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Not just another grant

Lessons from the development of three citizen-led pooled funds

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Authorship and acknowledgements

This report has been written by Dr Chris Mills and Ben Cairns, based on research carried out by the authors and Fiona Ellis.

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Executive summary

This research report aims to make a significant contribution to knowledge about the emergent landscape of pooled funds that utilise citizen-led grant-making ('CLG pooled funds'), which is especially evident in Scotland. Such approaches have gained traction recently as a means to challenge established funding structures, overcome siloed working, engage communities in decision-making that affects their lives, tackle deep-rooted social challenges and bring about transformational change.

The research explores how funders can create the conditions for success when establishing CLG pooled funds by focusing on the development phase: the period before formal funding agreements are signed and the fund becomes operational. The development phase is decisive because it is where funders align on purpose, design governance and operating arrangements, and build the trust and confidence required to devolve power − first to the pooled fund and then to citizens.

The research is based on a review of documents and 16 semi-structured interviews with funders (charitable trusts and public bodies) and host organisations from three pioneering Scottish CLG pooled funds that moved from development into delivery during 2024–2025:

- **Clackmannanshire Transformation Space (CTS):** a place-based partnership aiming to break down siloed funding, prioritise the experience of community members, and shift local public services towards prevention and relational practice.
- **The Independent Human Rights Fund for Scotland (IHRF):** a national collaboration to defend and realise human rights.
- **Regenerative Futures Fund (RFF):** a co-designed, community-rooted pooled fund providing unrestricted long-term funding to tackle poverty, racism and climate change in Edinburgh.

These CLG pooled funds represent a model of collaboration in which multiple funders from the charitable and public sectors contribute to a shared financial resource, which is then allocated through an agreed-upon CLG decision-making process. They share a common architecture, including a host organisation that provides day-to-day administration and support for citizen decision-makers; and an oversight mechanism that provides assurance that decisions are legally compliant and aligned with the agreed purpose without overriding community choices.

The research finds that CLG-pooled funds require a way of working that is materially different from more conventional funding approaches. They introduce practical and cultural challenges around governance, design, risk, accountability, and the redistribution of power.

Six themes emerged as central to the successful development of CLG pooled funds:

1

Collaborative leadership and project management:

Development commonly took three-to-five years and required visionary, active and inclusive leadership to build momentum and trust among funders and communities. It also benefited from dedicated project management resources to resolve detailed governance and operating questions, coordinate stakeholders across different stages of the development cycle and secure funder approvals.

2

Establishing clarity of purpose:

Funds were strongest when they began with a shared diagnosis of what was working for communities, commissioned independent scoping to build a common evidence base, and repeatedly returned to a single shared *'north star'* underpinned by common values that could hold together various institutional agendas.

3

Harnessing synergistic value:

Collaboration created value beyond money. Combining complementary roles and assets across public and charitable funders, fund hosts, civil society and citizens expanded access to expertise, networks and legitimacy.

4

Pooling sovereignty:

Funders realised that contributing to a pooled fund was *'not just another grant'*. It required ceding unilateral control, avoiding vetoes, adapting internal approval processes, tolerating uncertainty and adopting a posture of stewardship rather than ownership.

5

Committing to citizen-led grant-making

Securing citizen involvement depended on making power-sharing real (not advisory), agreeing on CLG processes, recognising and recompensing community members, and selecting experienced fund hosts able to recruit, train and support citizen panels to ensure informed and fair decision-making.

6

Understanding accountability

CLG pooled funds involve multiple actors, which can blur lines of responsibility. It was therefore important to clarify where accountability would lie within the funds' governance structures. Effective models created oversight boards to shoulder responsibility and protect citizens on CLG panels, without undermining the CLG panel's decision-making.

Overall, the report concludes that the development phase can be understood as collective due diligence on the collaboration itself. Investing time in *'bottoming out'* purpose, governance, accountability and support for citizen decision-makers reduces the possibility of conflict or backsliding once the fund is operational. At the same time, the process needed to be balanced by a readiness to challenge the status quo and take risks to ensure that the initiatives' ambitions were not unduly stalled.

The report also highlights how CLG pooled funds emerge as learning systems, not just funding mechanisms. They are not only vehicles for funding communities, they are organisational change investments for funders − enabling shifts from control to trust, from individual frameworks to aligned strategy, and from linear accountability to shared, process-based assurance. Where funders are prepared to engage with these demands, CLG pooled funds offer significant potential to reshape power, strengthen legitimacy and contribute to long-term, transformational change.

Introduction

Funder collaboration is becoming an increasingly prominent feature within the funding landscape. This growth is evident across the UK, where more funders are working together to address complex social challenges. In a 2021 survey of Association of Charitable Foundations (ACF) members, 97% of respondents said they had already collaborated with other funders or were interested in doing so. As of March 2026, the Funders Collaborative Hub lists 147 live and 46 emerging opportunities.[1]

Funders are motivated to make the most of a collaborative advantage, where they can achieve more by partnering with others than they can accomplish alone.[2] They collaborate to make greater progress at scale, enhance efficiency, share risks, build and share knowledge, and ultimately contribute to greater impact.[3] Funders collaborate in various ways, including through learning networks that share information and discuss common issues, strategic alliances in which they align strategies while maintaining separate grant-making, and pooled funds in which they contribute to a single shared fund that uses agreed-upon decision-making mechanisms for awarding grants.[4] Of these, pooled funds tend to require the deepest form of collaboration.

A note on terminology

This report frequently refers to 'pooled funds' and 'Citizen-led Grant Making'. When using these terms, we mean:

- **Pooled Funds:** A form of funder collaboration in which funders contribute to a single pot of money (either hosted by an existing entity or through the creation of a new one), which is then granted by the collaborative using decision-making mechanisms jointly agreed by the funders.[5]
- **Citizen-led Grant-making (CLG):** A grant-making process that transfers power over funding decisions to the people most affected by the issues.[6] CLG is a type of participatory grant-making that emphasises citizen-led decision-making rather than being simply consultation-based.

We also combine these terms to create an overarching name for a pooled fund that uses CLG:

- **CLG pooled fund:** A funding model where multiple funders combine resources into a single, shared pot of money, delegating grant decision-making power to community members with lived experience.

1 Cooke, 2022; Funders Collaborative Hub: https://www.funderscollaborativehub.org.uk/collaborations
2 Huxham, 1996
3 Baumgartner and Sachrajda, 2024; Gibson and Mackinnon, 2009; Kania and Kramer, 2011; Pole, 2016; Powell et al., 2018; Powell et al., 2025
4 Gibson and Mackinnon, 2009; Hamilton, 2002; Huang and Seldon, 2014.
5 Gibson and Mackinnon, 2009; Hamilton 2002
6 Gibson, 2017 & 2018; Price et al, 2024

In Scotland, we have seen the emergence of some pioneering pooled funds that use CLG, including the Clackmannanshire Transformation Space (CTS), the Independent Human Rights Fund for Scotland (IHRF), and the Regenerative Futures Fund (RFF). These funds have sought to engage philanthropic and public-sector funders and overcome the limitations of siloed working. They have also drawn on a progressive movement of funders in Scotland who are embracing CLG approaches that shift decision-making power towards the people and communities most affected by the issues they seek to address. In doing so, they offer the potential for genuinely transformational change.

The use of CLG is founded on the belief that lasting and meaningful social change requires a redistribution of power. It challenges traditional funding models in which decision-making authority is concentrated among wealth and resource holders, often resulting in top-down solutions that fail to reflect lived experience. As a corrective to these critiques, CLG places resources and influence in the hands of those with deep connections to the issues and communities concerned, ensuring that people whose lives are affected by funding decisions are meaningfully involved in shaping them.[7] By inverting conventional power dynamics, CLG represents a significant innovation in grant-making practice, driven by motivations that include: advancing social and racial justice, strengthening participant voice, diversifying decision-making, encouraging risk and innovation, and fostering stronger community support.[8]

While there is growing interest in both collaborative and CLG funding models, these approaches require new ways of working and present practical and cultural challenges, particularly for funders accustomed to more traditional funding arrangements. Realising the benefits of collaboration and CLG are not straightforward, and poorly designed initiatives may even be counterproductive.[9] Pooled funds, in particular, challenge established funding practices by demanding new structures, processes, and organisational cultures to support deeper collaboration. For collaboration to be effective, funders must align interests and objectives while establishing mechanisms to manage disagreement and sustain consensus. These challenges are further intensified when CLG is introduced, becoming a double devolution of power – first to the pooled fund and then to citizens – which often requires funders to relinquish control in ways that may be unfamiliar.

