



The Power of Local Ecosystems: a Sustainable Network for Change

What we can learn from how Plymouth's VCSE sector is innovating in a rapidly changing world

Written by: Frances Northrop, Emmet Kiberd

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New Economics Foundation

www.neweconomics.org

info@neweconomics.org

+44 (0)20 7820 6300

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Background

Introduction

We present this report at a time of unprecedented change. Whilst the challenges can sometimes feel overwhelming, the social action and grassroots activity of the last 18 months has shown that a fundamental part of the UK's resilience lies in networks of smaller groups, initiatives and organisations all pulling together to meet need and create joy in the face of great adversity.

Since its inception in June 2016, Plymouth Octopus Project (POP) has focused on its role of providing an infrastructure to support and build these strong grassroots organisations, charities, and social enterprises in Plymouth – with an emphasis on funding, collaboration, capacity building, citizen action and networks. As a young organisation, it is uniquely positioned to harness the collective experience and knowledge of its members, staff and trustees, whilst being able to adopt a fresh and agile strategic approach to reflect the rapidly changing sector, political climate and culture it was created in response to.

In 2017, POP was awarded £1.3m by Esmée Fairbairn to create 'a CVS for the 21st Century'; one which explored and tested *"the role of the organisation in brokering, advocacy, coordinating, facilitating new relationships, providing a place for thinking and incubation of ideas, as well as the broader points about being a single point of access and a mechanism for equalising the relationship of the VCS with the local authority."*¹

Four years on, the New Economics Foundation (NEF) have undertaken research on the potential of POP's approach to the Esmée investment in the current context in Plymouth.

This research has sought to understand:

- The current size and scope of the VCSE sector in Plymouth
- Trends in funder behaviour
- What learning might be drawn from the POP approach
- How greater collaboration between the VCSE sector and between the VCSE sector and funders might be achieved

¹ <https://www.plymouthoctopus.org/elementor-2363/>

In order to meet these objectives, NEF used a combination of quantitative and qualitative analysis, undertaking desk-based research to understand the size and scope of the VCSE sector in Plymouth, and patterns of investment into the city by lottery programmes, trusts and foundations. This was supplemented by background desk research and interviews with POP staff members to fully understand their operations and process around allocation of the Esmée investment.

Finally, interviews were undertaken with other stakeholders in the VCSE and funding sector to understand the current delivery approaches of major funding programmes to identify where further collaboration could be of benefit.

This report is delivered in two parts:

- Part 1: identifies what we know about the sector from existing datasets and summarises the current state of the voluntary and community sector in Plymouth and the historic funding patterns
- Part 2: examines in more detail how POP are innovating and can continue to find new ways of supporting this grassroots sector through collaboration via partnerships with the social enterprise and community business sector; and joined-up funding relationships.

The report concludes with recommendations to share and explore further with funders and partners, both in the City and beyond.

Our aim is to bring this practical experience to the growing swell of debate about funding mechanisms and practice across the UK, to properly and appropriately resource people to have greater control over their local economies, and to grow the resilience within their communities to meet the challenges of existing and future shocks.

Context

POP started life as a project of the Zebra Collective, a Co-ops UK registered worker co-op. The focus was on building connections to support the sector to influence decision making in the City, and an emphasis on building networks. In 2014, Zebra Collective won the continuation of the VCS (Voluntary and Community Sector) infrastructure support contract from Plymouth City Council (PCC) and the Funding Advice Service contract through an open tender process. The Funding Advice Service had been transferred from Routeways Centre Ltd to Zebra Collective, and became POP ideas in October 2014.

On 7th June 2016, POP was formally constituted as a Charitable Incorporated Organisation as Plymouth's infrastructure and co-ordinating body for the voluntary and community sector.

“Our organisation convenes networks, delivers funding advice and capacity building, and seeks strategic influence on behalf of the sector in all aspects of City life.”²

The same year, Esmée Fairbairn trustees had approved a pilot place-based programme to invest more than £1m into specific areas – with the expectation that each area would use the money differently in order to make best use of local assets and opportunities. The status of Plymouth as a Sustainable Food City and Social Enterprise City, coupled with existing relationships between the Foundation and organisations in Plymouth (which indicated a desire to work collaboratively across sectors), led to Plymouth being one of those pilot areas.

The specific partnership between POP and Esmée Fairbairn began in earnest in February 2017 when the Foundation, following a visit to Plymouth, set out the following challenge:

“We’re keen to explore further the idea of ‘a CVS for the 21st Century’.... Ideas that came up for us were the role of the organisation in brokering, advocacy, coordinating, facilitating new relationships, providing a place for thinking and incubation of ideas, as well as the broader points about being a single point of access and a mechanism for equalising the relationship of the VCS with the local authority. In practice though, what would this look like? We’d encourage you to think flexibly here.... We’re open to hearing thoughts on how the organisation can remain nimble, but still have the desired strategic impact.”³

² <https://register-of-charities.charitycommission.gov.uk/charity-search/-/charity-details/5079938/charity-overview>

³ <https://www.plymouthoctopus.org/funding/Esmée-fairbairn-year-1/>

A follow up workshop held in May 2017 with representatives across the voluntary sector, Plymouth City Council, and other funders gave a more detailed sense of the investment needed to achieve outcomes, but explicitly gave permission for the process to be participatory and iterative – acknowledging that this was a new way of working which would need to evolve and adapt over the lifetime of the award.

“There was an overwhelming sense that the structure of the initiative should be kept as simple and inclusive as possible. There must be a mechanism for learning from both successes and failures, and decisions should be made openly and democratically. The funding pot needs to pull people together and create measurable change, rather than fostering unhealthy competition. This change must be sustainable, ensuring a more confident and connected sector is left at the end, rather than increasing dependency.”⁴

The result of the deepening of the relationship between Esmée Fairbairn and the City of Plymouth, through POP’s auspices, was an award of £1.3m over five years to explore this proposition. The three outcomes for the five year change programme were defined as:

1. Better services for people
2. A stronger voluntary and community sector
3. Better working with other sectors in the city (so that we are all working together towards the same aims).

To deliver on the programme, two main decisions were taken by the board and staff of POP to guide how this investment was spent. These fundamental principles were that:

- The majority of the money would go out to the sector
- Decisions would be made with the sector, in a participatory way.

In June 2018, the first awards were made, allocating £141,000 to more than twenty projects and grassroots organisations across the city. Each of the following projects was successful and received between £2,000 and £10,000.

⁴ <https://www.plymouthoctopus.org/funding/Esmée-fairbairn-year-1/>

Table 1: Projects Funded Through Esmée Fairbairn

CASSPLUS	Horticultural Therapy Trust
Community Arts & Events Network	New4You Youth Group
Community Criminal Justice Network	Plymouth Area Disability Action Network (PADAN)
Diversity Business Incubator CIC	Plymouth Law Clinic
Environment Plymouth	Plymouth Mental Health Network
End of Life Compassionate Network	Plymouth Tree Partnership
Food Plymouth Partnership CIC	Revolutionary Women, Harbour, Trevi & Broadreach
Friends of Wyndham Square	Seadream Education CIC
HITH CIC & LifePlay Learning	Stiltskin Arts & Theatre CIC
Honicknowle Commnet Ltd	The Ark Community Project Ltd
Hope In The Heart CIC	The Mount Batten Centre Charity Trust CIO

Following this initial approach to the allocation of the Esmée investment, POP have been taking an action learning approach to investigating different good practice approaches, putting some into action, and collaborating locally, regionally and nationally. Based on their own learning and innovation of similar approaches from elsewhere, this has informed their organisational development, role, reach and service delivery.

