



Loud and Clear

Our big funding conversation
with the third sector in Wales



Listening and learning

There are over 30,000 community groups and charities in Wales working to improve and develop their communities; using their initiative to meet local needs.

These small, grass roots organisations are best placed to help their local community because they know the people and understand the challenges facing them.

The Community Foundation Wales team met and spoke with **more than 100** community groups and charities across Wales – large and small, working across diverse communities.

We wanted to listen to them and learn more about their challenges.

We set out to discover what really matters to them and how they think we could best support them.



RICHARD WILLIAMS
Chief Executive

“We believe in the people of Wales and their ability to strengthen our communities.

It’s important for us to know how best to channel our support, through grant-making and building connections, so as to best help people and groups.

The sector in Wales have given us very clear messages about the support they need. It’s not another innovation fund or a short-term funding blitz. They need long term funding programmes that show we believe in their core purpose and which enable them to work most effectively with their communities.

These findings will inform how we work in the future. But we also wanted to share them so that our partners can benefit from the same insights and consider how they might wish to respond.

This big conversation took place just prior to the outbreak of Covid-19. Without question, since then things are even more challenging for groups in Wales, many of whom are fighting for survival. The messages we heard then are even more relevant now and need to be shared.”

The message is loud and clear

Charities and community groups in Wales want funders to prioritise core funding and longer-term partnerships.

That's the strong, clear message that came out of Community Foundation Wales's big conversation with the sector.

We know that organisations in Wales work in a challenging climate with scarce funding coming in from UK Trust and Foundations, statutory cuts, and a Welsh public who are generous but living on salaries below the UK average.

With this challenging backdrop, these are the messages that we heard loud and clear, which we are sure will resonate with charities and groups all over Wales:

More core funding to support groups to exist and deliver

- Nearly all of the organisations (**91%**) we spoke to reported that their biggest challenge related to funding. This was prior to Covid-19, which without question will have worsened this picture.
- Charities told us that they need more core funding to ensure they can continue to exist – the type of funding that pays the electric bills, office rent and staff salaries.
- Core funding is also critical to ensure charities are able to keep their staff, volunteers and the public' safe from harm with strong, robust governance.
- Too often, we heard, charities are forced to drum up new project ideas to secure funding – pulling them away from their core work and the services that the public really need.

Longer term funding packages to help groups plan for the future

- Groups told us that they struggle with capacity and need to respond to an on-going schedule of multiple funding applications.
- Longer term agreements would help them to deliver so much more and channel precious resources into working for their communities rather than a constant merry-go-round of funding applications.

Cylch Meithrin Wyddgrug

"There's plenty of funders who can help us to buy equipment and run projects. Our cupboards are bursting with toys and things to run activities. But we've no money to turn the lights on and pay insurance and salaries. Finding core funding to keep us open is our biggest challenge."

'We need more core funding'

- Charities and community groups need core funding to exist – be it to pay their electricity bills, to cover safeguarding training costs for staff and volunteers, to maintain membership records or countless other examples of vital tasks that are essential for their survival.
- Groups told us that it is rare that a funder will want to support core costs and that they tend to prefer new projects. This is forcing groups to spend time reinventing their services to make them attractive to funders. It is also leaving groups with the headache of how to cover these core costs.
- Time and time again in our conversations we heard about the need for core funding. This was one of the strongest messages that we heard during our big conversation. And it is a consistent message from the smallest to the largest organisation, across all sectors and geography.
- We heard from some groups who believe their cause makes fundraising a challenge. We were told this by groups working with BAME communities, disabled people and Welsh language communities.

Cerebral Palsy Cymru

"It's a challenge to find continuation funding for existing projects. This can mean that you are moving away from your organisational objectives to fit the funder rather than your needs."

South Riverside

"We lack the capacity to respond to funding opportunities. We have a lack of core income and are seeing the withdrawal of Welsh Government and local authority funding. Generally, there is only a one in 10 chance of grant funding for us. 90% of the time we are getting a rejection."



Purple Shoots

"Funders don't think about small organisations. We have to print hundreds of pages and send them in. We don't have office standard printers so that takes ages. Other funders have asked for evidence of demand for our bottom up approach and have expected us to do surveys. That makes it harder for us to win funds."