Academic and practitioner literature has already explored success factors related to funding for collaboration and CLG. The conditions and factors required for successful collaboration include: funders' readiness to collaborate, clear goals, strategy and values, governance and operating structures, relationships and trust, and processes to support learning and evaluation.[10] Similarly, the literature has highlighted what is required for CLG to be successful, including: establishing clarity of purpose, authentic power-sharing, inclusive participant recruitment, trust and transparency, compensation and recognition for participants, learning and adaptation, managing conflicts of interest, and adequate resourcing of the process.[11] This clearly underscores the importance of establishing effective internal systems and processes. However, while the combined literature on funder collaboration and CLG highlights what makes initiatives successful,

7 Hauger, 2023; Price et al., 2024
8 Ang et al., 2023; Evans, 2015; Gibson, 2018; Hauger, 2023; Husted et al., 2021; Price et al., 2024
9 Pole, 2016; Seldon et al., 2013
10 Bartczak, 2015; Baumgartner and Sachrajda, 2024; Buchanan, 2017; Gibson and Mackinnon, 2009; Hamilton, 2002; Huang and Seldon, 2014: Kania and Kramer, 2011; Porter et al., 2017; Powell et al., 2018; Powell et al., 2019; Seldon et al., 2013.
11 Ang et al., 2023; Gibson, 2018; Gordon Brown, 2023; Hauger, 2023; Meyer et al., 2021

it is relatively silent on how funders should approach the development phase to achieve these governance and operational outcomes.

Our research, therefore, aims to address the question: **How can funders create the conditions for success when setting up CLG pooled funds to address complex issues?**

In posing this question, our intention is to focus on the development phase of the CLG pooled funds – that is, the period before formal funding agreements are signed. Given the complexities involved, navigating this process and transitioning into the delivery phase can, in and of itself, be regarded as success. Obviously, the long-term success of the pooled funds will be determined by how well they meet their stated objectives, but since these are ventures lasting up to 10 years, we cannot yet determine that. For now, a fully functioning, effectively operating CLG pooled fund can reasonably be considered the initial mark of success.

Our research, therefore, focuses on the three pioneering CLG pooled funds in Scotland noted above, which successfully transitioned from the development to the delivery phase during 2024−2025. These case studies were investigated through a mixture of document analysis and semi-structured interviews with a range of stakeholders. Full details of the research methods used are set out in Appendix one. A summary of each case study is provided in Part one below, followed by our research analysis in Part two and some reflections in Part three.

Part one:
Case study summaries

1

Clackmannanshire Transformation Space (CTS)

Overview

CTS is an innovative place-based partnership between Clackmannanshire Council, The Scottish Government, funding partners and local residents. It is designed to transform public service delivery by removing siloed funding and putting citizen voice at the centre of decision-making. It seeks to shift local systems towards more preventative and relational models of public services that will reduce demand caused by failed services and foster sustainable, long-term change.

Fund aims

CTS aims to transform how services are delivered through a citizen-led funding panel with access to dedicated funding and support. The fund is focused on prevention and early intervention, and is tackling pressing local issues such as homelessness and mental health.

The Fund has four main goals:

- Develop the conditions to enhance wellbeing and capabilities.
- Create a community where everyone has the opportunity to flourish.
- Make a radical shift towards a preventative and relational model of public services.
- Put the voice and agency of Clackmannanshire people and communities at the heart of decision-making.

Funders

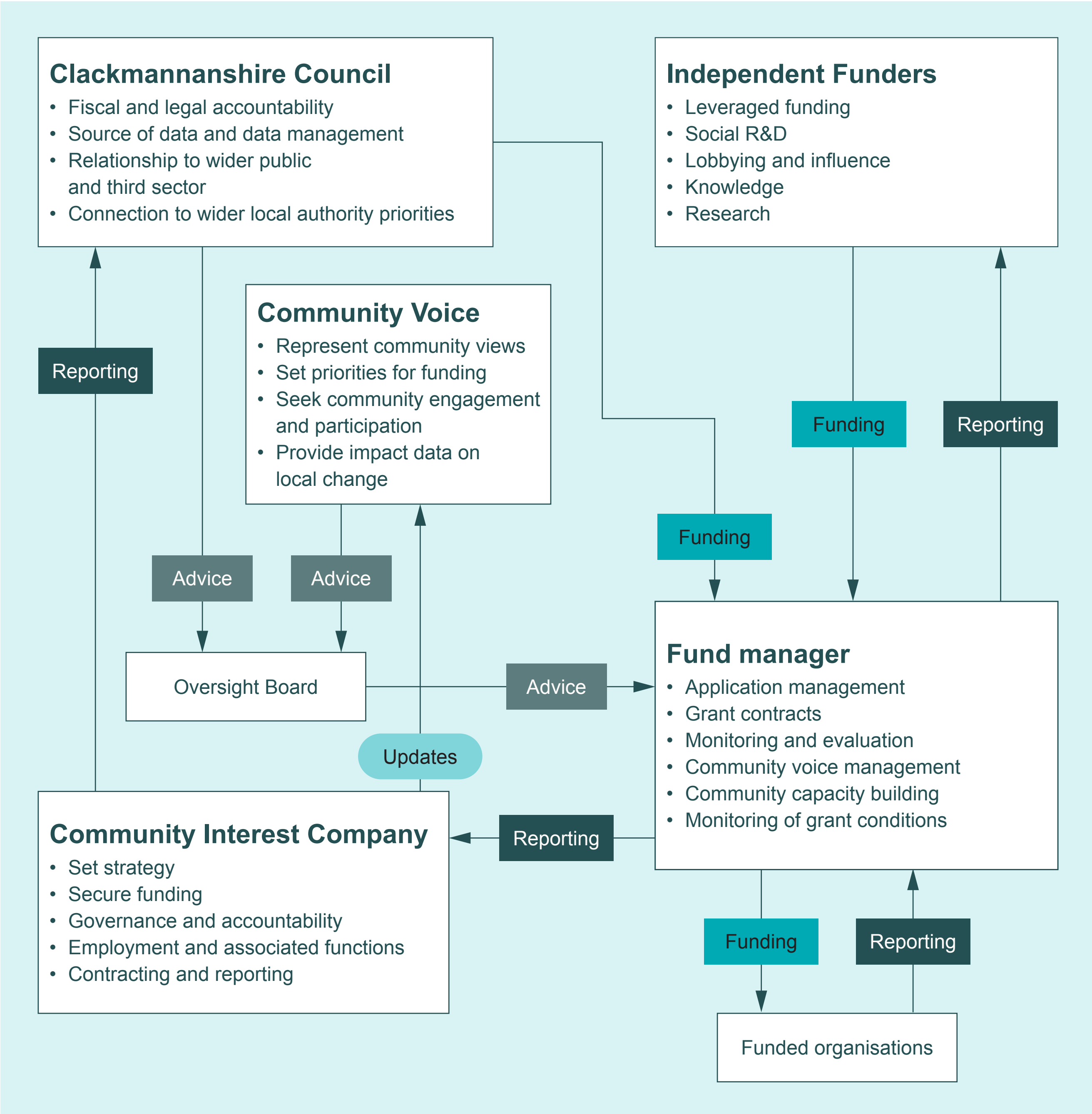
CTS is supported by funding from the Scottish Government's Invest to Save Fund and various departments within Clackmannanshire Council. It has also benefited from initial three-year seed funding and extensive developmental support from the Hunter Foundation. In addition to their financial contributions, funders add value through influence, knowledge and research. Further independent funders are currently being recruited.

