

*Coutts* | 



## *Inspiring local philanthropy*

MAKING A DIFFERENCE IN LOCAL COMMUNITIES

IN ASSOCIATION WITH NEW PHILANTHROPY CAPITAL  
AND COMMUNITY FOUNDATION NETWORK  
**AUTUMN 2011**



## FOREWORD BY MARCELLE SPELLER



My philanthropic journey started in 2005, after the sale of our business Holiday-Rentals.com. Without the need to make money, I could now focus on something that had always been a goal – to do something worthwhile, trying to leave the world a better place in some small way.

After a few false starts, I attended The Philanthropy Workshop – a programme of the Institute of Philanthropy. Wherever they took me, I was inspired by small local charities. They are the glue that holds local communities together. I also learned that online giving, increasing by 50% per year, is not available to small unregistered charities, thus placing them at a great disadvantage versus larger charities.

My ‘light bulb’ moment came when I realised I could help them in the same way that Holiday-Rentals.com let private owners of holiday homes compete on the web with large villa companies.

Pure serendipity introduced me to the UK’s Community Foundation Network who became my partners, providing me with access to the 26,000 local charities that have been vetted by their local Community Foundation. Localgiving.com was born.

I was asked to appear on the TV documentary *Secret Millionaire* in 2010 and was filmed for 10 days in Plymouth. I volunteered with five amazing local charities and realised that each of them would hugely benefit from Localgiving.com. These charities and local groups know and address the issues in their community: for example, Jeremiah’s Journey, set up by doctors in the oncology department of Plymouth Hospital, helps bereaved children. I go back to Plymouth regularly and see the difference that I have helped these amazing people make. And they have already raised £10,000 through Localgiving.com.

Local philanthropy gives me a sense of community, of belonging, and it recharges me. You can see that you are giving effectively, and have the most joyous, enriching experiences. The power of this report is that it captures the diversity of community life around us in the UK. I hope it inspires and helps you get as much joy out of supporting your community as I do.

Marcelle Speller OBE | *Founder and CEO*  
Localgiving.com

# INSPIRING LOCAL PHILANTHROPY

*You want to invest in your community, giving your money, time or expertise to improve conditions. But where to start? This guide outlines the steps others have taken - and shares their inspiring approaches and stories.*

Many Coutts clients have great aspirations for their local communities and a passion for them to succeed. Their involvement enables a vast array of activities to happen – activities that shape and improve social, environmental and economic conditions.

We are enormously grateful to Brian Greene, Ian Gregg, David Laing, Andrew Preston, Peter Saunders and Andrew Wates for sharing their experiences of with us.

Our sincere thanks also go to the Community Foundations of Surrey, Merseyside, Wales, Leeds and ‘Capital’.

Thanks also to Chloe Elms at Coutts, Victoria Miles at the Northamptonshire Community Foundation, Derry Nugent at the Community Foundation serving Tyne & Wear and Northumberland and Wendy Varcoe of the Community Foundation for Surrey.

Finally, many thanks to our collaborators on this report: Plum Lomax and Benedict Rickey at New Philanthropy Capital for co-ordinating the project and drafting the guide – and Clare Brooks at Community Foundation Network for providing the insights from Community Foundations.

Maya Prabhu | *Head of UK Philanthropy*  
Coutts

Lenka Setkova | *Senior Philanthropy Adviser*  
Coutts





## KEY HIGHLIGHTS

*Every community hosts an extraordinary array of activity that can have a significant impact on the social, environmental or economic conditions of local communities.*

**There is a strong history of wealthy individuals and families making a positive difference to the communities they care about.** For many philanthropists, supporting the communities in which they reside, work, or the communities from which they originate, forms the beginning of their philanthropic journey.

**The near and long-term challenges and opportunities that local communities face are manifold,** resulting from factors such as cuts in public expenditure, the strength of the local economy, and the impact of climate change and resource scarcity.

**Philanthropy plays a critical role in supporting positive change in local communities.** It can support the innovation that society depends upon to help create, for example, new models of care or micro-finance. It can support charitable organisations or social enterprises that are a key source of protection for the most vulnerable or are a source of positive economic change. It can enrich community life through support for sport or the arts. And it can also strengthen the resilience of communities so that they are better able to adapt to economic, political or social change.

**Factors that determine the focus of a philanthropist's support for the communities that matter to them include: their values, passions and interests; their available resources (including money, time and skills); and their understanding of the local context.**

**There are a wide range of approaches that philanthropists can adopt when supporting local communities,** ranging from accessing support from Community Foundations and providing funding directly to charitable organisations or social enterprises through to co-funding with peers or setting up an operating organisation.

**Local philanthropy can be rewarding for all parties: the philanthropist and their family, the organisations they support and the communities in which they operate.** It can help philanthropists connect with the communities they care about. By being able to observe the results first hand, a philanthropist can see that even modest support can have a significant impact. And, in some cases, effective local activity can be 'scaled up' to benefit other communities across the UK or indeed internationally, thus having much wider impact.





# CONTENTS

01   The richness of local activity and philanthropy	06
Case study: Peter Saunders OBE	08
Case study: Ian Gregg OBE	10
02   Local challenges and opportunities	12
Case study: David Laing	16
Case study: Andrew Preston	18
03   Local philanthropy: Getting started	20
Case study: Brian Greene	30
Case study: Andrew Wates	32
04   The rewards of local philanthropy	34
Appendix 1	38



## | 01 | THE RICHNESS OF LOCAL ACTIVITY AND PHILANTHROPY

*All over the country, thousands of organisations, including charitable organisations and social enterprises, are doing valuable work that enriches communities and improves the lives of countless individuals. Many of these groups depend on support from philanthropists to succeed.*

Local philanthropy has a strong history in the UK. The earliest philanthropists often chose to focus their financial support on a local geographic area – Thomas Guy, for example, established Guy’s Hospital close to where he was born and to his bookstore, the origin of his wealth. In the 19th century the granddaughter of Thomas Coutts, Angela Burdett-Coutts, who inherited a large share of Coutts & Co, supported the building of homes and the supply of fresh drinking water to deprived parts of London.

### **The engines of positive social, environmental or economic change**

Today, every community across the UK hosts an extraordinary range of activity, from counselling for people facing mental health problems to outings for the elderly; from financial advice or micro-finance for people struggling to get by on limited means to theatre workshops for young offenders; from sports clubs to local food and energy production; from campaigns to improve local services to online platforms for people to exchange or recycle unwanted goods. A vast array of organisations nurture local community activity, including local charities, local branches of

national charities, community centres, places of worship, social enterprises, youth groups, charitable foundations, local radio stations or web-based networks. Many organisations offer vital services or opportunities to local residents, and they often work with vulnerable hard-to-reach groups. The wide spectrum of activity can often be the ‘glue’ that holds communities together and provides opportunities for people to meet and to develop solutions to the most pressing challenges in their local area, or simply to have fun.

Often, local organisations provide the innovation – the social research and development – that the rest of society depends on, inventing new models





“There was a personal reason I chose to start our fund with the Buckinghamshire Community Foundation: it is because I was born in Bucks, educated in Bucks and set up my business in Bucks, and I think the county is great. I still live here and I think that it is important to put something back into the community that gave me my business, my staff and my education!”

Mike Clare, *Chairman of Dreams plc*

for social care or micro-credit. And in many cases local activity can be a key source of protection and support for the most vulnerable.

### **What inspires community activity and philanthropy?**

Community activity, and indeed philanthropy, is fuelled by people’s passions, values and enthusiasms, their frustrations or their concerns for their neighbours or community. Some people are motivated by a personal experience, perhaps the supportive end-of-life care their parent received in a local hospice; others by the need to tackle inequality or to improve the local environment. Some engage

with local activity as a way to cement their place in their community and develop relationships with neighbours. As illustrated by the philanthropy of Mike Clare, quoted above, many philanthropists are driven by a desire to give something back to their community.

### **A guide to inspire local philanthropy**

This guide, which has been written in association with New Philanthropy Capital and the Community Foundation Network, illustrates how philanthropists can go about supporting the communities they care about. In the following pages, this guide:

- Illustrates the breadth and diversity of local activity, the challenges and indeed opportunities that many communities face and the ways in which philanthropists can effectively enhance the well-being of local residents or the neighbourhood.
- Suggests some practical steps that philanthropists can take when considering support for local communities, ranging from volunteering to funding local organisations, and from collaborating with other funders to establishing an operating charity.
- Outlines how philanthropists can go about deepening their understanding of any given local context.
- Provides inspiration by example, in a series of case studies describing the work of philanthropists who have chosen to support the communities that matter to them.

Philanthropy or social investment is critical to the success of many local organisations. There are therefore many opportunities for individuals or families who wish to make a significant contribution to community life.

### **What do we mean by ‘philanthropy’?**

Philanthropy is the giving of money, time or assets in support of social, cultural or environmental causes.

### **What do we mean by ‘local’ or ‘community’?**

‘Local’ or ‘community’ can be a little harder to define. For some philanthropists, it simply means the place close to their home or work. For others, it may be where they grew up or where their family originally came from. For example, the famous 19th century philanthropist Andrew Carnegie made his fortune in the US, but chose to establish the first of almost 3,000 public libraries back in his home town of Dunfermline, Scotland. Many immigrants in the UK have also chosen to support their local village or community back in the country of their birth<sup>1</sup>.



## CASE STUDY: PETER SAUNDERS OBE

*“I get a lot of pleasure out of making things happen, guiding people, stepping in if things are not going well, and actually seeing the benefits.”*

**Peter Saunders OBE is an entrepreneur, business angel and philanthropist, who has lived and worked in rural Wales for over 35 years. Peter started his first business when he was just 24 and sold it after six years to Rowntree. He bought the business back ten years later when the Nestlé acquisition of Rowntree threatened to close the Welsh business. He sold it again in 2004, having rebuilt the business and employing by then 500 staff. Since then, he has founded Severn Aviation, a specialist flying school that he has sold now to an American corporation. Currently, he has a portfolio of businesses within Wales in which he invests, and he is working with one on a joint venture involving companies in America and India. He was honoured with an OBE in 1995 for services to business in Wales and set up his charity, the Peter Saunders Trust, in 2005.**

“I set up my first business in Wales. Halo Foods came to have an exceptional culture with huge loyalty and trust between the leaders and the workforce. It became the largest employer within a radius of about 30 miles and, hence, supported a lot of the rural community’s activities. When I sold Halo Foods at the end of 2004, I realised how important the community aspect of our activities was. I also



realised I could help through my varied business experience. So I set up the Peter Saunders Trust in 2005 and gifted to it a sum of money from the sale of my business.

I had been introduced by then to the idea of a ‘living will’, which entailed gifting money during my lifetime rather than through a will at the end of life. This appealed to me. You can influence things within your own lifetime and really see and feel the difference you are making.

Coutts was instrumental in this thinking and introduced me to a specialist charities lawyer in Cardiff who set up the trust for me. I wanted to have as trustees local people with diverse experiences, and to get my family involved. With this in mind, the first trustees included one of my three sons (an accountant) and prominent people in the local community, such as a police officer and a fellow businessman with experience as chair of trustees at a giant pension fund.

Since the initial donation, I have made more donations, but I also give my time to running the charity. The time commitment varies. There may be a number of applications or a trustees’ meeting for which to prepare. I may choose to visit a project or get involved in a dialogue with the applicants to understand better what they are trying to achieve.



If we make an award, I might also go to make the presentation.

The trust is proudly local in its outlook. I decided from the very start that I wanted to focus on what had been the ‘travel to work’ area for my businesses. I also wanted to support the local communities that had supported me through the first phase of my business life so I could give something back.

The great thing about giving locally is that you have intimate knowledge of that area. This means that you can select what you fund wisely, get involved with the causes and influence what happens with the funding. I like the whole sense of involvement. I get a lot of pleasure out of making things happen, guiding people, stepping in if things are not going well, and actually seeing the benefits.

The trustees look for projects that are innovative, imaginative, or something out of the ordinary. It is also a core objective of the trust that it encourages excellence and achievement in the rural population.

We have an intimate knowledge of the needs of the area through living here and through the various organisations with which we are involved. For example, I have been chair for ten years of a partnership that is a consortium of people representing the public, private and

voluntary sectors which acts as a catalyst for economic development. The local police officer who is a trustee also plays an important role in understanding needs, as he has knowledge of parts of society with which others might not come into regular contact.

