Policy Response

Big Lottery Fund Consultation –
Your Voice Our Vision

A response from WCVA

22 September 2014

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A response to the Big Lottery Fund Consultation – Your Voice Our Vision

Introduction to WCVA

Wales Council for Voluntary Action represents, campaigns for, supports and develops voluntary organisations, community action and volunteering in Wales. It represents the sector at UK and national level; and together with a range of national specialist agencies, County Voluntary Councils, Volunteer Centres and other development agencies, it provides a support structure for the third sector in Wales. It has 3,000 members, and is in touch with many more organisations through a wide range of national and local networks.

WCVA’s mission is to provide excellent support, leadership and an influential voice for the third sector and volunteering in Wales.

We welcome the opportunity to respond to this consultation, and as an umbrella organisation for the third sector in Wales the focus of our response is on third sector organisations and the work that we do to support them.

About this consultation

From February to July 2014, the Big Lottery Fund sought views from the sector about its future funding strategy between 2015 and 2021. The consultation provided WCVA and the sector with a significant opportunity to add their voice to a UK-wide conversation on key areas of the Big Lottery Fund’s work.

At a UK level the Fund sought views on the following areas:

- **Vibrant Communities**: How can we grow social capital and help communities to make the most of their strengths and talents?

- **Addressing Disadvantage**: What can we do to support people living in poverty to achieve a better quality of life? How do we address increasing demand for help in difficult times?

- **Working Together**: Tell us how we can best work with others to make a difference. How can we share our information, learning and resources for the benefit of others?

- **Stronger Sector**: How can we best support the development of a stronger voluntary, community and social enterprise sector?

Linking to UK priorities, Big Lottery Fund in Wales consulted on six potential investment areas. The Fund stated that they will only invest in two areas initially and then review the situation midway through the funding framework to identify others.
1. **Rural poverty** - (specific response for rural communities outside Communities First)

2. **Future proofing the third sector** - (austerity, ways of supporting organisations, more resilient finance, endowments, social finance, fundraising, income generation, procurement)

3. **Support for disabled people or those with life limiting illnesses** - (empowering, support individuals to maintain employment, tackling stigma)

4. **Financial resilience, literacy and inclusion** - (dealing with debt, advice, money management skills)

5. **Environment, with a focus on community based activities that build social capital** - (climate change, increase in demand for environmental projects, engage with communities)

6. **Tackling poverty through sustainable employment** - (potential links with European funding e.g. Life skills?)

A number of broad principles will also shape the Fund’s future funding areas in Wales:

- Continue to deliver a mix of demand led and targeted programmes to support communities in need
- Programmes will be co-designed and co-produced with experts and practitioners
- We will encourage our applicants to adopt a co-production approach and give their beneficiaries and communities a stake in their projects by involving them in their planning and delivery
- We will innovate to change services to deliver better outcomes for communities
- Evaluation and learning will be at the heart of what we do. Our evaluation requirements will be more rigorous to ensure that the impact of our projects is clear and can inform the work of others

**Scope of the consultation**

WCVA has worked closely with the Big Lottery Fund Wales to encourage our members and the wider sector to respond to the consultation. We promoted the consultation through a range of communication methods, helping to stimulate debate and discussion relating to the six potential investment areas.

Inviting discussion and debate from the sector was predominantly met through a webinar (online meeting) and survey. The webinar (a first for the Fund’s policy team) provided an opportunity to engage with the sector in a virtual environment. The session was well received and attended by representatives from across the sector offering their views on the six potential investment areas.
The aim of the survey was to seek views on the consultation which would help shape WCVA’s written response and wider policy work. The survey was developed in partnership with the Fund and a copy of the questions is included in Appendix 1.

The questions asked by the Fund focused on the Wales specific themes and the ‘agreed principles’ as to how they will behave as a funder (see above). Questions asked by WCVA sought to explore the potential investment areas in more detail to help shape a more informed response from the sector on the Fund’s future funding priorities.

A total of 222 responses were received and forms the basis of WCVA’s written response to this consultation. The results of the survey were also shared with the Fund.

