



## Funding Strategy

### Policy Statement

The Spirit of 2012 Funding Strategy explains what we will fund, who is eligible for funding and how we will set about allocating funding.

There are 2 parts to the strategy:

1. Our Funding Priorities and Portfolios.
2. Eligibility Criteria for:
  - a. Who can apply for Spirit funding, and
  - b. What Spirit can and can't fund
3. Future Opportunities

### Part 1 – Our Funding Priorities and Portfolios

Spirit of 2012 was established by the (then) Big Lottery Fund with a £47m endowment in 2013 to continue the social impact of the London 2012 Games. The Spirit of 2012 Board has agreed strategic priorities to 2026 that are consistent with the Founder's Wishes, expressing the Big Lottery Fund's intentions when endowing the Spirit of 2012, and the charitable objects set out in our [Trust Deed](#). We have a duty to invest our endowment exclusively in achieving those. **We do not accept unsolicited applications for funding.** We are in the final stages of spending out our endowment and so **the majority of our funding is already firmly committed or ear-marked for specific initiatives.**

Where we have open funding opportunities, for delivery or research-related grants, they will always be published on our website, twitter feed and, where appropriate, on NCVO Funding Central.

Our priorities, as a Funder, to 2026 has been to:

1. Fund outcomes, for organisations as well as individual participants
  - 🌈 Funding priorities based on Spirit's target social outcomes

- 🎨 Impact evaluation on contribution to these outcomes across sectors and mechanisms
  - 🎨 Evidence-based- find out what works and how it could scale up
- 2. Prioritise work that prioritises bringing different groups of people together, as equals, and actively addressing barriers to participation.
  - 🎨 Focus on young people, disabled people and disadvantaged groups
- 3. Build locality-based participation, responsive to the needs of the local community
  - 🎨 Focus projects in the right places to ensure impact is meaningful
  - 🎨 Enable 'Supported decision-making' – ensure that local project decision-makers are developed and equipped for the role and supported to undertake it
  - 🎨 Focus projects on places most in need (for specific social outcome)
- 4. Build and support partnership working
  - 🎨 Most projects to be delivered by partnerships of expert providers, including national and local partners
  - 🎨 Build and support a community of Spirit partners for learning and joint system development work
  - 🎨 Support partnership development through deployment of development grants (funding opportunities) and Incubation Fund (Spirit partners)
- 5. Build capacity in purposeful planning, monitoring and impact assessment:
- 6. Incubate Innovation
  - 🎨 Provide access to smaller grants – including research - to test and learn, and connect evidence into practice through the Incubation Fund

Those priorities are underpinned by our [Theory of Change](#) which enables us to measure all our investment in terms of common outcomes and indicators. The overarching **impact statement** informs every grant we make:

**Spirit believes that enabling people to participate in a wide range of inclusive activities and engaging in their communities together will:**

- 🎨 **Improve the wellbeing of individuals, communities and society as a whole**
- 🎨 **Improve perceptions towards disability and impairment**
- 🎨 **Lead to greater social cohesion and understanding.**

## Funding Strands

We have operated three funding strands to deliver our priorities to 2026.

1. Funding participatory projects that enable people to be:

Creative	Active	Connected
<p>Providing opportunities for people to explore their creative-sides through a wide-variety of art forms and cultural experiences. Projects in this strand will:</p> <ul style="list-style-type: none"> <li>• Provide regular sustained opportunities for participation in the arts and culture for defined beneficiary groups.</li> <li>• Explore how engagement in arts and culture can make people feel about themselves and the communities they live in.</li> <li>• Include opportunities for people to lead and produce artistic/cultural work.</li> <li>• Provide opportunities for people to develop and showcase their talent.</li> <li>• Provide pathways to volunteering opportunities and employment.</li> <li>• Show and celebrate diversity and inclusion.</li> </ul>	<p>Providing opportunities for the least physically active in society to become more physically active. Projects in this strand will:</p> <ul style="list-style-type: none"> <li>• Provide regular sustained opportunities for participation in a wide-variety of physical activity and sport for defined beneficiary groups.</li> <li>• Target activities for people based on their needs and on demand.</li> <li>• Test and learn about what works in making interventions successful and share learning.</li> <li>• Provide supportive peer to peer volunteering and mentoring opportunities.</li> <li>• Provide pathways to other activities and sports.</li> <li>• Scale successful interventions to other groups and localities.</li> <li>• Provide the opportunity for people to be social outside the specific activities.</li> </ul>	<p>Providing opportunities for people, especially young people, to come together from diverse backgrounds as equals and influence and shape their communities. Projects in this strand will:</p> <ul style="list-style-type: none"> <li>• Provide opportunities for people to volunteer or undertake social action in their communities.</li> <li>• Bring people of different backgrounds, cultures, ages and abilities together to participate as equals.</li> <li>• Bring together, and support, local people to develop plans to address issues that matter to them and make decisions about how funding could best meet them.</li> <li>• Actively develop the social capital and inherent capability in communities.</li> </ul>

## 2. Incubation Fund

We also fund a small number of smaller projects through our Incubation Fund. These are projects that:

- (1) Test and Learn: for delivery organisations looking to explore innovative practice or develop new approaches around the theme we have identified.
- (2) Evidence into practice: for researchers to bring together evidence about chosen theme or conduct discrete research projects in collaboration with a delivery organisation.

