



Landworkers' Alliance Guide to Fundraising



Written by Zoe Wangler and Adam Payne



Table of Contents

INTRODUCTION	4
FINANCE AVAILABLE BY TYPE OF LEGAL STRUCTURE	5
RESOURCES: GENERAL FUNDRAISING GUIDES	6
COMMUNITY SHARES	6
RESOURCES: COMMUNITY SHARES	7
CROWDFUNDING	7
RESOURCES: CROWDFUNDING	8
FUNDRAISING FROM TRUSTS AND FOUNDATIONS	9
SEARCHING FOR GRANTS	9
RESOURCES: GRANT FUNDRAISING	10
PUBLIC FUNDS	10
RESOURCES: PUBLIC FUNDS	11
LOANS	11
RESOURCES: LOANS	12
LOANSTOCK	12
RESOURCES: LOANSTOCK	12
TABLE OF POTENTIAL FUNDS FOR SMALL-SCALE FARMS AND WOODLANDS	13

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Improving this Guide

The resources we produce are based on the experiences and expertise of our members and rely on your feedback and updates to remain relevant and contemporary. Please send comments to support@landworkersalliance.org.uk

Support and Advice from the LWA

The Landworkers' Alliance is able to provide some support and advice on fundraising to members and farmers, growers, foresters and land-based workers transitioning to agroecological systems. If this would be of use please use the contact form on the member support page of the website and we will direct your enquiry to people best placed to assist you.

Disclaimer

The guidance, information and opinions offered in this document are for general information only and should not be relied upon nor used as a substitute for legal advice. You should always take advice from your own legal adviser on your specific circumstances.

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Introduction

We want to see a well-funded agroecological sector in which farmers, growers, foresters and land-based workers are able to access the finance they need to make their enterprises successful and maximise the benefits to economies, ecologies and communities.

But, we are sadly a long way from this and the sector suffers significant underfunding. A recent survey of 156 new entrants carried out by the LWA showed that 46% had struggled to access appropriate finance and experienced this as a barrier to setting up or scaling up their production.

As part of our work to remedy this situation we have produced this guide and offer support and advice to members on finance and fundraising. We hope it is of use and welcome feedback, input, new ideas and new content.

In recent months Brexit and the Coronavirus pandemic have substantially changed the funding landscape. Most grant funders have put their regular programmes on hold, and many lenders are unable to keep up with the demands of their borrowers with reduced staff. Government's environment and farming subsidies are also in transition as a result of our exit from the European Union and the Common Agricultural Policy.

However, there is also a growing awareness of the climate crisis, household food insecurity and the role of agroecological farms in strengthening local economies, overcoming hunger and dietary related ill health and ensuring environmental sustainability. This awareness, supported by low interest rates, means that there are also new opportunities for small-scale farms and woodlands to secure grants, loans and equity finance.

This is particularly true if your business or project has social objectives, such as providing horticultural training to people from a disadvantaged area or improving access to food for low-income communities. You'll also have a wider range of options and a greater chance of securing finance if your farm or forest business is a not-for-profit, such as a community benefit society or community interest company.

New loan and grant funding have also emerged specifically to support farms and woodlands manage through the coronavirus pandemic, regardless of whether or not they are delivering on social outcomes. And the public appetite to invest in sustainable agroecological holdings through loans, crowd funding and community shares is high at the moment.



The funding landscape is constantly changing and there will inevitably will be further changes in the coming months and years, so it will be well worth checking back in with trusts, banks etc. on a regular basis as COVID-19 and Brexit is likely to lead to changes in the medium- and longer-term funding priorities.

Public funding for agriculture is devolved and the nations of the UK are taking increasingly different views on agricultural support so be sure to check the relevant administrations to you and sign up to their updates and news bulletins.