I am always on the lookout for a large-scale project that could galvanise the whole community and have a major impact on everyone in the local area. I also look out for the opportunity for the trust to get involved in some of the deeper social issues that exist even in a rural community.

My advice to others who want to give locally would be to set the trust up in a professional manner and ensure you have other trustees around with whom to have constructive and challenging debate. Get involved and get talking to people!

In years to come, the trust may take on a wider remit and become more national, or even international, in its outlook. I regard the trust as being work in progress and being a great learning experience. In many respects it is an entrepreneurial activity and mirrors the early stage of a business.

Core to the trust are its independence, flexibility and vision. Some projects may be more successful than others, but you need to be prepared to accept some level of risk. The sense of being able to make something happen and being able to help someone is enormously fulfilling and rewarding. It is a great privilege to be in a position to make a difference to someone’s life.”

## CASE STUDY: IAN GREGG OBE

*“To my mind, it is at the local level that we have the best chance of effecting change”*

Ian Gregg OBE was Chairman of Greggs plc, the bakery company established by his father and mother on Tyneside early last century. The first North-East Businessman of the Year, Ian set up the Greggs Trust (now the Greggs Foundation) as a registered charity in 1987 with the aim of putting something back into the communities where Greggs trade and where their customers and employees live. Since stepping back from the company he has pursued his lifelong interest in environmental issues and for the last 10 years has given c.£300,000 per year across a number of organisations.

“Is it enlightened self-interest or just plain common sense to give back to the communities which have supported the business? I would say the latter, which certainly was a large part of my motivation in establishing the Greggs Trust. However, setting up the trust was the easy part and there followed a relatively inactive period when we found it difficult to find suitable projects to support and we were reacting to requests rather than understanding how they sat in the overall needs of the local communities.

Looking for advice, my wife Jane and I met with the Chief Executive of the Tyne and Wear Foundation (now the Community Foundation serving Tyne & Wear and Northumberland) who showed us how to do it. Consequently we established a fund at the Community Foundation because we knew the Foundation had the understanding of local needs and the knowledge about local groups working in

the different areas of the North-East. Confident in the Foundation’s expertise, my involvement has always been at arms length and I have been very happy for the Foundation to direct the fund to where it is most needed.

This process helped us to understand the needs in the North-East community which the Greggs Trust could best help with. Hardship grants to individuals and families in dire need and small grants to local community projects became the main focus. Jane ran the Greggs Trust in its early years and both my daughters remain Trustees. Greggs plc contributes 1% of profits and staff support it with payroll giving. I retired from the Board of Trustees in 2001 and was succeeded by Andrew Davison. In recent years the Greggs Foundation has donated more than £1,000,000 p.a. to help local communities.

This ‘get it right locally’ ethos was also reflected in Greggs plc community activities, including the highly successful Breakfast Club initiative – which provides breakfasts for over 7,000 children at 169 schools and the North-East Children’s Cancer Run, which has raised over £5,000,000 and been a major supporter of research into childhood cancers. Each of the Greggs regions around the UK has its own charity committee, which supports local community projects.

From 1990 I increasingly focused my philanthropy on environmental issues and especially what are, to me, the obvious links between the condition of the physical environment and individual and community well-being. I am a keen fisherman and



I am acutely aware of how farming, land use development, water extraction, river catchments and bio diversity are all interconnected and have major implications for the quality of life of people who live nearby – not least in the case of flood risks. This is not just a rural issue. Better managed landscapes, whether in town or country, have positive economic and social pay-offs – look at the River Tyne, which over the last 40 years has been changed from an open sewer into the foremost salmon river of England and Wales, benefiting from green tourism upstream and, downstream in Newcastle, flourishing business and commercial development alongside housing and living communities.

Since 1990, a significant proportion of my time and funding has gone into the Rivers Trust movement. There are more than 20 local trusts in Scotland and more than 30 trusts in England and Wales. Local river trusts carry out a wide variety of cost-effective environmental improvements. For example, erecting fencing to keep cattle away from a river bank improves the conditions of the land and water, and brings the site into use as a leisure amenity.

I am Chairman of the Rivers Trust, the ‘umbrella’ body for river trusts in England and Wales. The Rivers Trust helps new local trusts establish and provides some initial funding, together with help and expertise. But the movement is driven by local initiative and involvement and maintains its grassroots or, more appropriately in this case, ‘wet feet’ approach.

Five years ago I turned again to the Community Foundation but this time with a challenge for them –

to explore environmental grantmaking in the North-East region, and look at whether there was scope to increase it within community foundations, and within other grantmaking trusts nationally. I also wanted to give the Community Foundation an opportunity to attract new supporters who might be more interested in environmental issues.

The result is the Local Environmental Action Fund (LEAF). I have given £280,000, which has been matched pound for pound by two other local charitable trusts and the Community Foundation. To date the fund has given away over £785,000 in 83 grants across Tyne & Wear and Northumberland. LEAF was cited as an example of good environmental grant-making in a New Philanthropy Capital report and this year received warm praise from leading environmental campaigner Jonathon Porritt.

Overall, my philanthropy is varied and covers time as well as money and this makes it the more satisfying. My advice for new donors looking to give locally is straight forward – look to work with like-minded people to increase the impact you can have and not to be afraid to step back and let good, competent organisations determine the best use for your giving.

I have enjoyed doing this and trying to preserve for our children and grandchildren the communities, landscape and wildlife which have been such an important part of my life.”



## | 02 | LOCAL CHALLENGES AND OPPORTUNITIES

*The UK remains, in relative terms, extremely affluent. Yet it is undeniable that the lives of many individuals and communities continue to be blighted by poverty, inequality and disadvantage. In the near term these challenges will be exacerbated by cuts in public expenditure. In the longer term factors such as climate change and resource scarcity will also radically affect local conditions.*

*It is, however, equally undeniable that thousands of organisations are having a positive impact on social, environmental or economic change. For those who would like their wealth to make a positive difference in the communities that matter to them, the range of opportunities is therefore immense.*

**By many measures we live in an era of unparalleled affluence, with many people in the UK enjoying an unprecedented level of welfare and well-being. Yet despite this affluence and indices of public contentment, there are also many signs of problems and deep concern in communities throughout the UK.**

For example, in spite of attempts to address issues such as child and pensioner poverty over recent years, inequalities in wealth and income have widened.<sup>2</sup> By some measures, income inequality is at its highest level since the 1960s. A growing body of evidence shows that inequality has a detrimental impact on social and health problems, such as violent crime, drug abuse, obesity and mental illness.<sup>3,4</sup> Poverty and inequality remove the support systems people need to be active citizens and deprive them of the security required to reach out and connect with others. And, at times, problems in some communities manifest themselves very dramatically and visibly, as in the case of the 2011 riots that took place in some cities in England.

#### **Hidden pockets of deprivation**

Clearly income inequalities exist across all geographic scales, including between more and less developed countries throughout the world. But inequality is often at its most visible at the local level – in local cities, towns and neighbourhoods.

For example, in the UK, the wealthiest 10% of Londoners are 273 times wealthier than the poorest 10%.<sup>5</sup> In the poorest area of Glasgow –

Calton – life expectancy for men is 54, compared with 82 for the nearby town of Lenzie; a difference of 28 years. The physical proximity of these communities may be very close, but in terms of quality of life, they are worlds apart.<sup>6</sup>

Cities, towns or even counties that appear to be relatively affluent often hide pockets of deprivation. These pockets are not usually apparent from statistical data such as indices of deprivation. Yet there may be streets or estates that are experiencing levels of poverty or exclusion on a par with the most deprived areas of the country. Surrey, for example, has the lowest level of child poverty in the country – 10% compared to 35% in London. And yet, in certain areas of Guildford and Redhill, the child poverty rate is higher than 40%.<sup>7</sup> The Community Foundation for Surrey has played a key role in unearthing such ‘hidden needs’, as illustrated in Box 1.

#### **Economic downturn: hitting the poorest hardest**

Economic conditions clearly play a critical role in shaping the well-being of local communities. Some, for example, are still suffering from the demise of traditional sources of employment such as mining or manufacturing. More recently, the current economic crisis means that many communities are facing a sharp cut in public spending and individuals are feeling more vulnerable to losing their jobs or their homes. Those who are most reliant on services and benefits – the poor and the vulnerable – will be most affected.<sup>8</sup>

Moreover, many local charitable organisations have been and will be severely affected by public sector funding cuts, especially those that have some form of state funding. The resulting potential demise of charitable projects or organisations will have detrimental effects on those who are reliant on them for support with issues such as debt advice, substance misuse or homelessness.

#### **Box 1 / Hidden Surrey**

The Hidden Surrey report written by Dr Helen Bowcock for the Community Foundation for Surrey demonstrates the level of need within the county and how Surrey’s overall affluence conceals the extent of local hardship. In her report, Dr Helen Bowcock states, ‘Surrey’s appearance as a wealthy county is deceptive. Throughout there are tight pockets of deprivation, enclosed within housing estates or even within a few streets, with high levels of child poverty, low income, poor mental health and other significant problems. These areas are often adjacent to affluent areas that camouflage the extent of need, driving down the statistics and diverting public funds to areas of more widespread poverty in other parts of the country.’

[www.communityfoundationsurrey.org.uk/hiddenneed.html](http://www.communityfoundationsurrey.org.uk/hiddenneed.html)

**Looking forward: the consequences of longer term challenges**

As communities and local organisations respond and adapt to changing economic conditions in the near term, many are already starting to experience the consequences of longer term challenges, such as climate change, resource scarcity or changing demographics, all of which will have profound long-term implications for local communities.

For example, rising sea levels are likely to place coastal areas at higher risk of flooding. In addition, resource scarcity will likely increase the price of fuel and food, which will in turn have the biggest impact on people living on low incomes.<sup>9</sup> And the ageing population will have consequences for the provision of care.

However, as illustrated in Box 2, many local groups are innovating solutions to longer term challenges and developing the resilience of local communities.

**Local organisations are essential to strengthening communities and enabling positive social, environmental or economic change**

While public sector organisations and businesses clearly play critical roles in shaping local conditions, local groups including charitable organisations, faith-based organisations and social enterprises have historically always played essential roles in tackling the most pressing challenges in society, improving people’s well-being and



the communities in which they live. Their strength lies in their proximity to local conditions and people, which enables them to have the knowledge, expertise and networks that national bodies would find hard to secure.

**Opportunities for philanthropists**

In some cases, challenges faced by communities present opportunities for innovation, which can be nurtured and supported by philanthropists. For example, climate change

and resource scarcity present opportunities to support renewable energy schemes, community transport, local food supplies or local waste management. Economic and political situations also throw up new opportunities that local organisations and philanthropists are in a strong position to respond to. For example, after London was chosen to host the 2012 Olympic Games, London Citizens<sup>10</sup> started its campaign to ensure that local people in east London would benefit, which has resulted in the 2012 London Games becoming the first living wage<sup>11</sup> Olympics. The 2011 riots illustrate the need to support organisations working with young people to prevent violence, such as the one illustrated in Box 3.

**Box 2 / Community solutions to environmental challenges**

Alloa Community Enterprise (ACE) is an award-winning social enterprise set up by a group of volunteers with a small business grant of £1,000 in 1984 as a furniture re-use project. It now operates several major collection and recycling services, while also providing training and employment opportunities to disadvantaged local residents. It is seen as the most successful community recycling business in Scotland and was awarded best large Social Enterprise in 2009 due to the benefits it delivers to its community.

[www.recycleit.org.uk](http://www.recycleit.org.uk)



### Box 3 / Leap Confronting Conflict

Established in 1987, Leap Confronting Conflict prevents the escalation of everyday conflict into violence by promoting understanding of the causes and consequences of youth conflict and sharing skills in handling and transforming conflict.

Leap offers a holistic approach to conflict resolution and has experience working with a range of issues including group offending, preventing weapon and knife crime, tackling bullying, reducing racist violence and peer mediation.

Leap's work is delivered through community and school-based projects and always in local partnerships, with the support of more than 50 specialist trainers around the UK, many of whom are young people themselves.

[www.leapconfrontingconflict.org.uk](http://www.leapconfrontingconflict.org.uk)

### An extraordinary array of local charitable activity

The breadth and diversity of local activity is vast. Today, across the UK, there are 145,000 small charitable organisations with an annual income of less than £100,000. These groups represent 85% of all UK voluntary organisations.

