

**STRATEGIES FOR SUSTAINABILITY**  
**GUIDANCE FOR SMALL AND MEDIUM  
HERITAGE ORGANISATIONS**

# **Guide 02.**

## **Grants and grantmakers: insight for Heritage Compass participants**



Heritage  
Compass



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# Foreword

## **Welcome to the second in our series of guides to support those running heritage organisations.**

In this guide, we have focused on the role of grantmakers and grant funding in heritage organisations. From our data and experience, we know that grants are a significant part of the heritage economy and that seeking grant funding has its share of triumphs and misfortunes. Frustration one day can quickly turn to elation another. Some of the disappointment is sadly inescapable – inevitably, there is never enough grant funding to meet everyone's needs. Nevertheless, in this guide, we've set out to help you tip the scales in your favour. Funds from grantmakers are out there – the challenge is marshalling your resources to maximise the opportunities available and being realistic about what might be achievable.

This guide aims to help heritage organisations make better, informed strategic choices when seeking grant funding. It uses benchmarking data from a wide range of heritage organisations and is based on an analysis of publicly available financial data provided to regulators by participants in the Heritage Compass programme in England and data from 360Giving.

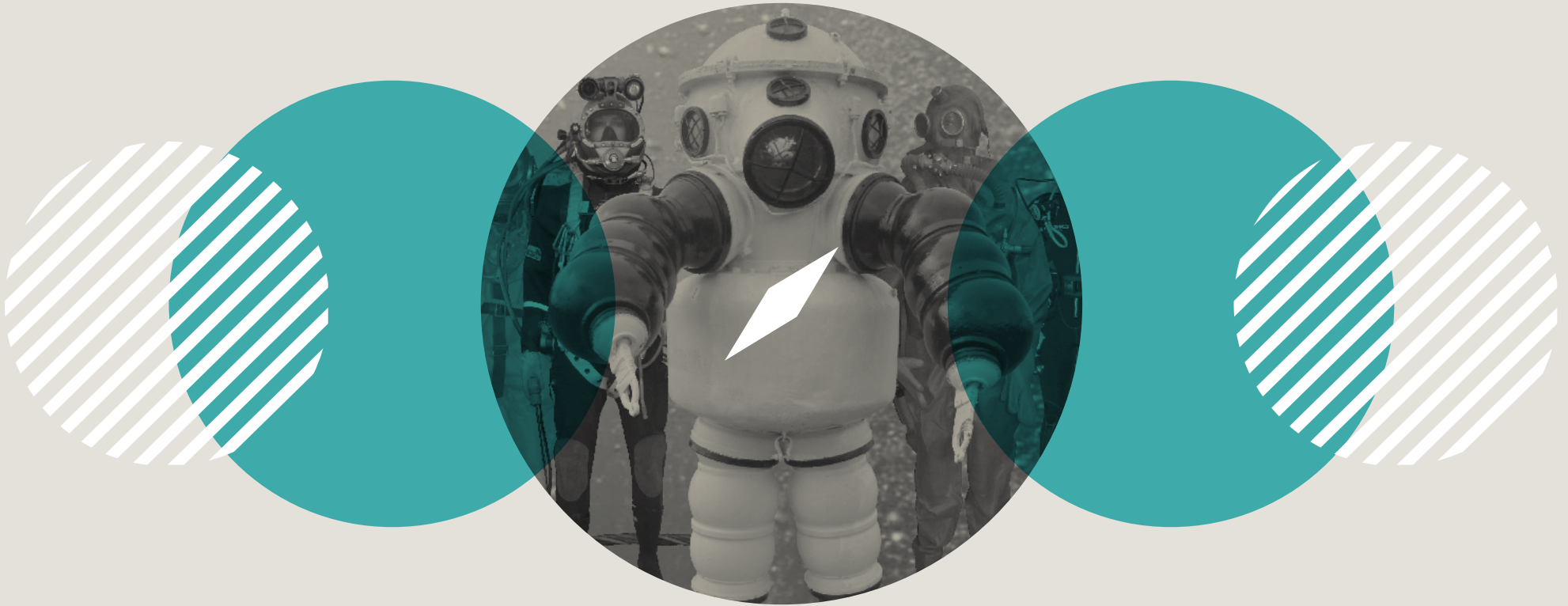
Although the data is from the period before the Covid-19 pandemic, the data still offers helpful insight into the role of grant funding in the heritage sector. However, grant funding isn't in limitless supply or cost-free, so we hope that the guide will also support you and your organisation to focus your activities on the grantmakers most aligned to your work and therefore where you might have best success.

The insights in this guide are a starting point. Our analysis provides context as you think about the role of grants in your organisation's funding mix. You will then need to build on them with advice from peers as you develop your own well-researched, tailored list of grant-makers to apply to. This is the basis for building the relationships critical to winning Trust and Foundations grants.

We hope that this learning can support your decision making with concrete data to help you run a more successful and sustainable heritage organisation.