In 2021, POP's membership is growing. Small (under £100k annual turnover) and micro-organisations (under £10k annual turnover) now constitute nearly 70% of POP's membership. Capacity building data also shows a healthy, growing level of engagement. Since the Esmée investment, POP have increased support to smaller organisations. 80% of their support now reaches organisations under £100k annual turnover.⁵

⁵ <https://www.plymouthoctopus.org/wp-content/uploads/2021/05/POP-2021-Summary-Learning-Report-FINAL.pdf>

Part 1: What We Know

Introduction

Despite the strength of the VCSE sector, and the good relationship between the sector and funding partners, and the levels of positive collaboration in the City, there is a lack of a clear dataset. This is both of the breadth of the voluntary, community and social enterprise sector in Plymouth, and where the money flows into Plymouth are coming from, how they are currently distributed and how they might be allocated for maximum impact.

This first section of the report seeks to give a better understanding of what current datasets there are to inform where the gaps are; how this might be overcome; and who would be likely partners in ensuring this is achieved.

The Size and Scope of the VCSE Sector in Plymouth

MyCake analysis conducted in March 2020 identified that there were approximately 1,250 non-profits in Plymouth as of 2018.⁶ Approximately 560 of these were engaged in work not traditionally considered part of the VCS sector, such as religious organisations, schools, hospitals, political organisations, international aid and grant-making foundations. Of the remaining 690 organisations, 374 had published information about their turnover. It is these organisations which form the basis of this analysis.

Among those 374 VCS organisations:

- 53 (14%) fell into the smallest turnover band, with less than £5,000 in annual turnover
- 156 organisations had a turnover between £5,000 and £50,000
- and 39 organisations had a turnover of between £50,000 and £100,000.

⁶ MyCake (2020). *Finance Data narrative for Lot 4*

Figure 1: Number of VCS Organisations in Plymouth Providing Financial Information, by Turnover (2018)



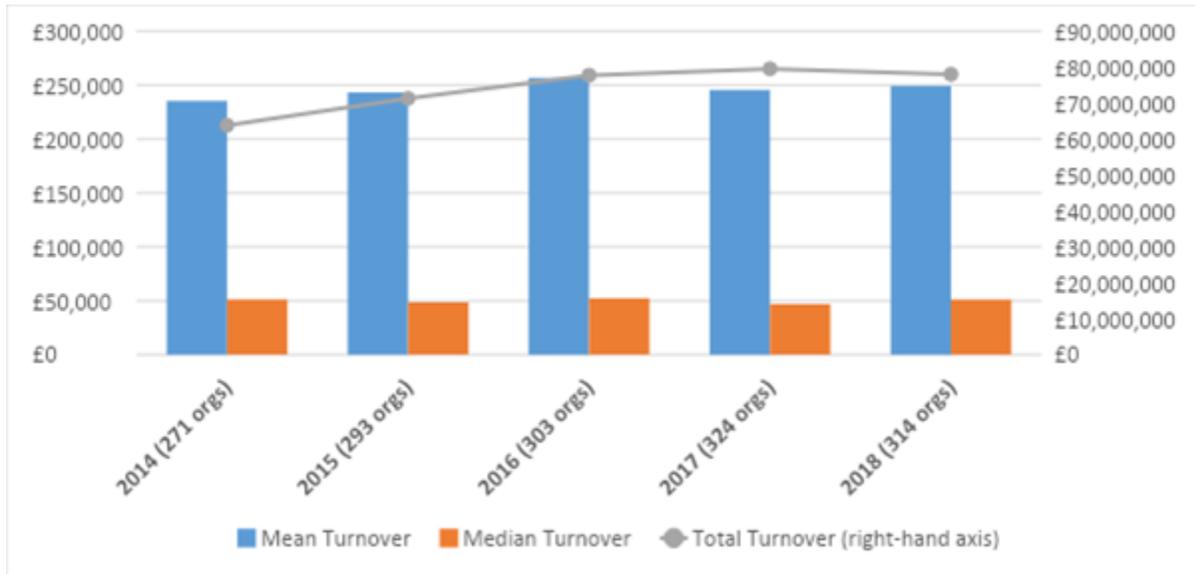
In the period from 2014 to 2018, the sector grew steadily and the number of organisations with a turnover between £5,000 and £5,000,000 expanded from 271 to 314 (see figure 2). The total turnover of the same group rose from £64m to £78m.

This growth in the number of organisations explains most of the growth in total sector turnover, as the average turnover per organisation within this group remained relatively constant during this time.

The same skew in organisational size towards the smaller end was identified in a brief review of 2021 Charities Commission data for Plymouth.⁷ In the most recent recorded year, half of the organisations had an income of less than £26,306 and 80% had an income below £207,000.

⁷ Based on analysis of 408 organisations registered to addresses in the two Plymouth parliamentary constituencies (Moor View and Devonport), of which 384 list financial data (income and expenditure for the most recent year of accounts). Note: it was not possible to exclude certain sectors as was done in the MyCake sample

Figure 2: Trend in Mean, Median and Total Turnover and Number of Organisations

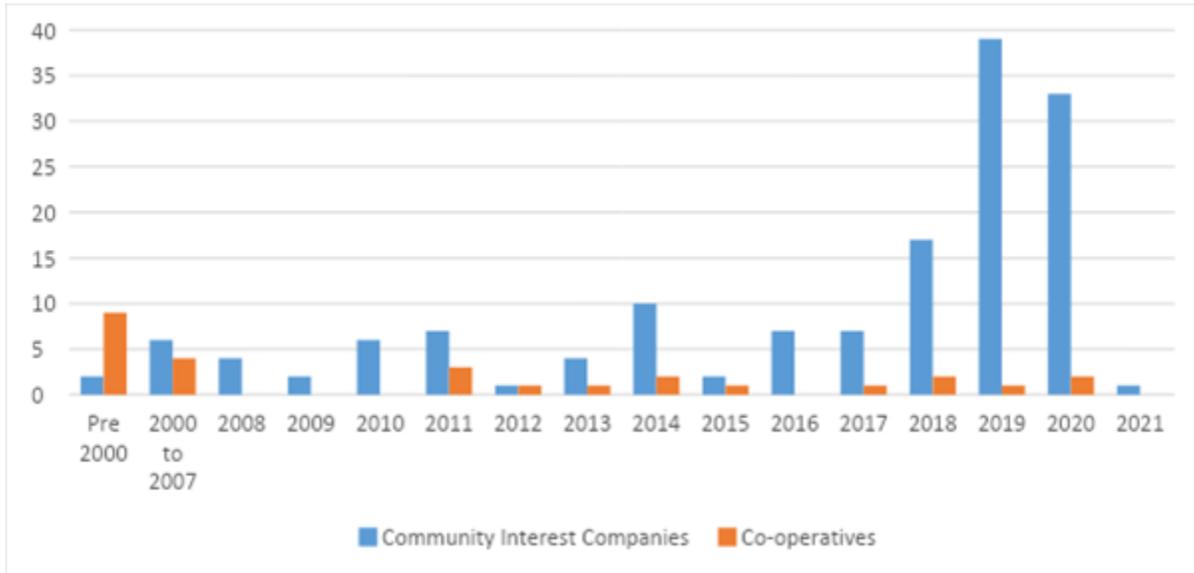


Organisations within the sector take a range of different legal forms. As of February 2021, there were 148 active Community Interest Companies (CICs) in Plymouth. Many of these CICs were very recently established, with 90 (61%) of them having been incorporated in 2018 or later (see Figure 3).

