

Enhancing stability and responsiveness: How multi- year unrestricted funding enables organisations to support young people

*An interim report on the Co-op
Foundation's Future Communities Fund
Round 1*

September 2025

Commissioned by:



Foundation



Authorship

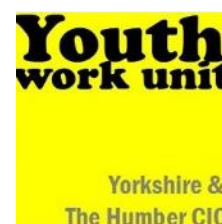
This report has been written by Chris Mills based on interviews carried out by the author, Vita Terry, and Jo Brown. Asimina Vergou, Head of Learning and Impact at the Co-op Foundation, provided the Foundation's reflections on the report.

How to cite this report:

Mills, C., Terry, V., Brown, J. and Vergou, A. (2025). *Enhancing stability and responsiveness: How multi-year unrestricted funding enables organisations to support young people*. London: Institute for Voluntary Action Research.

Acknowledgements

Thanks to the 13 organisations funded by the Co-op Foundation for giving up their time to take part in this project and for sharing their experiences and ideas so freely and openly.



Contents

1. Executive summary	4
2. Introduction.....	6
3. Methodology	8
4. Research findings.....	10
5. Implications of our findings	23
6. Reflections from the Co-op Foundation	26
Bibliography.....	28
Appendix one: Funded organisations.....	29
Appendix two: The Future Communities Fund's theory of change	30
Appendix three: The Future Communities Fund learning and evaluation framework.....	31
Appendix four: Topic guide for the semi-structured interviews	33

Note: The images included in this report are from activities run by some of the Future Communities Fund round one funded organisations and from in-person events that bring together the organisations to share their experiences and learn together. The images are not directly linked to the quotes in this report to ensure anonymity is respected.

1. Executive summary

Background

In 2023, the Co-op Foundation funded 13 organisations that work with young people as part of the first round of its Future Communities Fund. The funding was designed to be participatory, unrestricted, long-term, trusting, accessible and supportive, and to facilitate cooperation. As this represented a significant change in how the Foundation funds, it committed to a programme of evaluation and learning, and commissioned IVAR to work as their learning partner. This is the second publication to emerge from the programme, following the first, which explored how funders assess the impact of unrestricted grants.¹

Purpose of the report

This report aims to understand whether and how multi-year unrestricted funding made a difference to the 13 organisations funded by the Co-op Foundation through round one of its Future Communities Fund. It also considers the Open and Trusting funding behaviours required of the Foundation, so that the benefits of multi-year unrestricted funding can be realised.

Research methodology

Semi-structured interviews were held in early 2025 with all 13 organisations funded from the first round of the Future Communities Fund.

Findings

Funded organisations used multi-year unrestricted funding in various ways, reflecting the flexible nature of the funding. Our analysis identified two key overarching themes in how funded organisations used their grants:

- Using it to enhance organisational stability by creating the space for long-term strategic planning, offering permanent and long-term contracts to staff, investing in staff training and boosting their emotional resilience.
- Using the financial freedom afforded by the unrestricted grant to quickly adapt to young people's ideas and needs.

Funded organisations understood that their own stability and responsiveness are essential to their mission of supporting and shifting power to young people. This is because:

- Organisational stability is crucial for developing long-term, consistent relationships with young people, which form the foundations for effective support.
- Organisational responsiveness is required to react quickly and positively to the ideas and needs of young people in an ever-changing world. With greater capacity to respond, organisations can shift power to young people more effectively.

The multi-year unrestricted funding received from the Co-op Foundation has made it easier for funded organisations to achieve these essential components of effective youth work.

¹ Mills et al., 2024b

The impact of multi-year unrestricted funding on organisations supporting young people

Enhanced organisational capacity to support young people



Stability

- Enhancing strategic management capacity
- Boosting emotional resilience
- Strengthening the workforce



Responsiveness

- Shifting power to young people
- More responsive services
- Greater innovation
- Investing in learning

Figure 1 - How multi-year unrestricted funding enabled funded organisations

The benefits of multi-year unrestricted funding have been amplified by the Open and Trusting approach taken by the Co-op Foundation. By forging relationships based on shared values, trust, and mutual learning, the Foundation has ensured that funded organisations can make the most of their multi-year unrestricted funding. That said, there remains a need to maintain a proportionate balance between the Foundation's expectations and the level of resources it provides to funded organisations.

Implications for funders

Our findings are relevant for other funders in the youth sector because they highlight how it is possible to enhance organisations' capacity to deliver effective youth work. Throughout our research, funded organisations told us that, aside from the Co-op Foundation grant, they were constrained by the short-term and restricted nature of the funding available in the youth sector, which limited their ability to be stable and responsive. If these qualities are to be achieved and sustained – and indeed maximised – more multi-year, unrestricted funding is necessary.

Although some funders operate within specific constraints that make unrestricted funding challenging, it should still be possible to apply broader restrictions that allow organisations more flexibility in how they spend the grant, thereby enabling greater responsiveness to young people's changing needs and ideas.

Implications for funded organisations

Our findings should also be useful to organisations that work with young people, as they illustrate the various ways that multi-year unrestricted funding can be used to enhance organisational capacity. This may prove helpful as organisations seek to maximise the utility of multi-year funding when it is received.

2. Introduction

In his foreword to the Law Family Commission's report on 'Unleashing the power of civil society', Chair of the Commission and former UK Cabinet Secretary, Lord O'Donnell said that '*a machine can only function effectively if each one of its components is in good repair*'.² In the same report, published in 2023, the Commission noted that the short-term restricted funding that dominates the UK's funding landscape was harming civil society. It urged grantmakers to provide more long-term flexible financing to unleash the power of civil society, noting that the power to make this change lies with funders.

In the same year that the Law Family Commission's report was published, the Co-op Foundation launched the first round of the Future Communities Fund, which sought to make progress on two strategic priorities: enabling youth activism and sharing power; and developing diverse, equitable and inclusive communities. The funding was designed to be participatory, unrestricted, long-term, trusting, accessible, supportive, and to facilitate cooperation. In the first round of funding in 2023, the Foundation awarded grants of up to £30,000 annually for up to five years to 13 small and medium-sized organisations. The allocation of funding was led by the [Future Communities Collective](#), a group of diverse young people who support the Foundation with strategic and operational decisions.

Underpinning the Future Communities Fund is an assumption that longer-term flexible funding will deliver a stronger impact. Recognising that this approach diverges from the short-term restricted funding so common in the youth and wider charity sector, the Co-op Foundation wanted to test the assumption that providing multi-year, unrestricted funding can be transformational for communities. As the appointed learning partner for the Future Communities Fund, IVAR was tasked with evaluating this assumption.

A growing body of research-based evidence supports the idea that long-term, flexible funding enhances organisational capacity, which arguably improves organisational effectiveness and impact.³ In line with this, the Co-op Foundation co-developed a theory of change for the first round of Future Communities Fund, reasoning that the provision of multi-year, unrestricted funding would strengthen organisations and enhance their capacity to support young people. A full version of this theory of change which was co-developed with the Future Communities Collective is provided in Appendix two, with a summary in Figure 2 below.



