VCS) organisations that they fund. On the other hand, as noted above, Community Foundations are different to many other foundations in that they also have a vision/mission with aims that are wider than funding, which also impact on the local community (e.g. encouraging philanthropy, building social capital, being a community leader) – a triple impact.



Assessing the impact of community foundations must therefore take into account all of these different aspects (see Methodology for the details).

A SUMMARY OF FINDINGS

This study found the following:

1. Encouraging local philanthropy

UK Community Foundations are very effective at attracting and developing philanthropic giving, particularly when they have greater resources to do so.

The evidence collected here shows that: Community foundations carry out a huge range of activities designed to attract and encourage greater local philanthropy, including events, charity visits, festivals of philanthropy, and a wide variety of giving schemes. Community foundations are seen as leading developers of local philanthropy in the UK (UKCF, 2017).

Of particular note is the Time for Growth programme funded by the Esmée Fairbairn Foundation which provided ten Community Foundations with £100,000 of core cost funding. The £1 million investment succeeded in raising £19.5 million in new endowments over three years. A later project *The Philanthropy Fellowship* (also funded by Esmée Fairbairn Foundation) enabled 35 Community Foundations to provide better donor support and experiences, and build a network of philanthropists committed to funding projects in their local community. The programme found and created over 200 Philanthropy Fellows, 1,500 'Friends', and unlocked over £25 million in new donations over three years.

2. Acting as a community leader

UK Community Foundations play a key leadership role in the community bringing about social change in collaborative and innovative ways. This includes, inter alia, championing the VCS and its social and economic value to local stakeholders, and advocating the importance of sustaining grant funding.

The evidence collected here shows that: Community Foundations in the UK show their leadership by, for example, convening partnerships and collaborations of other players, leveraging extra resources for the community, running themed national grants programmes, introducing place-based giving schemes, raising awareness of issues, influencing others, leading funding innovation (e.g. social investment), carrying out research and running campaigns. Community Foundations lead on a wide range of innovative multi-partner ventures designed to bring together more resources to bear on tackling local issues more effectively.

Of particular note is the Tampon Tax Community Fund distributed by the network of UK Community Foundations to organisations which improve the lives of disadvantaged women and girls. In 2018 UKCF was one of 10 successful organisations who bid to distribute £15 million from the latest round of the Tampon Tax Fund from the Department for Digital, Culture, Media and Sport. A total of £3.4 million has been distributed by Community Foundations in this round to 390 groups across the UK. This involves Community Foundations working closely with local VCS organisations to help them access national funding opportunities.

3. Finding and funding the most effective solutions to the most pressing local issues

UK Community Foundations are excellent at identifying local needs and matching resources in a flexible way, forming a sustainable part of any local solution.

The evidence collected here shows that: The vast majority of Community Foundations conduct needs analyses of their local area, and most include community input mechanisms; Community Foundations have successfully built endowments to ensure sustainability of local funding, and can pool and match funding to meet needs more efficiently. Community foundations are aware of their local VCS landscape and can target funding effectively.

Of particular note is the Vital Signs methodology of local needs analysis adopted by nearly half of UK Community Foundations (21 currently produce Vital Signs reports while 13 produce other forms of needs analyses). Pioneered by Canadian Community Foundations, Vital Signs is a mixed methodology, combining community engagement, community leadership and community philanthropy. The copyrighted methodology, which is subsidised by UKCF, is based around 10 social themes, including housing, employment, and education, which are identified and graded as to how well the region is performing in relation the rest of the UK. Community Foundations then work with partners including donors and VCS organisations to effectively match resources with local needs.

4. Strengthening the local voluntary and community sector

UK Community Foundations often have an unrivalled knowledge of and relationship with their local voluntary and community sector, and many are proactive and innovative in supporting their local VCS.

The evidence collected here shows that: Community foundations have a wide variety of ways in which they support the local voluntary and community sector, including providing core cost funding, running small charities fora, providing funding workshops and helplines for potential grantees, capacity building work, improving collaboration, brokering volunteers, offering business support and social investment for startups.

Of particular note is the number of new and smaller charities funded each year by Community Foundations. For example, in 2017, **Devon Community Foundation** reported that 42% of successful applications were new groups to the foundation, while 49% of its grants made to organisations with income of £50,000 or less; for **Essex Community Foundation** in 2018 the percentage of successful new applicants was 29%; **Wiltshire Community Foundation** 71% of groups who were awarded a grant had an income of less than £100,000 per year and more than half of these had an income of less than £20,000; while for **Essex Community Foundation** 57% of grantees have an income of less than £150,000.

5. Strengthening the local community

UK Community Foundations are instrumental in building better connections with and in the local community, including enhanced accountability and actively trying to shift more power to those communities – three of the four pillars of PACT (Unwin, 2018).

The evidence collected here shows that: Community foundations work very closely with the communities they serve. They endeavour to support those communities in a variety of ways, from targeted grant making to particular community needs (and particularly more deprived and under-funded areas / issues); to addressing systemic issues; stakeholder engagement - inclusive representation of community members in their processes; promoting the growth of social capital; and reinvigorating ‘forgotten’ areas. Community foundations can lay claim to working successfully in areas that others define as ‘hard to reach’.

Of particular note are the number of national programmes that Community Foundations are key in delivering which are aimed at strengthening local communities. For example: **New Beginnings Fund** for refugees and asylum seekers, ‘to increase the capacity of small community groups to welcome and integrate refugees and asylum seekers into the UK, and reduce the strain on current support networks. The programme promotes more equal, less divided communities’; **Building a Stronger Britain Together**, ‘to support civil society and community organisations who work to create more resilient communities, stand up to extremism in all its forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and gender’; and the **#iwill campaign / Youth Social Action Fund**, ‘to increase by 50% participation in youth social action (volunteering, fundraising and campaigning) by 10-20 year-olds by 2020’.

6. Demonstrating impact

UK Community Foundations are in the process of upgrading their impact measurement to align more closely across the network, but shouldn’t miss a trick with measuring more formally the wider elements of their impact (beyond their grantees).

The evidence collected here shows that: Community foundations carry out a wide range of impact measurement activities, most with the stated aim of measuring the impact of funded VCS organisations (i.e. impact at one remove) – including the use of end of grant evaluations, case studies and developing a new Impact Framework and an analysis of national grant programmes. Many community foundations also support their grantees in a number of ways to provide better impact evaluation of grants.

Of particular note is the innovative and challenging work which has been undertaken by UKCF, an external consultant and a steering group of 10 Community Foundations over 18 months with the view to improving the way impact is captured and reported on and supporting Community Foundations in overcoming some of the challenges they face in impact measurement. The work aims to enable greater collective impact measurement, bringing measurement practices more into line with each other (while retaining the critical element of individuality and uniqueness place-based funders have by definition). The *Impact Project* consulted with other sector bodies to best align with the rest of the sector as well as looking at best practice in impact measurement by UK charitable trusts and foundations (Michael, 2017), and taking account of the recently published *New principles for grant reporting* (IVAR / Esmee Fairbairn,

2018) which developed a set of principles designed to make grant reporting a 'shared, more meaningful and mutually beneficial experience'. The new national Impact Measurement Framework will be piloted by five Community Foundations in 2020.

7. A quantitative summary of collective impact (2018/19)



Over 15,000 people

give in a significant way through Community Foundations



107 new endowment funds

were established

New income into endowment funds

£58m



Total income increased by

18% to £171m¹

between 2017/18 and 2018/19

4,829

total funds under management



21,167 grants

awarded to groups and individuals

£14.7 million

distributed by Community Foundations through national programmes on behalf of **eight different partners**

Total number of beneficiaries this money had the potential to reach:

nearly 1 million

(983,000)²



¹ Total income includes investment income, as well as flow through and endowment donations.

² Some organisations include every possible person who might be reached by their project, so care should be taken when using this figure. A more accurate figure of beneficiaries actually reached might be gleaned from the median number of beneficiaries per project which would put the total reached at a much lower figure of 113,000.

SIGNS OF THE TIMES: THE CURRENT CONTEXT FOR UK COMMUNITY FOUNDATIONS

We live in a time of change, a time of enormous upheaval – and a time of unprecedented opportunity. (Unwin, 2018)

THE CURRENT UK CONTEXT

The last dozen years have been rather turbulent in the economic, social and political spheres in particular. The UK experienced the recession of 2008-2009 followed by a prolonged period of austerity measures of restrained government spending. The dual pinch of increased needs in communities across Britain, driven by the economic downturn, coupled with the cuts to government spending as part of austerity measures, is a key driver in the current landscape for the voluntary and community sector. After a brief economic recovery in the markets, today Britain finds itself once more in a place of uncertainty and volatility on the cusp of Brexit – the most divisive political decision in living history – and with global political, social and trade tensions rising.

THE THIRD SECTOR

Alongside these upheavals the UK voluntary and community sector (VCS) is experiencing a stalling of charitable giving – both of time and money. The latest NCVO Almanac (NCVO, 2019) showed that both earned income (sales and memberships, etc.) and donations fell overall (although legacy income continued to rise). The latest UK Giving report (Charities Aid Foundation, 2019) also shows that the number of people participating in charitable or social activities has decreased over the last three years. This has been accompanied by a sharp decline in the overall number of wealthy philanthropists giving significant sums (1 per cent of their wealth) to charity (The Sunday Times, 2019). Indeed, in 2015, 105 on the list gave more than 1 per cent to charity, but the figure had fallen to 86 last year and now stands at just 72 this year (Weakly, 2019).

Many VCS organisations have found the last dozen years particularly difficult – especially those reliant on government income or working in more deprived areas / with more deprived groups³. In particular, *‘SMCs are more likely to be adversely affected by cuts to public sector budgets and approaches to commissioning and procurement that favour economies of scale over more tailored and responsive approaches’* (Dayson, Baker, Rees, & al., 2018).

The environment for grant making trusts and foundations has been similarly volatile over the last dozen years. Levels of grant making have continued to grow strongly, but this is only possible in the longer-term as long as income and assets are robust. Despite a recovery in the markets after the great recession, in recent years uncertainty, and therefore market skittishness, has been created again by the current context of UK economic confusion around Brexit, rising tensions in international trade, and the destabilising effects of global political tensions. (Pharoah & Walker, forthcoming 2019)

THE POLICY CONTEXT

Partly as a result of these challenging times, the last few years have also seen some major reviews into the role of ‘civil society’ in the UK; for example, the independent Civil Society Futures project chaired by Julia Unwin⁴, the DCMS/OCS *Civil Society Strategy*⁵, the *Commission on the Future of Localism*⁶, and IPPR’s *Future of Civil Society in the North* programme⁷. These underline the importance of a strong civil society in underpinning a strong economy and a strong Britain.

A strong, renewed, re-energised civil society is urgently needed to shape the future now.

(Unwin, 2018)

Recent analyses have shown that far from ‘filling in the gaps’, charitable donations by companies, spending by grant-making trusts and foundations, charity expenditure and the social capital engendered by these efforts, taken as a whole, actually exacerbate the uneven and unequal patterns described above. In fact charitable money and social capital are distributed such that areas of higher deprivation tend to have less of these vital resources (Butler, 2013) (Walker C. , 2013) (Traynor & Walker, 2015) (Mohan, 2012) (Lindsey, 2012) (Richards & Heath, 2015) (Pharoah, Chapman, & Choudhury, 2014).