Governance

Governance is distributed across a multifaceted structure, which is illustrated in Figure 1. At its heart, a Community Voice panel of local people with lived experience leads decision-making, which empowers citizens to actively shape the community's future. The key bodies within the governance structure comprise:

- **Clackmannanshire Council:** A founding partner and contributor of funding from various departments.
- **Independent funders:** They provide funding, but also influence, knowledge, and access to diverse networks.
- **Community Voice:** A citizens' panel of Clackmannanshire residents drawn from all parts of the community. They provide their experience and local context to the challenges being tackled, set the funding themes and specifications, and select proposals for support.
- **Clackmannanshire Transformation Space Community Interest Company:** A newly created entity established to oversee the strategic management and contracting on the fund. It is responsible for ensuring that Community Voice leads decision-making and manages the Oversight Board.
- **Oversight Board:** Composed of representatives from various stakeholders, including elected council members, citizens' panel members, the Health and Social Care Partnership, NHS Forth Valley, and Public Health Scotland. It ratifies grant decisions made by the Community Voice panel.
- **Fund Manager (Foundation Scotland):** Funding is provided to the Fund Manager, who then manages the grant application process, issues grant contracts and oversees monitoring and evaluation. As part of this, it supports the Community Voice panel to make funding decisions.

Figure 1 – CTS's governance and operational structure



Funding distributed to date

As of March 2026, CTS had completed two rounds of funding, with another two funding rounds currently live. The first round commenced in 2025 with a fund for preventing homelessness. A second round, which focused on mental health issues for young people, was also completed in early 2026. The third and fourth rounds focus on supporting women and girls, and employment and employability. CTS is on track to deliver up to £900k to local projects during its first year of grant-making.

Independent Human Rights Fund for Scotland (IHRF)

Overview

The IHRF is a collaboration between independent funders in Scotland to defend human rights, bridging the gap between policy and the reality of people's everyday lives. Launched in 2024, it funds non-statutory organisations to deliver support to people whose rights are most at risk, including children and marginalised communities. Shifting power and sharing learning are central to the fund.

Fund aims

The IHRF aims to support action to realise and defend rights, and tackle immediate rights issues affecting people's daily lives. In particular, it will:

- Enable organisations working in Scotland to close the gap between policy and practice, and the lived experience of people whose rights are most at risk.
- Help unlock the power of people, communities and organisations to name and claim their rights and hold duty bearers to account.
- Create conditions for a strong human rights sector in Scotland.

The fund is governed through a formal funders' agreement and delivered by Corra Foundation as the host organisation. A core feature of IHRF is its commitment to participatory decision-making, with people who have lived experience of rights barriers directly involved in shaping funding decisions and priorities.

Funders

IHRF is supported by a group of charitable trusts and foundations. The founding funders were The Baring Foundation, Cattanach (now operating as Elevate Great), Corra Foundation, The Robertson Trust and William Grant Foundation. Other funders have since joined the fund, including AB Charitable Trust, The Binks Trust and Indigo Trust.

Governance

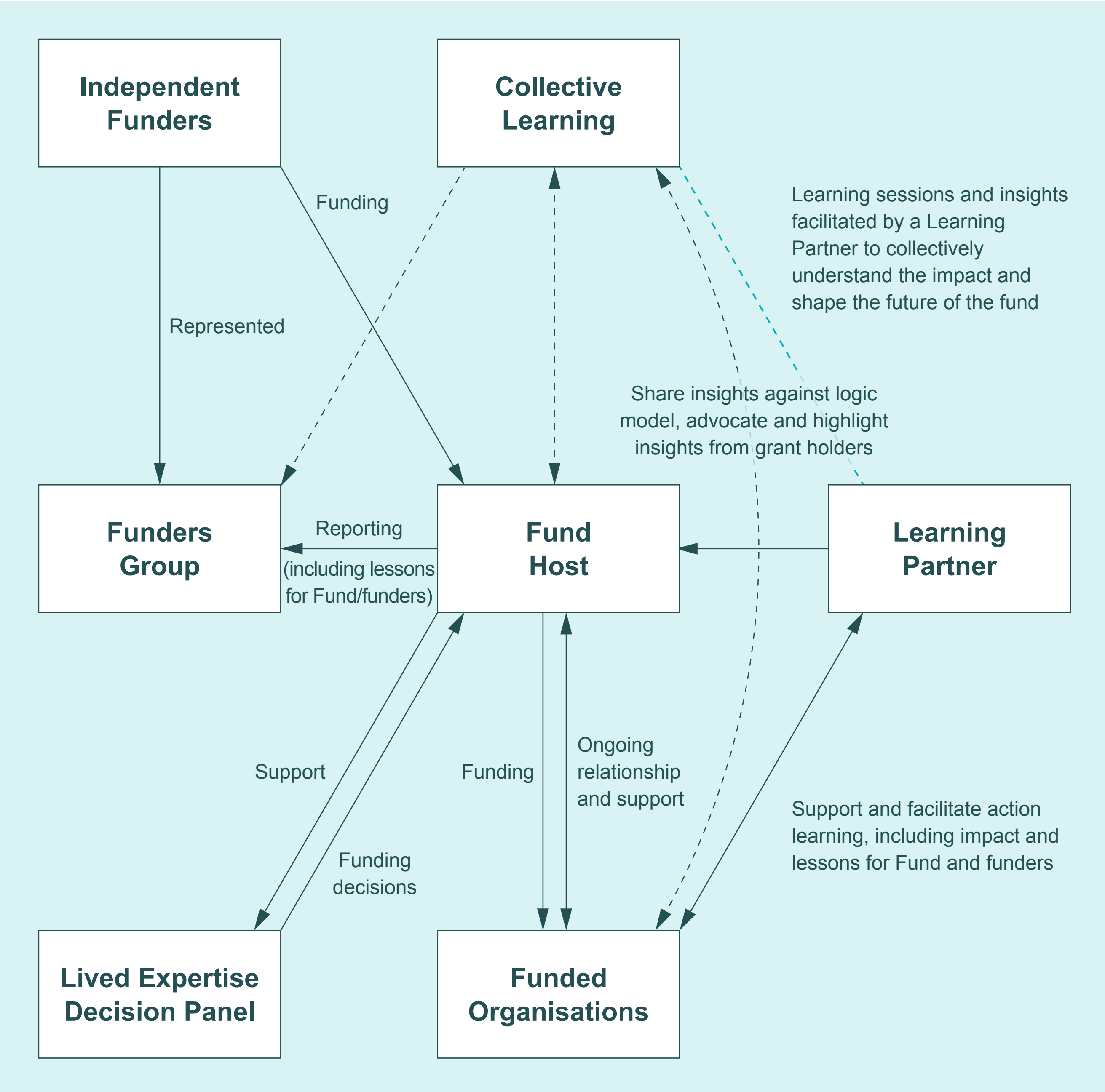
The fund is governed by a Founding Funders Agreement signed in 2023. This initial agreement included provisions for the formation of a short-term working group to oversee the fund's further development until March 2024. This included establishing the participatory approach and framework, the funding decision-making structure, parameters for funding criteria, and the learning framework and communication arrangements with the funders. The funders' agreement will run until the conclusion of the first four-year phase of funding in June 2027, although it is likely to be renewed as the ambition is to run the fund over 10 years.

The governance structure of the fund is illustrated in Figure 2. The key bodies within this comprise:

- **Independent funders:** A range of funders, as listed above. As well as providing funding, funders are expected to contribute intelligence to the long-term strategic and investment plan, share reflections to inform future phases, and offer their individual and organisational networks, expertise, and knowledge.
- **Funders group:** Comprised of representatives from the funders, it reviews the fund host's delivery arrangements and ensures they remain on track.
- **Fund host:** The Corra Foundation undertakes day-to-day management and delivery of the fund. This includes supporting a Lived Expertise Decision Panel.
- **Lived Expertise Decision Panel:** The panel is made up of 10−12 people with lived experience and learned expertise of human rights issues. It makes grant decisions, with support provided by the fund host. The fund host openly invites people whose rights are most at risk to join the panel, thereby promoting diversity, equity and inclusion.

All funders receive a shared progress update on a bi-annual basis, produced by the fund host. Funders also attend collective learning sessions with funded organisations and others to allow for the sharing of insights, emerging evidence, and lessons for the evolution of the fund and the work.

