

EVPA CoLab AWARD

INVEST.COLLABORATE.TRANSFORM.

PEOPLE AND COMMUNITIES

CREATING SUSTAINABLE FUNDING MODELS FOR SMALL ORGANISATIONS THROUGH COLLABORATIVE WORKING

Submitted by Lloyds Bank Foundation, UK

BACKGROUND

A. Which **type of organisation** are you (tick all that apply)?

- A Capital Provider (grant maker): An engaged grant maker deploying financial capital and other resources for impact
- An Intermediary: an advisory, capacity building organisation or research organisation supporting capital providers, impact delivery organisations and other stakeholders and/or enhancing knowledge in the impact economy.

B. Please briefly summarise your **mission**

Our vision is of a society where people dealing with complex social issues get the help they need to overcome them. But charities that help people facing complex social issues are under-funded, under pressure and too often ignored. That's why our mission is to partner with small and local charities to help more people overcome complex social issues and rebuild their lives.

We work in partnership with the charities we fund and others who share our vision. We listen, understand and respond to charities, funding core costs and providing developmental support to help them grow stronger and more sustainable. We influence policy and practice to help charities thrive in the future and to address the root causes and consequences of complex social issues.

C. Which of the **use cases** does your practice(s) apply to? Please tick all that apply!

- Social innovation in public services / with public authorities
- Open social innovations
- Building impact (investing) ecosystems

D. Which **system practice field(s)** does your practice apply to? Please select the most relevant (max three).

- Management, learning & adaptation
- Collaboration
- System leadership & governance

E. Please give us a brief background 1) what motivated you to act and who initiated the practice(s), inside or outside your organisation, and (if applicable) 2) describe the event that triggered your engagement.

Lloyds Bank Foundation for England and Wales has a long history of partnering with small charities working with people facing complex social issues. Over time we have thought about how best to support these vital local organisations in what is an incredibly challenging operating environment. This has included providing developmental support to organisations, as well as a role in influencing with regard to the value small charities provide in local communities and ecosystems. In 2018 we published 'The Value of Small' which provided evidence about the distinctive offer and value that small local charities provide in how they can support people facing complex social issues. However we were also aware from what charities told us, of a number of really challenging things happening, including under funding after years of austerity, a trend towards commissioning processes favouring larger organisations, and increased demand and complexity of need in the communities they served. We were also aware of significant challenges to statutory organisations and local government with ever decreasing funds and significant pressures, and the challenges of meeting the needs of local communities in this context. In the context of this pressure we identified that there was a need to provide a space for thinking about how to do differently, which would include involving the public, private and VCSE sectors in coming together to think in a new way about how to resource, design and deliver vital services for local communities.

THE PRACTICE(S)

F. Please describe the key elements of the collaboration and system change practice so that we better understand what the practice entails, how it works and what makes it interesting

For Lloyds Bank Foundation, the focus of this work is long term and crucially is not focused on grant funding but rather on resourcing the process of bringing about change in this way. We wanted to work with a small number of local areas, and to learn with them about what it takes to bring about system change. We had a number of key principles and assumptions at the outset:

- Relationships are absolutely key – both our approach being relational and seeking to get to know people but also that relationships between people, organisations and sectors are crucial and that our practice would have to support building positive relationships. We undertook training in restorative practice with a view to incorporating thinking on how to build and maintain positive constructive relationships and, when things have gone wrong, to restore them.
- Context – every community is different and it is essential to get to know the context locally
- Strengths based – engaging with a building on the existing strengths in a local area
- Thinking about power – being mindful of and considering power and power relationships, especially when bringing different organisations and sectors together.
- Involving the community and people using services in helping to determine what is needed and what change is necessary – we have used a service design methodology
- Long term – we recognized that this work would take time and we would stay with it through challenging times as long as we could see it was progressing.
- We will learn and develop as we go – we have a developmental evaluator and learning partner who is helping us and the communities to learn from the work as we go, so that we can change our practice or shift our approach if necessary. We want to share what we learn together with the six communities, with a wider audience so that others can use it.

- G. Briefly **analyse the situation before you introduced the practice**. What contributed to maintaining the status quo and producing (undesirable) results, e.g. resources (or lack of resources), rules (informal and formal), roles (relevant actors from the public, private and social sector, their legitimacy or effectiveness) and/or the kind and quality of relationships (informal and formal cooperation, power dynamics, information flows).¹

When this work began, the UK had nearly a decade of austerity, which had stripped out much of the social infrastructure and further entrenched social issues for many communities, leading to people our grant holders were supporting, presenting with greater complexity of need. Public services were under pressure, just as small charities were. Trends in outsourcing of services had led to a greater reliance on larger scale commissioning processes, moving away from earlier practices (e.g. by local authorities) of grant funding the VCSE sector. This reduced trust, and damaged relationships in a way that created a challenging space for collaboration, just when collaboration was really needed in order to identify how to do more with less. Public sector and philanthropic spend was typically siloed, a lack of space for strategic thinking created services that were not necessarily effective in helping people move on in their lives, and there was in many cases duplication and a confusing web of services people might be engaged with. There were significant power dynamics at play between communities, different parts of the VCSE sector, statutory services, strategic boards and politicians. In particular, groups supporting marginalised communities...

