

Understanding the Funding and Environmental Landscape in South West England

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1. Introduction

Philanthropy is an important and growing source of support for environmental issues in the UK and across the world. Grantmaking in particular can enable civil society organisations to better drive environmental agendas and protect the environment. It is especially valuable for grantees (i.e. grant recipients) working on environmental issues in South West England, as the South West is a region that is rich with natural resources, but will be one of the first to be affected by climate change in the UK. To date however, there are few regional studies on philanthropy in the environment sector and an analysis of environmental grantmaking in the South West is non-existent. As a result, a thorough study of the region's grantmaking trends and processes is important in order for philanthropists to give more effectively and maximise the impacts of philanthropy.

2. Aims and Objectives

The study sets out to examine how philanthropic giving can be increased or enhanced to better protect and conserve the natural environment in South West England (or the South West). While there are many types of philanthropic giving, the research focuses on grantmaking.

Three key objectives were identified to meet the aim of the study:

- i. Establish the importance of the natural environment in the South West and examine the possible impacts that climate change would have on it.
- ii. Assess the demand and supply of environmental grants in the region and identify which environmental issues are more heavily funded than others.
- iii. Examine the grantmaking process and identify any 'gaps' or inefficiencies that arises. Make suggestions to overcome them.

3. Methodology

The study was carried out in affiliation with the Environmental Funders Network (EFN). Mixed methods were used to examine data, interpret results and gain insights to the environmental philanthropy sector in the South West. Relevant literature and government reports were consulted to determine the significance of the region's natural environment and the impacts that climate change would have on it. Descriptive statistical analysis was then carried out with secondary grant data provided by the EFN from their analysis for the *Where The Green Grants Went 7* report, which included 769 environmental grants from foundations, Landfill Communities Fund (LCF) and lottery sources in 2013-2016. The overall grantmaking trends established from the statistical analysis were then complemented with a thematic analysis of the data collected from semi-structured interviews with four funders and seven grantees. The thematic analysis drew on the experiences of funders and grantees, and allowed for a more holistic evaluation of the grantmaking trends in the region.

4. Results and Discussion

Section 4 is separated into two parts:

- Section 4.1 summarises the grantmaking trends in the environmental philanthropy sector in the South West. It describes the key funders (grantmaking foundations, landfill operators and lottery operators), grantee organisations and issue areas.
- Section 4.2 examines the grantmaking processes and highlights the positive and negative experiences of funders and grantees.

4.1 Grantmaking trends

Overall findings

Total grants given by all three types of funders (foundations, landfill operators and lottery operators) in the South West amounted to £41.9 million; but it decreased over time. The amount of funding fell from £14 million in 2013 to £9 million in 2016, but the number of grants increased from 172 in 2013 to 195 in 2016 (see Figure 1).

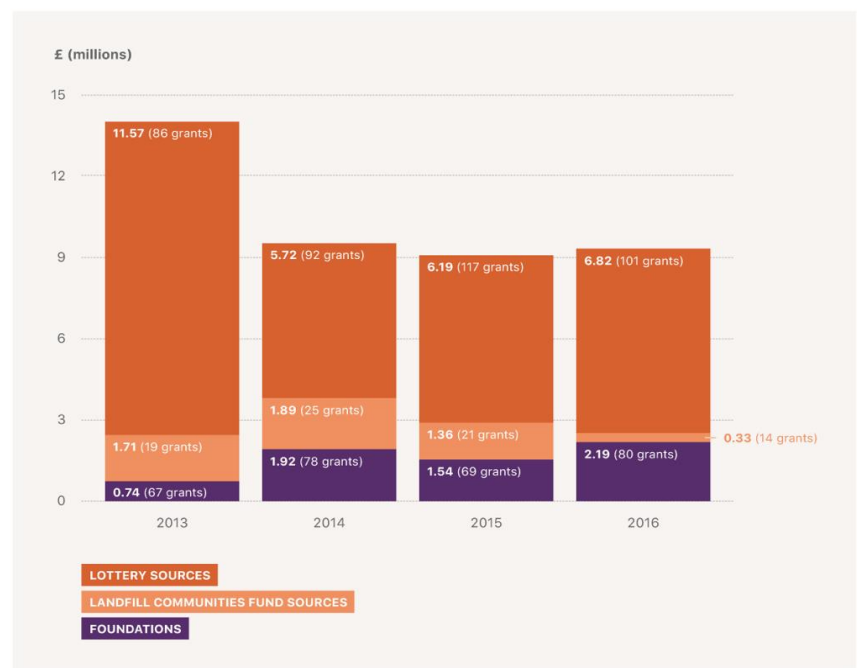


Figure 1: Total environmental grants by value and number in the South West, in 2013-2016