Figure 2 – IHRF's governance and operational structure



Funding distributed to date

The fund commenced grant-making in 2024 with two funding rounds, with a further funding round in 2025. As of March 2026, the fund had awarded £1.4m in grants.

Regenerative Futures Fund (RFF)

Overview

RFF is a pioneering ten-year, place-based pooled funding initiative for Edinburgh designed to address the root causes of poverty, racism, and the climate emergency. The fund supports grassroots organisations and collectives, shifting decision-making power to those most affected by these issues and fostering collaboration to address structural causes of disadvantage. The initiative focuses on long-term, unrestricted funding to support systemic change.

Fund aims

RFF aims to improve the lives of people living in poverty and experiencing racism, and contribute towards a just green transition, by enabling equity, power-sharing and long-term change.

Funders

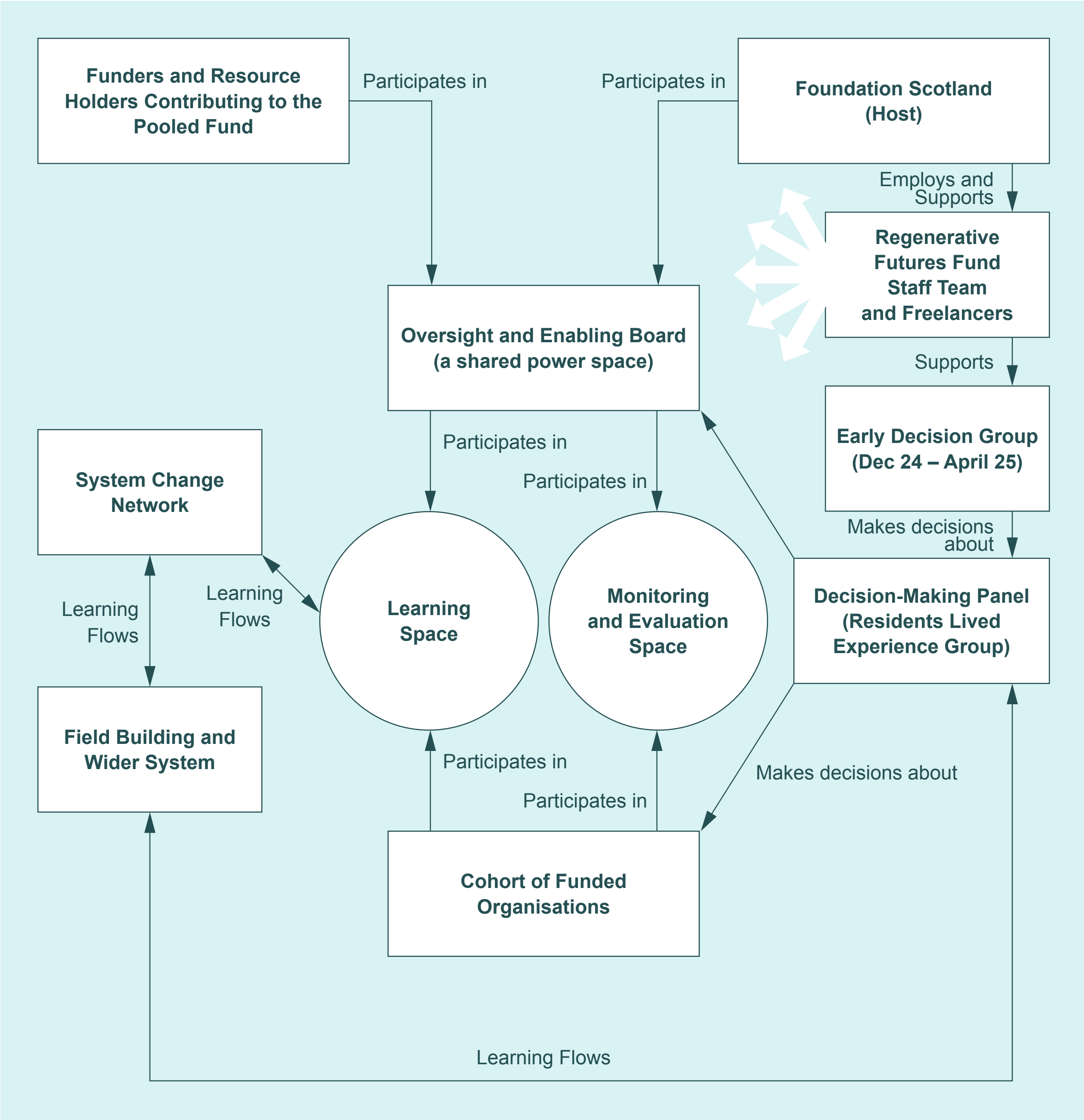
The overall funding target is £15.8m. As of March 2026, the fund has raised £9.1m from various funders, including the City of Edinburgh Council, the National Lottery Community Fund Scotland, The Robertson Trust, Turn2us Edinburgh Trust, Esmée Fairbairn Foundation, Foundation Scotland and the William Grant Foundation, as well as several individual philanthropists.

Governance

Governance is delivered through a *'governance eco-system'*, a framework that balances oversight and accountability with the decision-making power of residents with lived experience. The framework is illustrated in Figure 3 and includes:

- **Independent funders:** A range of funders from both the public and charitable sectors. Funders participate in the Oversight and Enabling Board and the learning spaces.
- **Fund host:** Foundation Scotland's role as fund host is supportive and collaborative, working with the RFF team on areas such as finance, communications, policy development and pooled fund development. There is a strong emphasis on collaboratively sharing learning to develop programmes for long-term, place-based systemic funding.
- **RFF staff and freelance team:** The RFF staff team is employed by the fund host and is responsible for the day-to-day management and delivery of the programme, working alongside and supporting the Residents Panel, and building partnerships with funders and philanthropists to reach the overall funding target.
- **Residents Panel:** A decision-making panel of 15 individuals from Edinburgh who have lived experience of poverty and racism. The panel makes funding decisions with support from the fund host and other advisers.
- **Oversight and Enabling Board:** The Board provides strategic support to the fund and ensures appropriate oversight of its progress and outcomes. It is composed of representatives from the funders, the fund host and the Residents Panel.
- **Learning Space and Monitoring and Evaluation Space:** The Learning Space and the Monitoring and Evaluation Space provide opportunities for funders, the fund host, funded organisations and members of the Residents Panel to come together to learn about making change.

Figure 3 – RFF's governance and operational structure



Funding distributed to date

The first funding round was opened in 2025. It generated 97 proposals, from which the Residents Panel selected 34 organisations to advance to the next application stage. In early 2026, RFF was working towards awarding an annual unrestricted grant of £100,000 for ten years to between 10 and 15 organisations.

Part two:
Research findings

2

In Part two, we present our findings from the data analysis under six headings, each covering a key issue addressed by our case study funders during the development phase of their CLG pooled funds:

- Collaborative leadership and project management
- Establishing clarity of purpose
- Harnessing synergistic value
- Pooling sovereignty
- Committing to CLG
- Understanding accountability

Under each theme, we discuss some of the challenges faced and how funders addressed them. We also provide key takeaway summaries at the end of each section, which readers from funding organisations may find helpful when exploring their own collaboration and CLG initiatives or interests.

1. Collaborative leadership and project management

Collaborative leadership and project management were essential to the development phase of each of the three case studies. Across the three pooled funds, the development phase took between three and five years and involved extensive work on both the *what* and the *how*. This included defining goals and strategy, as well as developing and agreeing on governance and operational arrangements. Securing key decisions on these from funders was often a lengthy process. Working through this process required a combination of collaborative leadership and strong project management.

Collaborative leadership

Leadership, either from an individual or an organisation, was needed to *'make the running'* and drive the development phase. In each fund, leaders played a significant role in framing the need for change, engaging stakeholders and building enthusiasm for their fund's vision. As one noted:

> *'She is a particularly visionary leader who has a track record of supporting innovation with reputation in the bank … and has been effective at convincing her peers and politicians of this approach.'*

The leadership style was also important. Across all three funds, leaders adopted a collaborative approach that emphasised connection and sharing, deliberately steering clear of traditional top-down control: *'We led, but not in an "it's our way" manner'*. Leaders worked inclusively both across and within organisational boundaries. One leader described their role as a *'subtle architect'*.