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# Introduction



Grant funding is critical to the health and viability of the non-profit sector. Sources are multiple and varied; trusts & foundations, businesses and public bodies are the most common and all are accessible to the heritage sector. For your organisation, a grant may be the means of taking forward a new project or the key to unlocking contributions from donors.

Grantmaking has become more important since the onset of Covid-19. Many organisations found that earned income evaporated during the pandemic, leaving grant funding as their primary source of income. Grant funding is also playing a critical role in the recovery from Covid-19. Many funders have reported that they expect to continue spending at a higher level as we emerge from the pandemic, although there are some concerns that this trend will not continue.<sup>1,2</sup> Covid-19 has also led to discussions about *how* funders make grants.

Some funders are now taking a more flexible approach to grantmaking, including making fewer grant restrictions.<sup>3,4</sup>

Despite these positive changes, seeking grants can sometimes feel like an uphill struggle. Success rates vary and some large-scale heritage funders report that they fund fewer than 20% of the organisations that apply.<sup>5</sup> So, if grant funding is key to your organisation's sustainability, you will need to plan to give you the best chance of success, starting with research.

We've listed some of the tools and advice available for grant seekers at the end of this guide.





# Our data



We've looked at grants data from Heritage Compass participants – your peer organisations. For everyone in the group, we have collected data on income, assets and costs published in annual reports and accounts for 2019. This approach means that we can use reliable, audited data in a common format, though it does mean that our analysis is based on data that predates Covid-19.

We've also used data from leading grantmakers across UK government and civil society held by 360Giving. This provides additional detail and reassurance about the data collected from annual reports and accounts.



# What are grants and who are the grantmakers?





## Grants are a type of voluntary income

There is no one definition of a grant. Typically, it is the voluntary transfer of resources from an organisation to another group or organisation without any direct benefit or returns to the funder.

For the bodies making grants, grantmaking is a means of achieving that organisation's purpose, such as supporting the development of charitable activities in a particular field or with a specific community or group of beneficiaries. For grant seeking organisations, grants are a form of voluntary income. They may be a way of supporting an activity, service or project that might otherwise struggle to attract support.

## Different types of grants are available

Organisations applying for grants need to consider the type of grant funding on offer. Revenue grants can be made for general purposes, such as covering an organisation's operating expenses or

overheads, although not all funders offer these. Alternatively, grants can be made for specific purposes, such as purchasing or renovating a building – so-called capital grants. These are dealt with separately later in this guide. Revenue grant funding for running projects is often the preferred means of supporting organisations.

Grants can be free of conditions, or "unrestricted", with some arguing that this 'no strings attached' status substantially increases the value of the grant.<sup>6</sup> Alternatively, grants are awarded subject to conditions on their usage, so-called "restricted" grants.<sup>7</sup> In the case of restricted grants, a failure to meet the requirements of the grant could lead the grantmaker to reclaim the grant or any asset purchased with it, if the terms of the restrictions are broken or if the project proposed does not go ahead. Finally, performance-related grants are awarded subject to organisations meeting specific performance criteria set out in the grant agreement – and are potentially not awarded if the requirements are not met.

## Grantmakers are a diverse group too

Grants are awarded by organisations in the public, private and voluntary sectors. Grantmakers range from the large 'volume grantmakers' who make hundreds of grants (such as the [National Lottery Heritage Fund](#) or [Garfield Weston](#)) to those that might make a handful of awards each year. Some grantmakers are relatively closed, only making grants to organisations they have identified. They might only invite applications for limited periods (such as the [Andrew Lloyd Webber Foundation](#) or the [Fore Foundation](#)). Others are more open, running programmes based on a particular theme or place. Examples include the [Alfred Williams Charitable Trust](#), which focuses on the built environment in Suffolk, and the [Anna Plowden Trust](#), whose grants focus on conservation skills and training. Finally, some funders offer 'open access' programmes that invite new ideas. Checking that your heritage organisation meets the grantmaker's criteria is critical if you are to avoid wasted effort.

**Government** grants are typically subject to various criteria and are almost always awarded using a competitive process – as government guidance notes, ‘grants are not gifts’.<sup>8</sup> Grantmaking by central government departments and their arm’s-length bodies is now subject to rigorous standards and minimum requirements. You need to be aware of these before applying.<sup>9</sup>

Many statutory organisations, including central government and local authorities, have moved away from using grants to instead tendering contracts for services to achieve their aims.<sup>10</sup> Statutory grants are fewer in number and lower in value but are still available.

The twelve **National Lottery** distributors, including the National Lottery Heritage Fund, are now well-established and are critically important grant funding sources. The Lottery generated £1.8bn for distribution in 2020/21, of which 20% is allocated to heritage.<sup>11</sup> The National Lottery Heritage Fund made grants of £315m in 2020/21.<sup>12</sup> The distributors have

also played a role in making grants on behalf of government, such as the Heritage Fund’s role in the UK Government’s Culture Recovery Fund. The first round of the Culture Recovery Fund for Heritage distributed £67m to 433 organisations in England in 2020/21.