There are also an estimated 600,000 community groups that fall 'below the radar' of statistics – often small,

informal or self-help groups – which play an important role in the local 'voluntary sector ecology'.<sup>12</sup> Rahma Maye's work for the Somali community is an example of this (see Box 4).<sup>13</sup>

### Social enterprise: doing business for good

In addition to the rich landscape of charitable activity, social enterprise has also flourished. Social enterprises are businesses with primarily social and/or environmental objectives whose surpluses are principally reinvested for that purpose in the business or in the community.

There are around 62,000 social enterprises in the UK, contributing more than £24bn to the economy and employing approximately 800,000 people.<sup>14</sup> Particularly well-known examples of social enterprises include *The Eden Project* – an educational charity and social enterprise built in a disused clay mine in Cornwall – and *The Big Issue*, which offers homeless and vulnerably housed people the opportunity to earn a legitimate income. Thousands of much smaller social enterprises, such as Smart Savings in Cornwall (see Box 5),<sup>15</sup> are also doing work of great value to their communities.

The challenges and opportunities that exist for communities are clearly diverse. The next chapter outlines the key steps and considerations philanthropists might take when embarking on their journey to make a difference in communities that matter to them.

### Box 5 / A social enterprise in Cornwall

When working practices drove Jane Jiwa to leave her management position at a claims management company, she decided to set up an ethical claims management company in Cornwall. Established in 2009, Smart Savings helps clients to reclaim mis-sold financial products and trains them in money management. The idea is to make sure they don't get into financial trouble again. She mainly helps people struggling to get by on low incomes, and charges only enough to cover costs. As a Community Interest Company (CIC), Smart Savings' assets are 'locked into' the community and can't be sold to make a profit for the owner or shareholders. Though Jane aims to increase its income from claims so that it is self-funding, Smart Savings has relied on grant funding to get off the ground.

[www.smartsavings.org.uk](http://www.smartsavings.org.uk)

### Box 4 / Helping the Somali community in east London

Rahma Maye came to the East End of London from Somalia when she was 13. By her early twenties she was well integrated into British society. She spoke fluent English and had completed her A-levels. However, other members of the Somali community continued to face a range of challenges trying to integrate into British society; and Rahma started getting requests for advice from them. She advised them on issues ranging from childcare to employment, signposting them on to local government agencies and charities. Although she has now moved on to a career in nursing, Rahma continues to provide advice to the Somali community informally in her spare time.



## CASE STUDY: DAVID LAING

*“I truly believe in inspiring others. Encourage giving in a circle – ‘I give, will you?’”*

David Laing moved from Hertfordshire to Northamptonshire nine years ago. He and his wife Mary bought a small derelict estate and renovated it to become a family home once again. Today, the house and land are used as a base for community activities. Shortly after he moved, David was approached to become a trustee of the Northamptonshire Association of Youth Clubs. He subsequently became President. At about the same time, he joined the Northamptonshire Community Foundation as a trustee and then became Chairman. He was responsible for turning the organisation around and working with a new Chief Executive to strengthen the board. Motivated by his wide-ranging interests, David is also on the board of several other local organisations, from the University of Northampton to the Youth Sports Trust. He also runs his own foundation which gives locally and chairs his father’s charitable foundation, The Kirby Laing Foundation, which has a much broader remit.

“My wealth is largely inherited and I have always been in a position to give something back at some level. Giving cash is relatively easy. Time and commitment is more difficult. At an early age, I was involved in working as a volunteer with youth clubs in east London, which showed me how important it is to engage with young people so that they are able to realise their potential.

My family, parents and grandparents, had always put a part of their income to one side for others and we were actively encouraged to participate in charitable activity and take an active interest in voluntary giving. This created a culture of giving for me. Surprisingly, immediately post war, those strong ‘families’ in the building and other industries, like the Laings and Sainsburys, shaped this strong ethic to give back to charities. I’m genuinely pleased to see that this is a tradition that continues today.

We think long and hard about who and what we give to through our own foundation. Local giving is important to us and we channel 70% to the Northamptonshire Community Foundation and 20% goes to Hertfordshire Community Foundation. We also give to St John Ambulance and Marie Curie locally.

“Giving is an incredibly rewarding experience. I consider it to be a real privilege to see so many groups doing such a large amount of work for little or no rewards.”

David Laing

Local giving is important because you can focus funds to have the greatest effect. Rather than being sector specific, we are able to focus on a geographic area, supporting a wide range of projects. If you compare giving locally with nationally or internationally there is a completely different level of reward. I enjoy giving to a local charity. You feel much closer to it, and you're more likely to see the result of a gift or indeed a gift in kind.

And it's important to understand the wide ranging profile across your community: age, race, religion. We rely on the team at the Community Foundation to bring forward a number of local projects for us to support. This is a level of filtering that in itself is always a difficult process. We really value the good assessment mechanism that is in place.

As High Sheriff of Northamptonshire last year, I was able to raise the profile of the High Sheriff Initiative Fund, which is an established fund that focuses on the prevention of youth crime and anti-social behaviour. This fund is of particular interest to me and supports my motivation to give to help reduce problems for our young people in the county.

The Northampton and Wellingborough Sea Cadets is also a superb example of working with young people. The Cadets provide excellent facilities and activities to introduce young people to sailing as

a sport. They promote discipline and structure to the youngsters through taster sessions. Over half of these young people come from socially deprived backgrounds, for whom sailing is an inaccessible sport due to cost and social status.

I truly believe in inspiring others. Never be afraid to tell somebody that you have taken an interest in a particular project and have offered support. Encourage giving in a circle – ‘I give, will you?’

I donated to an endowment fund within the Community Foundation and encouraged others to follow suit using match funding – this meant the endowment increased from £400,000 to £2.3 million. Through the foundation, we have been able to meet others who have adopted the county as their base for giving too.

Giving is an incredibly rewarding experience. I consider it to be a real privilege to see so many groups doing such a large amount of work for little or no rewards.

My advice to anyone thinking of giving locally would be to contact your local Community Foundation, if there is one, and if there isn't, then set one up. It isn't difficult to set up your own charity with a local focus, but you'd need an enormous resource and the time to do so. It's far more effective and economical to use a vehicle that already exists.”



## CASE STUDY:ANDREW PRESTON

*“I was driven by a sense of, ‘If I don’t do it, who will?’”*

Andrew Preston, 44, recently founded Green Lane Capital, a property development firm in the North-East that aims to transform derelict areas of Middlesbrough. A former London hedge fund manager, Andrew returned to his home town of Middlesbrough in 2008. Struck by the social and economic needs of the area, the father-of-two launched the Middlesbrough and Teesside Philanthropic Foundation in April 2011, asking people with connections to the area to help support community infrastructure projects and services.

“I grew up feeling that you have a responsibility to do something for others. Partly because I’d see my dad regularly helping at a local centre for people with disabilities, and also because I was raised with a strong Catholic faith where a cohesive, social community and a sense of duty was the norm.

I became involved in charity as an adult when I was asked to be a patron of the London-based charity Absolute Return for Kids (ARK). I wanted similar projects to impact my home town and help young people who are outside the system to build their confidence and move them away from benefits dependency.

Three years ago, I moved back to Middlesbrough and I began to feel more passionate about the regeneration of the culture there.

Middlesbrough has not recovered from the downsizing of traditional industries such as ship-building, chemicals and steel. This has worsened the emergence of a drug culture and created a downward spiral as parts of the population have moved to the outer suburbs to escape the deterioration.

My growing frustration with the worsening social and economic situation in Middlesbrough finally pushed me to start contacting people to discuss the local problems and gain support for my idea. I was driven by a sense of, ‘If I don’t do it, who will?’

The main aim of the Middlesbrough and Teesside Philanthropic Foundation is the preservation of the local community infrastructure. But there are three other themes that are equally important. Firstly, the area has low levels of aspiration, very little free enterprise and a lack of confidence. These are all things I want to encourage and promote. I am also aiming to join up local businesses and create a ‘virtual’ business community to exchange ideas. Finally, I want to start creating some good PR about the area and showcase what we can do locally, as this has been somewhat lacking in recent years.

To show my commitment to the cause, I initially gave £20,000 to the charity and then began contacting local people to ask them to be patrons. This would involve them contributing £2,750, or £4,750 if they wanted to be a corporate patron.

My aim was to get £100,000 in the first year and increase on this year on year. It has been a time-consuming process, but in the first year already we have 23 patrons, including Mark Bolland, the former Deputy Private Secretary to HRH The Prince of Wales, Middlesbrough Council Chief Executive and a Goldman Sachs banker, who all hail from Middlesbrough. That alone has generated good media coverage, resulting in additional private donations and a fund of over £130,000 after two months. But I want to create something now that is sustainable and a national model that is transferable to other areas of the country. It is all very exciting and the possibilities are boundless.

I have employed the local Community Foundation to make use of their back office resources for admin, auditing, due diligence and vetting. We assess applications for support using three main criteria: the postcode must be local; it must be a community-based project; and we prefer projects where a relatively small amount of money will make a big difference. A local boxing club that was at risk of closure has been one of the most recent recipients, and although it sounds clichéd, boxing clubs support the community by acting as policeman, social worker, probation officer and sometimes surrogate parent to young lads who need help.

We have a good handle on local needs but, in order to further our understanding, we are forging strong

links with the award-winning University of Teesside on both the business and charity side to gain guidance on where we can target money most effectively.

My work is about the regeneration of culture and people and connecting with members of the community. ‘Giving back’ is a funny phrase as I haven’t taken anything and there is no guilt. I can assure you I am not a saint and not a religious person. I just feel a sense of pride about where I grew up and I think it is my duty to help the community and set an example to other locals.

The first step to setting up a local charity is to recruit a few key players, who are equally passionate about the local area. You want them to buy into the concept and help you from the start, so you need to sell them the vision and convince them of the opportunities! The local energy and push is critical to success.

When identifying a cause to support, work out what is important to you and go where your heart is. For me, that was the local need for social inclusion and social engagement. But you also need to understand the local community to ascertain who needs the money and who can help you work towards your goals. So it’s also important to read the local media, and with so much information now available online, it is easy to get an overview of everything that happens locally.”



## | 03 | LOCAL PHILANTHROPY: GETTING STARTED

*As outlined in Chapter 2, there is a vast array of opportunities for philanthropists to make a difference in the communities that matter to them. Given this, how can people find a focus for their philanthropy to ensure maximum impact, and what approaches can they adopt when supporting local organisations? Here we illustrate the journey a philanthropist might take in shaping their work and applying their resources.*

### **Local philanthropy: The first steps**

There are many opportunities for philanthropists to play a role in their local community. The choices philanthropists make about where and how they allocate their time, money or skills are often driven by a combination of three key factors as illustrated in Figure 1:

- 1) their values, passions and interests
- 2) their available resources
- 3) the challenges or opportunities available in any given context.

Ian Gregg’s philanthropy, profiled on page 10, is an example of this. Being an enthusiastic fisherman, he devotes a tremendous amount of both time and

funding to environmental causes in his home region in the North-East of England.

*“I increasingly focused my philanthropy on environmental issues and especially what are, to me, the obvious links between the condition of the physical environment and individual and community well-being. I am a keen fisherman and I am acutely aware of how farming, land use development, water abstraction, river catchments and bio diversity are all interconnected and have major implications for the quality of life of people who live nearby – not least in the case of flood risks.”*

### **Questions philanthropists might consider**

As a philanthropist embarks on their journey to support local communities, they might consider questions such as:

- How do I find out what are the most pressing challenges or opportunities in the communities I care about?
- How and where might my support make a difference?
- How do I find effective organisations to support?
- How can my support lead to sustained change?
- How might I measure success?

There are a wide range of resources that can be used to help philanthropists support their local communities. For example, the Coutts Institute offers bespoke advisory services to clients to inform their philanthropy.

### Understanding the local landscape

One of the best ways for individuals to get to know the communities they care about is by walking or driving around the neighbourhood, visiting community centres or local groups (including charities, faith-based organisations or the local Community Foundation or Development Trust Association –

[www.dta.org.uk](http://www.dta.org.uk)), by talking to community leaders, neighbours or charity workers and by reading the local press or websites.

Many local groups and community leaders will have an in-depth knowledge of local challenges and opportunities that could benefit from philanthropy. Organisations such as the Joseph Rowntree Foundation ([www.jrf.org.uk](http://www.jrf.org.uk)) also produce research that can provide philanthropists with important insights into local conditions, notably the organisation's research on poverty and place.