**Survey Responses**

The survey asked respondents which potential funding areas in Wales do you feel are the most important. The results were as follows:

![Survey Responses Chart]

The most popular areas were ‘future proofing the third sector’ (105), ‘rural poverty’ (77) and ‘employment as a route out of poverty’ (74). Respondents were also asked how they think the Fund could support action in each of these potential funding areas.
1. Future proofing the third sector

Austerity has impacted upon third sector organisations in Wales as much as it has statutory services. This area seeks to explore ways of supporting organisations to adapt to political and funding changes, as well as looking at more resilient financial models like endowments and social finance. The Fund asked if they had a potential role in building the capacity of organisations to deal with these challenges. A selection of survey responses is given below:

- ‘Consider core funding or funding of existing activities and succession planning’.
- ‘Continue with grant funding - so important especially to grass roots groups’.
- ‘Enabling the smallest 3rd sector organisations to 'think big' & professionalise their governance and finances’.
- ‘Ensuring sustainability by using long term grants’.
- ‘Helping charities develop a sustainable income with a broad portfolio of incomes sources’.
- ‘Support for development of income generating businesses’.

2. Rural poverty

The dispersed nature of rural poverty means that the current placed approaches like Communities First do not necessarily address poverty in our rural communities. The Fund asked if a specific response for addressing poverty in rural communities was needed. A selection of survey responses is given below:

- ‘Addressing the causes and encouraging organisations to work together to pool resources’.
- ‘Community facilities, child care for working families and improved transport’.
- ‘Ensuring the most isolated and vulnerable are able to access the same services and support as those in urban areas’.
- ‘More flexibility with deprivation measurement. Targeted initiatives driven by local people with professional support’.
  ‘Sponsoring collaborative approaches so that issues arising from poverty, health, community etc. can be addressed - it's not a single issue’.

3. Employment as a route out of poverty

In spite of much activity in this area, inclusion and engagement in the labour market for hard to reach groups, or helping to re-engage, this remains a priority for many. The Fund wanted to know if they could work with other funders already active in this area to support a coordinated approach. A selection of survey responses is given below:
• ‘Employment as well as training and education provide a sustainable route out of poverty as well as giving people purpose and meaning to the life’.
• ‘By supporting social enterprise projects that help to provide jobs in areas of high unemployment, and help to support existing jobs’.
• ‘Enabling disabled young people to build the life skills necessary to achieve this is vital’.
• ‘Engaging hardest to reach young people with intensive support’.
• ‘Inspirational, well managed volunteering projects (to create opportunities to gain experience, skills, training, confidence, motivation... leading to paid employment), peer mentoring initiatives etc’.
• ‘Support family carers to remain in work or re-enter the labour market’.
• ‘Support for projects taking people from the margins into employment’.

**Recommendation 1**

*Big Lottery Fund should consider ‘future proofing the third sector’ and ‘tackling poverty’ (combining the three poverty related areas - rural, employment and financial resilience - see Recommendation 5) as the two future funding priorities for Wales.*

The following questions relate to some of the potential funding areas identified previously. It provided respondents with the opportunity to submit a more detailed response and request their views on specific ideas for support.

**Future proofing the third sector**

The survey asked if funding should be made available to help organisations build capacity and become more financially sustainable. Support for this approach was overwhelmingly ‘Yes’ - see results below.

![Pie chart showing survey results](chart.png)

For those who responded ‘Yes’ to this question, they were also asked what should the fund focus on and rate in order of importance. The results are outlined below:
**Most important**

i. Skills for planning - business, strategic and financial
ii. Developing new paid-for services and trading opportunities
iii. Support for identifying and bidding for specific funds
iv. Joint working - collaboration, joint bidding and mergers
v. Support to engage with local funders/commissioners to ensure opportunities are opened up to the sector

**Least important**

i. Pitching support and “making the ask” to funders/investors
ii. Skills for raising funds from private sources (e.g. individuals, communities, corporate and trusts/foundations)
iii. Building capacity and willingness of trustees to drive change
iv. Demonstrating impact to funders and/or investors
v. Support in accessing social finance e.g. loans

The key issue here is that the Fund should have the aim of securing sustainable support to help third sector organisations at every stage, especially after funding has ceased. It is important that funding supports change rather than be used just as a short term intervention.