In the charity world, grantmaking is most obviously associated with charitable trusts and foundations, of which there are many types (endowed, family and corporate, to name a few).<sup>13</sup> **Charities** can make grants to other organisations to further their own charitable purposes. This includes making grants to organisations that aren’t charities, providing that the award furthers the grantmaking charity’s purposes and that these are for the public benefit.<sup>14</sup> The largest 300 charitable trusts and foundations are calculated to have awarded £4bn in 2019/20.<sup>15</sup> It is estimated that total grantmaking by charities was £7.6bn in 2018/19 – in short, it’s worth widening your search, particularly as not only trusts and foundations make grants.<sup>16</sup>



# The Heritage Compass participants: the role of grant funding



**For the main part of this guide, we focus on the role of grants in funding the day-to-day activities and expenditure of heritage organisations. We've dealt with capital grants separately in section 7.**

### **70% of Heritage Compass organisations report income from grants**

There are approximately 170 organisations in the Heritage Compass programme at the time of gathering data for this report. The dataset on which we have based our analysis covers 122 organisations with a total revenue income of £294m. Not all organisations in the cohort publish accounts, such as those that are part of local government. Some organisations, such as Community Interest Companies, publish accounts that do not include income and expenditure data.

The remainder of this report – until the analysis of capital funding in section 7 – is an analysis of the 70% of heritage organisations in the cohort that reported

receiving at least one grant in 2019. Almost one-third of the group (36 organisations) didn't report any grant income in their 2019 annual accounts.

### **Income from grants is over one-third of recipients' total revenue income**

Of the 122 organisations for which we have data, 86 declare in their accounts that they receive revenue grant funding. The total value of grant income – excluding capital grants – to 86 Heritage Compass organisations was £22.3m in 2019 (*Chart 1, p13*). This equated to 35% of their total revenue (£63.2m). If your organisation does generate income from grants, this benchmark is appropriate as it compares your organisation only with others that receive grant income.

Revenue grants may support specific projects. It's good practice for organisations to factor in overhead costs into project proposals and to ask funders to support these in grant applications.<sup>17</sup>

Some evidence suggests that smaller organisations, in particular, are 'too afraid' to ask grantmakers to contribute to core costs, mistakenly thinking that they will not.<sup>18</sup>



*Chart 1:*  
**Heritage  
Compass grant  
recipients: income  
sources (2019)**





# How much is the typical grant to a Heritage Compass organisation?



## Typical grant income ranges from a few pounds to millions

Table 1, p17 summarises the range of grant income reported by 86 Heritage Compass participants. Grant income may comprise more than one grant. Grant income (excluding capital) varies from a few hundred pounds to over a million pounds. The more significant amounts are far from typical and shouldn't be taken as an indicator of what is normal. The median is, we think, the best indicator of what the typical organisation generates in grant income.

The typical or median revenue grant income is less than £60,000. However, as the highest totals show, a smaller number of Heritage Compass organisations are receiving far more significant amounts of grant income.

## How large is a typical grant?

A diverse range of grantmakers mean that grants vary significantly in size, from tens of pounds to millions. Table 2, p17 summarises data on individual grants

made in 2019 by a broad panel of funders using the 360Giving grants recording system. In 2019 the median grant made by 360Giving grantmakers was just over £13,000. This figure fell to £7,000 in 2020.

For a small number of Heritage Compass participants, we can track data from 360Giving on individual grants. This shows us the actual size of a single award, rather than the income from all grants to an organisation. For this sample of just over 100 individual grants, we think the typical or median grant award is £10,000. The average grant award is higher (£35,000) because a small number of Heritage Compass participants received six-figure grants in 2019.

## Grants range in size – and so does the effort involved in winning them

There isn't a straightforward relationship between the size of the grant and the effort required to achieve it and manage it. So the challenge is to work out where you have the greatest chance of success, least competition for funds and the best

fit for your plans. As we've noted, grants may start small – a few hundred pounds in some cases. Hopefully, these are the sorts of grants that require relatively little work in terms of application processes or follow-up. But it is a reminder that some require application processes or monitoring that are disproportionate or, at worst, capacity draining.

It is important to have a realistic picture of the likely Return on Investment and to discount applying for funds that are highly competitive or where the lost opportunity cost in applying to a fund would prevent your organisation from achieving other objectives.

## Grant income is a larger proportion of turnover in small organisations than in large ones

To help illustrate the relative importance of grant funding to different organisations, we have split the group into three income bands: less than £100k turnover (30 organisations), £100 – £400k (37 organisations), and £400k or more turnover (19 organisations).

This analysis looks only at Heritage Compass organisations in receipt of grants.

Grant funding is an integral part of the funding mix for organisations, but especially for smaller organisations. Grants account for a larger share of turnover in smaller organisations than in larger ones. The smallest Heritage Compass grantees show grant funding accounting for almost half of their total income (*Chart 2, p18*). If you run one of the larger organisations with a turnover of £400k or more, you might expect grant funding to be equivalent to one-third of your total income.