> *'We wanted the fund to happen and succeed, and we've been prepared to drive and administer it, but always in a partnership way. There's a risk that, in making the running, others see the project as ours, but we don't want that.'*

A collaborative leadership style was also critical to convening people and bringing on board other funders and other partners, including community organisations and citizens. Leaders needed the confidence and ability to relinquish control and help partners reach decisions within collective spaces. In meetings, external facilitators were sometimes brought in to allow leaders to *'take a back seat'* and foster a shared sense of project ownership. Creating an inclusive culture helped to build trust and foster shared responsibility.

> *'Leadership, and the behaviours leaders adopt, are critical to engaging and convincing people. She has brought an open and sharing way of working and an inclusive culture to draw people into the project.'*

Resilience was another key feature of collaborative leadership within the case studies. In the face of long development time frames, coordination challenges, and *'overcoming scepticism about whether we can actually make this work'*, those individuals taking leadership roles required plenty of resilience to continually drive the collaboration forward.

These findings accord with previous IVAR research into voluntary sector collaboration, where we found 'collaborative champions' playing a key role in visioning, gathering, and galvanising partnership working.[12] These champions are necessary for collective ventures to get going. That said, as we note below, new collaborations also require administrators to attend to the nuts and bolts of partnership working, which requires an additional skill set.

Project management

The development phase of the three funds relied heavily on project management expertise due to the intricate nature of the funds' governance and operational structures. Project management expertise also supported the development of the funds' goals and strategy. Since those skills often differ from leadership qualities − and the two are seldom found in a single individual − two of the funds engaged dedicated project management personnel. This helped to ensure effective and thorough planning for the funds' governance and operational arrangements.

The complexity arising from the involvement of multiple groups needed to be effectively managed. In designing governance and operational systems, project managers had to consider the roles of various stakeholders, including funders, a fund host, a CLG panel, oversight mechanisms, and a platform for learning. Off-the-shelf governance structures could not be used, as there were few examples to reference, and the arrangements needed to be customised to fit each specific context.

Making choices required input from multiple stakeholders, including funders, community organisations and citizens. Funders needed to become comfortable with the governance and operational arrangements they would be agreeing to. Within each organisation, from an early stage, it was important to engage with the sceptics and 'barrier creators', as well as the enthusiasts. This could result in extended back-and-forth between project managers and funders to 'bottom out important stuff'. In some cases, waiting for approvals from the funders could also take a long time because key decisions had to be approved by trustee boards or, for public-sector funders, by elected officials or senior officers.

> *'There were lots of questions about how the fund would work, which had to be dealt with. As each issue arises, you need to address it. This requires problem-solving ability and bringing in external expertise.'*

12 IVAR, 2011 & 2017

It was generally recognised that the local communities, including community organisations and people with lived experience, also had to be involved during the set-up phase, as '*you can't plausibly do citizen-led grant-making without citizens participating in how the fund is set up*'. Indeed, RFF was co-designed with citizens and community organisations, the fund grew out of communities, with funders alongside rather than leading. The other two cases created various mechanisms to listen and learn from communities during the development phase, including convening groups of citizens and community organisations. These processes required coordination.

The development process often took longer than expected, sometimes frustratingly so. That said, most interviewees recognised that *'you can't assume everyone is on the same page',* and while being detail-focused during the development phase may slow things down, 'this probably resulted in a better agreement'. It was generally agreed that 'having the tenacity to bottom out governance issues' during the development stage would hold the pooled funds in good standing once it became operational.

Having a dedicated project management resource to work through governance and operational questions helped to maintain momentum. Several interviewees reflected on the importance of ensuring this was adequately resourced. Having a funder − or a pool of funders − at the outset who were willing to fund or subsidise these initial costs was critical to working through the development phase.

Overall, the case studies show that collaborative leadership and project management during the development phase lay strong foundations for long-term success. While this work can be time-consuming and resource-intensive, it builds trust, clarity, and shared ownership among partners. Together, these elements enable pooled funds to move forward with confidence, resilience, and a greater chance of delivering meaningful and lasting impact.

Key takeaways: Collaborative leadership and project management

- **Invest time and resources in the development phase.** Setting up a CLG pooled fund can take several years, with prolonged negotiation and sign-off processes. Engaging and co-designing with communities and people with lived experience also takes time. Patience is needed, and funders should plan for development costs.
- **Build trust and momentum through a collaborative leadership style.** An inclusive leadership approach helps to create a shared vision, attract partners, and sustain commitment across funders and other stakeholders.
- **Fund dedicated project management alongside leadership.** Designing bespoke governance and operational arrangements requires skilled project management to coordinate stakeholders, resolve detailed issues, and maintain progress.

2. Establishing clarity of purpose

Virtually every interviewee commented on the importance of creating a clear rationale and purpose for their pooled fund. Many also noted that clarity of purpose emerged from a shared diagnosis of the problem. They described how they identified '*what was not working*' for citizens and communities, before agreeing on *'how to respond'*. For example:

- CTS was anchored in local improvement plans and the Christie Commission's critique of public service failure.
- IHRF was founded on an understanding of the daily challenges of inequality and discrimination faced by individuals, especially immigrants, and the need for an independent fund to enhance support for human rights initiatives in the country.
- RFF was built on the work of the Edinburgh Poverty Commission and its call for a radical, city-wide response to end poverty by 2030.

A clear rationale for the fund created a stable anchor to which multiple institutional perspectives could be tethered. It also helped to establish a narrative for why a fundamentally different approach to grant-making was required. This sequencing mattered: by committing first to the why, funders could tolerate ambiguity about the how without the collaboration fragmenting.

Clarity of purpose was strengthened through scoping work that built a common evidence base. Commissioning independent expert analysis helped to generate a view that funders could align with and reduced the risk of individual funder agendas dominating. The scoping phase did not simply gather information; it actively shaped the fund's strategic direction by identifying gaps, testing assumptions and confirming collective appetite to act. This meant that by the time more formal pooled funding discussions began, core principles and objectives were already well understood, and there was little appetite to reopen fundamental questions. The scoping work, therefore, served as a critical piece of sense-making, helping to transform diffuse concerns into a shared purpose.

Another vital mechanism for establishing clarity of purpose was engagement with communities and civil society organisations. Listening exercises, convenings, and co-design processes shaped the funds' goals.

> *'We brought community voice in via various convenings. It was important to bring in not just the usual suspects. We captured different experiences and opinions about what people wanted.'*

By engaging with communities, the funds grounded strategic clarity in lived experience. In RFF, engagement with community organisations and people with lived experience directly influenced the inclusion of racial equity as a core strand – an element that was absent from the fund's original conceptualisation. Similarly, CTS emphasised the importance of 'real outreach work' and relationship-building with existing community actors to avoid imposing externally defined agendas. In IHRF, there were extensive discussions with human rights organisations, which helped to ensure that the emerging purpose was not only shared among funders but also resonated with those expected to engage with or benefit from the fund.

'It's essential to create a single vision – a "north star"'

Clarity of purpose was consolidated through the explicit articulation of a single shared vision, accompanied by goals and a strategy. Across the cases, funders stressed the importance of agreeing on a common goal early and returning to this 'north star' repeatedly as decisions became more complex.

Shared values also underpinned each fund's vision and purpose. Funders' values needed to align with those of the fund, although this was often apparent, as funders shared similar motivations for getting involved. As such, agreeing on values often didn't require much discussion. That said, in one case, a funder invested in values-based training for staff to ensure alignment with the fund's collaborative values, thereby helping to secure the conditions for change.

Achieving alignment on strategy was often more challenging, as funders had to consider how their own strategies aligned with the fund's. This was a bigger challenge for some funders than for others, often determined by whether they had tight grant-making themes, theories of change, and outcome targets. Those funders with broader objectives tended to find it easier to fall in behind shared strategy. Where funders had more tightly defined goals and strategies, and there were differences, the pooled fund could try to 'meet organisations where they were'. Alternatively, funders had to flex, 'not superimpose too much of our framework' and 'respect that the fund would *have its own identity'.*

'When it came to outcomes, we're interested in financial security, and that's what we measure. For others, it was different. We ended up flexing because we didn't feel we could superimpose too much of our framework.'