It is vital that there is clarity about what support is really needed to make the greatest impact. As well as allowing organisations to get external support, the Fund could support transformation if it is used to give organisations the space and time to focus on this work without being distracted by the ‘day job’.

Our experience of supporting organisations working towards financial sustainability tells us that the greatest impact is achieved through support with funding strategies, business and strategic planning, trading, finance, governance, commissioning, tendering and joint working.

As well as providing support for financial sustainability the fund can also embed sustainability principles that will be fundamental to organisational survival in light of current ecological and climate challenges.

**Recommendation 2**

**There is an opportunity to strengthen the support available to frontline organisations through the creation of a new funding programme in Wales. This fund could support those organisations struggling to adapt to their changing environment, and put them on the right path to securing the long term future of their services.**

The fund could support small to medium sized organisations on this journey by providing:

- Funding to free up capacity to engage in planning
- Expertise to carry out organisational health checks and forward planning
- Funding to free up capacity to deliver change or deliver necessary action
- Expertise to enable the delivery of specific actions
While each organisation’s journey to securing funding and finance will be different, the potential components of support may include the following:

- A flexible ‘mix and match’ of generic and specific approaches is likely to be the most appropriate, as organisations have different needs according to their stage of development
- Advice and support needs to combine generic and specific information (e.g. on sources of income and finance) alongside better diagnostic facilities which can act as an effective filter
- Access to support needs to recognise the growing use of technology (82% of survey respondents would access information and support online)
- Support could be more systematically provided, responding to generic skills gaps, sector specific needs or the stage of organisations’ development
- Provision may extend beyond pre- and post-application and/or investment
- Peer-to-peer learning* could be more widely used as a popular and cost effective approach to provision, particularly where culture plays an important role
- Referral mechanisms could help those organisations who fail to secure funding or investment

*Peer-to-peer learning
Bringing organisations together in networks and facilitated events has considerable value in making them more aware of the potential for raising funds, helping them assess their own needs and developing their capabilities. Networking and peer-to-peer learning are both effective ways of providing support and embedding learning.

This more empowering approach addresses the “whole organisation” based on an understanding of the wider context in which organisations operate. It can also build the potential for peer-to-peer support, which in turn contributes to sustainability. While strengthening leadership, it also has the potential to allow knowledge and skills to spread beyond individuals to their organisations.

**Recommendation 3**

One solution could be to adopt a model where frontline organisations could partner with a third party ‘expert’ intermediary, in order to develop a funding strategy, apply for funding and deliver a project.

It is in everyone’s interest that the third sector in Wales includes a diverse range of organisations, delivering high quality services for those most in need. To achieve this organisations need to have strong business models and forward plans, that enable them to adapt and continue to deliver in a changing and challenging environment.

The organisations most in need of support are those that do not have the resources and/or capacity to plan effectively for the future. Therefore, there is a high risk that these organisations will struggle to develop strong applications, income generation opportunities and realistic delivery plans.

This model was outlined in the survey and received a significant amount of support (68% of respondents). Respondents were also asked to provide comment on their answer, a selection of these responses are given below:
Agree

- ‘Having a third part 'expert' intermediary on board would bring focus and transparency to any proposed work and/or applications for funding. It would allow the individual organisation to realise if their work is essential as opposed to thinking it might be essential. It would also bring other benefits such as introductions to other helpful individuals or organisations, advice on alternative ways of working or presenting help to clients’.
- ‘Having intermediaries and expert umbrella organisations based within the community i.e. PLANED and general intermediaries’ i.e. WCVA and CVCs could provide important support for community groups in terms of efficient resourcing and planning effectively for the future. How this 'expert' knowledge is transferred and support given is key - i.e. having a locally based organisation with a positive and productive track record which communities trust and can approach is important. Providing a sustained and appropriate level of support for the delivery of the 'plan' is also important - i.e. not being left too much on their own and neither doing all the work for them thus not improving capacity’.
- ‘Many voluntary organisations have the will to improve their activities but sometimes lack the business knowledge to sustain their ambitions’.
- ‘The expertise exists it is just helping people to access it and I feel this would be an excellent way of going about it. This is a sustainable solution’.

