



Ageing Better



Learning Paper No.5

March 2020

Micro-funding: Empowering Communities to Create Grassroots Change
Summary report

Ecorys with The National Lottery Community Fund





Thanet New Age Kurling micro-funded project, Thanet

What is micro-funding?

Micro-funding uses small investments to empower people to design, deliver and fund local projects¹.

For example, covering the cost of a venue and materials can kick-start a valuable community² group. The funding targets niche community needs, putting people in control as decision-makers and activity leaders.

The **Ageing Better programme** has discovered that micro-funding works well when it enables local people to develop commissioning groups. This empowers them to make decisions about local funding, supported by paid staff and trainers as needed.

Micro-funding is an opportunity for funders, local authorities, commissioners and other organisations to devolve some responsibility to local people to initiate ideas, steer activity, create solutions and address issues important to them. With the right development and support, projects are more diverse and accessible to marginalised communities. This improves service reach and efficiency.

Because community members are more engaged, micro-funded projects can test ideas and inform policy decisions. This approach is reshaping local community services, developing people's confidence and capability to run their own activities, and boosting capacity for meaningful and sustainable change.

- 1 There is no agreed definition of the 'local' context, although this refers to a geographic area. It can range from hyper-local (a group of houses, a street or village), to a neighbourhood or ward level, and local authority (LA) area. This would not extend to a whole region.
- 2 'Community' can refer to a geographical area or a community of interest. This group might be geographically related, such as a retirement community, or a community of interest dispersed across a wider area (in the context of Ageing Better this includes a range of marginalised groups: BME, LGBTQ+, carers, those living alone and men).

“It's superb because it's all bottom-up. This is about encouraging the groups to have the confidence so they can decide what they need, what they want, what they think will work in their areas. From what I'm seeing, it's been very successful...”

Councillor, project partner

“... [project staff] are able to provide extra information ... but I feel as though we are really empowered to make the decisions.”

Decision maker micro-funding

“Micro-funding underpins the whole approach – it's given control of the spending to people in communities to make lots of changes in the place they live – to make it easier to keep and build connections. We're investing in communities; we're not delivering services.”

Programme Manager

This paper summaries learning from a detailed review of micro-funding activities on the Ageing Better programme. More information and analysis can be found in our full report: *Micro-funding: Empowering Communities to Create Grassroots Change* and Method note, available [online](#).

The Ageing Better Programme

Ageing Better is a six-year programme (2015 to 2021) established by The National Lottery Community Fund, the largest funder of community activity in the UK. The programme develops creative ways for people aged over 50 to be actively involved in their local communities, to combat social isolation and loneliness. The programme's 14 cross-sector partnerships across England aim to avoid imposing top-down models. Instead, they encourage different local activities and delivery models. The partnerships draw on the skills and experience of people in the target age group to agree which applications for micro-funding should be supported. Local people collaborate, use funding to provide activities, and make use of unique assets in each area to meet local needs. Partnerships are encouraged to test and learn and build on evidence and share learning so that their work achieves the most impact. This empowers projects to respond to challenges, honestly reflect on what has been less successful, and identify opportunities to fill gaps in service delivery.



Weekly micro-funded lunch club at Bristol Sikh Temple, Bristol

Micro-funding works

Evidence from the Ageing Better partnerships

- 1,976 awards made in 4 years (from 2015 - end August 2019)
- Most micro-funding projects run from 2 months to 1 year
- £4.4m awarded for micro-funding projects

Empowers individuals and communities

- Empowers local people to transform their communities by developing services that matter to them
- People contribute their skills and experience to help design and run activities
- Participants and volunteers 'own' and lead on projects
- Local people develop new skills and make connections within and across their community
- Paid staff can support day-to-day administration and delivery, enabling participants and volunteers to focus on designing and delivering activities

Improves service reach and efficiency

- New groups can start small and grow at their own pace
- Activities are more accessible, reaching people who may be less likely to attend traditional clubs and societies, particularly those experiencing loneliness and social isolation
- Peer-led activities can improve service efficiency by directing resources into communities, with the potential to reduce non-medical calls on mainstream health and social care providers. For example, micro-funding can be used in social prescribing³
- Organisations can test whether an approach can reach particular groups of people, including marginalised communities and people with disabilities