The *Civil Society Futures* inquiry proposed a new PACT for civil society, based around the four principles of:

3 https://www.southampton.ac.uk/sociology/news/2010/10/22_voluntary_organisations_working_deprived_groups_reliant_public_funding.page

4 <http://civilsocietyfutures.org>

5 <https://www.gov.uk/government/consultations/civil-society-strategy-have-your-say>

6 <https://locality.org.uk/wp-content/uploads/2018/04/LOCALITY-LOCALISM-FULL-ONLINE-REPORT.pdf>

7 <https://www.ippr.org/research/major-programmes/the-future-of-civil-society-north>

Power (a great power shift putting more power into the hands of the people), **Accountability** (a focus on accountability to communities and people rather than to funders or government), **Connection** (building deeper, closer connections between people, meeting as equals) and **Trust** (investing in the core currency of the VCS, build trust by staying true to values and doing what's right – being honest about failures and successes, defending rights and calling out injustice).

The *Civil Society Strategy* emphasised **People** and **Places** as key foundations of social value (alongside the social sector, the private sector, and the public sector). People should be enabled to have a lifetime of contribution, thriving, connecting with each other and giving back to their communities. Places need empowering and investment to create stronger local communities. This is part of the reason place-based approaches have seen a renewal, helping people to build better, more resilient and integrated communities which offer better choices and opportunities for all (Walker C., 2018).

Partly in response to the growing pressures on charities, there has been a growing trend calling for grant making trusts and foundations to adopt best practice principles which endeavour to make funding more open and transparent and fairer to grantees, with a particular focus on SMCs. For example, the recently published *New principles for grant reporting* (IVAR / Esmee Fairbairn, 2018) developed a set of principles designed to make grant reporting a 'shared, more meaningful and mutually beneficial experience'. The high-level principles are:

1. Funders explain why they have awarded a grant.
2. Funders and funded organisations are clear about what grant reporting will look like.
3. Funders are clear about the type of relationship they would like to have with the organisations they fund.
4. Funders only ask for information they need and use, and question whether they need bespoke reporting.
5. Funders give feedback on any grant reporting they receive, and share their thoughts on the progress of their work.
6. Funders describe what they do with the information they obtain from funded organisations.

The Civil Society Futures inquiry put forward recommendations specifically aimed at funders of civil society, including grant making trusts and foundations, national, regional or local **community foundations**, and public sector grant makers. The over-

arching recommendation was to: 'develop the funding ecosystem to support people and communities to build their capacity for change'. The report suggested that this could include such things as:

- Supporting and helping to build the people–power grid.
- Endowing and helping to build local endowments that can be directed and owned by people in the community.
- Starting to measure the depth and breadth of connections, taking them just as seriously as you take other impacts.
- Shifting power by making sure that local communities and people with lived experience make and are involved in funding decisions.
- Recognising that trust takes time to build, by paying for development and start-up of projects with time to build connections and trust, not just 'delivery'.
- Co-designing accountability mechanisms together with those receiving funding, and only demanding accountability that is simple, proportionate and necessary.
- Taking risks that reflect the very real risks taken by people in communities every day.
- Assessing the depth of connections when assessing funding proposals, and recognising that building social capital, alongside achieving social change, requires support, engagement and long-term trust. (Unwin, 2018)

There are many challenges here which Community Foundations could and should respond to.

MEASURING SUCCESS

Demand for evidence of foundations' impact is growing. While foundations are required to provide an account of grant spending and institutional recipients, comprehensive data remains elusive.

(Pharoah, Walker, & Goddard, 2017)

Voluntary and community sector (VCS) organisations exist to make the world a better place in countless different ways. The improvements made by VCS organisations can also be called the social value, or impact, they create both individually and collectively. The idea of measuring impact is not new but it has taken on greater significance in the 21st century for the voluntary and community sector (Fritz, 2019).

Impact measurement is something many people get

greatly exercised about: What are the best ways to measure it? What metrics and magic formulae should be adopted? How far can estimated impact be pushed? The impact measurement question is an even more thorny one for funders, that have a double impact on the communities they serve through the VCS organisations they fund.

ASSESSING THE IMPACT OF FUNDERS

It has long been held that: *'Funders care deeply about impact'* (NPC, 2013). In a survey from 2013⁸, 88% of funders responded that impact measurement makes charities more effective, and 89% also thought that it makes funders more effective too (Kail, Van Vliet, & Baumgartner, 2013). Funders are called upon to be more accountable and transparent (Unwin, 2018). Funders also have a dual responsibility here, since not only are they accountable for their own impact, but they also have a role in driving change in charities (Kail, Van Vliet, & Baumgartner, 2013).

There has been little published research around the specific issues surrounding Community Foundations' impact measurement in the UK, however. Previous research around the impact measures used by Community Foundations in the US (Ranghelli, Mott, & Banwell, 2006) questioned whether Community Foundations sufficiently and consistently assess the impact they have in the communities they serve, beyond such quantitative indicators as asset size and amount disbursed in grants, to include *'other types of impact, such as community representation, leveraging of resources, communications strategies and leadership on critical issues.'* This research set out to examine a similar question in the UK, as well as to try to quantify that impact.

INPUTS, OUTPUTS, OUTCOMES AND OTHER IMPACT MEASURES

It is widely acknowledged that true measures of charities' 'impact' are hard to come by, since they are the 'long-term or indirect effects of your outcomes'; they are 'hard to measure since they may or may not happen. They are what we hope our efforts will accomplish.' (Fritz, 2019)

The report sets out the evidence in each of the six criteria, including a selection of representative or best practice activities (inputs) undertaken by Community Foundations in each area, plus any output or outcomes measures available across the network (or sometimes individually). Each criterion is also accompanied by

a number of case studies undertaken specifically for this report, which illustrate the themes and underline longer-term impact.

The recent Lloyd's Bank Foundation for England and Wales' report *The Value of Small* (Dayson, Baker, Rees, & al., 2018) highlighted that small charitable organisations are very good at capturing case study evidence, although this is not often given the same weight as formal measures of outputs and outcomes by many funders (Dayson, Baker, Rees, & al., 2018). Not only do Community Foundations give such evidence due weight and attention when asking for evidence from grantees, but also use case studies in their own impact reporting. Therefore this report has given due weight to case studies as 'evidence' of some of the longer-term impacts which Community Foundations are having.

Since the criteria chosen here are not necessarily ones which every Community Foundation currently recognises as a standard, the 'evidence' gathered rarely spans the entire network in a uniform fashion.

MEASURING THE IMPACT OF COMMUNITY FOUNDATIONS

Community Foundations are assessed against a set of 'Core Standards' every three years in order to receive a quality accreditation (QA), as part of a process introduced by UKCF in 2007. The 'Core Standards' encapsulate the quality service expected from a Community Foundation, on a number of aspects covering: strategy, governance definitions, and risk; financial and information management; philanthropy services - donor management and grant making; and organisational and network development. The QA process (currently QA4) must be passed by each Community Foundation in order for it to retain its membership of the UKCF network.

The QA process does not cover all the measures analysed here, and it is an internal and unpublished process. This analysis makes use of public-facing information to test out the six measures of impact which it has been determined that UK Community Foundations should meet.

METHODOLOGY

While Community Foundations are independently assessed against a set of 'Core Standards' every three years in order to receive a quality accreditation, these are not focussed on the impact which Community Foundations have.

⁸ Sample = 114 funders.

Since there are no universally accepted and practised measures of success or impact for the work of UK Community Foundations, the first task of this research was to define the criteria which would be used to assess the issue. This was done in two ways: Firstly, a review of the literature (including Community Foundations' annual reports, websites, impact reports, vision and mission statements; and academic and other published research on impact measurement, particularly comparative research on Community Foundations in Europe, the US, Canada and globally); and secondly, a workshop with a working group of representatives from the UKCF network to discuss and agree a shortlist of measurement criteria or 'yardsticks' to be used. Six criteria⁹ were chosen which were felt to embody values or qualities which Community Foundations should aspire to. These were:

1. Encouraging local philanthropy
2. Acting as a community leader
3. Finding and funding the most effective solutions to the most pressing local issues
4. Strengthening the local voluntary and community sector
5. Strengthening the local community
6. Demonstrating impact

EVIDENCE

Next, a process of collecting evidence of outputs, outcomes and impact measures against each criteria took place, by analysing the annual reports and accounts and impact reports (for the latest available financial year (2017/2018)) and the websites of all 46 Community Foundations, as well as central information gathered by UKCF. Both quantitative and qualitative evidence was gathered and analysed. A summary of this evidence is presented here.

⁹ These should not be seen as wholly discrete and mutually-exclusive categories but rather ones with wide overlap in places.

This criterion is held to be one of the key tenets of Community Foundations and it is acknowledged by all Community Foundations within their reporting.

Community Foundations are held to 'provide a customised service to donors which respects their charitable interests, meets their needs and offers opportunities to involve donors in different ways'; and aim to put in place 'a robust framework for new donor recruitment and the management of relationships with existing donors' (UKCF Core Standard 8; (UKCF, 2016)). Additionally, Community Foundations aim to 'continually seek philanthropic funding from a broad range of donors' (UKCF Core Standard 7; (UKCF, 2016)).

This aspect of Community Foundations' activities was greatly boosted in the early part of the current decade by the Philanthropy Fellowship programme that ran between 2012 and 2014 and saw significant investment in the enhanced donor education and engagement opportunities offered by Community Foundations. In the early 2000s the Esmée Fairbairn Foundation invested £1 million in the Time for Growth programme which provided ten Community Foundations with £100,000 of core cost funding. This allowed the foundations to concentrate on building endowments from local philanthropists and securing long-term sustainability for their local communities. The £1 million investment

succeeded in raising £19.5 million in new endowments over three years. Esmée Fairbairn Foundation invested in a similar project in 2011 - The Philanthropy Fellowship programme enabled 35 Community Foundations to provide better donor support and experiences, and build a network of philanthropists committed to funding projects in their local community. The programme found and created over 200 Philanthropy Fellows, 1,500 'Friends', and unlocked over £25 million in new donations over three years.

This has been followed up by UKCF which now supports the network with the Philanthropy Advice Competency Framework, launched in 2017 in order to assist in providing informed and constructive advice to existing and prospective donors on their philanthropy (UKCF, 2017). Donor engagement and management is now handled using online technology in many Community Foundations.

The evidence collected here shows that: Community foundations carry out a huge range of activities designed to attract and encourage greater local philanthropy, including events, charity visits, festivals of philanthropy, and a wide variety of giving schemes. Community foundations are seen as leading developers of local philanthropy in the UK (UKCF, 2017).

CASE STUDY

Celebrating and inspiring local philanthropy at The GeNERosity Festival of the Community Foundation for Tyne & Wear and Northumberland.

The Community Foundation for Tyne & Wear and Northumberland (CFTWN) hosted the first ever GeNERosity Festival in November 2018 to celebrate philanthropy and giving in the North East of England. The Festival comprised a series of 50 activities, debates, and performances over three weeks to celebrate and raise awareness of what philanthropy has achieved; question, debate and inform the future role of philanthropy in the North East; and to encourage more philanthropy in all its forms.

CFTWN partnered with Newcastle University's Centre for Research on Entrepreneurship, Wealth and Family, and County Durham Community Foundation plus a number of corporate and foundation sponsors and supporters. Local residents were able to attend events, publicly pledge to do something charitable, and nominate and vote for the North East's 'unsung GeNERosity heroes', as well as visiting 30 local charities who opened their doors to host #PoweredByPhilanthropy events.

