Thriving Communities
Community Listening Project

Essex Community Foundation

Contents

Introduction

In 2020, Essex Community Foundation (ECF) undertook a survey with community organisations in Essex to understand the impact of the pandemic on these groups. This demonstrated common issues experienced by organisations, as well as differences in their experiences (often depending on the size of the organisation). This project is a continuation of ECF's work to understand the lived experience of community organisations in Essex, the challenges they face, how they support their communities to thrive, and the role of ECF in enabling this.

This report conveys the experiences of 35 community organisations in Essex that represent a broad range of geographic and demographic factors. The organisations who partook in this study represented all four quadrants of Essex, from both rural and urban communities, and whose size ranged from an annual turnover of under £50,000 to over £500,000. These organisations took the form of registered charities, community interest companies, charitable incorporated organisations, companies limited by guarantee, and unincorporated groups or associations. The communities they worked with included children and young people, older people, ethnic minorities, LGBTQIA, refugees, migrants, and they worked with issues that included disability and long-term illness, homelessness, domestic abuse, victims of crime, the criminal justice system, and economic disadvantage. We also spoke to organisations whose background was in arts, culture and heritage; environment; and infrastructural support.

To gather their lived experience we spoke to these organisations one-to-one in face-to-face meetings, phone calls and Zoom calls. Each of these interviews lasted an average of an hour in length, and we asked a range of questions tailored to understand what thriving communities look like, how community organisations support their communities to thrive, and the role of ECF in enabling this. Discussions covered a range of topics such as the challenges community organisations faced, the current funding landscape, the value funders can offer beyond financial grants, and feedback on ECF's funding practice. We have therefore divided this report into the overarching themes of: thriving communities, the funding landscape, and grant making.

The findings from these discussions have formed this report, including its recommendations, by utilising quotes, case studies and narrative drawn directly from community organisations themselves. Quotes are included where illustrative to the report, but not all quotes from interviews have been included. We hope that the voices featured in this report can help inform the ongoing and future work of ECF with community organisations, and the communities they support, in mind.

Key findings

Listening exercises, such as the one on which we base our report, are most meaningful when they capture a broad variety of perspectives. By engaging with organisations who differ in geographic location, size, structure, and demographic a more nuanced understanding of particular topics begins to emerge. While there are similarities across organisations' experiences, there are also many differences, and so while this report makes some general recommendations, equal value is to be had in further discussions, and indeed further listening exercises, inspired by the findings of this report.

Thriving communities

- Participants described thriving communities as those which enabled a sense of belonging; a system of support; opportunities for education, employment and wellbeing; resilience; and sustainability. Organisations were best able to support their communities to thrive when they had a clear mission, identified need, were well governed, collaborated with others, had sufficient resources, and utilised co-production.

- Organisations viewed ECF's role in supporting them to thrive as not only providing grants, but also building relationships with them, listening and responding to their needs, supporting small and grassroots groups, offering opportunities for sector development, and building networks and influence across Essex.

- Challenges including unconscious bias and a funder-led agenda were reflective of the historic power imbalance between funder and grantee. These issues could have significant consequences for groups working with marginalised communities, and participants felt the onus was on funders to work at equalising this dynamic.

- Over time, many organisations had formed strong relationships with ECF which added incredible value to their experiences of accessing funding. These organisations felt confident in ECF's support and understanding of their work, were able to contact ECF for advice or information, and told us ECF sometimes approached them with funding that suited their needs. Organisations who had not built this type of relationship with ECF were often less clear on how their work met ECF's funding criteria, and less confident in approaching ECF directly for information and advice. This was often the case for first-time applicants, serially unsuccessful applicants, applicants from marginalised communities, and applicants who were not registered charities, highlighting that different organisations have different experiences of ECF.

- Likewise, organisations were striving to equalise the relationship between themselves and their respective communities. Co-production was a valuable tool in ensuring services were effectively meeting need, and running with communities as opposed to for communities. But organisations could struggle to build ongoing relationships with their communities, reach out to marginalised groups, and use community voice to influence decision-making outside of their organisation.

- Participants identified a range of skill gaps within their organisations such as digital, financial, and governance. This was particularly problematic for small organisations with only one employee, or groups run entirely by volunteers. Training and development opportunities were inconsistent across the county, and organisations felt that funders had a role to play in developing the sector.

- Many organisations relied heavily, if not entirely, upon the contribution of volunteers. In recent years, some organisations in areas of economic disadvantage had noticed increased financial pressures in the community had resulted in a decreased ability to volunteer, which threatened the future of a number organisations who would have to reduce, or cease to provide, their existing offer.

The funding landscape

- The current funding landscape presented numerous challenges such as a decline in statutory funding, a funder-led agenda, and an emphasis on short-term project work. This is important context for funders who will need to decide how they can better support grantees who may be facing financial difficulties as a result of these barriers.

- The tense financial climate meant that organisations sometimes viewed each other as competitors, not colleagues, which discouraged the collaboration that participants identified as crucial to their ability to thrive. Attempts by funders to mitigate this by favouring joint funding applications were seen as unhelpful, often causing more complications than they solved, and participants wanted to collaborate organically by building trusting relationships over time.

- One of ECF's most valuable contributions was regarded as its willingness to provide core funding which was hard to come by in the general funding landscape. Core costs included overheads such as rent, staffing, and mission-specific work that may not otherwise be funded, but without these costs accounted for there would be no infrastructure from which to provide projects and services.

- Multi-year funding was found to be even rarer than core funding, though there was some awareness that ECF funds sometimes provided longer-term funding. The short-term nature of funding meant organisations were unable to offer a consistent experience to their communities in terms of the services they provided and the staff who provided them, or even if they would be operational in coming years.

Grant making

- Applying to funding could be a barrier in and of itself, due to complex and lengthy application forms that could be disproportionate to the size of funds being applied for. However, many organisations praised ECF for its relatively simple forms, as well as the chance to express an interest before completing a full-length form.

- Reporting back to funders often came with outsized data collection requirements, a focus on quantitative monitoring, and a lack of response to submitted reports. Again, participants praised ECF for setting reasonable monitoring requirements and accepting qualitative forms of reporting such as case studies and photographs.

- One of ECF's largest strengths was considered to be the local knowledge, and awareness of local need, acquired through its history as a place-based funder, which was viewed as contributing to effective grant-making.

- Most organisations were enthusiastic about receiving visits from ECF staff, trustees, and donors. Such visits were meaningful to their relationship with ECF, and their sense of being heard and acknowledged.

- Participants praised funders' response to their needs during the pandemic, including ECF, by being flexible, making quick decisions, and reaching out to check on organisations' needs. This allowed them to be responsive to the emerging needs of their communities, or simply to survive at a time when all other sources of income were halted.

- Larger organisations sometimes portrayed their funding needs as outgrowing ECF's offer but were uncertain about their future in acquiring larger funds from other funders. They were also unclear as to if, and when, ECF would stop supporting them as they continued to grow, which was a source of anxiety.

- A number of misconceptions were raised about ECF's funding criteria. For example, some believed ECF did not fund digital work, or that ECF would be abandoning the use of application forms. Others believed ECF only funded registered-charities, or did not provide grants of more than £15,000. These misconceptions negatively impacted relationships between funder and grantee, as groups were confused as to whether or not ECF could, and would, support them.

Chapter 1:
Thriving communities

1.1 Overview: What makes communities thrive?

Many of our discussions began by asking participants to describe what a thriving community looked like to them. First of all, it was agreed that the term 'community' loosely described a group of people with something in common: people who live in the same town, neighbourhood or region; or people with a common characteristic such as their faith, ethnicity, or sexual orientation.

The term 'thriving' was often understood to describe a realistic state of wellbeing: not one with an absence of problems, but one where problems could be overcome in appropriate and timely ways that prevented them from escalating to the point of crisis. As one participant said:

"It's not a community without problems, but a community where the majority of those problems can be resolved and solved within the natural friendships…And where people are at the heart of it [the community] and not strategies. And there is health and wellbeing in there as well."

The majority of answers given by participants asked to describe a thriving community fell within six core values. And so, within this report, we generally consider a thriving community as one that incorporates:

- **Belonging**
- **Support**
- **Listening**
- **Opportunity**
- **Resilience**
- **Sustainability**

Below, we examine each of these principles in more detail, using organisations' own words to describe what a thriving community is, and the role of organisations in supporting communities to thrive.

A sense of belonging

Being part of a community by default (such as where you happen to live, or your particular faith) was not sufficient for a community to thrive. Members of thriving communities, we were told, felt that they belonged: that they could develop healthy social networks within the community, that there was a shared commonality of experience, and that there were shared aspirations for the future of that community:

"…making friendships and meeting others with similar lived experience…"

"…people are being valued for who they are…"

Organisations said a sense of belonging allowed for the confidence and empowerment needed for people to be active participants in their communities. Organisations themselves considered their role in this to be multi-faceted, from hosting social groups and befriending services to providing a non-judgemental and accepting environment. Some organisations made the point that an intersectional approach was key to creating a sense of belonging; for example, a recognition of the fact that people are complex, often belonging to multiple communities at the same time, and therefore experiencing multiple needs that cannot be addressed holistically when only one aspect of their lived experience is considered.

Case study

Two organisations, both providing social activities for children, explained the importance of making their organisations welcoming and enjoyable to all, including those with additional needs. These organisations recognised that children and young people are not a homogenous group with the same needs, and that in order for all children and young people to feel a sense of belonging, their services needed to work to accommodate all of these needs - whether by making the building accessible to children with physical disabilities, or making the service accommodating to children with Autism.

Case study

We spoke to the CEO of a charity who offered a range of support tailored to the particular needs of the community. Mental health issues were prevalent within the community, and the charity therefore offered formal counselling with qualified counsellors experienced in the needs and sensitivities of the community, and were able to offer a shorter waiting list than the equivalent NHS service. Alongside this, the organisation was able to offer more generalised, person-centred support. For example, taking people to hospital visits and checking in on their recovery.

Being supported

As mentioned above, thriving communities were not ones without problems, but ones capable of responding to problems in a timely and appropriate manner, equipped to offer quality support within the community. Community organisations provided a huge array of formal and informal support across Essex. This could take the form of advice, direct intervention, or even just a listening ear and a cup of tea. The ability to understand the needs of the community was key to this, as well as the ability to nurture trusting relationships over time.

"I don't just come to work, do my job, and go home. I'm supposed to be here for five hours but I usually do seven. And there's a lot of talking, I'm chatting and we have cups of tea...It's just a matter of being there. The people of [name of village] don't want you to interfere in their lives, they want you to be there when things fall apart."

Furthermore, organisations often saw their role in building support into their communities as filling the gaps within statutory provision, whether by delivering a service with shorter waiting times; a more informal, relational approach; or being sensitive to the specific needs of particular communities. This was particularly the case for marginalised communities whose needs were not always met by mainstream services.

Being heard

Participants described a thriving community as one in which people felt listened to by those making decisions that could impact their lives. Communities whose lived experience could influence decision-making were more likely to have their needs met by services, which could be designed with those needs in mind. This demonstrated the importance of co-production in achieving equity and dismantling unconscious bias.

"...communicating with each other, understanding the needs so they can meet the needs - not just assuming what the needs are..."

"...everyone, including the government, are ensuring that the vulnerable members of the community are remembered in their plans..."

Community organisations felt best-placed to both hear and gather the needs of their communities and, where possible, use this information to influence decision-making.

"The role of community organisations is fundamental to any community. The different sectors are all passionate about wherever they are working. They are more likely to be grassroots, and more aware of the marginalised, more aware of where people fall through the cracks. And also they are a bridge between the government and civil services."

Case study

One CIC in this study delivered training to statutory and voluntary services to raise awareness of the issues members of the community faced. When designing the training, the CEO formed a diverse group of people with lived experience who represented different genders, ethnicities, sexual orientations, backgrounds and life experiences. The training, therefore, gave decision-makers a comprehensive and nuanced insight of how the topic had affected people in different ways, which it was hoped would influence service provision to reflect the needs of as many people as possible.

Opportunity

Organisations told us that thriving communities were ones in which everyone could participate in society in fair and meaningful ways. This required opportunities for wellbeing, education, employment and other facets of community life.

"...having a sense of purpose, a sense of achievement and a sense of attainment. Having the opportunity for good qualifications and good employment opportunities. Using their time productively and proactively..."

Organisations viewed their role in this as breaking down the barriers to opportunity experienced by people in their community, especially for members of marginalised groups who faced barriers to participating in the opportunities described above.

Case study

We spoke to the CEO of an organisation who worked to reduce challenges faced by those with additional needs in accessing employment. The organisation addressed these challenges through training and qualifications while also supporting the set-up of social businesses and linking with local employers.

Resilience

Resilience was described as the ability for communities to 'take care of themselves' by responding to, and recovering from, the adversities they faced. A thriving community was seen, therefore, as one with the capacity to establish a long-term vision that would be able to address problems early on, or prevent them altogether, and subsequently avoid an overreliance on statutory services.

Case study

One organisation worked with people released from prison, or discharged from inpatient mental health facilities, to reduce the likelihood of recidivism or relapse associated with discrimination, absence of opportunity, or social isolation. Their work provided opportunities to socialise with others with similar lived experience, gain employment, and receive mentoring and money management guidance.

Sustainability

In order for communities to identify and provide for their own needs, the organisations working within them required appropriate resourcing to support and sustain such work. Funding was an important part of resourcing the work of community organisations, but vital resources also included volunteers, skills, and capacity.

"...with the necessary resources available whether that's a community centre, a nice classroom, or the right equipment..."

In order for communities to thrive, in the context of the examples above, the organisations working within them also needed to thrive to best fulfil their purpose. We asked participants what their organisation needed to thrive, and best serve their communities. The answers we received were multi-faceted, but generally fell into a number of categories that we look at in more detail in the next section.

1.2 Thriving community organisations

Below we examine the factors that contribute to thriving organisations, within the categories of:

- **Having a clear mission**
- **Identifying need**
- **Co-production**
- **Good governance**
- **Collaboration**
- **Resources**

Having a clear mission

Organisations told us that to make the best use of their assets they needed to recognise their limitations as well as their aspirations. Without a clear mission, organisations risked taking on too much work, or delivering work outside of the purpose and expertise of the organisation. Having a clear mission allowed for work that had a clear purpose and direction, which would come to be understood clearly by the community and funders alike.

"We want to work within our capacity, our finances and our building. We can't take on the whole world."

Identifying need

To remain relevant and responsive, organisations needed to continually develop relationships in the community in order to meet emerging need and represent their communities across platforms of influence. Organisations who were not constantly evolving alongside their communities risked stagnation, which was ultimately detrimental to the community they claimed to support.

"We've got people on our governance team who still want to do what we were doing five to seven years ago, but it's completely different."

Co-production

The most effective work was seen as that developed in partnership between organisations and community members. Utilising community voice at every stage of decision-making; from planning and design to delivery and evaluation; provided the best possibility for success (while enhancing efficiency by getting things right the first time round).

"There are two families on our trustee board, soon to be three, and one is one of the founders... Several family members work for us; our Director of Finance and Fundraising is a family member. Many of our volunteers are former families. I don't think it works otherwise."

Good governance

Governance was essential in creating an overall vision of growth, innovation and sustainability for community organisations while maintaining a clear sense of mission and a realistic understanding of the limitations. Good governance was also described as self-reflective, financially prudent and open to diversity the skills and knowledge base of the board.

"Good governance is important for community groups, because you can have some really well-meaning people but they might be rubbish at coordinating, or they might not have policies in place. If there isn't a safeguarding policy it can cause more problems, by creating risk. So you need someone to help you run things, and support you..."

Collaboration

In order to provide a holistic response in the community, while avoiding duplication, organisations needed to form relationships with other groups. This required a willingness to build the trust required to share resources such as skills, information and best practice in recognition that communities benefit from good partnership work.

"During the pandemic what we saw here in [name of town] was excellent work by a range of charities, businesses and others coming together to broadly address the issues...Practical needs were met, for example the food bank - and if people needed to do laundry but couldn't leave the house. There was a very good organisation of volunteers, it was brought together here by [name of organisation]...about thirty different organisations...and that was very, very effective."

Resources

Ultimately, these aspirations cannot be achieved without appropriate resourcing. While funding is an important resource, organisations also require volunteer capacity, skilled staff, experienced leaders, and the ability to gather and share information. A lack of resources threatens an organisation's ability to thrive, and therefore ways of sustaining resources, for example by investing in staff development or responsible asset-sharing across groups, was necessary to success.

"I believe we have all the resources we need in this world, and if we don't feel we have them then we're looking in the wrong place, or we're grabbing at them and other people can't have them."

In summary, thriving communities foster a sense of both belonging and feeling heard while having good access to appropriate support and opportunities. Community organisations play an important part in this, and must also thrive in order to carry out this role effectively. To do so they require a clear mission that is achieved through responding to emerging need, good governance, co-production, and collaboration with other groups. Both thriving communities and thriving community organisations require the resourcing to sustain their efficacy, as well as to build-in the resilience to intervene early when things go wrong, or to prevent issues from the outset.

