

## Eligibility Criteria for Funding COVID Recovery Fund – August 2020

This document explains how we decide which organisations to fund, both in terms of their core eligibility and the work they do. It comprises five sections:

1. Our overall approach to grant-making.
2. Our basic eligibility criteria.
3. Our complex social issues.
4. What we look for in the work we fund.
5. How to contact us.

### 1. Our approach to grantmaking

Even if you have had support from us in the past, you may not know about some of the recent changes to our funding criteria such as:

- i) Our COVID Recovery Fund, your appetite for organisational development and working with us partnership.
  - ii) Understanding our funding priorities.
  - iii) Safeguarding and quality standards.
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- i) Our COVID Recovery Fund, your appetite for organisational development and working with us in partnership.

From our conversations and research, we know that charities have been hit hard by the effects of lockdown and many are facing an uncertain future. Charity staff are feeling the strain and are concerned about how they will continue to provide services for the people they support. This organisational development programme is intended to respond to these needs by helping charities adapt or re-imagine how to approach that in the best way possible.

Organisational development work is complex, it takes time and involves the whole organisation. So, our COVID Recovery Fund will provide around 150 charities a two-year unrestricted grant of up to £50,000 alongside an experienced Development Partner who will help charities identify and act on any organisational challenges they face, either through internal resources or our Enhance organisational development programme.

Our assessment process will seek to understand the charity's organisational development needs, and the capacity and capability to address them. It is important that you can demonstrate a willingness to build a partnership with the Foundation and the appointed Development Partner that goes beyond our funding.

ii) Understanding our funding priorities

As set out in our strategy, *Reaching Further*, our ambition is to give our grantees greater flexibility over how they use their funding and allow them to take advantage of the wide range of development support we offer.

We recognise that there are many charities out there who would like and would benefit from our support but, like any funder, we have a limit to the resources we have available. In fact, between now and the end of 2020, we will only be able to make around 150 new grants to small charities in England and Wales, and we know there are many more than that who would be eligible to apply.

We also want to be open and transparent with charities and make best use of their time by being clear in advance which charities and areas we are more likely to fund at any time. Therefore, we have introduced ‘regional priorities’.

Regional Priorities consider local need, the prevalence of eligible small and medium sized charities, the nature of the region and the level of investment the Foundation has given to each complex social issue in that area, including our portfolio of live grants.

Whether your charity can apply to us this year depends on which Local Authority you do the majority of your work in, and the Complex Social Issue you are working to address. We review and update these regional priorities every six months.

iii) Safeguarding and quality standards

The Foundation is committed to promoting the safety of everyone that use the services of the charities we fund and so will review your safeguarding arrangements and practice as part of our assessment. The Foundation recognises and takes seriously its responsibility to promote the welfare of adults at risk/children where we become aware of any safeguarding concerns.

As a charity itself, the Foundation has in place a safeguarding policy and internal processes of our own, to ensure that reported incidents are effectively managed and the Foundation’s staff are kept safe. Therefore, not only must your charity have a safeguarding policy in place, but we will also assess your understanding of this policy as well as the approach to safeguarding across your organisation.

Similarly, we expect charities doing certain kinds of work to hold certain quality marks, standards or accreditations. Our full expectations are laid out under each complex social issue below and on our website.

## 2. Basic Criteria

The information in this document is designed to be read alongside our Online Eligibility Checker, which is the first stage of making an application to us.

### I. At a glance: Our basic eligibility checklist

To be eligible to apply for any grant from us, you need to meet all of our criteria. If you do not meet all these criteria, we recommend you do not submit an application; ineligible applications will not be considered.

Your organisation needs to have:

- A registered charity number (this can be as a CIO)
- An annual income of between £25,000 and £1m
- Its own bank account
- A track record of working with people aged 17 and over
- At least one set of annual accounts published on the Charity Commission website, having been delivering services for more than a year in England and/or Wales
- Free reserves of less than 12 months' operating costs
- A Board of at least three unrelated Trustees
- A safeguarding policy in place
- Meet one of the Foundations regional priorities at the time of submitting the application

If you already have a grant with Lloyds Bank Foundation, you can still apply to us **if that existing grant is due to end in 2020.**

### II. Your charitable status

You must be a **Charity or Charitable Incorporated Organisation (CIO)** registered with the Charity Commission. Pending registrations will not be accepted. You have **at least** one year of published accounts covering a twelve-month operating period. The accounts must show as 'received' on the Charity Commission website.

### III. Your finances

Your charity must have had an **annual income of between £25,000 and £1 million** in your last set of accounts published on the Charity Commission website. This is total income and in the case of consolidated accounts should cover all entities within those accounts. This applies even if your income exceeds £1million due to an unusual one-off payment such as a legacy or capital grant.