As of January 2021, there were 29 co-operatives active in Plymouth according to Co-operatives UK data.⁸ A higher proportion of co-ops were long-established relative to CICs, with 9 of the 28 co-ops for which data was available having been established before 2000. Similarly, co-ops established in the past decade in Plymouth were far less skewed towards the very young end of the scale, relative to CICs (see Figure 3).

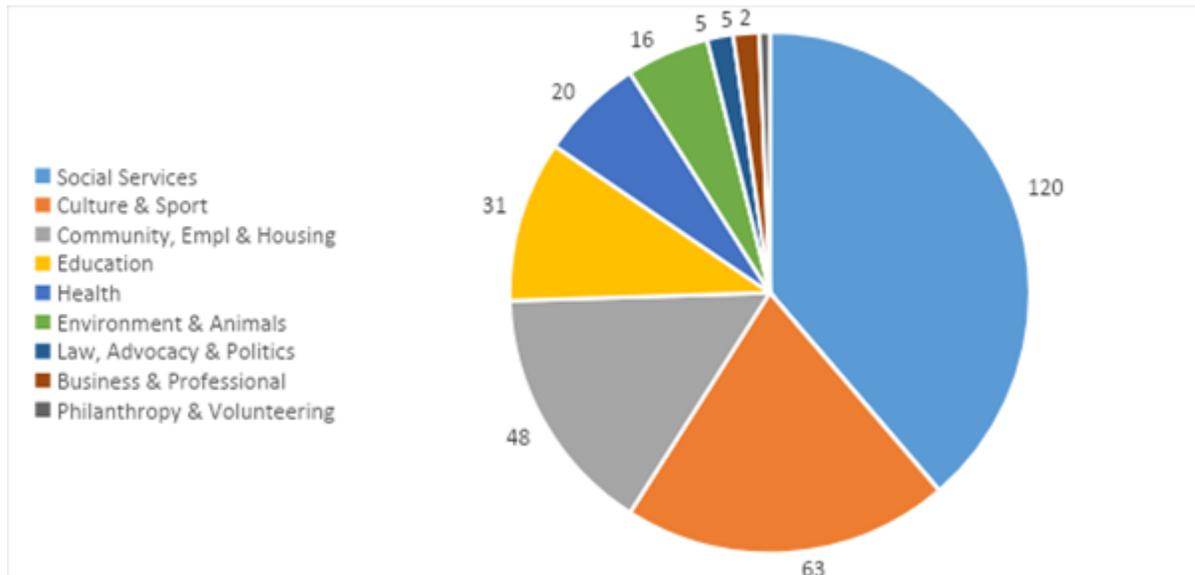
⁸ Based on registered addresses in postcodes PL1 to PL9. Of these, 4 are listed under registered societies in the Companies House data and one is listed as a CIC in the Companies House data

Figure 3: CICs and Co-operatives in Plymouth by Year of Incorporation



The VCS organisations identified in the city by MyCake serve a variety of subsectors⁹ (see Figure 4), with nearly three quarters of them falling into the largest three sectors; social services, culture and sport and community, employment and housing.

Figure 4: Number of VCS Organisations in Plymouth by Sector



⁹ The sectoral classification used is based on INCPO (International Classification of Non-Profit Organisations)

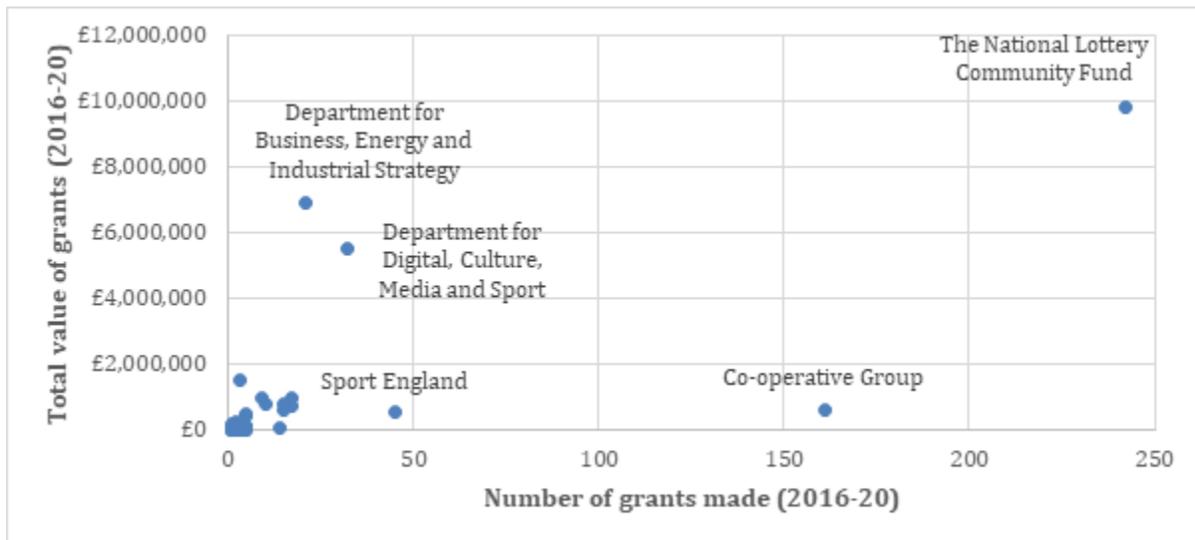
Where is Funding Currently Allocated?

In order to get the most representative sample possible of the range of funders operating in Plymouth, we used Data from 360Giving GrantNav on the 9th Feb 2021 which receives regular data from 172 funding organisations. Drawing on their data registry, we have focused on the most recent five-year period (2016-2020).

During this time there were 668 grants, provided by 38 different funders, worth a total of £31.97 million. The National Lottery Community Foundation were the largest funder both by total value of their grants (£9.8 million or 31% of all grants for the period), and the number of grants provided (242).

The next most prominent funders in terms of number of grants were the Co-operative Group (161 grants), Sport England (45), the Department for Digital, Media and Sport (32) and the Department for Business, Energy and Industrial Strategy (21). The remaining 33 funders made between one and 17 grants each during the period.

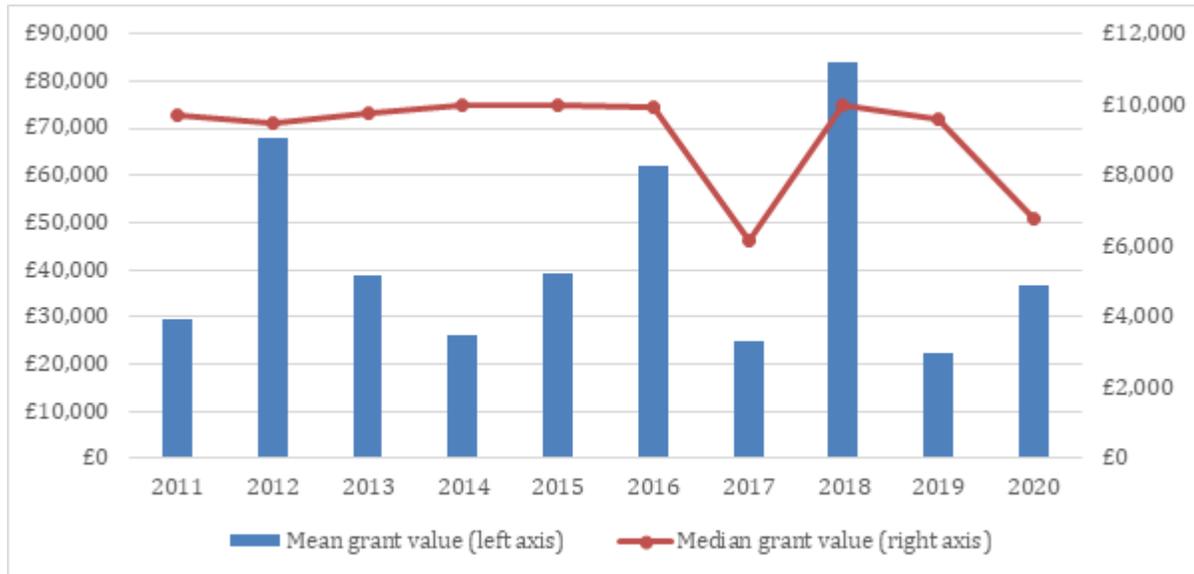
Figure 5: Total Value of Grants and Number of Grants Made by Funder (2016-20)



The average grant value is more consistent from year to year, typically falling just below £10,000. The average grant value was lower in 2017 (£6,165) and 2020 (£6,750).