Disagree

- ‘Get the money to where needed on the ground where it will make a difference don't pay another organisation to tell people what they already know’.
- ‘I agree that there may be some organisations that do not have the resources and/or capacity etc. but there are also groups that have the capacity and can plan, and the only resource they lack is funding’.
- ‘I am not sure on this one. Planning is not the difficult bit - it is having the capacity to implement’.
- ‘I don't think the focus should be on supporting or helping organisations, rather the focus should be on the beneficiaries. It is not helpful long term to create a situation of dependency on an intermediary body. Many small organisations are actually very good at using limited resources and planning for the future’.

Recommendation 4

It would be very beneficial if funding were made available explicitly to support collaborative activity in the third sector.

There was a great deal of support (69%) from survey respondents when asked if funding should be made available to support organisations with the costs of restructure, collaboration and merger. When asked to explain their answer the following replies were received:

- ‘It takes time and money to even explore these options. To have the finance to explore these options would be beneficial and could possibly prevent closure of some voluntary sector organisations. To have financial help to support this would be a step forward’.
• ‘Changing the shape of organisations is often the only way to ensure their survival. Providing extra funding for a short period of change would result in the organisation requiring less funding in the future’.
• ‘Collaboration amongst groups is important, it takes a large amount of time and energy and can be costly’.
• ‘Collaborative partnerships are a big drain on the resources of the lead partner in terms of monitoring and reporting requirements. If partnerships are made up of more than 3 partners the compliance with such requirements can be onerous and require dedicated finance/admin support to complete’.

There is a strong tradition of co-ordination and co-operation within the third sector in Wales. Recently however, third sector organisations are experiencing increasing external pressures to collaborate or merge, in response to funding cuts; the changing scale and nature of funding opportunities, e.g. large or generic tenders; or a perception that organisations are duplicating resources or activities.

There are a number of benefits that collaboration can bring, including pooling skills and resources, expanding reach and sharing information and good practice. Effective joint working can mean improved and more integrated services, building on complementary areas of expertise. And beyond frontline service delivery, efficiencies can be realised by co-locating or sharing back office functions such as finance, HR, or ICT support.

Establishing collaborative relationships or the viability of a merger are resource-intensive activities, and despite the increase in activity, the process is almost always unremunerated. In addition, developing a joint working arrangement often requires expert legal, financial or taxation advice, for example for the due diligence process, which can be very costly.

For those organisations choosing to work together, the availability of dedicated resources to support the process would build the resilience of the third sector and help ensure it is better able to respond to future opportunities.

**Tackling poverty**

The third sector has a strong commitment to tackling poverty and promoting social inclusion, and it seeks to do this through policy influencing and campaigns, as well as through practical action. The survey confirmed the sector’s interest in tackling poverty, and the importance in terms of the Fund’s funding priorities. This resonates with earlier work by WCVA and the rationale for setting up the Third Sector Anti-Poverty Programmes Taskforce and the results of WCVA’s recent State of the Sector Survey.

A more detailed response to the Big Lottery Fund Wales’ investment priorities on tackling poverty is being submitted by the *Third Sector Anti-Poverty Programmes Taskforce*.

**Recommendation 5**

*Big Lottery Fund should refocus its investment priority to tackling poverty more broadly. Initiatives combining to ‘tackle rural poverty’, ‘employment as a route out of poverty’ and ‘financial resilience’ would allow scope for greater innovation.*
Greater innovation and flexibility can be facilitated if the investment priority for tackling poverty is reframed and made more general. A more general investment priority for tackling poverty in Wales can be inclusive, accommodating and supporting initiatives and activities to tackle rural poverty and promote financial resilience alongside those to promote sustainable employment. Even potentially making links to other areas currently being considered for investment such as support for disabled people and those with life limiting health conditions.

Such an approach will facilitate greater innovation and flexibility and provide the kind of bottom up activities and interventions that existing funding streams do not easily support or promote pan Wales.