Figure 2 – A summary of the Co-op Foundation's theory of change

² Law Family Commission on Civil Society, 2023

³ Hung and Berret, 2025; Niras, 2022; Mills, 2023; Mills et al., 2024a; Wiepking and De Wit, 2024

With funded organisations having received two years of programme funding, now is an opportune moment to begin to examine how organisations have used their grants and what difference this has made to their operations and their capacity to support young people. We therefore posed the research question: *Has multi-year unrestricted funding made a difference to funded organisations and, if so, how?*

Linked to the question of how multi-year funding impacts funded organisations is the question of how the Foundation's behaviour can enable organisations to achieve desired organisational benefits. As noted above, the Co-op Foundation is committed to funding in a way that is participatory, trusting, accessible, supportive, and facilitates cooperation, which is consistent with [IVAR's Open and Trusting commitments](#), and more likely to realise the benefits of flexible funding. Of course, committing to such ways of working, and then putting this into action, can be difficult for some funders. Indeed, it has been noted that unrestricted funding, if accompanied by incompatible funder behaviours and practices, can create issues. For example, the absence of clear guidelines, or covert expectations from a funder, may lead to ambiguity and uncertainty, which can create stress and anxiety among funded organisations (Hunnik et al., 2021). We therefore posed a second research question: *What behaviours are required for the Co-op Foundation to be an open and trusting funder?*

3. Methodology

The research was conducted as part of a broader programme of evaluation and learning work for the first round of the Future Communities Fund. IVAR developed this framework in collaboration with the Co-op Foundation and the 13 funded organisations during the first year of funding. This framework was informed by IVAR's first report for the Foundation on different approaches to assessing the impact of unrestricted funding.⁴ The framework, which is summarised in Appendix three, encompasses four main lines of enquiry covering the impact on funded organisations, the impact on young people, funder behaviour, and influencing the practice of other funders. In line with this framework, the research covered in the report primarily relates to how the Future Communities Fund has impacted funded organisations, although it also explores the Co-op Foundation's behaviour as a funder.

To understand the experiences and perspectives of the funded organisations, in early 2025 we conducted semi-structured research interviews with all 13 organisations funded by the Co-op Foundation's Future Communities Fund. All organisations were small or medium-sized charities (nine) or Community Interest Companies (four), with annual incomes immediately prior to receiving the Co-op Foundation funding of between £44,000 and £252,000.⁵ All organisations received the majority of their income from restricted funding, with unrestricted income accounting for between 2% and 47% of their annual incomes in their financial year ending in 2022, immediately prior to the Co-op Foundation grant being awarded. A list of funded organisations, along with a summary of each and income figures, is provided in Appendix one.

Interviews were conducted online with senior representatives from each organisation, such as the founder, chief executive or other senior manager. Interviews typically lasted between 30 and 60 minutes and were recorded and transcribed. Participation was voluntary, and consent was obtained for reporting the data in an anonymised form.

In relation to understanding how multi-year unrestricted funding affected funded organisations, the interviews explored:

- How funded organisations had used Future Communities Fund funding (while recognising that, since it was unrestricted funding, they were not required to account for its expenditure separately).
- The differences (if any) that Future Communities Fund funding had made to their organisation, and whether this had affected how they engage and work with young people.
- How they perceived young people had been affected by the organisational changes.

In relation to understanding the Co-op Foundation's behaviour as a funder, the interviews explored:

- Funded organisations' experience of working with and being funded by the Co-op Foundation.

⁴ Mills et al., 2024b

⁵ In its annual [UK Civil Society Almanac](#), the NCVO defines small charities as having an annual income of £10,000-£100,000, and medium-sized charities as having an income of £100,000-£1million.

The interview data was analysed by the IVAR team using thematic analysis to identify recurring patterns or themes.⁶ IVAR's initial analysis was then shared and discussed with the funded organisations at a meeting in May 2025, where participants had the opportunity to reflect and comment on it. Based on the feedback from funded organisations, IVAR updated the analysis, which is presented in the next section of this report.

A note on terminology

What is multi-year funding?

The term 'multi-year funding' is used throughout this report and is generally understood to mean financial support that is committed for at least two years. In the case of the Co-op Foundation's Future Communities Fund, ten organisations received a five-year grant and three received a three-year one.

What is unrestricted funding?

The terms 'unrestricted funding' and 'restricted funding' are also used throughout this report. For clarity, these terms refer to:

1. **Unrestricted funding** – grants that can be '*spent or applied at the discretion of the trustees to further any of the charity's purposes*'.⁷ These grants come without explicit and formal conditions on how the funding should be spent.
2. **Restricted funding** – grants that must be used for a specific purpose, such as the delivery of a particular project or defined set of activities (project grants), or to pay for a specific element of overheads, such as rental costs or the director's salary (overhead/core cost grants).

⁶ Braun and Clarke, 2021

⁷ Joint SORP-Making Body, 2019

4. Research findings

Impact of multi-year unrestricted funding on funded organisations

In this first section of the research findings, we report on how multi-year unrestricted funding has made a difference to funded organisations. It examines the most common ways that organisations have used their funding and what this has enabled them to do.

The first thing to note is that funded organisations used their grants in diverse ways: not only was the funding applied differently across organisations, but it was also used flexibly within each one. Some were highly intentional, allocating funds to specific items of expenditure, while others took a more fluid approach, ‘dipping into it’ for a range of activities and initiatives. These variations reflect the genuinely unrestricted nature of the funding.

While some organisations used the funding to cover, supplement or extend existing service delivery, most used it to enhance their organisational capacity. Since multi-year unrestricted funding was generally a rarity for the funded organisations, they seized the opportunity to build organisational stability and responsiveness. The findings outlined below illustrate how this was achieved.

Organisational stability

Enhancing strategic management capacity

Nine of the 13 funded organisations said that the Co-op Foundation's funding had helped create much-needed capacity for strategic management within their organisations. In some organisations, funding was used to cover part of the salary costs of leadership and senior management. This reduced the need to cover senior staff's time through the delivery of projects financed by restricted funding, which diverted leadership resources into more operational issues. The multi-year nature of the funding also brought some relief from the laborious cycle of securing short-term funding. Relieved of operational and fundraising responsibilities, organisational leadership could focus on more strategic matters:

‘[Operational] workload has come off of me and [Co-founder's] heads, which means we are doing more strategic stuff ... planning for the future and the years ahead.’

Several organisations said that having more scope for long-term planning helped them focus on their mission and values. They felt released, at least in part, from the funding priorities of other funders:

‘We don't want to do a project that funders expect us to do, to be in their mould... because that will change our purpose... We are confident in the value and benefit that our programmes offer.’

Having more time and freedom enabled organisations to ‘look at strategic priorities and actually address them’.



As leaders, we can now sit down and say, having got secure funding from the Co-op Foundation, what do we want to achieve? How can we improve our impact? What do we need to be able to do that?”



Photo 1: Girls into Coding CIC supports girls in pursuing careers in technology.

With more freedom to pursue their mission, some organisations felt they could be more ambitious. Multi-year, unrestricted funding enabled organisational leaders to focus on their strategic priorities, knowing that they would have some long-term, flexible resources available to address them. There was a realistic chance that *‘you can put a multi-year plan together and say this is where we hope to be in five years’ time*.

Boosting emotional resilience

Some interviewees also noted emotional benefits to receiving this type of grant. They described how the Co-op Foundation funding had given them much needed *‘breathing space’*. This feeling was felt most by those responsible for organisational leadership. Managing a small or medium-sized organisation that engages with young people is a challenging role, made even more difficult by the current funding and operational landscape.⁸ Having recourse to long-term flexible funding gave some leaders a *‘safe feeling’*.

There was also an affirmatory aspect to being granted multi-year unrestricted funding. Most of the funding that had historically been received by the 13 organisations was short-term and restricted, with most funders using limited duration and restrictions to maintain a high degree of control. Unrestricted funding, on the other hand, shifted decision-making responsibility to the funded organisations:

‘It’s been very much like we’ve been trusted to go with the needs of the young people that we’re supporting and the community that we’re embedded in and know best.’

From the funded organisations' perspectives, this shifting of power and control was symbolic of the Foundation's belief in their organisation. Moreover, the Foundation's association with the Co-operative Group, a well-known national brand, reinforced the symbolism. The Foundation's gift of multi-year unrestricted funding conveyed a sense that it had confidence in the organisation and was willing to *‘trust what we are doing’*, which generated a *‘nice feeling’*.