In 2017 this seems to have been driven by the large number of small grants provided by the Co-operative Group, which was not present in the data in 2016 or earlier. In 2020, there was a significant rise in very small grants which is discussed in further detail below.

Figure 6: Mean and Median Grant Value by Year



The data shows that the majority of grants in a given year are small (defined as amounts of £10,000 or less). This accounted for 71% of grants in the past five years, and between 57% and 78% of grants in each calendar year during that period.

Within those small grants, 31% of grants in the past five years were for amounts of £5,000 or less. The most prominent cluster of small grants lies in the range between £9,001 and £10,000 (equivalent to 27% of all grants for 2016-20). This includes many grants for exactly £10,000 (10% of all grants for 2016-20).

Table 2: Total Value, Total Number and Average Value of Grants by the 15 Largest Funders (2016-20)

Funder	Total Value of Grants	Number of Grants	Average Grant Value
The National Lottery Community Fund	£9,843,364	242	£40,675
Department for BEIS	£6,904,703	21	£328,795
Department for DCMS	£5,517,192	32	£172,412
Wolfson Foundation	£1,528,000	3	£509,333
Power to Change Trust	£988,870	9	£109,874
The Tudor Trust	£941,109	17	£55,359
Esmée Fairbairn Foundation	£767,022	10	£76,702
BBC Children in Need	£757,714	15	£50,514
Lloyds Bank Foundation for England and Wales	£697,316	17	£41,019
Co-operative Group	£620,735	161	£3,855
The National Lottery Heritage Fund	£612,800	15	£40,853
Sport England	£517,535	45	£11,501
Ministry of Justice	£468,933	5	£93,787
Comic Relief	£406,819	5	£81,364
Nesta	£253,868	2	£126,934

The 668 grants contained in the dataset for the period from 2016 to 2020 were received by approximately 353 organisations¹⁰ implying that there were 1.9 grants per recipient on average during the period.

¹⁰ This figure is based on 80 duplicates that were combined within the list of recipients, reducing the total from 433 to 353, but there may be a few additional duplicates that were not picked up due to changes in their organisation's name during the period.

The largest recipients by combined value of all grants received during the past decade of data, are shown in Table 2 below.

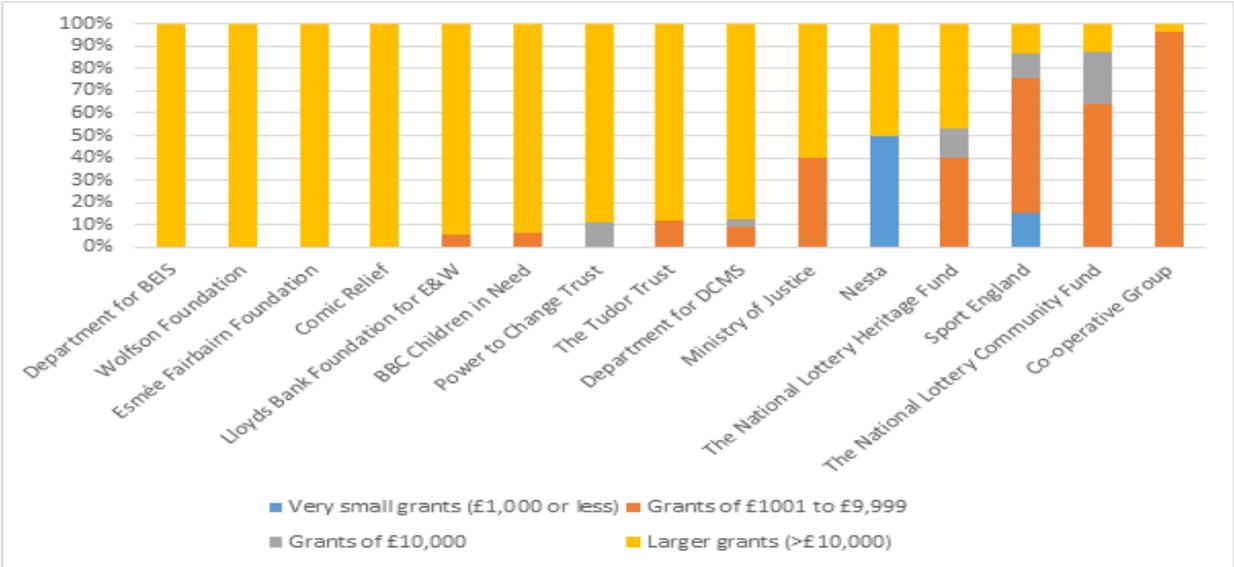
Table 3: Top Recipients by Value of Grants Received (2011-2020)

Recipient	Combined Grants Received	Percentage of Total
Plymouth Marine Laboratory	£4,699,354	10.5%
Theatre Royal (Plymouth) Ltd	£3,775,395	8.4%
Marine Biological Association	£2,257,420	5.0%
Real Ideas Organisation CIC / Real Ideas Trading Ltd	£1,720,182	3.8%
Trevi House	£1,542,589	3.4%
Plymouth Music Zone Limited	£1,227,557	2.7%
AMPROLOGIX LIMITED	£1,182,041	2.6%
Whitleigh (Big Local)	£1,149,250	2.6%
Plymouth Citizens Advice Bureau	£1,127,904	2.5%
Home-Start South & West Devon	£1,115,583	2.5%
Plymouth Mind	£1,109,231	2.5%
Friends And Families Of Special Children Ltd	£859,960	1.9%
Plymouth Culture	£832,917	1.9%
The Barefoot Project	£750,446	1.7%
Students and Refugees Together	£700,562	1.6%
Devon and Cornwall Refugee Support	£639,178	1.4%
Plymouth Highbury Trust	£520,889	1.2%
Other recipients	£19,525,720	43.6%
Total	£44,736,178	100.0%

Among the largest funders by total grant value, only a few are heavily focused on small grants. Figure 8 shows the proportion of grants in different size bands for each of the 15 largest funders between 2016 and 2020 (each of whom provided more than £250,000 in grant funding during the period, and who collectively accounted for 96% of all funding covered by the data).

A high proportion (85%) of all grants below £10,000 came from three funders: the National Lottery Community Fund, the Co-operative Group, and Sport England.

Figure 7: Proportion of grants in different size bands



Conclusions

Our research shows the vast majority of grassroots groups and organisations in Plymouth are under £50k turnover but despite this reality, the majority of funders are still funding at a higher level than this. It also shows that organisations with a turnover of under £10k per year are largely unseen by existing datasets and as such, cannot be properly understood. There are also significant gaps in the data available, meaning that a rounded picture is hard to achieve.