Overall, the evidence suggests that pooled funds are at their strongest when stakeholders invest time upfront in building a shared understanding of the problem, grounding their purpose in lived experience, and returning consistently to a clear, collective vision. When funders align around a compelling 'why', they create the conditions for trust, flexibility, and collaboration across different perspectives. This clarity of purpose not only strengthens decision-making but also creates the conditions for CLG pooled funds to act with confidence, coherence, and lasting impact.

Key takeaways: Establishing clarity of purpose

- **Start with a shared understanding of what's not working for communities.** Agreeing first on the why creates a stable reference point.
- **Commission independent scoping work and actively engage communities and civil society.** This helps to build a shared evidence base and avoid dominance by individual funders' agendas.
- **Clearly articulate a single shared vision for the pooled fund that will act as a 'north star'.**

3. Harnessing synergistic value

The third key theme in our data analysis is the importance of harnessing partners' 'synergistic value' when developing CLG pooled funds. Synergistic value refers to the collaborative advantage created when organisations work together. Funders highlighted this as a key reason for collaboration, often citing the desire to achieve more together than if they funded alone. And it wasn't only funders who were partners in these pooled funds; other stakeholders, such as civil society organisations and people with lived experience, also played roles. Leveraging the diverse motivations, strengths, knowledge, and expertise of all stakeholders was essential to successfully navigating the development stage.

> *'We couldn't be in that position now if we didn't have a really collaborative set of actors in the little ecosystem that we have now. They're not all on the funding side, but everybody has a role to play.'*

Across the three funds, we observed a strong sense of mutual dependence that underpinned narratives of equal partnership, where funders were not simply seen as financial backers but as co-producers of change. This meant that the largest funders did not necessarily carry more influence. Moreover, collaboration was valued not only instrumentally (to 'add more value' and 'get things done') but also as an organising principle that legitimises collective action and sustains commitment over time.

The complementarity of funders' roles and capacities was another significant feature of each fund's development phase. This complementarity was perhaps most evident in the CTS case, where Clackmannanshire Council and the Hunter Foundation worked together closely. The Foundation could 'open doors' and be entrepreneurial, flexible and risk-tolerant in areas where its statutory partners would have struggled to make progress, particularly in commissioning development work. The council, on the other hand, provided a commitment to public sector reform, democratic legitimacy, and deep knowledge of place and its communities. As one interviewee observed: 'Neither Hunter Foundation nor the council could have done this on our own'. Thus, effectiveness emerged from the complementarity of funders' differing strengths.

Complementarity operated not only at the institutional level but also significantly at the individual level. In some cases, leadership and project management roles were described as having 'fallen naturally' into a productive division of labour, suggesting that individuals often found their strengths aligning with specific tasks. This reinforces the idea that effective collaboration relies on both institutional frameworks and the interpersonal dynamics among team members. When individuals are well-matched to their roles and to each other, it enhances productivity and effectiveness in achieving shared goals.

Harnessing collaborative synergy also extended to leveraging partners' social and political capital. For example, some funders drew on their own networks to enable access to expertise, such as pro bono professional services, that would otherwise have been unavailable to other funders. This illustrates how collaboration expands not just financial resources but also informational, relational, and reputational assets.

Inclusivity and learning also emerged as critical dimensions of the CLG pooled fund model. The funds accommodated funders with varying levels of experience, capacity, and financial contribution, allowing smaller or less confident organisations to participate without a minimum threshold. For some, collaboration provided a 'passport to expertise' and 'a bit of protection' when engaging in unfamiliar areas. For example, the IHRF included some funders who were relatively unfamiliar with human rights and wanted to learn more. This helped to frame the funds not merely as a financing mechanism but as learning spaces that build confidence, shared understanding, and a broader movement.

> *'A very inclusive approach was taken to building the fund. Partners could contribute different levels of funding, and smaller contributors were welcomed to broaden and build the movement.'*

The cases suggest that collaboration works best not when funders are similar, but when they are complementary. Public bodies, charitable trusts and foundations bring distinct forms of capital – political, financial, relational, and reputational – which, if utilised for the collective good, can help to develop the funds successfully. The implication is that diversity of institutional type is not a complication to be avoided, but a resource to be actively designed for. And, as noted in Section 2 above, a shared and clear sense of purpose provides the essential glue that binds them together and assists in managing their differences.

Key takeaways: Harnessing synergistic value

- **Design for collaborative synergy, not just pooled money.** Treat collaboration as an organising principle, with funders and other stakeholders working as equal partners and co-producers of change to achieve more collectively than any one funder could alone.
- **Actively leverage complementarity across institutions and individuals.** Draw strength from differences in roles, capacities, and forms of political, financial, relational, and reputational capital, allowing distinct strengths to combine productively in the fund's development.
- **Use the development phase as a learning and inclusion space.** By welcoming funders with varying levels of experience and contribution, pooled funds can share expertise, expand social, political, and relational capital, and build confidence, thereby strengthening both the fund and the wider funding ecosystem.

4. Pooling sovereignty

> *'It's important to develop an organisational posture that says the most important thing to address big challenges is collaboration – to get away from siloed working and work together with a focus on the big outcomes. You need genuine pooled sovereignty without hierarchy of ownership.'*

Entering a pooled fund requires funders to be willing and ready to relinquish individual decision-making power in favour of a shared body. One interviewee usefully described this as 'pooling sovereignty'. Although the pooling of sovereignty formally occurs when governance arrangements are signed and funding commitments made, the pooling mindset forms during the development phase. In these initial stages, funders recognised that decisions about goals and strategy, and how the fund would be governed, must be shaped collaboratively rather than under unilateral control. This required funders to give up vetoes and allow decisions to be made collectively.

The funders came with a range of strategic priorities and governance requirements, all of which had to be negotiated during the development phase. Working towards pooling sovereignty demands flexibility and openness to compromise. This includes a willingness to adapt established practices, accommodate differences, and accept a degree of uncertainty. For example, one public-sector funder recognised that, if they were going to achieve their goal of 'moving away from siloed working', they themselves had to embrace shared goals and outcomes rather than impose their own. As a result, they were a surprisingly hands-off and trusting funder.

Crucially, as funders worked towards pooling sovereignty, they had to adopt a fundamentally different organisational posture. They recognised that, within a pooled fund, there's no hierarchy of ownership over shared goals or the planned work. This marks a clear departure from traditional grant-making, where the funder retains oversight and authority throughout the funding relationship. Contributing to a pooled fund cannot be treated as a 'normal' grant; instead, funders had to recognise that power, responsibility, and ownership are deliberately dispersed across the partnership. They also had to place their trust in the fund they were creating.

> *'There should be no vetoes in ceding power. Funders must give it away and be comfortable with that. That's why we paid our full amount upfront, rather than drip-feeding it into the fund. That demonstrates trust.'*

This different posture had important implications for funders' internal governance processes, particularly around the approval of funding. This applied to both philanthropic and public sector funders. For most of them, giving to a pooled fund was *'the exception rather than the rule'*, and their standard internal approval processes – often designed for discrete, shorter-duration grants with clear lines of accountability – did not align well with signing off on a long-term contribution to a CLG pooled fund. As a consequence, several funders recognised that they couldn't treat it as 'just another grant'; a distinct internal process was needed to approve their contribution.

'For many of the funders it was probably a bit scary – they've done bigger grants before, but this was a completely different process – they'd never done it before – it was interesting to see the to-ing and fro-ing between executives and boards, as most didn't have a process for this sort of thing.'

The required procedural and cultural changes required of funders were not always easy to make. Many were unfamiliar with operating in ways that required them to *'take their hands off the tiller'*, and their comfort with ceding power varied widely. As one interviewee noted, *'funders are often focused on protecting themselves and their money'*. Moreover, multiple opinions were expressed within each funder, and some people were more willing to give up power than others. Challenges often emerged during the negotiation phase, as individuals within each funding organisation – including trustees and executive staff within charitable funders, and elected officials and officers within public sector bodies − grappled with their role in arrangements where they would be more removed from the delivery process than they were accustomed to. Some funders also experienced difficulties obtaining internal sign-off on longer-term funding without agreeing to phased payments or retaining the right to withdraw funding if things didn't pan out as hoped. These tensions show how pooling sovereignty is not only a structural change but also a cultural one.