The relative importance of grant funding to smaller organisations may reflect several factors. Smaller organisations may be earlier in their lifecycle when grant funding is more likely to be a source of funding while organisations establish themselves. Similarly, it may reflect the challenge of diversifying income for small organisations. Grant funding is often an easier mechanism

for generating voluntary income in smaller organisations than fundraising from other areas, as many organisations have staff that have some experience in grant making but may lack experience or resource to pursue fundraising from individual donors for example.

### The 80:20 rule applies to the distribution of grant funding

The average and median grant levels for the largest organisations in the £400k+ turnover group are £963,000 and £391,000, respectively (*Chart 3, p19*). These are substantially larger amounts of income than in smaller organisations, highlighting the importance of grant funding as a core component of growing organisations. Data from 360Giving suggests that funders make relatively few large grants, particularly grants over £100,000. Applying for larger grants will therefore require more research and a long-term approach to developing relationships with funders. However, as the data shows, this investment is a successful approach for some organisations.

By the point at which Heritage Compass organisations turn over more than £400,000 per year, they are in the largest fifth of organisations in the cohort. *Chart 4, p20* shows us that the larger organisations (those with a turnover of over £400k) secured 80% of all the grants by value (£24.9m).

As turnover increases, you might raise your ambitions in terms of total grant income, including applying for larger grants which will give a better return on investment.



*Table 1:*  
Grant income,  
**Heritage  
Compass  
organisations  
2019**


	HC RECIPIENTS, GRANT INCOME
Lowest total grant income	£225
Median total grant income	£59,794
Highest total grant income	£6,345,785

*Table 2:*  
Grant size  
indicators,  
**360Giving  
grantmakers  
2019**

	INDIVIDUAL GRANTS, 2019 <sup>19</sup>	HC RECIPIENTS, SAMPLE
Average grant value	£347,033	£35,000
Median grant value	£13,187	£10,000

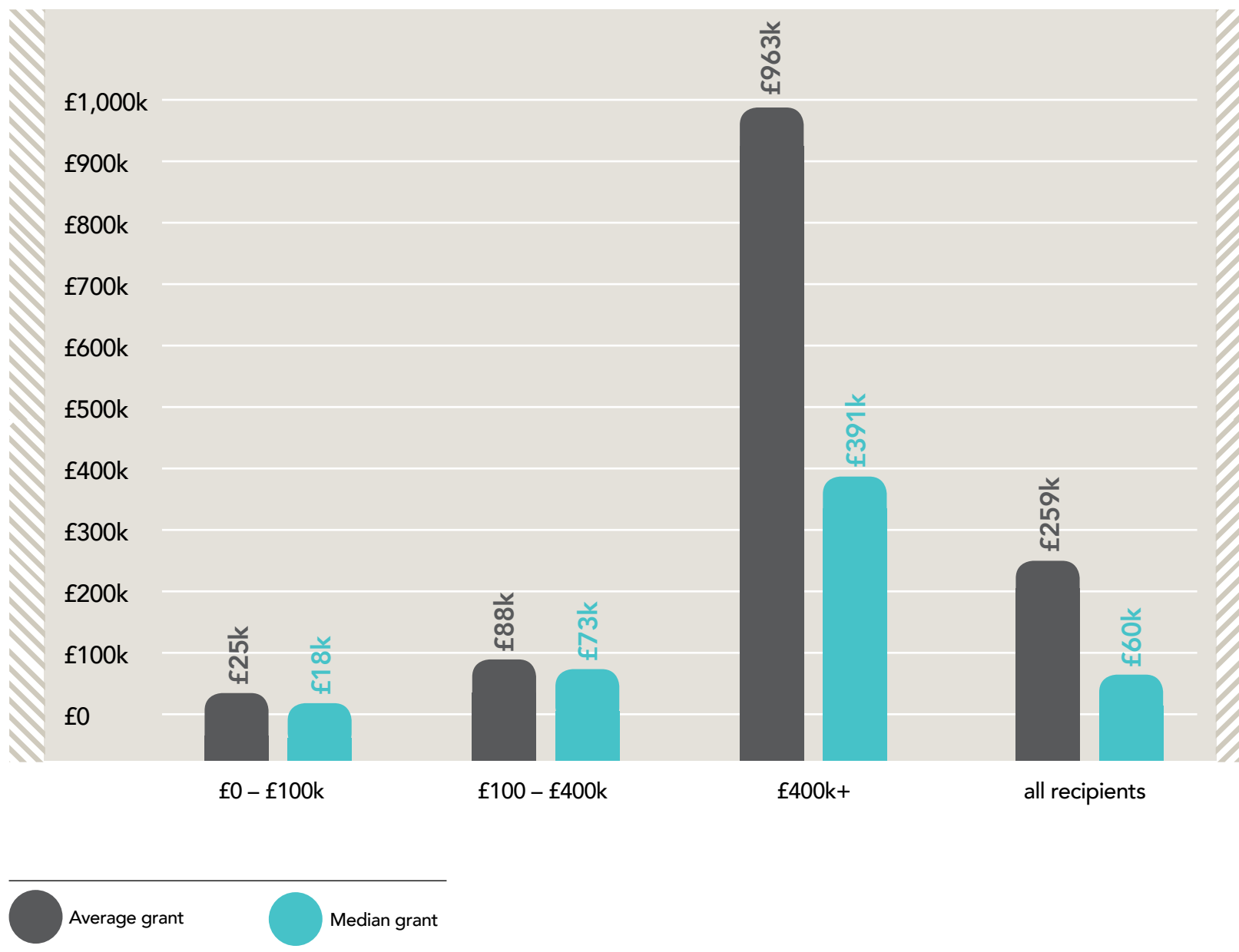
*Chart 2:*  
**Revenue grant  
funding as a  
percentage of  
total income  
2019**