INPUTS – ACTIVITIES TO ENCOURAGE LOCAL PHILANTHROPY

Community Foundations undertake a plethora of activities designed to attract local people in becoming more philanthropic. Many foundations run giving circles which bring groups of likeminded individuals together to donate money and/or time to a fund and are involved to a lesser or greater degree in how the funding is distributed. Examples of this include ‘100 clubs’, inspired by the PTA-Style private society fundraising lotteries, whereby donors each commit a certain amount of funding each year. Giving circles can be eclectic or focused on particular types of donors and causes, e.g. women and girls.

For example, **Suffolk Community Foundation** runs two giving circles: the Suffolk 100, which has raised over £280,000 since 2011, and The Women and Girls Fund, which has around 24 members and has raised over £80,000 since 2013, and funds projects aimed at empowering women and girls in Suffolk.

The Community Foundation for Tyne & Wear and Northumberland has just launched a new Giving Network aimed at young professionals. Like many giving circles, the *Giving Network* will use a Dragons’ Den-style funding event where local charities pitch for funding. **Cornwall Community Foundation** runs a Second Home Owners Scheme which provides a way for holiday home owners to help Cornish communities by contributing the equivalent of one week’s rent each year to the work of the Foundation.

‘The Foundation places considerable importance on the relationship it has with its donors and the professional service given to them. The Foundation maintains excellent relationships with donors through regular face to face meetings and arranging visits to local projects and invitations to prestigious local events. This enables the Foundation to gain a good understanding of its donors’ wishes and ensure that grants are directed to where they are most needed in the community.’

Calderdale Community Foundation, Executive Committee Report and Financial Statements, 2018

Many Community Foundations also run ‘*Seeing is Believing*’ – visits to local charity projects for funders and potential funders to see first-hand the impact funded work is having on the local community.

CASE STUDY

Local philanthropists Helen and Peter Wilde work with Quartet Community Foundation to tackle difficult local issues

Helen and Peter Wilde established their family fund with Quartet Community Foundation (QCF) in 2008. They’re ordinary people who worked hard for their money and who wanted to give something back to the community around them to enrich the local area, and inspire others to do similarly.

The family fund is used to support community organisations such as Home Start, helping families with young children learn to deal with life’s challenges; and One25 that supports Bristol’s street sex workers to build lives away from violence, poverty, and addiction. Many philanthropists are put off by projects like this, partly because impact can be so difficult to measure, but the couple visit

projects regularly so they can see the difference their support makes at first hand.

The Wilde’s are also proactive in supporting the community in Lawrence Weston to drive forward change in public health. Isolated from the prosperity of central Bristol, this community of 7,100 people with very poor health outcomes is attempting to bring about change for itself by raising the funds for a Community Hub with a new health, social, economic and education centre for, and run by, the community. Helen and Peter are a pivotal part of Quartet Community Foundation’s (QCF) “Philanthropy Fellows”, talking about giving and acting as a catalyst to increasing the philanthropy of others.

1. ENCOURAGING LOCAL PHILANTHROPY

Other Community Foundations have found other innovative ways to encourage more philanthropy. For example, **Northamptonshire Community Foundation** has a partnership with Northampton High School for Girls delivering a Young Philanthropy course for sixth formers.

Many Community Foundations also work with Professional Advisors to ensure that local people

seeking financial advice are aware of the need and potential solutions available via funding through a Community Foundation. For example, **Wiltshire Community Foundation** has its own Philanthropy Advice Service, working in partnership with solicitors, wealth managers, independent financial advisors, accountants and business advisors.

CASE STUDY

The Bartella Charitable Fund – an endowed fund managed by Essex Community Foundation

I tell everyone I can about ECF because I am so passionate about it.

Jason Bartella

Bartella is one of the best-known names in Essex and the family's business, the Heritage Leisure Group, has some of the top venues in the county, including Pontlands Park Hotel in Great Baddow. Having had reservations when his father Robert wanted to start up a charity, Jason Bartella has been outspoken about how having an endowed fund in the family's name with Essex Community Foundation (ECF) made giving to good causes a pleasure.

"When he told me about his idea of starting a charity I thought it was mad. I was worried that if we were running our own charity then the legal, accountancy and administration fees would run away with a lot of the money. It would also mean a huge commitment in terms of time. Our family lawyer knew about Essex Community Foundation and suggested to us that this would be the way of setting up a fund in the

family's name without the difficulties of having our own charity. We had a meeting with ECF and it was simple to set up the Bartella Charitable Fund, leaving us with the easy and fun part, raising money and distributing grants.

It is good to know that the money we give makes our endowed fund with ECF grow and the money we raise through our events goes straight to the charities we want to support, with only a minimal amount taken for administration. The money in our fund can, through ECF, achieve a much better rate through investment and the good it does will go on in perpetuity. My wife, Lisa and our children have active involvement in the Bartella Charitable Fund. Through ECF we can be involved in the organisations we support and we can also see the outcome of the money we give."

OUTPUTS / OUTCOMES / IMPACT

- Over 15,000 people give in a significant way through Community Foundations (UKCF, 2017).
- The network increased its total income by 12% to £144.5m (including investment income) between 2016/17 and 2017/18 (UKCF, 2019).
- 362 new funds were established in 2017/18.
- The total number of funds under management was 3993 (UKCF, 2019).
- New income into endowment funds was £29.5m (UKCF, 2019).
- In 2015 the total amount received across the network from smaller donors (those giving less than £1000) was £1.6m, or approximately £46k per Community Foundation; while 65 larger donations were received (>£250K), with 50 (77%) between £250K-£1m, and 15 (23%) above £1m (UKCF, 2015).
- The impact of the donor services provided by Community Foundations is illustrated by two individual case studies from Essex and Quartet Community Foundations (see CASE STUDIES).

‘To advance our mission we work with many partners to: Provide leadership and a forum for dialogue on critical community issues’ **Cambridgeshire Community Foundation**

The UKCF Core Standards hold that Community Foundations should be: *‘a community leader in the local area’* as evidenced by *‘working with stakeholders’* and have a plan for *‘extending/improving partnerships/collaboration’* (UKCF Core Standard 11; (UKCF, 2016)).

Other potential standards held up for Community Foundations as leaders (in the US) were aspects such as influencing others; leveraging additional public or private resources; pursuing a *‘bolder social change agenda [e.g.] freedom to fund unknown organizations that had never been funded before’* (Ranghelli, Mott, & Banwell, 2006).

The evidence collected here shows that: Community foundations in the UK play a key leadership role in the community, for example by leading partnerships and collaborations of other players, leveraging extra resources for the community, running themed national grants programmes, introducing place-based giving schemes, raising awareness of issues, influencing others, leading funding innovation (e.g. social investment), carrying out research and running campaigns.

INPUTS – ACTIVITIES

Partnerships and collaborations, leveraging additional resources

Community Foundations have initiated and entered into a wide range of innovative multi-partner ventures designed to bring together more resources to bear on tackling local issues more effectively. These include the award-winning *20 Fenchurch Street Legacy Fund* from the **East End Community Foundation (see CASE STUDY)**

Many partner with their local authorities to deliver better services. For example, *Age Friendly Banbury*, a cross-sector partnership committed to tackling loneliness and isolation in Banbury, co-founded by **Oxfordshire Community Foundation** (with Oxfordshire County Council) has won funding from the Big Lottery Fund and the government to champion social action in place. Or **County Durham Community Foundation** whose partnership with Durham County Council addresses youth unemployment in deprived areas through their *Learning Working Earning* programme with DurhamWorks, funded through the European Social Fund and the Department for Work and Pensions.

Many Community Foundations act as the ‘Locally Trusted Organisation’ for Local Trust / Big Local projects in their area, to administer and account for the distribution of funding, and/or deliver activities or services, demonstrating how their work is valued and trusted by other organisations. For example, **Lincolnshire Community Foundation** has been the Locally Trusted Organisation for their local Coastal Community Challenge.

Other examples of community leadership include:

Team Staffordshire, a group of infrastructure and support organisations convened by **Staffordshire Community Foundation** to bring together VCSE, (Voluntary, Community & Social Enterprise), and other local partners to act as a collective bidding consortium, working together to avoid duplication of effort or delivery and to build on the capacity of the VCSE sector.

We look beyond standard approaches and promote innovative and collaborative ways of working which has recently been pilot tested through addressing challenging issues such as fuel and food poverty, [e.g. by] convening the Northamptonshire Food PovertyNetwork.

Northamptonshire Community Foundation

Essex Community Foundation has established a CEO network which brings together CEOs from charities across the county ‘for peer support and to share knowledge, experience, local intelligence, ideas, problem solve and provide practical support’.

South Yorkshire Community Foundation has partnered with the South Yorkshire Funding Advice Bureau (SYFAB) which had been running for over 25 years. SYFAB works alongside SYCF to secure further funding for local community and voluntary organisations as well as providing access to essential training and support, to enable these groups to stay active, sustainable and effective.

CASE STUDY

East End Community Foundation – bringing together multiple partners to tackle local unemployment

Fresh research commissioned by EECF in 2013 showed that unemployment was a particular issue in the East End, which one donor or grant-maker alone was unlikely to be able to tackle. This was in stark contrast to the iconic ‘Walkie-Talkie’ building, with its 3-floor Sky Garden, down the road in the City’s financial district (at 20 Fenchurch Street) in 2014.

The 20 Fenchurch Street Legacy Fund, launched in 2015, came from the partnership between EECF and the developers of the Walkie Talkie, Land Securities, Canary Wharf Group. The Fund brings together donations from donors of all sizes, giving a focus for the CSR programmes of those businesses and contractors occupying and servicing the building, as well as including visitors to the Sky Garden. The Fund, driven by EECF’s considerable experience in local needs-led grant-making, awards small grants to local community projects allowing them to significantly improve

local people’s chances of employment through skills development. In addition, a proportion of the donations secured are invested in an endowment to create a lasting legacy. So far the fund has awarded over £300,000 and helped over 500 people into employment.

In 2017 EECF won the Grantmaking and Funding national Charity Award, organised by Civil Society Media, for best practice in grant-making. EECF were commended for acting as convenors, engaging new donors and leveraging extra charitable resources, and the cost-effectiveness of the Fund’s community partners who are supporting people into work at a vastly reduced cost compared government figures.

“By encouraging donors to work together to address a common cause we have achieved greater impact than any one of us could have alone.” Tracey Walsh, CEO, East End Community Foundation

NATIONAL PROGRAMMES

A good example of both partnership and leveraging extra resources are the national programmes coordinated by UKCF. Part of UKCF’s role is to initiate and coordinate national programmes, funded by statutory or other large funders, which run across a number of participating Community Foundations. This is an area where there has been increased activity over the last few years. In 2018 national programmes represented over 10% of the network’s total grant making (UKCF, 2018).

For example, the new *Tampon Tax Community Fund*, allocates funds generated from the VAT on sanitary products to projects that improve the lives of disadvantaged women and girls. In 2018 UKCF was one of 10 successful organisations who bid to distribute £15 million from the latest round of the *Tampon Tax Fund* from the Department for Digital, Culture, Media and Sport. A total of £3.4 million is to be distributed by Community Foundations in this round, potentially reaching over 70,000 beneficiaries.