1.3 The role of ECF in supporting organisations to thrive

As communities are the beneficiaries of the organisations working within them, these organisations are the beneficiaries of ECF. We therefore asked participants to describe the role they saw ECF playing in supporting them to thrive. While there was an understandable onus on grant making, organisations saw ECF's role as extending beyond this, into the following areas which we elaborate on below:

- **Funding the work of community organisations**
- **Building relationships**
- **Listening and responding**
- **Supporting the small**
- **Offering opportunities for development**
- **Building networks**

Funding the work of community organisations

The largest, and most obvious, role of ECF was seen as providing funds to community organisations in the county. This was particularly important to smaller organisations whose very survival depended on ECF's grants.

"We wouldn't survive without ECF...it's important they [community organisations] have that lifeline."

Building relationships

Aside from grant making, organisations valued ECF's ability to form long-lasting and supportive relationships with the groups they funded - something that set them apart from other funders in the eyes of our participants. Through these relationships, organisations were empowered to be the experts of their own communities and provide work that responded to their unique understanding of their beneficiaries' needs.

"Where we had to assess where it would be a good place [to spend funds] in our own centre: 'Here is some money to help with student experience,' - they trust in us to make the best decision."

Listening and responding

Being receptive to, and acting on, feedback from community organisations about their funding needs reduced the barriers faced to securing the funds required to carry out effective work in the community. Examples of ECF listening to the lived experience of grantees, and making changes with this in mind, included improved ease and brevity of application forms as well as a commitment to funding core costs.

"Their staff are so respectful: they listen, they're caring, they get back to you when they say they will."

Supporting the small

ECF provided specific value to the small, and/or grassroots, organisations who did not meet the criteria for larger, national funders or did not have the capacity to deliver contracted work. Therefore, that ECF had developed its funding practices with smaller organisations in mind was seen by such groups as its most meaningful contribution.

"We're a relatively new organisation, just coming into our third year. ECF were one of our main supporters from the start. More specifically, I had a relationship with [ECF staff member] who has been so informative."

Offering opportunities for development

As a place-based funder, organisations considered ECF to hold a comprehensive understanding of the local voluntary sector, general funding practices, financial management, and good governance. This knowledge was seen by participants as a valuable asset which they felt ECF could share with them through training, workshops, mentoring or one-to-one advice.

"Funders require various policies...not everyone is good at reading and writing... For example, if ECF require a policy they don't have, they could say 'if you're having problems here is a template...This is what we're asking for, but if you have any problems with any of this let us know, and we will support you.'"

Building networks

Organisations held a good knowledge of the community groups in their local area but were less aware of work being done elsewhere in the county. While local infrastructural groups could connect organisations in a particular town or district, participants felt a need for a coordinated approach Essex-wide. ECF were considered well-placed to do this, and while not all organisations were receptive to collaboration, others wanted the ability to link up with other groups.

"Perhaps put smaller groups together...sort of a mechanism for groups to talk through. Whether these days that's best done on social media...It's probably larger than the Community Foundation, it's probably for the Council. But ECF could work with the council, and as I say, the [name of organisation], and other community organisations..."

While funding was seen as the primary purpose of ECF, organisations needed the ability to form relationships with the Foundation, and share feedback on funding practice, in order for grants to make the biggest impact. This was most essential to small, grassroots organisations that could struggle to find funding elsewhere. It is clear that ECF's role goes beyond grant making and, from a community organisation perspective, encompasses development and upskilling opportunities and the convening of networks. This role requires mutual trust and support between funders and grantees, which can be difficult given an inherent power imbalance in the existing dynamic between the two. In the section below, we look at how this dynamic can inhibit organisations from thriving to the best of their ability, and how funders can work toward dismantling the historic relationship to empower the groups whose work they fund.

1.4 The relationship between funders and grantees: balancing the power dynamic

Historically, the dynamic between funders and grantees has been one of power imbalance: funders hold the money vital to organisations' ability to deliver their charitable aims, and have therefore been able to set the agenda for the work that is funded by deciding the criteria, monitoring requirements and targets to be met.

In some ways, the move toward a tendering process has allowed funders more control over the type of work taking place within communities, including which communities, or issues, are prioritised. While community organisations have the expertise and experience to understand the needs of their communities, this power dynamic can restrict them restricting their work to that seen as most fundable.

"Who's banging the drum and calling the shots? It was more charity-led, and now it's funder-led…Who's leading this? Who's setting the agenda?…It's gone from a bottom-up funding approach to top-down, where funders dictate the climate for charities… There is a massively unhealthy power dynamic, where you have the top-down approach: 'I have the money, you do this.'"

In this study, participants sometimes remarked that funders were increasingly making efforts to dismantle this power dynamic, and while any dynamic in which one party holds the finances is likely to be imbalanced, it seems that steps can be taken toward a more equal relationship.

"I do think of power imbalance…Over the years it has changed dramatically. The [name of funder], you feel like an equal partner - that balance - two open and transparent partners…Before, it was that power imbalance of being given a cheque, saying 'thank you', and feeling fear in case you spent that cheque the wrong way. Instead, it's about mutual appreciation."

This balanced relationship, between funders and grantees, recognises that both parties hold an equally valuable role in enabling thriving communities: work cannot be done without funding, and funding is meaningless without work to spend it on. Participants of our study largely felt it the responsibility of the funder to rebalance this dynamic, since they held the majority of power.

"You can have that power imbalance: the people with the money are the ones in power, that's the way it's set up. But it's up to funders to balance that, through communication, to make themselves accessible and open."

This section of our report looks at the ways in which the relationship between funders and grantees impacts community organisations, both positively and negatively, in Essex.

Unconscious bias

Some organisations, working with marginalised groups, told us the funding system could perpetuate unconscious bias, largely through lacking awareness of the needs and experiences of these communities. As a result, funding priorities could be misaligned with their work, thus placing them at a disadvantage when accessing funds.

"ECF and co don't get it. They don't have funding that really helps us."

Part of the issue was attributed to the unequal distribution of wealth within society, whereby those in control of large amounts of wealth are less likely to represent those from marginalised groups, and therefore do not make decisions with these groups in mind. This could limit organisations to applying for funding focused on spreading cultural diversity, but this was not sufficient to dismantling historic bias in society.

"A community is not me, a black man, singing and dancing on [name of town] high street and people come and look at me for Black History Month."

"Mr. and Mrs. Brewster don't even know that black people exist in this way."

In the wake of global movements such as Black Lives Matter and Charity So White, some participants sensed that funders were giving more thought to issues of bias and inequity. While there was still progress to be made, some organisations considered that the needs of marginalised communities were better understood than previously, and welcomed ECF's commitment to engaging with community organisations in this way.

"For some time it was not a popular cause... There's more understanding now. We get support from ECF; they are recognising the intersectional."

"That they're having this discussion, that they're thinking about it...or they are having money leftover many times and asking 'What are we missing?'"

Over the course of this study we became aware of ways in which community organisations could sometimes demonstrate unconscious bias through the use of outdated language, or by making generalisations based on stereotypes. When discussing how organisations reached the more marginalised members of their communities many told us they promoted equality, and had an EDI policy, but were less likely to be actively working to build relationships with these groups. This is part of the problem, as equality means treating all people exactly the same, regardless of individual need. When organisations commit to treating everyone equally, while with good intention, it can fail to recognise how they can better work to meet the needs of marginalised groups. For example, treating everybody equally would neglect working in co-production with marginalised groups to improve their ability to access services. For this reason, organisations are increasingly working to achieve equity, as opposed to equality, as an equitable approach recognises that providing people with what they need relies on identifying individual differences.

It is uncomfortable to acknowledge that a sector established to support the most vulnerable members of society could be inadvertently missing many of the organisations supporting those very people, but it is more dangerous to deny it. Funders must be mindful that where diversity lacks, from staff through to senior leadership and trustees, unconscious bias can thrive. The solution will not be in tokenistic diversity quotas, but in forming strong and meaningful relationships with marginalised groups so that long-term change may happen organically. As these groups have long been overlooked it is likely that the foundations for such relationships do not yet exist, and therefore an important first step for funders is to identify the often small and grassroots organisations working within these communities.

Non-charity structures

The majority of organisations involved in our study were registered charities, though we also spoke to community interest groups (CICs), charitable incorporated organisations (CIOs), companies limited by guarantee, exempt charities, and unincorporated clubs or associations. As it was generally acknowledged that non-registered charities could be disadvantaged when seeking funding, we asked these organisations why they had chosen their respective corporate structures.

Answers largely pertained to reasons of independence and integrity; for instance, organisations able to generate their own income said being less dependent on funded work gave them a greater ability to set the agenda for the work they did (as opposed to providing work seen as most fundable).

"We set up as a CIC to wash our own face."

Case study

One CEO told us she set up a CIC to enhance funded work through income generated from private work: "We get our main funding from Essex and we charge elsewhere. The funding only allows for our work in Essex, so when I charge it gives me the freedom to run additional, free of charge, sessions in Essex." The CIC structure also allowed her to preserve the values she had created for the organisation. For example, she had capped salaries to prevent unreasonable pay increases by her future successors, and made it so that no one could ever receive payment for the role of director.

Yet organisations that were not registered charities felt their intentions were often misunderstood. They felt funders viewed them as commercial entities, even when profits were reinvested into the organisation to improve independence and sustainability (in ways that registered charities could struggle to do in the current funding environment). CICs, overall, told us their charitable aims were better understood than in the past, but other organisations felt their corporate structure

disadvantaged them when applying for grants. Though the voluntary sector champions mission compliance, independence and sustainability, a reluctance to fund non-registered charities could inadvertently punish those already doing so, preserving the power imbalance. To redress this, funders will need to recognise the contributions these organisations are making in the sector. ECF may wish to look at the data it holds on rejected applications to see if these organisations are disproportionately unsuccessful in accessing grants. If this is the case, building in a follow-up call when receiving applications from such organisations would allow both parties the opportunity to better understand the aims of the other, which may result in more favourable outcomes in future.

ECF's expanding portfolio

As the number of funds that ECF managed grew, some organisations felt this created unexpected restrictions to accessing grants, which could be harmful to the funder-grantee power dynamic. For instance, some participants reported having been told they were accessing the maximum number of ECF funds, and could not apply for any more. But had these funds not been managed by ECF, there was presumably no limit on the number of funds organisations could apply to in a given year.

"One thing I have never really got my head around is that they obviously hold a huge amount of different grants...if all those separate grant bodies...could I apply to all of them each year? If I applied to one in March, for, say, £5,000, will I shoot myself in the foot in July if one comes up that I could have applied to for £10,000? I've never found that clear."

As well as this, it could be confusing to understand which funds ECF was managing, particularly if an organisation was made aware of a funding opportunity by an organisation external to ECF. For example, one organisation had been notified of a fund being promoted by a private company, after having applied the organisation was told that as ECF were managing the fund, and the organisation already received ECF funding, their application could not be considered.

Organisations facing these challenges could see ECF as inadvertently monopolising local funding. In light of this, ECF should consider if, by restricting the number of applications made to the funds in its portfolio, they are putting organisations who may have otherwise been able to access these funds at a disadvantage.

In all of the cases above, from unconscious bias to portfolio growth, the balance of power remains weighted in the funder's favour. Funders should be mindful of this dynamic across all decisions made in its practice, and can begin to redress the balance through an increased awareness of the consequences these decisions have on grantee organisations. One of the most effective ways to build this into common practice is to establish relationships with grantees that lead to trust, transparency and openness. Below, we examine the benefits these relationships bring to grantees' experiences of ECF, and how those without such relationships find themselves at a disadvantage.

The value of positive relationships

Organisations who had been able to establish a good relationship with ECF commonly attributed this to the long-term nature of the relationship, personable communications (speaking over the phone, and being on first-name terms with members of staff), and the sense that ECF trusted participants to make the best decisions for their communities. In stark contrast to participants' experiences with other funders, often described in terms of stress and fear, those who had established a good relationship with ECF tended to feel comforted, reassured and supported.

"If I want funding for something specific I go to them and they have got the funders in place, so they say 'yes' or 'no'. They're my go-to funders."

"We've always praised them. I always write letters thanking them. We're one of hundreds, but they make you feel important to them. They guide you to the criteria."

With this in mind, it is not surprising that organisations who had not had the opportunity to build relationships with ECF were more anxious about their standing within the Foundation. Not having a named contact, or an awareness that ECF welcomed phone calls, these organisations often had unanswered questions. For example: if their application was not successful, whose had been, and why? Did ECF even fund organisations of their size, structure, or nature? This lack of clarity could make ECF seem inaccessible and somewhat mysterious, and could leave organisations feeling on the back foot.

"I would like ECF to be more apparent. I had developed a telephone relationship with [member of ECF staff], but beyond that I don't know anybody. If they could make themselves more apparent it would be nice."

Therefore, the value of good relationships cannot be underestimated. Participants with positive relationships felt confident in communicating their funding needs directly to ECF (as opposed to fitting their work into funder-led criteria), offering feedback to improve ECF's grant making processes, and carrying out their work with the reassurance that ECF ultimately trusted them to do what was best. This is indicative of the move toward rebalancing the power dynamic between funders and grantees described above, and highlights the importance of establishing an equal footing. It also demonstrates how those without these relationships are at a disadvantage, but ECF may wish to mitigate this by reaching out for further conversations with new applicants and being transparent about who it builds relationships with, and how.

Unsuccessful applications

Close to half of the organisations engaged in this study had, at one time or another, been rejected for funding from ECF. However, the impact of being rejected varied between organisations: those with existing relationships with ECF were generally optimistic about rejections, feeling confident that ECF was committed to meeting their funding needs in any way they could. In this way, an unsuccessful application was more akin to a minor delay in funding as opposed to an out and out rejection.

"I applied and didn't meet the criteria, but they got in touch and said 'We've got this one...' I think they're amazing. They've very supportive of us. They actively look for, if a grant doesn't meet that criteria, 'Here's something else.'"

"What was great was we didn't get it, but a couple of weeks later [member of ECF staff] phoned and said 'do you still want to do the project? We've got more money.' They really try to help, rather than decline. They want to see how to get them the funding, rather than not."

Unfortunately, organisations who did not have the same relationship with ECF (such as first-time applicants, or those who had applied multiple times without being successful) were harder hit by rejections, as demonstrated in the case study on the right.

As in the case study on the right, rejected applicants had not always had the opportunity to ask ECF further questions about the reasons for rejection, or correct and misassumptions. Such organisations felt that meaningful feedback was important in order to understand how to better align their applications with funding criteria in future.

Case study

A Project Manager from one charity submitted two applications to ECF, for the first time, during the pandemic. The charity worked to house vulnerable adults, and had taken over from a former service that had left one property in a state of disrepair. With residents sharing accomodation, and spending more time indoors, due to the pandemic, the charity wanted to make some basic improvements to the living space. "We put in quite small applications...because staff and their family and friends are willing to help out...They were both small amounts, and both were declined."

The Project Manager told us the reasons ECF gave for rejecting the applications were upsetting, but also misinformed: "There was nothing constructive, it was, 'Other organisations are more deserving than you'...They said 'You've got ways of getting that within [name of the charity],' but we really don't...and it was quite dismissive... it said 'There are other places in more need...'"

The Project Manager said all communications with ECF were conducted over email, but felt that if ECF had been able to see the condition of the property, via a visit or Zoom call, they could gain a more accurate sense of the work of the charity, its finances, and why funding was so important to their ability to do this work: "They didn't get the full picture."

These rejections were seen as damaging to staff morale, especially as the pandemic had been challenging for staff and residents alike. "We were all quite disappointed...I put one in with my colleague - she's left now - but she was very disheartened. We're all trying our best for the residents." She agreed to participate in this study in the hope that sharing this experience could improve outcomes for other organisations, though said she would not apply to ECF again: "We wouldn't put into funding from them again... it had that effect...We've been burnt quite badly."

Those who had been able to further discuss the reasons for rejection said that this had resulted in successful funding applications going forward, which therefore indicates the important role that tailored feedback from funders plays in improving the funder-grantee dynamic.

That ECF can turn an unsuccessful application into an empowering experience for grantees is a powerful example of the value of good relationships between grantees and funders. This is commendable, and demonstrates ECF's commitment to supporting community organisations to thrive. Where ECF can seem less successful is in rejecting applications from organisations who have not built strong relationships with the Foundation - in these instances, scheduling a phone call to further discuss feedback could be beneficial to both parties in creating a clearer understanding of the aims of the other.

Having a proven track record

Having a good relationship with ECF did not seem to have an impact on the application or reporting requirements. Some organisations, who applied to ECF multiple times a year, felt their history of receiving grants from ECF should streamline the grant making process.

"There needs to be some sort of sustainable funding without repeatedly going through different applications, and monitoring all three. Of course we need to feed back, that's understandable, but if a charity has a proven track record..."

"Maybe think of their regulars and they can just apply for core, once a year. And that frees them [ECF] up. Especially charities who they have a relationship and history with - lay back on the requirements...I think it would be better if ECF; for my time, for the charity's time, for the trust's time; if they would give us a lump sum of core funding every year. We would produce a very comprehensive plan, with regular visits, but then it's just the one application."