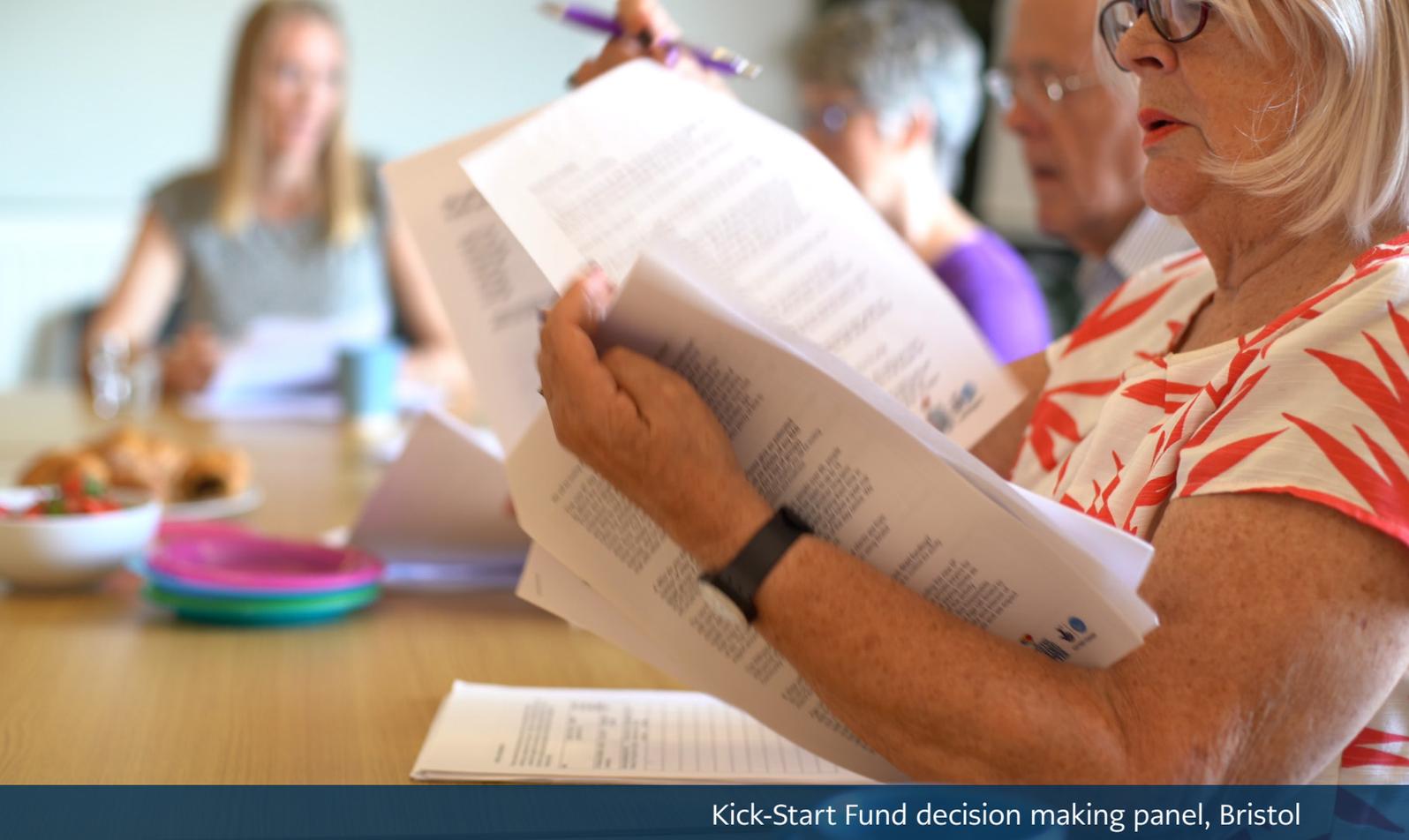
Informs policy and infrastructure design

- Informs the redesign of local activities and services by transferring investment into the community
- Policy-makers and service commissioners can rethink traditional grant-making approaches
- Creates a new dynamic between service ‘providers’ and local ‘volunteers’
- Reshapes local services by building new networks and developing community capability and capacity

Changes systems

- Develops community-led support alongside core services. In this way, micro-funding rebalances the power dynamic between providers and local people driving change
- Enhances participants’ confidence and skills to run other community activities
- Sustains longer-term funding through participants’ self-financing and fundraising

3 The Ageing Better national evaluation team are producing a forthcoming social prescribing learning paper, building on their earlier research on [‘community connector’ approaches](#).