This poses issues for the creation of a well understood and well evidenced sector where funders know who is investing in the city, and can collaborate alongside infrastructure support bodies and grassroots groups and organisations on the ground who know where the resources are needed (but not necessarily about each other). Additionally, whilst we have been able to glean valuable and useful information from the datasets we interrogated,

it is clear that this information is not easily accessible or available in formats that can be easily referenced and understood.

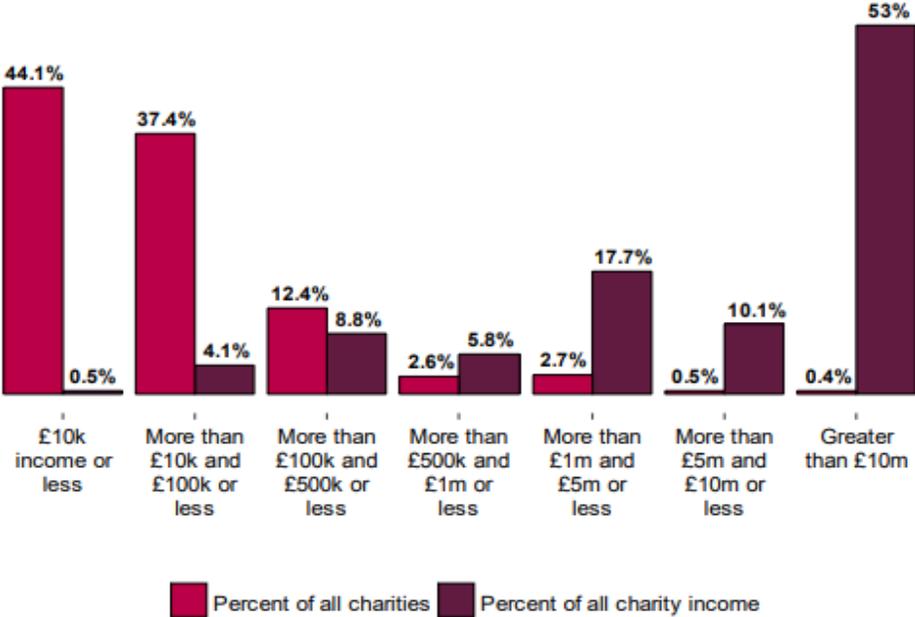
As a result of all of this, groups and organisations across the sector have to spend disproportionate amounts of time completing often very different, funding applications. A more complete knowledge base would enable infrastructure bodies in both the Voluntary and Community and the Social Enterprise sector to create improved pipelines of support, and streamline processes for already time-strapped organisations. This would create new opportunities for collaboration, and offer greater transparency to aid future participatory approaches.

Part 2: A New Approach Fit for the Future

Introduction

Within the Build Back Better debates about how we rehabilitate the economy in the wake of our withdrawal from the EU and the pandemic, the role of voluntary and community sector organisations in catalysing economic opportunities and providing a resilient web of support for all of our communities is being given more attention than ever before.

According to the NCVO site 'how charities work', there are currently about 166,000 charities in the UK with a total annual turnover of just under £48bn. *“Just like with businesses, there are a smaller number of very big charities, and lots of smaller ones. Around half of all charities have an income of less than £10,000 a year. Over 80% of charities have an income of less than £100,000.”*¹¹



Source: Register of Charities (Charity Commission for England and Wales)

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/228900/7189.pdf

The second part of this report is concerned with these 80% of organisations - which form the majority of POP's membership - and the infrastructure necessary to sustain and/or develop, but not hinder them. Given the unconstituted and or unregistered status of many smaller groups, it has been impossible to identify how many of these organisations exist in Plymouth, so we are using this percentage as a proxy.

The purpose of this section is to focus on the approach POP have taken to exploring their participatory funding approach, and how they are using this to inform their work to develop 'a CVS for the 21st Century'.

The Value of Small

In 2018, a report commissioned by Lloyds Bank Foundation, highlighted the unique value of small charities and social enterprises. They found that small and medium sized charities (SMCs) made a distinctive offer, used a distinctive approach, and occupied a distinctive position in the delivery of social good in communities.

Some of the distinctiveness came from their ability to respond quickly to issues as they arise, taking a person-centred approach, promoting inclusion through the effective use of local connections and networks, and creating diversity via the recruitment of volunteers from the local community.

"Collectively, at an area level: all of the SMCs felt that it was critical to continue to invest time and financial resources in collaborating with other local providers, even where there was no funding attached to this work. This work was seen as important because it bridged a gap between communities and the public sector, and enabled the voices of people facing disadvantage to be heard more effectively."¹²

This was echoed in the New Local 2021 report 'shifting the balance', which sought to understand the critical role small organisations had played in response to the pandemic. The report identified the emergence of a new community-powered approach driven by the adoption of 'balance-shifting practices' among local public services, VCSE bodies and communities. In this report, these practices are classified as adaptations, innovations and collaborations.

¹² <https://www.lloydsbankfoundation.org.uk/media/c2aphccs/the-value-of-small.pdf>



The report spoke of the need for:

- Local institutions to remove or negotiate formal regulations and systems to help community groups retain their informality, agility and versatility
- Infrastructure to support the genuine innovations that emerged during the pandemic
- VCSE collaboration through the creation of peer networks that connect different kinds of community businesses, voluntary groups, and charities – both within and between places, and between national, regional and local levels.

Making the economic case, a June 2021 report by Frontier Economics, commissioned by Local Trust, entitled ‘The Impacts of Social Infrastructure Investment’ demonstrates that:

“Investments in local places and spaces, community organisations and connectedness deliver significant economic, social and fiscal benefits.”¹³

¹³ https://localtrust.org.uk/wp-content/uploads/2021/07/Frontier-Economics_the-impacts-of-social-infrastructure-investment.pdf

In the report, they estimate that a £1 million investment in social infrastructure can deliver £3.2 million in economic, social and fiscal benefits over ten years through increased employment, better health and wellbeing, growth in the local economy, and reduced crime. That is without quantifying the benefits from improved social cohesion, more civic engagement, reduced loneliness and environmental improvements.