Should a philanthropist wish to undertake their own research to understand the local landscape, a picture can be built using information gathered from resources of all kinds, including those described above or websites noted in Box 6. The local snapshot of Lambeth, London, on page 22, illustrates the kind of picture that can be built up of a local area drawing on diverse sources of information. Appendix 1 also includes snapshots of local conditions in Cardiff, Leeds, Merseyside and Surrey.

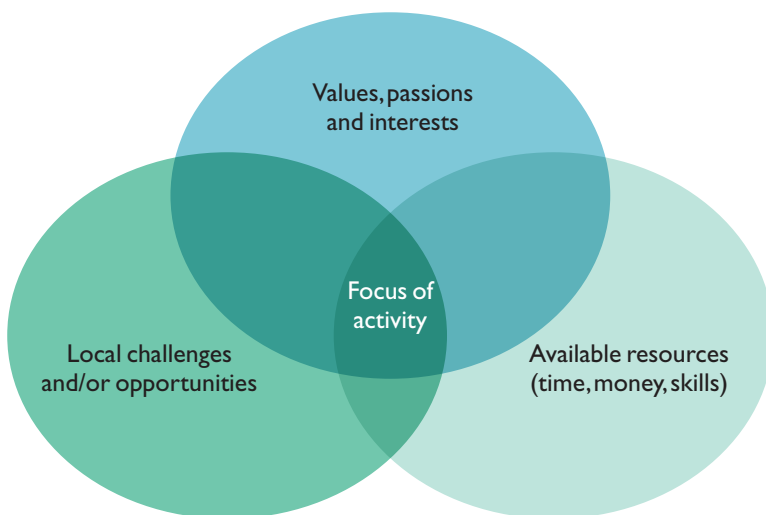


FIGURE 1: FINDING A FOCUS FOR PHILANTHROPY

“At Coutts we support clients with all aspects of their philanthropy, and it is hugely rewarding to see the joy and passion that drives individuals and their families to make a difference in the communities they care about.”

Maya Prabhu, *Head of UK Philanthropy*

#### Box 6 / Sources of data and information about local areas

**Local Futures** [www.localfutures.com](http://www.localfutures.com) In addition to resources already available at Community Foundations, from July 2011 they will be able to offer Place Profiles, which provide a high level analysis of any given area. Place Profiles also relate social conditions locally to wider economic development, sustainable development and quality of life issues.

**ONS Neighbourhood Statistics** [www.neighbourhood.statistics.gov.uk](http://www.neighbourhood.statistics.gov.uk)

**Index of Multiple Deprivation 2007** [www.communities.gov.uk/documents/communities/pdf/733520.pdf](http://www.communities.gov.uk/documents/communities/pdf/733520.pdf)

**Welsh Index of Multiple Deprivation** [www.wales.gov.uk/topics/statistics/theme/wimd/2008/](http://www.wales.gov.uk/topics/statistics/theme/wimd/2008/)

**Scottish Index of Multiple Deprivation** [www.scotland.gov.uk/Topics/Statistics/SIMD](http://www.scotland.gov.uk/Topics/Statistics/SIMD)

# *A local snapshot:* Lambeth, London

## *Key statistics*

- 19th most deprived local authority in England, 5th most deprived in London
- High ethnic minority population – 67% white population (88% national average)
- 35% of pupils on free school meals compared to 16% national average
- Crime: in worst 25% of local authorities
- 42% of pensioners receiving pension credit (29% national average)

Lambeth is characterised by a diverse population, living on low incomes, suffering from high crime, high unemployment and high levels of mental health problems. Issues of particular need are community cohesion, deprivation, gang-related crime and mental ill-health.

## *Key funders and funding gaps*

Some of the main local funders include The Walcot Foundation, the Peter Minet Trust and The Capital Community Foundation's Lambeth Community Fund.

Funders support a range of local community groups and charities, and together address issues relating to financial literacy, well-being, the arts, education, access to opportunities and social cohesion.

Possible areas to fund to address priority needs in Lambeth could include organisations working with isolated older people or at-risk young people, or projects supporting ex-offenders and those involved in gangs.

## *A snapshot of the local community*

Lambeth is among the most densely populated boroughs in the country but with fewer businesses than might be expected – those that exist are small, with 85% having fewer than five employees. More Lambeth residents are concerned about the 'lack of jobs' than the rest of inner London.

The buzzy arts scene around Southbank, Brixton and Clapham masks significant deprivation and need. Lambeth's most disadvantaged residents are being displaced from popular neighbourhoods surrounding cultural hotspots, giving rise to simmering tensions amongst youths.

Rates of teenage pregnancy, school permanent exclusion levels and the proportion of 16-18 year-olds not in education, employment or training are all higher than the national average. Gang violence is a significant and growing problem with a low provision of services for at-risk youth.

Efforts such as festivals and sporting and outreach programmes from the Young Vic and the Oval, are being made to address these issues, particularly to reach out to young people and to integrate new and displaced residents.

Health is also poor – with one of the highest levels of mental health needs in London and the highest rate of HIV in the country. However, most Lambeth residents are happy, rate their health well and like the area in which they live.

---

## **Information resources**

**Press:** Pan-London and local media – *South London Press* ([www.southlondonpress.co.uk](http://www.southlondonpress.co.uk)), *Evening Standard's* Campaign for the Dispossessed ([dispossessedfund.communityfoundations.org.uk](http://dispossessedfund.communityfoundations.org.uk))

**Local blogs:** eg 'Lurking about SE11' ([southeasteleven.blogspot.com](http://southeasteleven.blogspot.com))

**The Capital Community Foundation** ([www.capitalcf.org.uk](http://www.capitalcf.org.uk)): linking donors with local charities through the Lambeth Community Fund

**Lambeth Strategic Partnership** ([www.lambethfirst.org.uk](http://www.lambethfirst.org.uk)): a source of statistics and community consultation

**Lambeth Voluntary Action Council** ([www.lambethvac.org.uk](http://www.lambethvac.org.uk)): advice and support for the voluntary and community sector

**Localgiving.com** ([www.localgiving.com](http://www.localgiving.com)): a website allowing donors to search for vetted projects in their local area



# GETTING INVOLVED: UNDERSTANDING THE OPTIONS

Once a philanthropist has identified the focus of their work - having reflected on factors such as their values, passions and interests; the scale or nature of resources available to them; and the nature of local challenges or opportunities - there are a number of ways in which their support can be deployed.

Figure 2 illustrates the diverse ways in which philanthropists might go about

supporting the communities that matter to them, indicating the time- intensity that might be involved. For example, funding through a Community Foundation might be advantageous for a very time-poor donor, while setting up an operating charity appears at the other end of the time-intensity spectrum. These mechanisms are each explored in turn below.

## I | FUND THROUGH A LOCAL COMMUNITY FOUNDATION

Community Foundations offer a wide range of opportunities to engage in the community but, as Figure 2 below illustrates, they are also time-efficient vehicles for hard-pressed donors.

A Community Foundation is a geographically focused charity with a variety of vehicles for giving time, money and expertise. Community Foundations exist in all parts of the UK.

FIGURE 2: CHOOSING THE MOST APPROPRIATE WAY TO GET INVOLVED LOCALLY



“It isn’t difficult to set up your own trust with a local focus, but you’d need an enormous resource and the time to do so. It’s far more effective and economical to use a vehicle that already exists.”

David Laing



Typically they operate in a county or a large metropolitan area but there are also Community Foundations for Scotland, Wales and Northern Ireland. Their aim is to identify local needs, bring together philanthropists who wish to make a difference to their local areas, and link them to projects that improve the quality of life in their community.

There are now 58 Community Foundations in the UK, holding £224.5 million in endowments and giving out around £70 million in grants per year. In 2010, over 26,000 charities and community projects received funding support from a Community Foundation. This breadth of funding to local charities and community groups means donors benefit from the local knowledge that is built up over time.

Many of these projects are run by community groups which are too small to register with the Charity Commission for England and Wales, or equivalent bodies for Scotland and Northern Ireland, and are therefore ineligible for Gift Aid relief. One of the features of Community Foundations is that because they research and fund these same groups, a donor can still give tax efficiently to a community group by using a Community Foundation. A new online platform for community groups

and charities is now available from Localgiving.com, also highlighted in this guide.

There are many ways to use a Community Foundation, one of them being the Donor Advised Fund (DAF). This provides many of the same benefits to a donor as a private family charitable trust including all tax reliefs, but the Community Foundation provides grant-making, due diligence, monitoring and reporting services. Donors can provide short-term, or long-term support (usually in the form of an endowed fund) to their particular community issue or area. This spreads the overheads that every charity and private trust incurs among many donors. Local charitable and community organisations also benefit as one application to a Community Foundation potentially accesses funding from many funds.

Other ways in which Community Foundations can support philanthropists include: research and knowledge of local challenges and opportunities (illustrated in Box 7); opportunities to connect with charities and community groups, and for donors to offer their expertise; donor networking and co-funding with local grant-makers; and support to local businesses with their giving.

#### Useful resources

Community Foundations [www.communityfoundations.org.uk/community\\_foundations/map](http://www.communityfoundations.org.uk/community_foundations/map)

The Global Fund for Community Foundations (a network of over 100 emerging local community philanthropy institutions around the world) [www.globalfundcommunityfoundations.org](http://www.globalfundcommunityfoundations.org)

#### Box 7 / A philanthropist’s view – Kent Community Foundation<sup>16</sup>

“What’s great about Kent Community Foundation is that it ensures that we are helping genuine cases of need,” said Paul Rooney. “The team has presented causes and groups to us we wouldn’t have previously considered supporting, because we were unaware of the wide-ranging needs that existed in our community. Kent Community Foundation does all the leg-work. The team talks to us about the groups and individuals they’ve found that need help, and provide us with the necessary information and knowledge so we can make decisions on funding. I just wouldn’t have the time or the ability to vet each one.”



## 2 | PROVIDE FUNDING DIRECTLY TO LOCAL GROUPS OR SOCIAL ENTERPRISES

Making grants is the most common way of directly supporting local organisations.

In order to find organisations to support, philanthropists have a range of options:

**Connect with local networks:** Such networks include faith-based organisations, local funding forums or organisations that act as an umbrella for groups or individuals. Manchester philanthropist Brian Greene, for example, uses ‘host’ organisations such as sports clubs, dance schools and theatre schools in order to find individuals to support through his Arts & Sports Trust. ‘It is much easier to vet an organisation than an individual,’ he says.

**Use an intermediary:** There are consultants and organisations (including Community Foundations) that can provide strategic advice on local giving that can find charities that reflect a philanthropist’s specific criteria, and that can conduct due diligence.

**Go online:** New websites such as Localgiving.com are emerging with searchable databases of organisations

that can help identify organisations to support based on a location or a theme.

**Fund a local branch of a national charitable organisation:** There are many national charities that operate on a local basis through branches, such as AgeUK, Mind, Citizens Advice Bureaux or the Alzheimer’s Society.

**Draw upon the experience of a local grantmaker:** Established trusts and foundations often publish a list of their grantees, which philanthropists can consult as a useful starting point to find organisations to support.

**Use local media:** A key theme running through many of the case studies in this guide is how useful local media (radio, print and online) can be for publicising

funding possibilities and inviting organisations to apply, and for finding information, local organisations and activities. As illustrated by Andrew Preston in the early stages of establishing his Middlesbrough and Teesside Philanthropic Foundation: *“It’s important to read the local press – and with so much information now available online, it is easy to get an overview of everything that happens locally.”*

It is important to note that over the past 20 years, many community organisations have moved from being fuelled only by grants to a more sophisticated funding ecology that includes equity, loans and patient capital. There is a growing number of mechanisms through which charitable organisations or social enterprises can be financially supported. The ‘social investment’ or ‘impact investing’<sup>18</sup>

### Box 8 / Fair Finance: The cornerstone investors and the engagement of commercial banks

‘Fair Finance is a microfinance organisation that aims to reduce financial exclusion by reinventing personal finance to make it more inclusive. It provides access to bank accounts, personal finance, business finance and debt counselling to communities in London. It has proved the business case for its lending services and in order to scale them it required: loan capital to grow its loan book and investment capital to cover its core expansion costs.