Kick-Start Fund decision making panel, Bristol

Micro-funding in action

“The success of this is the range and diversity of groups that have been set up, things that we would have never commissioned in a million years... leaving it to communities to decide what's needed has worked really well.”

Partnership lead

Micro-funding addresses very localised community needs by enabling activities to be highly sensitive to local context, considering the assets, connections and different communities within an area. Some areas use a decision making panel of local volunteers to ensure the right kinds of activities are funded. Partnerships between paid staff and local volunteers can also work to target positive outcomes. Because it is small-scale, many projects initiated through micro-investment can be sustained by participants beyond their early phase, through further grant funding or generating their own income.

Community Fund Panel

In Thanet, individuals have taken over groups that were at risk of closure and revitalised them into flourishing activities. Their Community Fund Panel assesses bids and decides which projects receive local funding. Project staff provide training to increase the panel's skills and confidence. The panel also gives applicants feedback to improve the process for future applications.

Partnership approach

In Greater Manchester, eight Local Delivery Leads help people with their applications for investment projects. The partnership focuses on grassroots-level action and micro-funds groups that have the potential to confidently manage funds themselves, therefore building longer-term community capability and capacity.

Links with local business

Some partnerships have linked with local business to secure free venues for micro-funded activities. In Torbay, groups meet in local cafés. Some groups are sustaining their micro-funding activities through corporate sponsorship. A community club in Thanet secured small funding amounts from local supermarkets, as well as donated prizes that were raffled to raise further funds.

Targeting funding through individuals

Some organisations specifically fund individuals to develop their own groups. In some cases, they do not need to be constituted to apply for funding. For example, groups of friends and neighbours can access the Ageing Better Fund in Birmingham if they form a new network to propose an activity. A paid Network Enabler helps them write applications to wider funding sources and links them with other community groups for support.

Fundraising and self-funding projects for sustainability

Groups are testing several financing options to sustain their activities. The Kick-Start Panel in Bristol awards micro-funding directly to people to avoid layers of bureaucracy. An art group initially supported through the Kick-Start Fund is now self-sustaining. They secured free meeting space at a local community arts venue. Members contribute a small weekly fee, which pays for refreshments and builds up a small pot to support longer-term sustainability. Participant volunteers also developed a constitution to help further develop the group⁴. In Thanet, participant volunteers are community fundraising and encouraging corporate sponsorship. Activities include holding tombolas at church fayres and local supermarkets funding prize draws.

Seeking further funding sources

Several micro-funded projects in Leeds are accessing further funding from national sources such as a grant from The Henry Smith Charity, and local sources such as the Horsforth Live at Home Scheme. One project received a grant to deliver activities as part of the Leeds Suicide Prevention programme. In these cases, the initial micro-funding helped projects demonstrate what they could do to support their participants, starting small and expanding through success.

Building capacity for organisations to reach communities

Some micro-funding projects help existing organisations to expand on their core work through engagement activities and testing ideas in local communities. In Cheshire local organisations can apply to a Bright Ideas pot for funding up to £20,000 to deliver short-term projects that help them find and involve the most isolated people. A similar approach is used by Time to Shine in Leeds, through its Small Funds programme.

Demonstrating success to potential funders

Micro-funding enables organisations to innovate and pilot new approaches. This can generate new evidence about ‘what works’ in different contexts. Some organisations are funding new approaches developed through a micro-funding investment. Following on from an Independent Living Scheme project in Cheshire, a Housing Association is funding similar projects involving community based organisations across all of its shelters and supported housing schemes for at least one year.

4 Participant volunteers are people who support project design and delivery, but also take part in its activities.



Successful 'Bright Ideas' were awarded funding by the decision making panel at Brightlife Cheshire

Insights from a nationwide programme

“The ability to use micro-funding to take a real experimental ‘test and learn’ approach creates a really rich data set which we can use then to understand what will work in the future.”