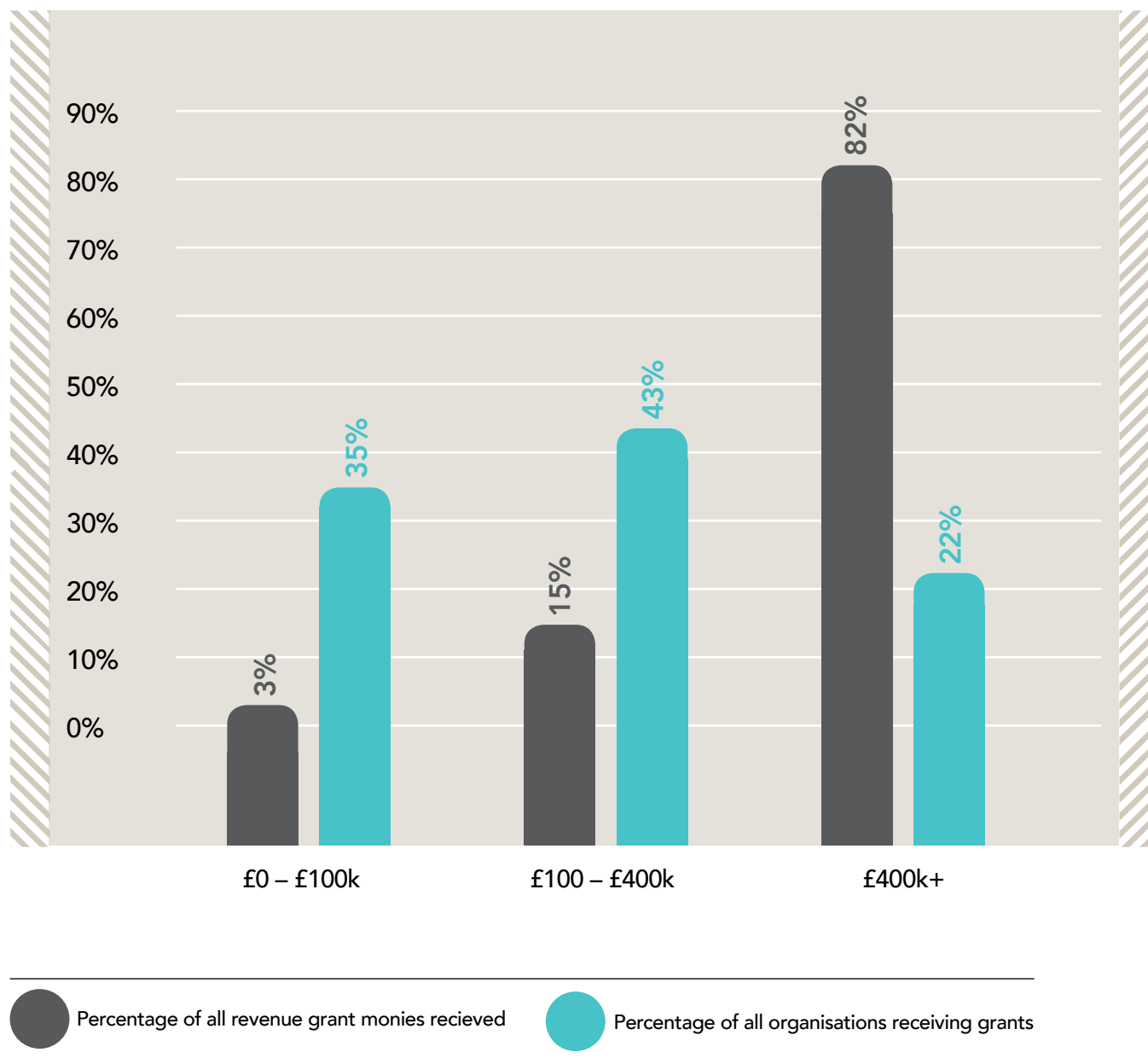
 Grants as % of income



*Chart 3:*  
**Average  
and median  
revenue grant  
funding, by  
income band  
2019**



*Chart 4:*  
**Share of  
organisations  
and revenue  
grant funding,  
by income band  
2019**