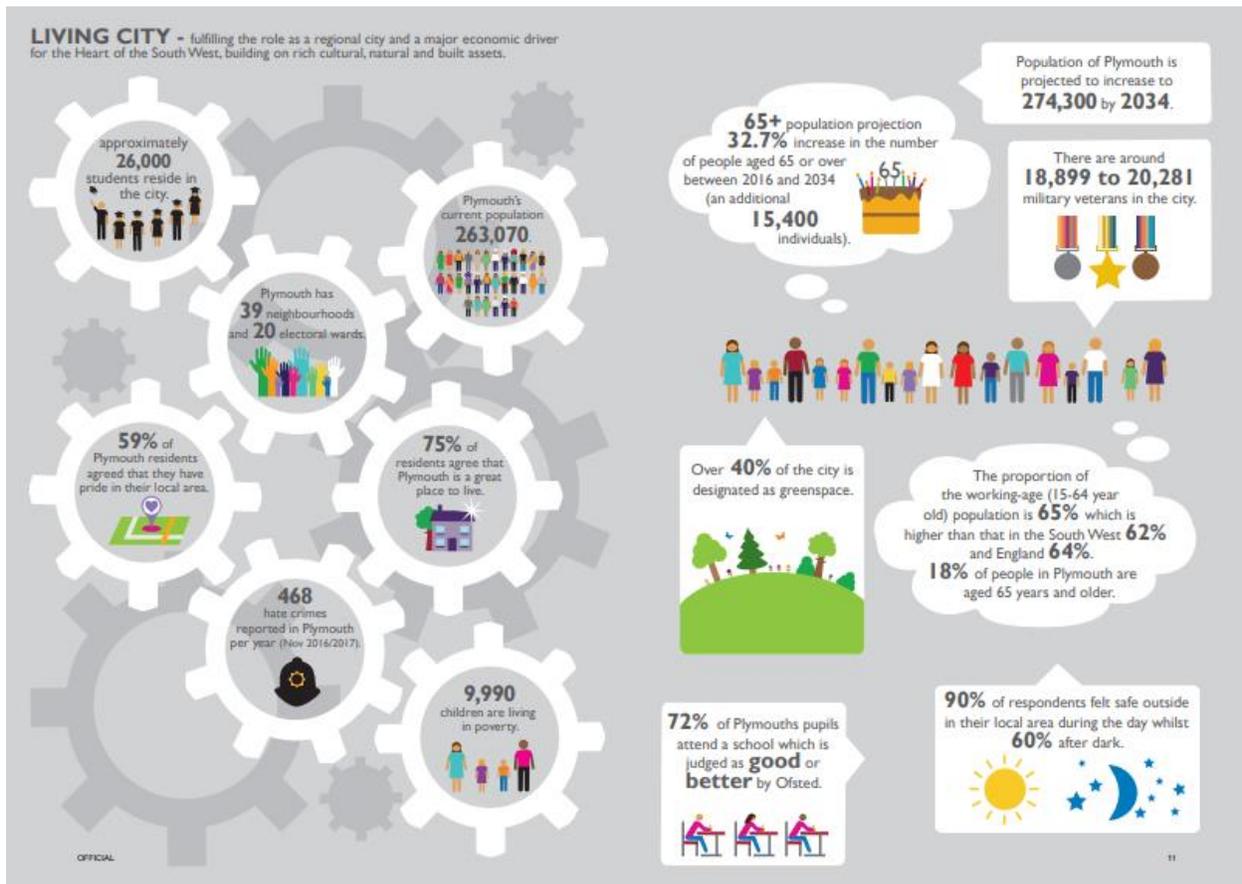
Most recently, a report¹⁴ released in September 2021 commissioned by a consortium including West Yorkshire Combined Authority, West Yorkshire and Harrogate Health and Care Partnership (WY&H HCP), the Humber, Coast and Vale Health and Care Partnership, Yorkshire Sport Foundation, and Community First Yorkshire, found that the VCSE sector in West Yorkshire included around 14,900 registered and unregistered groups employing around 29,700 full time equivalent posts, with an estimated 121,000 regular volunteers.

The research, undertaken by Durham University on the structure, dynamics, and impact of the voluntary, community and social enterprise (VCSE) sector across the area, calculated the total direct economic value of the sector is estimated to be almost £1.4bn per annum. By employment, this is larger than the finance and insurance industries, and about the same as the information and communications industries.

Whilst this activity should never be viewed as a substitute for high quality public services, grassroots groups and organisations clearly play a key role in providing self-determination and autonomy to people to work together to organise resources to meet each other's needs. As such they create community wealth in creative and diverse ways, often in the face of, and in response to, structural inequalities. This should be recognised and supported as powerful activity in and of itself as part of a balanced provision of services.

¹⁴ <https://www.wypartnership.co.uk/our-priorities/harnessing-power-communities/research-and-reports/structure-dynamics-and-impact-of-vcse>

A CVS for the 21st Century: The Plymouth Way



The Lloyds Bank Foundation, New Local, Local Trust, and Durham University reports all signify a growing acknowledgment of the benefit of smaller organisations. They also acknowledge the importance of funding that is tailored to them as part of a wider funding and support infrastructure in place – especially in response to learning from the pandemic of how critical they are to local resilience and economic ecosystems.

Whilst pushing for more of this learning, and as the intelligence on the local grassroots sector grows, the question for funders, infrastructure and other support organisations now is how they fund, network and support these smaller organisations and initiatives without destroying the values – human scale, focused, agile – that they seek to increase.

The Partnership with Esmée Fairbairn

The partnership between POP and Esmée Fairbairn was formalised in 2017 when the Foundation awarded POP £1.3 million over five years alongside this challenge:

“As regards the structural support, we’re keen to explore further the idea of ‘a CVS for the 21st Century’.... Ideas that came up for us were the role of the organisation in brokering, advocacy, coordinating, facilitating new relationships, providing a place for thinking and incubation of ideas, as well as the broader points about being a single point of access and a mechanism for equalising the relationship of the VCS with the local authority. In practice though, what would this look like? We’d encourage you to think flexibly here.... We’re open to hearing thoughts on how the organisation can remain nimble but still have the desired strategic impact.”

Esmée Fairbairn April 2017

Two main decisions were taken by the board and staff of POP to guide how this investment was spent which have been fundamental principles. These were that:

1. The majority of the money would go out to the sector
2. Decisions would be made with the sector and in a participatory way

The principles of participation and collaboration are held at the heart of POPs approach, and have been there from the very inception of the organisation. The concern was that, without these guiding principles, the organisation could unconsciously move into more of a delivery role, which could run the risk of crossing over into competition with the organisations they support.

Rather, the intention was, and remains, to use the pooled nature of the resource to co-design how the funds are divested; to create seed funding to support new groups and individuals; to evolve existing work; and to develop collaboration between groups as part of a natural evolution of organic networks.

“The vision of our own role has shifted over the years, away from the idea of POP as ‘a conductor for the orchestra’ towards a much more distributed model of power and leadership that ‘cultivates the garden and tends the soil’. The Octopus reaches in deep with its arms and supports the conditions for supportive collaborative action at all levels of the system.”¹⁵

¹⁵ <https://www.plymouthoctopus.org/wp-content/uploads/2021/05/POP-2021-Summary-Learning-Report-FINAL.pdf>

It could be viewed that POP have been taking the approach several funders are working to get to with their place based model – testing how it can be done in a flexible, light-touch and participatory way from the grassroots – with the right level of local infrastructure support that enables their core to stay relatively small, and their purpose clear.

As a VCSE infrastructure body, POP’s natural starting point is that working in a place brings significant benefits. The ability to look locally and nationally for inspiration allows an anchoring and evolution of many different strands of thinking and research. They also work together with their members to make collective decisions, whilst taking action that can be modelled elsewhere through the approaches taken to convening networks and creating participatory grant making processes.

How POP Operates

POP is made up of two distinct services, which intersect to create an infrastructure of support. This ensure that the sector grows in a thoughtful and meaningful way.

POP Ideas delivers on its main service, capacity building the sector – providing funding advice, project development, and training across the City. This is managed by a POP staff member with a bank of Associates that can be drawn on depending on the specialist support necessary.

Delivery is based on an initial diagnostic meeting to fully understand the needs of the individual, organisation or group approaching them for support.

How we can help

Funding support	Planning support	Signposting
1-2-1 in-depth consultation Grants search Application reviews Funding training	1-2-1 in-depth consultation Project & idea development Business planning Training	1-2-1 in-depth consultation Newsletters Relevant provider support To other local charities

Plymouth Partners and Funders Forum

To underpin this work, POP Ideas co-ordinates the strategic Partners & Funders Forum, established in 2015 by the previous incarnation of POP, which has a wide membership of local public and VCSE partners and funders, with regular attendance by the Rank Foundation, Power to Change, Co-op Community Fund, National Lottery Community and Heritage Funds, Lloyds Bank Foundation and Resonance.

The forum meets bi-monthly and seeks to convene those who fund work in, or have a commitment to the City, to share updates, identify shared areas of interest, and evolve partnerships where desirable.