⁸ Larkham and Mansoor, 2023

Strengthening the workforce

A more stable workforce

The Co-op Foundation's long-term funding has also enabled organisations to put more staff on long-term and permanent contracts. While some organisations used the Foundation's grant to employ a specific member of staff on a long-term or permanent contract, others used it to offer long-term or permanent contracts to a range of project staff, in the knowledge that the funding could be drawn on to cover any gaps that might arise between one restricted grant ending and another starting. Having three or five years of funding from the Foundation gave them more confidence that they would be able to cover staff costs over the long term. This benefit was significant given the increasingly challenging funding environment and rising costs facing organisations, which have contributed towards staff recruitment and retention problems within the voluntary sector:⁹

'There's been a huge reduction in funding available in the charity sector this last year ... and that is where five years of funding is extremely helpful because it helps you maintain staff.'

Funded organisations noted how having longer-term or permanent employment contracts provided greater stability for staff. In a sector beleaguered by short-term contracts and a critical shortage of trained youth workers,¹⁰ this was viewed as a significant benefit, helping organisations attract and retain personnel:

'It's enabled us to give security to staff. I've been able to offer a three-year contract. I've been able to go, yeah, we're fine, come and work for us. And that's really different.'

Having a stable workforce is hugely beneficial for youth work, as it provides consistency and stability for young people, allowing staff members to build trust and develop meaningful relationships with them. One funded organisation described how, *'Now that they know they're going to see [the same member of staff] every single week, they can build their rapport'*.

⁹ Larkham and Mansoor, 2023

¹⁰ National Youth Work Agency, 2025



You need to have a team that is going to last for longer than a year because it can take you two or three years to build trust and relationships with young people and their families ... and that's where the longer-term funding is a game changer.”

Training and supporting staff

The Co-op Foundation's funding has also been used by some organisations to invest in staff training. Some organisations used the funding to help staff develop technical skills, such as in volunteer management or in monitoring and evaluation. Some organisations used the funding to train frontline staff, which is crucial given the limited resources and infrastructure within the youth sector to provide youth workers with the training and qualifications required to address the increasingly complex needs of young people in a post-Covid pandemic world.¹¹ Supporting the professional development of staff not only improved organisations' capacity to support young people, but it also helped keep staff engaged and motivated. This meant that teams could be more resilient in an ever-changing world.

‘We've got a generation that has gone through a pandemic and the cost-of-living crisis ... which is having a huge impact on our young people ... [and the funding] allows us to equip our team to support them.’

Several organisations mentioned how they used funding from the Co-op Foundation to provide deeper support for their staff through counselling and similar therapies. Since these organisations employed staff members with lived experiences similar to those of the young people they supported, there was a higher risk that staff might be emotionally triggered while helping those with significant challenges. Staff also faced their own difficulties in daily life and personal relationships, which needed to be addressed for them to perform effectively in their roles:

‘[The Foundation's funding] has enabled me to provide additional support for some of the team, where they might need some counselling support ... It's essential to make sure that the team are functioning well, so that they can then meet the needs of the kids, and that they're not triggered by the stuff that's going on with the young people.’



Photo 2: Re:establish shifts power to young people affected by deprivation to discover and actively pursue opportunities to develop their potential.

¹¹ Larkham and Mansoor, 2023

Organisational responsiveness

Shifting power to young people

The unrestricted nature of the Co-op Foundation's funding has enhanced the capacity of organisations to shift power to young people. In particular, the funding has enhanced the processes by which young people are listened to, responded to, and actively involved in decision-making. This is significant because it gives young people the opportunity to have a say in what matters to them and increases their control over the decisions that affect their lives.

Funded organisations frequently mentioned the difficulties of shifting power to young people when relying on restricted project funding. A reliance on restricted funding diminished their ability to be responsive, as they could not act on the ideas of young people until they had obtained the necessary funding. Additionally, young people experienced disappointment when funding could not be secured. Restricted grants typically forced organisations to stick to predefined activities and a fixed timetable, which constrained their ability to adapt to the evolving ideas and aspirations of young people. As one funded organisation noted, *'With restricted funding, you have to use it for exactly what you said you're going to do with only a little wiggle room'*.



Having a pot of unrestricted money available means that when a youth voice group comes up with an idea, we can respond to it. It means that we can work at the pace of young people, follow their aspirations and validate their choices."



Photo 3: Nurturing Foundations helps young people, particularly those from global majority backgrounds, to develop the aspirations, resilience, and skills to flourish.

The Co-op Foundation's funding greatly improved organisations' capacity to facilitate youth voice. Having unrestricted funding available meant organisations had the freedom to respond swiftly to young people's ideas. They could more readily *'put into practice lots of the ideas and requests of the young people'*:

'[Our young people] have noticed me saying "yes" more often, not "no". In the last 18 months, I've been able to say to them, it's okay, we've got some funding. What do you want to do? And because those who have been around a while would have heard me previously saying, "That's a really good idea, I'll try to find some funding for that". Now I'm able to say, "We've got the funding, so what do you want to do? Right, so let's organise that".'

One funded organisation described how young people's concerns with the recent rapid growth in popularity of far-right politics in the UK, including rising climate change denial and anti-migrant sentiment, had led her organisation to develop more resources for young people to influence these debates. She noted that, *'If we did not have unrestricted funding from the Future Communities Fund, this would remain a great idea with no resources to put it into practice'*.

Having unrestricted funding and not being tied to delivering pre-determined outputs also provided the space to take some risks: *'With the Co-op Foundation's funding, the pressure's gone, and so you can take risks'*. This meant that organisations could *'try things out and make mistakes'* and be more creative with their young people. Having unrestricted funding felt less oppressive: *'It's less pressure on us and the young people as well.'*



We've had the space to develop and grow and allow young people to take the programme under their own wings as much as possible, because our aim is always for it to be as youth-led as possible ... and the nature of unrestricted funding is really useful and helps us do that."



Photo 4: The Rise Collective interviews Stop Now Global about their work with young people during a Future Communities Fund learning event.

In line with the growing practice of compensating young people for their involvement,¹² some organisations have used Co-op Foundation funding to improve the inclusivity of their youth leadership initiatives. Three funded organisations had financially compensated young people for their participation and expertise when appropriate, noting that they had previously lacked the funding to do this in a sustained way. Relying on young people to volunteer sometimes risks exclusion: *'Asking young people to volunteer is really a massive barrier for the young people that we want to work with'*. Compensating young people removes some of the barriers, especially among disadvantaged communities:

'[We now pay young people to participate in our changemaker programme] because we work with lots of people who are in poverty ... and we don't want that to be a barrier to access.'

Young people were variously compensated for being on a youth advisory board, producing media content and participating in a grassroots community education programme. As a

¹² Langer and Makonyola, 2022

consequence of these payments, organisations noted a positive impact on levels of participation and engagement.

Overall, funded organisations emphasised that, because of the support they received from the Co-op Foundation, young people had been given more power. The funding allowed organisations to provide more opportunities for young people to take the lead, exercise control, and gain a greater sense of ownership.

More responsive services

Interviewees from organisations that provided support services to young people often remarked on how unrestricted funding from the Foundation allowed them greater flexibility in addressing the needs of young people as they emerged. This stood in sharp contrast to the constraints of the restricted funding more typically available in the youth sector.