Programme Manager

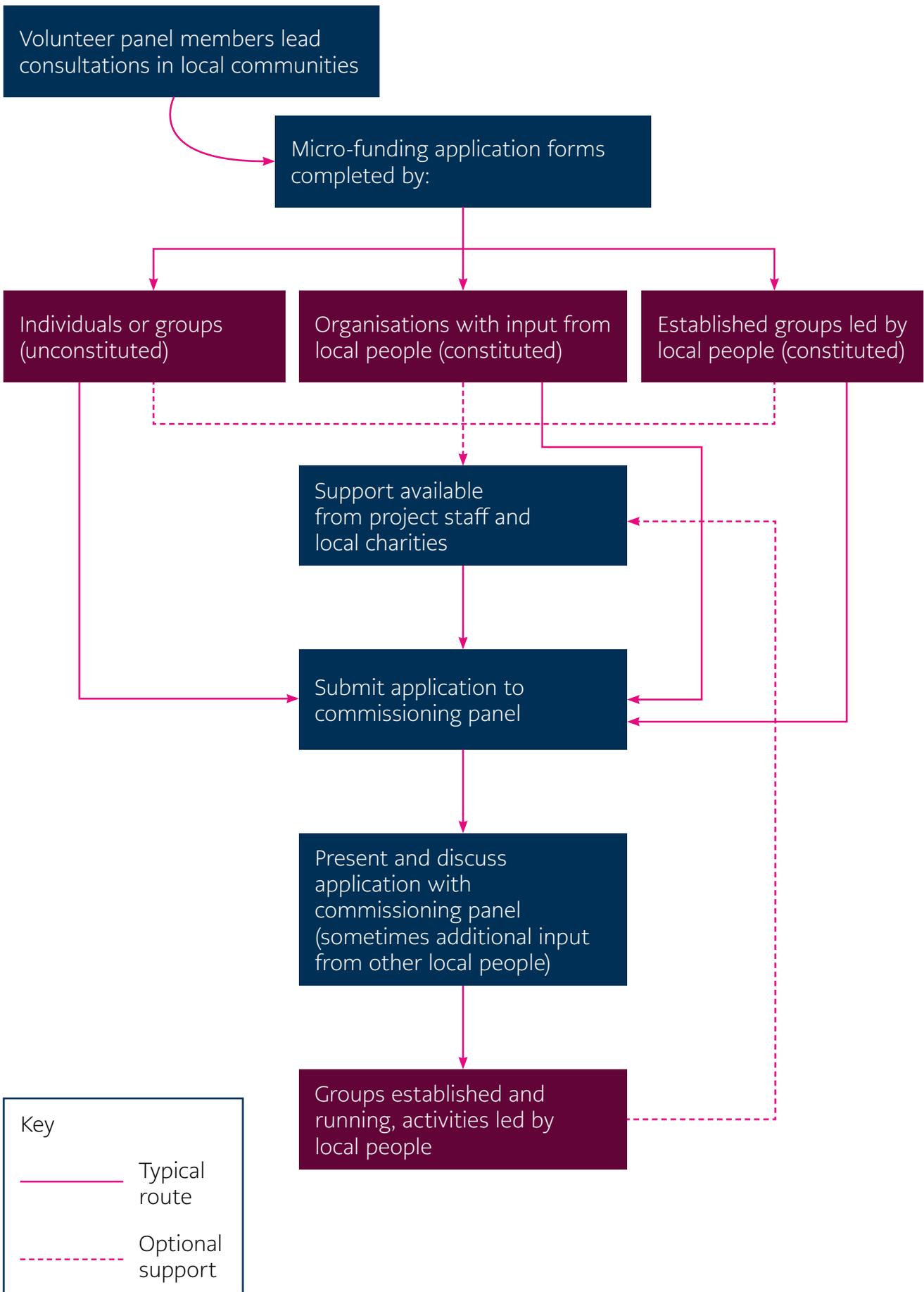
The Ageing Better nationwide programme used a mix of different micro-funding approaches. This provides us with insights into how to achieve results, and the challenges to tackle to realise the full benefits.

