



CHAMPIONING SMALL BUT VITAL CHARITIES

SMALL CHARITIES ARE THE HEART OF COMMUNITIES AND TACKLING DISADVANTAGE TODAY.

Find out how you can take action to support charities in your local community.



Ask most people to name a charity and chances are they'll pick a household name. But most charities working in our local communities are small and local.

With little or no budget for advertising or marketing you might not even know they exist but these charities are having an enormous impact on society, working with some of the most disadvantaged and at risk members of our communities.

Despite more people needing the vital local support small charities provide, they are facing a significant reduction in the money they receive from central and local government. Councils are increasingly moving away from grants and towards large contracts for public services which small charities are less likely to win.

Small charities are at the heart of community engagement and work hard to raise funds. If contracting and commissioning isn't reformed to enable small charities to win public sector contracts, there is a very high risk that many will not be able to survive.

Help us champion the role of small charities
#smallbutvital

“ Small local providers provide better tailored services and keep the personal touch which is extremely important in terms of community and trust. ”

“ THE GRANGE IS MY LIFE SAVER, IT'S MY SECURITY – IT'S MY WHOLE SUPPORT SYSTEM REALLY. ”

Aileen
Service User
Grange Day Centre



Why should I care about small charities?

Small charities are at the heart of local communities and work tirelessly to support people to fulfil their potential. If someone's facing homelessness, they're helping them access a home. If someone is escaping an abusive partner, they're offering a refuge. If someone's out of work, they're helping them find employment.

If there's a problem and need in a local community, chances are there is a small charity there to help.

Small charities are run by passionate and motivated staff and volunteers who work day-in and day-out in difficult circumstances and with little reward. They are experts at knowing what local people need and how to reach them because they come from these same communities. They are developed by the community and for the community and bring people together as volunteers and fundraisers.

Their understanding of how to reach out, engage with and empower local people is what makes small charities special.

Trusted by the people that need them, small charities provide valuable information, advice and support to those who have nowhere else to go. Their only focus is the people they support. They are not concerned about growing their market share. They're concerned about making a difference to people's lives.

As flexible and agile organisations, small charities are able to develop new services quickly in response to changing local need and often more quickly than other service providers, even larger charities.

Small charities are able to work with people in personalised and holistic way offering something distinctive.

“ It is always the smaller, grassroots charities meeting the needs of the most marginalised that are at risk. ”

97% of charities survive on an income below £1m a year and the vast majority on much lower than that.

“ MY ROLE HAS GIVEN NATURAL ABILITY THE CHANCE TO EMPOWER THE INDIVIDUALS WE SUPPORT, PUTTING THEM AND THEIR DEVELOPMENT NEEDS AT THE HEART OF ALL WE DO. ”

Dawn Walker
Personal Support Worker
Natural Ability



What is happening to small charities?

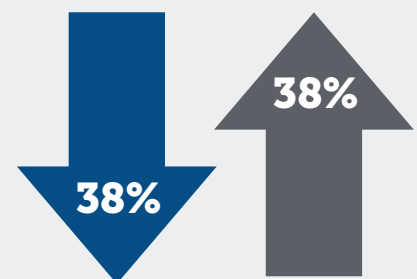
Demand for the support small charities provide is growing. 88% of charities told us they are experiencing a change in demand¹ as more people, with more complex problems need their help. But the money they have to support people is falling. Many small charities used to get a large part of their funding from local government grants in recognition of the vital local services they provide. But this income is falling as government and councils increasingly move away from grant funding for public services and towards large contracts which can be very hard for small charities to compete fairly for and win.

Smaller charities have the flexibility to be able to work directly with individuals facing disadvantage in a tailored and targeted way. It can be harder for larger organisations delivering larger contracts and who need to work at scale, to personalise their approach in this way. Standard service offers might come with a standard price but they may not be able to deliver the specific support an individual may need.

Commissioners are starting to realise that large contracts aren't always best but sometimes this realisation can come too late for small charities. If a small charity loses its grant funding and does not win the local authority contract, despite its best efforts to raise funding from elsewhere, it is at risk of closure. This means its services, expertise, knowledge and understanding of people and local community will be lost.