**Recommendation 6**

*Big Lottery funding for tackling poverty should remain independent of European funding priorities to allow for greater flexibility and innovation in tackling the root causes of poverty.*

The survey asked should any funding for tackling poverty be aligned with European funding priorities or should its focus be more general to allow for greater innovation. The priorities for the European Social Fund (ESF) for 2014-2020, present a potential opportunity to utilise Big Lottery funding as 'match funding' for ESF by aligning the strategic priorities to support interventions which aim to tackle poverty through sustainable employment. Responses to the question are outlined below:

- 77 of respondents support greater flexibility for innovation
- Only 16 support a sole focus on employment outcomes and alignment with ESF funding priorities
- 8 propose balanced support for employment focussed outcomes and innovation
- 10 respondents were undecided

The responses recognised that a lack of employment may be one factor, among many, in the causes of poverty, and that employment is not always the best outcome for vulnerable people. As one respondent put it:

*A focus on employment is much too specific to deal with the problem. It must cover all aspects of the reason for the poverty which can be geographical, disability or culture etc*.  

Even respondents who are in favour of strategic alignment in relation to European funding priorities recognise:

*There are no definitive answers in tackling poverty and there is an absolute need for greater innovation on dealing with the issues*.  

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1 European Structural Funds represent less than 2% of the Welsh Government’s annual budget and therefore must be invested in a strategic way to complement existing public investments in order to maximise impact. The purpose of Structural Funds is to promote employment and economic growth in order to increase the gross domestic product (GDP) of West Wales and the Valleys to over 75% of the EU average. Whilst tackling poverty and social exclusion is a cross-cutting theme, the objectives of the programmes are to promote economic development, job creation and sustainable employment outcomes and they are not primarily social in nature.
It should be noted that specific comments were made about groups and individuals with protected characteristics such as disabled families. The sector sees strong links between funding to tackle poverty and practical initiatives and projects aimed at tackling inequality, discrimination and social exclusion.

The importance of education, essential skills, health and well-being were also noted. These are significant factors in supporting individuals to become ‘work ready’ and the consensus was that these aspects should be valued and funded as legitimate activities to support individuals to lead fulfilling lives, as well move closer to the labour market.

Respondents also recognised that a great deal of funding is already geared towards employment outcomes and that the Big Lottery Fund should steer away from those constraints. Thus to allow scope for new approaches and to meet the needs of communities as they emerge and evolve over time.

One respondent noted the considerable focus on employment outcomes and commented:

‘BLF funding should definitely stay away from this model, and support truly innovative work around early intervention against poverty, etc’.

We found strong support for the idea that the Fund should remain relevant to local needs and be community led, encouraging creative and innovative responses to community issues by organisations. Linked to this was the feedback that the Fund should establish their own priorities and not be drawn too closely into aligning with Government strategies, whether these are local, Welsh, UK or European.

Environment, with a focus on building social capital
The survey asked respondents what support should be available to help non-environmental organisations undertake environmental projects. 66% felt that support should be made available on the basis that these projects also deliver benefits on health and well-being, social inclusion, skills and learning, local tourism and community pride. Only 9% of respondents disagreed with this proposal.

When asked how this support could be delivered, the most popular option was ‘providing funding for fact-finding visits to other effective environmental projects’. An ‘online information portal’ or a ‘designated support officer’ were the next most popular choices. Other options such as ‘mentoring support’, ‘staged grant support to allow piloting of an initiative’ or ‘a link officer to identify suitable project partners’ were thought to be less important. This suggests that there is an appetite amongst the non-environmental sector to undertake environmental projects and that this could be fuelled by investment in fact-finding and showcasing of visible exemplars.

When asked if there should be a requirement on environmental projects to demonstrate that they will benefit nature and wildlife as well as people and communities, more than a quarter of respondents (28%) stated that they did not know. Those not in favour (17%) noted concern about the potential difficulty of demonstrating outcomes for nature and that it might limit innovation or deter otherwise eligible projects. These statistics, alongside the above comments, suggest that there is still a fairly common perception that nature conservation is a specialist
and complex field rather than something that people feel confident to weave in to other activities.