Key grantmaking foundations

Between 2013 and 2016, 53 foundations gave grants to applicants that supported environmental issues. A total of 294 grants were given and they were valued at £6.4 million. Figure 2 ranks the top 10 foundations by the amount awarded to support environmental work in the region. The Esmée Fairbairn Foundation was the largest contributor – accounting for 33 percent of all environmental philanthropic grants, by value, between 2013 and 2016. It was followed by the Garfield Weston Foundation, which provided 20 percent of the funding, by value, for environmental issues in the region. Together, both foundations made up a little over 50 percent of the environmental grants in the region by value in 2013-2016.

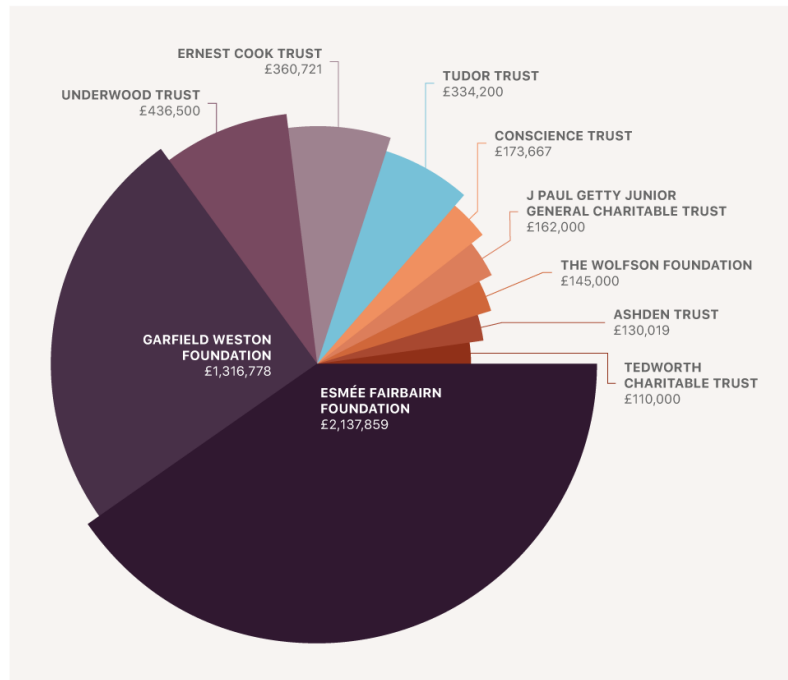


Figure 2: Top 10 foundations in the South West, by value of environmental grants, in 2013-2016

When considering the number of grants instead of the value, the Ernest Cook Trust gave out a larger number of grants compared to all other grantmaking foundations. It awarded 38 percent of all grants in the region in 2013-2016. Figure 3 illustrates the top 10 foundations that supported environmental work in the region, by the number of grants given, during the four year period.