Funded organisations described the challenges of delivering services and activities for young people using restricted funding. Project deliverables and outputs agreed as part of an application process often become *‘outdated by the time you’re delivering the project’*. With *‘no margin for change if we want to do something else’*, organisations were often unable to adapt to changing needs as they arose. Some interviewees also described their frustration at being constrained by the lack of alignment between what funders were offering restricted funding for and what the organisation thought was really needed to support young people.



[The Co-op Foundation’s funding] has enabled us to pivot quickly in accordance with where demand is the greatest. And because we’re quite a small organisation, we can be agile and responsive to those needs.]



Photo 5: Funded partners share successes and challenges during a Future Communities learning event.

The unrestricted funding provided by the Co-op Foundation was different, however, because it gave them the freedom to adapt and respond to the evolving needs of young people:

‘It’s just great because it’s the only funding we’ve ever had that at no stage are you thinking, oh no, I’ve got to refer back to our original funding application. Things have changed so much in the last two years.’

Funded organisations explained why it was important to have the capacity to adapt and respond to the needs of young people. They said their organisations needed to respond to what was happening in the world and the resulting changing needs of young people: ‘As

their world changes, young people react to that. And we need to react to that'. One funded organisation noted that the needs of young people today are very different to how they were less than five years ago:

'The current generation of young people is completely different ... The things that kids are being exposed to are constantly changing ... We need to respond to that, and the Co-op Foundation allows us to.'

Having access to flexible funding enabled some organisations to rapidly adapt their services and activities to significant events in their community or wider society. For example, one funded organisation described how they were able to immediately use some of the Co-op Foundation grant *'to work with young people of colour over the summer last year, when they were confronted by the far-right anti-immigration riots'*.

The funding has also enabled organisations to provide more tailored one-to-one support to young people. Some organisations have used their funding to provide individualised support to young people in times of acute need:

'When you're working with young people and ... where everything is extremely unpredictable, it's very helpful to have that level of flexibility too ... So, [a parent] took their own life, and suddenly we need to put in some additional support for that particular family ... [The Co-op Foundation funding] gave us the flexibility to do that, without having to go and ask a funder.'

Greater innovation

As organisations responded to the ideas, aspirations, and needs of young people, this sometimes led to innovation in their activities and services. Several reported using Co-op Foundation funding to support new initiatives. For example, one organisation launched a summer programme for young people, *"which brought us to a new audience"* and helped integrate young people from migrant and settled communities. Similarly, another noted, *"We always try to develop ourselves and offer new activities that include using or exploring new technology. It's something the funding has allowed us to do."*

Some organisations described how they had used the grant to fund new initiatives, the need for which had only recently emerged. This was possible *'because we're not tied to a specific project with the funding'*. For example:

'We recently started a young women's group because there's such a need and demand for women-only spaces ... We did a workshop with the Feminist Exchange Network last year, and it was one of the first times that our catalyst group had been just for women. They said that they loved it, that it was a woman-only space, and they felt confident. Sometimes they might feel shy speaking in front of the boys or maybe voicing women's issues. So, our women's group really grew from that.'

Investing in learning

A key feature of being responsive to changing needs is the process of learning and adaptation. In this regard, it is worth noting that, unlike many other funders, the Co-op Foundation has not asked organisations to provide them with a bespoke report, which meant their funding came *‘without the pressure’* to report on the successful delivery of project outputs and outcomes. When coupled with the Foundation’s relational approach to grant-making, this helped some organisations take a more candid approach to what was working and what wasn’t:

‘This fund, it’s fantastic. [With other funders, you often] feel slightly dishonest when you’re evaluating what you’re doing and trying to prove that you’ve done this, that or whatever. But I think we’ve done miles more just in the two years of this Co-op money because if things haven’t worked, we just stop it and move on.’

With more time and space to consider their internal learning requirements, several funded organisations had used some of the Co-op Foundation’s funding to invest in their learning capacity. For example, one organisation was *‘building in more time for reflection’*. Another had *‘invested in training and development to improve our monitoring and evaluation, and our program design’*. A third had taken a step back to consider what information they really needed to track performance and inform strategic choices, which led them to *‘start recording what we do well and what we don’t do well’*. As a result of these changes, organisations felt they were better equipped to respond to the evolving needs of young people.

Challenges in managing multi-year unrestricted funding

Choosing how to spend it

Given the rarity of multi-year unrestricted funding, some organisations were unfamiliar with the freedom it afforded them and faced a dilemma about how to use the money. Organisations were eager to make good choices and worried that they might not use it optimally. There were also questions about how and where the funding was allocated, or indeed whether it needed to be allocated, as it was unrestricted funding and didn’t require separate accounting:

‘I remember having a conversation with [a colleague], and she’s like, is it all right for you to spend that money on that? And I was like, well, actually yeah. We’re so not used to that.’

After sharing the preliminary findings from our research with funded organisations, some commented that they were surprised by how the funding had been used in so many different ways. They had not previously considered the various options and would have found it useful to have this information at the beginning of the funding process. While organisations didn’t regret how they had spent the money, some are now thinking about using the funding differently in future years.

When the funding ends

Given the highly valued nature of the Co-op Foundation’s multi-year support, it is perhaps unsurprising that some organisations were concerned about how they would replace it.

The three that received funding for only three years regretted not applying for five, and were now uncertain about what lay ahead once the grant ended:

‘This is the last year of our funding; we only went for three years ... So now we’re looking for more multi-year funds to do this again because it’s done so well for us ... As a grassroots organisation, losing that money creates anxiety.’

All three were actively seeking new unrestricted support of a similar kind. However, such funding was difficult to secure, as multi-year, flexible grants remained rare within the sector. Some feared that the progress they had made might not be sustained after the Co-op Foundation’s support ended.

The Foundation’s efforts to be an Open and Trusting funder

In this second section of the research findings, we report on the Foundation’s efforts to be an Open and Trusting funder. Three key themes indicating good progress emerged from our interviews with funded organisations. These were: demonstrating shared values, forming trusting relationships, and learning together. We also identified some limitations, which meant power and resources sometimes remained in the hands of the Foundation.

Demonstrating shared values

A key theme emerging from interviews with funded organisations was their strong sense of shared values with the Co-op Foundation. Several funded organisations stated that they had been motivated to apply for funding due to the Foundation’s clear commitment to shifting power to young people and developing diverse, equitable, and inclusive communities, which was reflected in the objectives of the Future Communities Fund:

‘The relationship we’ve got with Co-op Foundation is incredibly valued ... and to the extent that our values seem to align ... is incredibly important, especially given the nature of the work we do.’

Funded organisations were also aware that the Co-op Foundation’s [Future Communities Collective](#), a group of diverse young people, had taken the lead in deciding which organisations to fund. They valued the fact that young people had chosen their organisation. It gave them a sense that young people understood and valued their work. Moreover, funded organisations were similarly committed to shifting power to young people, and so it felt like the Foundation’s interests were aligned with theirs.

This sense of shared values provided the grounding for a sense of partnership within the funding relationship. It was also a strong motivating force for making the most out of their relationship with the Co-op Foundation:

‘We’re both coming at it the same way, so we want to be doing the best we could possibly do ... and they want us to be doing the best we can possibly do.’

Crucially, the shared sense of values provided a firm foundation for the relationship between the Foundation and funded organisations, making it much easier to build trust.

Forming a trusting relationship

As noted above in the section on bolstering emotional resilience, receiving multi-year, unrestricted funding was often perceived by funded organisations as a sign of the Foundation's confidence and belief in their work. Funded organisations frequently described how this formed a strong basis for their relationship with the Co-op Foundation. They described how it generated feelings of trust.



*It doesn't feel corporate ...
It feels friendly ... I do feel
I can call anyone at any
time. I don't feel like I need
to book in a slot ... It's
much more personal ...
I think that's what a lot of
other funders are missing."*



Photo 6: Funded partners and the Co-op Foundation team learning together during an annual in-person meeting.