'Funders need to take a longer term view'

- Groups told us that they are forced to spend too much time writing funding applications, often for funders that they already work with.
- Extending funding periods would give organisations greater security, to be able to plan for the future, and save administration work for themselves and the funders.
- **69%** of respondents agreed that longer term funding – more like three or four years, perhaps tapered – would be beneficial, even if small grants.
- For some organisations working in preventative services, short-term agreements can't generate evidence of good outcomes.
- Short-term agreements are also leading to increased staff turnover and lack of continuity of services.

Bedford Street

"Funding needs to be sustainable, over a longer period of time. Funders need to have confidence in what we're doing so we don't have to keep reinventing the wheel. Rewarding what works. Preferably four year funding to enable evaluation and monitoring."

Safer Merthyr Tydfil

"The specialist work we undertake requires long term, sustainable funding. The ability to plan, pilot and develop services to respond effectively to demand is severely restricted within one year funding cycles. This is exacerbated by loss of expertise due to uncertainty over continued funding being in place."



North Wales Women's Centre

"Funding is an on-going challenge. Insecurity is affecting turnover of staff – people leave if they are insecure. Sustainability is our biggest issue – not just money. Short-term funding doesn't allow continuity and impacts what the community expects from us."

What else did we hear about?

Trying to meet different needs

Challenge Wales

"Finding suitable volunteers - challenging situations. Expansion means more are required, including Welsh speakers. Capacity within the role, recruitment, bids, reporting, evaluation, finances etc."

Rubicon Dance

"Proportional applications and evaluation for the size of grant on offered. Longer funding terms. One year barely gives time to set a project up. It's then difficult to get continuation funding so it's questionable if it was worth doing it at all."

- In our conversations, groups also shared with us a range of other challenges they face in securing funds.
- Their messages will be of interest to funders in Wales and wider afield in helping to understand the different needs of our communities.
- Groups in rural areas told us that they faced additional costs of travel and challenges in securing support from volunteers, including Welsh speakers.
- We also heard that some funders struggle to understand the different dynamics of Welsh communities and our devolved policy context.

Llanybydder Family Centre

"If people are unemployed they may not have access to a vehicle and public transport isn't the greatest in the area, so the centre is difficult to get to. Trouble accessing services because of the rural location."

Monday Club Beddau

"Funders want something different but our people want more of the same. "

Voluntary Arts Wales

"Transport costs to have a physical presence across Wales can be a challenge in tight project budgets."

What else did we hear about?

Challenges of applying for Trust and Foundation grants

Cardiff Garden Salad

"We have a lot of feedback from funders that just say our applications were good but the fund has been oversubscribed. That's not really helpful feedback, I think increased feedback for rejected applications would help."

- Almost half of the groups (**48%**) we spoke told us they don't apply to Trusts outside of Wales.
- The capacity to write applications was most often referred to. In smaller organisations writing bids was often the responsibility of the CEO, or a member of the board.
- Many organisations felt that they lacked knowledge of what's available and what funders are looking for.
- A lack of feedback from funders had made it difficult for organisations to learn and improve.

TOGs

"Many small groups don't have the capacity to apply. There's can be a lack of experience or expertise, as well as not knowing what the funders want."

Village Enterprise Wales

"We've had zero success in applying to Trusts and Foundations. Feedback has been minimal so more feedback would help future applications."

Who did we speak with?

Community Foundation Wales interviewed more than 100 organisations across Wales during the Summer/Autumn of 2019.

They include organisations, large and small, and some who receive funding through Community Foundation Wales and some who do not.

Organisations were first contacted through a mail-shot and also an open call on Twitter and LinkedIn.

Of the organisations we spoke to:

- **15%** employ no staff
- **44%** employ between 1 and 5 paid members of staff
- **26%** employ between 6 and 20 paid staff

The interviews were carried out by staff of Community Foundation Wales.

The data was verified by Veronika Brannovic, of Cardiff University and has then been summarised for this document.



What next?

The conversations which shaped this report took place just before Covid-19 and its devastating impact on the charitable sector. But the messages are as relevant as before - in fact, more so.

So what happens next?

In response to what we have heard, Community Foundation Wales trustees have agreed to develop a stronger focus on core grants and longer term grant programmes.

We will share this report and the insights with individual and corporate donors who are looking to support the third sector in Wales so that they are informed about community needs and how they can best support this.

We will also share this report with our funder partners to help inform their grants programmes in Wales.

If you'd like to support us with this please get in touch:



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