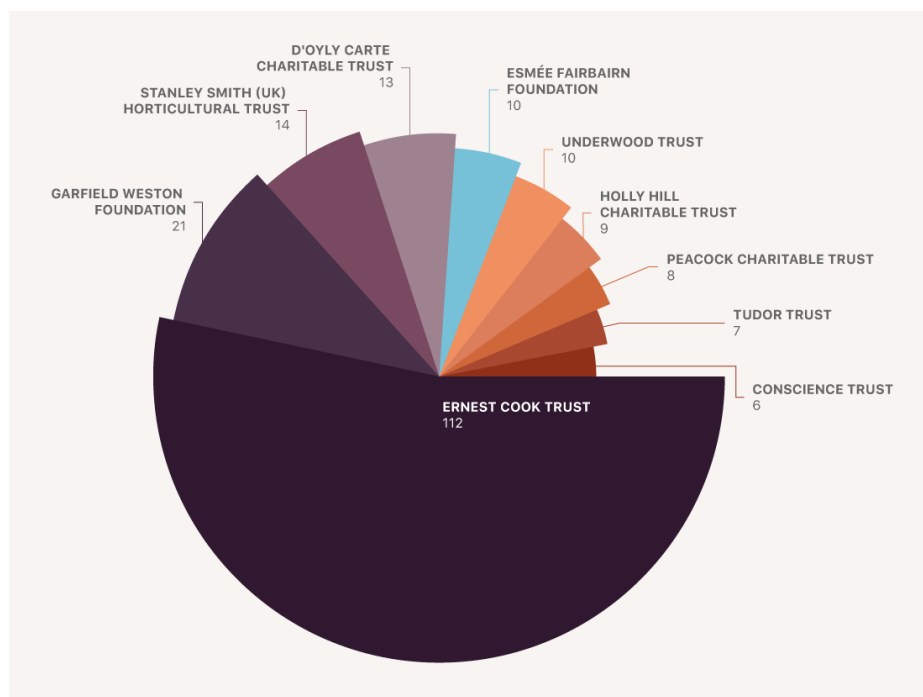


Figure 3: Top 10 foundations in the South West, by number of environmental grants, in 2013-2016

Between 2013 and 2016, the number of foundations that supported environmental work in the region increased, coinciding with an increase in the value and number of grants given. From 2013-2016, the value of the grants rose from £736,220 to £2.1 million. Growing interest in supporting environmental causes could have been triggered by extreme weather events that occurred in the UK throughout the four years, such as the 2013-2014 winter floods which severely affected Cornwall, Devon, Dorset and Somerset. It could also be attributable to an overall rising environmental awareness. Of the grantmaking foundations analysed however, few were based in the region and the majority of them were from London.

Landfill operators

Four landfill operators distributed 79 environmental grants in the same time period, which amounted to £5.3 million. Between the four active operators in the region – Biffa Award, Veolia Environmental Trust, Viridor Credits Environmental Company and SUEZ Communities Trust (formerly known as SITA Trust) – Viridor Credits Environmental Company gave the largest value of grants to applicants and the Biffa Award distributed the highest number of grants.

In 2013-2016, the value and number of grants fell significantly, attributable to the decline in landfill operations achieved by the landfill tax. Although the value of grants increased slightly in 2013/14, overall funding shrunk from £1.7 million to £325,120 over the four years.

Lottery grants

A total of 396 grants were given by the Big Lottery Fund and the Heritage Lottery Fund in 2013-2016, and amounted to £30.3 million. While the Big Lottery Fund gave out significantly more grants in 2013-2016, the average size of its grants were around £34,350. In comparison, grants from the Heritage Lottery Fund were averaging around £312,450 despite fewer grants awarded. In 2013-2016, the value of grants given by the Heritage Lottery Fund fell by six fold and the amount given by the Big Lottery Fund in the two years from 2014-2016 was less than that given in 2013/14.

Grantee organisations

Over the four year period, foundations, landfill and lottery operators supported 550 organisations. The value and number of grants fell, but the number of grant recipients increased from 172 in 2013 to 195 in 2016.

Figures 4 and 5 illustrate the top 10 grantees by value and number of grants in 2013-2016 from all three types of funders respectively. Of all the organisations working on environmental issues in the South West, the Dorset Wildlife Trust received the most grants in value – around 8 percent of the total amount of grants given in 2013-2016. The Devon Wildlife Trust received the highest number of grants, totalling 4.4 percent of all grants given during the same time.