However, if your charity has received funds on behalf of a network of organisations or consortium, rather than for its own use, we may consider you eligible depending on the details of the arrangement.

You must have **free reserves equivalent to less than 12 months' expenditure** in your last set of published accounts.<sup>1</sup> This includes reserves which you have decided to allocate but are free to reallocate as needed and does not include the value of fixed assets such as buildings.

Each applying charity **must also have its own bank account in the charity's name**. If the application is successful, the grant will be paid into this account.

#### IV. Your work

Your charity must work with **people aged 17 and over**, who are facing at least one of the complex social issues listed in section three. The only exception to this is where you work with young parents under 17.

When assessing applications, we check that the charity has a **track record** of delivering holistic, in-depth services to people facing the complex social issue you are aiming to address of **at least one year**. We do consider applications for pilot projects e.g. in new areas, but we will apply the above test to these as well, checking that you have the right level of experience and existing links to your target region/area.

If you have recently merged, then this must apply to at least one charity pre-merger. We will ask for evidence of direct face-to-face service delivery with people affected by complex social issues within the past year.

You must **operate mainly in England and Wales**. Most of your charity's time and money spent on activities in England and/or Wales, and helping people living in England and Wales who are experiencing the complex social issues we fund.

We will look at your stated objectives to ensure that the work that you are looking to fund is in line with your organisation's purpose. If you are a faith-based charity, you are welcome to apply but we will look at your work carefully to ensure that any activities funded by us **do not include the promotion of religion**.

#### V. Your governance

You need to have an active board of **at least three unrelated Trustees**. Where Trustees are related, we will consider the relationship, conflicts of interest and the balance of power of the related Trustees.

For example, if two of four Trustees are related, we are likely to conclude that they hold too much influence and that there is a conflict of interest; whereas if two out of ten Trustees are related and there are clear procedures in place to manage any conflicts of interest, then this is likely to be acceptable.

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<sup>1</sup> Free reserves are the amount of unrestricted cash reserves your charity held at year-end.

We **do not fund charities where paid staff are also members of the Board of Trustees**, and vice versa. This is to ensure there is a clear separation of duties and powers between the Boards and Execs of the charities we work with.

Where members of staff and Board members are related, we would want to ensure there are clear policies and procedures in place to manage any conflicts of interest, and we would not expect there to be a formal line management relationship between the individuals. Cheque signatories should not be related.

We can **only fund independent charities**, so we will look closely at any formal associations you have with other organisations, parent bodies or group structures. We will check that the Board of the applicant charity has full control over its work, and any conflicts of interest or related party transactions are clearly explained and managed.

## VI. Exclusions

We do not provide funding for the following organisations:

- Community Interest Companies, or any other organisations that are not charities registered in England and Wales
- Infrastructure or ‘umbrella’ organisations.
- Organisations whose primary purpose is to give funds to individuals or other organisations. This means organisations using more than 50% of annual expenditure as grants.
- Hospitals, health authorities or hospices
- Rescue services
- Nurseries, pre-schools or playgroups
- Schools, colleges or universities
- Animal charities
- Charities working predominantly outside England and Wales
- Organisations that do not have a purpose/benefit beyond the promotion of religion

## 3. Our ‘Complex Social Issues’

We fund organisations supporting people who are experiencing complex social issues resulting in a significant impact on their lives.

**More than half of your charity’s work will need to be addressing one of the below ‘Complex Social Issues’ (CSIs)**, delivered in a way that fits the definitions provided in section 4, unless you are either applying under the ‘Racial Equity’ CSI or you are based in Wales, Redcar and Cleveland, Halton, Bolsover, Great Yarmouth, or Telford and Wrekin.

We fund work addressing the following twelve complex social issues:

Social Issue	People the work supports
<p><b>Domestic abuse</b></p>	<p>Our funding supports charities with a strong track record of working with: <i>People who have experienced abuse.</i> <i>Domestic abuse:</i> an incident or pattern of incidents of controlling, coercive, threatening, degrading and/or violent behaviour. This abuse can encompass, but is not limited to psychological, physical, sexual, emotional or economic abuse.</p> <p>Our definition also extends to charities working with people who have experienced honour-based violence.</p> <p><i>Perpetrators:</i> People who have systematically abused another person to gain power or control in a domestic or intimate relationship. This might be a partner, family member or friend.</p> <p>If you work with perpetrators of domestic abuse, you will need to hold or be able to evidence that you are working towards <u>Respect accreditation in order to apply for funding from us.</u></p>
<p><b>Sexual abuse and exploitation</b></p>	<p>People who have experienced sexual abuse and exploitation, which may include any of the following:</p> <ul style="list-style-type: none"> <li>• sexual abuse, violence or exploitation;</li> <li>• female genital mutilation;</li> <li>• adults who experience trauma from historic sexual abuse or exploitation</li> <li>• people involved in sex work where it has a significant adverse impact on their lives.</li> </ul>
<p><b>Mental health</b></p>	<p>People who are managing mental health problems resulting in significant disruption to everyday living or in recovery from an episode of such problems occurring in the last two years.</p> <p><b>What are we funding?</b> Our funding supports charities with a strong track record of working with: People who are managing mental health problems resulting in significant disruption to everyday living or in recovery from an episode of such problems occurring in the last two years.</p>