The perspective of these organisations is understandable, and while ECF may be unable to adapt the grant making process for repeat applicants - for example, by committing to providing lump sums to specific organisations on a rolling basis - there is an opportunity for ECF to communicate to organisations why this is, to alleviate frustrations.

Having a voice

Interestingly, even those with strong relationships with ECF had not voiced the frustrations raised in this section of the report to ECF before. Ultimately, organisations were dependent on funding, and ECF held valuable funds. Therefore, sharing negative feedback was something they felt unable to do, through fear this may negatively impact the likelihood of future funding.

"We don't want to ruin our relationship with ECF, they're integral to us, really."

"It's not going to help you. You're fairly powerless."

Therefore, the anonymity offered by this study was regarded as a valuable opportunity to put these views across, seen to signal a commitment from ECF to understanding the authentic experiences of its grantees.

"I have been waiting for this opportunity to raise these concerns."

"I have never known a funder to do this type of activity. It shows they're thinking about it. At the least, that they're even asking this question."

Participants felt that the study would also be empowering in a number of other ways. They looked forward to reading the findings and recommendations of the report to see how their feedback would be acted upon, to see how their experiences compared to others', and giving them the space to reflect on their thoughts around the current funding environment.

"I'm really interested in what others have said. I rarely have these conversations outside of [name of organisation]."

"This one pushed my thinking, in a way. It pushed my thinking on what does that look like, fairness, transparency…? Not about some minister somewhere making decisions."

In summary, the power imbalance may always exist to some extent, but ECF can undermine its negative effects by listening to the feedback of organisations included in this report, with a focus on building relationships with marginalised groups, first-time applicants, serially unsuccessful applicants, and/or organisations who are not registered charities. Unconscious bias is a national issue facing the voluntary sector, and ECF should evaluate whether the diversity of the organisations they fund is reflective of the diverse communities in Essex, with care taken to identify communities whose voices have yet to be heard.

1.5 The role of co-production and lived experience

In some ways, the power dynamic between organisations and their beneficiaries could mirror the in-built dynamic of funder-grantee relationship; communities needed services, and organisations decided how these services were run, what they entailed, and who they were run for. Participating organisations told us that, in order to thrive they needed to be attuned to the lived experience of those in their communities in order to shape their work most effectively to meet need. Through co-production, community members were empowered to shape the organisations established to serve them. This meant running organisations with the community, as opposed to for the community.

With this in mind, we asked organisations how they embedded community voice in the design and provision of their work, as well as how they used it to influence decision-making in mainstream spheres.

Forums

One of the most common ways in which organisations captured lived experience was by convening groups of community members who could discuss aspects of the current and future work the organisation undertook, and therefore shape its agenda.

Case study

One charity had recently created a service user forum consisting of approximately twenty former, and current, service users. The CEO told us that the group had been set up because: "capturing survivor voice is something we're really focusing on." The forum met with the charity's staff every two months to discuss service provision. This included barriers that service users could experience in accessing the organisation's services, and aspects of provision that worked well, or could be improved. The CEO told us that the forum had been "really exciting and positive" and was going to "remain a permanent part of [name of organisation]." The next stage of the forum's work would be to directly influence the charity's strategy.

Another organisation had created a group of more than fifty community members who were "male, female, different ethnicities, different religious communities…it represents everything, it is the most diverse group…rural communities are very different from urban communities, because they are more insular…we draw on all those lived experiences." The voices of these community members were used to create the training the organisation delivered to statutory and voluntary services. The CEO told us, "I always knew we needed to have that diversity to deliver our training."

Other organisations used their forums in similar ways, by convening current and former service users to contribute their opinions and ideas on existing, and future, work. Several conducted their own research with members of the community that produced evidence of need both within and beyond their organisations.

"I'm often asked for evidence to demonstrate need. We do our own research internally, and find Essex-based statistics."

One organisation told us that with more community organisations producing evidence of this kind the evidence base for the needs of different communities was stronger than it had been in previous years. This helped organisations to make the case for the fundability of their own work, but also allowed organisations to adapt their work with the needs of other communities in mind. This demonstrates the importance of funding for community voice projects. These have the potential to not only enhance the efficacy of the funded organisation, but to act as valuable resources to the sector as a whole, and beyond. However, these projects are less likely to align with current funding priorities, which highlights the value of core funding which could cover the costs of such work.

Gathering feedback

The vast majority of organisations were involved in gathering regular feedback on the services provided, as well as ideas and suggestions for work that could be done in future. This was then used to shape the direction of the organisation's work, but also to demonstrate the impact of their work when reporting back to funders, or make the case funding future projects.

Case study

One organisation conducted an annual questionnaire on its service provision. This was part of the organisation's social accounting practice that worked on the basis of "prove, improve and account." The questionnaire provided evidence on where there was room for improvement, alongside what was already working well. A year after the questionnaire, the organisation reported back to the community on how it had used their feedback to create change. The CEO told us that this was important to "close the feedback loop" by demonstrating the organisation was not only listening, but taking feedback seriously by enacting change.

One organisation ran a series of talks online during the pandemic, and created a suggestion box for the talks that the community wanted to receive in future. As a result they were able to build these suggestions into the topics covered by future talks, which included areas they had not thought to deliver talks on before. In other instances, organisations acted on feedback to install WiFi in their buildings, and to create opportunities for physical exercise.

"We do listen, we do hear, and we want to take it on board."

Other charities included evaluation forms as standard practice at the end of the sessions it ran. These were sometimes shared directly with the trustees to provide them with an oversight of how organisations were performing, and others were used to form evidence on the impact of its work to provide to funders. An organisation that worked with children and young people gathered letters from these children's families and schools that testified to the positive impact the organisation's work had made, and it was common for organisations to gather quotes and case studies from those they had worked with, or the agencies who had made referrals to their organisation.

"...a statistical measure of the progress gained beginning to end proves to funders that we have a positive impact on clients."

"In the case we made, they wanted a couple of stories, which we were able to do. We sketched out a little story."

One organisation even had a long-term plan to employ a community engagement and membership officer who would run surveys and gather community voice in order to bring evidence of need to funders.

Incorporating lived experience in teams

In some organisations people with lived experience were represented in trustee boards, staff teams and other voluntary roles. This was in recognition of the value of 'experts by experience' in shaping the organisations' work at both strategic and operational levels.

"In our organisation we ensure our work is informed by people with lived experience in leadership roles. Like myself, I am a refugee… Lived experience informs decision making. Someone from our Essex [service] is now one of our directors. And our peer support groups inform us of their support needs. And many of our staff are refugees."

Organisations also included community members in decision making processes even when they were not involved as a trustee, employee, or volunteer.

"Young people have previously been on recruitment panels for youth workers."

"We now have a young carer who comes to our committee meetings."

Organisations also valued the input of those who did not have lived experience of the issues communities faced, but had lived experience of working or volunteering for the organisation.

"They have input in what we're doing. It's a two-way street, we benefit from their thoughts."

"A new volunteer comes in and says 'have you thought about doing it like this?'"

For this reason, several organisations hired former volunteers whose experience of the organisation, and enthusiasm for its work, was seen as a great strength. In these instances, employment was seen as a way to preserve and develop the valuable skills these individuals brought to the organisation.

"We build our volunteers up. Most of our staff started as volunteers. That's always our goal. We have young volunteers who started as apprentices."

Having a say in how finances are spent

Some smaller organisations, who received smaller grants, allowed their communities to decide how money was spent.

"Where we look at resources, and deploying them, we look to young people. We ask young people how regularly, where it would work… It's a very powerful tool for them to say 'We did it all.' It's empowering to say 'It came out because of us."

This was seen as a person-centred approach that allowed service users to achieve their own goals using the organisation's resources. For example, in one instance a service user had always wanted to take a trip on a ferry, and the organisation was able to make this a reality not just for the service user but for others in the group who wished to go. Others ran polls based on service user suggestions on how smaller amounts of money could be spent.

"What we'll then do, once some funding comes in, is we'll sit down with them and plan the activities with them. And we'll make a list. Like we hired a barge, and they loved it. That was quite expensive, I think it was about £500, but we still speak about that now - the impact that's had more than eighteen months on. Another example is one wanted to go and see [name of town] football club, and we arranged that with a tour of the grounds."

The above forms of engagement were aimed at people already involved, and aware of, the organisations they fed back to. Therefore, we asked how they raised the profile of their work with their communities, outlined below.

Continuing to develop relationships in the community

Some organisations used general marketing tools such as advertising in local media, on social media, and through leafleting. Some had utilised social media during the pandemic to initiate contact with members of the community that had not accessed their services before, and others had linked with existing community organisations such as local residents' groups.

While many organisations told us that the local voluntary sector was competitive, therefore making collaboration difficult, the pandemic had mobilised some groups to work in partnership which led to a broader awareness of their work. For example, as part of a local authority's pandemic response one organisation had joined a 'one-stop shop' initiative that brought together a number of organisations to offer more holistic support to community members.

"Being forced together helped us identify the voluntary and statutory groups...The pandemic has forced the situation, it has forced people to come together."

This organisation was in the process of creating a community engagement cafe that would act as a way of engaging more people with its services, as people would be able to 'turn up off the street' to access a range of advice and support.

"It's going to serve really good coffee and refreshments, but we don't want to be another [name of coffee chain], we don't want to make thousands. We have local area coordinators, finance, housing, we run a debt centre...these are people with serious life issues..."

However, it was also sometimes the case that organisations closed down during the pandemic which could thwart plans to reach other members of the community.

"Obviously, we support people with dementia and so a big challenge is transport. We work alongside a lot of community transport teams, but over the pandemic some of them were closed. Accessibility is a problem. So it's probably our biggest challenge there."

Rather than bringing the community to them, some organisations actively went into the community - not just to make people aware of their work, but to support individuals in participating in community life. One such organisation promoted their services by hosting events and open days at their centre, but also attended other community events such as a horticultural show, and late night shopping.

"We like to try and get involved in community things...We try to get them to join in with their community."

Another organisation had predominantly worked with young people, but recognised that they could also extend their support to young people's families, and had begun to run groups for parents and grandparents.

Case study

We spoke to a small, local organisation who told us the population of the village they worked in had changed dramatically since the start of the pandemic. During this time, we were told, the village had almost doubled in size with the building of hundreds of new homes. The trustees recognised it was important to form early relationships with new residents so the service remained responsive to the community's needs. The village was largely populated by older people until recently, but many of the new residents were young families. Therefore, trustees were aware of the need to adapt their ways of working to both support the older population while also meeting the needs of young families. This had included planning for the increased utilisation of digital and electronic services, as well as recruiting a more age-diverse trustee board to reflect the changing population. Currently, a village magazine was delivered to every household in the village in which the organisation advertised its events and invited suggestions. There was an awareness that younger residents may prefer electronic communications to a printed magazine, and so a website and social media page had been created. The organisation also planned to deliver welcome packs to every new home in the village with information specific to the organisation, and inviting feedback on its future programming.

Organisations such as the ones mentioned above recognised the value in reaching out to engage with community members not currently accessing their services. Not all participants in our study were actively seeking to do this, usually because they did not have the resources to provide outreach work, or because they only had the finances and capacity to spend on those already accessing their services. This was likely to impact more marginalised members of communities who may not currently be engaged with services, which we look at in more detail below.

Reaching more marginalised members of the community

We asked organisations how they reached out to the most marginalised members of their communities. There was no consistent way in which organisations did this, as many had only recently begun to think about this on a meaningful level. Some had set up comprehensive plans for addressing these issues, while others were still considering their approach.

One organisation had worked to ensure their service was accessible to a broad range of community members by including a range of diverse voices in its work. This was particularly important, the CEO told us, as other organisations of a similar nature had traditionally been less inclusive. Others received direct referrals from organisations already working with marginalised members of the community such as schools, social care services, the criminal justice system and a range of health services. The Black Lives Matter movement had caused many organisations to reflect on the ways in which their organisation could better engage with marginalised communities.

"We have been speaking directly about Black Lives Matter, and taking a very strong internal look at ourselves and our diversity and inclusion movements, and how we reform. We are looking at what is the low-hanging fruit that's easily operational, as well as deep-level system reform."

Some organisations were aware that there were not historical links in place for more marginalised groups to access their work, and were looking to rectify this by working with other organisations who did have these relationships.

One organisation had created an equality, diversity and inclusion action plan, which was said to be an active and ongoing piece of work. The working group met every six months to push the actions forward, with a particular focus on reaching out to ethnic minorities where existing relationships were not as strong. One organisation told us they were currently focusing on how to identify those negatively impacted by the pandemic, who may not have previously been considered vulnerable:

"...newly vulnerable...people who haven't traditionally used us, and don't know about us, because they haven't needed to. I think there's going to be a rocky time for a few years. The rocky time keeps being postponed because furlough keeps getting extended, but I think maybe people will fall off the cliff in autumn."

Another worked remotely in order to reach children and young people who were not engaged in more mainstream services, though this had been impacted by the pandemic. One organisation had other services working from its building, meaning the offer could be more holistic and therefore diversify the people who came into the building, though this had also been made difficult by the pandemic.

"In the first lockdown we were locked down like everyone else. We did well being check-ins and calls, and the midwife team for high risk worked from our office...people could still speak to the homelessness case worker, and there were things in place...obviously, homeless people were being rapidly housed but it wasn't as clearcut as that...people were still being kicked out and needed someone to be there, so we had that skeleton sort of thing...But we still haven't got an open door policy, and that prevents people...who see a shut door. They're not able to pop in and ask for a foodbank voucher, or hot meal voucher, or say 'I've got a friend who needs help with this...'"

For others, while they had begun to think about reaching out to marginalised members of the community, they were still deciding their approach. One organisation told us that they had an equality, diversity and inclusion policy, but beyond that acknowledged the service was "run by white people for mainly white people, if not all white people."

Many of the discussions taking place around these topics have been prompted by national, and international, social justice movements. While it is difficult to know, at this early stage, how effective the different approaches to this topic will be, it does provide an opportunity for the sector to learn together, and a willingness to collaborate and share information and ideas will be vital to spreading the good practice that emerges.

Influencing beyond the organisation

Listening is just one part in utilising community voice; the other part is how lived experience is used to make meaningful change, not just within an organisation, but in all areas of society. We therefore asked organisations how they used their community's lived experience to inform broader system change. Once again, there was no uniform approach to how organisations did this.

A number of groups had utilised the local press to spread awareness of their work. This was sometimes for the purposes of promoting their organisation to those wishing to access it, but on other occasions it was to raise awareness of the issues faced in their community. Another organisation sometimes worked as a broker between statutory services and the community, by asking community members to partake in research and questionnaires that were being used to shape services. One organisation had put together a conference where community members could share their lived experience to an audience of mixed professionals from different services. Other organisations ran workshops, talks and training to other community groups and organisations.

Organisations acknowledged that being able to influence beyond their organisation depended on others being receptive to their voice, and described often being met with reluctance from those they wished to influence.

"For many years it was difficult to get ourselves out there to be seen and heard, and sometimes we felt like the same as the young people."

Organisations did not always have the confidence to engage with wider society in this way. This could be due to a lack of the skills associated with influencing (such as public speaking, issuing statements, or even the knowledge of how to access people in decision-making roles). Others were unclear if speaking on behalf of their community was even something they should be doing, or if it detracted from their mission.

Case study

A member of staff from one organisation explained they did not feel comfortable in using their platform to influence in this way, as this had not traditionally been something the organisation had done. "We try to position ourselves fairly neutrally...But I'd say in the last eighteen months that's changed significantly, because we realised we're not doing our best by young people on remaining silent on issues when we have something to say." The charity had recently joined forces with other organisations to release a joint statement. The member of staff explained that this was a difficult decision to make in a politically charged environment: "What we don't want to do is a knee-jerk reaction. We want to have a considered opinion so that when our voice is heard it's coherent."

The organisation felt conflicted as to what its role was in speaking out to influence change, and if this distracted it from its mission: "In a world with demand for soundbites and lots of political opinion, it's really important not to forget that first and foremost the [name of organisation] are trying to build aspiration and attainment. We don't want mission creep. There are other organisations in the space who advocate, and we don't want to shirk our responsibilities."

The majority of community voice gathered was used to inform organisations' own work, as well as to provide evidence to funders. Community organisations can be great sources of lived experience, often holding unique awareness of the needs of the most vulnerable in society. Organisations themselves told us that in thriving communities the voices of the marginalised must be heard by those in positions of power, and therefore it is concerning that many participants lacked the confidence or knowledge in doing so. Others felt unheard by those whose views they wished to shape, and when funding opportunities are scarce, speaking truth to power may come at a price.

As such, ECF may wish to consider the scale of its own influence as a large investor in Essex communities, and how the richness of community voice contained across the organisations it funds could be shared at the platforms it can access across the county and beyond. ECF, with more weight and might than any number of the smaller and grassroots organisations it works with, should consider ways in which it can use its influence to represent the voices of community groups in Essex.

1.6 Skill gaps, and opportunities to develop the sector

Some of the largest challenges organisations described as impacting their ability to thrive were skill gaps including digital skills, financial management, and governance. Participants explained that a large range of skills were required to successfully run a community organisation, and for smaller organisations these responsibilities could fall to a single staff member, or even a volunteer. Larger organisations sometimes tackled these challenges by employing staff to fulfil particular roles such as data collection or administration, but for smaller groups it often fell to them to try and identify ways in which they could upskill themselves.

