IVAR we listen, and learn together

A guide to Open and Trusting Grant-making for public agencies

September 2024

LONDON FUNDERS

Yorkshire Funders

Scotland Funders' Forum

We worked in partnership with London Funders, Yorkshire Funders and the Scotland Funders' Forum to explore Open and Trusting Grant-making in public agencies, through a series of workshops attended by 30 public agencies including Councils and local NHS organisations.

OPEN & TRUSTING with IVAR

The vision

When public agency professionals join the Open and Trusting community, they are signing up to this vision.

Voluntary organisations need flexible funding to deliver better outcomes for residents and communities. So, we make and manage grants in a way that enables them to respond to changing needs.

In a context of limited resources and increasing need, we believe that working together towards shared goals, by making the most use of precious resources on all sides, will lead to greater impact.

Ultimately, our vision is that:

- Grant processes feel easy, straightforward and trusting
- Voluntary organisations are respected and trusted to know best how to deliver their missions
- Voluntary organisations and funders approach impact as a shared endeavour
- A culture of mutual understanding and respect becomes the norm

How we make grants matters – who we reach, how we judge applications, the kind of funding we give and the relationships we build. We hope that by working in this way, we create more equitable funding that enables communities to flourish and thrive.

Key terms

We use ‘voluntary organisations’ to refer to all types of grant recipients who are working in and with communities – charities, CICs, social enterprises, unincorporated groups.

We use flexible funding to refer to funding that applies the eight commitments of Open and Trusting Grant-making.

You can read more about what equity, diversity and inclusion means for Open and Trusting in our Frequently Asked Questions (FAQs).

Join our Open and Trusting community for public agencies

We want to work with people from public agencies with responsibility for grant-making, to introduce or go further with an Open and Trusting approach which makes the best use of shared resources on all sides.

If you're interested in the vision and how it could be applied to your funding practice, you're welcome to join us. You can sign up as an individual looking for support to navigate the system you work in, as a grants team, as a funding programme, as a whole organisation, or even as a partnership.

When you sign up, you will get:

- **Access to an online community –** our facilitators host discussions where you are invited to share live challenges, offer peer support and help identify and navigate challenges together.
- **Opportunities to participate in research –** we continually build the evidence base for Open and Trusting showcasing why this way of working is important, how to introduce/develop it, and exploring how to overcome common barriers. If you would like to talk to us about this further, please get in touch.
- **Dialogue with the voluntary sector –** at the heart of Open and Trusting is a commitment to collective action, so we create spaces for dialogue and provide opportunities where we can all learn and improve together.
- **Learning from independent trusts and foundations –** we have been working with independent foundations to develop their practice for many years and can share the learning between different kinds of funders in relation to bringing Open and Trusting to life.

The spirit of Open and Trusting

We understand that every funder faces different constraints and opportunities.

We understand that you may not want or be able to work on all eight commitments at once and that we're all on a journey towards more Open and Trusting practice.

There is no single way to bring the eight commitments to life, and you can start wherever makes most sense for your team, organisation or partnership.

Whatever your starting point is, we believe everyone can go further.

The eight commitments

In the vision of Open and Trusting Grant-making, we talk about the importance of giving flexible funding that enables organisations to make best use of their precious resources, and trusts them to respond to the needs of their communities. The following eight commitments illustrate what this looks like in practice:

Commitment Description

1. **Don't waste time**
We will explain our funding priorities clearly; we will be open and transparent about all our requirements and exclusions.

2. **Ask relevant questions**
We will only collect information that we must have to make funding decisions; we will test our application forms rigorously to make sure our questions are clear and do not overlap.

3. **Accept 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.

4. **Act with urgency**
We will seek to work at a pace that meets the needs of applicants; we will publish and stick to our timetables; we will make our decisions as quickly as possible.

5. **Be open**
We will give feedback; we will analyse and publish success rates and reasons for rejection; we will share our data.

6. **Be flexible**
We will enable funded organisations to respond flexibly to changing priorities and needs – we will give unrestricted funding; if we can't, we will make our funding as flexible as possible.

7. **Communicate with purpose**
We will be clear about our relationship from the start – we will be realistic about time commitments; we will ensure that our contact is positive and purposeful.

8. **Be proportionate**
We will commit to light-touch reporting – we will ensure that our formal reporting requirements are well understood, proportionate and meaningful.

1

Don't waste time

We will explain our funding priorities clearly; we will be open and transparent about all our requirements and exclusions.

Examples of how some public agencies are bringing this to life

Getting started

- Publish clear information about what you fund.
- Acknowledge applications as they arrive or after the deadline.
- Offer calls for charities to ask questions before they make an application.

Going further

- Delegate decision-making for faster turnaround time.
- Have a consistent process for all funding opportunities offered by your organisation/partnership (e.g. Council).