Overall, pooling sovereignty emerges as both a structural and cultural shift that fundamentally redefines how funders work together within CLG pooled funds. While it requires funders to relinquish control, adapt internal processes, and tolerate uncertainty, this shared approach enables more collaborative, trust-based decision-making aligned with complex, long-term goals. Thus, the success of CLG pooled funds depends on a sustained commitment to new ways of working.

Key takeaways: Pooling sovereignty

- **Funders must be willing to relinquish individual control and share decision-making power.** The development phase provides space to familiarise themselves with the need for collective governance, and to trust shared processes rather than exercising unilateral authority.
- **Flexibility and openness to compromise are essential during development.** Funders need to adapt established practices to move away from siloed working and work towards shared goals.
- **Pooling sovereignty requires each funder to adapt their own internal process and cultural change.** Funders often need distinct internal approval mechanisms for pooled funds and a sustained commitment to ceding power, because the CLG pooled fund model challenges traditional grant-making norms.

5. Committing to Citizen-led Grant-making (CLG)

Across the three pooled funds, there was strong funder support for the principle of CLG as a legitimate and desirable way to shift power to communities. This commitment was usually underpinned by a convincing rationale for using CLG and an understanding that citizens could be trusted to make good decisions:

- CTS sought to directly involve residents with lived experience in designing services and allocating funds, thereby ensuring that solutions addressed the root causes of problems.
- IHRF deemed CLG essential because it directly aligned funding methods with the goals of the human rights movement and the Participation, Accountability, Non-Discrimination, Empowerment and Legality (PANEL) principles, which put people's rights at the centre of policy and practice.
- RFF wanted to shift power directly to residents with lived experience of poverty, inequality, and climate change to ensure decisions would be made by those closest to the issues, resulting in more effective, community-led, and trusted solutions.

Crucially, in the development of all three funds, there was a shared understanding that CLG panels should hold *real* decision-making authority, rather than viewing community voice as *advisory*. Funders recognised that, once the pooled fund was set up, they must resist the temptation to meddle in the decisions made through the CLG process. Power-sharing had to be authentic.

Among a small number of funders, some personnel found it difficult to accept ceding power to CLG panels, raising various practical concerns. Trustees and staff within charitable funders, and elected representatives and officers within councils, who had long experience with traditional funding approaches, sometimes expressed scepticism and required persuasion. Some worried − or were even *'slightly squeamish'* − that CLG panels '*might make risky or unexpected decisions'* that diverged from their own expectations or established norms, and which they themselves would not make. At some public-sector funders, elected officials and officers discussed whether it was appropriate to cede control of funding decisions to citizens. Some funders were also concerned that their own expertise would be absent from decision-making. These anxieties created an ongoing tension between principled support for ceding power and a desire to manage accountability, value for money, and reputational risk, raising fears that the commitment to CLG could weaken over time if outcomes challenged funders' comfort levels.

> *'Everyone is signed up to the principle of ceding power, but the real proof will be whether we are all saying that in year three. There is a risk that money will be granted in unexpected ways. If things turn out differently from how you expected, how will funders react?'*

These concerns were not insurmountable, however, and the commitment to CLG was reinforced through various practical measures during the development phase. Comfort emerged through various means, including: bringing funders and communities together, deliberately and collectively agreeing on the parameters and processes for CLG and formally embedding these within the pooled funds' governance arrangements. The design process emphasised that CLG was not simply about devolving yes/no choices, but about creating the conditions for CLG panels to build knowledge and make informed decisions. The development of CLG processes reflected widespread recognition that CLG panels would require structured support and adequate resourcing. This often included agreeing to pay citizens for their involvement on grant-making panels. Other mechanisms included a provision for the fund host to perform due diligence on grant applications before they are presented to CLG panels. Planning for the structured support of CLG panels mitigated perceived risks, signalling that power was being ceded responsibly rather than devolved without safeguards.

Funders' comfort with CLG was also reinforced by the appointment of fund hosts with established expertise in facilitating CLG, namely Foundation Scotland for CTS and RFF, and Corra Foundation for the IHRF. These organisations were appointed for a multitude of reasons, including sound financial management and strong grant-making systems, but their proven track record of supporting CLG was often significant in reducing uncertainty and building confidence, especially among funders unfamiliar with participatory forms of grant-making.

> *'Foundation Scotland was well known in Clackmannanshire due to their work with community benefit societies. They were a good fit, with extensive experience in participatory grant-making, and an obvious choice.'*

For funders new to CLG and initially apprehensive, Foundation Scotland's and Corra's ability to share concrete examples of their experience and rigour in onboarding, training, and supporting citizens in making informed decisions provided reassurance and reduced perceived risk.

Overall, the findings suggest that while CLG was widely endorsed ideologically as a mechanism for shifting power, its sustainability depends on how risk, accountability, and control are managed in practice. The analysis shows how confidence in CLG grows when power-sharing is formalised through clear governance, boundaries, and expert facilitation rather than left implicit. This indicates that successful CLG is not simply about devolving decision-making, but about redesigning funding systems to structurally reinforce trust in community decision-making.

Key takeaways: Committing to CLG

- **Agree and embed clear decision-making authority and boundaries from the outset.** During the development phase, funders should collectively agree that CLG panels hold real decision-making power and formally embed clear processes and funding criteria in governance structures and policies to reduce uncertainty.
- **Build confidence through experienced delivery partners whose culture and systems are well-suited to CLG.** Appointing organisations with a strong track record in CLG during the development phase can reassure apprehensive funders and strengthen long-term commitment to CLG.
- **Design structured support and safeguards for citizen decision-makers.** The development phase should plan for training, onboarding, and ongoing support for CLG panels, signalling that power is being ceded responsibly while addressing funder concerns about risk, accountability, and decision quality.

6. Understanding accountability

Across all three cases, the planned involvement of multiple actors in the CLG pooled funds − including charitable and public sector funders, fund hosts and CLG panels − often made it difficult to discern where accountability would lie. The complexity of planned governance arrangements created uncertainty about *'who would actually be responsible?'*, especially when the use of CLG was designed to shift power to citizens.

Funders often sought to clarify where accountability would lie. For example, one funder had considered questions like: *'if the pooled fund received complaints from unsuccessful applicants or members of the local community, to whom would they be directed?'* Similarly, one public sector funder was concerned to know: *'What happens when Audit Scotland does a review of this?'*. Funders had to consider how the pooled funds they were designing sat with the commonly held expectations of hierarchical and linear accountability. Some funders were challenged by this:

> *'It took our trustees ages to realise it wasn't our thing. They asked, "Are we on the board?" But, it's not our programme, it's not ours. There were months of discussion before they realised we wouldn't be accountable … That was quite a lot to get their heads around.'*

'Protecting citizens' on the CLG panels was also a recurring concern, particularly in place-based contexts where citizen panel members were embedded in their local communities. Funders felt a strong sense of responsibility to shield residents from political pressure or hostility, including any disgruntlement from unsuccessful grant applicants. This protective stance reflects an awareness that citizens may be unwilling or ill-equipped to be publicly accountable in the ways that funders, councillors, or trustees are accustomed to. In this regard, protecting citizens' well-being was treated as an accountability issue in its own right.

In all three cases, creating an oversight board within the governance structure emerged as a key mechanism for the CLG pooled funds to address accountability questions. Although, as detailed in Part one, the names and compositions of these boards varied across the funds, they all provided a key mechanism for managing accountability.

The design of oversight boards' roles varied across the cases and often, but not always, included:

- checking that the fund was operating in line with agreed purposes and processes
- monitoring how the fund host was managing the funds and supporting the CLG panels
- and ratifying the grant decisions made by the CLG panels.

In doing so, oversight boards provided a body within the governance structure 'to shoulder the responsibility for decisions', but in a constrained way that wouldn't override CLG decisions. This provided reassurance without undermining the CLG panel's authority.

