

# ‘Just put your faith in us’

*Supporting charities to  
navigate prolonged  
uncertainty*

*December 2023*

# Introduction

'Leading in Uncertainty' is a series of briefings for trusts and foundations, to help them better understand the challenges and realities facing charity leaders.

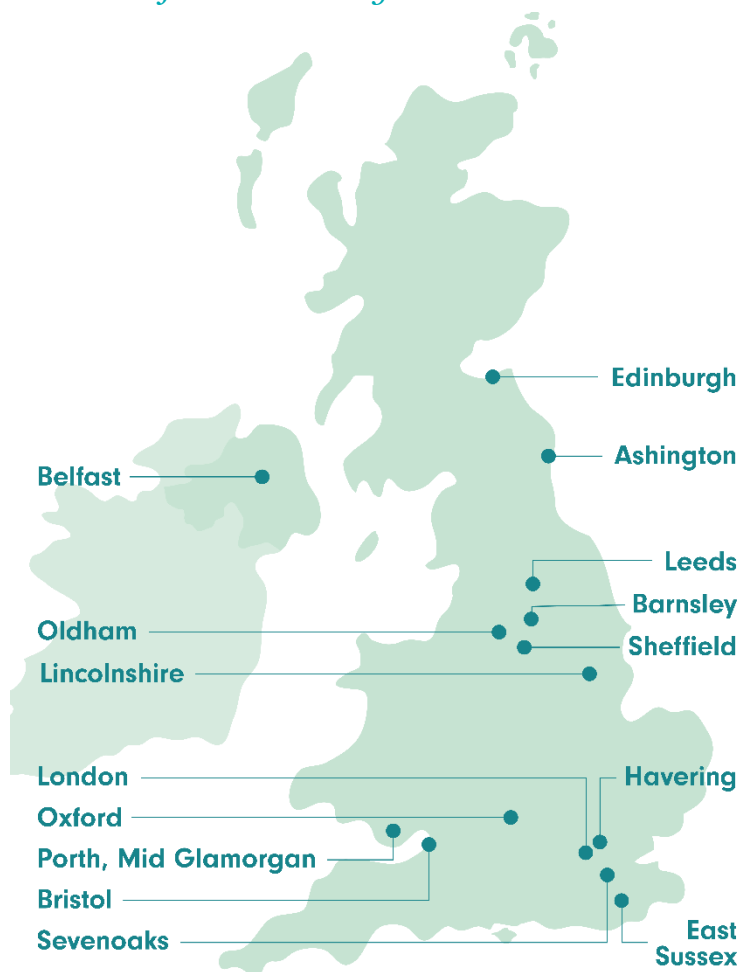
These briefings present key themes from facilitated conversations between senior leaders of UK charities. Sessions are held under the Chatham House Rule<sup>1</sup>, enabling participants to speak openly and candidly about their experiences. The resulting briefings offer valuable insights for funders into the real-world, day-to-day challenges of running voluntary sector organisations, and offer perspectives on what funders can do – or stop doing – to support them more effectively.

We set up 'Leading in Uncertainty' at the beginning of the Covid pandemic in April 2020. At that time of acute crisis, we sought to provide a 'safe space' to pause and reflect for leaders of organisations supporting some of society's most vulnerable people. In the years since, more than 680 charity leaders have taken part from across the UK, sharing their experiences and providing mutual support through the pandemic and its aftershocks.

This briefing draws on sessions with 28 charity leaders during October 2023. This is what they told us.

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*We heard from 28 charity leaders based across the UK:*



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<sup>1</sup> The [Chatham House Rule](#) helps create a trusted environment to understand and resolve complex problems. Its guiding spirit is: share the information you receive, but do not reveal the identity of who said it.