PLACE-BASED GIVING

Another way in which collaborations are leveraging additional resources to tackle local issues is using more formal place-based giving schemes, *‘bringing together resources to benefit the community in a collaborative way in a defined geographic location with the intention of tackling local issues in a new way’* (Walker C. , *Place-Based Giving Schemes: Funding, engaging and creating stringer communities*, 2018)¹⁰. For example, **Two Ridings Community Foundation** (TRCF) has championed place-based giving in Yorkshire (see **CASE STUDY**).

London Community Foundation’s work around knife crime (see **CASE STUDY**).

¹⁰ See (Walker C. , *Place-Based Giving Schemes: Funding, engaging and creating stringer communities*, 2018) for an outline of other place-based schemes initiated by or involving Community Foundations.

CASE STUDY

Innovative place-based giving partnerships aim to leverage new resources to tackle local issues in Yorkshire - Two Ridings Community Foundation

THE LOCAL FUND for the Harrogate District is a partnership between Harrogate Borough Council, Harrogate & Ripon Centres for Voluntary Services (HARCVS) and Two Ridings Community Foundation (TRCF). Launched in 2018 THE LOCAL FUND aims to build a significant endowment fund of £2m by December 2019 to provide a long-term legacy of charitable grant-giving, with the goal of distributing £100,000 per annum by 2020. Its focus will be funding smaller groups & organisations with limited resources for fundraising and marketing and who struggle to form partnerships with local businesses or apply for large grants.

Yorkshire Coast Catalyst, a pilot partnership for Scarborough between TRCF and Coast & Value Community Association (CaVCA) is one of six places

in England that has been selected to be in the Government's Pilot Place Based Giving Programme 2019-20. TRCF and CaVCA will work with other partners, including Scarborough Borough Council and Scarborough Business Ambassadors, to encourage individuals and organisations to give their time, talents and money to benefit local people and communities.

"Our experience in Harrogate and other places shows that community foundations are trusted partners to grow local giving to address the needs in local communities. We convene and advocate for the area based on a deep understanding of each place's needs and assets." **Jan Garrill, CEO Two Ridings Community Foundation**

INFLUENCING

A number of Community Foundations hold *Funders Forums* where local funders can learn from each other's experience and knowledge of local issues and explore opportunities to work together more collaboratively. For example, Somerset Community Foundation hosts their local VCSE (*Voluntary, Community & Social Enterprise*) *Strategic Forum* and *VCSE Leaders Conference on The Future of Social Action* in partnership with Somerset County Council and local infrastructure partners, where leading organisations discuss priorities, helping to create a more collaborative culture.

CASE STUDY

The Community Foundation Wales – leading the way in tackling homelessness

The Give 'DIFFerently Fund is a partnership between the Community Foundation Wales, Big Issue, FOR Cardiff, Cardiff City Council, South Wales Police, The Wallich, Huggard Centre and Public Health Wales.

The Fund offers an alternative method for Cardiff's visitors and population to give money (via text) and help those who are begging, are homeless or at risk of homelessness. The Fund will consider applications for funding from voluntary and third sector organisations providing professional support to individuals currently living on the street, with the aim of moving individuals away from homelessness and/or to stop them from returning to homelessness.

The Community Foundation Wales will ensure that these small grants go directly to individuals, helping people move away from homelessness and preventing a journey to it - from support purchasing household goods to helping them gain employment by buying clothing or getting transport for a job interview. Funds will also help to settle individuals into their communities and to engage fully and positively with society.

With a focus on 'prevention', 10% of the fund will be ring-fenced for organisations working with those at risk of Adverse Childhood Experiences (ACEs) to try to prevent the next generation from becoming homeless and having to resort to street-based activities such as begging.

CAMPAIGNS

Many Community Foundations run campaigns to raise awareness and funds for particular issues. For example, Surviving Winter is a campaign to help vulnerable people stay warm over the winter period tackling fuel poverty with donated fuel allowances. Since November 2011, UK Community Foundations have raised £5.5 million to reach over 80,000 people who may not be able to heat their homes.

Other examples of campaigning include:

Leeds Community Foundation whose partnership with Leeds City Council allowed them to launch the Holiday Hunger campaign to help support some of the 30,000 schoolchildren in Leeds whose families and carers struggle to feed them in the school holidays, when there are no free school meals.

Suffolk Community Foundation's #StaySafeOnline campaign, with support from Suffolk Constabulary, Suffolk County Council, Suffolk Community Foundation, the University of Suffolk and the East Anglian Daily Times, aims to benefit more than 10,000 young people, backed by the Suffolk Police and Crime Commissioner.

INNOVATION

A number of Community Foundations offer alternative forms of funding, e.g. social investment. For example, since 2011, **Heart of Bucks** (the **Community Foundation for Buckinghamshire**) has administered the *Bucks Big Society Bank*, awarding loans of between £1,000 and £25,000. **Foundation Scotland** established *Resilient Scotland* in 2012 to offer flexible investment packages for social enterprises, between £10k and £500k, and has invested £7.5 million in 66 social enterprises across 13 local authority areas. Or the *Yorkshire Venture Philanthropy Programme*, an initiative supported by the **Community Foundations in South Yorkshire, Leeds and Calderdale**, which has added an estimated £1million to the local economy.

Other innovative examples of leadership include **Milton Keynes Community Foundation**, which has a wholly-owned trading subsidiary company, *MK Community Properties Limited*, that leases Small Business Units on licence to both commercial and not for profit organisations.

RESEARCH

Some Community Foundations show leadership through commissioning or carrying out innovative research. Research covers such diverse topics as: ‘*Strengthening the Sector*’ (**Milton Keynes Community Foundation**), to ‘Investing in Children and Young People’ (**Sussex Community Foundation**). Other examples include the **Community Foundation for Merseyside’s** research on Community Foundation collaborations and mergers, which informed the eventual merger of the **Community Foundations for Lancashire and Merseyside;** **Lincolnshire Community Foundation’s** research to investigate the potential of Social Impact Bonds in work with social prescription; **London Community**

Foundation’s ‘*The Violence Virus*’ – researching the causes of youth violence in London (**see CASE STUDY**); ‘*Keeping it Together*’ – on mental health and wellbeing; and ‘*Food for thought*’ – a community response to addressing food poverty in London; and **Quartet Community Foundation’s** research into the importance of Community Anchor Organisations and the role that the Foundation can play in supporting their future development (**see CASE STUDY**).

In addition, a number of Community Foundations work with a local university or connect with local councils on data analysis pertaining to their local area (Michael, 2018a).

CASE STUDY

London Community Foundation - tackling London’s thorniest issues head on

London Community Foundation (LCF) operates across all London boroughs enabling it to have an overview of pan-London issues and act where it is needed most. In recent years two major issues have come to the fore in very different ways, calling for multi-agency collaboration both at great speed and over the long-term.

The Grenfell Tower Fire: The fire, on 14th June 2017, eventually claimed 72 lives and devastated many more. The same day the Evening Standard newspaper (whose Dispossessed appeal fund is managed by LCF) and LCF launched a fundraising appeal for those affected. The resulting fund eventually totalled nearly £9.6 million. The vast majority (£8.8 million) was made available within 12 months to help with the immediate needs of those affected.

Tackling knife crime: In order to understand how best to help in tackling the rise in knife crime in London LCF undertook research, ‘The Violence Virus’, which outlined the unique and powerful role that community-based organisations play. On the back of this LCF were invited to manage and administer the Community Seed Fund, launched by MOPAC (the Mayor’s Office for Policing and Crime), as part of the Mayor of London’s Knife Crime Strategy. The fund gives grants to grassroots community groups working to reduce knife crime in those communities disproportionately affected. £250,000 was made available in 2017/18 and a further £1.15 million was announced in 2018.

RESPONDING TO COMMUNITY DISASTERS AND EMERGENCIES

Another way in which Community Foundations demonstrably act as leaders is in their response to community disasters. For example, **Cumbria Community Foundation** raised £10.3m in response to the flooding in December 2015. And **CFNI, Community Foundation Wales, South Yorkshire Community Foundation, Community Foundations for Lancashire and Merseyside, Somerset** and **Devon Community Foundations** have also responded to local flooding by setting up funds to help victims in recent years, acting as a local focal point for donations of help.

In order to prepare for any future events, **Worcestershire Community Foundation** has set up the Worcestershire Emergency Fund, working in collaboration with the emergency services, to support individuals and communities who have suffered the impact of a major incident within the County, whatever the nature of that emergency. While **Calderdale Community Foundation** have introduced the Watermark Flood Save scheme, a match funded savings scheme for those at risk of flooding.

OUTPUTS / OUTCOMES / IMPACT

- The total funding distributed by Community Foundations through national programmes in 2018/19 was £14.7 million distributed on behalf of eight different partners.
- 1,415 grants were awarded ranging from around £700 to £180,000.
- The total number of beneficiaries this money had the potential to reach was nearly 1 million (983,000)¹¹.

Measures such as the number of events held, or partnerships / collaborative ventures entered into, are currently not collected centrally, or measured in a consistent way by all Community Foundations.

¹¹ Some organisations include every possible person who might be reached by their project, so care should be taken when using this figure. A more accurate figure of beneficiaries actually reached might be gleaned from the median number of beneficiaries per project which would put the total reached at a much lower figure of 113,000.

‘we live in the world of balancing what donors want to fund, what we think is important, and what communities are telling us is important.’ CFNI

Mission: To inspire philanthropy and charitable giving – matching people, ideas, resources and needs to make lasting difference. Essex Community Foundation

The UKCF Core Standards hold that Community Foundations should have ‘a clear focus on needs and impact analysis to help inform its future direction’ and ‘operate[s] a broad range of grant programmes that meet identified community needs’ (UKCF Core Standard 9; (UKCF, 2016)). It should provide ‘evidence of community consultation in identifying needs and assets locally’ and demonstrate a ‘clear understanding of where the Community Foundation is making a difference and how this analysis is shared with partners’; including addressing ‘identified equality and diversity challenges in the area’ (UKCF Core Standard 9; (UKCF, 2016)).

Furthermore, the Core Standards dictate that Community Foundations should have ‘a commitment to building endowment’ (Core Standard 7; (UKCF, 2016)), which is invested to build a sustainable base: ‘The Community Foundation has the power to collect, build and invest endowment and other donor funds and to make grants’ (Core Standard 1; (UKCF, 2016)).

The evidence collected here shows that: The vast majority of Community Foundations conduct needs analyses of their local area, and most include community input mechanisms. Community Foundations have successfully built endowments to ensure sustainability of local funding, and can pool and match funding to meet needs more efficiently. Community foundations are aware of their local VCS landscape and can target funding effectively.

INPUTS – ACTIVITIES

Finding - Needs analysis

At least three-quarters (75%) of Community Foundations conduct a needs analysis of their local area or areas. Nearly half (21) utilise the Vital Signs methodology (which involves community consultation)¹². Several supplement this with further needs profile reports. A small number of Community Foundations undertake needs analyses into specific groups with particular needs. For example, **Buckinghamshire Community Foundation** has produced a profile of ‘Women and Girls in Buckinghamshire’.

‘We have expanded our Vital Thinking events to bring together strategic partners, funders and local grassroots groups to discuss existing challenges and opportunities for joint working on support for children and young people with mental health and wellbeing challenges, and children living in poverty.’