Charities say…

- Be clear about what is involved in making an application by publishing eligibility criteria, application forms in their entirety, and success rates.
- Offer calls so we can ask questions before making an application.

2

Ask relevant questions

We will only collect information that we must have to make funding decisions; we will test our application forms rigorously to make sure our questions are clear and do not overlap.

Examples of how some public agencies are bringing this to life

Getting started

- Make sure forms are easy to complete, have been properly tested and are reviewed annually.
- Provide downloadable versions of online forms and (if applicable) guidance on how to use your grant system.
- Set reasonable and realistic word limits with some flexibility so that applicants can focus on content over word count.
- Don't ask for information that is publicly available (e.g. from the Charity Commission).

Going further

- Have a two-stage process, if it doesn't significantly lengthen timeframes. For example, a short expression of interest that leads to a fuller application if there is a good chance of the organisation being funded.
- Work with other funders to achieve greater consistency in how you ask for standard information.
- Ask essential questions in the same way across all funding opportunities.
- Use forms/systems that auto-populate organisational information.

Charities say…

- Only ask for detailed information from applicants once you know they have a good chance of success. One way to do this can be to have a two-stage application process, with the first stage being very light-touch.

3 Accept 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.

Examples of how some public agencies are bringing this to life

Getting started

- Explain how you judge risk in assessing applications clearly and openly.
- If you can't make a grant because of risk – explain why and the assurances the applicant can give in future.
- Simplify and standardise due diligence processes; only asking for information once.

Going further

- Give multi-year grants.
- Provide full cost recovery.
- Don't ask how organisations will sustain the work when your funding ends.

Charities say…

- Have realistic expectations of charities' ability to predict and plan for the future.
- Take practical actions to manage and reduce the risks that matter most to you (e.g. continuity of funding; equitable access to a chance of funding; meeting the costs of organisational overheads).
- Give unrestricted funding.

4

Act with urgency

We will seek to work at a pace that meets the needs of applicants; we will publish and stick to our timetables; we will make our decisions as quickly as possible.

Examples of how some public agencies are bringing this to life

Getting started

- Publish response, decision and payment timetables.
- Give good notice of when programmes are opening and closing so that charities can time when to make applications.

Going further

- Make decisions on grants within four weeks with open application rounds.
- Give negative decisions quickly.

Charities say…

- Publish and stick to application timeframes.
- Give good notice of the launch of new programmes and a reasonable 'window' for applications.
- Give negative decisions as quickly as possible so charities can look elsewhere.

5

Be open

We will give feedback; we will analyse and publish success rates and reasons for rejection; we will share our data.

Examples of how some public agencies are bringing this to life

Getting started

- Publish grants data on 360Giving.
- Publish common reasons for rejecting grants, with examples.
- Publish decision-making process on the website.
- Be open to discussing opportunities even outside funding rounds.
- Write to organisations whose applications were unsuccessful, with feedback about what successful applicants did well.

Going further

- Bring greater diversity into decision-making when proper resourcing is available – for example by creating an advisory board of people with lived experience.
- Give feedback to those who have been partially funded about the rationale / what could help in future.

Charities say…

- Be clear about what is involved in making an application by publishing eligibility criteria, application forms in their entirety, and success rates.
- Publish and stick to application timeframes, and make decisions as quickly as possible.
- Give meaningful feedback when applications are turned down.

6

Be flexible

We will enable funded organisations to respond flexibly to changing priorities and needs – we will give unrestricted funding; if we can't, we will make our funding as flexible as possible.

Examples of how some public agencies are bringing this to life

Getting started

- Agree on two or three high-level outcomes, and trust organisations to use funding appropriately to achieve them.
- Allow organisations to change plans over the lifetime of a grant.

Going further

- Give unrestricted, multi-year funding.
- Provide funding for organisational overheads/core costs.
- Have corporate outcomes and priority areas where groups can set out what they want to deliver / how to achieve those.
- Use an intermediary funder to distribute funding (e.g. your local council for voluntary services).
- If funding/budget is not fully spent; then let the organisation decide what to do.

Charities say…

- Give unrestricted funding.
- Give multi-year funding.
- Accept grantees' changes to plans and budgets.
- Accept existing reports (e.g. annual reports, reports produced for other funders).

7

Communicate with purpose

We will be clear about our relationship from the start – we will be realistic about time commitments; we will ensure that our contact is positive and purposeful.

Examples of how some public agencies are bringing this to life

Getting started

- Have a dedicated point of contact (with proper resourcing) for your applicants and grantees.
- Explain why you have awarded a grant and what aspects of a charity's work you are particularly interested in.
- Be clear on priorities and desired outcomes (which might be flexible and could be defined in partnership with funded organisations).

Going further

- When asking charities to engage with you for your benefit, cover appropriate participation costs.
- Answer queries quickly – or give a timeline if you can't respond at once.
- Ensure accessibility, e.g., BSL and audio considerations.