"The learning curve of going from frontline worker to CEO: having to learn marketing from scratch, fundraising from scratch, and accounts from scratch. Being able to know if someone can come in and do a needs assessment. How to use an admin person...I've never had an admin person."

"Accounts is another thing I've had to upskill on. People may not have any skills or idea how to run a business. If you're running an organisation you get involved in lots of areas where you've not previously had experience and skills...I didn't have any experience doing this before. I'm a qualified therapist, but you have to become a soft accountant."

Similarly, participants were aware of the important contribution trustees made to organisational governance, but that trustees, while often enthusiastic and passionate, could also lack the training, experience or qualifications necessary to sophisticated levels of oversight.

"I have worked for different charities over the years and trustee boards can be a real mixed bag. To build a well-functioning board is quite an art. When you're a small organisation it's likely that you will have well-meaning people who are knowledgeable about the area you work in...but it's highly unlikely they'll have the strategic and accounts experience."

Smaller organisations often doubted their ability to write a successful funding application, which they felt put them at a disadvantage in comparison to organisations who employed a professional fundraiser.

One of the biggest challenges when applying to funders, was having the financial knowledge required to answer certain questions. Governance documents were also a source of difficulty; creating the relevant legal and policy documents was often complicated, confusing and time consuming. And digital skill gaps were a particular challenge to small organisations, particularly those run by older volunteers.

"I had a little income expenditure spreadsheet. You have to have a bigger system [as the organisation grows]. I'm not very Excel savvy. I'm funded to run projects but have no one to help with finance. Either I've got to get an accounts system with project codes, but I've got no funding for that. I need someone to show me how I can manage that."

"The big thing is IT. It's a mess. I'm the only one who does it. I worry about digital security..."

Organisations wanted the ability to access upskilling opportunities to tackle these challenges, and emphasised the importance of these opportunities having little or no cost associated. Therefore, we asked groups about the current provision they accessed to learn and improve their skill sets, as we lay out below.

Existing provision

We found that there was inconsistency across the county in what was available; much of the training organisations had accessed was delivered by their local CVS, but not all CVSs offered the same training programmes, and some were said not to offer any training at all.

"Training certainly locally, here, is well provided for. There is training for writing applications. Whatever is offered seems very good."

"One CVS did a day of trustee training, but [name of local CVS] isn't running that."

Medium and large organisations sometimes accessed upskilling opportunities as part of funding plus programmes. Again, provision varied from programme to programme: some offered training, others mentoring, others consultancy, and others all three. Regardless, the ability to access any form of learning opportunity as part of grant funding was seen as tremendously helpful, with organisations often claiming this was as valuable as the funding itself.

Case study

Two organisations who had received grants from the same funder spoke favourably of the funding plus approach that combined development opportunities alongside grant giving. These organisations received multi-year funding, over the span of three years, and within this time had accessed training in leadership, finance and budgeting, human resources, and culture and values. One said, "The benefits from that funding go so beyond the money." The programme also assigned consultants to the organisations' boards to build governance, and during the pandemic an additional resilience programme was implemented with different training offers each week: "Everything has been of incredible value to us as an organisation. It's opened the door to expertise, and consultants, that we were not in a position to access before. We got advice on our management structure, advice on fundraising and finance, and we did resilience training too."

The programme enabled grantees to work collaboratively through the sharing of experience, which continued even after the programme had ended. One organisation told us, "It was a space to share learning and build really strong friendships...If anyone's got a need, they'll shout in the WhatsApp group and one of us will reply."

Both participants told us their organisation was stronger for having received the development offer alongside the financial grant: "In eighteen months we've doubled in size...a big element of that is what they've sewn into our organisation... From my lived experience, that's the best form of doing funding."

Those who had benefited from funding plus work felt that there may be a role for ECF to incorporate some of the aspects of this model to its work across Essex.

"That model is really good. A local equivalent would be valuable."

As there seemed to be no consistent training and development offer for organisations within Essex, and in line with the growth of funding plus approaches, the section below looks at what participants thought the role of ECF was overcoming the skill gaps across the local voluntary sector.

The role of ECF

Organisations had begun to see the value funders could bring to their organisations additional to grant giving. Some participants told us they wanted ECF to offer training sessions on application writing, though others were aware this was something ECF already offered.

Existing provision was largely run by CVSs, two of whom were participants in this study. Both felt that while it was important for ECF to be cognisant of the training CVSs already delivered, there was room for training specific to the aims of ECF:

"If [member of ECF staff] ran a bid writing workshop, or 'What is a CIC?,' that element of training focused on what they're giving away...but if he started offering safeguarding training, that takes key bits away and floods the market. We all have our own niches, and we all have to look at our own roles. If there was development training, for example on CICs and charities, great! But if he did Mental Health First Aid I'd say 'don't bother, because you're taking away from CVS,' and I'd throw a tantrum about that."

Beyond session-based training, organisations often wanted the ability to receive tailored advice from ECF, given that ECF's staff and trustees held a wealth of knowledge relevant to working in the local sector.

"An advisory service is always great. Having met people at the event from the trustee board, they have such a wealth of knowledge. So maybe you could contact them and they could signpost you to a trustee. They could have a drop-in, or a drop-in email address that says 'We'll aim to get you in answer in X amount of time, and we'll let you know if not."

As with training, some organisations had already accessed ECF in an advisory capacity, particularly around forming stronger funding applications, and felt that this had been of value:

"Their assessors are lovely. Someone contacts you and advises you as well. They want your application to be the best it can be. With our second one we were expanding our [existing work], and they advised we enhance our safeguarding policy. They wanted to help. We are a new organisation, and we don't have an expert bid writer. So many big charities pay somebody, and I was trying to cobble together bits of information."

Having spoken with ECF staff ahead of the publication of this report, it is clear that not only have they previously run some of the training sessions suggested above, but are also trialling a system in which organisations can pre-book a time to have a one-to-one conversation about questions they may have. Given the needs that organisations expressed in this study, this will be a great resource, and there is an existing desire to share in the wealth of knowledge and experience that ECF holds. In light of the opinions expressed above, should ECF wish to expand its existing development offer it will first be important to understand the provision currently existing in Essex to avoid detracting from the work of other organisations (such as CVSs). Then, in the parts of the county that provision is found to be lacking, ECF can target its support. As there is an appetite for opportunities of this nature, ECF can seemingly be as ambitious as it likes in what it offers while being mindful that any investment in development may detract from the size of the grants it is able to give. Evaluations of existing funding plus work, both by ECF and other funders, should help to shape the extent to which ECF invests in this approach, though participants in this study suggested that offering development alongside finances could double the value of a grant by building in the skills required to sustain an organisation in the longer term.

1.7 Concerns for the future of the volunteer workforce

Unpaid labour, through the work of volunteers, is a sizable resource in the voluntary sector, crucial to community organisations' ability to thrive. Without the work of volunteers, organisations in our study stated they would be unable to maintain their current service provision - or to provide any services at all - given that some organisations are staffed entirely by volunteers. Many organisations utilised volunteers in more traditional roles such as the staffing of social groups, community transport and fundraising activities, but volunteers also contributed valuable skill sets that were important, particularly to small and grassroots organisations, to the overall functioning of the organisation.

"I'm not an expert on fundraising...we had a volunteer from outside the congregation who helped us a lot with that."

"A volunteer helped with the business plan, which was good, and something that you have to do, but it was hard and it took time."

It is concerning, therefore, that a number of organisations described challenges in recruiting the necessary numbers of volunteers to sustain their work. Volunteer shortages were mostly put down to increased financial pressures within society. Retirement was often considered the optimum time to turn to volunteering, but organisations observed that fewer people than previously could afford to retire at state retirement age, if at all. Alongside this, organisations told us people had less spare time than they used to, with both members of a typical household now needing to work, and work itself being more time-intensive:

Case study

A small charity, in a coastal town, had been running for decades at the hands of volunteers. The vast majority of these volunteers, several who had been with the charity since its founding, were now in their seventies and eighties. One told us: "We have a few in their sixties, we call them the youngsters!"

Having an older volunteer force caused the charity concern for a number of reasons. First of all, the charity worked with children and young people, and volunteers felt that it was important to be relatable to the younger community: "We desperately need young blood; children and young people respond to that." This had also posed a problem during the pandemic, as many volunteers were shielding due to their age and no longer able to support the charity's work. As of September 2021, the centre had not reopened, as the founder explained that remaining volunteers were "very reluctant about opening up" due to the ongoing health risk. The shortage of volunteers had also negatively impacted the number of activities the charity was able to run, with one volunteer telling us: "We have gone down to two sessions a week, because there aren't enough volunteers."

The founder told us she had begun the charity when she retired, but now, in her eighties, she wanted to be able to step down. However, she was unable to do so as efforts to recruit a successor had not been successful. She explained: "We are in our seventies and eighties and would like to hand things over to younger people, but young people wouldn't have the time. One person said he would love to come and help, but he has a wife who works and three or four children...the most he could probably do would be half a day. They both want to work now. Who has the time? There are enough pressures trying to pay your mortgage or rent."

As well as the large time commitment required, there were also a lot of responsibilities to take on in the running of the charity. "It's a huge responsibility: policies, insurance, overheads... You have to learn so much. I had to learn all the buzzwords. It took me two months to do one application, there were pages and pages, and in the end they said it didn't meet the criteria. Any young people who took over wouldn't have that time for fundraising." The future of the charity was therefore uncertain, with no solution seemingly presenting itself any time soon.

"...people are not retiring at sixty; they're not even retiring at state retirement because they can't afford to, you have two working parents, and work is much more demanding. That's a stress point, and it's only going to get worse."

This might explain why organisations based in more affluent areas of the county often had a more optimistic outlook on the future of the volunteer workforce.

"We have an older population but we're more affluent. We're aiming for people who worked in the city, then said 'oh, I'll do my last ten years in M&S,' but then they closed. Those people are sitting ducks for volunteering opportunities."

If it is the case that populations experiencing greater financial pressure are less able to contribute to their communities through volunteering, further socioeconomic inequalities risk becoming exacerbated as community organisations struggle to maintain existing service provision. We also heard, throughout this project, that organisations working with minority communities are more likely to be run entirely by volunteers, which may again escalate existing inequalities facing marginalised groups.

While some organisations mentioned an increased drive in volunteer efforts as a result of the pandemic, this did not always benefit established community organisations. For example, we often heard of new groups forming to assist locally with tasks such as grocery shopping and collecting prescriptions. It remains to be seen whether these voluntary efforts will continue post-pandemic, particularly as furlough schemes and at-home working allowances come to an end.

It is worth noting that in smaller organisations there was often crossover between the roles of staff, volunteers and service users which was often integral to the organisations' ability to thrive. For example, a staff salary might only cover part-time hours, but the member of staff would work extra

hours unpaid to ensure the operational levels of the service could be maintained. Equally, some service users, such as attendees of social groups, also volunteered in the running of groups, or helped to wash up and tidy away afterwards, and this was seen as essential in allowing these groups to continue. It is likely, therefore, that the scale of the volunteer hours needed to enable community organisations to thrive is currently being underestimated.

As this was an unexpected finding of this project - we did not set out expecting to ask many questions about volunteers - the subject will likely require further investigation to better understand the scale of the issue. As one participant said:

"ECF and other community organisations need to look at this issue with other big funders, and the home office. I don't know what the answer is. A lot of people talk about volunteers, and there's a lot of rhetoric from government, both big and small, but it doesn't translate to a solution. And I think ECF and funders need to look at this because organisations won't be able to deliver funded work...I suspect it's not on their radar, but the volunteers are not going to be there."

One potential solution raised by several organisations was increased funding for paid employees:

"Everything now is target-driven, and you can't base that on volunteer labour. You need to protect the core, and make sure there are paid staff that volunteers can then supplement. Then if volunteers fall away you still have enough. Grant giving has got to alter in response to voluntary capacity, to boost paid resources."

As ECF were considered to be in a small minority of funders who covered core costs - including staff salaries - there may be an increased demand on ECF funding should future volunteer shortages increase a need for salaried staff. However, it is likely that the matter is more complex than an increased creation of paid roles within community

organisations. Tensions already existed, particularly in small and grassroots organisations, where volunteers were contributing equal, or greater levels, of time as paid staff, which resulted in feelings of being undervalued.

"Staff don't always appreciate what trustees do."

"Paying staff causes friction."

For this reason, further exploration is required as to whether the solution lies within increasing paid staffing, or whether there are opportunities to adapt the way in which people with busier lifestyles are able to volunteer their time and expertise. It is probable that infrastructural organisations from across the county have a greater understanding of the challenges faced, as well as possible solutions, making them valuable as potential partners in work undertaken around this topic.

1.8 Chapter summary

- Participants described thriving communities as incorporating the values of belonging, support, co-production, opportunity, resilience and sustainability. To support their communities to thrive, organisations needed a clear mission, to identify need, to feel heard by decision-makers, good governance, collaboration, and resources. They believed ECF's role in this, aside from providing funds, was to build strong relationships with organisations, listen and respond to their feedback, recognise the unique support ECF offers to small and grassroots groups, develop skill sets in the sector, and build networks between organisations.

- Equalising the relationship between funders and grantees is crucial to overcoming some of the challenges facing community organisations who risk being disadvantaged by funder-led agendas, or the perpetuation of unconscious bias. Building trusting and transparent relationships, based on listening and understanding, can redress the existing power imbalance and lead to a more equitable sector better able to address the needs of different communities.

- Co-production between communities and community organisations is important in allowing communities to identify and respond to need, and therefore deliver services that are effective and accessible. Organisations gathered and embedded community voice in a range of ways, but could struggle to invest time and resources into developing ongoing relationships with their communities, reaching out to marginalised groups, or using community voice to influence decision-making outside of their organisations. Funders can strengthen this work by investing in co-production exercises, recognising the role of core funding in enabling such work, and utilising their networks and platforms to build influence on behalf of grantees and their communities.

- A huge range of skills were required to run a thriving community organisation, which was problematic for smaller groups who sometimes employed a single member of staff, or ran entirely through volunteers. Participants identified skill gaps in their organisations that included digital, financial, and governance. Access to training and development was inconsistent across the county, and organisations felt ECF could play a role in developing the sector through the knowledge it held on a range of topics.

- Many organisations relied heavily, if not entirely, upon the contribution of volunteers. In recent years, some organisations in areas of economic disadvantage had noticed increased financial pressures in the community had resulted in a decreased ability to volunteer, which threatened the future of some organisations. This topic requires further exploration to understand the extent of the problem, and possible solutions. Funders must be a part of this work, as should the issue continue there will be serious implications for the work that orgch anisations are funded to carry out.

Chapter 2:
The funding landscape

2.1 Overview of the current funding landscape

That funding demand outstrips supply is not a new issue, but is one that organisations told us had been compounded by increased demand for services but decreasing sources of income.

"I have found and approached new funders, and they've come back with 'We'd love to support you, but we can't take on anymore.'"

This section of the report collates the experiences of community organisations in the current funding landscape. This is important context to any funder examining the role they can play in supporting community organisations to thrive, by shaping an understanding of the challenges the sector - as a whole - must overcome, and can therefore provide a basis for ECF's consideration about how its own practice may both contribute to, or mitigate, these issues.

Changes to statutory funding

Organisations told us statutory funding was less available than in previous years (with the exception of funding made available during the peak of the pandemic). Local authorities were having to justify spending to a higher degree than in the past, and therefore criteria had tightened significantly, making statutory funding more difficult to access.

Organisations believed that, against a backdrop of austerity, their work was crucial in meeting the increased demand that had resulted from public service cuts. That said, many of these organisations did not receive statutory funding, and smaller organisations in particular were unlikely to be actively delivering local authority contracts.

Case study

One organisation explained that local authority funds made up a "huge chunk" of their income. While statutory funding criteria had always been complicated, staff found thresholds had increased to the extent that more time needed to be invested into application and monitoring processes for the same, or less, amounts of funding they had accessed in the past. "They're a lot tighter, and there's a lot more hoops to jump through." Combined with this, funding was shorter-term in nature, and scarcer overall: "...they can't seem to tell you anything, or commit to anything, more than six months in advance." Staff told us this short-term nature created complicated scenarios, for example, one local authority had agreed to fund a piece of equipment, but would not commit to funding the small cost of the software required to make the equipment work, as this took the form of a yearly subscription: "...they saw it would be an ongoing cost and they said 'no', but we put together an application to ask if they could fund it for three years, and we would find ways to fund it ourselves." Unfortunately, this was still deemed by the local authority to be "a risk," meaning the organisation could access the equipment, but not the software needed to make it work. In another example, complex funding criteria meant the local authority agreed to fund a series of workshops, but only covered the cost of the professional running the workshops, and not that of the attendants. "And there's so much of this minutia; it's quite complicated."

