



A Sussex Community Foundation

Moving from Feasibility Study to Action



Executive Summary Phase One Feasibility Study

April 2005





SCF

MOVING FROM

Foreword from the Duke of Richmond



A Community Foundation is not another social welfare organisation. It is a body which provides services for donors that connects them with local voluntary groups that need their support. Its work results in greater sums of money being available for small local charities working largely with people who are either socially excluded or are not sharing in the general prosperity of the

area. There are local areas in a few towns in Sussex which are included in the bottom 20% of wards in the country in the Government's social deprivation scale. In other, apparently prosperous, parts of Sussex disadvantage exists alongside great wealth.

Over the last year a small Steering Group has been working towards setting up a Sussex Community Foundation. This Steering Committee consists of the two Lord-Lieutenants and representatives of Sussex Enterprise, American Express, British Airports Authority and AIRS (formerly Sussex Rural Community Council).

To get it started we need to raise £120,000 a year for three years. At the time of writing, in a few weeks we have already raised £50,000 a year from a small number of individuals, trusts and companies. I am very confident we will raise the rest before very long. We intend to launch the Sussex Community Foundation publicly in the autumn of 2005. I am especially grateful to the sponsors of the initial feasibility study and its publication: The Esmee Fairbairn Foundation, American Express and BAA Gatwick.

I am totally convinced that over time a Community Foundation in Sussex will make a significant difference to the lives of disadvantaged and socially deprived people in Sussex.



Over the last year a small Steering Group has been working towards setting up a Sussex Community Foundation. The first steps have been to learn from other Community Foundations in this country and abroad and to carry out a feasibility study into developing a foundation to meet Sussex's needs. The result of this work is summarised below.

Results of the feasibility study

The Feasibility Study was commissioned by Action in rural Sussex on behalf of the Sussex Community Foundation Steering Committee, to explore the need, possible support and funding prospects for a community foundation covering and representing East Sussex and West Sussex and Brighton and Hove.

Statistical evidence in this study was mostly found from government sources, including the Office of National Statistics, the Census, and Community Fund. Economic and social analysis shows Sussex to be a relatively wealthy county but with incomes slightly below SE Regional averages and a very high concentration of retired people (not true of Brighton and Hove). There are pockets of very severe deprivation in Hastings and Brighton and Hove, also in Hailsham.

Analysis of statistics on smaller geographical units (super output areas) shows smaller pockets of deprivation which are amongst the worst 20% in the country. Severe deprivation lies alongside considerable affluence all over the county and the effect of statistical averages is to hide much deprivation that is known to exist. This is especially true in the rural areas of Sussex.

There are 3,513 registered charities in Sussex, but the number of voluntary and community organisations is not known – the study estimates that there are between 5,243 and just over 7,000 including registered charities. It finds the latter figure more plausible.

The study shows total statutory and lottery funding per head to be less in Sussex than the national average, and have been falling annually. These grant per head figures have no bearing on deprivation. The same is true of government funding generally, and levels of support are deliberately being engineered downwards as government redistributes funding to the north.

Funding sources for local charities are examined, showing statutory funding sources to be declining; grant making trusts are a strong sector in Sussex. Company giving only amounts to an estimated 2% of voluntary sector income locally. Informed interviewees have commented that there

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is potential for growth here, with the Community Foundation playing an important role in promoting it.

The study has particularly sought views on whether the CF would divert funds from existing charities. Experience of other community foundations shows no evidence of this and suggests the contrary. Sussex voluntary and community sector respondents were all supportive, and saw it only as a welcome development. The main objectives of the CF are seen as attracting new funding for the county's charities; encouraging focussed giving; and offering leadership and inspiration to those who control wealth to consider local giving

Objectives will only be achieved if the CF is successful in attracting funds. Next steps in establishing the CF will need to be carefully focussed on activities which help attract funds and will need to find ways of involving very wealthy individuals and those becoming wealthy by selling companies.