Charities say…

- Throughout the grant relationship, only ask for information that you need and will use.
- Be clear about grant reporting requirements by providing a statement outlining the purpose of reporting, the information sought and its intended use.

8

Be proportionate

We will commit to light-touch reporting – we will ensure that our formal reporting requirements are well understood, proportionate and meaningful.

Examples of how some public agencies are bringing this to life

Getting started

- Get reporting from organisations' annual reports and the accounts listing your grant.
- Offer charities a choice about how they report, and ensure your requirements are proportionate to the size of the grant e.g., a conversation or video, rather than a written report.
- Tailor grant agreements to the value of the grant, e.g., short agreements for grants of less than £10k.
- Keep compliance forms very simple.

Going further

- Sometimes other departments or central government set onerous reporting requirements. If you have to pass these onto grantees – help them set up simple systems or give them extra funding to cover the cost of doing this work.
- Have a unified CRM and database across the organisation (e.g. Council).
- Think ahead about the overall evidence base you need and plan the ways you can build this with organisations e.g. through evaluation workshops.

Charities say…

- Be clear about grant reporting requirements by providing grantees with a statement outlining the purpose of reporting, the information sought and its intended use.
- Accept existing reports (e.g. annual reports, reports produced for other funders).

Frequently Asked Questions (FAQs)

Who can sign up to the Open and Trusting community for Public Agencies?

We want to work with people from UK-based public agencies, to support them to go further with Open and Trusting Grant-making. If you're interested in the vision and how it could be applied to your funding practice, you're welcome to join us: whether you're signing up as an individual looking for support to navigate the system you work in, as a grants team, as a funding programme, as a whole organisation, or even as a partnership.

If you're an intermediary funder (e.g. you receive and distribute grants from a public agency), we invite you to join our Community of Practice for trusts and foundations.

If you work for a UK national government (e.g. Cabinet Office, Scottish Government, the Welsh Assembly or the Northern Ireland Executive) please get in touch with us at enquiries@ivar.org.uk

If you're based outside of the UK, you may be interested in Catalyst 2030, the Philanthropy Initiative from Wings or the Trust-based Philanthropy Project. You may also find relevant research insights on our website.

If you're a charity, you may be interested in joining our mailing list where we'll share the details of our regular Zoom peer support sessions for charity leaders. We are trying to build dialogue between charities and funders, so part of the focus is always on exploring how funders can best support you – and we share emerging themes with grantmakers to encourage them to adapt their practice. Please rest assured that views are anonymous, unless otherwise agreed with you.

Will my personal/organisational membership of this community be public?

Only if you explicitly say it can be.

While we encourage everyone who participates to share their membership of Open and Trusting publicly, we understand that your ability to do this will depend on your wider organisation.

On our website, we share examples of the grants teams, organisations and partnerships who are working to bring Open and Trusting to life.

If you would like to show your membership of this initiative through your own website/ communications, we can share the Open and Trusting badge on request from enquiries@ivar.org.uk

Does it matter if my team/organisation use different language?

Not at all. We embrace plurality and think it's important to establish common definitions with the people you work with – but if you want to use language that differs from Open and Trusting in your organisation or wider context, that's absolutely fine. The key thing is that your approach aligns with the Open and Trusting vision.

Can we sign up to Open and Trusting if our legal and/or financial teams are not yet on board?

We understand that every organisation has a different starting point, and will face different constraints/challenges. You are welcome to sign up if you believe in the vision and are keen to navigate the barriers to this way of working within your organisation or partnership.

How does Open and Trusting connect to issues of Equity, Diversity and Inclusion (EDI)?

Underpinning our vision for Open and Trusting is an ambition for power to be shared more equitably. It's important to respect what each person and organisation brings in responding to community needs – it may be that a funder has money, a charity has a service and a connection to local people, and community members have lived experience. Each offers different, important assets.

Open and Trusting is about collaborating and building mutually accountable relationships that help to ensure that increasingly limited resources go where they are most needed. It's also about recognising that although, as a funder, you are bringing money to the table – you may not be best placed to decide how that money should be spent. Or at least, not alone.

We support those who are part of Open and Trusting to reflect on what EDI means for their funding practice. The action needed will be slightly different in each organisation. Within Open and Trusting, our entry point is exploring tangible changes to funding practice, which we hope will drive broader conversations about organisational culture, strategy and decision making. One example of this is our report on Funding for Black-led organisations and racial justice work, which explored both the literature and lived experience.

What is the impact of Open and Trusting Grant-making on residents and communities?

Charities say[1] that open and trusting grant-making enables them to:

- Be more responsive to their beneficiaries' priorities
- Be more agile in the light of changing needs
- Focus more energy on mission and outcomes
- Learn and share openly
- Plan more effectively

Ultimately it means that we achieve more, help more people, and make more of an impact

1 Read more: Get the basics right: Findings from the Funding Experience Survey