"Funding for charities has decreased in the last decade. Local authorities seem to only give funding to start-ups…The third sector is doing less, and charities are picking up the slack from statutory…because there is a lack of funding for the third sector…"

One organisation told us that they were inundated with demand, and struggling to meet need, but were being pressured by their local authority to expand their provision. Other organisations reported that the financial support they had once received from statutory services no longer existed, due to policy and legislation change (including support that had once been given through the European Social Fund).

"…now there's no funding from the National Health. What used to be the PCTs [primary care trusts] used to give us some money to run our project, because we were effectively looking after their patients-slash-clients. As far as I know, the PCTs have been largely disbanded and it's gone to GPs…we have tried to access through [name of clinical commissioning group] but there's no money…. Now it's housing associations; the government now considers mental health as coming from the housing associations, but they've not got the expertise and they haven't got the money."

A decline in statutory funding, as well as the complicated nature of what funding is available, undoubtedly affects the sustainability of community organisations. This creates greater dependence on grant giving foundations, such as ECF, particularly by smaller organisations who are unable to compete for large statutory contracts. In recognition of the complex nature of statutory funding, ECF's flexibility, ease of application and reporting, and commitment to core funding (discussed elsewhere in this report) must continue in order to offer an alternative source of income for those organisations who have been elbowed out of the statutory market, or whose capacity has been restricted due to the complexity of managing statutory contracts.

Following the funding

Participants told us that funders' priorities often changed in line with whichever national issues were most popular. For instance, this had more recently resulted in a focus on funded work around mental health, physical fitness, dementia and social isolation.

"Funding goes through phases: 'What's trendy? What's good to fund at the moment?' We're currently riding that short-term wave for mental health, but how long is it going to last?"

While organisations identified the importance of having a clear mission in allowing them, and their communities, to thrive, it was difficult to adhere to a mission when it wasn't aligned with the latest funding trends. Organisations sometimes admitted to having to try to angle their work to suit these themes in order to get the funding necessary to their survival:

"I have learned to use the magic buzzwords: it's all about social isolation at the moment. Fitness has come back again in Essex."

"You have to chase the funding of where the funding pots are going."

That said, even organisations whose work fit into the leading themes experienced a different set of challenges. Two organisations working within mental health, for example, told us that national organisations with high profiles received the lion's share of mental health funding, despite feeling that their relationships with local communities allowed them to work just as, if not more, effectively than national contenders.

"We have found it harder to access grants because we are a smaller concern. [Name of organisation], [name of organisation]…they have national profile and national credibility. We're too small to be a player. So funding streams have gotten less…"

Therefore, funders should remain open to the funding needs of organisations, trusting them as the experts of their communities needs, being mindful of those groups whose work is important even if it does not align with current funding trends. This approach rejects the power imbalance, reported by participants in our section on funder-grantee relationships, by avoiding a 'top down' approach to funding and allowing ECF's beneficiaries - its grantees - to shape the funding agenda.

Making assumptions

Some organisations told us they felt funders made unfair assumptions about their worthiness for funding which could prevent them from accessing grants. First of all, a number of organisations felt that their level of reserves disqualified their applications. Whether an organisation was told they had too much, or not enough, in reserve, both scenarios created something of a Catch-22 situation:

"The economics of charities is weird. They want you to have lots of reserves and to be sustainable to get funding. But you're told to have no money to be funded!...It almost feels like you're not a charity. They almost need to be a business: to be sustainable, to income-generate...There are a number of significant challenges: getting the funding, sustaining the funding, and planning the long-term. That's why you need substantial financial reserves; the bigger you are, the better funding you can get."

This might suggest there is a 'sweet spot' for organisations who fall somewhere in the middle of these two extremes: having sufficient levels of reserves to be a worthy investment, but not too much to be considered undeserving of more. This might be the case for one organisation who said that funding could be accessed providing the organisation had the finances to fund half of the work themselves:

"What I have learned is they like to see some form of match funding...they like to see you've got about fifty percent, or just under that, so we ask our trustees to underwrite that in order to secure funding from somewhere else."

Secondly, as we have already covered in the first part of this report, organisations who were not registered charities (such as CICs, CIOs, and complies limited by guarantee) felt disadvantaged by funders who assumed their aims were not charitable. Some told us they were automatically excluded by some funders who only accepted applications from registered charities.

"There are stipulations: you must be a charity."

Others told us that even when explaining their mission in application forms, they still experienced rejection for reasons of being 'money making' organisations. One organisation told us they were considering changing their structure to that of a registered charity in order to overcome this barrier. More than anything, these organisations wanted the opportunity to challenge funders' misassumptions and prove themselves worthy grantees:

"Sometimes, as a CIC, it is harder to get funding. Most funders want you to be a registered charity, but sometimes funders will be flexible when you explain how your organisation works, and how it's trying to sustain itself."

Both of these issues (levels of reserves, and corporate structure) lend themselves to further discussion that would not only enable organisations to put forward their side of the argument for funding, but allow funders to explain their thinking behind basing decisions on these factors. It is probable that there is reasonable justification behind certain decisions based on reserves, and even the corporate structures that are funded, but greater communication about this reasoning is required to demonstrate transparency.

2.2 Collaboration in a competitive environment

As organisations highlighted how the current funding landscape could mean they were often short of the resources they needed to thrive, one solution would be joint working with other groups to not only save finances but share the resources of knowledge, skills and ideas. Unfortunately, the same issue that created these challenges - funding scarcity - also meant that as demand for services increased, and funding opportunities decreased, organisations could regard each other as competitors in the sector, as opposed to colleagues. Participants in our study felt that funders had recognised competition created in the sector and had tried to mitigate this by encouraging joint bids. In response, organisations had often considered forming partnerships simply to improve their chances of accessing funding.

"Next year I am thinking about what other organisation we can join a tender for, as I think the [name of funder] will look favourably at that."

However, this approach to acquiring funds was considered to be unproductive, sometimes stretching an organisation's capacity further than if they had delivered the work on their own. Instead, organisations wanted the ability to form trusting, collaborative relationships organically, but acknowledged there was a role for funders to draw together some of the fragmented pieces of the sector.

"One of the reasons that us and others are reluctant to do that is we're all trying to get funds out of the same pot. ECF tries to pull it all together, and a lot of bids only accept your application if you're working together with other organisations. ECF are keen to encourage this as well. But it's more about pulling together areas of expertise."

In this section we first look at the extent of this competition in organisations' own words, before moving on to examine why organisations felt that focusing on joint applications was not a viable solution. We also look at how some groups are effectively collaborating on their own terms, and finally how ECF might begin to think about fostering a more collaborative culture.

Competition

Smaller organisations with fewer resources, and limited capacity, are likely to be the ones who would benefit the most from collaborative working. While some recognised this, and had made efforts to reach out to others, they felt that there was unwillingness across the sector to share ideas, skills and knowledge that would improve the overall strength of the sector.

"Competition spoils it. There is no effort to spread it around...people who have been successful don't want to share their secrets."

Case study

The Fundraiser of one organisation told us that in the charity's local area it had become difficult to access funding on merit alone. She explained that strong, historic relationships between certain local organisations and funders effectively excluded other groups in the community: "In this local area it is highly competitive over who holds the purse strings. Does your face fit? Who knows who?...There's that stronghold of people who are running projects...I am very much finding that everyone knows everyone..."

The extent of this issue was so well-known that a member of staff from a local authority told the Fundraiser to "keep your ideas and your gold close." Not feeling able to trust other organisations in the community had created a fear of sharing ideas and best practice. She felt that there was a degree of "back-stabbing" practices in play, including undercutting other organisations in funding bids and/or |stealing" the ideas and projects of other organisations to access funding: "...moneywise, there's no charity in charity. Everyone is out for themselves."

These attitudes are ultimately harmful to the sector as a whole, and therefore the communities they support. Yet some organisations shared experiences of abuse of trust which had made them feel unsafe when sharing the successes of their work, which made them reluctant to work so openly with other groups in the future:

"When you do [share information], and you see your project pop up somewhere else you become incredibly guarded."

Joint bidding

Funders were seen to favour funding applications made by two or more organisations, thought to be a direct response to the fragmentation of the sector. While the participants agreed that funders could play a valuable role in encouraging collaboration, they firmly believed it should not be encouraged through financial incentives, as this alone was not a strong foundation for partnership working.

"The viewpoint of funders is understandable, but trying to get organisations to collaborate often dilutes the vision of both organisations: rather than both winning, both are losing. Yet funders have come to expect collaboration."

Some warned that, rather than saving time and resources, joint grants could result in an organisation actually having to do more work than they would have if they had been funded to deliver the project alone. In the experience of some, collaborating for the sake of funding could lead to mismatched intentions and expectations. That the culture, values and standards of practice could differ between organisations was also seen to be a risk, one which could damage the reputation of organisations or force them to compromise the quality of their work.

"The other thing with joint funding, if you're not careful, is if one organisation is only in it to get money, and one is altruistic and not fussed about the money, it's unequally yolked."

Case study

We spoke to the CEO of one organisation who told us that the focus on joint working had led the organisation to considering other organisations they could apply for funding with. 'We wrote to a few places saying "can we go in on this together?"' However, it quickly became clear how challenging this way of working would be in reality: 'It's really hard...you get to "How is this going to work?"' The CEO said there were a number of risks to working in this way. First of all, the charity had worked hard to establish a good reputation over many years, but felt that if the other organisation in on the bid did not have the same high standards of practice it could damage the reputation of his charity. In one example of this, the CEO told us of one organisation who did not carry out any equality, diversity and inclusion monitoring - something that the charity was committed to. In another example, the other organisation did not have the data collection processes in place that would be necessary to gather outcomes and impact. In these instances, the CEO explained that it would be down to his charity to gather this information, and thus the division of labour would be unequal: 'Why are we doing all the work?'

In these ways, funders who wished to mitigate the impact of the fragmented environment could inadvertently add to it. Lessons learned from previous joint-funding ventures meant that some organisations held a more cynical view about their sector colleagues than previously, and felt more apprehensive about working together in future.

Incentivising collaboration through encouraging joint tenders does not dismantle the fragmentation, and can even exacerbate it. Yet organisations are aware of the pitfalls to working in isolation, and most feel a genuine desire to work with, and learn from, others. To do so, a degree of trust and goodwill needs to be rebuilt in the sector, and those ready and willing to collaborate need the awareness of what other organisations need, as well as what other organisations can offer.

Organic collaboration

There were many benefits toward working in collaboration that organisations saw, beyond accessing funding. This generally took place among organisations who worked with different communities, and were therefore not direct 'competitors'. Instead of joining up with other organisations out of financial necessity, these organisations formed their own partnerships in a less formal, but more organic fashion, whereby the only incentive to do so was mutual support, or a moral judgement that helping another organisation was the right thing to do. This could include sharing best practice, information and contacts, but also offering peer support, asset sharing and signposting.

And so despite the competitive and sometimes hostile elements in the current funding climate, many organisations had a genuine desire to collaborate so long as they were able to establish trusting relationships with other groups, and could offer one another assets that met the needs of both.

The role of ECF in encouraging collaboration

Participating organisations agreed there were ways in which ECF could encourage better collaboration. In fact, when we asked organisations what else ECF could offer, beyond grant funding, one of the most frequent suggestions was using their countywide oversight to convene meetings, networks and forums. Organisations were aware that they had assets that would benefit other groups, and also had their own needs that others could potentially assist them with, but they could only do so if they knew which organisations they could work with, and what they could offer. Networking events were seen as an important first step in facilitating organisations to begin to build the collaborative relationships described in the section above.

"They know so many organisations doing similar projects. They'd be great catalysts. We could share our assets, information, knowledge, understanding...I have said it before but we are all isolated in different communities."

Case study

The CEO of one organisation explained that while the charity did not currently undertake any funded work in partnership with other organisations, it benefited from its own network of organisations that had grown naturally over time. The charity accepted referrals from statutory services, and as such was able to utilise these services' facilities and equipment at no additional cost. The working relationship also meant that statutory services often approached the charity to offer its programmes to their beneficiaries, and the charity could recommend adaptations that made statutory services more inclusive.

When the charity was hiring, another charity they had worked with in the past recommended one of its volunteers who went on to become a member of staff. Another charity offered free catering for events, simply because these met their charitable aims, and another offered free services when the charity's financial position meant they were unable to pay.

The CEO also received mentoring from a member of staff at the local CVS who assisted her in writing application forms to larger funders.

Having developed such partnerships overtime, the CEO had been able to identify a charity whom she believed would genuinely bring value to funded work. She told us that this was because she had already developed a good partnership built of mutual support, passion, and "finding like minded CEOs who have a shared vision and that same drive." This meant she foresaw the application process centering around "coproductive talks" with the partner organisation and the funder, each party laying out the role they would be playing, their expectations, and the outcomes they wanted to achieve. Also, as the funder already supported both organisations this seemed like a further step to dismantling fragmentation across the sector.

While this was often considered to be the role of CVSs, at a more local level, participants felt an absence of this type of coordination countywide.

"I know CVS do run events, but there's not a coordinated approach across the board."

A number of organisations were already aware of how parts of ECF's work already brought groups together, which they found valuable. But beyond convening networks, organisations felt that ECF could play a more specific role in enabling collaboration in the sector. Some organisations gave examples of other funders who matched grantee organisations, as part of their funding process, to also build skills, peer support and mentoring opportunities.

"More funders are offering development support, for example, [name of funding programme] is a development programme. It's a three day programme; you can send two people. You share best practice...we can all talk about wanting to share best practice but if you don't get that time to breathe...I think funders can bring collaboration."

Some larger organisations also suggested that ECF could encourage collaboration by asking grantees what shareable assets they can offer:

"We need a shared asset group, team, or organisation; asset-based community development, both tangible and non-tangible assets. We could loan our marquees in Essex, that's how I think we work. ECF could play a role in convening that...If people could list their assets we'd be prepared to share them when we're not using them. For non-tangible things...I sit on a scrutiny panel for the [name of service], so I have that knowledge. List all these skills that people have, for example: social work, criminal justice expertise. 'What assets can you bring to the sector?' It makes you feel valuable! We're all time-strapped, but over time this would help that."

Case study

One organisation told us about a grant they received from a national funder, which matched the organisation to another grantee: "They emailed me saying 'hook up with this organisation.'...Initially I thought, 'That's another job I have to do, call someone on the phone... but when I got chatting to the guy we had similar experiences.'"

Both organisations had aspects of social enterprise for adults experiencing mental health issues, and as well as sharing information and best practice, they shared physical resources. The Chair told us, "They're a city farm with clients coming from emotional health and wellbeing...they like taking them on trips, and we're in a national park, so we said 'Bring them here!'...They were building stables and gave them discounted [materials], as they're a charity...it's a way of collaborating with others that doesn't involve any funding."

The Chair felt the value of this way of working had strengthened both organisations. He saw a role for ECF to do something similar, even if not the same, by bringing organisations together through funding: "They could encourage networking. They could put on low-key events, even on Zoom: 'You've received funding; come along and give a two-minute presentation'... What it's doing is levelling up the quality of the charity world..."

The type of assets that organisations wanted to access, beyond those mentioned in the quote above, included things such as mentoring opportunities, governance expertise, and even equipment. Organisations reflected that in this way no one would feel forced to give away anything they didn't want to, but could still help upskill and strengthen the sector:

"You don't have to give away trade secrets. If you have a gap in governance to plug, there is probably someone doing XYZ, and someone has already done it...if you've got opportunities where you can share good practice without giving away trade secrets."

While not everyone felt increased opportunities to work together would add value (a larger organisation felt that they were known well enough by organisations already, and a smaller group felt they would not have the capacity to attend additional meetings and forums), the vast majority felt they had something to offer others, and knew that others held resources that could be of use to them, and were willing to look at new ways of working together that was not simply a result of the need for funding.

ECF has a role to play in this, as it is invested in the long-term viability of community organisations and thriving communities, and overcoming the challenges posed by a scarcity of funding is part of that. ECF is well-placed to convene groups in a productive manner, given its countywide understanding of both need and provision, and will need to consider how its current networking events allow organisations to begin to form the foundations of trusting and collaborative relationships.

ECF can add value to the funds it offers by learning from existing funding plus provision wherein a number of funders offer development opportunities to the organisations they fund, and to examine how this could be adapted to a local scale. There is also a willingness among some organisations to collate their shareable assets in a more formalised way. ECF could encourage exercises, such as this, through undertaking asset mapping and community building exercises to gather a picture of what organisations can offer locally, and what is needed.

2.3 The importance, and absence, of core funding

Throughout this report, organisations repeatedly stated the importance of core funding in maintaining their work. Core costs included staff salaries, paying rent and other overheads that were vital to their ability to function (let alone thrive). Therefore, a funder-led onus on project work, or purchasing equipment, was seen to be somewhat short-sighted given that organisations would be unable to deliver projects if they could not first afford the basic costs of running.

"With grant bodies, they often want to fund a piece of equipment; something they can see, but actually funding core costs is huge to what we do. With the rent...they can't physically see it...£500 for a brand new iPad is fab, but unless we can rent the space to do it from..."

"To apply for core and not be flicked off is a world we're looking for."