Milton Keynes Community Foundation

Most Community Foundations use their needs analyses to adopt a thematic approach to their grant making. This allows funds to be targeted more effectively to meet local needs. This includes acting as ‘a benevolent Robin Hood’ able to take money from one area, where resources are higher but needs are lesser, and use it in another, where resources are lower but needs are higher, as Fabian French, CEO of UK Community Foundations puts it (Walker C. , 2018).

FUNDING

Pooled and matched funding

One of the ways in which Community Foundations can be particularly effective at meeting needs is by pooling funding from several different sources, allowing foundations to better meet need. For example, **Oxfordshire Community Foundation**, with the support of several key donors, appointed a project manager ‘dedicated to finding effective solutions to some of the educational inequalities identified in Oxfordshire Uncovered’ (needs analysis). While **Hampshire and Isle of Wight Community Foundation** established a new *Hampshire Community Fund*, an amalgamation of 27 trusts and charities transferred from Hampshire County Council, to support a variety of local needs.

‘A unique aspect of the Foundation’s grantmaking is our ability to pool funding and award grants from a number of funds under management. 25% of our grants totalling £870,201 were given in this way.’

Essex Community Foundation

¹² See: <https://www.ukcommunityfoundations.org/our-network/vital-signs>

Many Community Foundations also harness the power of matched giving to encourage greater philanthropy. For example, a number of foundations take advantage of *The Big Give* to boost donors' giving to particular campaigns, (e.g. **Wakefield District Community Foundation's** Winter Fuel Christmas Challenge 2018); or match donors' giving to set up new funds¹³.

'We published a comprehensive report produced from [our needs analysis], showing the most educationally deprived parts of Oxfordshire. It concluded that the greatest impact was likely to be achieved by concentrating on areas where people lack both education and employment, but where there is a high job density... Grant applicants were invited to use the data in the report to support their requests for funding. OCF's panel of independent volunteers will also use the report to objectively assess the grant applications and prioritise those that should receive funding.'

Oxfordshire Community Foundation

CASE STUDY

Quartet Community Foundation – Funding the Future by supporting community anchor organisations

Cuts to public sector budgets have hit the voluntary and community sector hard across the UK. Quartet Community Foundation noticed that in Bristol this had a significant impact on community anchor organisations - community-led, organisations which act as a focal point for broader community activity. This meant that there was a vacuum where community voice and leadership should be, as local groups were too stretched to take advantage of any new opportunities.

In response to this, in 2017, Quartet carried out research into Bristol's Community Anchor Organisations and identified such organisations as key to delivering the most effective solutions to local issues in Bristol. Having mapped the local Community Anchor Organisations, Quartet brought

together a diverse range of funders, including The National Lottery Community Fund and Power to Change, as well as local philanthropists, to create a fund ('Funding the Future') to support community hubs at the heart of some of Bristol's most disadvantaged communities. An initial pilot with eight community anchor organisations enabled these organisations to take time out to invest in new approaches and to secure additional investment and make changes to their business models.

"We have now attracted three quarters of a million pounds from various funders who recognised the unique value of our approach to supporting and sustaining community leadership."
Ronnie Brown, Philanthropy Director, Quartet Community Foundation

¹³ See (Walker C., 2016) for further details on the effectiveness of match-funding for encouraging philanthropy.

OUTPUTS / OUTCOMES / IMPACT

Finding - needs analysis

- 21 Vital Signs reports have been produced in the latest financial year, plus 13 other needs analyses (not using the Vital Signs methodology).
- UKCF is currently looking into the possibility of measuring whether the grant making of Community Foundations is targeted effectively to support identified local needs (Michael, 2019).

Funding

- The UK Community Foundation network distributed £98.3m of grants in 2017/18 (UKCF, 2018a).
- Over the lifespan of the UK Community Foundation network it has distributed over £1 billion of grants (UKCF, 2017).

Endowment

- The collective endowment of the network was £614m in 2017/18 (UKCF, 2018a).
- 16,619 organisations and 5,157 individuals received grants in 2017/18 (UKCF, 2018a).

Leveraging

- Some Community Foundations reported how much extra money was leveraged by their funding, although this has not been done across the whole network. E.g. **Somerset Community Foundation:** *'For every £1 we contributed to groups over the past 5 years, £14.42 has been raised'*. **Cornwall Community Foundation** reports that their grants leveraged a further £2,450,000 investment for the projects supported from other funding sources in 2017/18.

CASE STUDY

Sussex Community Foundation – targeting the most effective ways of working with children and young people

Sussex Community Foundation's 2016 needs analysis, *Sussex Uncovered 2: Bridging the Gap*, uncovered high child poverty rates, significant levels of education deprivation and youth unemployment in the County. The Foundation believed that good quality youth work could be the answer but was aware that such services had been badly hit by local authority cuts.

In response SCF launched three new funds to support youth work including the Brighton & Hove Legacy Fund for Children & Young People, formed by the transfer of ten dormant trusts previously managed by Brighton & Hove City Council. It also brought together local youth workers at an innovative Youth Work Summit, facilitated by the Institute of Voluntary Action Research (IVAR) where they discussed openly the issues, challenges and opportunities youth work organisations are facing, how work with young people can be sustained and how best the Foundation could support these organisations in the future. SCF also evaluated a strategic funding pilot by the Blagrove

Trust through the Community Foundation that targeted work with disadvantaged children and young people, with a proviso that grants should *'enable local organisations to make a significant step-change in their ability to make a difference to the lives of disadvantaged children'*. The evaluation found that all organisations found this funding extremely valuable in enabling them to grow and develop, be more forward thinking and independent.

The conclusions of all this work are gathered together in the report "Investing in Children & Young People", published by Sussex Community Foundation in December 2017.

It is time for funders to take a more strategic approach, to invest in good quality organisations and allow them to make decisions about the best way to achieve change. Our job as funders and donors to the voluntary sector is to identify those organisations and invest in their ability to change people's lives. Kevin Richmond, Chief Executive, Sussex Community Foundation

As champions of small civil society organisations, we need to ensure we're supporting innovation at all levels, providing the right information for groups, and finding the best ways of capturing and sharing good practice and learning.

Devon Community Foundation

While this function is not explicitly mandated by UKCF's Core Standards, part of the Community Foundation's role is seen as a wider function of strengthening the local voluntary and community sector, including capacity building where necessary, and encouraging and supporting innovation (Mott, 2006). Examples of this might include targeted funding to smaller organisations and the provision core cost funding (recent research has highlighted the distinctive contribution and value of SMCs operating at a local level in England and Wales and the funding challenges they face (Dayson, Baker, Rees, & al., 2018)).

The evidence collected here shows that: Community foundations have a wide variety of ways in which they support the local voluntary and community sector, including providing core cost funding, running small charities fora, providing funding workshops and helplines for potential grantees, capacity building work, improving collaboration, brokering volunteers, offering business support and social investment for startups.

INPUTS – ACTIVITIES

UK Community Foundations support their local VCS in a variety of ways and engage with these organisations to establish the best ways to help them to provide the best service they can to beneficiaries. For example, **Bedfordshire and Luton Community Foundation** launched a Small Charities Forum in 2017/18 in response to research by the Lloyds Foundation for England and Wales highlighting how small but vital charities are suffering disproportionately from funding cuts but conversely are often best-placed to respond to community issues (Dayson, Baker, Rees, & al., 2018).

Heart of England Community Foundation have secured dedicated funding for 'smaller organisations' from a local business, worth half a million pounds.

Kent Community Foundation ran a core funding pilot for local VCS organisations in 2017/18, the success of which has led to plans to launch a multi-year core funding programme to create a sustainable model of support for the voluntary sector, establishing strategic partnerships with intermediaries and other key stakeholders across the county.

Many Community Foundations run funding workshops, helping charities to hone their grant applications. For example, **Two Ridings Community Foundation** supports #SmallButVital¹⁴ charitable organisations in North & East Yorkshire to: 'Understand what is the essential information many funders need from your application; Get to grips with putting together a good budget for your bid that covers overhead costs; Learn from other similar groups in your area; and Pick up useful tips and ideas from elsewhere'. **Wiltshire Community Foundation** operate a 'Funder Plus' service including training and advice and help with funding applications, with every organisation being contacted as part of the assessment process, to ensure that 'those groups doing amazing work, but who might struggle with a funding application, stand the same chance of receiving a grant as those organisations which are able to employ staff dedicated to fundraising.'

'We believe in giving a hand up, not a hand-out. As an experienced grant-maker, we provide funding and advice to strengthen local community projects and increase sustainability... From funding specialised workers and providing opportunities to learn and demonstrate impact, to supporting with core costs and major capital projects, our grants go beyond being purely just about money. The grants we give enable organisations of all shapes and sizes to pilot new approaches, build up their infrastructure, establish connections, share best practice and help develop a more coordinated local Third Sector.'

Leeds Community Foundation

Cheshire Community Foundation launched a themed Mental Health Fund in 2017 and will raise and direct £500,000 of funds towards building the capacity of the voluntary sector and improving the signposting of services in this area.

14 <https://www.lloydsbankfoundation.org.uk/Championing%20small%20charities%20-%206pg%20handout%20digital.pdf>

Community Foundations offer different types of support to local VCS organisations. For example, **Berkshire Community Foundation** launched a new Community Liaison provision in 2017 to offer support to the voluntary sector in Berkshire. The Community Liaison Officer works with community groups and voluntary sector organisations to identify gaps in knowledge, skills and provision enabling BCF to detect areas of support which could be offered, by the foundation's support programme, to groups to improve collaboration, knowledge of access to funding and sustainability. Since 2017 this has led to the up-skilling of over 100 organisations, providing a better understanding of fundraising and how to access funding. While **Calderdale Community Foundation** has developed a range of support services and advice, including: training, funding and financial advice, organisational development, communications, volunteering, and governance from a single point of contact.

Hertfordshire Community Foundation run a *Building Effectiveness* programme with the Cranfield Trust (see CASE STUDY); while The **East End Community Foundation** offer a brokering service for volunteering opportunities to build the capacity of the voluntary sector.

CASE STUDY

Hertfordshire Community Foundation partner with the Cranfield Trust to deliver capacity building to the local voluntary sector

In 2017 Hertfordshire Community Foundation (HCF) collaborated with several parties to develop a new programme to build the capacity of local charitable organisations to make them more sustainable. The programme is delivered by in partnership with the Cranfield Trust, supported by the Garfield Weston Foundation and the High Sheriff of Hertfordshire in 2017/18. The 'Building Effectiveness' programme was designed by assessing the various initiatives available around the country, retaining some of the key components but also introducing some innovative new ideas. Volunteering was one key, but it was decided that the greatest impact on strengthening organisations would be by focusing on Trustee boards and senior management.

Participating VSOs work with one of HCF's experienced advisors to undertake a comprehensive baseline assessment and produce a Development

Action Plan, identifying their own tailored improvement programme for the next 9 months. They are then assigned an experienced business mentor with the right specialist skills to advise and support their key strategic area for development. Participating organisations attend a programme of tailored workshops to explore specific issues around leadership and change management. HCF maintains regular contact throughout and revisits the organisations at the end of the programme to conduct a follow-up analysis.

The ten VCS organisations which took part in a 2017 pilot reported being more effective, resilient and strategic in their outlook, feeling better positioned to face the future with confidence. Now in its third year HCF is currently looking at how it can sustain this programme into the future to enable more Hertfordshire charities to benefit.