	<p>This includes people managing conditions such as depression, schizophrenia or eating disorders. It does not include neurological conditions such as dementia or acquired brain injuries.</p> <p>As we want to support people who are most affected by this complex social issue, it is likely that the people you are supporting will be experiencing enduring mental health problems and will have received a clinical diagnosis.</p> <p>We are particularly interested in receiving applications from charities that provide a specialist mental health service, working to address a gap in statutory provision, as we believe this is the area in greatest need of support.</p> <p>We will not fund charities that provide counselling solely; as described elsewhere we are interested in funding services that offer more holistic support to people with mental health problems. These could be delivered in-house or in partnership with other organisations.</p>
<p>Homelessness/ vulnerably housed</p>	<p>People with no accommodation, living in temporary accommodation or who are vulnerably housed where there is a high risk of becoming homeless.</p> <p>Our funding supports charities with a strong track record of working to address these issues. We do not generally fund short-term emergency accommodation e.g winter shelters</p>
<p>Offending, prison or community service</p>	<p>People with a history of offending which <b>significantly</b> impacts on everyday life; rehabilitation of and prevention of reoffending for people with a custodial or community service sentence.</p>
<p>Care leavers</p>	<p>People who are currently managing the transition from having spent time in <b>care</b> as a child (i.e. under the age of 18). Such care could be in foster care, residential care or other arrangements.</p>
<p>Learning disability</p>	<p>We recognise that the breadth of the term ‘Learning Disability’ means that much more specific guidance on this complex social issue, hence the length of this guidance.</p>



	<p>We have adopted Mencap’s definition of learning disability:</p> <p>“A learning disability is a reduced intellectual ability and difficulty with everyday activities – for example household tasks, socialising or managing money – which affects someone for their whole life.”</p> <p>People with a learning disability tend to take longer to learn and may need support to develop new skills, understand complicated information and interact with other people.</p> <p>We believe the three greatest needs at present for individuals with a learning disability are:</p> <ul style="list-style-type: none"> <li>a) Addressing social isolation and loneliness</li> <li>b) Accessing appropriate health and social care (lack of) and the need for advocacy support to achieve this</li> <li>c) That everyone (with a learning disability) should `have an opportunity to achieve` and to `aspire to be the best that they can`. This can include employment or accommodation related achievements, but these are not exclusive goals.</li> </ul> <p>We are keen to support charities which achieve the above in an in-depth and holistic way; causes which only address social isolation (for example a regular club night) are unlikely to obtain funding.</p> <p>We receive many applications from charities established to support people with autism and ASD. We acknowledge that many individuals with a learning disability have also been diagnosed with autism. However, our primary focus is on supporting individuals with a learning disability and not autism in isolation.</p> <p>The types of work and organisations we will fund under this issue will be:</p> <ul style="list-style-type: none"> <li>a. Sustainable, in terms of building upon individual’s abilities, and have lasting impact</li> <li>b. Inclusive</li> <li>c. Coproduced and user led</li> <li>d. Able to evidence working with existing infrastructure or communities to ensure long term benefits and inclusion – it should not be a silo</li> </ul>
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	<p>e. Able to produce effective evidence such as changes in outcomes linked to activity (not end goal) or distance travelled</p>
Addiction and dependency on alcohol, drugs, substances and/or gambling	<p>People whose lives are significantly affected by their addiction and dependency on alcohol, drugs, substances and/or gambling.</p>
Trafficking and modern slavery	<p>People who have been trafficked or forced against their will into labour or marriage.</p> <p><b>Modern Slavery</b> is an umbrella term, which covers several human rights issues, of which human trafficking is one. It encompasses – slavery, human trafficking, servitude and forced or compulsory labour. Examples of exploitation into which people can be trafficked and held in slavery include labour exploitation, domestic servitude, forced marriage, forced criminality, organ harvesting and/or sexual exploitation</p> <p><b>In practice, the terms modern slavery and human trafficking are often used interchangeably.</b></p> <p><b>We recognise that there are only a few small, local and specialist charities working solely with victims of modern slavery at present. We therefore also encourage project-based applications from charities that have clearly evidenced need to support victims of modern slavery.</b></p>
Young parents	<p>Young people under the age of 21 who have become parents and which may have adversely affected their health, relationships and opportunities to continue their education or move into training/employment.</p>
Asylum seekers and refugees	<p>People who are seeking asylum in the UK or have been granted refugee status in the last two years.</p> <p>We fund services for people seeking asylum or have been granted refugee status in the last two years which could include immigration advice, welfare advice, and support to integrate in their local community.</p> <p>To be funded for work which includes immigration advice you will need to hold <u>OISC accreditation</u>.</p>
Racial Equity	<p><i>Added in August 2020</i></p>