Fundraisers Network

POP Ideas also hosts the fundraisers network, which has been running for 10 years. It meets around two to three times a year, with a focus on sharing information, challenges, successes, and being a source of peer support in the often complex world of fundraising.

The network also provides a facilitated opportunity for funders to come and present to these professionals, and to update and share ideas with network members.

Pitch Your Project

Since 2015, Pitch Your Project has operated to build relationships between national funders, local VCSE groups, and organisations in Plymouth, and give them a head start on application processes.

Set up like a friendly Dragon's Den, a group of funders sit on a panel table, and hear around fifteen five minute pitches from the local groups. Subsequently, funders arrange 1-2-1's to advise the projects they consider supporting on their grant process.

“Devon Community Foundation were brilliant. They actually use that as their stage one application process, so it meant that after that one to one, they could straightaway put in a stage two application.... also there were a couple of pitches that were funded by two or three funders, so there was a collaboration of investment into that project.” - Interview with Imogen Potter, POP Ideas

The other arm of POP is managed by its CEO, and works across the city to collaborate with others and help collaboration happen. They do this directly and indirectly through:

- **Co-design:** working with other networks like Plymouth Social Enterprise Network (PSEN) and Food Plymouth to lead on co-design processes that work from the grassroots up
- **Representation:** staff sit on strategic boards and panels to encourage decision makers to listen to the voices of citizens and community groups
- **Supporting networks:** as an effective way for a diverse group of people to amplify their voices and influence the way decisions are made.

With the Esmée Fairbairn investment, and through their own funding processes, POP has been offering support through three programmes:

1. Street-to-Scale
2. £250 a Pop
3. POP Collectives

The basis and process for all of these funds is an invitation and a clear criteria. Each of the programmes are explained in more detail below.

POP Collectives

This is POP's main fund, and allocates £5,000 to groups of organisations collectively delivering on one project. This was previously known as the Learning and Collaboration Fund, and was redesigned during the pandemic with participation from members. The focus is primarily on collaboration.

The impact of the work is secondary, and the working assumption is that all the work will have a positive impact, and that making impact judgements on collaborative work is counterproductive. For POP and the work they are undertaking, being able to evaluate the impact of the collaboration itself is more fruitful.

The criteria for the funding is very clear, and the application process is participatory and transparent through the POP website. After submission, the project goes through an online decision making process where 25 or more POP members rate the project to affirm it, or recommend it for further development.

So far, twelve projects involving more than thirty organisations have been awarded funding, with a pipeline of new applications being created through an open and ongoing application process.

“These collaborations being instigated by POP are immensely beneficial to our small organisations. Where there could have been competition for funding we are now in a much stronger position, working as a team on a joint project, helping each other; learning together and reaching a wider audience.”¹⁶ - Dr Juliette Jackson, Seadream

Table 4: Projects Funded Through POP Collective

Big Sis Girl Empowerment Collective	Celebrating STEAM in the South West
Chaddlewood Art and Nature Subway Project	Environment Plymouth Green Recovery Plan
JC's Youth	Life After Lockdown
Mayflower Drama Project	Kintsugi Radio
Mindful Art Club	Visual Arts Plymouth
Re-opening Welcome Hall	Social Isolation Forum
Refugee Resettlement Support Fund	The Radical Minski Nudge++ Collective

Street-to-Scale

The objective at the beginning of 2019 was to fund grassroots community activity. Wishing to avoid a more traditional micro grants pot, POP was introduced to Street-to-Scale.

The innovation was designed by Ashoka fellow Charlie Howard and young people in London, in collaboration with Ratio – a research organisation exploring how social connection influences human well-being. Street-to-Scale gives groups of people autonomy and self-determination through a simple approach to micro grants for start-up projects.

Nationally administered, Street-to-Scale is based on trust. Ratio trust POP to manage the programme appropriately, POP trust Street-to-Scale to distribute funds responsibly and ethically. Street-to-Scale trusts two or three leaders of a local network to use the funds to advance a mission of their choice that is meaningful to local people. The leaders then trust

¹⁶ <https://www.plymouthoctopus.org/pop-rewarded-for-disruptive-funding/>

local people to spend the money. Street-to-Scale explicitly funds informal groups of citizens, not organisations.

The project provides a local network with a ‘bank’ containing £1,000. The bank issues debit cards to spend the fund, and participants agree to five rules:

1. Bank leaders set the mission
2. Card holders spend the money
3. It is not possible to withdraw cash
4. The bank closes after eight weeks
5. All members of the local group join a WhatsApp group which includes a Street-to-Scale staff member.¹⁷

“One of the greatest benefits has been unseen and can’t be measured. I had a sense of purpose, doing something to improve the immediate environment, a sense of well-being and pulling together as neighbours. The project allowed me to get to know my neighbours much better - even though we’ve been living in the same terrace for 20 years or more! It’s been a delight all round. Cheery and life enhancing. Particularly what we all need at the moment.” – Street-to-Scale Beneficiary

Table 5: Projects Funded Through Street-to-Scale

Adelaide Angels	An-Noor Arabic Language School CIC
Asylum	Collective Good
Free Radical Creations - Community Interest Company	North Star Study Group CIC
Royal Cinema Trust	Blooming Bonkers
Rock the Block	Routeways Centre Ltd
Bank Hope	Bringing Back Wildlife
Compton Corner	WonderZoo
Young Readers	Whitleigh Community Veg
Snapdragons	Pondlife

¹⁷ Street-to-Scale Learning Report, Ratio

Organic Wildlife Garden	Football Boot Bank
Onward Community Group Ltd	Community Fridge
No Whey Plymouth	Jarsquad
Summer Fun	Wave after Wave
St. Matthias Community Garden	Read Easy
PMCH New4You Youth Group, JC's Drop-In Youth and Cafe	Plymouth Alternative Blue Plaques Project

£250 a Pop

Originating from the need for quick finance throughout the pandemic, £250 a POP was created as a very easy to access fund for member groups or organisations with unexpected expenses. Now groups can use it for potential POP Collectives wanting to run a small test or get together.

The creation of the fund was through an open invitation to POP members to be part of a new approach to decision making about how funding was divested. 53 people replied with 37 volunteering to play an active role. This resulted in seven member organisations developing the proposal for the £250 POP funding mechanism which then went to a vote. 30 people voted from 29 organisations, and 93% approved the proposal.

Capitalised by £15,000 of funding from POP, the process is a very straightforward one. The group applying needs just two independent letters or emails of support, receipts to evidence their spend, and for the work to have a direct social or environmental benefit to the people of Plymouth.

“New4You were extremely excited to get new netting with the £250 a POP money awarded to them. The nets enable the youth group to play football in the sports area and stop footballs damaging a coffee bar area. Further netting is in place to divide the sports hall so there can be two distinct spaces and the area has become more versatile and user friendly.” – New4You Youth Club

Eighty one groups and organisations have received funding through this programme so far, many of which are already supported by POP but also new groups that have started up or have become aware of the support POP can offer through the offer of this small and accessible grant.

Informing National Best Practice

POP's decision to look outside Plymouth at innovations in participatory funding has brought several benefits to the approach, including the partnership with Ratio. The existing testing and trialling achieved by Ratio and Tudor Trust enabled the piloting of Street-to-Scale in Plymouth, building on the work POP were already doing on funding innovation.

Significantly, POP's efforts are also attracting interest beyond Plymouth where two national charities have committed money to the city for the first time. The Alex Ferry Foundation which supports engineering, manufacturing and shipbuilding communities has pledged £10,000 which will be spent in Devonport, while the Blgrave Foundation, which works with young people, wants to invest £20,000 in POP's trailblazing approach.