# The role of grant income in the financial mix



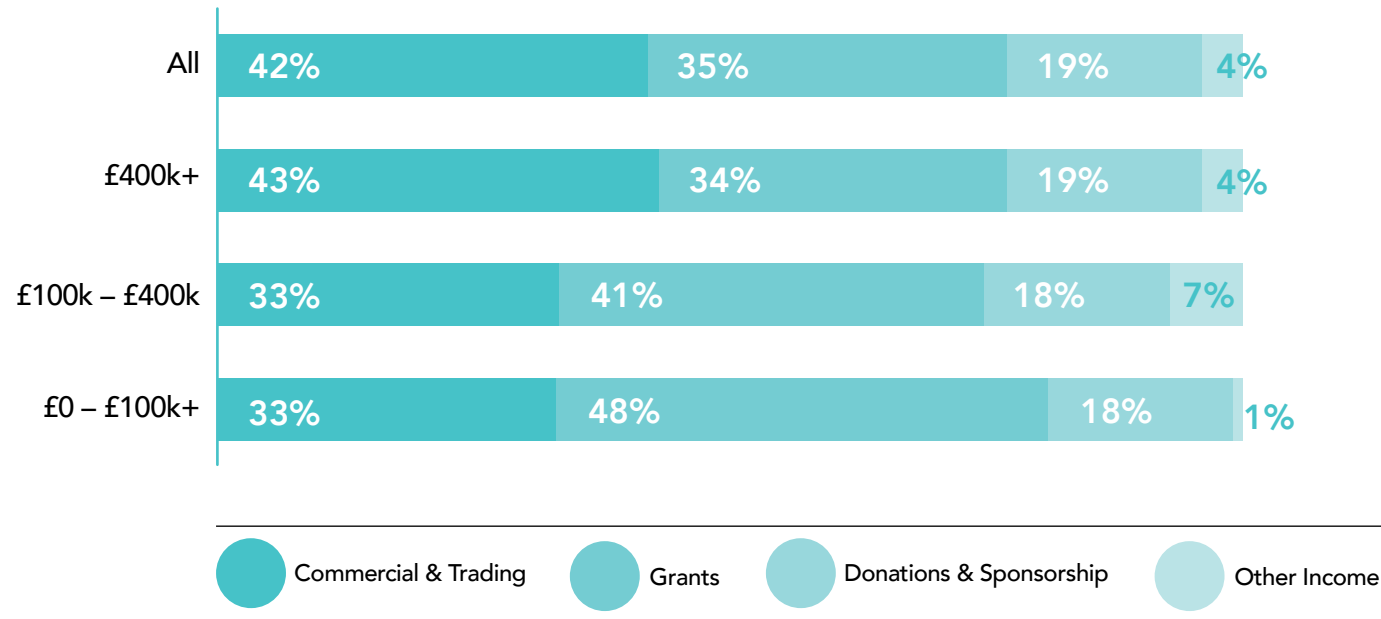
Grant funding is an integral part of the funding mix, accounting for 35% of all grantees' income (*Chart 5, this page*). What does that look like in the typical funding mix? For Heritage Compass grantees, earning money from commercial and trading activities is still the primary source of income, accounting for 42% of total revenue. Most remaining income is from donations from the public and sponsorship from corporations, which accounts for one-fifth of income (19%).

### The balance between grant income and commercial & trading income shifts as organisations grow

Commercial and trading income is a greater proportion of the funding mix for the largest organisations. Grant income might be a critical success factor for those seeking to grow by building their earned income. For example, grant funding might fund the start-up costs for a new income-generating activity such as a café.<sup>20</sup>

A key challenge for your organisation will be to consider how grant income best sits alongside other income sources, such as membership fees or trading income.<sup>21</sup>

*Chart 5:*  
**Income  
sources, by  
size band  
2019**



# Capital Grants





## What are capital grants?

Capital grant funding has been defined as *'funding for the purchase, refurbishment or renovation of buildings or land or the purchase of vehicles, computers and computer systems, other equipment or items such as marketing or accounting software or web development, collections and acquisitions'*.<sup>22</sup> When we refer to 'capital grants', we mean income and expenditure related to significant works that have a value or lifespan beyond the current year. These are most commonly buildings and land but can also include collections and archives.

## Capital grants are different

The revenue grants described in this guide so far are used to fund day-to-day activities. But in reviewing financial sustainability, we think it is helpful to take a brief look at capital funding.

In this series of guides, we have separated-out data and income related to capital funding. Only a small proportion of organisations undertake capital projects in any given year. Including them

in the main data analysis would skew the results and make comprehension of the data harder. This is because the accounting rules for charities record all income in the year it is received, even if it is likely to be spent over a longer period or used over a longer period – a typical characteristic of capital grants.<sup>23</sup>

## Capital grants are important to a small number of organisations

Capital grants are important to heritage organisations. The cost of regenerating buildings and refurbishing listed assets is often much larger than the funds that an organisation can generate through its day-to-day activities. Separate grant funding is usually required and is provided by funders including Historic England and the National Lottery Heritage Fund.