The Foundation has amplified this sense of trust through its management of relationships with funded organisations. The Foundation's funding managers *'really show interest'* in funded organisations, which organisations appreciate. They have also taken care to be approachable and personable:

'Every time we're in meetings, it just seems very like they're supportive and caring and it makes a big difference ... They're very approachable, genuine, and down to earth.'

Crucially, the crafting of trusting relationships means that organisations felt they could be open and honest with the Foundation. They felt that they could share good and bad news, and would be listened to and respected:

'You really do have a seat at the table and say whatever you'd like to say. People are speaking to you on a level. I think that's really important.'

Mutual learning

A trusting relationship - one in which funded organisations felt comfortable sharing knowledge and experiences openly provided the basis for shared learning. A recurring theme in the interviews was the sense that organisations were on a learning journey *with* the Foundation. As one interviewee put it: *"The Co-op Foundation shows a genuine*

interest in growing and learning together, and how we can make the world a better place collectively. I think that's really positive."

A key ingredient to this was that the Foundation's staff listened and were interested in learning from what organisations had to say:

'I genuinely feel that they're trying to do things differently, not just for difference's sake, but they have a genuine passion for listening and learning.'

Funded organisations appreciated the Foundation's light-touch reporting requirements, especially the fact that they were not required to report outputs and outcomes and did not have to submit a specific written report to the Foundation. The annual catch-up conversations with one of the Foundation's funding managers provided a more conducive means for sharing progress:

'We're not expected to write lots of wordy reports. We can say it in our conversations. That's extremely helpful ... Being able to chat and have a conversation is so much easier time-wise than having to write long reports ... and I think you can bring it to life a lot more when you speak about it.'

The lack of output and outcome reporting, along with the reliance on conversations with the Foundation's funding managers, created space for greater reflection:

'[Working with the Co-op Foundation] has been lovely. It's completely different, because it feels a bit like everyone's fumbling in the dark. Sometimes, that's how youth work is ... and when I say if we're fumbling in the dark, I don't mean there's a negative thing. It's been us going, 'This feels very different, what does that look like, and how do I feel about that', and being reflective.'

The sense of learning together was further amplified by the Future Communities Fund's learning programme, which is run by IVAR. This programme includes an annual in-person learning event and periodic online learning sessions for funded partners, which are also attended by Foundation staff. Although soliciting feedback on the learning programme was not a focus for this research, interviewees frequently cited positive experiences. For example, *'it's creating spaces for us to have a conversation, explore our issues and our barriers'*, and *'everybody's learning at the same time, and because we're coming together with that understanding of growing and learning together, it's been a safe environment to do that'*.

Proportionate expectations

Although the Foundation's funding practices go a long way toward shifting power and fostering more equitable relationships, some funded organisations still felt the relationship wasn't entirely equal. This was reflected in their views about the balance between what the Foundation expected, the resources it had access to, and the level of resources it provided.

Some organisations expressed concern about the scale of the Future Communities Fund's learning programme. In 2024/25, the Foundation's post-award expectations of funded organisations, especially in relation to the learning programme, were significant, with seven sessions held during the year. In addition, the Foundation also sought to engage funded organisations in research to explore progress against its organisational strategy. Some funded partners reported *'a slight sense of obligation'* to participate in these. Although the Foundation had not mandated attendance and none felt that funding would be withdrawn if they didn't participate, they still felt that *'because they gave us some funding'* there was an *'obligation to reciprocate'*. Funded organisations were also concerned because *'you don't want to look bad that you haven't attended, and that might affect us if there was more funding to come up'*. Since funded organisations are small and medium-sized, the staff who participate invariably have substantial and wide-ranging responsibilities, which create numerous competing demands on their time. Funded organisations' efforts to meet the Foundation's post-award expectations were not, therefore, cost-free.

The resources available to the Co-op Foundation far exceed those available to the small and medium-sized organisations it funds. This gave rise to the perception among some funded organisations that the Foundation had access to resources that it was either unable or unwilling to share. In terms of monetary funding, organisations that had applied for and received three years of funding hoped that the Foundation might extend their funding commitment to five years, but were left disappointed. One funded organisation wondered why the Foundation did not increase annual grant instalments in line with inflation each year. Another suggested that there should be a mechanism to increase grant funding to support organisational growth, noting that *'the nature of being a small grassroots charity means that as you get bigger every year, you might not necessarily have the resources to be fully resourcing everything as you grow'*. While funded organisations recognised the Foundation's right to make these decisions, they were nevertheless disappointed not to receive more support.

A couple of funded organisations also couldn't understand why the Foundation did not leverage its relationship with the Co-operative Group to create more opportunities for the young people it worked with. It was suggested that *'there are more ways that the Foundation could support our impact as an organisation'* beyond what it already does. One funded organisation asked, *'how can we work more closely with the Co-op as a business, not just the Foundation, for example, having some of the banking professionals coming in to help with our entrepreneurship programs?'* This is just one suggestion, and there may be other ways that the Foundation could collaborate with the Co-operative Group to support organisations more effectively. Nevertheless, it does highlight how, regardless of how much the Foundation tries to shift power, there will always be a vast difference in resources available to it and small and medium-sized charities' means. Remaining mindful of its comparatively privileged position, and how funded organisations might perceive this, should help the Foundation continue to forge Open and Trusting relationships.

5. Implications of our findings

A compelling case for multi-year unrestricted funding

It is clear from our research findings that the Co-op Foundation's provision of multi-year unrestricted funding has had a significant impact on the 13 funded organisations that work with young people. The funding has enhanced organisational stability and responsiveness, with consequential benefits for how they work with young people.

These findings align with wider evidence on the benefits of multi-year, unrestricted funding. In particular, unrestricted funding can have a positive impact on the capacities of voluntary organisations, including their mission orientation, strategic planning, staff management, operational capacity, adaptive capacity, and innovation.¹³ The findings also lend support to the claim that multi-year funding enhances organisational stability and capacity, including their ability to plan, invest in staff, and develop operational learning that can be recycled into making programme improvements.¹⁴

Funded organisations understand that, in an ever-changing world, being stable and responsive is essential to their mission of uplifting and empowering young people; having access to long-term, flexible funding makes this more possible.

The benefits arising from multi-year unrestricted funding are particularly noteworthy in the context of organisations supporting young people. Funded organisations understand that, in an ever-changing world, being stable and responsive is essential to their mission of uplifting and empowering young people. For organisations to be a reliable source of support, they must demonstrate stability themselves, which requires a long-term plan and a consistent workforce that can foster relationships with young people. Youth work also relies on the voluntary participation of young people, which requires sufficient flexibility to address the changing needs and ideas of young people, and enough time to build trusting relationships with them to maintain their engagement. Our research findings clearly indicate that multi-year unrestricted funding is effective in addressing these needs and positively enables organisations that work with young people.

It is worth highlighting that the organisations supported by the Co-op Foundation's Future Communities Fund are small and medium-sized. Research has shown that small and medium-sized charities make a distinctive contribution to civil society due to their ability to provide a long-term, supportive presence within communities that is responsive and person-centred.¹⁵ It is apparent from our research findings that this distinctive value can be unlocked through multi-year unrestricted funding, as it provides organisations with the necessary stability and flexibility to flourish.

¹³ Wiepking and De Wit, 2024

¹⁴ Mills et al., 2024a

¹⁵ Dayson et al., 2018

It is also apparent that the enabling effect of the Co-op Foundation's funding was enhanced because multi-year unrestricted funding is rare. The funded organisations frequently mentioned how they had few or no other sources of multi-year unrestricted funding, reflecting the fact that much of the funding available within the youth sector is short-term and restricted. There is evidently a disconnect between organisations' desire to be stable and responsive, and the preponderance of short-term, restricted funding on offer within the sector. This meant that the Foundation's multi-year unrestricted funding was highly prized and highly utilised.