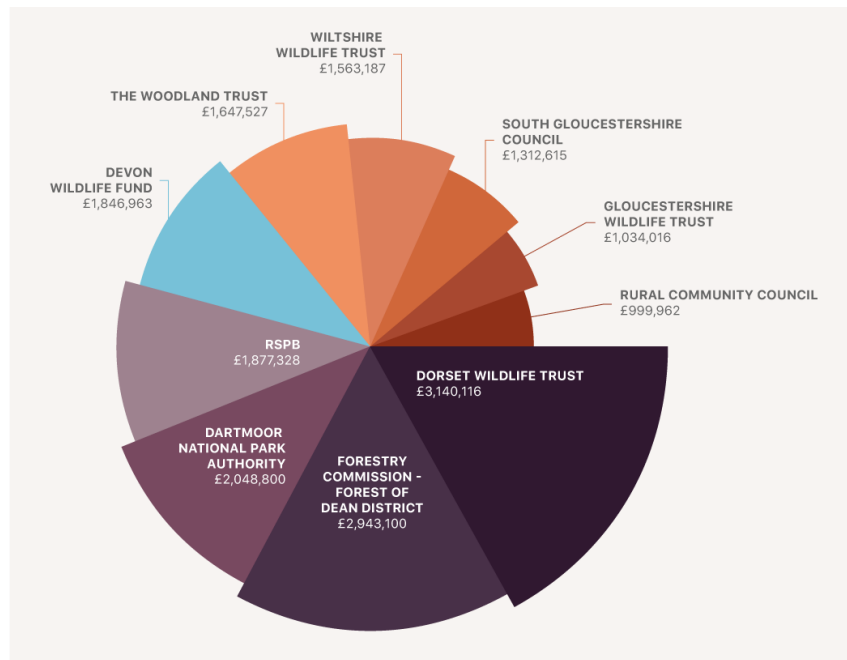


Figure 4: Top 10 grant recipients in the South West, by value of environmental grants from all funders, in 2013-2016

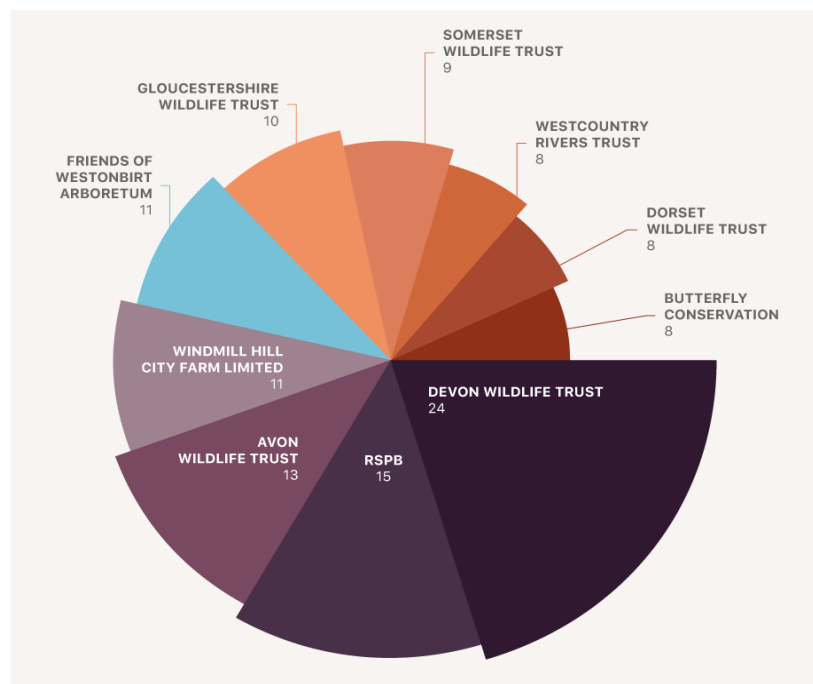


Figure 5: Top 10 grant recipients in the South West, by number of environmental grants from all funders, in 2013-2016

Most grantees were non-profit organisations, but schools (especially primary schools) also made up a significant portion of the grant recipients in the South West in 2013-2016.

Grants by issue area

Thematic issues like *biodiversity and species preservation*, *sustainable communities* and *terrestrial ecosystems and land use* were heavily funded by all three types of funders in 2013-2016. While the number of grants for *biodiversity and species preservation* increased in the four year period, the overall value decreased by more than £1 million since 2013. Landfill operators significantly reduced their funding for the issue, particularly the Biffa Award. Meanwhile, the value of grants supporting *sustainable communities* increased, but the number of grants remained consistent during 2013-2016. Funding for *terrestrial ecosystems and land use* fell both in numbers and value over the four years.