- H. Please describe the **actual results** you sought to achieve with your practice, **the parameters you sought to influence most**; roles, relationships, rules, and resources and how?

We sought to bring people together from across sectors and organisations and to create a space to think about doing differently. We have particularly emphasised the importance of relationships as a foundation of this work and have employed particular approaches to help build, maintain and restore relationships such as restorative practice. We have also sought to influence the use of resources, recognising that even though there is less funding available across the board, there are still significant funds, and collaboration and connection to communities is needed to ensure that these funds are spent in effective ways, ensuring that the services they fund meet people's needs. We are working to influence the way services respond to people's needs, by using a service design methodology which is a creative and adaptive model for bringing in the experience of people using services to help to reshape them. Significantly, we are not offering grants or traditional funding, but are resourcing the process, which helps to address the power dynamics we might have as a funder

- I. Please describe the **intended results** you sought to achieve with your practice and **the parameters you sought to influence most** – if considerably different from the actual results described above.

We sought to change the way services were delivered, creating a sustainable change for the long term, and something that would produce learning that could be shared more widely.

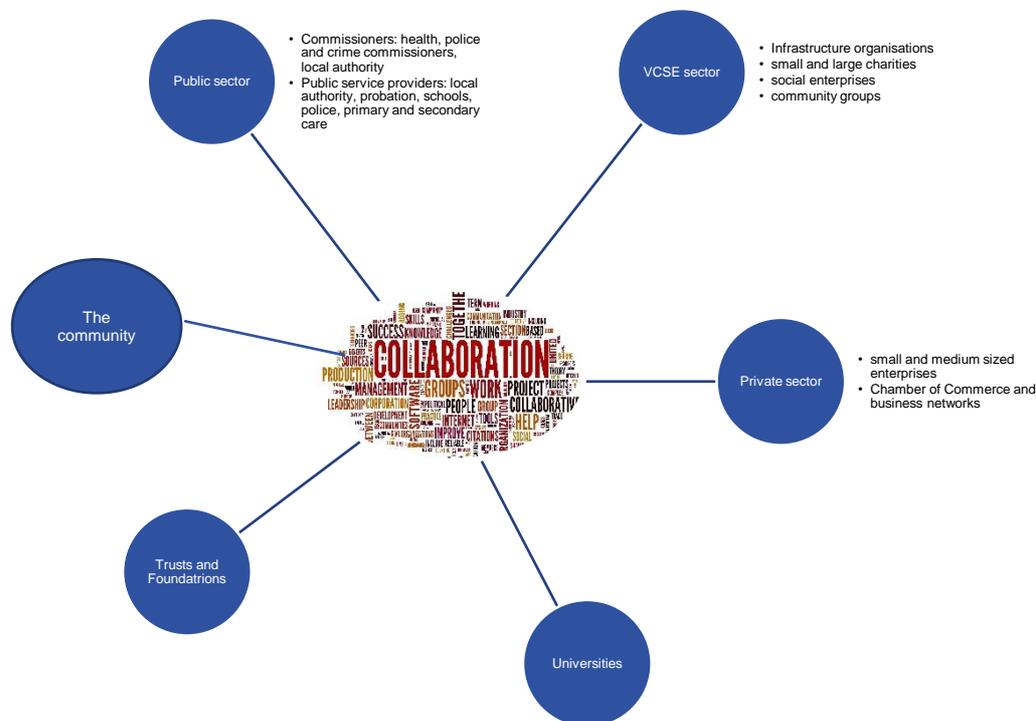
- J. Please specifically explain the **role other actors and collaboration played** in this practice (if not the main practice itself) and insert a figure that illustrates the main stakeholders and partnerships that play a role in the practice you are presenting here.

All actors in a place who could be involved in the resource, design or delivery of services:

- Public sector with funding: local government, commissioners, Clinical Commissioning Groups, emerging Integrated Care systems, Police and Crime Commissioners

¹ See more details on using the 5R framework (Results, Ressources, Rules, Roles, Relationships) for systems analysis for example here Ashoka [Online Guide on System Change, part 3](#) based on USAIDs Programm Cycle.