This guide looks at five different types of finance available to small-scale farms and woodlands: grants from trusts and foundations; public funding; crowd-funding; loans; and community shares. The following table indicates funding available depending on your legal structure. There are of course the exceptions:

Finance Available by Type of Legal Structure

Type of organisation	Grants (I)	Grants (II)	Crowd-funding	Loans	Community Shares
Sole-trader or business partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Limited company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community Interest Company (CIC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charitable Community Benefit Society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Community Benefit Society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Co-operative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Available Not available Sometimes, depends on the trust/foundation Rarely, depends on the trust/foundation

Grants (I) – Trusts and Foundations

Grants (II) – Corporate Grants & Public Funding

There are excellent resources available for free, on-line, to support you to develop your fundraising plans, and these are included at the bottom of each section.

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Resources: General Fundraising Guides

The CSA Network provide a fundraising guide for CSAs, covering community shares, grants, crowd-funding and loans:

<https://communitysupportedagriculture.org.uk/resource/funding/>

Making Local Food Work produced the guide Simply Finance, a guide to options for financing a community enterprise: <https://www.uk.coop/resources/simply-finance>

The Woodland Trust provide a fundraising guide for community woods:

<https://www.woodlandtrust.org.uk/plant-trees/community-woods/funding/>

Community Shares

If you need to raise a large amount of money then you may want to consider a community share offer. This is what most community-owned farms have done to raise capital to buy land, but it can also be used to raise money for buildings or equipment. For example, a share offer allowed Rush Farm to buy their 180-acre farm and invest in new infrastructure.

The term 'community shares' refers to withdrawable share capital that can only be issued by cooperative societies, community benefit societies and charitable community benefit societies. So, this won't be an option for you if you're a sole trader, registered charity, CIC, limited company or business partnership. You can convert from a sole trader, business partnership or limited company to a society, but it's a significant decision and takes at least a few months.

Community shares is a form of investment. People usually invest for the long-term, around 10 years, but as it is investment, you would need to be able to pay investors (members) back over the longer-term. Normally community shares also pay members a return on their investment, usually up to 3%, although people can and do also choose to waive their interest.

Shareholders have a vote in the running of the organisation, usually via electing directors and voting at an AGM.

Raising funds by community shares is not a quick process and will require putting together a prospectus and detailed business plans. Many organisations will also opt

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to be audited for the community shares standard mark which can require more detailed work. For more information on the community shares standard mark visit:
<http://communityshares.org.uk/what-standard-mark>

If you are planning to do a community share offer you will probably need to seek professional advice. Recently grants have been available for this support:

<https://communitysharesbooster.org.uk/>. Community Shares provides a list of professionals providing the service:

<http://communityshares.org.uk/support/practitioner-directory>

Resources: Community Shares

Community Shares provides guides and resources on the practicalities of launching and investing in a community share offer, including the Community Shares Handbook

<http://communityshares.org.uk/> and <http://communitysharesscotland.org.uk/>

Cooperatives UK produced a series of guides as part of *Making Local Food Work* which includes the guide *Simply Finance* which contains lots of helpful information on getting finance including through community shares.

<https://www.uk.coop/resources/simply-finance>

Cooperatives UK have also made a 2-minute film introducing community shares and directing readers to further resources

<https://www.uk.coop/developing-co-ops/community-shares>

Crowdfunding

Crowdfunding is raising donations from a lot of people, probably including your friends and family, using an online platform such as [Crowdfunder](#). Small farms in the UK have typically raised between £500 and £25,000 through crowdfunding. Recent examples include Tolhurst Organics raising £8,450 to build a straw-bale 'veg-shed', Kirstall Valley Farm raised £25,748 to start a CSA and Little Oak Farm raising £12,316 for a lamb at foot sheep dairy and chicken club.

You can view their 'campaigns' on the following links:

[Kirstall Valley Farm](#)

[Little Oak Farm](#)

[Tolhurst Organics](#)

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When setting up your crowdfunding campaign, you'll be asked to offer your supporters 'rewards' for their donations. For example, Tolhurst Organics offered a range of rewards from a 25kg sack of potatoes for a £20 donation, to hosting an event for you for a donation of £800. However, supporters can, and often do, donate without selecting to receive a 'reward'. All of the online platforms take a percentage to cover their admin costs, typically 5%.

There are some schemes which will match the money you raise via crowdfunding and it's well worth the time to search for match funding. NatWest Bank is a current example of match funding up to £5,000 for women-led businesses or projects that are crowd-funding: <https://www.natwestbackherbusiness.co.uk/>.