By separating out these financing needs, it approached different funders for different requirements. It raised £2m in debt finance from Santander, Société Générale and BNP Paribas to use for on-lending. A further £350k was secured from the NESTA Big Society Finance Fund to help speed the growth and ensure leverage ratios were maintained. This finance was raised on commercial terms, which will ensure that it can scale upwards as the business grows and is successful. However a key part of the banks’ support was ensuring that the investment capital for expansion had been already secured. Up to £750,000 had been secured by angel impact investors such as Venturesome, Ashoka and various high net-worth individuals which provided comfort and underpinned the banks’ capital’.<sup>17</sup>

[www.fairfinance.org.uk](http://www.fairfinance.org.uk)

landscape has captured the imagination of many philanthropists and charitable trusts and foundations, especially those who wish to combine enabling a positive social and/or environmental return with a financial return. Based in east London, Fair Finance, illustrated in Box 8, is one example of a social business that is growing as a result of a combination of philanthropy and other forms of finance.

### Useful resources

Intermediaries: For a full list of intermediary organisations, see Philanthropy UK's Philanthropy Directory ([www.philanthropyuk.org/resources/philanthropy-directory](http://www.philanthropyuk.org/resources/philanthropy-directory))

Online databases: [www.localgiving.com](http://www.localgiving.com), [www.thebiggive.org.uk](http://www.thebiggive.org.uk) or an advanced search of the Charity Commission's site at [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

Coutts 2010 Guide to Social Enterprise ([www.coutts.com/files/social-enterprise-q2-2010.pdf](http://www.coutts.com/files/social-enterprise-q2-2010.pdf)), Working with ClearlySo, the School for Social Entrepreneurs and UnLtd, the Coutts Social Enterprise Advisory Service supports clients that wish to engage with social enterprises.

## 3 | GIVE WITH OTHERS – PEER NETWORKS, GIVING CIRCLES AND LOCAL CAMPAIGNS

There are a variety of ways in which philanthropists can work and connect with others:

**Donor communities:** There are a number of existing networks based in specific locations that share knowledge about local issues and organisations. Some examples include: The Funding Network (illustrated in Box 9), London Funders, East Midlands Funding Forum, as well as groups in Northern Ireland, Scotland and Wales. Although some funding networks tend to consist of established grantmaking trusts or foundations, they can be a good source of information for individual philanthropists.

**Giving circles:** Giving circles are groups of individuals who come together, pool their funds and determine what issues and charities to fund. The pooled fund is often hosted or sponsored by a charitable organisation, such as a Community Foundation. Circles are typically organised around an area of common interest (for example, Coutts offers donor-advised funds on microfinance) or a geographic region. It is a high-engagement and enjoyable form of philanthropy, as participants dedicate time to decision-making and to learning about local issues and organisations.<sup>19</sup>

### Local fundraising campaigns:

Individuals can also fund with others to their local area through local campaigns. One example is the *Evening Standard's* Dispossessed Fund, run in conjunction with Community Foundation Network, to fight poverty in London.<sup>20</sup> Also based in London is Islington Giving, a coalition of five charitable trusts already funding in the borough, which aims to raise £3m 'for local people, by local people to support the local community'.<sup>21</sup>

The campaign not only calls for donations, but also offers innovative ways for local people to help combat poverty in Islington, such as hosting fundraising events, becoming an ambassador, tipping in restaurants, or supporting new social entrepreneurs.

### Useful resources

To find a Funding Network in your local area, see Philanthropy UK's list of regional funders' forums: [www.philanthropyuk.org/quarterly/articles/local-funders-collaborate-impact](http://www.philanthropyuk.org/quarterly/articles/local-funders-collaborate-impact)

To join a local Funding Network or to set up a local group in your area, see: [www.thefundingnetwork.org.uk/category/group/](http://www.thefundingnetwork.org.uk/category/group/)

Many Community Foundations host pooled funds and/or partner with The Funding Network or host other giving circles: [www.communityfoundations.org.uk/community\\_foundations/map](http://www.communityfoundations.org.uk/community_foundations/map)

A useful guide on setting up your own giving circle: [www.philanthropyie/index.php/philanthropy/want\\_to\\_give/](http://www.philanthropyie/index.php/philanthropy/want_to_give/)

### Box 9 / The Funding Network

The Funding Network (TFN) was set up in 2002 by Dr Frederick Mulder to offer a way for people to engage in peer giving. TFN events are open to anyone and give donors the opportunity to hear presentations by a handful of charities in a *Dragon's Den* style environment. There is then a pledging session where people can give and the funded charities report back to donors one year later. There are now funding networks in London, Leeds, Manchester, Norfolk, Oxford, Devon and Bristol (South-West). A typical event will offer opportunities for members to give in their local area and to meet other local donors.



#### 4 | CO-FUND WITH A LOCAL GRANTMAKER

Philanthropists can tap into the expertise of local grantmaking trusts and foundations that have been funding in the community for many years, know the local issues well, and are well connected with local organisations. Some larger local funders are committed to sharing knowledge about local issues. For example, the City Bridge Trust, based in London, publishes bite-sized publications called *The Knowledge – Learning from London*, where lessons are shared on grant-making in London around specific issues, such as the environment, knife crime, IT capacity and building accessibility for disabled people.<sup>22</sup>

Co-funding with existing philanthropic organisations can prove to be a good way of benefiting from the due diligence and experience of an existing funder, as illustrated in Box 10.

##### Useful resources

The Association of Charitable Foundations (ACF) is a good resource for finding established grant-makers operating throughout the UK. ACF is also a valuable source of publications and training for trusts and foundations. [www.acf.org.uk](http://www.acf.org.uk)

##### Box 10 / The Francis C Scott Charitable Trust (FCSCT)

The Francis C Scott Charitable Trust is a family trust that gives more than £1m per year to charities operating in Cumbria and North Lancashire, primarily supporting children and young people. The FCSCT was approached by an individual responsible for distributing a £70,000 legacy left by their uncle for children and young people in Cumbria. Knowing the FCSCT was an expert in this area, both by geography and theme, they asked whether the FCSCT could make grants on their behalf, which it duly did. “So long as it involved a light-touch admin approach and was free of restrictions, our board decided that helping to distribute this legacy was within our mission to support children within our local county,” recalled Chris Batten, Director of the FCSCT. “We have also recommended a short-list of charities we know or fund to another individual keen to give in the area, but we only do this on an ad hoc basis.”

#### 5 | GET INVOLVED THROUGH YOUR BUSINESS

Most businesses, regardless of size, industry or structure, take part in some kind of charitable activity. In a 2005 Coutts survey of almost 300 businesses in the UK, 84% supported charitable causes. According to that survey, companies’ charitable giving is motivated by a number of factors – ‘bringing employees together’, ‘making the world a better place’ – but most clearly by ‘giving something back to a local community’. Giving through a business, particularly when it is a family business strongly rooted in the local community, is often directed at organisations in close physical proximity to the workplace.

There are a number of different ways that businesses can get involved with local groups. These include allocating a share of profits to a corporate foundation and distributing this to local organisations, encouraging staff to volunteer in their local communities, establishing payroll giving schemes to encourage employees to give, and match-funding employees’ charitable giving.

Anyone who shops at Waitrose will be familiar with their green token system. Customers decide how much of a monthly total is given to each of three nominated charities or community organisations – nominated in the first place by customers themselves. This initiative not only supports local organisations, but also builds awareness about local issues with customers.

##### Useful resources

Business in the Community advises businesses on social responsibility, including volunteering and charitable giving. [www.bitc.org.uk](http://www.bitc.org.uk)

## 6 | BECOME A VOLUNTEER

Local involvement need not be just about providing financial support. It can also be about giving time or expertise. There are a variety of ways philanthropists can support local organisations through the giving of their time. Volunteering or becoming a trustee of a charitable organisation can also be a great way to develop a deeper understanding of local issues and how charitable organisations or social enterprises operate.

**Volunteer:** The range of opportunities is vast – from running sports activities to planting trees or mentoring children at risk of exclusion from school. An example of volunteering making a difference in a community is illustrated by the Olive Branch in Box 11.

**Become a trustee:** Many people have skills, knowledge or experience which they can bring to a charity. Trustees should have a strong personal commitment to the aims and objectives of the organisation they wish to support.

**Using expertise** to help strengthen the work of a charitable organisation or social enterprise. In some cases organisations would welcome support with, for example, the development of a strategic or business plan or with financial planning. Where appropriate, offering expertise can be rewarding for both parties.

**Become a champion:** Some philanthropists choose to act as a champion of a local issue. This may



involve running a media campaign to raise awareness of a particular issue and encourage other local residents to take action.

### Useful resources

For volunteering opportunities, contact your local volunteer centre: [www.volunteering.org.uk/WhatWeDo/Local+and+Regional/VolunteerCentreFinder](http://www.volunteering.org.uk/WhatWeDo/Local+and+Regional/VolunteerCentreFinder)

Timebank helps people find things to do close to where they live or work [www.timebank.org](http://www.timebank.org)

For trustee vacancies, search the Trustee Network's database: [www.trusteenet.org.uk/jobs-search](http://www.trusteenet.org.uk/jobs-search) or connect with Getting on Board [www.gettingonboard.org](http://www.gettingonboard.org)

Pilotlight matches talented business people with charities and manages the relationship. [www.pilotlight.org.uk](http://www.pilotlight.org.uk)

## 7 | BECOME A VENTURE PHILANTHROPIST

Venture philanthropy (VP) is a form of engaged philanthropy that involves a combination of finance and expertise (to draw the parallels with venture capital) to enable a step-change within a charitable organisation or social enterprise (investee) to further its mission. On the whole, the focus is on capacity- building rather than funding projects or general running costs, with a key emphasis on measuring the social impact of the investment.

It usually requires a high level of time commitment to identify which organisations to invest in, then to work out their financing needs and structure the financing mechanism accordingly (which can be loans or other forms of finance as well as grants).

### Box 11 / The Olive Branch – Volunteering in Wales

The Olive Branch project is run by a group of dedicated volunteers under the umbrella of the Bethel Community Church. It provides a free drop-in service for homeless and vulnerably housed people in Newport, South Wales. Inside a renovated cafe, the Olive Branch provides support for over 35 guests each week. Volunteers give their time and a hot meal and a drink along with a friendship and a good listening ear. There are many facilities available for guests to use at the community centre including IT and showers and a clothes bank, and arts and crafts sessions. Medical advice, counselling and literacy tutoring are also available at the drop-in session, which can improve the health and well-being of the guests.



However, the benefits for both the investee and the donor can be significant. When it works, the venture philanthropist provides the investee with a supply of long-term funding, finance to build the capacity or infrastructure of the organisation and the provision of hands-on support.

For venture philanthropy to work, there needs to be a close relationship between the donor and investee over an extended period. Donors get the chance to work closely with charities and see the impact they are having on the charity first-hand.

As well as directly identifying an organisation to support, a venture philanthropist can get involved in venture philanthropy through a specialist intermediary, such as the Impetus Trust. Donors can either donate through this fund to organisations in their portfolio, fund individual organisations as a co-investor, or contribute skills, such as legal, marketing, accountancy or consulting.

### Useful resources

The European Venture Philanthropy Association promotes venture philanthropy around Europe and to support its 120 or so members in carrying out venture philanthropy activities. [www.evpa.eu.com](http://www.evpa.eu.com)

Impetus Trust is one of the leading Venture Philanthropy organisations in the UK. [www.impetus.org.uk](http://www.impetus.org.uk)

The Venture Partnership Foundation is a grantmaking foundation supporting social entrepreneurs. [www.vpf.org.uk](http://www.vpf.org.uk)

## 8 | SET UP AN OPERATING ORGANISATION

Some philanthropists choose to invest significant time and resources in setting up their own operating charitable organisation or social enterprise to tackle a specific issue in their local community, as illustrated in Box 12.

However, setting up a new operating organisation is often a last resort for philanthropists because of the amount of investment required. It is always worth exploring whether there are existing organisations that can be supported or built upon rather than duplicating the effort. Talking to local experts (grantmaking trusts

### Box 12 / TreeHouse School

A mother in north London whose son had been diagnosed with autism was told that, although he required specialist help, there were no school places available locally for her child. After reaching out to other parents in a similar situation and after hours of research into the most effective approach to tackle autism, the group of parents, which included the author Nick Hornby, decided to start a school themselves in their local area. TreeHouse started life with five pupils in a borrowed room in the local hospital. Thirteen years later, it has become one of the UK's leading autism campaigning organisations, Ambitious about Autism, raising awareness, influencing policy and training while still providing first-class specialist education for up to 100 children with autism.