	<p>People from minoritised and racialised communities who are experiencing, or have recently experienced, any of the above Complex Social Issues.</p> <p>We will be looking for a proportion of your work to have a deliberate focus on members of the community affected by one of our 11 Complex Social Issues. For example, you may offer support to survivors of domestic abuse, give advice to victims of trafficking or assisting Asylum Seekers with their application to remain in the UK.</p> <p>We recognise that, for a charity to really understand the needs of the people it works with, it must be ‘by and for’ that specific community. Therefore, under this CSI we will only support charities by members of Black, Asian and Minority Ethnic communities; those where more than half of the Trustee Board self-identify as belonging to such a community.</p>
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#### 4. What we look for in the work we fund: ‘Our Programme Fit’

Like any other funder, we cannot support all the applications we receive. We want to focus on the charities and projects that are most likely to have the biggest impact on the lives of people facing the complex social issues identified above, and have developed criteria for the characteristics we think that highly impactful work will possess:

- i) In-depth
- ii) Holistic and person-centred
- iii) Targeted
- iv) Supporting a journey of change
- v) An appetite for development

- i) In-depth

We fund charities which work with people over a prolonged period; we will look at how frequent, sustained and regular your contact with your service users is, on average. We do not fund work that is primarily one-off advice, online resources or ‘signposting.’

- ii) Holistic and person-centred

By holistic, we mean that we expect to see a ‘person centred approach’ in your work. You’ll assess the people you work with to identify their specific needs, so that a comprehensive plan of support can be put in place. We appreciate that any single

charity or service can't be expected to provide a one-stop-shop covering all possible client/service user needs, but we will look for evidence that you are working intensively with service users on an individual basis and not just offering generic activities.

Where your charity cannot meet all of an individual's needs, you will need to tell us how you are working in partnership with other organisations (e.g. through supported referrals) to address them.

iii) Targeted

We fund work which is specifically aimed at those affected by one or more of our complex social issues to help them overcome, address or manage that particular issue. We do not tend to support work that is purely reactive, or for the benefit of an entire geographic community. You will know who the beneficiaries are, understand their needs and proactively seek to support them. We will ask whether you consult your service users regularly to ensure your offer is as relevant and appropriate to them as possible.

iv) Supporting a journey of change

We expect you to be able to monitor and measure positive, outcome-based changes. These may not always be 'hard' outcomes, (e.g. moving from homelessness to stable housing) but we need to see evidence that you are supporting your service users to develop new skills, confidence, independence, security and/or agency. You do not have to be using particular databases or evaluation frameworks for this, but we will expect you to be able to tell us about the positive changes your service users are able to make and how you know they're being made.

v) An appetite for development

This grant programme is focused on leadership and organisational development and is designed to support charities in an intensive way for the first 12 months of the grant. Each charity will be paired with an experienced Development Partner to agree a bespoke package of organisational development support. The Development Partner will spend on average 0.5 days per month with the charity and can provide strategic and practical help. In addition, we will also provide peer to peer and group learning through the grant term and provide access to our Enhance programme and other development opportunities.

We will only fund charities that would welcome this support and has a leadership that demonstrates an appetite to further develop their organisation. This work will require commitment from staff and board and capacity to engage. This is a key criterion for the grant programme and will be used for shortlisting.

vi) An appetite for partnership

There must be full buy-in from the leadership of the charity, both on the Board and in paid positions, and leadership should be outward facing and connected to their local ecosystem. We refer to this as 'appetite for partnership.'

## 5. How to contact us

If you have any questions at all, please do get in touch with us. The team will be happy to help, and we'd much rather you check any queries with us first before you spend time on an application.

Email: [enquiries@lloydsbankfoundation.org.uk](mailto:enquiries@lloydsbankfoundation.org.uk)

Telephone: 0370 411 1223