Those who might support the establishment of the CF by contributing to its running costs or endowment include trusts, wealthy individuals, and people of more ordinary means giving regularly over time. The possibility of establishing a 'Founder Donors' Group' is suggested, seeking contributions to running costs for the first three years amounting to at least £80,000 a year and preferably £120,000 a year. These contributions would range from £5,000 (including tax claims) to £100,000 or more as appropriate to the donor. Tax efficient giving would be encouraged, as would giving over time (for those giving out of income).

In conclusion, the study finds the concept of a CF to have been well received, to be supported by strong statistical evidence of continuing social and charitable need, and to have a strong base of potential donors to support its development.



A Community Foundation for Sussex

Sussex is one of only three or four counties in the UK which do not now have a community foundation. A Sussex Community Foundation will attract new funds to help alleviate local needs.

This is funding that has largely been unavailable in Sussex, with the exception of some statutory flow through funding schemes distributed by other organisations in the county.

Sussex will benefit greatly from the existence its own Community Foundation. The main strengths of a community foundation are:

- An independent locally managed charitable trust raising funds from donors (individuals, businesses and statutory sources) and channelling them to local needs in the form of grants to local charitable and voluntary community groups.
- Predominantly a service to donors – to make their giving more effective, and to help minimise or eliminate the bureaucracy of giving.
- Accountable to the people of East and West Sussex, Brighton and Hove, through representative committees and with the help (and watchful eye) of local press.
- Better knowledge of grass roots community needs than most other fund distributors.
- Able to undertake 'micro funding' more effectively and economically by developing this grass roots knowledge and the networks needed to connect to them.
- Can channel funds to effective small organisations which otherwise do not have the resources or knowledge to make successful applications – such organisations are known to deliver better value per pound donated because they are driven by local need and local voluntary desire to alleviate it.
- A key feature is the ability to attract additional funds for local needs.

What is a Community Foundation?

There are approximately 60 community foundations in the UK which, in 2003/04, had a combined income of £58 million, made grants of £52 million, and had total assets of over £92 million. (Community Foundation Network.) They are generally county or regionally based and exist to channel local funds into local charitable needs. They do this by:

- Building endowments to meet future needs and giving from investment income
- Operating 'through funding' programmes on behalf of government agencies and local donors who provide annual donations with directions on where they are to be spent

About 6,000 donors regularly use community foundations to administer, focus and channel their giving. Community foundations in the UK have supported over 18,000 local community groups over the years, and have distributed over £170 million since the early 1990's.

Community Foundations are local organisations inspiring local giving to local needs. 'Inspiring local giving' means being a source of encouragement, advice and support for donors in the county, providing the framework and structure needed. A CF can

- Act as administrator of giving programmes or carry out 'back room services' on behalf of donors (such as individuals, trusts, businesses, local authorities, central government)
- Keep closely in touch with the needs of the county
- Act as broker – putting voluntary organisations in touch with donors and vice versa
- Become experts in assessing local needs and in distributing funds where they are most needed
- Develop an in house ethos of giving

To 'inspire' needs very positive leadership and a clear vision and sense of purpose. Attracting funds to the Foundation will depend on this more than anything else.

Next steps

A programme for development is suggested as follows:

February–April 2005

Phase 2 of the Feasibility Study – business planning, continuing consultation, and seeking to build support

April /May 2005

Potential Founder Funders' event and process of individual approach

June/July 2005

Business Event

November 2005

Launch event – will need running costs to have been secured and some endowment in place first.

The Steering Group

The Duke of Richmond*

Chairman

Jeremy Leggett*

Chief Executive, Action in rural Sussex

Judith Buckland

Trustee, Action in rural Sussex

Peter Bunker

Retired solicitor now living in Chichester

Jo Crockett*

Director Public Affairs, American Express Services Europe Ltd

Mark Froud (or David Rowland)

Chief Executive, Sussex Enterprise

John Peel

Ex-Managing Director, Varian Medical Systems, Crawley

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Lord Lieutenants:

Hugh Wyatt

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Lord Lieutenant for East Sussex

*Also member of the smaller executive group

The full feasibility study and research appendices are also available on www.ruralsussex.org.uk

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**Action in
rural Sussex**