55% of respondents however felt that this should be a requirement on environmental projects with most responses emphasising strongly that there is an intrinsic link of well-being between nature and people. A number of respondents suggested that this should be a requirement for any funded project providing expectations were realistic and the reporting system not overly complicated. Several respondents went further suggesting that projects should not be funded if they could not demonstrate this. Several respondents noted that environmental considerations can have cost implications and therefore funding should be available to help projects meet these. Despite the variety of comments, an overall consensus amongst respondents across the board appeared to emerge around the potential for projects to deliver biodiversity benefits as 'value-added' provided funding was integrated with project delivery.

**Disabled groups and those with life limiting illness**
The survey responses fall broadly into five areas:

1. Improving support
2. User-led initiatives
3. Support for carers
4. Maintaining or gaining employment
5. Funding to enable additional activity that is empowering

In terms of improving support, there are several interrelated suggestions. There is a need for recognition and funding for the additional community support initiatives that provide information, mentoring and befriending schemes, together with ensuring local access to services. Advocacy services are similarly identified as necessary. The point is made that it is not about innovation but rather ensuring the continuation of these essential support services that enable wellbeing and independence. The development and increase of user-led support services is promoted as it brings the added value of informed, experienced and specialist knowledge; and alongside this developing self-management of medical conditions. Support for carers is highlighted, including more access to respite care and recognition of this informal care that often complements statutory care packages.

Employment is another important area. There is the need for creation of quality employment that is well-paid, including younger people. The use of financial incentives for employers for adaptations needed or different working hours; and the role of support workers; and revenue funding for employment initiatives including social enterprises and community organisations are highlighted. Provide specific support so that people are able to stay and continue in work. The need for the provision of both financial support to those unable to work full time, and support to abolish the conditions of sick periods in the workplace for those with long term chronic conditions and life limiting illnesses was identified. Another important aspect is help with welfare grants for people who have lost their job because of their illness and who have had benefits cut under the new welfare reforms and also access to advice to protect vulnerable people being asked to seek work whilst coping with life limiting illnesses.
The final suggested area is that potential funding is used to provide increased quality of life and independence, against solely medical care requirements, including volunteering; training; transport; travel; and being able to take part in social activities addressing social exclusion and enriching lives.

WCVA has been liaising with Disability Wales regarding their response to the consultation. Disability Wales has already met directly with the Big Lottery Fund to discuss the proposed investment area. Our understanding is that a roundtable consultation event for disability organisations is being held in October as the Fund is keen to engage with this audience.

**Other potential funding areas**

**Social investment**

The social investment market is fast developing, providing an innovative way of enabling the delivery of services to society and increasing trading activity. As grants from statutory sources continue to be squeezed the importance of social investment as a funding source will continue to increase.

By unlocking capital to help finance third sector organisations increase their trading activities, these organisations can then increase their support to disadvantaged individuals and groups, generating social benefits as well as cash profits to be re-invested. However there are a number of challenges to be addressed:

- Lack of investment readiness is often referred to as a barrier to growing the social investment market and organisations often struggle to make the switch from preparing a grant application to making an investment proposal
- Reluctance of organisations to use repayable finance
- Lack of skills and experience in preparing business cases to convince investors
- Availability of a range of finance options that are tailored to the needs of third sector organisations
- Lack of knowledge of when to consider social investment as part of the overall business development package
- Poor coordination and lack of signposting to appropriate support sources for social investment

Interestingly from the survey responses the two most important areas that should be funded in the area of building capacity were ‘skills for planning - business, strategic and financial’ and ‘developing new paid for services and trading opportunities’ but the least important area was ‘support in accessing social finance e.g. loans’.

This response reflects what WCVA has been experiencing as one of the largest social investors in Wales. That although organisations want to become more sustainable and independent through trading income, they look to grant funding for initial investment rather than other sustainable sources of finance e.g. loans.

In the current financial climate social investment can allow organisations to get the investment they need, either in full or in part, to undertake trading activity. However
to access social investment the skills utilised must consider the needs of social investors rather than a grant funder, especially in the preparation of business plans.

**Recommendation 7**

_Social investment will increasingly become a major source of investment growth in trading income, thus it is essential that third sector organisations are supported in accessing it and that the right social investment mechanisms are in place in Wales._

**Conclusion**

WCVA on behalf of the sector welcomes the opportunity to comment on the Big Lottery Fund Wales future funding priorities for 2015-2021. We believe the Fund is in a strong position to make a big difference in what will continue to be a challenging environment for the third sector in Wales.