Supporting very small and nascent VCS organisations **Milton Keynes Community Foundation** offer Micro Grants for sums up to £200 (£300 in expansion areas) designed as a first application for new grassroots organisations, with a decision being made within five working days. Foundation Scotland work with organisations who have not previously accessed social investment and measure the impact of investment on the business.

OUTPUTS / OUTCOMES / IMPACT

➔ A number of Community Foundations measure and publish figures for how many new organisations they fund each year, but this is not currently collected centrally. For example, in 2017, **Devon Community Foundation** reported that 42% of successful applications were new groups to the foundation, while for **Essex Community Foundation** in 2018 that percentage was 29%.

CASE STUDY

Leeds Community Foundation – strengthening the local third sector to deliver better health and wellbeing innovations and outcomes for people and communities

Leeds Community Foundation (LCF) has pioneered an innovative partnership with NHS Leeds Clinical Commissioning Group (CCG) to fund local Third Sector Organisations (TSOs) to develop some new and innovative ways to tackle health and care issues. The Third Sector Health Grants programme saw a significant investment of £2.3 million in over 50 community organisations and eventually led to 24,000 Leeds residents benefitting either directly or indirectly.

58 TSOs piloted new approaches, built up their capacity and expertise around health, established connections, shared best practice and helped develop a more coordinated local Third Sector. From funding specialised workers, providing opportunities to learn and demonstrate impact, to supporting with core costs, the grants went beyond being purely just about money. The Foundation's Third Sector Health grants programme also helped

over 50% of grantees to access health funding from the NHS Leeds Clinical Commissioning Group partnership for the first time.

The work concluded in a comprehensive and ground-breaking report on the impact of the programme as a whole and identified how TSOs can work collaboratively and effectively with the NHS and other providers. Results have also been sustainable, with the great majority able to sustain at least part of their work through a combination of new funding, other resources and volunteer support; and many more have been able to sustain at least some of their project activities.

“Investing in Communities works: it builds on existing assets and reaches those who have been marginalised (for whatever reason) through their existing relationships and trusted community groups and mentors.” **Kate Hainsworth, CEO**

➔ Similarly some Community Foundations publish figures for the number or proportion of smaller VCS organisations funded, and these proportions reflect the very different VCS landscapes each Community Foundation faces. For example, in 2017, **Devon Community Foundation** reported that 49% of its grants made to organisations with income of £50,000 or less; for **Wiltshire Community Foundation** 71% of groups who were awarded a grant had an income of less than £100,000 per year and more than half of these had an income of less than £20,000; while for **Essex Community Foundation** 57% of grantees have an income of less than £150,000.

UKCF is currently looking into the possibility of measuring whether the activities of Community Foundations are leading to: *‘Increased organisational capacity, sustainability and effectiveness of local voluntary sector’* and *‘Increased diversity of the voluntary sector, reflective of their local community’* (Michael, Updated Evaluation Framework, 2019).

When it comes to grantmaking, our aim is to do all we can to find the best possible outcome – our funders and grants panels want to say ‘yes’ and the community groups and charities want to make a positive difference. It’s a powerful partnership. Our grants officers are there at the end of the telephone to offer help and friendly advice

and guidance. We aim to build really strong relationships with the groups we award grants to - we know that they are brilliant at what they do and it’s our job to help make sure that they continue to have the necessary financial support to continue their valuable work.

Suffolk Community Foundation

CASE STUDY

Oxfordshire Community Foundation – a Step Change for local voluntary sector organisations

‘Step Change’ is a donor advised fund which offers access to the Community Foundation’s resources and local relationship support. The Step Change Fund was established in 2014, by a small group of philanthropists who wanted their donations to deliver specific objectives and to follow an agreed programme of evaluation and support. Step Change grants are aimed at funding ‘transformational change’ in voluntary sector organisations, with a particular focus on boosting internal infrastructure or mergers; systems or premises upgrades; training; marketing or research. The fund is for VCS organisations that realise they need to transform the way they are organised (particularly in terms of financial sustainability) in order to create a more solid basis for delivering their core work.

To date, the Step Change Fund has raised £1.8m and granted £1.1m to over 30 local charities. Charitable grants (up to £75k) are approved by an independent Step Change Grants Panel, chosen by the donors, against a set of criteria that include clear evidence of a material change in the way the charity delivers services, strong leadership, a sustainable business model and an Oxfordshire focus. The fund uses a volunteer team of 8 Project Managers to assess and monitor projects, resulting in a high rate of success. Almost 90% of projects achieve or exceed their KPI’s.

‘What makes The Step Change Fund an exemplar donor advised fund is the strategic focus and proactive engagement of its donors, panel members and project managers that adds real value to the organisations The Fund supports.’ **Jayne Woodley, CEO Oxfordshire**

Community Foundations are required to have ‘*effective stakeholder engagement and feedback*’ (Core Standard 3; (UKCF, 2016)); as well as seeking ‘*to reach all sections of the community*’ demonstrating ‘*understanding and involvement in social issues*’ and having ‘*an engagement framework that helps it to communicate with all its stakeholders*’ (Core Standard 10; (UKCF, 2016)). In particular, Community Foundations should have a grant making strategy which is driven by ‘*understanding of local need (including diverse and ‘hard to reach’)*’ and ‘*appropriately skilled/diverse grants panels*’ (Core Standard 10; (UKCF, 2016)).

Involving community representatives in all aspects of foundation decision-making is something which is seen as a way of achieving better community impact and promoting the growth of ‘*social capital*’ (‘*the connectedness and networking within and across social groupings that is seen as a primary contributor to positive community indicators.*’) (Ranghelli, Mott, & Banwell, 2006). This is part of a wider inclusivity agenda whereby ‘*Community Foundations seek ways to be inclusive and to bridge local divides, not just through their grantmaking, but also through their staffing and by bringing diverse donors into their foundations.*’ (Sacks, 2006).

The evidence collected here shows that: Community foundations work very closely with the communities they serve. They endeavour to support those communities in a variety of ways, from targeted grant making to particular community needs (and particularly more deprived and under-funded areas / issues); to addressing systemic issues; stakeholder engagement - inclusive representation of community members in their processes; promoting the growth of social capital; and reinvigorating ‘forgotten’ areas. Community foundations can legitimately lay claim to working in some of the ‘hardest to reach’ areas (Wiltshire Community Foundation, n.d.).

In a variety of ways many Community Foundations are building better **connections** with and in the local community, including enhanced **accountability** and actively trying to shift more **power** to those communities – three of the four pillars of PACT (Unwin, 2018).

CASE STUDY

Foundation Scotland – facilitating community-led decision-making to make best use of community benefit funds

Foundation Scotland is involved in administering around £4 million each year in community benefit funds from wind farms across Scotland and has a strong track record of working with commercial developers. The Foundation has pioneered the use of participatory budgeting using panels of local residents to discuss and advise on decisions about grant awards from wind farm community funds. The Foundation uses its convening power and considerable local knowledge and grant-making expertise to ensure that each fund reflects the needs of the community it benefits as well as the wishes of the developer providing the funds. The Foundation administers around 55 wind farms across Scotland, working with approximately

150 communities (one quarter of all community councils in Scotland).

As a result of its work in this area, the Foundation has supported communities across Scotland to develop a voluntary Charter of minimum standards expected from developers, local authorities and others involved.

“I think it is important to note that there is not one correct way of distributing such funds however whether for a local fund or a Caithness-wide fund either or both approaches should always be community-led.” **Rachel Searle-Mbullu of Foundation Scotland**

INPUTS – ACTIVITIES

The majority of Community Foundations have some community representation, besides Trustees, when it comes to deciding where local grants go. For example, **Milton Keynes Community Foundation** *‘has a number of community representatives who, with the Trustees, make decisions on grant awards... [T]he Community Foundation reviews the representatives annually to ensure that we continue to draw from a wide range of people, be it at grassroots level, the voluntary sector, professionals or specialists.’*

Many have targets for achieving a proportion of funding in the most deprived areas of the locale they serve. E.g. **County Durham Community Foundation’s** Business Plan target is to achieve 60% by value of total grants distributed in areas within the 30% most deprived in the country.

Northamptonshire Community Foundation has continued to build links with representatives working with ‘hard to reach’ communities and will continue to promote through established networks such as the funders’ forum, rural community councils, thematic ‘umbrella’ organisations e.g. councils for ethnic minority communities, sports partnerships, councils for voluntary services, voluntary youth agencies and other networks.

Some have themed funding which targets issues to do with community cohesion, e.g. **Cumbria Community Foundation** has funding for: *‘Strengthening and supporting fragile communities.’*

CASE STUDY

Community Foundation for Northern Ireland supports local community voices on crucial issues

‘From the very beginning the board and staff have had equal representation of Protestants and Catholics. However, this is not enough to create conditions for peace in Northern Ireland. The Community Foundation has tried to make every grant a force for reconciliation and inclusion, by creating grantmaking programmes that bring together both sides of the conflict to increase understanding, create networks across the divides, and break down the barriers to peace.’ (Sacks, 2006)

In 2017/18 the Foundation partnered with Building Change Trust (BCT) to develop and support their Citizens’ Assembly initiative which gives communities a vital voice in the political sphere: a body of citizens, randomly selected to be representative of Northern Ireland, and functioning as a complement to elected institutions, to bring fresh thinking and stimulate debate around difficult or contested issues.

In a similar vein the Foundation conceived, created and manages the Northern Ireland Human Rights Fund which supports organisations committed to realising the vision of the Belfast/ Good Friday Agreement and the principles of democracy, equality and human rights which underpinned it as well as sharing Northern Ireland’s lessons on peacebuilding internationally. It has more recently been challenging the threat to human rights posed by Brexit.

Meanwhile the Peace Impact Programme, a vital part of the Foundation’s peace building activities, delivered on behalf of the International Fund for Ireland, continues to deliver real and positive community transformation through sensitive interventions in areas that have not previously, or only partially, participated in peace building and reconciliation activities.

Community Foundations have taken part in a number of national programmes which are aimed at strengthening their local communities. For example: **New Beginnings Fund** for refugees and asylum seekers, *‘to increase the capacity of small community groups to welcome and integrate refugees and asylum seekers into the UK, and reduce the strain on*

*current support networks. The programme promotes more equal, less divided communities’; **Building a Stronger Britain Together**, ‘to support civil society and community organisations who work to create more resilient communities, stand up to extremism in all its forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and*

gender’; #iwill campaign / Youth Social Action Fund, ‘to increase by 50% participation in youth social action (volunteering, fundraising and campaigning) by 10-20 year-olds by 2020’.

OUTPUTS / OUTCOMES / IMPACT

- In 2015 the UK Community Foundation network was supported by 2165 volunteers, of which 59% were grant panel members, 24% were trustees and 17% were in other roles (UKCF, 2015).
- Some UK Community Foundations report the number of community representatives who are involved in their work. For example, **Devon Community Foundation** has a team of 143 volunteers who serve on 38 grant panels while **Essex Community Foundation** has 390 local people take part. **Heart of England Community Foundation:** 22% of the total amount distributed in the year was awarded by a donor led panel. This amounted to 18.4% of the total number of individual grants.
- In the same way, some Community Foundations report the proportion of grants giving to more deprived areas. For example, **Northamptonshire Community Foundation:** Out of 121,466* beneficiaries for completed projects 25,879 were in the top 20% of most deprived areas nationally.
- UKCF is currently looking into the possibility of measuring whether Community Foundations are helping to create ‘More empowered, inclusive and resilient communities’ and ‘Increased community participation and cohesion’ (Michael, Updated Evaluation Framework, 2019).