“ People are often surprised to hear that every year is a battle to stay open. But this is the reality for small charities, especially within the current commissioning environment. ”

Josie Soutar
Sheffield Alcohol Support Service



Government income for small charities has fallen by 38% on average, whilst the largest charities have seen a 38% increase.

Navigating Change, NCVO, 2016

¹Expert Yet Undervalued and on the Front Line. Lloyds Bank Foundation for England and Wales, 2015.

“ WE’VE STRUGGLED WITH CONTRACTING – NATIONAL/ LONDON BASED ORGANISATIONS ARE WINNING CONTRACTS BUT THOSE ON THE GROUND LEVEL ARE BEING LEFT OUT. ”

Vivienne Wiggins
Chief Executive
Beacon House Ministries



Small charities are struggling today

Small charities are trying to raise awareness of the issues they face and are doing all they can to make up the shortfall in their income but they are struggling to stay afloat.

Iceni Ipswich has been providing services that break the cycle of inter-generational, familial and sexual abuse since 1998 and was funded by the local authority. In 2010, the local authority issued a large contract for these services and put it out for competitive tender. Despite a successful history of providing this support, the contract was won by a larger charity that had no knowledge of Ipswich or any presence in the county Suffolk.

“ **Local authority funding was our lifeblood but this procurement approach favours larger providers meaning we lost out. All of our staff, volunteers and trustees live locally. We work hard to put the interests of our community first. But by losing the contract in this way, the relationships we have built over years and the connection we have with the vulnerable and hard to reach individuals we support will simply be lost.** ”

Brian Tobin
Chief Executive, Iceni Ipswich

Multiple Choice was a small community rehabilitation charity in Leeds that closed down recently when government funding shifted away from funding local organisations into a much larger contract for citywide drug and alcohol services. Local people in Leeds lost an important service as well as the knowledge and experience this charity had developed over the years.

We need to take action now to support small and local charities before they disappear.

What can I do to support small charities?



Below, you will find some simple and practical steps that you can take to begin supporting your local charities. Together we can and should help small charities to not only survive, but thrive.



If you're a local person or business you can:

- ✓ Find out about the small charities in your local community
- ✓ Donate to a small charity in your local area
- ✓ Talk to your local charity about other ways they need support or how you can help



If you're an elected councillor you can:

- ✓ Visit small and local charities to understand the people they help, their work and the issues they face
- ✓ Question local commissioning practice to ensure it gives a fair chance to small charities
- ✓ Ensure the voice of local charities is heard when councils design and make decisions on policies and services



If you're a local council, NHS or Police and Crime Commissioner you can:

- ✓ Work with local charities to better understand who they work with, the existing services in your area and learn from their expertise about what support is needed
- ✓ Ensure any commissioning involves contract sizes and processes proportionate to what you are trying to achieve to allow small charities to have a fair chance of succeeding
- ✓ Use grants wherever possible



If you work in Central Government you can:

- ✓ Set a measurable target for commissioners to work with small charities
- ✓ Support commissioners to design processes that will enable small and local charities to have a fair chance of winning contracts through guidance, best practice and leadership
- ✓ Improve transparency in commissioning and supply chains and challenge bad practice



If you're a trust or foundation you can:

- ✓ Provide core, long term funding for small and local charities
- ✓ Ensure your application and reporting processes are proportionate
- ✓ Consider other support you can offer to strengthen small and local charities

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Small and local charities play a vital role in their community but they need your help to not only survive, but thrive.

Find out inside how you can take action today.

Lloyds Bank Foundation and Small Charities Coalition work closely together to support small charities and make sure their voices are heard.

About Small Charities Coalition

Driven by 7,800 members, Small Charities Coalition delivers free, accessible and sustainable support to ensure a strong, well equipped and confident sector, valued for the positive contribution it makes to society.

www.smallcharities.org.uk



About Lloyds Bank Foundation

The Lloyds Bank Foundation for England & Wales is one of the UK's leading community grant makers. An independent registered charity funded by the profits of Lloyds Banking Group as part of the Group's commitment to Helping Britain Prosper.

The Foundation invests in small and medium-sized charities supporting people to break out of disadvantage at critical points in their lives, and promotes practical approaches to lasting change.

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