

Public sector bodies often want more monitoring and evaluation than other funders.

By Patrick McCurry, Third Sector, 8 July 2008

The importance of statutory funding for voluntary organisations brings challenges for fundraisers, as well as opportunities. Increasingly, public sector bodies are interested in securing services from charities through contracts rather than grants, and nearly 40 per cent of the sector's income now comes from statutory funding.

Lee Lloyd is fundraising manager at Contact the Elderly, which matches older people with volunteers who take them out to tea, gets funding from bodies including the Scottish Executive and the Welsh Assembly Government. Lloyd says charities seeking statutory funding must understand what funders are looking for and how they can meet funders' objectives. "It's about thinking beyond the application form and communicating your story," he says. Charities should not be afraid of using emotional content in applications, such as quotes from beneficiaries or case studies, he says.

There is no major difference between statutory fundraising and traditional fundraising, says Lloyd. "The same rules apply, and it's about having a good narrative and presenting it in a powerful way." He says he sees part of his role as being an intermediary for operational staff such as social workers. When the charity is preparing a bid, says Lloyd, he talks to operational staff and tries to communicate their points of view in a way that the funder will relate to.

A growing concern is the monitoring and evaluation required by many statutory funders. "Charities really need to make sure they have the right processes in place, because funders are often looking for quarterly reports," says Lloyd. There is a real danger, he says, that smaller charities are disadvantaged because of their more limited resources.

Derek Smith, who runs training in statutory fundraising for the consultancy Action Planning, says that many smaller organisations will have to act as subcontractors or join consortia if they are to succeed in obtaining contracts. "Statutory organisations are moving towards larger contracts," he says, citing the London borough of Haringey, which is planning to move from having 20 providers of mental health services to only three.

Funders want "oven-ready products and services", says Smith, and this means charities have to be very clear about what a funder's requirements are. Charities also need to recognise the increased demands for information about outputs when services are provided under contract. "If you're committed to providing a certain level of service, you need to be sure you can deliver on that and have contingency plans if, for example, volunteers are unavailable," says Smith.

Although it is difficult to measure quality, funders do want some way of comparing different bidders, says Smith. "Funders want evidence that a charity will be able to deliver, so it's important for the charity to be able to demonstrate it has quality assurance systems in place. For smaller charities, I'd recommend they go for PQASSO accreditation."