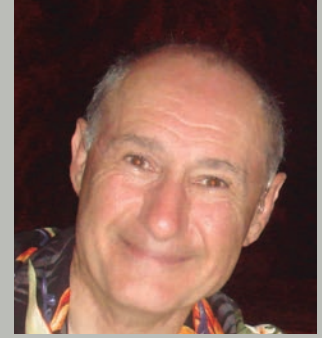
[www.ambitiousaboutautism.org.uk/page/treehouse\\_school/index.cfm](http://www.ambitiousaboutautism.org.uk/page/treehouse_school/index.cfm)

and foundations, the local council, Community Foundations or existing organisations operating in a given field or area) can help establish what activity currently exists.

Whatever the mechanism that a philanthropist chooses to adopt in their philanthropy, the rewards for the philanthropist, the organisation they support and the communities they work with can be plentiful, as illustrated in Chapter 4.

### Useful resources

The Charity Commission provides useful guidance on setting up charitable organisations: [www.charity-commission.gov.uk/Start\\_up\\_a\\_charity/default.aspx](http://www.charity-commission.gov.uk/Start_up_a_charity/default.aspx)



## CASE STUDY: BRIAN GREENE

*“It is fantastic to watch how young people drive themselves and the family is rewarded by witnessing people who receive our grants achieve their dreams.”*

**Now retired, Brian Greene spent his working life in the IT industry, first working for a large company and then forming and building his own very successful company.**

**Hobbies include keeping fit, music, good food and travel, all of which his wife Carol is only too happy to take part in. Other interests include giving presentations on a variety of musical topics and running the family charity, The Arts & Sports Trust. His only remaining ambition is to visit as many major theme parks in the world as he can, although Disneyland always seems to get in the way.**

“I was a working-class boy but I was very lucky as I lived in a community that provided the means to achieve my aspirations. However, I realised that many people do not have that luxury, so I wanted to give something back. I also wanted to prepare my children for the responsibility that comes with inheriting wealth, as well as providing them with a reason to stay in touch as a family.

I founded the Arts & Sports Trust (AST) in 2003. The inspiration came from looking at my children and the benefits that they enjoyed from their physical activities – James in football and Laura in dance. I was lucky because I could fund my children’s activities. However, I realised that there are many youngsters wanting to make a career of sport or the arts but who may not have the financial resources required. The Arts & Sports Trust was a way to help young people to achieve their dreams and inspire others.

Setting up the trust was a little time-consuming and costly but not difficult. I wrote a two-page synopsis and gave it to solicitors to set up the charity. I donate an annual amount and we also receive some money from individual donations. We decided that we would work with ‘host’ organisations, such as sports clubs, dance schools, theatre schools and art colleges that could put forward students or members as candidates. Organisations act as a third party to nominate and justify their selection of candidates for AST awards. This adds a vital filter to our selection process and ensures that we receive references from professional bodies, as well as the subjective applications of individual candidates.

We try to keep the application process accessible and set great store by applicants’ personal statements. We want to ensure the candidates’ commitment and willingness to go the extra mile. The trustees – myself, my wife Carol, my son James and my daughter Laura – evaluate and independently score the applications according to our funding criteria and I make the decision once all scores have been submitted and collated. To date, we have tended to agree on the grants to be made; however, the independent scoring process is vital to ensuring the integrity of our award-making. Involving our children has worked wonderfully. We know now that when they inherit our wealth, they will have a sense of responsibility and social conscience.



“The most rewarding thing locally is building relationships with organisations and getting the opportunity to meet grant recipients – nothing beats it. This also gives the trust credibility as it shows your passion about the organisation, the individual and their future.”

Laura Greene, *Brian's daughter*

We had never thought about the trust having a local bias and we marketed it as a national trust. The main driver was to help young people achieve in sport and the arts, which often involves travel to access the best facilities. Invariably if you want to become a star of stage and screen, you head south to London; and if you want to be a footballer, you probably head north. So a certain local flavour has jumped out at us. We have ended up giving about 80% nationally and 20% in the Manchester area.

Some local focus has also come from building relationships and networking with local organisations that nominate candidates such as Sale Harriers, an athletics club based in Manchester, and with local organisations that give funding, such as Manchester University Student RAG.

There are other charitable organisations in the area, and we try to ensure that we do not duplicate effort. They all work differently and have different biases so, between us, we cover the full spectrum of local needs.

You definitely get a different experience out of giving locally compared to giving nationally because of the local relationships – you can pop in to see people more easily and then you become the face of the charity and build trust. People often hear about the AST through word of mouth – the local organisations have national relationships and if they have a good experience of the trust then word spreads. It is also a great pleasure to be recognised by, and receive money from, a local group and then put that money back into the local community where I grew up and worked.

It is still a little early to say how successful we have been, as many of our recipients are young, but signs are that many of the young people we are helping do go on to make an impact in their chosen area of activity. One of the young people we have supported, George Samson, went on to win *Britain's Got Talent*, and has received further professional training and contracts as a result.

I believe that setting up your own trust or charity is the most effective and satisfying way to target your giving and experience the results. Other general tips are that you need to be very clear about your objectives and how these are different from other local and national charities, know where your funding will come from, and have a plan to make it happen.

Locally, it is worthwhile doing your research and then seeking out the people in the organisations that you want to work with who are most likely to nurture the relationship with you. Hopefully, they will become an ambassador for the charity. It is about people, not organisations. Also, utilise the local media to spread the word and make publicity a condition of your award/funding.

If your area of charitable impact is distinct and changes lives for the better, it will take on a life of its own and you will be amazed where it will lead. It is fantastic to watch how young people drive themselves and the family are rewarded by witnessing people who receive our grants achieve their dreams.”

## CASE STUDY: ANDREW WATES

*“It is very rewarding to get involved at a direct and local level, whether that is rolling up your sleeves, providing gifts in kind or providing expertise and advice.”*

Andrew has lived near Dorking in central Surrey with his wife Sarah and their family for over 40 years. Andrew is a third generation member within the Wates Group, one of the largest privately owned building and construction companies in the UK with over 2,000 employees and an annual turnover of over £1 billion. Andrew joined the family business in 1964 and was Chairman until 2006 and subsequently Chairman of Wates Family Holdings. Andrew was also Chairman of the Institute of Family Businesses until recently. The Wates Group won the Coutts prize for the best UK Family Business in 2007.

Andrew is Chairman of the Grant Committee of the Wates Family Enterprise Trust. The Trust runs Wates Giving, a charitable programme which invests in local projects proposed by Wates employees, supporting organisations which benefit communities for the long term. In addition, the Wates Group hosted the Community Foundation for Surrey within his offices in Leatherhead when it was first established five years ago. Andrew is a founding trustee and has chaired the Finance and Investment Group, establishing a strong financial basis for the Community Foundation.

“Our family has a saying that each generation are stewards for developing the family business and for engaging with and supporting local communities. We believe that part of the benefit of wealth is being able to help others and also to try to resolve some of the more difficult social issues. This tradition of philanthropy started with my grandfather who established the family business in 1897, continued by his three sons and subsequently developed by

the third and fourth generations, providing a strong family history of both enterprise and community philanthropy.

Our giving nationally is strategic with carefully thought through priorities, and a reflection of our sense of social responsibility. We have five key themes which include Training and Education, Social Enterprise, the Environment (including sustainable energy), supporting Local Communities and ‘thought leadership’. This has included looking at the root causes of poverty, which led us to being involved in a joint venture pilot in the Midlands with the National Housing Federation and RBS, called My Home Finance. It is a new high street service which offers more affordable loans and advice to people who find it difficult to obtain loans. It offers access to responsible lending and diverts people away from crime, doorstep lenders and loan sharks. They support people with micro-loans that help them directly with their day-to-day life such as buying school uniforms.

We also want to support social enterprises and have been impressed with the achievements of the Riverbank Community Café set up by residents on a housing estate in Manchester. Using home grown vegetables, grown and brought by the cafe, the cafe also provides training and support to local people. By providing the initial capital, we have seen how the Community Café has developed as an enterprise that also helps people develop skills within their local community.

Under the ‘thought leadership’ theme, Wates Giving has recently funded a report on ‘Tomorrow’s Prisons’. The report recommends that we should



have greater local management of prisons – dealing with more prisoners locally within their home county – and that we should explore new ways of helping them once released. It can't be right to have 70% of ex-offenders back in prison within 18 months. The results at the Clink restaurant in High Down Prison in Sutton, are visible and are having some success in supporting prisoners to train, gain qualifications in food preparation and business, along with support and guidance to find employment once released. Part of the success is that we are backing, with other funders, an inspirational individual in Al Crisci. The Clink, recently featured in a television documentary, is the only social enterprise restaurant run within a British prison.

Tragically my son was killed while travelling in South America as part of a period of voluntary work. We established the William Wates Memorial Trust in 1998 to reflect his passion for sport. We wanted to help the most disadvantaged young people and help them focus on positive activities that build their potential. The Trust awards grants to support children and young people to take part in sport, arts and education, covering a wide geographical area particularly in inner London. The support that we provide is quite wide-ranging from indoor football to street dance and youth clubs. We have awarded over £1.2 million in memory of William and the whole family get involved in helping to raise funds, including football matches at Chelsea's training ground and a biannual 'Tour de Force cycle ride' of 3,600km across France. In 2010 this event raised £450,000!

Giving locally is equally important to the family and me personally. I am Patron of the Surrey Care Trust and a trustee of the Royal Alexandra and Albert School and St Catherine's Hospice. It is rewarding to get involved at a direct and local level, whether that is rolling up your sleeves, providing gifts in kind or providing expertise and advice. One of the highlights of the year for Wates staff is their participation in the Wates Community Day. Everybody in the organisation, from the top down, supports projects within their local communities. Last year over 11,000 hours of direct help to community projects was given by Wates people. By the nature of our business we are strongly connected with local communities and part of the local networks.

Providing gifts in kind, such as office accommodation and skills and expertise, is as crucial as funding. We continue to support the Community Foundation for Surrey by providing for core costs because we believe this is an investment which will help the Foundation to develop and inspire more people in Surrey to give to their local communities. The Community Foundation is ideal because of its local grassroots knowledge. It is a wonderful chance to give effectively.

For my family and me, it is the engagement that gives the satisfaction, not just signing a cheque. Staying engaged is one of the keys to successful giving. It is a privilege to be able to give and make a contribution to social change."



## | 04 | THE REWARDS OF LOCAL PHILANTHROPY

*Local philanthropy can be enormously rewarding for all parties: individual philanthropists and their families, the organisations they support and the communities in which they operate. Even relatively small sums of money, used effectively, can make a big impact and bring about real change in local communities across the UK and potentially outside of the UK too...*

Given the diverse scope of local organisations, the opportunities for philanthropists to support activities in the communities that matter to them are wide-ranging, as are the potential rewards.

Research shows that an individual's well-being can improve when they are more engaged in their community, particularly when they are undertaking action-focused initiatives and are making a tangible difference to their community.<sup>23</sup> Whether volunteering or financially supporting organisations, this can be a way of connecting with other members of the community, as illustrated in Sue Phipps' experience in Box 13. It is equally rewarding for

philanthropists to see the impact of the organisations they support first hand, as illustrated by Angus and Wanda Lloyd in Box 14.

As illustrated in Box 13, it is also increasingly common for philanthropists to involve younger members of their family in making decisions about giving. Many families take their children to visit projects they support or inspire them to become philanthropists themselves. For example, Manchester-based philanthropist Brian Greene, profiled on page 8, was inspired to set up his Arts & Sports Trust by his children. He told us, *"I wanted to prepare my children for the responsibility that comes*



### Box 13 / Local engagement<sup>24</sup>

Having been involved with charities across London and abroad for many years, Sue Phipps had been looking for a way to use her skills and get more closely involved in her community when she was introduced to the Lambeth Community Fund, a collective giving fund managed by The Capital Community Foundation (CCF). Driven as much by cause as her Lambeth location, Sue was keen to help disadvantaged young local residents to improve their life chances, and enhance their ability to find rewarding work in London.

By working with CCF, Sue feels that she is part of an inclusive community of donors, where her specific skill sets are maximised in Lambeth and across London. 'It is about so much more than just giving money.'

Alongside her other work with the Community Foundation, Sue is closely involved in raising the profile of the Lambeth Community Fund among her peers in Lambeth, encouraging them to give locally, and providing a personal example of ways they can help address needs in the community. She has also encouraged her son George to get involved with the Lambeth Community Fund and

the Community Foundation's other projects. She sees volunteering for the Foundation's projects in Lambeth and across London as an exciting opportunity for George to develop stronger links to his community, and build awareness among his peer group of the challenges facing local residents.