## 3. Legacy Funding

As an organisation committed to investing to create beneficial and sustainable social impact, as the projects we fund come to a close we will consider whether some organisations are suitable for further funding to embed successful approaches into a sector or across a system. Our Board agreed a policy that set out the processes and criteria we will use to arrive at a decision to re-fund. Legacy Funding decisions will always be subject to assessment and Board approval as first applications and there is no automatic assumption of further funding.

The opportunities to fund past projects in this way has reduced dramatically and with the time frame remaining for the organisation we anticipate that there will not be any more of these types of grants after 2022.




## UK-wide reach

Spirit does not apply the Barnett or any other precise formula, but we do want to make sure that our funding reaches people across all 4 nations and 9 English regions through the ten-year life of our endowment. With that in mind, we closely monitor the geographical distribution of our funding, and may on occasion target specific regions of the UK to ensure a reasonable spread.

This is because we want to offer people and communities in all regions access our funding, so we sometimes specify national or regional eligibility when we advertise grant opportunities. Our National Grants and Policy Manager, based in Glasgow, has specific responsibility for facilitating work across the Home Nations.

## Transparency and accountability

We are committed to being transparent about the grants we award. We do this by:

-  Clearly explaining our responsibilities as a National Lottery-funded charitable trust (endowed by the then Big Lottery Fund) to fulfil our Trust Deed objects and our Founder's Wishes;
-  Publishing our Funding Strategy on our website;
-  Publishing clear information on our website and other channels about open funding rounds, grant application windows and applicant and programme eligibility criteria;

- ✚ Publishing clear assessment criteria and scoring levels with each advertised grant opportunity;
- ✚ Offering feedback on how and why unsuccessful applicants scored against the criteria;
- ✚ Announcing all the grants we make on our website, in press announcements, in our audited annual report and accounts and other appropriate channels;
- ✚ Ensuring we meet the eight funding commitments set out in the IVAR [Open and Trusting Grant-making Initiative](#).

## Part 2 - Funding Guidelines: Who and what We Fund

### Who we can fund

We do not accept unsolicited applications. We advertise opportunities to apply to us, and when those are live any of the following types of organisation may apply to us for funding:

- ✚ Charities registered in the UK;
- ✚ Voluntary and Community Organisations (with a formal constitution);
- ✚ Social Enterprises and Community Interest Companies (CICs);
- ✚ Statutory Bodies including local authorities and their agents;
- ✚ Consortia (made up of eligible organisations) with a named lead delivery organisation;
- ✚ Private companies (providing Spirit grants are ring-fenced for charitable purposes and do not contribute to profits).

Organisations applying to Spirit must put together clear, honest, specific and realistically budgeted applications using the forms we provide. Costs must be proportionate to the nature and size of the project, the proposed outcomes and to the applicant organisation. We publish every grant opportunity on our website with an application form and an Information Pack. The pack contains grant specific guidance about the costs we can support and to what level. Here are some general principles that apply across all our grants.

### What we can fund:

1. Programme related costs, including staffing and overheads. These may be:
  - ✚ Staff fully or partly working on the project
  - ✚ Management time proportionately related to the project
  - ✚ Operating costs directly incurred as a result of managing the project.
2. We do not fund capital projects. Applicants may allocate a small proportion of the project budget (usually no more than 10% - this will vary depending on the grant round) to the cost of equipment needed to deliver the outcomes.
3. Spirit may allow higher allocations towards equipment for projects whose primary purpose is to reduce or remove barriers to the participation of disabled people, those with impairments or life-limiting conditions.

4. We strongly encourage learning and external monitoring and encourage applicants to allocate between 5-10% to external monitoring and evaluation. We clarify the level within each funding round.

Spirit will consider contributing to applicants' core operating costs. These must be proportionate to the grant and justified in the supporting documentation. Again, each grant round will offer further guidance on this.

#### **We cannot fund:**

1. Costs (including notional costs) that have already been incurred before the formal grant agreement except by explicit prior agreement;
2. Elements of work that duplicate funding provided by another body;
3. Contributions to reserves or the payment of debts.
4. Provision of services that are the responsibility of Government or another Statutory Body;
5. Political campaigns;
6. The promotion of religion;
7. Projects for/with animals;
8. Individuals directly;
9. Work that happens outside the UK.

When there are open Spirit funding programmes we will post all the information applicants need to apply on our website. This will include specific eligibility requirements for the funding available. All Spirit funding must be invested in projects which deliver the outcomes of our [Theory of Change](#).

## **Part 3 – Future Opportunities**

We are in the final stages of spending out our endowment and so **the majority of our funding is already firmly committed or ear-marked for specific initiatives**. There will be some limited opportunities for funding around delivering the recommendations of our 2022 Inquiry into the impact of major events, with a focus on the events scheduled to be held in 2023. Further details will be published on our website as and when it is available.

### **Monitoring and Review of this policy**

We will publish the current version of this policy on our website and review it annually throughout the term of the endowment.