The commissioning process

Ageing Better partnerships hosted community consultation events and worked with local volunteers through forums and working groups to develop and refine their micro-funding commissioning processes. Support is available from local organisations for local people joining decision making panels, and for individuals, groups and organisations applying for micro-funds. Application processes were developed; local approaches were designed by volunteers, with support from paid staff, within a broadly common framework. Local panels, led by volunteers, have autonomy to set their own commissioning criteria and award micro-funds. Application processes are robust and transparent, and enable scarce resources to reach the heart of communities.



Walking Football by Your Backyard CIC micro-funded project, Leeds



The micro-funding application process and optional support

Allocating micro-funding

The Ageing Better programme invested micro-funding in a wide range of one-off events, multiple and annual projects in: music, film, arts and crafts, conservation and horticulture, cooking, mental and physical activity, transport, skills sharing and intergenerational work.

- Micro-funding pots from £200 to £250 typically covered initial start-up costs, equipment and venue hire, insurance, marketing and materials.
- Larger-scale awards from £5,000 to £30,000 sometimes also paid for staff to manage the initiative, transport, refreshments, purchasing equipment or materials, or for a specialist freelancer or tradesperson to support the activity.
- Some partnerships provided small pots of money alongside some of their core projects to plug gaps.
- Others integrated micro-funded projects with their existing community development work.



Toast Love Coffee micro-funded project, Leeds

Micro-funding award size and duration⁵

Partnership area	Amount and proportion of total funding received, allocated to micro-funding	Number of micro-funding awards made to date (end of August 2019)	Length of micro-funding awards	Range of awards (individual micro-funding award amounts)
Birmingham	£500,000 (8%)	241	Up to 6 months	£50 - £2,000
Bristol	£250,000 (4%)	142	8 weeks up to a year	£120 - £2,000
Cheshire	£656,711 (13%)	43	12 months to 24 months	Up to £20,000
East Lindsey	£7,958 (<1%)	5	Average 6 months	£800 - £2,500
Greater Manchester	£1,892,958 (18%)	1,248	1 day to a year	£51 - £2,000
Leeds	£600,000 (10%)	56	7 months to 2 years	£4,850 - £19,968
Leicester	£3,000 (<1%)	12	1 day	£250
Middlesbrough	£158,285 (3%)	54	1 day to 4 years	Up to £31,200
Sheffield	£115,000 (2%)	90	3 to 6 months	£20 - £200
Thanet	£75,000 (2%)	77	6 to 12 months	£125 - £3,128
Torbay	£150,202 (3%)	8	Up to a year	£5,735 - £25,000
TOTALS	£4,409,114 (7%)	1,976		Range is from £20 - £31,200

⁵ Ageing Better partnerships decided the proportion of their overall funding to invest in micro-funding based on local needs, the design and scale of projects, and the number of bids meeting the selection criteria in each area.

Benefits beyond activities

As well as providing much-needed activities, the Ageing Better programme found that micro-funding brought wider benefits to individuals and their communities. Because volunteers were more invested in the activities they helped design and/or deliver, they were more engaged in getting results. Participants and volunteers gained confidence – sometimes supported by paid staff – to volunteer for the group, share their knowledge and skills, help fundraise, or instigate new groups. This built local capacity to enhance other activities and strengthen communities.

Participants found their sense of purpose was reignited. Some people who met through micro-funding also met regularly outside the group, forming strong networks and building genuine friendships. These social connections, including for people with disabilities, also improved physical and mental health. Volunteers also highlighted improvements to their organisation, bid-writing and monitoring and evaluation skills for future community projects.



The Great Get Together Hub micro-funded project, Greater Manchester



Critical Friends decision making panel, Bury, Greater Manchester

Taking on the challenges

While many public services and grant-funding bodies have tested micro-funding, some remain cautious about using this investment approach. **The Ageing Better programme found that groups need to work through several main challenges to maximise success.**

Measuring performance

One issue for organisations is that micro-funding focuses on building the capacity of individuals, organisations and communities; this **does not lend itself to quantitative assessment of outcomes or performance measurement data**. There is also a perception that micro-funding is more difficult to administer – for example, community groups may have to complete application forms and ongoing paperwork.