- Public services: schools, probation service, police, primary healthcare services, mental health services
- VCSE sector: infrastructure organisations, small charities delivering services, small volunteer led groups, larger charities and local branches of national charities
- The local community, including people with lived experience and people using services
- Private sectors: Local Enterprise Partnerships, small business, local chambers of commerce
- Funders: other local trusts and foundations
- Universities
- Groups and networks: Health and Wellbeing Boards, Local Strategic Partnerships, VCSE networks and assemblies, Local Enterprise Partnerships; in Wales – Public Service Boards, Regional Partnerships Boards, Health boards



YOUR INSIGHTS

K. What went well and why? What were the challenges you faced and how did you overcome them? What would you do differently today and why?

We are still very much in the middle of this piece of work and are learning as we go.

What's gone well:

- We've been able to progress the work even in the context of the pandemic, because of the responsiveness to context and priority given to relationship building. This has enabled us to build a strong foundation of trust.

- We are already hearing about the different conversations and interactions that are happening as a result of this work, which would not necessarily have taken place without it – including different partners coming to the table, new practices beginning or old ones being revisited
- We have some significant momentum building at this stage, and a strong level of commitment from key stakeholders
- We have identified and are working with a local lead in each of the communities who already lives and/or works in the place and therefore has relationships and this has been a huge positive in terms of being able to progress the work once it was under way, and also of us ensuring that the work increases capacity within the communities.

What have the challenges been:

- Because of the open scope of the work, it can be challenging to understand as it feels very different to what might be expected from a funder. As the work is emergent, it can be challenging to communicate
- Delivering work that sets out to be relational, via a screen during the pandemic and whilst we've striven to ensure that we've created well facilitated spaces for communication, at times we've missed out on being in a room with other people and being able to surface and address issues as they arise.
- We encounter existing dynamics in each of the communities and sometimes it takes some time to surface these and move forward, which can introduce a level of uncertainty into the work, and slow progress

What would we do differently

- Be very clear from the outset that we would be taking time to lay the foundations and build relationships. COVID gave us the opportunity to slow down, and the ongoing evaluation of our work suggests that that has been beneficial in how we've subsequently been able to move forward. But building in an expectation of the time it would take to establish this before hard outcomes would be achieved would have helped manage expectations on all sides.
- Given more detailed consideration to how to flexibly resource the work which can progress in fits and starts, making it challenging to manage workload and maintain momentum as it develops, especially in the early stages of the work.

L. Which three pieces of advice would you give to your peers?

- Recognise your power – Foundations hold a significant and unique opportunity to create a space for doing differently in the long term
- Respond to context and be flexible
- Be ready to learn and be humble – don't come with all the answers but be prepared to 'do with' partners in the work – share power

M. Any other information you would like to share

The current focus of the work we're doing in the six communities is as follows:

- Merthyr Tydfil
 - Focus of systems change is children and young people's mental health
 - Work undertaken within the local community to look at the resilience of small organisations, including looking at how the local system supports the resilience of organisations delivering vital services
 - Work beginning to look at how to connect the local private sector to charities to share skills and resources through mutually beneficial relationships

- Great Yarmouth
 - Focus of systems change is homelessness which has led to 'The Great Yarmouth Homeless Alliance' being created which is currently focusing on coproduction and service design with people who have experience of homelessness
 - Work undertaken to connect the local private sector to charities to share skills and resources through mutually beneficial relationships Further Resources
- Telford and Wrekin
 - Focus of systems change is early intervention focused on aspiration and unlocking potential
 - Work undertaken to connect the local private sector to charities to share skills and resources through mutually beneficial relationships Further Resources
 - Work undertaken within the local community to look at the resilience of small organisations, including looking at how the local system supports the resilience of organisations delivering vital services
- Bolsover
 - Focus of systems change work is poverty and inequality
 - Work underway within the local community to look at the resilience of small organisations, including looking at how the local system supports the resilience of organisations delivering vital services
- Redcar and Cleveland
 - Currently working through the focus of the work and linking to ongoing work around social investment and social enterprise, and the development of a new service model for vulnerable people being tendered by Public Health

FURTHER RESOURCES

[The Value of Small](#)

[The Value of Small in a Big Crisis](#)

[Rebalancing the Relationship](#)

[A Quiet Crisis](#)

Videos:

[People and Communities: coming together during the COVID crisis in Merthyr Tydfil](#)

[People and Communities: coming together during the COVID crisis in Telford and Wrekin](#)

[People and Communities: coming together during the COVID crisis in Halton](#)

[People and Communities: coming together during the COVID crisis in Bolsover](#)

[People and Communities Infographic](#)

CONTACTS

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