It is noteworthy that, despite being prompted during the interviews to consider any drawbacks to multi-year unrestricted funding, funded organisations could barely identify any. The only substantive challenges mentioned were those related to deciding how to use the money and concerns about how they might replace it once the Co-op Foundation's funding ended. The rarity of multi-year unrestricted funding and the consequent unfamiliarity with managing it sometimes heightened these challenges. If more multi-year funding were available, it seems likely that these concerns would dissipate.

Aligning funder behaviour

Even if funders provide multi-year, unrestricted funding, the imposition of overt, ambiguous, implied, or covert expectations on funded organisations can detract from the otherwise conferred benefits (Hunnick et al., 2021). However, this has not been the case with the Future Communities Fund. On the contrary, the benefits of multi-year unrestricted funding have been amplified by the Open and Trusting approach taken by the Co-op Foundation funding team. By forging relationships based on shared values, trust, and mutual learning, the Foundation has aligned its practices with the freedoms afforded through multi-year unrestricted funding. That said, it is also evident that the Foundation needs to manage its post-award expectations of funded organisations carefully. Maintaining a proportionate balance between the Foundation's expectations and the level of resources it provides to funded organisations is crucial for fostering equitable relationships with small and medium-sized organisations.

Implications for funders

In recent years, there has been increasing discussion about funding models, as funders recognise that their funding practices shape the structural context within which charitable organisations operate. Our research findings make an important contribution to these debates, especially within the youth sector, as they illustrate how multi-year unrestricted funding enables organisations to operate in desirable ways – stable and responsive – that leave them better placed to support young people effectively. Our findings challenge the common practice of short-term restricted funding, highlighting its alarming misalignment with the principle that youth work should offer young people both stability and voice.

There is reason to be hopeful, though. Funders can better support organisations and the young people they work with by making grants of at least three years' duration, and ideally five or more years. This could be transformational for the youth sector, allowing organisations to plan more effectively and, perhaps most significantly, recruit, train, and retain the high-quality staff needed to deliver effective youth work.

Funders can also better support organisations that work with young people by offering more flexible funding. For some, this could mean unrestricted funding, which maximises the capacity of funded organisations to respond to the needs of young people. However, we are aware that some funders operate within specific constraints that make unrestricted funding challenging. In these circumstances, funders could at least apply broader restrictions that allow organisations more flexibility in how they spend the grant, thereby enabling greater responsiveness to young people's changing needs and ideas.

Having researched flexible funding for over a decade, IVAR is aware of some of the barriers faced by grantmakers in moving to multi-year unrestricted funding. Chief among these is a desire to demonstrate impact and maintain a clear link between '*our money*' and '*that impact*'. However, as we illustrated in an earlier report commissioned by the Co-op Foundation, funders can overcome the challenges of assessing the impact of unrestricted funding.¹⁶ A range of other helpful [guidance on how to be a flexible funder](#) can be found online.

Implications for funded organisations

The rarity of multi-year unrestricted funding usually means that organisations are eager to make the most of it; yet sometimes they are unfamiliar with the various options available to them. Organisations receiving multi-year funding for the first time might benefit from support in considering how to maximise its strategic value. With that in mind, the research findings from this paper may offer valuable insights into the various ways organisations can utilise multi-year unrestricted funding to strengthen their capacity to support young people. These insights may also help grant recipients advocate for more flexible, long-term funding by demonstrating its impact in practice.

Further research

As noted in the introduction, this report forms part of an ongoing programme of evaluation and learning for the first round of the Future Communities Fund. We anticipate producing further reports over the next three years that will further explore the impact of the Co-op Foundation's funding on funded organisations and young people, and what this means for how the Foundation behaves as a funder. We hope that by continuing to share our learning openly, other funders can gain insights from the programme.

Next year, we plan to publish a follow-up report that will examine how young people have been affected by the organisational changes mentioned in this report. This study will engage young people from the funded organisations in conducting peer research. We hope that the research will enhance our understanding of how increased organisational stability and responsiveness, derived from multi-year unrestricted funding, are reflected in the experiences of young people.

¹⁶ Mills et al., 2024b

6. Reflections from the Co-op Foundation

The Co-op Foundation's journey into multi-year, unrestricted funding in the youth sector was a major shift in our grant-making approach with the launch of our strategy in 2022. Recent NCVO¹⁷ research highlights the difficulties small charities face in securing core, unrestricted, and long-term funding, which hinders their ability to plan strategically and creates anxiety among sector leaders. In the current climate—marked by increased demand, the ongoing cost-of-living crisis, and inflation—organisations are asked to do more with less. The sharp rise in funding applications across the sector is an indicator of mounting financial pressures¹⁸. Moreover, demand for targeted youth support is growing, against a backdrop of workforce shortages, temporary contracts, and wages below the national living wage¹⁹. Looking ahead, the forthcoming National Youth Strategy²⁰ promises a renewed government focus on youth services, infrastructure, and prospects for young people. There is a unique opportunity to demonstrate the value of unrestricted funding in enabling high-quality, youth-led work. As the government invests in initiatives like Better Youth Spaces and the Uniformed Youth Fund, it is vital that funders provide the flexibility and trust grassroots organisations need to thrive.

Why unrestricted funding?

The evidence presented in this report demonstrates that the aim and aspirations of the Future Communities Fund round one are being fulfilled: multi-year unrestricted funding enhances organisations' ability to plan, invest in their staff, and support young people's leadership and participation. It enables organisations to respond quickly to emerging issues—such as the far-right anti-immigration riots in summer 2024—by allocating resources where they are most needed.

The findings of this evaluation also reaffirm our initial assumptions: unrestricted funding allows organisations to stay focused on their mission and build organisational stability. Moreover, our long-term, flexible funding counteracts the instability created by short-term grants. Meaningful youth work, particularly with vulnerable young people, takes time. Consistency and trust are essential, and only multi-year funding allows organisations to build the stable teams and long-term relationships required for deep impact.

We were surprised, however, by some of the challenges organisations reported in allocating unrestricted funding. The rarity of this funding model means that charities are often more accustomed to tightly restricted grants, and some initially felt uncertain about how best to use the flexibility on offer. We recognise the need for further guidance and resources to help organisations maximise the benefits of flexible funding.

Learning as a funder

The evaluation provided insights into our approach as a funder. We are proud that our partners feel they have a trusting, supportive relationship with us. Our light-touch reporting, focus on learning together, and willingness to be open and approachable have been

¹⁷ NCVO, 2025a

¹⁸ NCVO, 2025b

¹⁹ National Youth Agency, 2025

²⁰ UK Government 2025

positively received. However, we acknowledge that, as a funder, we hold power. We are mindful of the demands we place on our partners, especially around participation in learning activities and reporting. In response to feedback, we have reduced the number of learning events and continue to ensure that for additional asks, participation is always voluntary and remunerated where appropriate.

We are conscious of the anxiety caused by the end of funding cycles particularly for the organisations whose grant finishes in three years. Many organisations expressed concern about how they would replace our support, and to address this, we are introducing fundraising training with an expert fundraiser. Our approach to funding duration and levels has also evolved. In the first round, we approved grants up to five years based on what the organisations requested in their application, resulting in a range of three-to-five-year awards. In round two of our Future Communities Fund, we encourage more actively applicants to apply for the maximum duration of funding available.

