



# LOCAL GRANTS

for a strong independent local  
voluntary sector

September 2010

## Resources you can use

The Local Grants Forum is a partnership of 17 national organisations formed in 2007. We promote the importance of grants for local charities and community groups.

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for a strong independent local voluntary sector

We continue to see a move from grant funding to contracting which can damage the local voluntary sector and the people local groups serve.

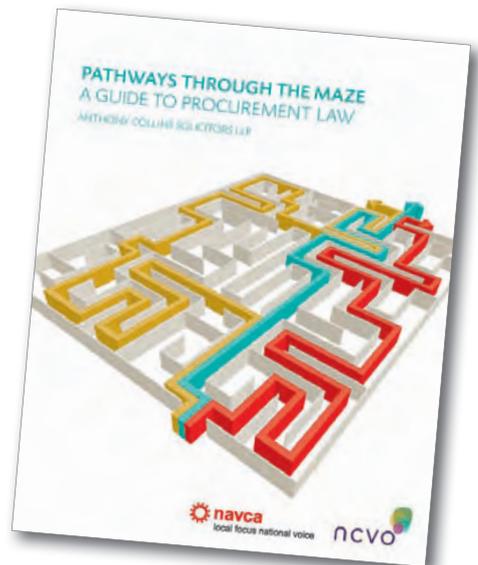
The resources in this leaflet can be used to help you convince councillors, commissioning officers and procurement professionals that grants should continue to be used to fund local charities and community groups.

## Understanding the legal framework

Procurement should exist alongside grant funding, not instead of grant funding. It is a myth that grants are no longer possible because of competition law and European regulations.

Chapter 6 of *Pathways through the maze: a guide to procurement law*, produced by NAVCA and NCVO, outlines the distinction between grants and contracts and clarifies that grant funding does not fall within the remit of EU procurement rules. Free hard copies are available from [lcpc@navca.org.uk](mailto:lcpc@navca.org.uk).

[www.navca.org.uk/procurementguide](http://www.navca.org.uk/procurementguide)



## Sustaining Grants

This pamphlet argues that grant aid is an essential part of the local funding mix for voluntary and community organisations and remains essential for thriving local communities. It is available in a variety of formats, including a partially editable Word version. The case study sections of this version can be edited to add local examples to make them more relevant to a local audience.

[www.navca.org.uk/sustaininggrants](http://www.navca.org.uk/sustaininggrants)

## Why grants are important for a healthy local VCS

This publication explores the grant funding relationship between local government and the local voluntary and community sector. It focuses on four local authorities that have demonstrated good practice in grant making in the past: Gloucester City Council, Newcastle upon Tyne City Council, Nottinghamshire County Council and Reading Borough Council.

[www.navca.org.uk/whygrants](http://www.navca.org.uk/whygrants)

Government guidance from the [National Audit Office](#) on how to secure value for money through better financial relationships with the VCS clearly endorses grants as a funding vehicle option open to councils. This *Successful Commissioning* online guide offers a rationale for the use of grants by public funders. See especially the section on sourcing providers and the section 'Grant or Procurement'.

<http://tiny.cc/bqzgm>

<http://tiny.cc/mzh4l>

[Demonstrating the local economic and social value of grant making with the VCS](#) This think-piece looks at the journey from grants to contracting and then moves on to examine some of the benefits of grant funding backed up by case studies.

<http://tiny.cc/yg3yd>



**NHS commissioning guidance** also highlights a clear need for both grant funding and contracts to support a sustainable voluntary and community sector. *The NHS Commissioning Environment: A guide for organisations in the third sector* has a dedicated section on grants as a funding route.

<http://tiny.cc/01ymc>

The introduction to the NHS standard contracts guidance states that contracts should not inappropriately replace grant funding.

<http://tiny.cc/dn3bu>

This Department of Health paper highlights the role that grants can play in commissioning self care support for people with long-term conditions.

<http://tiny.cc/spbsp>

**Using public law to challenge local authorities** The principles of public law have been used to challenge funding cuts made by local authorities in Leicester, Cumbria, Doncaster and Ealing. The failure by a local authority to consult the voluntary sector properly or to implement the equalities duties can be subject to legal challenge. A successful challenge may lead to the restoration of funding cuts. Follow this link to read about public law cases and public law training courses.

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





# 10 key benefits of grant funding

## For funders

- 1. Maximising social value and engagement** Grants stimulate the community engagement and active citizenship fostered by local organisations and community groups. These activities are at the core of the self help and grassroots activism which are vital to the Big Society.
- 2. Strategic development** Grants enable groups to contribute to forward planning, providing voice, representation and advocacy within the community, and essential intelligence for decision makers and planning bodies.
- 3. Cutting red tape** Grants are less bureaucratic to manage and evaluate without the regulations which apply to open tenders.
- 4. Transition** Grants provide a flexible route to help organisations respond to a new environment, change of local strategy, or need. Investing in existing groups with local roots is more cost effective than bringing in new providers.
- 5. Innovation** Grants work well for one-off pieces of work or pilot initiatives for a fixed period, enabling the cost-effective management of risk on both sides.

## For the voluntary & community sector

- 6. Flexibility** Grants provide the flexibility to deliver services in innovative ways and enable speedy responses to changes in demand.
- 7. Leverage** Grants put organisations in a stronger position to negotiate other funds, providing confidence to funders, management capacity and stability, bringing new income to the local economy.
- 8. Development** Grants provide a platform which can make the difference between sustainable, successful development and failure, in new services.
- 9. Customer focus** Grants enable a truly bottom-up approach to service development free from the constraints of pre-determined contract specifications, and able to shift according to the changing needs and circumstances of service users.
- 10. Responsive** Grants provide the capacity for organisations to respond to community-led initiatives and changes in local circumstances, leading to less waste in inappropriate or poorly used services.



# local grants forum



You can download this leaflet from [www.navca.org.uk/defendinggrants](http://www.navca.org.uk/defendinggrants), or obtain free copies by emailing [resources@navca.org.uk](mailto:resources@navca.org.uk). We are happy to supply large numbers.

For more information about the work of the Local Grants Forum, contact Kevin Curley at [kevin.curley@navca.org.uk](mailto:kevin.curley@navca.org.uk).

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NAVCA  
The Tower  
2 Furnival Square  
Sheffield  
S1 4QL

Tel 0114 278 6636  
Fax 0114 278 7004  
Textphone 0114 278 7025  
Email [navca@navca.org.uk](mailto:navca@navca.org.uk)  
[www.navca.org.uk](http://www.navca.org.uk)

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