The Ageing Better programme **adjusted its monitoring requirements** and agreed that micro-funding participants did not always need to complete the standard Common Measurement Framework (designed to collect demographics and outcomes data), recognising the disproportionate research burden that would be off putting to micro-funded projects and participants. Instead, qualitative data captures the reach and local benefits from micro-funded activities.

Constituted vs unconstituted

Some organisations cannot fund groups that are not formalised by a constitution. Ageing Better project staff pay for venues and trainers, and purchase equipment on behalf of un-constituted groups. Local people make the decisions; choosing the venue and trainer and what equipment they need.

Many groups are happy to remain informal and un-constituted and prefer the lack of management responsibility that comes with this – they can focus fully on the activity being delivered. Some groups do become constituted so they can grow and manage their own funds over time. Developing a constitution is seen as a natural progression for some groups, supporting their development and autonomy to manage their own funds in the longer term.

The National Lottery Community Fund reviewed their application processes on their Awards for All and Reaching Communities programmes. They developed a very light touch process, whereby individuals or groups could apply for micro-funds via an anchor community organisation, such as a residents' forum, for grants of between £50-£1,000 locally

Sustaining services

Some partnerships face **sustainability challenges**. For example, Bristol's Kick-Start activities found that, while most funded projects survived beyond the micro-funding period, around a quarter of projects (19 out of 71) could not be sustained due to lack of volunteers and regular funding.

Micro-funding offers **interesting volunteering opportunities** at commissioning and project delivery stages. Some partnerships have recruited volunteers directly to commission or lead groups and are supporting participants to become volunteers, to help sustain activities.

Smaller-scale projects (up to £1,000) have become **self-sustaining**, with participants contributing to the running costs. A weekly fee is built in from the start, encouraging participants to take ownership of the group. This enabled one project to build up reserves and continue the project once the micro-funding period came to an end.

The 'Bright Ideas' fund in Cheshire supports a project where group members make bespoke furniture from reclaimed wood. The group raises funds to support the wildlife charity that acted as their initial host. Members now see themselves as volunteers providing a service, and the group is becoming a **social enterprise**.



Micro-funded OLGBT 50 Year Anniversary Event, Oldham, Greater Manchester

Better micro-funding

“This has got a purpose to it, it’s got an end-product to it, we all share in the success of it. It becomes much more than the individuals..”

Volunteer

The current mix of micro-funded projects provides lessons for practitioners, funding commissioners, community panels, participants, volunteers and other project delivery partners. By analysing the Ageing Better programme, we have generated important findings, and a lot of useful tips for any project offering micro-funding.

Promoting micro-funding

- Use diverse channels to raise awareness: from social media to traditional print and press, plus links with key stakeholders and delivery partners
- Understanding the context for the local area is a crucial factor in making micro-funding attractive and appropriate to potential applicants

Decision making panels

- Encourage people to act on their ideas by taking applications at any time, and reviewing them regularly
- Ensure panel members receive training and support to review applications
- Give panel members at least 10 days to assess applications
- Include people from the target demographic on the panel

Application process

- Make the application process straightforward; use plain English
- Clearly state the assessment criteria
- Allocate time to answer applicants' queries
- Clarify whether joint applications are allowed
- Set a word limit for each answer
- Ask applicants how they plan to consult with and involve priority target groups
- Build sustainability planning and capacity building into the application
- Give and receive feedback from applicants to improve the process

Commissioning

- Hold consultation events to explore local needs
- Line up support from local voluntary and community sector organisations
- Establish a decision making panel
- Encourage applicants to involve local people
- Consider enabling applicants to enhance their offer after receiving feedback from the panel

Project delivery

- Organise initial venue hire for smaller groups
- Source specialist freelance trainers and tradespeople
- Arrange periodic support visits from the decision making panel

Support

- Introduce participants to local voluntary and community sector groups for support
 - For larger projects, allocate a paid staff member as central coordinator
 - Tell successful applicants about local facilities
 - Plan how funded projects will be able to collaborate and network
 - Consider what will happen to projects once their funding ends
 - Plan how outcomes can be measured and used to improve future micro-funding
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