The current funding environment placed a high demand on new projects, which was seen to conflict with funders' requests for organisations to be sustainable: creating new projects forced growth on organisations which could not be sustained in the current funding climate. Despite the importance of core funding, many organisations struggled to find funders who offered this. This was frustrating at best, and at worst caused organisations to feel that the work at the very heart of their organisation was undervalued by funders.

"Core funds are key in covering salaries and rents. We've received lots and lots of praise and we've won awards, but it's like 'What's your new project?'. Why break what doesn't need fixing?"

"We're not starting a new project, we're continuing to do good...we haven't got an aspirational sales target...we don't want to increase our staff base...we're not really looking to grow...The facilities we've got are great, and staff are allowed to do their best."

Another issue with an over-supply of funding for new projects was the potential for mission drift, which could threaten both the quality of work delivered and the viability of specialist organisations. Others believed that it was common practice to take a less-than-honest approach to application writing in order to secure funds that were needed to cover core costs.

"As [organisation], we don't want to set up any projects. A friendship group here and there is alright, but if we set up a suicide project, or helpline, or mental health, we're going to take away from dedicated services."

"They're always looking for projects. Our core funding is for what we do, our day to day! We have to dress that up as 'we need a counsellor to do this piece of work,' but we don't, really...Most charities make up projects to get core funding."

Therefore, that ECF funded core costs was considered one of the most valuable contributions the Foundation made, either by freeing up organisations' capacity to focus on achieving outcomes for their communities, or allowing them to continue successful core work.

"...soft outcomes and more valuable interactions, from spontaneous conversations, comes from being in the right place at the right time. Most funders do not want to pay for you to be in the right place at the right time. That's the advantage of core funding; selling the wider vision to them. They love a specific project, but at times [ECF] falls into the category of an investor of who we are, rather than just funding a thing."

Case study

Volunteers from one charity told us that, in the past, a funder offered to fund days out for people in the local community. The volunteers explained that what they desperately needed was the ability to pay rent on the centre their projects were run from: "He said, 'Oh, we would never fund something so boring,' they like to think they're providing adventures. But it's a chicken and egg: you can't have one without the other." Still struggling to pay the rent, and other core costs, the volunteers had recently contacted ECF to request funding for redecorating the centre: "I asked for funding, and said it was very difficult to get funding for core costs. She said, 'Let me see, and I will get back to you.' She came back and said, 'We've decided to give you three years of rent.' We howled! I was dancing! Now we can concentrate more on the activities, and not have to worry.'

Overall awareness that ECF funded core costs was high, even among organisations who had not yet applied to ECF for core funding. However, a minority of organisations felt that even core funding from ECF came with a project-specific focus, or were unaware that ECF could cover core costs. As with misinformation about the application and reporting processes, this could be alleviated through communications on ECFs website, and other channels.

Some organisations felt that other funders were gradually recognising the importance of core costs, but still found ECF to be something of an exception by already doing so, again demonstrating ECF's importance to the local funding landscape. It is understandable that donors prefer funding work that is both exciting and tangible, but it is important they understand the numerous challenges this can create within the sector. There may be a need for ECF to highlight the value of core funding to both new and existing donors, and the site visits that so many organisations have asked for could be one way in which donors can witness, firsthand, how core funding allows community organisations to thrive.

2.4 Short-term funding challenges, and the case for multi-year grants

As with core funding, organisations told us that receiving funding lasting beyond twelve months was extremely rare. Yet multi-year funding was something many organisations were desperate for; without it, it could be challenging to know if they could continue to provide the same services the following year.

"You know you can do one thing one year, but you don't know about the next."

This uncertainty inhibited organisations' ability to thrive for a number of reasons. Not knowing what would happen next year took away valuable time when organisations could be focusing on their services, or planning their long-term goals. Instead, they were preoccupied in securing funding in order to remain viable the following year.

"At the moment, all I'm doing is scrabbling around each year. Nothing is secure."

Organisations were often encouraged to be resilient and sustainable, but this felt like a huge challenge when there was no certainty of what the immediate future would look like. Furthermore, the issues that organisations were tackling were often deep-rooted within societal injustice, and would only be overcome with long-term support and commitment.

"People need to recognise these aren't overnight solutions."

The short-term nature of funding seemed counter-productive to those who had achieved positive outcomes for their communities, who would therefore benefit from the continuation of their work. But when a piece of funded work came to an end it was not always possible to retain project workers, meaning that next time work was funded it was up to the organisation to recruit and induct staff again:

Case study

The CEO of a charity told us: "Short-term contracts are a nightmare, I'm forever recruiting!" In the space of a year, organisations were expected to plan, recruit, train, deliver and evaluate their funded project, but in one instance the CEO was still waiting for the service level agreement three months beyond the project start date. And each time a project ended the organisation had to rebuild their work from scratch, which seemed senseless when the project had achieved good outcomes. "If you see success," the CEO said, "why do you pull away from that?" He described the lack of multi-year funding as "the biggest weakness" in the current voluntary landscape, adding, "That's something we're desperate to have."

The CEO had previously received three year funding from one funder, and explained that this not only provided consistency for the project work but allowed for productive relationships to be built between funders and grantees: "That's why you need more than a year. It was done for three years, like [name of funder] do. You go on this wonderful journey where you become colleagues, effectively…The grantholder manager knows you well, feeds out the groups you need to be a part of, then you can feed back…With the money ending, you can continually celebrate success without any cost, and draw those groups back in. That's the legacy of the funding you gave.'

The short-term nature of funds is a huge cause of anxiety to organisations who find it impedes their ability to become sustainable, plan for the future, and continue successful work. Some of ECF's funds could be accessed on a multi-year basis, but awareness of this tended to be low. ECF should clarify which funds these are, and how organisations can access them.

"It would be nice to have 3-4 years where you know funding is coming."

"Length of term is always a bit of a worry. Can funders do more, for longer?"

Multi-year funding provides clear benefits to organisations' capacity, relationship to the funder, and success of the work. ECF could examine the potential for more of its funds to offer longer-term support, particularly for those organisations that apply on an annual basis for similar costs.

2.5 Chapter summary

• The current funding landscape presented numerous challenges, such as a decline in statutory funding, and funder-set priorities with an emphasis on project work. This is important context for funders, particularly community foundations such as ECF, who will need to decide how they can better support grantees with these difficulties in mind.

• These barriers to accessing funding resulted in an environment in which organisations could view each other as competitors, and not colleagues, which inhibited meaningful collaboration.

Attempts by funders to mitigate this by favouring joint funding applications were seen as unhelpful, often causing more complications than it solved, and participants wishing to collaborate with other groups wished to do so organically. They felt this could be aided by countywide networking, and saw a role for ECF in helping to coordinate this.

• One of ECF's most valuable contributions was said to be its willingness to provide core funding, which was scarce in the overall funding landscape. Core funds allowed organisations to pay for essential overheads such as rent, staff costs, and work deemed vital to their mission that did not meet other funding criteria, and was therefore crucial to the effectiveness of ECF's grant-making.

• Multi-year funding was seen to be even rarer than core funding, though there was some awareness that ECF funds sometimes provided longer-term funding. The overall lack of multi-year funding threatened the levels of consistency organisations could offer across services and staffing, and grant-makers must consider how they can offer the sector more stability.

Chapter 3:
Grant making

This section of the report looks at the specifics of grant making, from the initial application process to the final report. Participants shared their experiences in terms of both funders in general, but also ECF specifically. In each of the sections below we see how ECF's grant making process differs from that of other (usually larger, national) funders, and how this largely has a positive impact on its beneficiaries.

3.1 Applying for funding: the 'first hurdle'

The application process is a necessary part of accessing funds, but in some instances could be a barrier to funding in and of itself. This had to do with the length of the application process, the ability to establish a relationship with the funder, and having the skills and time necessary to complete application forms. In general, organisations regarded application forms as time-consuming. The time it took to complete a form could actually dissuade organisations from applying at the outset, particularly if the size of the application form seemed disproportionate to the size of the grant being awarded.

"...I see the applications for a £500 grant and think 'no'. We have to be more pragmatic in our approach, and look at the work involved in the bid writing, and also the report criteria."

"We're only a small charity...I'm a volunteer, I'm retired...I do all our funding applications. When you're a volunteer, you're spending enough time on organising and running the charity anyway."

For this reason, some smaller organisations were hesitant to approach new funders, as they were unsure if they met their criteria, noting that the time

spent on applications would be meaningless if the application was unsuccessful. A member of staff from a larger organisation reflected on this, and how it disadvantaged smaller groups:

"We're in a privileged position of having a good division of labour, we have people who can do that. A lot of local organisations don't have that support structure in place. It requires a certain amount of capacity, and if you're not successful you don't get that time and effort back."

It seemed uncommon for funders to speak to would-be applicants, or for organisations to feel comfortable in approaching the funder with questions. However, this opportunity could potentially save time for organisations who were not suitable for the funding.

"It's a waste of my time and it's a waste of your time. Don't make me write something massive - cut the fluff. Tell me straight away if we fit it or not."

While the overall perception of applying for funds was negative, two organisations felt things had improved (one of whom believed this was in response to learning from the pandemic):

"Before in this job...fundraising has changed. Funding applications have changed. Applications are more sensible...They have responded to what organisations want."

This perception of a more reasonable application process, mindful of organisations' time, was more in keeping with the feedback we received on ECF's application process. Below, we look at the ways in which ECF's practice was seen to remove some of the barriers reported above.

Applying to ECF

First of all, organisations often commented on the benefit of ECF's 'expression of interest' as a way to understand if they met a fund's criteria before committing the time to the full application form. Even then, the forms themselves were considered to be appropriate in length and easy to complete.

"Compared to others, and I have lots of experience in this sector of writing application forms, it's an easy process and quite straightforward. The forms are clear. I like the expression of interest bit, where they'll like it or not."

First-time applicants could find the information ECF asked for to be overwhelming, but had come to understand that this streamlined the process in future applications.

"We'd never applied before, so they didn't have our documents. [Member of ECF staff] was on the phone every day saying 'We need this.' Now, I'm current. They've got my documents, so I'm probably over the first five hurdles already."

For those groups with strong relationships with ECF, picking up the phone when considering making an application was the first step for many. Likewise, ECF often called applicants to gain further information about their application.

"I get notified of various opportunities. The first thing I do is pick up the phone and speak to the staff there. It's like University Challenge - starter for ten. You want to have a chat, so we don't waste our time: 'This is what we've got, this is what our need is at the moment, does it fit?'"

"What they do really well is when you write a proposal they pick up the phone and really talk to you about it. ECF will always call: 'Tell me more.' They really want to find out."

Some even approached ECF directly with their funding needs, and told us that ECF then took it upon themselves to see which of their funds would likely be the best match. Equally, ECF sometimes got in touch with organisations to ask them what their current needs were, to see if any of their funds could help them.

"I don't feel the funder lag; we can identify a funding gap and ask them."

"I appreciate that ECF has got a good way of working, and it makes a difference to us. That other funders will fund you, and you give them the report, and they go away, but Essex [ECF] got in touch to ask us what are our funding needs."

Unsurprisingly then, these organisations always felt able to ask questions about the application process or the funds ECF had available.

"The applications process is very friendly, as for charities it can be very impersonal, but one thing ECF do well is there's a named individual, if you ask questions, because you're encouraged to phone for advice and chat through their priorities."

On top of this, ECF were considered to have made the process easier yet through rolling funds to which organisations could apply at any time throughout the year. This suited those organisations for whom time was precious, allowing them to concentrate on delivering work in busy times and apply to funds when things were quieter.

All of these factors were of particular benefit to smaller organisations who were more likely to be stretched in terms of capacity, and less likely to have the necessary skills for more complicated processes.

"When delivering, it's difficult to spend hours and hours fundraising. ECF have simple forms that are not too difficult, and I applaud that. It's really important that they keep doing that."

However, this could have a different impact on larger relationships who found the shortness of forms limiting - they often had more information they wanted to express than could be fit into the application, and felt that the follow-up call to gain more information could be avoided if the forms were longer.

"The application process is very straightforward, but that can be limiting at times...we are doing so much we can't fit it all in, so I find myself hoping that they'll understand what I mean. Then when we're applying for different things in their remit it can be quite repetitive."

"It's all well and good having a clear application form, but if you come back needing a lot more information that's counter-productive."

This may be because larger organisations are used to applying to larger funds where information requirements are higher and relational forms of communications are rarer. While there may be a case for taking different approaches based on organisational size, what is clear is that ECF must retain the parts of the process working well for smaller organisations, as it is these groups who are less able to apply to larger funders.

3.2 Reporting-back requirements

Once again we first look at organisations' experiences of monitoring in general before comparing them to their experiences of reporting to ECF later on. Organisations felt that reflecting on the achievements and learning of funded work was beneficial to them, and also wanted to prove to funders that they were a good investment and that money had been spent well. However, when funders ignored, or failed to ask for, reporting this was seen as a waste of organisations' time and resource, and suggested that funders did not see value in learning from this work.

Case study

The CEO of a charity told us it seemed pointless to commit time and resource to grant reporting if funders were not committed to reading reports. Why make requests for information, some of which seemed unnecessary, if the information was not being reviewed? In recent memory, the CEO recalled sending a final report to a funder, and while he never heard back he did not give the issue much more thought, as this was not uncommon. However, seven months later, he received an email from the funder asking to see the report. When he explained it had already been sent, some time ago, the funder did not accept that this was the case, and the CEO had to find the original email to prove that the document had been sent on time. The CEO reflected that the most frustrating part of this experience was that it demonstrated that nobody had read the report. This raised questions around the level of engagement funders had with the projects they funded: were they generally interested, or was this simply a 'tick box' exercise? He considered this a shame, as grant reporting had the potential to shape the work of funders and grantees alike going forward.

We also heard that reporting requirements could be disproportionate and unclear, with the goal posts sometimes being moved on what data was to be collected. Some organisations had even created staff roles to stay on top of reporting and evidencing demands. Naturally, this was less likely to be the case for smaller organisations who could not buy-in support with applications and evaluations.

"We get a lot of funding from the [name of funder] and their reporting-back requirements are huge, and they add things that we are not aware we are supposed to be reporting on."

"It's always arduous, but you get used to it. We have the machine in place to get the data in view."

Another source of contention was that reporting processes often focused on quantifiable data, creating the impression that funders considered volume to be indicative of value for money. This undermined the value of organisations whose work was with smaller numbers of people, but more intensive and longer-term.

"A lot of trust funds want to see X number of children, and these outcomes....With trust evaluations and applications, that was only £25,000 to work with 25 families. That doesn't sound like value for money. But we can't see 500 kids for £500. Trusts don't get that; why would they? The volume for some is crucial...It's much more complex; not something that can be fixed quickly. That child may need 12-20 weeks [of support] - that's hard to quantify on the application... 'How many children will you see?' Then, when I do the report, if the number is under what I'd guesstimated I think 'Oh god! They're not going to think we used their money wisely!'"

With that being said, a handful of organisations felt that funders were becoming more open to qualitative evidence, though this was often at the organisation's request:

"I always say to funders when I'm doing monitoring 'I've got loads of pictures, let me know if you'd like to see,' and most do like to see them."

In many ways, ECF's approach to reporting was seen to differ from the experiences reported above, almost point for point. Below, we look at organisations' experiences of ECF's reporting process, and how this aligns with organisations' perceptions of good grant reporting practices.

Reporting to ECF

Organisations largely reported that ECF's communications around monitoring requirements were clear, helpful and, in some instances, personable, which was a welcome change from the more generalised experiences above.

"The grant process and reporting is really straightforward. They're very flexible."

While most organisations reported positive experiences of monitoring, there was one who felt unclear about the reporting back process:

"You can apply to ECF year on year, but you can't reapply until you've submitted all your feedback from the last funded work. So you need reserves to get you through that time lag. When you send the feedback, ECF don't tell you if it's been accepted...Has it been submitted? Is it admissible?"

As this was the only negative feedback we received about communications around the reporting process, it may well be an exception. But if not, it might be helpful for ECF to confirm the receipt of grant reports as standard practice.

It was generally agreed that grant reporting to ECF was less time-consuming than for other funders, and this was particularly beneficial to smaller organisations who could not allocate much time or resource to grant reporting activities.

"That's [reporting] equally good as the application forms. They send reminders which are really useful. It's good to see what you're collecting. It's not endless questions."

We also learned that ECF was open to qualitative forms of evidence, which organisations told us enabled them to demonstrate the full value of their work.

> ## Case study
> The CEO of one organisation explained that the most impactful work of the charity could not be put into numbers: "...obviously they want evidence for what's been done with the funding. With people-work, that's quite hard to quantify...soft outcomes and more valuable interactions from spontaneous conversations comes from being in the right place at the right time." Therefore, ECF's approach to grant reporting allowed for these meaningful, if not quantifiable, outcomes to be shared; through case studies, the CEO said, he could "measure distances travelled," and therefore believed: "ECF pushing for case studies is important."

Interestingly, not all organisations were aware of ECF's openness to additional forms of evidence:

"It's a short form, and I appreciate that, I appreciate that they recognise our time, but it's sometimes difficult to strike a balance. I would love, with permission, to share a photo or a video."

Therefore, there could be a need to communicate from the outset the forms of reporting, both quantitative and qualitative, that ECF accepts.