Sue sees the major benefit of giving locally as being able to see exactly where the money is going, and the impact that the donations are having. She likes visiting the funded projects, learning about the issues, and meeting the beneficiaries.



*with inheriting wealth, as well as providing them with a reason to stay in touch as a family. Involving my children has worked wonderfully. I know now that when they inherit my wealth they will have a sense of responsibility and social conscience.”*

**Small amounts of money can have a big impact**

Small grassroots organisations are underfunded in many ways, especially those which are ‘under the radar’. Despite making up 85% of all voluntary organisations, small organisations receive just 6% of the sector’s total income.

Small, effective local organisations can often be a rewarding choice for donors as illustrated in Box 15 by Lulu Burridge.

**A real force for scaling up positive change**

It is also important to recognise that support for local initiatives can also lead to much wider change. While some charitable organisations or social enterprises have quite rightly remained very local in their focus, some initiatives that started in one community have spread across the UK or even internationally, and have

fundamentally shaped our economy and society.

For example, building societies, which started in Birmingham in the late 18th century, dominated the supply of mortgages for home ownership at the outbreak of the Second World War. Established almost 20 years ago in Cheltenham, Winston’s Wish – a charitable organisation that helps young people re-adjust to life after the death of a parent or sibling – now runs a national helpline. Fair Finance (illustrated in Box 8) is now opening new branches

**Box 14 / Supporting local needs in Surrey<sup>25</sup>**

Angus and Wanda Lloyd set up the East Court Fund in 2006 because they wanted to support local need in Surrey. While the county is affluent there are some areas of high deprivation and they therefore felt it was important that their giving should have as much impact as possible and sought support from the Community Foundation for Surrey.

“We like to focus on supporting projects that specifically help the young and the old and have supported numerous groups in Surrey so far,” says Wanda. “One of the core groups we have given to is the Leatherhead Youth Project which does extraordinary work with

young people in that area. They run an after-school café called BFree and various projects to increase confidence among teenagers who may be at risk of exclusion from school or anti-social behaviour.”

For the Lloyds, giving locally is particularly satisfying. Wanda continues, “We get fulfilment from helping and getting to know people in need in our local area. It’s more rewarding than simply handing out a cheque. We like to get to know the individuals involved and, where possible, meet the beneficiaries. We believe this support is more valuable long term as we are able to build up a real relationship with our funded organisations.”

“For my family and me, it is the engagement that gives the satisfaction, not just signing a cheque. Staying engaged is one of the keys to successful giving. It is a privilege to be able to give and make a contribution to social change.”

Andrew Wates

throughout east London. And the Transition Town movement, which started in 2006 in Totnes, is now a global network of communities that seek to strengthen local resilience in the light of climate change and resource scarcity, supporting the transition to a low-carbon economy.

Examples like these demonstrate that local activity can often lead to significant change in policy or practice across the UK or in some cases elsewhere in the world. As such, philanthropists might over time find that what started as support for a local initiative can have much wider significance and impact.

#### **Box 15 / Small scale funding – great impact<sup>26</sup>**

Lulu Burrige was born in Devon, moving to Cardiff 20 years ago. Lulu settled with her husband in Cardiff, where they have five children, and both created successful Cardiff-based businesses. Inspired by their charitable giving and attendance at a Coutts Philanthropy Forum, the couple felt a responsibility to make a difference. So the couple approached the Community Foundation in Wales for philanthropy advice and established a fund at the Foundation.

Lulu’s dissertation for her second degree had focused on eating disorders. Her research indicated a woeful lack of provision across Wales in this field. She had also witnessed the needs first-hand through her voluntary work for a Cardiff charity which counsels and supports 14-25 year-olds who have experienced self-harm.

The Foundation undertook research into needs, current Welsh Assembly Government strategy, and service provision. This included interviews with politicians, providers and health professionals. Building on her own knowledge and the research, Lulu established the fund’s theme: building self-esteem in children and young people, and supporting a strategic framework for increasing

the provision of advice to those with eating disorders. She felt that the geographical focus (Cardiff and South Wales), coupled with the scale of her giving, would enable her to achieve a bigger impact in local organisations. The local focus also came from her desire to support communities where she and her family live, and where their businesses have thrived.

The Community Foundation in Wales commissioned a range of applications, and Lulu made four grants from her fledgling fund to discreet projects which met her criteria: three to small, local charities, and one to a pan-Wales organisation running a local project.

As she saw the impact of her charitable giving, her philanthropy strategy broadened. For example, she engaged her own children in deciding for themselves which charities they wanted to support. At this stage, she is considering how she can create greater leverage and impact, both in her chosen field of interest as well on a much larger scale, by focusing more upstream in encouraging others to give and investing in philanthropy education.

# A local snapshot: Cardiff

## Key statistics

- 8% of residents are from ethnic minorities (Wales average is 2%)
- 5th most deprived local authority in Wales
- 2nd highest recorded crime in Wales, 50% higher than the Wales average
- 20% of pupils receive free school meals (Wales average is 17%)

Overall Cardiff is ethnically diverse, and crime, unemployment, and child poverty are all acute issues. These problems are concentrated in the economically and socially disadvantaged areas located mainly in the south of the city.

## Key funders and funding gaps

The Welsh charity sector is very reliant on government funding – representing 45% of income, compared to 4% from trusts and foundations.

Cardiff Council is a major local funder, though Voluntary Action Cardiff, the Community Foundation in Wales, and the Waterloo Foundation all support charities in the city.

Possible areas to fund are projects to: raise aspirations of children and young people in deprived areas; strengthen community cohesion and identity using culture and arts; reduce crime; help young people into education, employment or training; integrate asylum seekers, refugees and ethnic minority communities into broader society.

## A snapshot of the local community

Cardiff is a vibrant and diverse city with a rich historical and industrial heritage, home to a number of high-profile cultural institutions and major sporting venues, including the Millennium stadium.

In Cardiff, wealth and deprivation rub shoulders with each other – one of the most disadvantaged communities in Wales sits cheek-by-jowl alongside the nation's landmark cultural and government institutions. The Welsh Assembly Government has designated 11 neighbourhoods in the city 'Communities First Areas'. This programme aims to improve the lives and prospects of people in the top 10% most disadvantaged communities across Wales. Most of these areas are in the south of the city; while the north of the city is home to many of the most affluent areas in Wales.

Child poverty is a particular issue with over 28% of children living in poverty. Cardiff is also home to a category B prison which houses 784 inmates.

Cardiff has the largest ethnic minority population in Wales, including an established Somali community. An estimated 100 ethnic communities live in the city with over 50 different languages spoken in Cardiff schools.

The voluntary sector plays an important role in Cardiff. Approximately 2,500 voluntary organisations are based in Cardiff with 30% of the population regularly volunteering.

## Information resources

**Press:** *The South Wales Echo*, regularly features stories about local charities.

**Cardiff Online** ([www.walesonline.co.uk/cardiffonline](http://www.walesonline.co.uk/cardiffonline)): a city-wide snapshot of local news, including issues relevant to the voluntary sector

**My Cardiff** ([www.mycardiff.wordpress.com](http://www.mycardiff.wordpress.com)): news and stories from six inner city communities in Cardiff

**The Sprout** ([www.thesprout.co.uk/](http://www.thesprout.co.uk/)): useful information on activities and services for children and young people in the city

For donors wishing to support local community initiatives see [www.grangetowncardiff.co.uk](http://www.grangetowncardiff.co.uk) and [www.roathcardiff.com](http://www.roathcardiff.com).

### Other resources for donors include:

**The Community Foundation in Wales** ([www.cfiw.org.uk](http://www.cfiw.org.uk)): Good knowledge of local needs and community groups having a real impact in Cardiff

**Voluntary Action Cardiff** ([www.vacardiff.org.uk](http://www.vacardiff.org.uk)): the umbrella body for the Cardiff voluntary sector; it is knowledgeable about local issues and has excellent links to local charities

**Localgiving.com** ([www.localgiving.com](http://www.localgiving.com)): a website allowing donors to search for vetted projects in their local area



# A local snapshot: Leeds

## Key statistics

- 44th most deprived local authority out of 354
- 20% of pupils receive free school meals, compared to 16% nationally
- 73,344 crimes committed in 2009-10 – in worst 25% of local authorities.

Leeds is characterised by high rates of unemployment, free school meals and deprivation that are above the national average. It is characterised by high crime – rates are higher than three-quarters of other local authorities in England.

## Key funders and funding gaps

The two most significant funders of voluntary sector activity in Leeds are Leeds City Council (£46 million of third sector grants and contracts in 2010-11) and the Leeds Community Foundation (distributing between £3 and £4 million a year).

The biggest independent local funders are Wade's Charity, Sir George Martin Trust and the Marjorie & Arnold Ziff Foundation, who between them distribute about £750,000 p.a. in Leeds.

If a donor was interested in targeting unmet needs they could consider: projects supporting families in deprived inner-city neighbourhoods; training initiatives that engage young people in positive activities; the provision of a brighter future for looked after children; and a range of health issues linked to poverty.

## A snapshot of the local community

Leeds is a twin-speed city characterised by areas of significant wealth lying side by side with some of the most deprived wards. A child born in deprived Gipton will live on average 12 years less than one born in affluent Wetherby.

Almost 30% of people live in an area that has been classified as ranking among the 20% most deprived in the country. These areas – such as Gipton, Harehills, Hunslet and Burmantofts – are characterised by low income, high crime and unemployment, poor health and housing, and educational under-achievement. Unemployment in some areas is double the city's average. Leeds also has one of the highest levels of 'looked after children' in the UK; this group is often linked to substance misuse, mental health problems, domestic violence, poor school attendance and teenage parenthood.

However, the city is also a successful business hub, with a thriving city centre and a great cultural offering – including its own opera company. It is surrounded by wealthy suburban areas such as Wetherby and Harewood and is within easy reach of two national parks.

Leeds is a very diverse city. It is home to over 130 different nationalities and approximately 12% of residents are from a BME background. Leeds has twice the ratio of prisoners per head of population because it has both a prison and a young offenders institution.

The environment is a priority for the council, which runs an active climate change partnership with an ambitious plan for reducing the city's CO<sub>2</sub> emissions by 40% by 2020.

## Information resources

**Voluntary Action Leeds** run a city-centre based volunteer bureau and a range of other projects throughout the city

**Leeds Ahead:** a bespoke business brokerage organisation that focuses on working with the private sector to encourage them to get involved in the social and economic regeneration of Leeds

**Leeds City Council's** database of some of the 2,500+ voluntary and community sector groups in the city ([www.leeds.gov.uk](http://www.leeds.gov.uk))

**Yorkshire Evening Post's 'Your Community':** in the summer of 2011 this local newspaper launched a new weekly community supplement to highlight the work of local charities and community projects.

# A local snapshot: Merseyside

## Key statistics

- Merseyside comprises 6 local authorities, ranging from some of the most deprived (Liverpool, Knowsley) to some of the least deprived (Sefton and Wirral) in England
- 9.7% adult unemployment (7.9% average in England)
- Crime: in worst 30% of local authorities
- Life expectancy: 75.8 for men; 80.1 for women (compared to 78 and 82 English averages)

Merseyside, an area of 1.5 million people, is characterised by relatively high unemployment, high child poverty and high crime. However, there are significant inequalities between more deprived areas and more affluent ones.

## Key funders and funding gaps

Key local funders include the Merseyside Charitable Trust Forum – a group of private foundations including the John Moores Foundation, the Liverpool Charity and Voluntary Services and the Community Foundation for Merseyside.

The North-West Regional Funders Forum works proactively in the region, and members include Big Lottery, Children in Need, Lloyds TSB Foundation and the Rank Foundation.

Between them, these funders support a broad range of community social needs.

Priority areas to fund include: improving health and promoting well-being; tackling unemployment and providing training opportunities; more activities for young people; improving the local environment and reducing crime levels.

## A snapshot of the local community

From Community Foundation for Merseyside research, local residents feel that there is good community cohesion, although there are sharp contrasts in wealth. The decline of traditional industries in the area has resulted in specific economic and social problems. From 1994 to 2006 Merseyside was the only area in the UK to qualify for EU Objective One funding – financial assistance given to areas underperforming economically compared to the rest of Europe.

Five of the six boroughs have been designated 'Spearhead areas' by the Department of Health; residents are on average likely to have worse health than the rest of the country. Although there are many well-established youth centres and activities for young people, there remains demand for more.

Merseyside's industrial history means that many areas (including ecologically important coastlines) still face a legacy of pollution and land contamination, and residents want to improve their local environment.