On the other hand, more grants were being directed to support *agriculture and food* over time. The number of grants allocated for this issue area increased from 23 in 2013 to 31 in 2016, and were mostly distributed by the Big Lottery Fund. Similarly, the value of grants for the issue increased from £448,990 in 2013 to £3.5 million in 2016. *Climate and atmosphere* and *consumption and waste* were issues that were the least funded. Refer to Figure 6 for the overall grants distribution from funders by issue area and Table 1 for the breakdown of grant distribution by year in 2013-2016.

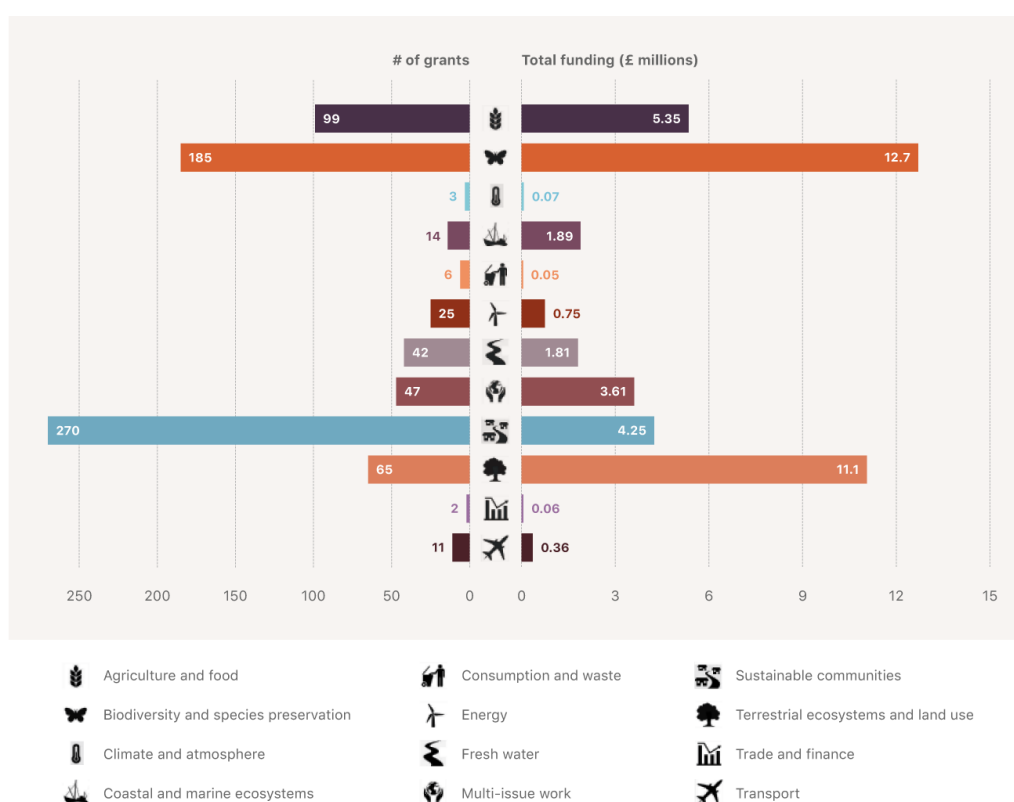


Figure 6: Overall distribution of grants from all funders by issue areas in the South West, in 2013-2016

Between the different types of funders, *terrestrial ecosystems and land use* and *sustainable communities* were the most funded issues among grantmaking foundations; *biodiversity and species preservation* and *terrestrial ecosystem and land use* among landfill operators; and

sustainable communities, biodiversity and species preservation and terrestrial ecosystem and land use among lottery operators.

THEMATIC ISSUES	NUMBER OF GRANTS				VALUE OF GRANTS			
	2016	2015	2014	2013	2016	2015	2014	2013
Agriculture and food	31	19	26	23	3,545,164	383,536	973,714	448,986
Biodiversity and species preservation	54	48	41	42	2,803,477	3,102,184	2,535,560	4,260,880
Climate and atmosphere	2			1	18,650			50,000
Coastal and marine ecosystems	2	6	3	3	16,080	203,745	772,500	897,100
Consumption and waste		2	2	2		20,000	12,500	12,500
Energy	6	12	5	2	55,643	287,988	348,386	58,980
Fresh water	12	16	4	10	332,490	807,260	335,683	333,063
Multi-issue work	7	16	16	8	81,370	487,279	750,465	2,287,404
Sustainable communities	62	70	76	62	1,233,466	695,933	1,168,961	1,156,165
Terrestrial ecosystems and land use	14	14	20	17	1,165,347	3,073,509	2,615,497	4,207,537
Trade and finance	2				60,000			
Transport	3	4	2	2	17,000	21,900	14,000	304,984
GRAND TOTAL	195	207	195	172	9,328,687	9,083,334	9,527,266	14,017,599