# What is front of mind for charity leaders?

Charity leaders continue to question their place in society and their ability to withstand the pressures of prolonged instability and rising need. Three key concerns stand out:

1. *'Breathing space'*: Maintaining a focus on staff wellbeing
2. *'I can't pay myself and I can't pay my staff'*: Responding to the growing impact of the cost of living crisis
3. *'We are fighting for survival to be here'*: Struggling with demands from funders at a time of crisis

## 1. *'Breathing space'*: Maintaining a focus on staff wellbeing

Building cohesion and stability within teams remains front of mind for charity leaders:

*'I'm nervous and trying to steer my team for what comes next.'*

Despite some resistance – *'our staff thought it felt like a luxury to talk about their own wellbeing'* – leaders remain committed to carving out space for team members to step back from the day-to-day in order to connect and recharge:

*'It's important to know what all parts of the whole are doing and the challenges that all parts of the whole are facing.'*

*'We have compulsory time together as a full team now, focusing on something that is work related but not about delivery.'*

These efforts to support wellbeing can be undermined by difficulties with low staff retention, succession planning and maintaining organisational memory and culture – all exacerbated by dependency on short-term funding:

*'Without multi-year funding, we lose good staff as they start looking for a new job within nine months at ours, as we aren't able to give them the job security they need.'*

## 2. *'I can't pay myself and I can't pay my staff'*: Responding to the growing impact of the cost of living crisis

Despite exponential growth in demands for services in the voluntary sector – such that, for many communities, they have replaced public services as *'essential provision'* – most charities remain woefully under-resourced and stretched to the limit:

*'It's bleak at the moment. We're dealing with people who have no income. There's not enough funding coming our way to sustain this demand.'*

*'Lurching from one crisis to another ... No longer in a health crisis, but still lurching ... I'm tired.'*

The need for creativity in fundraising – a familiar demand for most charities – is intense:

*'We always stress that our service is free and we're not charging for it, but we are now actively seeking small regular donations from people that could make a big difference to our funding.'*

*'We have renovated two buildings, one for events and one is now an Airbnb – they bring in revenue, but they come with a lot of costs. We couldn't do it without volunteers.'*

For some, the day-to-day grind of operating in crisis mode has triggered what feels like an existential crisis:

*'Do some of us need to call it a day as there isn't enough money here?'*

### 3. *'We are fighting for survival to be here'*: Struggling with demands from funders at a time of crisis

Frontline charities are facing growing demands from funders, many of which feel *'unrealistic and unreasonable'*. Two specific pressure points stand out – funders' expectations around *'systemic change'* work, and their approaches to reporting and impact.

*'Systems change'* is increasingly put forward as *the* means of achieving greater impact when tackling intractable issues. But greater use of the term has not always been accompanied by deep appreciation of what is involved, and required, by funders who seek to support system-level change:

*'I'm not sure funders understand what systemic change is. They think it's pragmatic winnable campaigns, which isn't what it is. But educating funders on this shouldn't be our job.'*

*'If funders are serious about wanting to support long-term change, then they will need to change how they fund. A diet of short-term funding is the opposite of what this kind of work requires.'*

Charities are experiencing a tension between pressure for systemic change and the *'here and now challenge'* of delivering frontline services for people in crisis:

*'Funders potentially have forgotten that helping X-hundred people is enough sometimes, especially right now. I have always been a big "fix the systems" person, but it feels like individuals in crisis are getting lost right now.'*

For many leaders, the uncertainty of social and political environments makes large-scale change difficult. This is particularly the case for organisations led by people with lived experience, and those working in spaces where there is political hostility:

*‘A wholesale re-write of the system isn’t feasible within the migration system right now. We need to talk to funders about what’s achievable, particularly when both main parties don’t want to be seen as making any concessions.’*

Rigid reporting deadlines and requirements to ‘demonstrate impact’ are also being placed on charities, often without clarity over how data will be used (beyond accountability). Some are struggling with funders’ high expectations to reach specific numbers of service users or not to deviate from plans:

*‘Even if it’s one person we can help, it is still huge work that we do, but funders will say “you only see X people – is that it?”.’*

*‘I feel like an octopus or a spider organisation with a tiny body, trying to manage all these requirements without long enough arms.’*

This strips away the nuance of charities’ distinctive contribution to complex problems. For some, the answer lies in being free to align impact frameworks with charity mission, rather than funders’ agendas and their appetite for attribution:

*‘I see a lot of occasions where organisations are measuring impact for funders, but we should be measuring impact against our charitable objects. We’re pressured to develop impact for funders so we can get money.’*

*‘Funding sometimes comes down a long way through many hands. Everyone wants a piece of the pie. But individual funders cannot take the sole glory of impact.’*

## Positive thinking and action by charity leaders

Charity leaders are not passive in the face of these challenges. They shared two ideas:

1. Managing fundraising and funding relationships
2. Self-care

### 1. Managing fundraising and funding relationships

Practical ways in which leaders are navigating funding processes and expectations include:

- **Having the confidence to be open about struggles and concerns**, rather than feeling obliged to focus only on positives: *‘Give funders bad news. They’re not naïve and appreciate the honesty’.*
- **Talking to funders about cost of living pressures**: *‘If they can’t provide an uplift, be proactive about discussing other options, like doing less face-to-face work’.*

- **Making the work more visible**, by asking funders to visit and suggesting that this could replace written reports:

*'I find it really helpful when a funder comes to celebrate success with you, in a real genuine appreciation of "haven't we done a good thing together" sort of view, and the difference we've made together. That's what gets you up on a Monday morning!'*

## 2. Self-care

Leaders offered the following learning about how they support their own wellbeing, in the context of often feeling overwhelmed and buffeted by prolonged upheaval and uncertainty:

- **Creating some distance**: Step away from the day-to-day and take a break, *'whether that's a holiday or a five-minute screen break'*.
- **Sharing responsibility**: Get together with the whole team and *'thrash out challenges with your team in person with a big packet of biscuits and tea'*.
- **Reconnecting with purpose**: Talk to people who have been directly affected by the work you do: *'This gives me the clarity and motivation that we need as leaders sometimes'*.
- **Setting boundaries with trustees**: *'Boards need to be your critical friend and they should not hit you over your head with a big stick!'*
- **Using peer support**: Connecting with peers is helping leaders to share solutions and to *'not feel isolated or like you're the only one'*.
- **Being honest**: Be as open as you can be about issues facing the organisation, bringing teams together to find more collaborative solutions and to share the load:

*'We went through a significant financial crisis this year and we made it clear that we would be very transparent with the team so that they would know what is happening and what our plans are to make sure that we are sustainable. It's about reassurance. And it actually brought the team much closer together; people were asking how they can help and were rallying round. Transparency was key for us.'*

## What can funders do to help?

Charity leaders have learned a huge amount in recent years about how to work with long-term stress and uncertainty. This shows itself in the many practical ways they are approaching current challenges to their services and to their teams.

Despite some shifts forward in funder practice, *'funding is a constant issue'*, with many charities expressing alarm at a pullback to pre-Covid models and constraints:

*'Over Covid we saw that they can do things differently. But now they've regressed back to the same model and we're still in uncertainty.'*

Leaders know that even relatively small changes in funder practice will both support charities and add value to any grant that they make. Their discussion focused on themes that are, by now, familiar to many funders – the need for more multi-year, unrestricted

funding and for funders to focus on '[getting the basics right](#)' in their grant-making and grant-management processes. Key messages from these debates relate to:

1. Being more transparent and open
2. Offering more multi-year, unrestricted funding
3. Simplifying reporting

## Being more transparent and open

Charities want funders to be more transparent about decision-making processes and timelines, as well as shifts in strategic priorities:

*'We're all bidding for more funding than we need because we don't know who will take us.'*

*'When you have the CEO being both the fundraiser and the admin, then you are the person who is writing the applications. I'm so frustrated with funders when you have to do two interviews, give further financial information, answer additional questions – this is a massive additional burden that takes away from doing the work that we're here for.'*

For many, understanding upstream what funders are looking for and the prospects of success would make a huge difference. This includes attending carefully to language and the meanings attached to key terms such as 'systems change', 'flexibility' and 'impact'. The alternative *'is guesswork, wasted time and effort, and avoidable disappointment'*.