The city has an established arts movement having been European Capital of Culture in 2008. This arts movement is evident in communities via numerous activities, from morris dancing and choral societies to free jumping and break-dancing, which create knock-on social benefits.

Many areas of Merseyside have a thriving voluntary sector estimated to benefit almost 2.8 million people. The majority of people support activities that contribute to building social cohesion and community trust. Liverpool was recently named as the UK's most generous place by the Charity Commission.

## Information resources

**Press:** *The Liverpool Echo* and the *Liverpool Daily Post* have information on local campaigns and corporate philanthropy. *MerseyMart*, the *Bootle Times*, *Crosby Herald* and *Wirral News* keep news stories local and community-based

**Greater Merseyside Change Up:** 18 infrastructure organisations building the capacity of local community and voluntary sector organisations ([changeupmerseyside.org.uk](http://changeupmerseyside.org.uk))

**Voluntary Sector North-West (VSNW)** is the regional voluntary sector network for the North-West ([vsnw.org.uk](http://vsnw.org.uk))

**Merseyside Funding Information Portal (MFIP)** displays all current funding streams available in Merseyside – ([mfip.org.uk](http://mfip.org.uk))

**Local Councils for Voluntary Service (CVS):** Merseyside has six borough-wide CVSs which promote and assist voluntary and community sector activity ([cvsgreatermerseyside.org.uk](http://cvsgreatermerseyside.org.uk))

**Volunteering Merseyside** will signpost visitors to suitable volunteer opportunities ([volunteeringmerseyside.org.uk](http://volunteeringmerseyside.org.uk))

**The Community Foundation for Merseyside** ([cfmerseyside.org.uk](http://cfmerseyside.org.uk)) for advice on local charitable giving

Provided by the Community Foundation for Merseyside

## *A local snapshot: Surrey*

### *Key statistics*

- Third least deprived county in England (147 out of 149)
- Very small ethnic minority population – 95% white (compared to 88% average)
- 4.8% unemployment (compared to 7.9% national average)
- Life expectancy: 80 for men, 84 for women (78 and 82 national average)
- 5% of children on free school meals (compared to 16% national average)

Surrey ranks as one of the least deprived areas in the UK, with low crime rates, high life expectancy and low child poverty. However, the top level statistics hide very large disparities within Surrey and pockets of need as indicated in the 'local snapshot' section.

### *Key funders and funding gaps*

National funders tend to prioritise support in other counties due to the overall perception of wealth in Surrey. The Community Foundation for Surrey has inspired local donors to support their local area and works with many individuals, families and companies. Some of the main funders in Surrey include: the Wates Family Enterprise, the Henry Smith Charity, Lloyds TSB Foundation and a range of private charitable trusts.

Donors could focus on specific high-need areas to reduce inequality. There is also a need to support young people not in education, employment or training and those with disabilities or with mental health problems, and to provide more opportunities for young people.

### *A snapshot of the local community*

Surrey is densely populated but a quarter of the county is designated as an Area of Outstanding Natural Beauty. It also has a wide range of historical, cultural and literary interests and has influenced some of the country's finest writers, poets, artists and musicians. It will play a role in the 2012 Olympics, hosting the cycling road race.

However, despite Surrey's apparent wealth (it is the largest contributor to the exchequer in income tax in the South-East), there are tight pockets of deprivation – a number of areas fall within the 25% most deprived areas in England.

Those in need in Surrey do not have high levels of support mechanisms available. The isolation that results from relative poverty and disadvantage creates particular problems. For example, the needs on the Lower Green estate in Esher are in great contrast with its surrounding area, one of the wealthiest parts of Britain. Social housing accounts for over 75% of the properties, and it has high child poverty and a high proportion of low-income and lone-parent households.

People in Surrey relate strongly to their local town or village, and there is an inspiring range of community and voluntary groups supporting the width of need, improving opportunities for young people, helping children in need, reducing isolation for older people, improving support for disabled children and adults and developing new community facilities.

A number of local village and town funds have been established with the Community Foundation for Surrey by pooling donations from local people to create a permanent endowment fund and generate on-going resources to support local initiatives.

### **Information resources**

**The Community Foundation for Surrey** holds regular events where you can meet other local donors and take part in project visits ([www.communityfoundationsurrey.org.uk](http://www.communityfoundationsurrey.org.uk))

**For info on giving time and expertise**, contact the Community Voluntary Service Council ([www.surreycvsnetwork.org.uk](http://www.surreycvsnetwork.org.uk))

**Press:** *Surrey Life* magazine ([www.surrey.greatbritishlife.co.uk](http://www.surrey.greatbritishlife.co.uk)), the *Surrey Advertiser* ([www.getsurrey.co.uk](http://www.getsurrey.co.uk)) and the *Surrey Herald* ([www.surreyherald.co.uk](http://www.surreyherald.co.uk)) provide excellent coverage of the work of community groups

**Localgiving.com** ([www.localgiving.com](http://www.localgiving.com)) provides information on local charities and voluntary groups in Surrey

**The Hidden Surrey Report** written by Dr Helen Bowcock, provides an excellent summary of the key needs in the county and provides examples and case studies of local projects ([www.communityfoundationsurrey.org.uk/news/archive4.html](http://www.communityfoundationsurrey.org.uk/news/archive4.html))



**About New Philanthropy Capital**

New Philanthropy Capital (NPC) is a consultancy and think tank dedicated to helping funders and charities to achieve a greater impact. We have an ambitious vision: to create a world in which charities and their funders are as effective as possible in improving people’s lives and creating lasting change for the better.

For charities, this means focusing on activities that achieve a real difference, using evidence of results to improve performance, making good use of resources, and being ambitious to solve problems. This requires high-quality leadership and staff, and good financial management.

For funders, it means understanding what makes charities effective and supporting their endeavours to become effective. It includes using evidence of charities’ results to make funding decisions and to measure their own impact.

NPC provides independent research and advice for donors and charities. We encourage debate about what makes a charity effective, and we build knowledge and tools to support effectiveness. We are the only organisation to offer advice based on our own in-depth research of social issues and unique methodology of analysing charities.



**About Community Foundation Network**

Community Foundation Network (CFN) is a registered charity that leads a movement of community foundations committed to positive social change in the UK through the development of ‘community foundation’. Community philanthropy involves people from all parts of a community working together locally to use all the resources available to them to improve everyone’s life.

Established in 1992, CFN represents UK community foundations at a national and international level; negotiates and manages national grantmaking and funding opportunities for members; offers focused, responsive and relevant services to help growth and sustainability, and provides individual support to foundations throughout the network.

Community Foundations make a difference by bringing together local philanthropists who wish to give money to support their local community with dynamic local organisations.

**Coutts Philanthropy Services**

Coutts was the first private bank in the UK to establish a dedicated philanthropy team. Today, our resident experts have many years' of experience working in the field of philanthropy and with charitable organisations in the UK and internationally.

Coutts offers families and individuals bespoke advice to ensure their philanthropy is both effective and rewarding. This includes: setting philanthropic objectives; identifying and understanding the context of social, environmental or economic issues; building relationships with charitable organisations or social enterprises; reviewing impact; and engaging the next generation.

The Coutts Forums for Philanthropy create opportunities for clients to learn from some of the world's leading practitioners, to share their experiences with peers and develop their networks. Forums have explored a range of issues including venture philanthropy, family philanthropy, local philanthropy and social investment.

Coutts research and insights on philanthropy provide clients with practical guidance and support.

In addition to the Philanthropy Services, Coutts also offers philanthropists support with establishing and managing charitable trusts / foundations, banking services for charities and specialist charity investment services.

## References

- <sup>1</sup> There are now a range of institutions established to support this process, such as the British Asian Trust: [www.britishasiantrust.org/](http://www.britishasiantrust.org/)
- <sup>2</sup> The Young Foundation (2009) Sinking and Swimming: Understanding Britain's Unmet Needs
- <sup>3</sup> National Equality Panel (2010) An Anatomy of Economic Inequality in the UK
- <sup>4</sup> Wilkinson, R. and Pickett, K. (2009) The Spirit Level: Why Equality is Better for Everyone
- <sup>5</sup> Norman, W., Ali, R. (December 2010) Stuck on London's hard shoulder: Social needs in a fast moving city. The Young Foundation
- <sup>6</sup> BBC website, [news.bbc.co.uk/1/hi/scotland/glasgow\\_and\\_west/7584450.stm](http://news.bbc.co.uk/1/hi/scotland/glasgow_and_west/7584450.stm)
- <sup>7</sup> Bowcock, H. (2009) Hidden Surrey: Why local giving is needed to strengthen our communities, Community Foundation for Surrey
- <sup>8</sup> Browne, J. (October 2010) Distributional analysis of tax and benefit changes. Institute of Fiscal Studies
- <sup>9</sup> The Young Foundation (2009) Sinking and Swimming: Understanding Britain's Unmet Needs
- <sup>10</sup> London Citizens is an alliance of faith groups, schools, trade unions and community organisations who mobilise people in London to campaign to end poverty, improve housing, and make London safer
- <sup>11</sup> A living wage is calculated according to cost of living and gives the minimum pay rate required for a worker to provide their family with the essentials of life. In London the current rate is £8.30 per hour. Outside of London the current rate is £7.20. See [www.citizensuk.org/campaigns/living-wage-campaign](http://www.citizensuk.org/campaigns/living-wage-campaign)
- <sup>12</sup> National Council for Voluntary Organisations (NCVO) (2010) The UK Civil Society Almanac 2010
- <sup>13</sup> Case study from The School for Social Entrepreneurs – Impact Evaluation Report, 2011, New Philanthropy Capital
- <sup>14</sup> 2005-2007 data from the Annual Survey of Small Business UK
- <sup>15</sup> Case study from The School for Social Entrepreneurs – Impact Evaluation Report, 2011, New Philanthropy Capital
- <sup>16</sup> Paul Rooney, Rooney Fund, Kent Community Foundation
- <sup>17</sup> Source: Investor Perspectives on Social Enterprise Financing, ClearlySo, July 2011
- <sup>18</sup> 'Impact investing' can be described as actively placing capital in businesses and funds that pro-actively seek social and/or environmental returns and a range of returns to the investor, from principal to above market. It is synonymous with the term social investment
- <sup>19</sup> New Ventures in Philanthropy (2005). 'Giving Together A National Scan of Giving Circles and Shared Giving' Forum of Regional Associations of Grantmakers
- <sup>20</sup> See: [www.dispossessedfund.communityfoundations.org.uk](http://www.dispossessedfund.communityfoundations.org.uk)
- <sup>21</sup> See: [www.islingtongiving.org.uk](http://www.islingtongiving.org.uk)
- <sup>22</sup> See: [www.bridgehousegrants.org.uk/CityBridgeTrust/Publications/The+Knowledge+Learning+from+London.htm](http://www.bridgehousegrants.org.uk/CityBridgeTrust/Publications/The+Knowledge+Learning+from+London.htm)
- <sup>23</sup> Mulgan, G., Hothi, M., Brophy, M., Bacon, N. (2008) Neighbourliness + Empowerment = Wellbeing: Is there a formula for happy communities? The Young Foundation
- <sup>24</sup> The case study provided by Capital Community Foundation
- <sup>25</sup> The case study provided by the Community Foundation for Surrey
- <sup>26</sup> The case study provided by the Community Foundation in Wales

*Coutts Advisory Services*

To find out more about the  
Coutts Philanthropy Service  
please contact:

Maya Prabhu  
*Head of UK Philanthropy*  
maya.prabhu@coutts.com

Lenka Setkova  
*Senior Philanthropy Adviser*  
lenka.setkova@coutts.com

Tel: 020 3285 8881

Calls may be recorded.

**Disclaimer:**

Coutts & Co has developed this guide in association with New Philanthropy Capital and the Community Foundation Network. However, organisations noted in the guide are not endorsed by Coutts & Co and the Guide does not constitute recommendations for funding or investment. Any risks associated with supporting organisations in this guide are the donor's own. Coutts & Co does not receive a commission or payment in any form, cash or kind, from any organisations noted in this report. Donors should seek independent tax advice regarding the tax effectiveness of their donation. The document contains references to third party websites. The views and opinions expressed in these websites are those of the website authors and are not necessarily shared by Coutts.

Wealth division of Royal Bank of Scotland Group.  
Coutts & Co Registered in England No 36695  
Registered Office 440 Strand London WC2R 0QS  
[www.coutts.com](http://www.coutts.com)