Table 1: Breakdown of grant distribution by issue areas in 2013-2016, in the South West

4.2 Grantmaking process

To gain more insight into the grantmaking process, funders and grantees shared aspects of the process which they found positive and negative. Funders and grantees interviewed for the study revealed the issues they had with the process, which are detailed in the list below:

- ***One-off funding with too short time frames.*** Grantees noted that most funding tends to be short-term and funders are less inclined to fund repeat work. Most funders also expressed their desire to fund new work rather than repeat work, as many expected grantees to have made an impact (big or small) with the grant initially given, and therefore the same project does not need to be funded again. A few funders explained the importance of funding organisations that demonstrate learning, where organisational capacity and the impact of their work are expanded over time. However, grantees working on long-term environmental work, such as restoring the state of wildlife or driving pro-environmental behavioural changes, articulated their need for repeat or longer term funding.
- ***Over-emphasis on project-based funding.*** Most grantees highlighted the difficulty in finding funders that would support core costs and operations, which includes funding to cover salaries and overheads; and ongoing services and activities. On the other hand, funders had diverse views on funding core costs, but most preferred to fund projects.
- ***Lack of communication and feedback for grantees.*** Most grantees indicated that funders are relatively transparent with their funding criteria and scope. However, several grantees suggested potential areas of improvement. For example, smaller

foundations or family trusts could better convey their funding criteria; funders could delegate a staff member for grantees to communicate with prior to making a bid; and funders could maintain communication with grantees throughout the application process, and not only when the final decision is made.

- ***Ineffective evaluation.*** Funders mentioned how they do not have a consistent evaluation criteria to review projects. A few grantees found some funders to be more output-oriented rather than outcome-oriented during evaluation. Grantees also had mixed experiences with how time-consuming or burdensome evaluation can be.
- ***Asymmetric power relations between funders and grantees.*** Funders have a huge influence on the grant applicant's bid strategy, but all grantees said this did not cause them to lose sight of the vision and mission of their organisations.
- ***Environmental disconnect and the inadequate framing of environmental issues with human welfare.*** Grantees noted how the societal problem of disconnect and apathy towards the environment contributes to the persistent underfunding of environmental issues. Funders commented on how applicants struggle to describe environmental problems (due to its complexity) and convey how a grant supporting environmental work can simultaneously improve human wellbeing. Successful environmental grant applications must demonstrate how it adds value to human welfare.
- ***Fewer grants for more applicants.***
- ***Fewer issue areas being funded.***
- ***Lack of time to apply for grants.***

In spite of this, funders and grantees agreed that the following aspects made their experiences with grantmaking or grant receiving more positive:

- ***Good relationship between funders and grantees.*** Funders noted how they would make early contact to get to know the grantees and the local environment; have direct conversations with grant applicants to understand their work and to see if it fits with the funder's aims and objectives; or work on a one-to-one basis with prospective applicants on their applications.
- ***Consensus on the importance of local or regional work to catalysing broader changes.***

5. Conclusions and Policy Implications

The findings from the study indicate that environmental grants from foundations, landfill operators and lottery operators are extremely useful and valuable to community groups, schools and non-profits in the South West. However, the gaps in funding and the complexities that come with giving may dampen the effectiveness and impact of environmental philanthropy. Although the interviewees described their funder-grantee relationships as mostly good, the grantmaking process is often fraught with issues, ranging from inadequate funding, over-emphasis on project funding, insufficient communication and ineffective evaluation etc. Furthermore, the uncertainty of future European funding as a result of Brexit

may also affect civil society's work on the environment. As mentioned previously, the South West will be one of the first areas to be affected by climate change in the UK. Funders and grantees need to collaborate and address the inefficiencies in grantmaking to maximise the impact of environmental work in the region.