Community Foundations are held to have ‘a clear focus on needs and impact analysis’, with ‘evidence of evaluation and impact assessment and how this relates back to the CF’s grant-making; a clear understanding of where the CF is making a difference and how this analysis is shared with partners’ (Core Standard 9; (UKCF, 2016)).

The main challenge we face is that we receive a very large amount of data, of varying quality, from grant recipients and we fund a very wide variety of different activities. It is difficult to find meaningful indicators which demonstrate an overall picture of our impact. Many of our projects work across several different thematic areas.

(Michael, 2018)

The evidence collected here shows that: Community foundations carry out a wide range of impact measurement activities, most with the stated aim of measuring the impact of funded VCS organisations¹⁵ – including the use of end of grant evaluations, case studies and developing a new Impact Framework and an analysis of national grant programmes. Many Community Foundations also support their grantees in a number of ways to provide better impact evaluation of grants.

Many of the projects take longer to have impact than the timescale when they are asked to evaluate the project. Many grants are small and are not funding the core cost required to do a thorough evaluation. If core costs are funded, evaluating the impact can be very challenging.

(Michael, 2018)

INPUTS – ACTIVITIES

Nearly all (95%, 42) of the Community Foundations evaluate individual grants through analysis of the end of grant forms. But many go slightly wider than this: 80% evaluate grantee organisations’ experience of engagement with their Community Foundation; and 80% of Community Foundations evaluate how well they achieve strategic aims (Michael, 2018).

Twelve Community Foundations (27%) report that they use impact assessments conducted by other organisations. Examples included frameworks and reports by other funders and organisations such as New Philanthropy Capital and the Centre for Effective Philanthropy (Michael, 2018).

CASE STUDY

Devon Community Foundation’s ‘Wellbeing Exeter’ scheme helps local people to look after their own health and wellbeing

“We have come to believe that a collaborative, whole system approach to both community and individual wellbeing is key to tackling these crucial issues. We are extremely proud to lead a partnership that is transforming the lives of hundreds of vulnerable people, as well as promising significant savings for local services.” **Sarah Yelland, Deputy Chief Executive of Devon Community Foundation**

Wellbeing Exeter, led by Devon Community Foundation (DCF), encourages people to look after their health and wellbeing and become more actively involved in their communities. It has two major strands: a social prescribing model and a community development element.

The social prescribing element explores better ways of supporting the 40% of patients who visit their GP with socially-based rather than medical problems; and reduce demand on public services.

In parallel with the health work, Wellbeing Exeter is developing more general community resilience with a team of Community Builders, managed and mentored by a local community organisation. The builders take an Asset-Based Community Development (ABCD) approach, capitalising on local strengths, both individual and organisational, to enable greater connection, activity, and collective support. Their role is to listen to local residents and uncover what people feel strongly about; connect people to ideas; and help the community develop what is important to them.

In 2017 Wellbeing Exeter won a National Health Service Journal (HSJ) award in the ‘Most effective adoption and diffusion of existing best practice’ category. Funding has been secured to expand the programme to all GP surgeries in Exeter for a two-year period from April 2018.

¹⁵ i.e. impact at one remove.

Almost all (98%) Community Foundations use case studies to illustrate impact, usually illustrative of the impact of the VCS organisations they fund. Many are also developing new methods of demonstrating their impact to donors and fundholders, community organisations and other stakeholders (Michael, 2018). Community foundations generally undertake end of grant evaluations to demonstrate the impact that funded VCS organisations are having in the community. For many, this is an effective way to help them to be a more effective grant-maker (Michael, 2018).

In 2017/18, more of the monitoring system moved to an automated online system. This is improving the quality of the data received and will facilitate improved evaluation of the impact of our grants. The monitoring is designed to be a useful, reflective and non-onerous process for groups

Wiltshire Community Foundation Report and Financial Statements, 2018

Community foundations can and do also act as leaders in the field of funder-supported impact measurement in line with the principles of good grant making recently developed by IVAR and the Esmée Fairbairn Foundation¹⁶; and many offer support to funded organisations undertaking impact evaluations for them. The recent survey found that Community Foundations provide a range of resources and support for grantees about impact measurement and/or completing the evaluation forms. 26 reported that they have written guidance available on the website and 28 send written guidance to organisations with their grant offer. Two Community Foundations have webinars or videos on impact measurement and/or completing evaluation forms and 13 Community Foundations provide training workshops. (Michael, 2018)

In addition to this, **Leicestershire and Rutland Community Foundation** has commissioned a three-year research project, funded by the Samworth Foundation, to assess how the social impact of funded projects can best be measured, the needs and wants of donors in relation to voluntary sector organisations and the impact of smaller philanthropic donor grants within the overall funding landscape (Michael, Impact Measurement Framework Project Survey, 2018a).

Northamptonshire Community Foundation is an *Inspiring Impact Champion*¹⁷ and is also helping to pilot the new central UKCF Impact Framework (**see CASE STUDY**).

Showing that impact isn't all about money, **Dorset Community Foundation's** Grants & Impact Committee also 'identifies ways other than grant making to contribute appropriately to meeting the needs of local communities and monitors progress on the initiatives prioritised'.

Some Community Foundations also measure their support services: E.g. **Somerset Community Foundation**: In a recent online survey 95% of grant applicants rated staff's availability and helpfulness good or excellent.

OUTPUTS / OUTCOMES / IMPACT

- 80% of the Community Foundations include impact reporting within their Annual Reviews/Reports and 28 report that they produce an Impact Report (Michael, 2018).
- Impact reporting is widely shared on Community Foundation websites: 19 reported that they have an impact section, 13 publish evaluation reports and 40 publish case studies on their website (Michael, 2018).
- A number of Community Foundations report that they are currently developing and evolving their impact reporting, and considering digital approaches (Michael, 2018).

¹⁶ The high-level principles are:

1. Funders explain why they have awarded a grant.
2. Funders and funded organisations are clear about what grant reporting will look like.
3. Funders are clear about the type of relationship they would like to have with the organisations they fund.
4. Funders only ask for information they need and use, and question whether they need bespoke reporting.
5. Funders give feedback on any grant reporting they receive and share their thoughts on the progress of their work.
6. Funders describe what they do with the information they obtain from funded organisations.

www.ivar.org.uk/publication/new-principles-for-grant-reporting

¹⁷ Inspiring Impact is a UK-wide collaborative programme, working with the charity sector to help organisations understand impact measurement better. NCF is working in partnership towards a world where high-quality impact measurement is the norm in the non-profit sector.

CASE STUDY

Northamptonshire Community Foundation – Inspiring Impact

‘Measuring impact not only helps upskill the groups we fund to build a stronger civil society, it also provides a most rewarding part of our work with donors by showing how their generous donations are enabling transformative change to happen in local communities.’ **Victoria Miles DL, CEO**

Northamptonshire Community Foundation (NCF) is one of ten Community Foundations leading the central Impact Project on behalf of the UK Community Foundation network. Since 2011 Northamptonshire Community Foundation has been directly involved in developing and piloting an impact assessment tool on behalf of UKCF, resulting in a new framework for providing compelling evidence of the impact of donor investment in community grant making.

NCF’s own impact review work is reviewed every 6 months by the Foundation Impact Committee,

and this helps to inform their impact challenges for the following year. The information is based on completed end of grant reports from funded groups and charities incorporating findings from the integrated impact measurement tool which allows organisations to track indicators of change against outcome areas, as well as measuring beneficiary demographics and reporting qualitative information.

A partnership with Voluntary Impact Northamptonshire (VIN) helps NCF to deliver a range of services to support the infrastructure of the sector around the County. This includes delivering a range of services around monitoring, evaluation and measuring impact. The Foundation also advises donors on impact.

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

How Community Foundations define, measure and report impact – too much emphasis on grant making at the expense of other impacts.

The vast majority of work done by UK Community Foundations on formal ‘impact measurement’ (including measurement and publication of evidence) has been directed towards the impact of work carried out by funded VCS organisations (i.e. the secondary impact of Community Foundation grant making). This ‘impact at one remove’ is obviously a very important part of the impact of Community Foundations as funders, but it should not be seen as the only impact a Community Foundation has.

The impact of grant making is also focussed on centrally by UKCF which states that it works with its members *‘to encourage and support them in providing measurable evidence of their grant making’* (UKCF, 2018).

UKCF has worked hard to support the network of UK Community Foundations with their impact measurement. In 2015/16 UKCF rolled out a digital

tool to the network to enhance and simplify individual Community Foundations’ measurement of impact. This new tool has been widely adopted (UKCF, 2018). Most recently a large programme of work has been undertaken by UKCF (2017-19) to improve the measurement of impact across the network of UK Community Foundation’s own grant programmes and the national programmes delivered by the network.

UKCF’s Impact Project worked with an external consultant¹⁸ and a steering group of 10 Community Foundations over 18 months with the view to improving the way *‘the impact of grants’* is captured and reported on. This programme consulted with other sector bodies, including Directory of Social Change and 360 Giving to best align with the rest of the sector (O’Flynn, unpublished communication 2019). The project also looked at best practice in impact measurement by UK charitable trusts and foundations (Michael, 2017), as well as taking account of the recently published New principles for grant reporting (IVAR / Esmee Fairbairn, 2018) which developed a set of principles designed to make grant reporting a *‘shared, more meaningful and mutually beneficial experience’*.

¹⁸ Isobel Michael.

6. DEMONSTRATING IMPACT

The Impact Project has developed a new national *Impact Measurement Framework* for measuring the impact of Community Foundation’s own grant programmes, but with a view to being able to make comparisons across the network. The framework will be developed by September 2019 and piloted by five Community Foundations (Northants, Oxfordshire, London, Quartet and Scotland).