A call to other funders

We urge other funders to consider adopting multi-year, unrestricted funding models. Even if full unrestricted funding is not possible, increasing flexibility and extending grant periods can make a meaningful difference. The principle of sharing power with communities—especially young people—cannot be realised without building long-term, trusted relationships and providing the financial resources needed for stability and participation. This evaluation strengthens our conviction that multi-year, unrestricted funding works. We encourage other funders to join us in giving away power and supporting youth leadership at every level.

Bibliography

- Braun, V. and Clarke, V. (2021). *Thematic Analysis: A Practical Guide*. London: Sage Publications.
- Dayson, C., Baker, L., Rees, J., Batty, E., Bennett, E., Damm, C., Coule, T., Patmore, B., Garforth, H., Hennessy, C. Turner, K, Jacklin- Jarvis, C and Terry, V. (2018). *The value of small: In-depth research into the distinctive contribution, value and experiences of small and medium-sized charities in England and Wales*. Sheffield: Sheffield Hallam University
- Hung, C. & Berrett, J. L. (2025). 'Exploring the Dynamics: The Relationship Between Unrestricted Resources and Nonprofit Efficiency'. *Nonprofit and Voluntary Sector Quarterly*.
- Hunnik, O., De Wit, A. & Wiepking, P. (2021). '(In)equality Through Unrestricted Grantmaking: Examining Trust and Power in the Collaboration Between the Dutch Charity Lotteries and Their Grantees'. *The Foundation Review*, 13(2), 7.
- Joint SORP-Making Body (2019). *Charities SORP (FRS102)*, 2nd edition. London: The Chartered Institute of Public Finance and Accountancy.
- Langer, V. and Makonyola, C. (2022). *Navigating Paying Young People: A Listening Fund Practice Paper*. The Listening Fund.
- Larkham, J. and Mansoor, M. (2023). *Running hot, burning out: An analysis of the VCSE Sector barometer in partnership with Nottingham Trent University National VCSE Data and Insights Observatory*. Pro Bono Economics.
- Law Family Commission on Civil Society (2023). *Unleashing the power of civil society*. Pro Bono Economics and The Law Family Commission on Civil Society.
- Mills, C. (2023). *Evidence review: Why restrict grants?* London: Institute for Voluntary Action Research.
- Mills, C., Firth, L. and Cairns, B. (2024a). *Time to end the dominance of short-term grants: The evidence for multi-year funding*. London: Institute for Voluntary Action Research.
- Mills, C., Firth, L., Cairns, B. and Vergou, A. (2024b) *Exploring approaches to assessing the impact of unrestricted funding*. London: Institute for Voluntary Action Research.
- National Youth Agency (2025). *Youth sector workforce survey report 2025*. Leicester: NYA
- NCVO (2025a). *Power of small project report*. London: NCVO
- NCVO (2025b). *The Road Ahead, 2025*. London: NCVO
- NIRAS (2022). *Final report: BUILD development evaluation*. Stockholm: NIRAS Sweden AB.
- Wiepking P. and De Wit, A. (2024). 'Unrestricted funding and nonprofit capacities: Developing a conceptual model'. *Nonprofit Management and Leadership* 34(4):801–24.
- UK Government (2024).

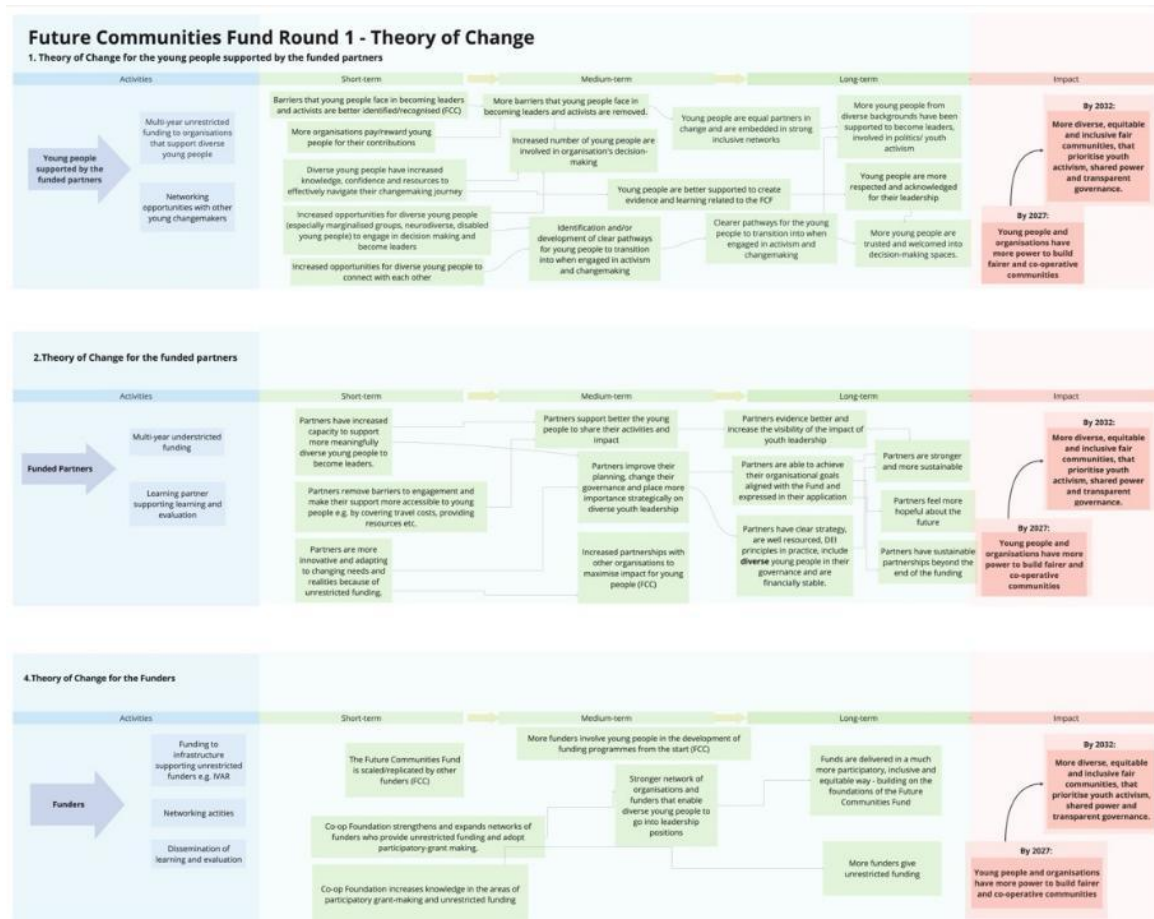
Appendix one: Funded organisations

The table below lists the 13 organisations funded by the Future Communities Fund. All 13 organisations participated in the research covered in this report.