- Helping the sector to adapt to austerity and rising demand for services
- It is an important strategic resource for our sector which can complement or help lever in funding from other sources
- Be a ‘pro-active’ funder - working strategically with the sector to help it improve, learn and strengthen its capacity and infrastructure
- Support our sector to increase digital participation by accessing information and support online

Many of the challenges and opportunities above require a more pro-active funder approach as organisations struggle to catch up with their changing operating environment. Our recommendations highlight the need to invest in third sector improvement and adaptation and respond to the specific needs around tackling poverty in Wales.

A summary of the recommendations are outlined below:

1. Big Lottery Fund should consider ‘future proofing the third sector’ and ‘tackling poverty’ (combining the three poverty related areas - rural, employment and financial resilience - see Recommendation 5) as the two future funding priorities for Wales.

2. There is an opportunity to strengthen the support available to frontline organisations through the creation of a new funding programme in Wales. This fund could support those organisations struggling to adapt to their changing environment, and put them on the right path to securing the long term future of their services. This long-term future must also consider sustainability implications of available resources and a changing climate.

3. One solution could be to adopt a model where frontline organisations could partner with a third party ‘expert’ intermediary, in order to develop a funding strategy, apply for funding and deliver a project.
4. It would be very beneficial if funding were made available explicitly to support collaborative activity in the third sector.

5. Big Lottery Fund should refocus its investment priority to tackling poverty more broadly. Initiatives combining to ‘tackle rural poverty’, ‘employment as a route out of poverty’ and ‘financial resilience’ would allow scope for greater innovation.

6. Big Lottery funding for tackling poverty should remain independent of European funding priorities to allow for greater flexibility and innovation in tackling the root causes of poverty.

7. Social investment will increasingly become a major source of investment growth in trading income, thus it is essential that third sector organisations are supported in accessing it and that the right social investment mechanisms are in place in Wales.

By building on its strengths, embracing the opportunities and addressing the challenges outlined above, we believe that the Big Lottery Fund will be vital in supporting our sector to support the people and communities it works with.

We would be happy to meet and discuss any aspect of our response with colleagues from the Big Lottery Fund Wales.

Please contact us using the details below if you would like to discuss this response further or offer any further opportunities to engage with this work.

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Appendix 1
Survey Questions - Big Lottery Consultation

1. Which of the Big Lottery Fund’s potential funding areas in Wales do you feel are the most important to address (pick up to two)?

- **Future proofing the Third Sector** - austerity has impacted upon third sector organisations as much as it has statutory services. Ways of supporting organisations to adapt to political and funding changes, as well as looking at more resilient financial models like endowments and social finance, are hot topics of conversation. Does the fund have a potential role in building the capacity of organisations to deal with these impacts?

- **Rural Poverty** - the dispersed nature of rural poverty means that the current place based approaches like Communities First do not necessarily address poverty in our rural communities. Is a specific response for addressing poverty in rural communities needed?

- **Financial resilience** - the ongoing debate around welfare reform and poverty has thrown financial literacy into the spotlight and addressing deficits in personal financial management skills, as well as promoting wider access to affordable financial services & advice.

- **Environment with a focus on building social capital** - climate change remains in stark focus, particularly following the recent flooding across the UK. While no amount of lottery investment will alone stop climate change there continues to be a demand for community focussed projects with environmental benefits, particularly those that engage communities and help to build social capital.

- **Employment as a route out of poverty** - in spite of much activity in this area, inclusion and engagement in the labour marker for hard to reach groups, or helping some to re-engage, this remains a priority for many. Could the Fund look to work with other funders already active in this area to support a coordinated approach, for example?

- **Disabled people and those with life limiting illnesses** - whilst distinct groups with separate needs, early consultation work has considered opportunities, perhaps to manage a long term health condition, supporting individuals to maintain employment or possibly challenging some of the stigma that some may face.