In those cases where the oversight boards played a ratification role, this provided *'a safety net'*, albeit one that was not expected to be used. Some interviewees were concerned that the oversight boards might be more interventionist in practice than was intended. That said, leaving the possibility of intervention, however small, was deemed necessary by some to nest accountability for decisions with the oversight boards.

Although oversight boards provided a key accountability mechanism, some funders' risk management systems and normative expectations of accountability occasionally resurfaced in ways that privileged them. This could lead to tensions within funds' governance structures. For example, some funders created their own additional reporting and compliance requirements beyond what was collectively agreed. One fund host said that, even when funders expressed strong rhetorical support for pooled sovereignty and participatory ethos, they *'ask us to fill in report forms more often than feels reasonable'*. While it was important that funders didn't become disengaged, it was also important that they subscribed to the collectively agreed reporting mechanisms.

Fund hosts faced a particular and significant accountability challenge. While they held formal legal and reputational responsibility for the fund, decision-making power had been deliberately ceded to a CLG panel. Host organisations worried that they may be perceived as the controlling entity, even when they were primarily administrators and facilitators. Fund hosts relinquished authority over decisions but might still absorb significant criticism if the pooled fund did not perform as expected, effectively *'carrying all the accountability with limited power to influence outcomes'*.

Establishing a distinct brand identity for the pooled fund, complete with a logo and an independent website, was noted as beneficial in addressing accountability concerns by creating a degree of separation between the fund's host and the fund itself. A separate brand identity also helped to create a degree of separation between the funders and the CLG panel. It underscored the changed power dynamic and autonomy of the CLG panels and meant that CLG panel members *'wouldn't feel that funders were breathing down their neck'.*

Overall, accountability was negotiated and shaped by ongoing trade-offs between funder assurance and participatory integrity. Governance arrangements, especially the oversight boards, provided a means of managing these tensions. Crucially, by having the oversight boards focus on the CLG processes rather than on the actual grant decisions, funders could be reassured of accountability without dismantling the principle of ceding grant-making power to citizens.

Key takeaways: Understanding accountability

- **Try to clarify lines of accountability early on**. Pooled funds need to consider where responsibility lies within complex, multi-actor governance arrangements, particularly when decision-making power is intentionally shifted to citizens, to avoid confusion about who is accountable for complaints, failures, or public scrutiny.
- **Separate funder assurance from decision-making**. Funders should be clear that their accountability focus is on assurance that funds are used for agreed purposes, and that approved CLG processes are being followed, rather than on controlling or revisiting community-led funding decisions.
- **Design governance structures that protect citizens**. Mechanisms such as oversight boards can help balance funder assurance with participatory integrity, while also shielding CLG participants from political or reputational risk and recognising that citizens may not be equipped or willing to carry formal public accountability.

Part three: Reflections

3

CLG pooled funds: big potential, different approach

The three CLG pooled funds explored in this study represent exciting new initiatives. They offer the prospect of transformational change as they aggregate resources, break down siloes and shift power to citizens. Having successfully come through the development phase, their potential is significant.

That said, our analysis shows that developing CLG pooled funds involves significant complexities and requires funders to operate in ways that may be outside their comfort zones. This can be challenging, especially when funders are more accustomed to maintaining unilateral control in shorter-duration grant relationships. Funding a pooled fund, let alone one that uses CLG, is not routine practice for most funders. As such, they lack an established playbook to draw on. This leads us to offer the following reflections.

Pooling sovereignty disrupts grant-making norms

The concept of 'pooling sovereignty' is particularly powerful. It signifies that funders accept that they no longer hold ultimate authority over decisions once their money is pooled. What's revealing is how disruptive this can be to funding norms. Funders' standard internal approval systems and risk frameworks are typically designed for unilateral control in bilateral grant relationships. Even when collaboration and power-sharing were espoused, translating this into practice wasn't easy. The discomfort described by some funders is not incidental – it exposes how deeply normative grant-making is structured to retain power. An interesting implication is that pooled funds may act as stress tests for funders' stated values. Where commitments to trust, power-sharing, or systems change are shallow, CLG-pooled funds will quickly surface those contradictions.

Pooling money, reworking funder behaviour

Our findings suggest that CLG pooled funds are not just about pooling money and ceding power, but about reworking funder behaviour. The extended development phase – often spanning several years – serves as a crucible in which funders are forced to challenge and unlearn habits of unilateral control. Although the most tangible output of the governance phase is the resulting governance document, there is also a significant shift in mindset: from ownership to stewardship, from control to trust. If this cultural work were rushed or under-resourced, there would be a risk that the fund would exist on paper but struggle in practice. This suggests that CLG pooled funds can be understood as organisational change projects for funders themselves.

CLG pooled funds emerge as learning systems, not just funding mechanisms. They provide a space for funders to experiment with unfamiliar approaches under collective cover. This suggests pooled funds can play an important movement-building role, gradually expanding what funders feel able to do elsewhere in their portfolios.

Development time as collective due diligence

At first glance, three or more years to develop a pooled fund might look inefficient. However, slow development is what prevents failure later. By *'bottoming out'* governance, accountability, and decision-making boundaries, funders reduce the likelihood of conflict, backsliding, or even panic once controversial decisions arise. In this sense, the development phase acts as a form of collective due diligence – not on grantees, but on the collaboration itself. This challenges the pressure from boards and executives to *'get money out the door quickly'* and suggests that CLG pooled funds may need a different success narrative in their early years.

CLG as a discipline, not just a principle

Our findings also suggest that a commitment to CLG will only hold when it is procedurally protected. Funders were most comfortable ceding power when, in addition to a vision and rationale for change, the fund established explicit processes and boundaries for CLG, and appointed experienced fund hosts to manage that process and support citizen panels. This highlights an important point: power-sharing requires structure. CLG is not an absence of control, but a redistribution of it, backed by careful design. Indeed, rigour in CLG design enables funder restraint and ensures that the ambition of power-sharing goals is sustained.

Replicability

The question of whether the CLG pooled fund models examined in this study can be replicated is significant. The three case studies share significant similarities, and our analysis has identified key factors that contributed to their successful development. However, each new case will be influenced by its unique context. Thus, while these case studies may offer a useful outline framework for others to follow, new initiatives will likely need to be adapted to fit their specific circumstances.

Conclusion

Overall, the report suggests that when attention is diverted from trying to eliminate complexity, and towards engaging with and confronting it collectively, CLG pooled funds are more likely to be developed successfully. Additionally, the value of CLG pooled funds lies not only in the grants they make, but also in the durable shifts they create in how funders understand power, risk, and responsibility.

Appendix one: Research methods

A case study approach

Our research adopted a case study approach to explore the complexities of establishing CLG pooled funds. This allowed us to obtain rich and context-dependent insights about the development phase of three funds: Clackmannanshire Transformation Space (CTS), the Independent Human Rights Fund for Scotland (IHRF); and the Regenerative Futures Fund (RFF).

These three cases were selected because they share the following features:

- They aim to achieve long-term transformational change on a complex and persistent social issue.
- They involve multiple funders pooling their resources.
- They incorporate CLG, where members of the community and individuals with lived experience make the funding decisions.
- They successfully transitioned from the development to the delivery phase during 2024−2025.

Data collection

Desk review of case study documents

To understand the three cases, we initially gathered and reviewed relevant documents, including those covering agreed-upon fund objectives, collaborators, governance structures, and core operational processes.

Semi-structured interviews

We then conducted semi-structured interviews with staff and key informants from each case study. These mostly included representatives from funders, including nine charitable trust and four public sector funders. We also spoke to an integral member of staff from the host organisation in each case. In total, we conducted 16 interviews, with five from CTS, four from IHRF, six from RFF, and one funder involved in both IHRF and RFF. Participation was voluntary, and consent was obtained for reporting the data in an anonymised form.

The main themes explored in the interview were:

- How funders established a shared understanding of the problem being addressed, and the fund's goals and strategy.
- How funders designed and agreed on governance and operational structures.
- How funders got comfortable with ceding decision-making power to the fund and a CLG panel.
- What behavioural adjustments funders needed to make.

Data analysis

Data from the documents and interviews were analysed using thematic analysis to identify recurring patterns and themes.[13]

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