If your business or project benefits the community, or if you're impacted by coronavirus, then Crowdfunder can direct you to match funding: <https://www.crowdfunder.co.uk/funds>

Crowdfunding makes the administration and publicity much easier than just doing a general call-out for donations. However, your crowdfunding campaign will take time to prepare, and requires that you keep publicising your campaign on social media and via targeted emails. This is often a daily task for the duration of the crowdfunding campaign. You'll also need to make good on your promise to provide 'rewards' to those who opt for one.

It's important to calculate the costs of the rewards into your plan for crowdfunding as a cost that must be covered.

While it is not always possible to raise very large amounts of money through crowdfunding it can do a lot to raise the profile of your business in your area, and can help to get buy in from customers and your local community.

Resources: Crowdfunding

There are a lot of resources in the public domain to help you to set-up and promote a crowdfunding campaign which can be easily found with a bit of searching on-line. A good start as any is Nesta's *Working the Crowd*:

https://media.nesta.org.uk/documents/working_the_crowd.pdf

Each of the crowdfunding platforms have their own guides and videos. See for example, the guides from Crowdfunder:

<https://www.crowdfunder.co.uk/guides>

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Fundraising from Trusts and Foundations

The majority of charitable trusts and foundations have refocused their funding temporarily to respond to the coronavirus pandemic. A small amount of this crisis funding is directed at improving access to local food and supporting small farm businesses. Most of the crisis funding is aimed at supporting the vulnerable and those facing increased demand and challenges as a result of the pandemic. This can include farms facing new challenges and/or supporting their community. For example, the [National Lottery Community Fund's](#) Covid-19 funding program has funding for farms taking action in the community, and the [Prince's Trust](#) Covid-19 funding provides grants for struggling farm businesses run by 18-30 year olds.

There is still funding available unrelated to coronavirus. In recent years there has been a growth in grant support for small-scale and ecological farms, but mainly funders will be looking to support farm businesses and woodlands which either deliver on social objectives and/or that are serving or run by their community. It will be much easier to secure grant funding if you are a charity, community benefit society or community interest company.

There are a number of very good free guides providing an overview to grant fundraising, including an introduction to the vocabulary of grants, see the end of this section.

Trusts and foundations are often keen that you demonstrate the social and ecological impacts you are making and so its work keeping good records of what you do and who has benefitted to use in applications and project reports.

Many trusts and foundations are restricted to only fund charities, however, it may be possible for you to partner with a charity with similar objectives. They may be able to receive and administer the funding on your behalf for a handling and management fee.

Searching for Grants

On pages 11 to 17, there is a list of grants which may support ecological farms and sustainable woodlands. But this list is not exhaustive, and will change over time; it's sensible to also do your own search.

A good tool for finding grant-makers is Funding Central, which is free to small organisations and £62 p/a for individuals. You can carry out searches on their database or set up a bespoke search with emails to your inbox, and there's a good weekly newsletter. It includes corporates and statutory sources of funding as well as trusts. <https://www.fundingcentral.org.uk>

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Directories of trusts are expensive but a cheaper way is to sign up to the mailing list of your local [Council for Voluntary Service](#) to get local funding news. Also be sure to phone your county's Community Foundation. [Community Foundations](#) act as clearing houses for lots of funders within a county or geographical area, most counties have them, and their staff are helpful.

Small charitable trusts that give locally are not confined to cities; they're found all over the country. Sometimes they can be under the radar; the volunteers who run them don't necessarily boast about their work. So, it's advised to ask around and find out whether there are any locally-donating trusts in the area surrounding your farm or woodland that might be interested in the work you want funded. Try to have a conversation with a board member to explain what you want to do and judge their interest. You may know someone locally who can introduce you. Alternatively, call. This register lists all charitable trusts and will give you contact details: <http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/registerhome.page.aspx>. You may then be asked to submit a written proposal. This takes time and effort but is far more likely to succeed than if you had sent the trust a proposal from cold.

Local authorities usually have officers involved in regeneration or economic development whose job it is to keep track of grant funding.