## Offering more multi-year, unrestricted funding

Through the [Funding Experience Survey](#), more than 1,200 charities shared why open and trusting grant-making practices matter, and the difference that it makes: 92% of charities agreed or strongly agreed that *'getting multi-year funding is really important to the stability of my organisation and our work'*; and 88% agreed or strongly agreed that *'giving us unrestricted funding – money that we can spend on anything within our charitable objects – would make a huge difference to our ability to respond to changing circumstances and the things that matter most to our community/cause'*.

These views were echoed in our recent conversations with charity leaders, where we also heard about the damaging effects of short-term funding cycles: *'they distract from delivery and undermine innovation'*:

*'The whole way that we have to do cycles of funding is exhausting and puts people off wanting to stay in the sector; this leads to issues with retention and passing down knowledge. It turns into a cycle of stress. There would be much more space to have collective conversations, collective campaigns, funding bids, etc. with more longer-term funding.'*



## Simplifying reporting

While leaders are continuing to look for greater clarity, openness, and proportionality across *all* aspects of the grant-making and grant-management process, grant reporting remains a source of frustration for many – and for many reasons. The time and cost implications of individualised reporting are particularly problematic. And funders' requirements are often experienced as too onerous; not properly paid for; and poorly explained. We know that many funders share charities' exasperation that so much reporting sucks energy and value from the system, rather than making a positive contribution to everyone's efforts to [reflect, learn and do better](#). But it is funders who dictate the terms of engagement. The changes they can choose to make include showing more trust and introducing simpler arrangements:

*'I would just love it if funders put their faith in your organisation without looking over your shoulder all the time.'*

*'Not everything that is important can be measured. And not everything that can be measured is important. This is what funders need to understand.'*

*'There are many things that might seem simple but when you add them up, they are resource intensive and let's face it, that costs us money!'*

## Concluding thoughts

Charities are no strangers to hard times. But they are clearly feeling the strain of running at crisis pitch for too long, with no hope of respite as they look to the social and environmental challenges ahead.

While funders can't provide all the money that everyone needs to do a good job – that is clearly understood – they can make sure that whatever they do contribute to the effort is given in a way that trusts charities to know best what 'doing a better job' requires:

*'Just put your faith in us.'*

As highlighted in this briefing, certain aspects of the funding experience still require full attention: greater clarity and transparency about grant-making priorities, processes and prospects; more multi-year, unrestricted funding; and lighter touch, more proportionate reporting. These are familiar messages, sometimes described as the low-hanging fruit of change. But getting the basics right remains a vital task in the collective effort to improve the health and wellbeing of charities, and the quality and value of their work.

Lurking behind some of the funder practices reported to us – processes and behaviours that impede rather than enhance – we can detect an aversion to risk. Commitment 3 of Open and Trusting Grant-making is: *'We will accept our share of risk – we will be realistic about how much assurance applicants can reasonably give us; we will clearly explain how we assess risk when we make our funding decisions'*. In reality, risk remains largely invisible – both within funding organisations and to applicants – although it colours much decision-making about grants. However, the risks of not [talking about risk](#) – at this critical moment – are significant. Not least in the context of shifts towards funding for 'systems change' where a high tolerance of uncertainty, experimentation and emergence are essential.



Without explicit agreement about the approach to risk at a strategic level, and a clear vision of the potential rewards from accepting more risk, funding staff lack clear structures and authority to act with flexibility and urgency. They may fall back on unnecessarily onerous requirements, designed to anticipate all possibilities – completely at odds with the realities charities face: volatile operating environments and organisational fragility. Making your thinking about risk visible, therefore, feels like a vital ingredient in the collective effort to rise to the unprecedented challenges we face.

## Further reading

IVAR continues to support leaders and funders by providing spaces for learning and dialogue, to encourage a deeper understanding of what leaders, and their organisations, need from funders.

Our work is underpinned by our [Open and Trusting Grant-making](#) initiative for funders and our [Leading in Uncertainty](#) peer support sessions for charities, where we hope to understand and inform positive changes to practice.

We invite leaders and funders to [sign up for our newsletter](#), to find out more about how to participate in these communities, and to access useful insights.

## Authorship and acknowledgements

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