6. Key Recommendations to Funders and Grantees

Based on the analysis and suggestions by the interviewees, the recommendations to funders and grantees on improving the grantmaking or grant receiving process are as follows:

To funders,

- On funding:
 - Recognise that certain environmental issues require longer term funding, so be realistic about the time frame of grants.
 - Fund core costs.
 - Distribute grants that are mid-sized. This allows smaller grant applicants with ambition but with less financial capacity to apply.
 - Provide grantees sufficient time to prepare a grant application.
 - Understand the difficulty for grantees in describing the environmental problem (due to its complexity) and conveying the benefits to humans that come with supporting environmental work. Recognise the intrinsic value of the environment and be more open to funding projects that are less human-centric.
- On relationship with grantees:
 - Communicate more with grantees. This can include providing support before grantees apply (e.g. have regional "open-day surgeries" where prospective applicants can talk to a grant manager); maintaining contact throughout the application process; and giving feedback on failed bids to help them improve in the future.
 - Allow grantees more access to the organisation's board of trustees to exchange ideas and knowledge.
 - Continue to build and maintain strong relationships with grantees.
 - Help grantees connect with other organisations that have a similar vision and mission.
- On evaluation:
 - Evaluate outcomes, not outputs.
 - Avoid over specific questions that do not reflect the impact of the work.
 - Design less time-consuming or burdensome evaluation for grantees to complete.
- On collaboration with other funders:
 - Collaborate with other funders to build rapport and facilitate knowledge exchange. If possible, fund pooled projects together or join existing alliances with other philanthropic funders.

- Consider the feasibility of replicating the “Dragons’ Den model”, where grant applicants gather together to pitch their charitable ideas to the local community. Ideas that are received favourably are then distributed as potential projects to be funded between the funders. The projects will either be funded fully or will be given match funding among the participating funders.

To grantees,

- On funding:
 - Be a learning organisation. Seek ways to improve the capacity and impact of the organisation, and demonstrate that to funders.
 - Be more vocal about core funding.
 - If possible, talk to funders before making an application.
 - Frame grant applications to demonstrate how environmental work can improve human wellbeing.
 - When applying for a grant, stay true to the issues that are important to the organisation.
 - If appropriate, consider corporate sponsorships.
- On collaboration:
 - Continue to build and maintain a strong relationship with funders.
 - Collaborate with like-minded organisations that do similar work. This allows organisations to share expertise and experiences, or even work together to reduce competition for the same grants.
- On evaluation:
 - Link up with other organisations to give feedback to funders, as there is strength in numbers.

7. Limitations

Key limitations of the study include:

- The exclusion of non-monetary aid (e.g. rapport building and exchange of knowledge) in the analysis.
- The omission of statutory sources of funding and individual funders.
- The small sample size of funders and grantees interviewed.

8. Recommendations for Future Research

The research identified a few areas to explore in the future, such as:

- Further investigation on environmental philanthropy as a whole.
- Greater consideration for a range of philanthropic activities in the environment sector.
- More UK-based research on environmental philanthropy (especially among different regions in the country).

About the Environmental Funders Network (EFN)



EFN is collaborating to secure a truly sustainable and just world, fit for people and nature. Our mission is to increase financial support for environmental causes and to help environmental philanthropy to be as effective as it can be. Our members are funders, mainly based in the United Kingdom, who pursue these aims at home and overseas. As their network we will work inclusively, efficiently, transparently, accountably, and to high standards of social and environmental responsibility.

EFN does not hold funds, consider or make grants, or advise fundraisers. Please do not send funding requests to EFN as we cannot respond to them. Funders interested in joining EFN or finding out more about the network should contact EFN's director, Florence Miller, at florence@greenfunders.org. This report, along with other EFN publications and resources relevant to environmental philanthropy, is available on the Resources page of our website: www.greenfunders.org/resources.

About this report

EFN was delighted to work with students in 2018 who were studying for the MSc in Environmental Technology at Imperial College London, to collaborate on a number of dissertations that contributed towards our knowledge and understanding of environmental philanthropy. We are grateful to Ming Cai Chung for choosing to work with us to write her dissertation on 'Understanding the Funding and Environmental Landscape in South West England' and for producing this executive summary. Thank you to Mike Tennant at Imperial College London and Harriet William at JMG Foundation for their support.

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