We also heard that the flexibility in ECF's reporting process incorporated a degree of trust in the organisations funded. For instance, the Treasurer of one charity told us that it was hard to balance reporting requirements against confidentiality and data protection requirements, since ECF had funded part of a member of staff's salary. That ECF trusts his record keeping to be accurate, without more tangible documents, was part of why he felt the charity was able to get funding for salaries in the first place:

"...there is a problem documenting wage slip information. I've kept a spreadsheet of the monthly cost, providing they're happy with a trust record. There is less paperwork for the rent, but with salaries it's not possible to provide pay-slip copies. Summary reports I would need to redact so much it wouldn't be worth it!"

This is another indication of ECF's ability to build trusting relationships with its grantees, and is a further step toward dismantling the power imbalance inherent in the funder-grantee relationship.

Given that ECF was often seen as an exception in its reporting practice, it is important that it continues tailoring its reporting process around the feedback of grantees, particularly those smaller ones who are sometimes excluded from accessing grants from larger funders.

3.3 The importance of ECF as a place-based funder

Organisations often told us about the distinct contribution to communities that ECF was able to make as a place-based funder. They valued the local knowledge that ECF held, both countywide and more locally and believed that this knowledge gave ECF an awareness of local need so that funds could be dispersed accordingly. What's more, organisations felt that ECF displayed a genuine interest in Essex communities, and was truly backing the organisations it funded.

"It's really valuable. It's local, and they've got that understanding of the local area, and that countywide perspective. They understand the different needs of different areas."

"They know us and they want us to work."

This contributed to the personable, relational support that organisations praised ECF for throughout this study. We heard that ECF showed interest not just in the work funded, but the broader accomplishments of Essex communities. Organisations said that this approach differed to that of other funders, who were less connected to local communities:

"I'm cautious of big national things who tend to throw money at particular things but are perhaps not so aware of things on the ground. I'll give you an example: there was more national level funding given to a particular organisation to work with the homeless in our area some years ago....They gave it to totally the wrong organisation... People who are doing work on the ground didn't get the money. The danger is with a national organisation getting money given to national bodies and not listening so much to things on the ground. It comes down to people, not strategies."

In contrast to this, organisations gave examples of how ECF used its local relationships to make funding decisions in collaboration with organisations on the ground. Several organisations believed that this had allowed ECF to distribute national funds effectively during the pandemic, with money going to organisations who told us they would "not have seen it" otherwise.

"We rely on small funders, because after two and a half years we don't have much evidence behind us. ECF have been fantastic, but without that continued support..."

"As I understand, they brought together and coordinated other [national] funds. So they have a real role in saying 'this fund would apply to you locally.' That's not thinking a national organisation would be able to do. As a more local organisation they can be more personally interested and give grants that are more relevant."

ECF's knowledge of local communities was considered by many to be its largest and most valuable asset. For smaller, grassroots organisations, ECF may be the only funder willing to support their work in the community. This is a crucial function of ECF, as smaller organisations in our study believed the biggest need that ECF could fill was continuing to champion their work.

"ECF can't move away from what they do, because where else would we go?"

As ECF has a finite amount of funds to allocate, as well as limits to staff capacity, and is unique in its ability to fund the work of smaller, grassroots organisations, it is clear that all future work must remain focused on the support it provides to these groups, as this is undoubtedly its biggest strength.

3.4 The wish for visits and face-to-face meetings

When we asked participating organisations what else they would like ECF to offer, beside financial grants, the single largest request was for face-to-face visits from a member of staff, the trustee board, or the donors.

"ECF have not come out. We did invite them. We even made a big sign saying 'thank you ECF.'"

First of all, organisations who had not yet been successful in applying for funding from ECF felt that a face-to-face visit could help establish the relationship they had thus far not been able to form. It was felt that if funders could see the work being done, and develop a better understanding of where funds were needed, there would be more context when reviewing future applications.

"It would be better to have the chance to have that relationship with someone...even a Zoom call to see the [centre]. If they could visit, they would see that it does need repairs, and they'd have more understanding around the challenges faced."

"From my point of view we don't have loads of contact with ECF...It's obviously been tricky, but if they could visit us, if it would be possible to arrange, that would build on that relationship, and really being able to engage. I appreciate that's about capacity and time, but when we do have funders really engaged and seeing the work for themselves that builds that relationship."

As mentioned elsewhere in the report, a particular challenge to first-time applicants was that they were not always experienced in writing application forms. This was seen to further disadvantage historically overlooked groups who may not always come from a background of professional writing and communication skills.

"Generally, ECF is good at keeping application forms simple and user-friendly. The most they can keep focused on, with being accessible to people who are not educated, middle-class people...not everyone is at home with the internet. All these things are a challenge to people...Always be aware people, for whatever reason, don't always have the skills presumed. So they could say, 'this isn't a good application,' but if they like what they're doing they could meet with them and see how they could help."

It is also important not to underestimate the boost such visits can have on staff and volunteer morale, particularly in times when demand is high and funding opportunities are low. Working in the sector can feel isolating, particularly when there is little capacity to attend community events and networking opportunities. Having someone external to the organisation take the time to look at the work being funded is a form of recognition for those working hard for their communities.

"I think that it was helpful...someone came along and talked with us about it. It was nice that they showed that interest."

"You get told the name of the fund...When we started, we were told we'd build a relationship; they'd come and see what we do. It would be really good for someone to come, and someone from the fund...For us, it's knowing people are in support...even if they're not giving money, they're seeing charities really make a difference..."

Not only that, visits from funders were viewed as being valuable to members of the community - those directly benefiting from the services being funded. We were told that community members, particularly those who are vulnerable, feel a sense of pride and importance when a busy funder takes time from their day to talk to them. In this way, funders actually add extra value to the work of organisations, outside of any financial support.

"It's valuable. A lot of the work we're doing is with vulnerable families, and it's really good for their self-esteem."

"[Member of staff from another funder] did a talk to the group about her organisation, and where their money comes from, and they loved that. They felt involved."

Furthermore, organisations actively wanted to be held accountable for the work that they had delivered with funding from ECF, in a tangible way. They told us that visits would allow them to demonstrate what was being done with the money. For a number of organisations, value had been gained from face-to-face meetings outside of site-specific visits. Simply having had the opportunity to meet members of ECF staff or the board of trustees had been valuable to representatives from organisations invited to attend community events.

"Before COVID it was lovely to go to that meeting where the board were there, the people who were making the decisions. They were really interested in us as a charity."

This demonstrates the value organisations place on being visible to, and acknowledged by, funders. Whether through individual visits, or events attended by multiple groups, participants in our study appreciated the chance to see members of ECF staff and trustees face-to-face. This desire often extended to ECF's donors, too, which is covered in the section below.

Having contact with donors

We asked organisations what they knew about ECF's donors, and if they would like the ability to make contact with them to form a relationship. Most organisations were in favour of this, particularly those smaller in size for whom the funding had been most transformational. As we found above, organisations placed great value in the ability to show their work, as well as their gratitude, to those who had made it possible.

"With one of the funds we had to set up the [name of project], someone specifically wanted to help [name of town]. Because they're local people, it would be nice for them to see - I know they could look us up on the website - but I would like to invite everyone here. It's just nice to be able to say 'thank you' properly, and 'this is the difference we have made.' It would be really lovely to share it with the other end."

"It would be nice if we could be linked to those original funders, even on a Zoom call! All three of us [the organisation, ECF, and the donor] are making this happen."

It was also sometimes thought that establishing relationships with donors could enhance the organisation's likelihood of being funded in future if donors were able to see the value of the work they were doing, and have a more detailed understanding of the organisation.

"If you want that funding again they've been part of that journey of funders."

However, there was uncertainty as to whether or not ECF permitted contact between donors and grantees.

"It would be good to have more direct contact. It usually has to go through [member of ECF staff] or [member of ECF staff]. I asked if I could send a thank you card. It's not clear if you can contact them....It should be their [the donor's] choice, but in two instances it hasn't been clear...It feels bad when you can't say 'Thank you.'"

One larger organisation said there would not be much value added by meeting with a donor, unless it would support the organisation's mission, and another said that they preferred ECF brokering the relationship:

"We're happy for ECF to do that because they're the experts. And I sort of like the anonymity, because I think a direct relationship could muddy the waters. There are professional boundaries. All recipients of grants appreciate that, but I think it's better to have that buffer zone."

It would not be possible for ECF staff, trustees and donors to visit every organisation they support. ECF could therefore focus on the visits likely to add the most value; for example, by providing a chance to get a better sense of an organisation that had not yet formed a relationship with ECF. Such visits could also be useful in strengthening relationships with marginalised, or traditionally overlooked, groups.

With donors and trustees, in particular, it is understandable that organisations wished to build a relationship, in part, because it might influence funding preferences in their favour. However, it is precisely for this reason that foundations often limit the contact of donors and trustees with grantee organisations, as this can complicate the making of transparent and equitable decisions. Even so, ECF should communicate these reasons to organisations who enquire about reaching out to donors.

3.5 The impact of the pandemic on thriving communities

Participants of this study described the challenges they faced during the peak of the COVID-19 pandemic. Increasing demand (particularly in services supporting victims of domestic abuse, children and families, and those living with disabilities) at a time when workspaces were locking down, frontline delivery could not continue in its current format, and restrictions created shortages in paid and voluntary staffing. On top of this, some organisations lacked the ability to switch to digital methods of delivery, and others reported new, fragmented organisations emerging that could confuse and complicate local service delivery.

In spite of these challenges, many participants had been able to weather the immediate storm, often surprising themselves in how quickly they had responded to the needs of their communities.

"We were able to adapt from day one. I'm really proud, actually. We went very quickly to online support, we didn't miss one day."

Understandably, resourcing was key to this, and organisations best able to adapt were those who saw an increase in public donations, were able to secure emergency grants, or had a good level of reserves.

"What we have noticed through lockdown is that members of the public are so nice, they genuinely want to help. We got so many donations over Christmas, people were literally ringing asking what we needed. There was so much that we have enough to store for this year. We're quite reliant on the general public."

For others, receiving key worker status allowed for ongoing casework with vulnerable clients. When easements were made between lockdowns, having the information and resources to make venues and offices COVID-safe allowed in-person activities to continue too, albeit at reduced numbers and socially distanced. By continuing to operate through the pandemic, organisations were well-placed to identify emerging needs specific to the communities they worked with, which allowed them to respond effectively.

"We had to put in a lot of extra support, a lot more with parents who were struggling."

Organisations who were able to deliver their services online discovered benefits to this way of working that would otherwise not be part of their provision. For that reason, many services had planned on keeping their digital offer beyond the pandemic.

"Any new projects through COVID have been a direct response to families. We do a Facebook live music session, and lots of people are still accessing it because there are still children who can't get here. It's something we never knew we needed, but now we do."

Despite these valuable lessons, most participating organisations had not had the opportunity to share their learning, often due to capacity as demand levels remained high. Those who had largely did so through grant reporting. Two organisations had been able to share insight with voluntary organisations in their local area, and one had been able to feed in at a national level.

"...there are some things we did get wrong. How do we learn from that? It's about ensuring the community continues to come together."

Most of the organisations we spoke to told us their pandemic response had been enabled to funding allocated by ECF, and in the section below outline their experiences of ECF's grant giving during this time.

The role of ECF in times of crisis

Participants told us funds from ECF had played a crucial part of their pandemic response, by enabling them to meet increasing demand, or simply keep financially afloat when other avenues of income had been negatively hit. Overall, the response of funders in the crisis was considered to have been a vital success, with organisations praising the speed at which ECF dispersed its funds.

"I can say that their grant saved us over COVID."

"In the pandemic they were completely and utterly brilliant. Where they knew an organisation, they cut out all the explaining who you are and what you do, which made it so much easier to apply. We went for the COVID general funds, and the speed of that was unbelievable. The next day one of the team phones you and you quickly have a chat."

Organisations valued the flexibility demonstrated by ECF at this time, whether in allowing already-allocated funding to be spent in a different way, lenience when reporting deadlines could not be met, or listening to organisations' needs via telephone in lieu of a standard form-based application procedure. This flexibility was also experienced in what was described as an increased recognition of the importance of core, digital and unrestricted funds. But aside from the much-needed financial support, it was also the moral support from ECF that stuck in organisations' minds.

"They were hugely helpful, and so flexible: like if a reporting deadline couldn't be met, or if a project was changing, or the money needed to be spent in a different way."

"During the pandemic it was great to ring them and chat to them. They've been patient with me when I've missed a reporting deadline."

Naturally, not all organisations who applied to ECF for funding at this time were successful. Four of the organisations we spoke to told us that this had been because they had already applied for the maximum funding from ECF that year, or that their work was not COVID-specific. The CEO of one such organisation had initially been told his application did not meet the criteria for funding, but was happy to say that after speaking to ECF he did successfully secure the funds:

"During the pandemic there were huge amounts of funding available, but they all said you must be COVID related: 'Is it a new project because of the pandemic?' 'No, it's work we were already doing but it's gotten worse because of the pandemic.' Do you want to fund people or not? You're not funding the pandemic, you're funding the people. Some funders saw that the work of the organisation was rising to the forefront during the pandemic, whereas others wanted to fund a knee jerk reaction. ECF were interested in community development, and while they had knee jerk funding I was able to talk to them and get them to understand the funding would prevent the organisation needing to furlough staff and continue providing services."

Other organisations also expressed frustration at the focus on COVID-specific work.

"Since COVID, and I know it is massive, but it seems all the funding was specifically concentrated around COVID. There are other issues. For almost a year it was like all funding was put on hold."

A number of organisations felt that their relationships with ECF had broken down due to the demands of the crisis, such as the cessation of visits, meetings and events, which for one organisation had resulted in a misunderstanding around a funding application:

"My only qualm is we recently applied for further funding for our [project]...ECF said they wouldn't fund this year as they said we had two funded projects with them, but that was actually incorrect; one had finished. I did try to tell them, tried to...where COVID has hit, a lot of people are working from home... it's no fault of anyone's, it's happened to all of us, but people weren't getting back and as a consequence my communications dropped off with [ECF staff member]. I've got another contact, but the communication has not been fantastic."

It is obvious that ECF were able to live up to the demands faced by funders in times of crisis, largely through the ability of staff to be flexible, adaptable and responsive. However, many participants told us the effects of the pandemic were far from over, and wanted ECF to remain alert to the ongoing needs of organisations and their communities, as we highlight below.

The ongoing impact of the pandemic

As organisations took stock of their own learning during the pandemic, they wanted ECF to also apply its own learning to its future practice. This was largely centred around a want for the continuation of the speed of decision-making, and ease of applying, that was in place during the pandemic, which some organisations felt ECF had already built into its current processes.

"With trusts and foundations, through COVID, they've been so much more adaptable and flexible. And we were able to get unrestricted; everyone wants to fund our children's services but no one wants to fund me and [colleague], it's less attractive. In COVID there was more understanding that they wanted people to keep the lights on and the doors open, but we've always needed that."

There was also a need for ECF to stay attuned to ongoing effects of the pandemic, and recognise demand for services continued to be high. This was especially the case for organisations who worked with children and young people, who were anticipating even higher demand at the beginning of the school year.

"...there's no way we're out of it just yet... our homeless caseworker said that June was the busiest month she's ever had on record... waiting lists have gone through the roof....we are expecting September and October to be inundated..."

Conversely, some organisations who struggled to find funding in the pandemic due to the emphasis on COVID-specific projects felt that regular funding practices had not yet resumed. Therefore, it's clear that all manner organisations are concerned about funding their work in a post-pandemic landscape.

"Some ECF funding pots are only looking to fund emergency COVID work in the next six months. We're trying to look forward, but they're looking at food banks. We're looking to build for the next year."

Several organisations were also beginning to worry about the economic landscape in the near future, concerned that more funding cuts were on the way in order to recoup crisis spending.

"Through COVID we've done ok [with funding] because of the situation. Coming out of COVID is more of a worry...the government spent a lot of money, and will that be something that affects us down the chain?"

Finally, smaller organisations with little to no paid staff sometimes voiced concerns about how prioritising their communities during the pandemic had come at the cost of securing finances for the future.

"Last year we really, really struggled. Other people had been furloughed, and we were run off our feet. There was no time for applications, so I'm a little bit worried about next year."

In short, while the crisis itself may be over, the long-term effects are starting to be recognised, and there is anxiety and uncertainty in the sector about how forthcoming challenges are to be overcome. ECF's pandemic response was vital to the ability of organisations to make it through the immediate crisis, and continuing to make decisions with flexibility and speed will be crucial to the ability of organisations to face oncoming issues, as well as remaining mindful of the unique experience of individual organisations in their recovery.

Case study

The survival of one charity came under threat during the pandemic. Its premises, which were an essential source of fundraising, were closed over the course of each lockdown. We spoke to the Treasurer, who explained that it was often difficult to obtain funding, as the charity does not provide project work. "We need more building related, short-term support. Our benefits are limited in terms of meeting funders' criteria." This was usually manageable, as the charity was able to generate income that supported its charitable aims, but the national lockdowns prevented such activities. Thankfully, immediate funds made available to support organisations through the pandemic were obtained: "If you'd spoken to me this time last year, we were sat on loads of funding, but it was very short-term. We still had to pay rent. We furloughed our staff when we could."