Funded organisation	Summary of purpose and activity	Annual income in the financial year ending in 2022, before the award of the Co-op Foundation grant	
		Annual income (£k)	Proportion of annual income that was unrestricted
21 Together	Supports children and young people with Down's syndrome.	252k	19%
Girls Into Coding CIC	Supports girls in pursuing careers in technology and helps bridge the gender gap in STEM.	90k	N/A as CIC
North West Migrants Forum	Supports refugees and migrants in the northwest of Northern Ireland.	£173k	2%
Nurturing Foundations	Helps young people, particularly those from global majority backgrounds, to develop the aspirations, resilience, and skills to flourish, and the confidence to play an active role in civic life.	£133k	27%
Reestablish Leeds	Shifts power to young people affected by deprivation to discover and actively pursue opportunities to develop their potential while also helping others.	£178k	7%
The Rise Collective	Supports disenfranchised 16 to 25-year-olds to thrive personally, creatively and professionally.	£60k	27%
RJ Working	Shifts power to young people to create fairer communities through Restorative Leadership programmes.	£94k	37%
Roar Pursuits CIC	Helps disadvantaged young people with experience of the care system to overcome barriers.	£61k	N/A as CIC
Romano Lav	A Roma youth-led organisation, challenging discrimination and promoting equality.	£99k	8%
Skills & Volunteering Cymru	Enhances the lives of disadvantaged and vulnerable members of the local community through volunteering.	£236k	47%
Step Now Global CIC	Utilises the power of relatability, role-playing, and immersive experiences to mentor, educate, and empower young people from disadvantaged backgrounds.	£101k	N/A as CIC
The Gina Project CIC	Supports young people who are survivors of rape and sexual abuse.	£44k	N/A as CIC
Youth Work Unit Yorkshire and Humber	Supports youth work organisations and young people to take informed action on issues that affect their lives.	£239k	39%

Appendix two: The Future Communities Fund's theory of change

In developing the Future Communities Fund round one, the Co-op Foundation worked with the Future Communities Collective, a group of diverse young people, to develop a detailed theory of change, which was used to commission and inform the learning and impact approach of the funding programme. This detailed theory of change is set out below.



Appendix three: The Future Communities Fund learning and evaluation framework

The research reported in this paper was guided by learning questions set out in a learning and evaluation framework for the Future Communities Fund. This framework was co-created by IVAR, the Co-op Foundation and the thirteen funded organisations.

The framework is structured in line with the four levels where Future Communities Fund is expected to have an impact. These impact types, together with the learning questions for each, are set out in the tables below.

For each level, the framework poses an overarching learning question with a series of sub-questions to guide research activities. The overarching learning questions are designed to be broad and open-ended, allowing space for research to uncover unexpected findings. The sub-questions similarly include a set of general questions that are not prescriptive of the changes we expect to see, although they also include some questions that specifically address Future Communities Fund strategic themes around 1) youth activism and shared power and 2) diversity, equity, and inclusion.

Please note that the research findings set out in this report were principally focused on the first two themes. Other themes will be covered in other learning reports during the five years

Table 1 - Future Communities Fund learning and evaluation questions

Impact type	Activities	Main learning question	Learning sub-questions
Funder behaviour	Training Internal learning Using a learning partner	What behaviours are required for the Co-op Foundation to be an open and trusting funder in the field of youth participation?	General <ul style="list-style-type: none"> What behaviours and skills do the Co-op Foundation need to adopt as it engages in unrestricted and participatory grant-making? How can the Co-op Foundation build strong, trusting relationships with its Funded Partners? How can the Co-op Foundation integrate participatory approaches into its work?
Impact on funded organisations	Multi-year unrestricted funding	Has multi-year unrestricted funding made a difference to Funded Partners and, if so, how?	General <ul style="list-style-type: none"> What has FCF funding enabled Funded Partners to do that they couldn't have achieved without it? How do Funded Partners perceive that young people are benefitting from any organisational changes made? FCF themes <ul style="list-style-type: none"> Have Funded Partners strengthened young people's involvement in organisational governance and leadership and, if so, how? Have Funded Partners made opportunities for young people's

			<p>involvement more equitable and inclusive and, if so, how?</p> <ul style="list-style-type: none"> • How does involving young people in governance impact an organisation's ability to deliver its mission successfully? • Have Funded Partners encountered any barriers or challenges as they try to involve young people more?
	Learning Partner support for learning and evaluation	Has IVAR's support made a difference to the Funded Partners, and if so, how?	<p>General</p> <ul style="list-style-type: none"> • What difference has IVAR's support made to the Funded Partner's knowledge, skills, and capacity especially around learning and evaluation?
Impact on young people	Multi-year unrestricted funding to organisations that support diverse young people.	To what extent have young people benefitted from the activities and services delivered by Funded Partners and, if so, how?	<p>General</p> <ul style="list-style-type: none"> • What difference has engaging with the Funded Partner made to the lives of young people? <p>FCF themes</p> <ul style="list-style-type: none"> • What roles are young people taking in Funded Partners and how are they benefitting from them? • Where young people take on leadership roles, what training and support have they received and how have they benefitted from this? • What barriers have young people faced in accessing and performing leadership roles, and how did they overcome them?
	Opportunities for young people to learn and network with their peers.	Have young people benefited from their involvement in FCF and, if so, how?	<p>General</p> <ul style="list-style-type: none"> • How have Young Researchers benefited from their involvement in FCF learning activities? • What connections do young people make with their peers from other Funded Partners?
Influencing the practice of other funders	<p>Funding to infrastructure supporting unrestricted funders e.g. IVAR.</p> <p>Networking activities.</p> <p>Dissemination of learning and evaluation.</p>	To what extent is FCF helping to change the funding practices of other funders and, if so, how?	<p>General</p> <ul style="list-style-type: none"> • What influence is FCF having on the practices of other funders? • Are other funders changing the way they evaluate the impact of unrestricted funding? <p>FCF Themes</p> <ul style="list-style-type: none"> • Are other funders of youth participation adopting more participatory approaches?

Appendix four: Topic guide for the semi-structured interviews

The research findings presented in this paper were based on data collected from semi-structured interviews with funded organisations. The topic guide used for these interviews is provided below. The questions provided the interviewers with a broad framework for their interviews and were not stuck to rigidly. Rather, interviews were conducted in a free-flowing style, allowing scope for skilled and experienced researchers to explore interesting avenues of inquiry relating to the overarching research question.

Introductory questions

1. Looking back at the notes from our inception meeting with you at the beginning of 2024, you said that you hoped FCF funding would help you to [insert a summary of what was said]. Is that a fair summary of what you had hoped to achieve?
2. Has anything in the past year led you to adjust your aspirations for the FCF grant?

How FCF has affected your organisation

3. Could you describe the difference (if any) that being an FCF Funded Partner has made to your organisation?

Additional prompts:

- *What has FCF funding enabled you to do that you couldn't have done otherwise?*
- *How has your organisation changed because of FCF funding?*
- *What have been the most beneficial features of FCF funding?*
- *Has the learning programme (i.e. the annual learning event in London and the learning and peer support sessions) helped you in any way?*
- *Has the funding and support had any negative impact on your organisation?*

4. Have the changes you describe made a difference to how you engage and work with young people? If yes, please describe them.

Additional prompts:

- *Has FCF multi-year unrestricted funding given you more freedom to:*
 - *become more responsive to the needs of young people?*
 - *become more creative and innovative in how you work with young people?*
 - *devolve more power to young people (e.g. by involving young people in organisational governance and leadership)?*
 - *advance equity, diversity and inclusion?*
- *Have you encountered any barriers or challenges as you try to involve young people more? If yes, please describe them.*

How FCF has affected young people

5. In general, how do young people benefit from engaging with your organisation?

Additional prompts:

- *How do young people benefit from accessing your activities and services?*
- *How do young people benefit from getting involved in organisational governance and leadership?*

6. How have young people benefitted from the changes your organisation has made as a result of receiving FCF funding?

Your views on the Co-op Foundation

7. How would you describe the experience of working with and being funded by the Co-op Foundation to date?

8. Are there any things that you would like the Coop Foundation to do differently?

Additional prompts:

- *Are there things you would like the Co-op Foundation to do less of?*
- *Are there things you would like the Co-op Foundation to do more of?*
- *How could the Co-op Foundation improve as a funder?*

9. From your perspective, does the Co-op Foundation differ from other funders?

Additional prompt:

- *If yes, how?*
- *If no, in what ways are they similar to others?*

Closing questions

10. Reflecting on your FCF experience, what advice would you give an organisation that is thinking about applying to the second FCF funding round?

11. Is there anything else we've not discussed that you'd like to mention?

12. Is there anything you would like to ask me?