- **None of the above**

2. How do you think that the Big Lottery Fund could support action in each of these potential funding areas?

The following questions relate to some of the potential funding areas identified previously, requesting your views on specific ideas for support.
Future proofing the third sector

3. Should funding be available to help organisations build capacity and become more financially sustainable?

Yes / No
If Yes, what should the fund focus on? Please rate in order of importance.

i. Skills for planning - business, strategic and financial
ii. Support for identifying and bidding for specific funds
iii. Pitching support and “making the ask” to funders/investors
iv. Skills for raising funds from private sources (e.g. individuals, communities, corporate and trusts/foundations)
v. Developing new paid-for services and trading opportunities
vi. Support in accessing social finance e.g. loans
vii. Joint working - collaboration, joint bidding and mergers
viii. Support to engage with local funders/commissioners to ensure opportunities are opened up to the sector
ix. Demonstrating impact to funders and/or investors
x. Building capacity and willingness of trustees to drive change

4. Organisations most in need of support are those that do not have the resources and/or capacity to plan effectively for the future. One solution could be to adopt a model where frontline organisations must partner with a third party ‘expert’ intermediary. Intermediaries could include a host of expert umbrella bodies as well as general intermediaries such as WCVA and CVCs.

Intermediaries could:

a) Carry out a high quality organisational health check
b) Agree a plan of support, either provided by, or sourced by the intermediary
c) Ensure that the plan is sustainable in the long term, once funding is no longer available

Do you agree or disagree with this approach? Agree/Disagree - Please explain your answer

5. To ensure survival in this challenging financial climate third sector organisations are exploring opportunities to work together. Do you think funding should be made available to support organisations with the costs of restructure, collaboration and merger?

Yes / No. Please explain why?
6. Increasingly third sector organisations are accessing information and support online. This presents a significant opportunity to explore alternative and more efficient approaches to building skills and capacity e.g. online learning, self-help diagnostic tools, information portals, online communities to share learning and best practice etc.

Would you access this support online? Yes/No
If Yes, why do you prefer to do so?
If No, what is the reason for this?

Tackling poverty

7. Should any funding for tackling poverty be aligned with European funding priorities, which focuses on employment outcomes, or should its focus be more general to allow for greater innovation?

Environment, with a focus on building social capital

8. Projects in the natural environment have been shown to deliver benefits to health and well-being, social inclusion, skills and learning, local tourism and community pride as well as to biodiversity and climate change. Should support be available to help non-environmental organisations to undertake environmental projects?

Yes / No / Don’t Know

If Yes, how could this support be delivered? Please rate in order of importance.

1. A designated person to provide advice and support through grant application and project delivery;
2. A link officer to help organisations identify partners with suitable expertise, land or outdoor space, or volunteers to develop an effective project;
3. An online portal with access to information sheets, case studies, and links to relevant contacts;
4. Mentoring support from other organisations that have previously delivered effective environmental projects;
5. Funding for fact-finding visits to other effective environmental projects;
6. Staged grant support to allow organisations to test or pilot a small initiative before starting a larger environmental project;

9. The 2013 State of Nature Report indicated that 60% of species in Wales have declined over the past 50 years with 1 in 10 species facing extinction. Should there be a requirement on environmental projects to demonstrate that they will
benefit nature and wildlife as well as people and communities? If yes, should support be available to ensure that benefits to nature can be woven into project delivery?

Yes / No / Don’t know
Please explain your answer

**Other potential funding areas**

10. Are there any other potential funding areas or themes that you would like to suggest?

11. Why are you suggesting these areas?

12. Do you agree or disagree with the following statements (also give ‘don’t know’ option):

   - The Big Lottery Fund should encourage co-production through its funding programmes
   - The Big Lottery Fund should maintain a balance between demand led programmes and funding that targets specific needs or issues
   - Evaluation & Learning should play an integral part in the Big Lottery Fund’s targeted programmes
   - The Big Lottery Fund should prioritise funding that tries to prevent need from arising in the future
   - The Big Lottery Fund should use its funding to support the third sector and statutory sector to work together to deliver services for those most in need
   - The Big Lottery Fund should use its funding to try out new ideas and be prepared to take the risks associated with it.

13. Is there anything else that you would like to raise with the Big Lottery Fund?

Thank you for completing the survey. Your feedback will provide us with valuable information to help shape WCVA’s response to the Big Lottery Fund.