Finally, if you enjoy delving deeper into the details of where grant funds are going and to possibly discover funders, then run searches at 360giving: <https://www.threesixtygiving.org/>.

Resources: Grant Fundraising

A guide from the National Council of Voluntary Organisations to making an application to a trust or foundation, including a 'How to Write an Application' guide <https://knowhow.ncvo.org.uk/funding/grants/trusts-and-foundations>

Community interest company (CIC) status can be a hindrance to trusts and foundations, though not to the National Lottery Community Fund. Some trusts that do fund CICs are listed at the end of this blog: <http://kjholmes.co.uk/blog/charitable-grants-for-cics-and-social-enterprises/>

Public Funds

Public funding for agriculture and forestry are delivered through devolved governments and each are at different stages in the design and implementation of

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post-Brexit support structures. However, while the replacement for the EU's Basic Payment scheme is still in development a number of grants for projects including business development, productivity, tree planting, sustainable land management and infrastructure are still announced periodically and it is well worth subscribing to the newsletter of your relevant administration to be kept up to date of upcoming possibilities.

Visit the following websites to find out more about application windows, criteria and grant areas:

[England](#)

[Wales](#)

[Scotland](#)

[Northern Ireland](#)

Resources: Public Funds

There are few guides to public funding, but the Woodland Trust maintains an overview of funding within its web pages including of public funding:

<https://www.woodlandtrust.org.uk/plant-trees/large-scale-planting/>

<https://www.woodlandtrust.org.uk/plant-trees/community-woods/funding/>

Loans

Making Local Food Works guide to finance contains a detailed section on loans, including an introduction to the different types of loans available. It can be downloaded for free from Co-operatives UK: <https://www.uk.coop/resources/simply-finance>

There are loans available specifically to support businesses through the coronavirus pandemic, and lenders who are interested in supporting agroecological producers, organic farms, woodlands and community organisations.

- The government's **Bounce Back Loans** allow businesses affected by Covid-19 to borrow up to 25% of their turnover at no cost in Year 1 and low interest rates thereafter: <https://www.simplybusiness.co.uk/covid-19/support-checker/schemes/coronavirus-bounce-back-loans/>
- **Cooperative and Community Finance** provide loans to social enterprises: <https://coopfinance.coop>
- The **Ecology Building Society** gives mortgages to smallholdings and community groups that support the environment: www.ecology.co.uk

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- **Ecosia** provides loans to farming projects which “regenerate soil and ecosystems by integrating trees”. Ecosia writes that you can, in effect, suggest your own interest rate: <https://www.ecosia-regenerative-agriculture.com/about-2>
- **Fredericks Foundation** provides loans to anyone who cannot obtain mainstream finance: <https://www.fredericksfoundation.org/>
- The **Fund for Enlightened Agriculture** has an emergency loan fund for agroecological producers and community food businesses affected by Covid-19 (must be constituted as a CBS, CIC, CLG, Coop or CIO): <http://www.feainetwork.org/our-projects/leap-small-emergency-loan-programme>
- **Triodos Bank** specialise in providing loans to organic farms: www.triodos.co.uk
- Loans from the **Public Works Loan Board** *for woodland* can be applied for by your parish council: <https://www.dmo.gov.uk/responsibilities/local-authority-lending>

Resources: Loans

As above, Making Local Food Works produced a comprehensive guide to finance which contains a detailed section on loans. It can be downloaded for free from Co-operatives UK: <https://www.uk.coop/resources/simply-finance>

Loanstock

If your organisation is a community benefit society or co-operative, you are allowed to issue what's called 'loanstock'. This is in effect a loan from a supporter. You can agree the rate of interest and repayment schedule with your supporter. You'll be required to provide them with a loanstock agreement. A model agreement can be found in the Simply Finance guide: <https://www.uk.coop/resources/simply-finance>

Resources: Loanstock

Community Shares provides the Handbook which includes issuing guidance on issuing loanstock: <http://communityshares.org.uk/> and <http://communitysharresscotland.org.uk/>

Co-operatives UK Simply Finance guide which covers loanstock and provides a model agreement: <https://www.uk.coop/resources/simply-finance>