Unfortunately, even after the lockdowns, the charity's finances continued to decline as each time a member of staff received a notification saying they may have been exposed to the Coronavirus, the premises needed to be locked down again. These subsequent closures resulted in an estimated loss of £4,500 each time. Furthermore, public cautiousness had seemingly resulted in a sharp decline in footfall, and therefore income: "Cash has been flowing out the last few months, and our only source of income is from trading…We're not seeing much of the general public compared to what we used to get…Some of the daily sales are just £50."

On top of this, a portion of the charity's income had previously come from a local authority, for services provided, but the issues faced in lockdown caused the charity to become more dependent on this financing than previously. This was a problem, as the payments were often delayed, posing a threat to the charity's survival: "Cash flow is an issue. We have made £12,000 this month but have not received a penny of it."

While the charity had attempted to pilot new ways of working, including trading online and advertising its services in the local press, there had not been an increase in sales. "Trying to budget is virtually impossible," the Treasurer told us, "Last year's figures are meaningless because we were shut so often; 2019 was the last year we were effectively open." These financial issues were exacerbated by the increase in minimum wage, a large VAT bill, and forthcoming rent. "It's not an ideal situation. We may have to ask our manager to forgo her pay for this month."

The Treasurer did not know if the charity would be able to recover from its current financial situation - the chances of that depended on external factors such as the timeliness of local authority payments and the general public's spending habits. He knew that a bank would not provide a loan, given the risk that it could not be repaid, and told us that the sort of emergency funds that were available during the pandemic would be equally helpful in the immediate aftermath.

3.6 Larger organisations in need of larger funds

Some larger organisations reported funding needs that had seemingly outgrown ECF's offer. Having relied on support from ECF for many years, these organisations were uncertain of how they could access larger grants from larger funders.

"I suppose my only negative with ECF is they won't give hundreds of thousands. Other than the [name of funder], I don't know where to go. I've got loads of experience of small funders, but I don't know where to go for bigger money."

These larger organisations were often unclear on how ECF could, or could not, support them as they grew. For example, we were told that ECF would not award grants to organisations with a turnover of more than £1 million, or that there was an upper limit of £10,000-£15,000 in place.

"They have a £15,000 limit...As a medium-sized charity, we sit just right now right on the borderline, just pushing that one million turnover (that will be next year). For smaller charities, £500 here, £700 there, £1,000 here is fantastic..."

Yet these organisations still saw ECF as part of their financial picture, even if ECF could not provide the scale of funding they needed. One organisation believed that ECF did not work with groups with a turnover of more than £1 million told us they were considering splitting their large organisation into two smaller ones so that they could still access funding.

"We're only just in that bracket; we still need that support."

This report highlights the vital, and often unique, support that ECF gives to smaller organisations in Essex, though this has seemingly contributed to larger groups expressing concern that their growth may make ECF more hesitant to fund them. It will be worth clarifying to which extent ECF can support larger organisations without detracting from its offer to smaller groups, which may involve considering ECF's role as organisations begin to grow and require larger funds. This could mean guiding groups toward larger funders, as some suggested, or considering ways that larger organisations could be funded to support ECF's work with smaller groups: such as by delivering development opportunities. Either way, these groups who feel anxious about the extent to which ECF will support them will benefit from clear communications around maximum grant, or organisational income, restrictions.

3.7 Clarifying the misconceptions

As well as participants telling us that ECF would not fund organisations with a turnover of more than £1 million, or would not provide grants of more than £15,000, there were other misconceptions about ECF's grant making practice that we came to hear from participants in our study. For example, several groups believed ECF only funded registered charities. Other misconceptions were that ECF would not fund digital work, multi-year work, or core costs. Perhaps most alarmingly, one organisation told us that ECF would be discontinuing the use of application forms altogether. Instead, we were told, ECF staff would be applying for funds on organisations' behalf without informing groups that they were doing so.

The origins of these misconceptions are unclear, with organisations often telling us that they had received this information directly from ECF staff. All of the examples listed above were checked with ECF ahead of the writing of this report, and none of them were factually correct, which makes it difficult to identify where the misunderstandings come from. While this can be frustrating, it does highlight a need for clear, and concise, information about what ECF does and does not fund. This information should be easy for groups to access, such as on the ECF website. It could also be that organisations are not aware that ECF manages a variety of funds, which are likely to have different priorities and criteria, and therefore while one fund may indeed cover digital work, another may not.

3.8 Chapter summary

• Applying to funding could be a barrier in and of itself, due to complex and lengthy application forms that could be disproportionate to the size of funds being applied for. In contrast, participants praised the brevity of ECF's forms, as well as the ability to submit an expression of interest in advance of a full application.

• Reporting back to funders often came with outsized data collection requirements, a focus on quantitative monitoring, and a lack of response to submitted reports. Organisations found ECF's reporting measures to be reasonable, and appreciated the ability to share qualitative data such as case studies and photographs.

• One of ECF's largest strengths was considered to be the local knowledge, and awareness of local need, acquired through its history as a place-based funder, which was seen to contribute to effective grant-making. Participants believed that ECF had a genuine interest in Essex communities, and was uniquely able to support small, grassroots groups who were less likely to obtain funding elsewhere.

• Most organisations wanted to receive visits from ECF staff, trustees, and donors. Such visits were meaningful to their relationship with ECF, and their sense of being heard and acknowledged. ECF would need to carefully consider where visits could add the most value, and how visits by trustees or donors may impact the ability to make transparent and equitable decisions.

• Participants praised funders' response to their needs during the pandemic, including ECF, by being flexible, making quick decisions, and reaching out to check on organisations' needs. It was widely felt that the impact of the pandemic continued to bring challenges, and funders were urged to remain alert to organisations' needs as a result.

• Larger organisations sometimes portrayed their funding needs as outgrowing ECF's offer, but were uncertain about their future in acquiring larger funds from other funders. They were also unclear as to if, and when, ECF would stop supporting them as they continued to grow, and ECF will need to consider the different experiences of larger groups, compared to smaller organisations.

• There were a number of misconceptions raised about ECF's funding criteria. For example, some believed ECF did not fund digital work, or that ECF would be abandoning the use of application forms. This suggested a need for communications and engagement that clarified what ECF did, and did not, fund.

Recommendations

Where participants reported similar experiences, we have made the following overall recommendations. However, it is important to bear in mind the different, and nuanced experiences that organisations conveyed which require further discussion and exploration.

Thriving communities

• ECF's work should be aligned with the definition of thriving communities as described by organisations themselves. Community organisations have the expertise and experience of working with communities in Essex, and it is important that ECF's work is suited to the ambitions they are striving to achieve in order for investment to be most effective.

• The role of the funder in thriving communities reaches far beyond financial support, and ECF is already meeting a number of these additional expectations. The findings of the report show an appetite in the voluntary sector for ECF to utilise its non-financial assets, including its skilled and knowledgeable staff and trustee board, its influence as a significant funder in Essex communities, and its willingness to innovate in response to the sector's needs.

• ECF needs to reflect more on marginalised communities in how it achieves equity, diversity and inclusion. Ongoing co-production and listening exercises will help to redress the existing power imbalance, and allow ECF to better address the needs of the diversity of communities in Essex. Uncomfortable conversations are necessary to address areas within an organisation in which a lack of meaningful diversity may be inadvertently disempowering marginalised communities.

• Funders can strengthen community voice within organisations by investing in co-production and listening exercises that not only enhance the effectiveness of organisations' work, but contribute to the local evidence base. ECF can consider how it uses its influence, as a large investor in the Essex voluntary sector, to give a platform to community voice that may otherwise be unheard.

• Participants believed ECF staff and trustees held a rich knowledge of the sector that could be useful in upskilling organisations. Before enhancing its current training and development offer, ECF should build a picture of the provision that already exists in different areas to avoid detracting from the work of other organisations.

• Further exploration is required into the challenges posed by volunteer shortages, as such issues will have implications on much of the work that ECF funds. An examination of this should take place in conjunction with other groups likely to have an enhanced understanding of the issue, such as infrastructural organisations like CVSs.

The funding landscape

• As ECF has a finite amount of funds to allocate, as well as limits to staff capacity, and is unique in its ability to fund the work of smaller, grassroots organisations, it is clear that all future work must remain focused on the support it provides to these groups, as this is undoubtedly its biggest strength. ECF must continue to make its funds accessible to the smaller, newer and more grassroots organisations who are less likely to access funding from elsewhere. As a funder, ECF fills a particular gap in the funding landscape by suiting the needs of these traditionally under-served and undervalued groups, and is therefore a vital part of these groups' survival. ECF's recognition of the benefits these organisations bring to their communities is a powerful testament that ECF sees these often overlooked communities as important, and worthy of investment.

• ECF should avoid incentivising collaboration for financial reward through encouraging organisations to submit joint applications. Instead, ECF should encourage meaningful collaboration, where there is willing, by continuing its existing work of bringing organisations together in meetings or networking events. ECF holds a position of trust with many community organisations in Essex, and can therefore use this work to gradually facilitate the sharing of information and best practice. Over time this may result in trusting relationships between organisations themselves, and the potential for collaboration independent of ECF.

• ECF must continue to fund core costs that not only allow organisations to retain the infrastructure vital to the success of their work, but also build in a degree of independence that entrusts groups to make financial decisions based on their expertise of the needs of their communities.

• ECF should consider how it might expand upon its existing number of multi-year funds, as this was desperately needed by organisations to provide consistency year on year. It should also clarify how groups can apply to multi-year funds.

Grant making

• ECF should seek to maintain the brevity and ease of its application and reporting processes, as this empowers organisations who are less able to comply with unduly complex and time-consuming requirements that other funders use.

• One of the largest parts of ECF's success is, that in being a place-based funder, it can support small, local, grassroots organisations who would be less likely to receive funding elsewhere. ECF should be aware of the unique function it offers to these groups, which must ultimately be prioritised and protected given the lack of alternatives.

• It would not be possible to visit all of the organisations ECF supports. Instead, ECF should carefully consider where visits can add the most value. This includes newer organisations and first time applicants, and marginalised groups who have traditionally been overlooked by funders and can be less likely to have established strong links with grant-makers. While participants desired visits from trustees or donors, ECF should remain aware of how this may impact the ability to make transparent and equitable decisions. Outside of visiting, ECF could begin to build relationships with applicants who are new to them by opening a dialogue when an application is first received. Similar to visiting, this approach facilitates more personable interactions and allows each party to form a better understanding of the other.

• Participants wanted ECF to retain the flexibility and personability it demonstrated during the pandemic, as this was seen as beneficial to the grant-making process. ECF must remain alert to the ongoing impact of the pandemic, in recognition that while the immediate crisis may be over, need remains high.

• In light of the vital function ECF provides to smaller groups, and the disconnection larger groups could feel from ECF, it will be important to reflect on the ways in which different types of organisation have different experiences of ECF, and the scale of the role ECF will play for larger groups in the future.

• Communications and engagement are needed to clarify what ECF does, and does not fund. In reducing the misconceptions, or explaining why parts of ECF's funding criteria is the way that it is, organisations will be empowered through clearer expectations of ECF and a better sense of transparency.

The study

This project was designed to gather the lived experience of community organisations in Essex, in their own words, to form a picture of what thriving communities look like, how organisations support their communities to thrive, and ECF's role in enabling their work.

The aim of this project was to continue to embed a culture of learning and listening to the organisations and communities ECF seeks to serve in ways that could inform strategy and the support ECF provides to encourage a thriving community sector. ECF aims to move toward a model of philanthropy that is relational and responsive to its communities, where resources are allocated through consideration of both community and donor priorities.

Therefore, this study sought answers to the following questions:

• What can ECF do to enable community organisations to thrive and help ECF identify funder exemplar practice?

• How do community organisations listen to and involve their communities in the design

and provision of their services?

• What do community organisations consider a thriving community to look like?

In order to reflect the diversity of community organisations in Essex, ECF provided a contact list that represented:

• Organisations with an annual income:
  ○ Under £50,000
  ○ £50,000-£250,000
  ○ £250,000-£500,000
  ○ Above £500,000

• Organisations working in:
  ○ Urban areas
  ○ Rural areas
  ○ The four quadrants of North, South, East and West Essex

• Organisations that were:
  ○ Registered charities
  ○ Companies limited by guarantee
  ○ Community interest companies
  ○ Unincorporated groups or associations

• Organisations whose work involved:
  ○ Children and young people
  ○ Older adults
  ○ Ethnic minorities
  ○ LGBTQIA people
  ○ Refugees
  ○ Migrants
  ○ Those who had been impacted by crime, including domestic abuse
  ○ Those with experience of the criminal justice system, or at risk of offending
  ○ People experiencing homelessness
  ○ People living with disability or serious and/or long-term illness/es
  ○ Economically disadvantaged people
  ○ Arts, culture and heritage
  ○ The environment
  ○ Infrastructural support

ECF contacted the organisations on this list to introduce this project, its aims, and to explain that they may be contacted further to set up a time and date for an interview if they would like to participate. We then contacted these organisations independently, and set up interviews with organisations who wished to be involved, as well as answering any questions they had about the study. Not all of the organisations on ECF's contact list responded, or wished to participate, and so the identity of those who had taken part was unknown to ECF (unless organisations told ECF they had participated, independently).

Of the thirty-five organisations who participated in this study, ten had an annual income of below £50,000; twelve had an annual income between £50,000 and £250,000; six had £250,000 to £500,000; and seven had over £500,000. Nine organisations were based in South Essex; eight in North East Essex; seven each from West Essex and Mid Essex; and from the unitary authorities of Southend and Thurrock, three and one respectively.

Participating groups represented a variety of organisational structures, though most were registered charities (27); with two community interest companies, three private companies limited by guarantee without share capital, one charitable incorporated organisation, one constituted community non-profit organisation, and one exempt charity (1). At the time of this study, most organisations had been successful in their applications to ECF and had received full payment (24). Others had been fully allocated the funding (5), had applications pending a decision (2), had withdrawn their applications (2), or had received rejections (2). As participating organisations were anonymous, their involvement in the study neither positively or negatively impacted the likelihood of funding from ECF.

It was uncommon for organisations to work with only one of the demographic groups listed above. For instance, groups working with children and young people often provided services for families too, and groups working with people with disabilities often provided services for carers. Therefore, using each organisation's description of their own work, we concluded that: eighteen organisations worked with people living with disability, and/or serious/long-term illness (including mental health difficulties, physical disability, learning disabilities, additional needs, and dementia); fourteen worked with children and/or young people; eleven worked with economically disadvantaged people; four each with older people, homelessness, and people with experience of the criminal justice system or at risk of offending; three with those who had been impacted by crime, including domestic abuse; two each working with ethnic minorities and/or migrants, or refugees and asylum seekers; and one working with LGBTQIA people.

Three organisations provided infrastructural support to voluntary and community organisations. When groups incorporated art, culture, heritage and the environment into their work this was predominantly a secondary function, used as a vehicle to work with those beneficiaries mentioned above. In addition, five groups worked with families, four worked with carers, two provided services specifically for men, one provided services specifically for women, and one worked with veterans. A further five organisations provided services specifically for their local community. All participating groups worked at reducing social isolation or exclusion to some extent.

Equally diverse were the staff and volunteer roles represented across interviews. This included chairpersons, chief executive officers, treasurers, grants and finance staff, heads of department, national and regional managers, team leaders, project workers, and administrators.

Interviews were arranged at a time and date that suited organisations, and they also chose if they would like the discussion to take place face-to-face, over the phone, or via Zoom. At the beginning of each interview we reiterated the aims of the study, answered any questions about the interview itself, reminded participants that the study was being conducted independently, and that their names and their organisation would remain anonymous in the report. We told organisations we would be taking notes of the interview, some of which would be quotes, and providing this was all agreeable to the participant, the interview went ahead.

Interviews lasted an average of one hour each, though some were shorter and some were longer. Discussions were informal - the interview questions were used to guide the conversation around the topics relevant to the aims of the study, but this was not done rigidly to enable participants to steer the conversation around the experiences they wished to share. Finally, we thanked participants for their time and asked if there was anything else they wished to add.

Our initial aim was to interview thirty organisations, and follow up with a roundtable of those who were willing to do so. However, early on in our engagement we found that participants felt they had been able to express their experiences satisfactorily in the hour-long interview and did not feel they would have much more to add to a further discussion. Smaller organisations, in particular, also felt that a group discussion would not be helpful due to the competitive climate, which could mean a roundtable discussion would disproportionately focus on the experiences of larger organisations. Therefore, we decided that instead of a roundtable with organisations already interviewed, we would conduct an additional five interviews with new organisations.

The findings from these interviews formed the basis of this report. We also undertook two one-hour roundtable discussions, one with ECF staff and the other with ECF trustees. This was in order to understand ECF's perspective of some of the key findings emerging from the report, to check that some of the information gathered about ECF was accurate, and to understand if some of the suggestions made by organisations were practical and achievable. Notes taken from these roundtables have also shaped the report, and its recommendations.

This study ran from July to October 2021.

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