## £1 of every £10 in grants to Heritage Compass organisations is for capital works

Eight organisations in the Heritage Compass group reported receiving capital grants in 2019, with an aggregate

value of £2.6m. Capital grants represent 11% of all grant income received by the group (*Chart 6, p26*). The purpose and activities of heritage organisations might suggest that this figure is low – for organisations responsible for the renovation and maintenance of heritage assets i.e., we might expect capital funding to account for a larger share of grant income.

The only available benchmark data suggested that in 2015, 25% of Trust and Foundations' grant funding to the charity sector was for capital purposes.<sup>24</sup> This was estimated to be worth £178m in the UK. The same report suggested capital grants were being reduced in favour of grants that fund projects or operating costs amidst a challenging financial climate.

Capital funding is nevertheless still an essential part of trusts and foundations' grantmaking. What may be worth exploring is funders' current thinking regarding the purpose of capital grants, including the role of grants in helping

applicants to make a 'step change'. Funders are placing some emphasis on capital grants as a means to increase efficiency or sustainability or reduce maintenance costs.<sup>25</sup> Nearly all funders consider applicants' ability to meet long-term running and maintenance costs as important when making a decision.

### Typical grant income ranges from a few pounds to millions

In terms of capital funding, again the median is, we think, the best indicator of what the typical organisation generates in capital grant income.

The typical income from capital grants for each recipient was £219,000 – a sum that could include more than one grant. The median capital grant income is substantially higher than the £60,000 median figure for revenue grant income, as might be expected for substantial building-based projects.



*Chart 6:*

**Revenue and capital grant funding, relative share, all Heritage Compass participants which recorded receiving grants in their annual accounts (2019)**

*Table 3:*

**Grant income, Heritage Compass organisations 2019**

	HC ORGANISATIONS CAPITAL GRANT INCOME	HC ORGANISATIONS REVENUE GRANT INCOME
Lowest total grant income	£11,346	£225
Median total grant income	£219,286	£59,794
Highest total grant income	£1,051,420	£6,345,785

# Discussion: getting the most out of grants



## Grants – and grantmaking – are widespread

Grants form 20% of the income of the Heritage Compass cohort, rising to 40% of the total income of grantees. Heritage organisations should plan for applying to grantmaking bodies – which will include detailed research and investing in fundraising where necessary to ensure success. Organisations should prioritize building long-term relationships with funders and will need to be realistic that the scale of grants in the beginning may be relatively small.

## The grantmaking landscape is diverse. You will fit someone's niche criteria

A wide array of funders from the public, private and voluntary sectors contributed almost £25m to 122 Heritage Compass organisations in 2019. Most gave revenue grants, with others also contributing capital grant funding. Funders ranged from family foundations such as the Paul Hamlyn Foundation with a programmatic interest in heritage to local authorities with a geographical interest in heritage.

There is likely a niche that aligns with your organisation and its purpose. Find it.

## Be realistic that most grants are small

The typical Heritage Compass organisation generated almost £60,000 from grants in 2019 – and while that isn't a small sum, this is likely composed of more than one grant for many organisations. For organisations where we can identify individual grants, the typical revenue grant is £10,000.

The implication is that larger grants are fewer in number – we believe that there were almost 30,000 grants of £60,000 or more in 2019. Our data suggests that the 80:20 rule applies, with 80% of the total available grant funding going to 20% of organisations.

This doesn't mean that larger grants are out of reach to smaller organisations, but it indicates that building relationships takes both investment and time and fundraising will require careful stewarding and research.





## Think about what happens when grant funding for a project or activity ends

It's commonly known that grant-makers might fund organisations or projects for a short period of time and then move their focus elsewhere. Funding arrangements often refer to exit strategies, typically encouraging grantees to pursue income diversification.<sup>26,27</sup> One solution can be packaging activities into new projects to win new grant funding. Other approaches include income diversification and transitioning to earned income.

The skill is ensuring that there is never over-reliance on any one funding source and that relationship building with new funders is an ongoing priority.

The larger organisations in the Heritage Compass cohort are successfully blending trading and commercial income with grants and donations. They are increasing the proportion of trading income as they grow. But they nevertheless still rely upon grant income – which increases in cash terms for larger organisations.

This indicates the need to think about the role of grant funding and how it can help build organisational capacity and the transition to trading.



# Conclusion: five valuable questions to ask your heritage organisation



We began this guide by highlighting the importance of grant funding – and the challenge of winning a grant. But hopefully, what's clear from the data we've shown you is that most heritage organisations in the group secure grant funding – and that you can reasonably think about grants as part of your fundraising strategy.

So, what next if you want grant funding to play a more prominent role in your organisation? Time and resource is incredibly scarce in many organisations and therefore devising a strategy to maximise success from grant fundraising is essential. There are five questions worth asking to increase your chances of success:

## What do you want grant funding for?

A strong vision for what you aim to achieve is a critical success factor, as well as identifying the urgent need for the work. Are you clear about why your organisation is seeking grant funding and what you aim to achieve once funded? Are you clear about why grant funding is the best way of resourcing what you want to do – for example, are you asking a funder to build your capacity? And are you asking for grants to cover a proportion of your core costs? These are just some of the starting questions that might form part of a more comprehensive grant fundraising strategy.