However, the *Impact Project* is also focussed almost exclusively on the impact of grant making, despite Community Foundation representatives on the *Impact Measurement Framework* Project Steering Group highlighting that another issue for them was how to measure Community Foundations’ capacity building work effectively. This is a great shame, and Community Foundations need to recognise the wider impacts

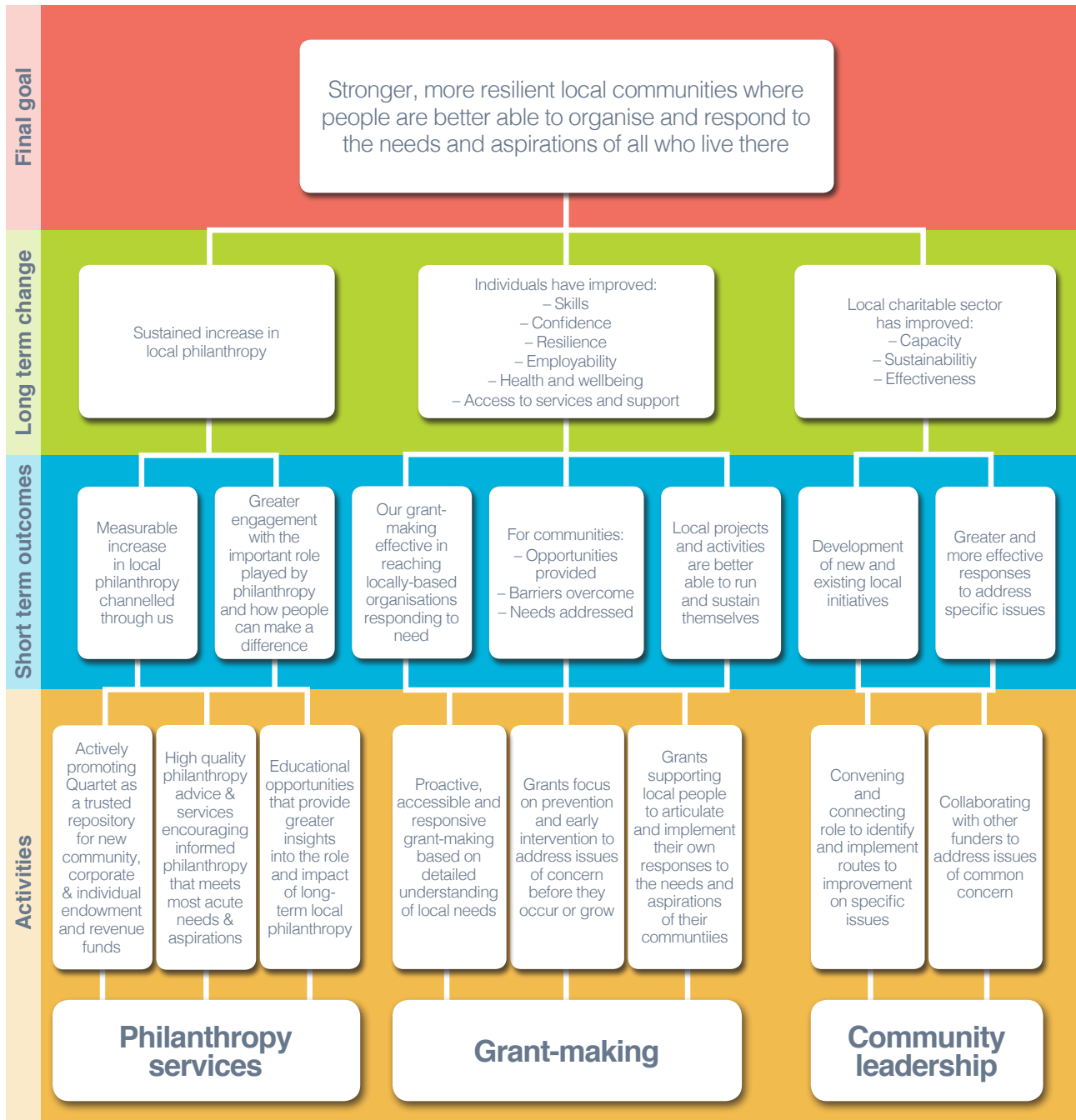


Figure 1: Quartet Community Foundation’s Theory of Change

that they have, and that many clearly recognise and measure. Having consistent measures of these wider impacts could greatly benefit both the network and wider society.

There is recognition from a large number of Community Foundations, and from UKCF, that Community Foundations do play a wider role than just funding. For example, **Surrey Community Foundation** has developed two Theories of Change, one for grant making and one for philanthropy; while **Quartet Community Foundation** has three areas: ‘Philanthropy services’, ‘Grant-making’ and ‘Community leadership’.

CHALLENGES IN MEASURING AND REPORTING IMPACT – A LACK OF CAPACITY AND GUIDANCE

A recent survey of Community Foundations found that levels of demand for impact measurement are increasing, but resourcing is not increasing at the same rate as the demand. In fact, comparison with an IVAR survey¹⁹ shows that demand for impact measurement has increased over time much more significantly for Community Foundations than for UK trusts and foundation (Michael, 2018). The same survey found that there are very few roles dedicated to impact measurement (only one Community Foundation has a dedicated post for evaluation), and capacity is the biggest barrier to thorough impact assessment. Besides this, getting good data or the right mix of data is another key challenge.

‘The biggest challenges identified by funders when trying to understand both their grantees’ and their own impact are capacity (65%) and knowledge (67%) of charities.’

(Kail, Van Vliet, & Baumgartner, 2013)

In addition, the recent survey cited found that impact measurement within Community Foundations is being driven primarily by seeking to demonstrate impact to donors and fundholders (43%, 19/44) (Michael, 2018). This is a pattern repeated across the voluntary sector, and one which has been criticised, as some commentators feel that the goal of impact measurement should be to improve one’s own impact.

UK COMMUNITY FOUNDATIONS AS EMPOWERING COMMUNITY LEADERS

As this report has shown, Community Foundations have a wide variety of impacts on the communities they serve, and they measure and report these in a variety of different ways. The six impact criteria chosen in this project were shown to hold a great deal of water, being evidenced in some way by all 46 UK Community Foundations. In this way Community Foundations have been shown to:

1. Encourage local philanthropy
2. Act as a community leader
3. Find and fund the most effective solutions to the most pressing local issues
4. Strengthen the local voluntary and community sector
5. Strengthen the local community
6. Demonstrate their impact

In addition, UK Community Foundations appear to do well when measured against the four principles of the new PACT for civil society suggested by The Civil Society Futures inquiry (Unwin, 2018): **Power** (a great power shift putting more power into the hands of the people); **Accountability** (a focus on accountability to communities and people rather than to funders or government); **Connection** (building deeper, closer connections between people, meeting as equals); **Trust** (investing in the core currency of the VCS, build trust by staying true to values and doing what’s right – being honest about failures and successes, defending rights and calling out injustice).

Many UK Community Foundations are addressing the call to #ShiftThePower by involving the community more in the work that they do, although the concept can still be “uncomfortable and challenging” (McGrath (Northamptonshire Community Foundation), 2019). And UK Community Foundations are also experts in people and place, two of the key foundations of the Civil Society Strategy (HM Government, 2018), as has been demonstrated both here and in previous research (Walker C. , 2018), although more can be done here. One commentator suggests that UK Community Foundations could be “more ambitious for our communities” (Frost (Devon Community Foundation), 2019) “We have the potential to be active champions of under-represented voices in a public arena, with an authority derived from our experience of grantmaking at the grassroots.” (Frost (Devon Community Foundation), 2019).

¹⁹ Institute for Voluntary Action Research (IVAR) ‘Evaluation within UK Trusts and Foundations’.

The 2019 UKCF national conference (whose theme was ‘Empowering Communities Together’) considered many of these key issues, for example asking “How can we as Community Foundations ensure that the design and delivery of our programmes is truly co-produced with shared decision making and with the voices of all backgrounds in our communities taking part?”

Adding that: “This is a commitment that we must all take seriously.” (Crome (Surrey Community Foundation), 2019).

This is a role around which there has been some debate in the past. Research by CGAP (the Centre for Giving and Philanthropy) in 2012 suggested that: *‘there is emphasis on the leveraging of funds and the management aspect of local philanthropy at the expense of detailed exploration of what leadership and empowerment mean at the local level, or of how funds are, or may be, used to strengthen communities’* (Pavey, Harrow, & Jung, 2012). The research labelled Community Foundations as ‘settled’ organisations within the community development spectrum (rather than unsettling or disruptive) and as reflecting the ‘directed’ community development form (rather than ‘self-help’ requiring greater community engagement). In other words, Community Foundations were viewed as being rather staid and traditional institutions funnelling government money, rather than as community developers and leaders of ‘disruptive’ local philanthropy. The present research suggests that the network of UK Community Foundations has moved on considerably since then – although individual Foundations could always do more.

It seems important for the network to keep challenging itself and asking some seriously challenging questions. Questions such as: *“Should we each focus on inspiring philanthropy, reaching high growth targets and continuing to increase our grant making to more than the 10% rise per year we’ve seen for the last 4 years, or should we be pivoting in order to take more seriously our role as conveners, influencers, experts and advocates?”* (Crome (Surrey Community Foundation), 2019)

CONCLUSIONS

The impact evidence reviewed shows that Community Foundations are committed to measuring impact, and bring a lot of individual creativity to this process. The impact evidence analysed here shows how the network as a whole performs well on all of the six measures tested and highlights how Community Foundations are adding an enormous amount of social value across a number of different areas, including encouraging greater local philanthropy, acting as a community leader on issues, identifying and funding the most effective solutions to the most pressing local needs, and strengthening both the local voluntary and community sector and the local community.

Furthermore, there is evidence that UK Community Foundations are in a strong position to respond to the challenges of our times, meeting such expectations as laid down by the Civil Society Futures Inquiry (Unwin, 2018) and The Civil Society Strategy (HM Government, 2018) head on.

There are some important points for further learning which come out of this analysis. Primarily, more needs to be done: this is probably true for any and all organisations measuring their impact. In the case of the network of UK Community Foundations the evidence points to some outstanding work done by some leading organisations which others could learn from – both in terms of performance and publicising it. Additionally, not all of the impact Community Foundations are having is currently widely measured and/or publicised, particularly the wider elements outside of grant making, and this need to be addressed.

Important steps are currently being taken towards being able to collect and collate consistent impact measures and evidence across the whole UK network, but these also focus primarily on grant making and do not go far enough in including other impacts. As one CF put it in the survey of CFs: *‘for UKCF to ‘collate’ high level data from the movement would be a game-changer for UK Community Foundations.’* And UK Community Foundations need to be at the top of their game, because the current landscape is a challenging and changing one, and the future needs stronger community leaders as well as better funders.

RECOMMENDATIONS FOR COMMUNITY FOUNDATIONS IN THE UK

- Community Foundations in the UK need to more fully understand and recognise the multiple roles that they can and do play in the communities they serve, including community leader, convenor and facilitator – in the current climate these roles are more important than ever and look set to become even more so.
- Community Foundations in the UK could do better at capturing the impact they have, particularly impact beyond grant making, for example, their convening role and finding a way to measure their collective impact as a network Community Foundations in the UK could do better at publicising the impact they have, telling the stories in both numbers and case studies.
- Community Foundations in the UK could learn more from sharing best practice with each other. Peer-to-peer networking has been shown to be most beneficial for honest feedback and learning around the challenges inherent in impact measurement.
- Community Foundations in the UK could be better at recognising and measuring the longer-term impacts they are having on the communities they serve; as there is much to be learned from this.
- Community Foundations in the UK are well placed to step up and meet the challenges laid down by the likes of the Civil Society Futures Inquiry and The Civil Society Strategy; more focus could be placed on this.

RECOMMENDATIONS FOR UKCF

- It should be looked into whether UKCF can agree a set of impacts wider than grant making (encompassing community leadership and the other issues identified in this research) which each Community Foundation can agree to collect standardised evidence of. This should not be too onerous a task since many foundations already collect some of this data, whether formally or informally, and this research could form a basis for that process.
- UKCF should provide more support around measuring the wider impacts (other than grant making), including guidance and potentially resources.
- UKCF should talk more about all of the wider impacts that UK Community Foundations have, including publicising these on their website and in reports and documentation, so that the full extent of the impact Community Foundations have is clear for all to see.
- As part of this process UKCF should continue to create and provoke debate amongst Community Foundations around the themes raised here, and to continually promote challenging debate around the priorities of the network – grant making and building endowments or community leader, innovator and convenor?
- As part of the process of encouraging greater transparency amongst grant makers, and so that Community Foundations can learn from their own patterns of grant making, all Community Foundations should be sharing their grants data with 360 Giving. Currently twelve do so.

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