"We believe the current funding system is broken and we need to think differently. We wanted to come on board with POP as it is modelling a system of funding based on collaboration which puts diversity and inclusion at its heart." – Tess Hibbert, Regional Partnerships Manager, Blgrave Trust

And now a third funder, Power to Change, which has been funding projects in the city for five years, is investing a further £48,000 to support POP's work.

"POP is always open to new ways of doing things and we hope that together we can continue to build power and innovation in the community and social enterprise sector. If you are interested in starting an initiative or business that will benefit the community and improve the health and wellbeing of local people, then POP is there to support you." – Bonnie Hewson, Place Based Investment Manager, Power to Change

Funding for the Social Enterprise Sector

Power to Change's recognition that the work of POP contributes to social enterprise and community business creation is a positive further step in bringing funders and partners in Plymouth to gather across the divide of the voluntary and community sector and the social enterprise sector.

Around the same time as the Esmée investment, two other significant place-based funds from Power to Change and Rank Foundation were put in place to support community business and social enterprise respectively. Some of the initiatives supported and funded through POP have also received funding and support through these programmes, showing that grassroots groups often identify across sectors and need to access resources that allow them to evolve in the best possible way for them, rather than funder limitations.

Empowering Places

Empowering Places is a Power to Change programme initiated in Sept 2017. Its objectives are to demonstrate the role that concentrated clusters of community businesses can play in creating better places and reducing inequality in local areas.

Around £1m has been committed to Plymouth through Real Ideas over five years. This is provided as a mixture of grants, technical expertise, and national programme support, delivered by Co-ops UK, the Centre for Local Economic Strategies and the New Economics Foundation.

Focused on the Devonport and Stonehouse area of Plymouth, the grant funds Real Ideas staff to work with partners Iridescent Ideas and Nudge Community Builders to provide direct support to nascent community businesses in that area. This is supplemented by a combination of investment in community leaders, seed funding for new community businesses, and technical support around specialist areas of knowledge – such as community led housing or digital skills - from a pool of national advisors.

Table 7: Projects Funded Through Empowering Places

Borrowed Parts Brewing Co.	Devonport Management Company
Hamoaze House	Snapdragons
Pollenize	Stiltskin Arts and Theatre CIC
Cliik	Devon & Cornwall Furniture Reuse Project
Yogaloft	Stonehouse Voice
Street Factory	The Village Hub
Plymouth Scrapstore	Jabulani
Makers HQ	Re-opening Welcome Hall

Rank

A Rank Foundation three-year programme initiated in 2018, 'Rank Inclusive (Growth) Social Enterprise' (RISE) objectives are to build leadership and capacity in the social

enterprise sector in Plymouth, and support, influence and shape the inclusive growth work in the city – ensuring there is fairness for all through economic activity.

Around £1.7 million has been invested through Real Ideas and the School of Social Entrepreneurs (SSE) Leadership Programme to partner with Rank to develop the work, accompanied by direct funding for local organisations, SSE South West and Iridescent Ideas, with the purpose of skilling up the sector and encouraging greater networking.

This is complemented by direct funding for five more ‘core’ grant holders - Memory Matters, Plymouth Hope, Green Hook, Nudge Community Builders and Street Factory, and accompanied by support to a further nineteen social enterprises as part of a specific trade up programme to stimulate income generation. This works by matching increases in trading income with a match trading grant and supported by a learning programme which combines witness and expert sessions, coaching, peer support, and action learning sets.

Table 8: Projects Funded Through Rank

City of Plymouth Credit Union	Pollenize CIC
Co-Cars	Routeways
Community Photographic Studios CIC	Stiltskin Arts and Theatre CIC
Makers HQ	Stonehouse Voice
No Whey Plymouth	Sunflower House
Our Plymouth	Take A Part CIC
Plymouth and Devon Racial Equality Council	The Data Place
Plymouth Hope	The Island Trust Limited
Plymouth Lighthouse Project CIC	Transforming Plymouth Together
Plymouth Scrapstore	

Conclusions

There is clear evidence from the research that significant innovation is happening across the VCSE sector in Plymouth, in partnership with national funders, local groups and organisations. This is being mediated and facilitated through a strong set of infrastructure organisations within the city with varying strengths of partnership with Plymouth City Council – which sees its role best deployed in supporting social enterprise development.

However, Power to Change's support for POP signifies a change in perception from funders, a shift from thinking that investment must either go specifically to the social enterprise or the voluntary and community sector, and more towards creating a cross sector pipeline of support that starts with the person, group or initiative itself. At a local level, it is clear that this is how grassroots groups and organisations prefer to operate, often making no initial distinction, with many who are being funded through POP also accessing funds directed to the social enterprise sector.

In Plymouth, it is clear that whilst some of this work on the ground remains voluntary and charitable as appropriate, some will evolve into community businesses and social enterprises, and, as such, can specifically meet the need for a generative and democratic society and economy.

Recent research from the Bennett Institute for Public Policy highlights the importance of the role of the social, civic, economic and institutional relationships that make up people's lived experience of community. So while economic development may focus on the more mainstream provision of infrastructure and services, these are only part of the picture. A rich social fabric also includes networks of social relationships and action that can be critical for fostering innovation, leading to new SME businesses, the growth of local supply chains, and a resilience which increases wellbeing and productivity.

“The ingrained tendency to marginalise or overlook the ‘softer’ forms of infrastructure that sustain communities and which have, in many places, been considerably eroded after more than a decade of fiscal retrenchment by central government in Britain. Social infrastructure investment needs to be more effectively aligned with other policies for economic renewal and physical infrastructure development”¹⁸

¹⁸ https://www.bennettinstitute.cam.ac.uk/media/uploads/files/Townscapes_The_value_of_infrastructure.pdf

It is clear there are specialist infrastructure bodies across these sectors in Plymouth. The staff and associates who support their work have processes to diagnose what support any individual group or organisation needs, and signpost accordingly. Local groups are already working across the VCSE sectors, and whilst it is clear these specific infrastructure bodies exist successfully, more collaboration between them and funders working across sectors (mirroring that which happens at local level), would be beneficial.

Outside the scope of this research, two other things were notable, and would benefit from more detailed investigation:

1. There are other significant money flows into the city that are not coming through traditional trusts and foundations, such as the Cultural Development Fund from Arts Council England, Crowdfund Plymouth (capitalised with Community Infrastructure Levy and matched with donations through Crowdfunder), and Resonance Enterprise Growth funding – a combination of grant and loan finance
2. Alongside Crowdfunder, other digital platforms are being used to raise and distribute funds, track impact, and show transparency such as Open Collectives and Upshot. These are innovations that are evolving with their users and represent a whole plethora of online systems to aid collaboration and visibility in the VCSE sector.

Recommendations

1. A more detailed quantitative survey using a range of datasets to uncover the full complement of funders in the Plymouth VCSE sector for further analysis
2. A more refined local approach to gathering and holding data on VCSE organisations, particularly with regard to unconstituted groups and those which are so small they do not have to report
3. A light touch process for assessing how small amounts of funding can act as a catalyst to support collaboration, relationship building, trust, participation, and inclusion
4. More detailed analysis of the beneficiaries of smaller grants to help show their impact on start-up and growth activity for micro and small organisations
5. More detailed analysis of the impact of small grants on the evolution of activity into community businesses or social enterprises
6. More detailed research on who is mediating the dispersal of larger pots of funding to analyse the different processes, and identify where shared intentions and outcomes might be beneficial

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