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## Are you prepared to invest in fundraising, even if the returns are in future years?

Applying for grants is a serious commitment and it is essential to be realistic about the funding that is out there. One recent estimate put the return on investment for Trust and Foundation fundraising at £10 for every £1 invested, up from £7 in 2019. This was partly due to increased grantmaking levels in response to Covid-19.<sup>28</sup> However, government grant income was less likely to secure a return.

Most advice in this area stresses the importance of ensuring your work fits with the outcomes that funders want to achieve. In practice, alignment with funders means tailored applications, long-term thinking and building relationships – including after your successful application. In other words, to be successful, you will need to invest time over the medium-term (3-5 years) in building relationships with funders, respond to their feedback and constantly hone applications so that they stand out against the competition.<sup>29</sup>

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## Have we done our research?

Fundraising research covers a broad swathe of potential activities, from user research that informs a case for support to competitor analysis. Can you demonstrate the need for the activity or buildings that you want someone to fund? Pertinent to this guide is whether you have researched the grant funding landscape. That could start with signing up for a funding search service or using 360Giving's GrantNav. It should include carefully considering eligibility criteria – possibly the most frequently cited reason for a negative decision.<sup>30</sup> Are you clear about why and how your application can help the funding body achieve its aims?



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## Have you built relationships with potential grantmakers?

Warmer, more established relationships are critical to securing grants, with some evidence that they are likely to increase success rates substantially.<sup>31</sup> To paraphrase one fundraiser, are you treating potential funders as partners or pocketbooks?<sup>32</sup> And while most advice points to the importance of researching potential funders, how easy is it to find out about you and your organisation for an interested funder?



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## What does success look like for us?

Success may be as simple as the award of a one-off grant. It may be about achieving a particular income target, or it may be about the number of warm relationships you have developed with funders. Alternatively, success might be about the type or duration of funding, with multi-year, core funding top of most people's lists.<sup>33</sup> If we are really clear on what we are aiming to achieve, then we are more likely to be able to establish realistic targets and to build a strategy that can be refined over a number of years.<sup>34</sup>



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# Resources

360Giving – GrantNav

<https://grantnav.threesixtygiving.org>

Ecclesiastical – Checklist for grant applications

[www.ecclesiastical.com/church/fundraising/application-checklist/](http://www.ecclesiastical.com/church/fundraising/application-checklist/)

DSC – Funds Online

<https://fundsonline.org.uk>

Chartered Institute of Fundraising – Grants and Trusts

<https://ciof.org.uk/events-and-training/resources/grants-and-trusts>

Gov.UK – Find government grants

[www.gov.uk/guidance/find-government-grants](http://www.gov.uk/guidance/find-government-grants)

Heritage Funding Directory

<https://www.heritagefundingdirectoryuk.org>

Fundraising UK – How to ensure the best chances of success for your funding applications

<https://fundraising.co.uk/2022/01/11/how-to-ensure-the-best-chances-of-success-for-your-funding-applications/>

IVAR – How to ask for unrestricted funding

[www.ivar.org.uk/unrestricted-funding/](http://www.ivar.org.uk/unrestricted-funding/)

The National Lottery Community Fund – VCSE Strengthchecker

<https://vcsestrengthchecker.org.uk/about>

NCVO – All about grants

<https://beta.ncvo.org.uk/help-and-guidance/funding-income/all-about-grants/>

NCVO – How to find grants

<https://beta.ncvo.org.uk/help-and-guidance/funding-income/how-find-grants/>

Professional Grant Writer – Grant writing tips

[www.professionalgrantwriter.org/category/grant-writing-tips](http://www.professionalgrantwriter.org/category/grant-writing-tips)

Professional Grant Writer – What is a good grant writing success rate?

[www.professionalgrantwriter.org/learn-rejected-grant-proposal](http://www.professionalgrantwriter.org/learn-rejected-grant-proposal) – includes four reasons why grant applications are rejected

# Glossary

**Benchmarking:** the practice of comparing practices or performance data to industry-wide standards,.

**Capital grant:** a grant usually made towards capital costs, such as the refurbishment of a building. Project proposals might include both revenue and capital funding requirements.

**Core costs:** costs typically not directly associated with the delivery of a project or activities, such as management or general office costs.

**Revenue grant:** a grant usually made towards running costs of an organisation or its activities.

**Grant:** a voluntary payment made by a donor organisation (usually a charity, company or public body) to further their purposes. Grants can be made to either a person or an organisation. Although conditions can be applied to how funds are used, unlike payment for a service there is no expectation of direct return to the donor organisation.

**Mean:** also known as the average. The mean uses all the values in the data. It is calculated by adding all of the numbers in a data set and dividing by the number of values.

**Median:** the 'middle' of a list of sorted values. The median is sometimes a better guide to the middle than the mean average, which might be skewed by a small number of high or low values. The medians calculated for this report do not include zero values.



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6. Alliance Magazine (2016) [Why the sector needs more unrestricted funding](#)
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