

**Grant-making strategy**

Kent Community Foundation

April 2024 – April 2028

**Background**

The last three years have seen a period of growth in KCF’s grant-making, increasing from c.£2.8M to c.£4M per year and from c.600 grants to c.750 grants per year to organisations and individuals.

Average grant size has remained static at c.£4/4.5K. Number of core support/unrestricted grants has increased hugely – this was an intention in our previous strategy and we have managed to embed this principle solidly across our grant-making, both through discretionary (i.e. via Grants Committee) and panel-led routes. We have been less successful in increasing the number of multi-year grants – it’s proved hard to move away from the annual cycle which dominates much grant-making.

The previous strategy added a fifth priority area (environmental) with associated pooled fund and the introduction of our annual route and micro route, all of which have been very successful, particularly in increasing core support/unrestricted grants (annual route) and reaching new groups (micro route).

Current KPIs are around number of applications, number and value of grants, new applicants/grantees, number of core & multi-year grants, number of face-to-face assessment visits, number of events attended.

**Principles for the coming three years**

Much of our current strategy is working, so we will take forward some elements (for example, increasing new grantees and offering unrestricted grants). *KPI - % first time grants – 20% (ongoing)*

In the next three years we will focus on the following –

making **grants which meet demonstrated needs** – using our Needs Analysis (drafted in 2021 and launched in 2022) which identified top five priority needs across the county – mental health, domestic abuse, substance abuse, low income/poverty, housing/homelessness - more effectively across all grant-making. Continue to plot grant-making against five priority needs. *KPI - % grants meeting priority need – 40% (ongoing)*

continuing to make **unrestricted grants** – we have made good head way with this via our annual route where many grants are for essential non-time bound overheads, such as rent or utilities, or vital back office staff.

making more **multi-year grants** – we have slipped into a 12-month cycle with many of our grants and the strategic importance of moving away from that to a three-year or five-year (!) commitment is significant, shoring up the stability of the sector, making a clear statement of intent to our grantees and other grant-makers and increasing the impact of our funding. Grants Committee is likely to have a key role in turning this intention into reality. *KPI -* *% multi-year grants – 10%*

**opening up our decision-making** – where we are able, generally on corporate, statutory and flowthrough funds, to bring in fresh perspectives to our panels. This might be people with lived experience of the issue, professionals with particular expertise, local residents for a geographically-specific fund etc. As a member of the international Participatory Grant-making Community, and with IVAR accreditation as an open funder, we need to prioritise this. Our recent assessment via the Foundation Practice Rating process highlighted some practical improvements we should make to our website – adding on our regrets rate and a “how we make decisions” section, for example, all of which will increase transparency.

continuing to practice **relationship-based grant-making** – this is very much the ethos of the team, to be accessible to applicants/grantees and to be visible in the community. It is resource-heavy but bears so much fruit in terms of our expertise and our reputation, that it is important that this strategy re-commits to it. *KPI - # External events attended – 80 (ongoing)*

centring **EDI considerations** in our grant-making – pressure-checking accessibility of our processes, grants to minority-led organisations, outreach to under-funded minority communities (based on current data), to be in line with our overall EDI strategy. *KPI - % grants to minority-led organisations – 5% (new)*

centring **environmental considerations** in our grant-making – adding environmental resources/encouragement for applicants on website, introducing a green uplift grant – Go Green Grant, continue to plot grant-making against relevant SDGs, to be in line with our overall environmental strategy. *KPI - % grants addressing environmental issues – 20% (ongoing)*

giving **Grants Committee a more strategic role** – delegation of more routine decision-making to Grants Team, with only first-time and riskier applications going to GC for decision, freeing up Grants Committee to spearhead more high-profile, innovative grant-making, such as multi-year support as mentioned above.

**increase impact** of our grants – make more larger grants to smaller organisations. Higher value grants are much more resource-efficient for grantees – receiving £8K rather than £4K from the same request is obviously a much better return on fundraising time & resource invested. It’s generally true that the more money gifted, the more difference the organisation can make – the more provisions a foodbank can purchase, the more hours a befriending service can open for. This is particularly true of smaller organisations where an £8K grant might represent c.10-15% of income.

Set target for more high value grants (over £5K) particularly via our annual route and more fully funded applications particularly via our general route (currently we part-fund a significant number of general route requests in order to “spread” our funding wider – e.g. supporting a £4K request with a £2.5K grant - but this can cause problems for applicants who have carefully budgeted proposals). We will also reduce our income threshold from £5M to £3M. *KPIs - % higher value grants over £5K (new) – 15% & % grant requests fully-funded – 40% (new)*

continue to **collaborate with other funders** – practically on streamlining application/reporting processes across different grant-makers, for example but also on identifying and addressing wider sector issues, and leading by example with multi-year grants, for example. This is slow work as many funders are conservative and reluctant to change, even for the benefit of our grantees and the communities they serve.

**Re-commit to “small grassroots organisations”** – we frequently talk about groups with income up to £100K (NCVO definition of “small”) as our primary priority for funding. We should be able to demonstrate that our ambition is a reality. Of course, our grantees also have to be GOOD and meeting a NEED with a QUALITY service. Small on its own is not enough. Grassroots also implies locally-based, so groups with roots in Kent/Medway, not out-of-county organisations should be prioritised. *KPI - % grants to organisations income up to £100,000 – 60% (new)*

In addition, we will retain the following *ongoing KPIs – #grants made (700) & £value grants made (£4M) & % good applications regretted (this speaks to the funding gap) – less than 30%*

A note on KPI numerical targets – these are informed by current data and are realistically ambitious.

**Key points for trustees to note**

There’s a lot for the team to do here, the five key points for trustees to be aware of (not in order of importance) are –

1. An increase in multi-year grants & larger grants
2. Re-focus support on small grassroots organisations
3. More effective targeting of grants as per our needs data
4. Articulating our EDI & environmental strategies into grant-making practice
5. Increasing the transparency of our grant-making and using participatory decision-making, wherever we can

This strategy will cement KCF’s position as a forward-thinking, engaged and supportive funder, building on the good work already done and enhancing and improving where we can.

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