

# Being a Flexible Funder



# Introduction

The Life Changes Trust was established by the National Lottery Community Fund in April 2013 with a spend out endowment of £50 million. We have used that endowment to support and drive transformational improvement in the quality of life, wellbeing, empowerment and inclusion of three groups in Scotland: people living with dementia, unpaid carers of those with dementia and young people with care experience.

The main ways in which we do this are by:

- ▶ Investing directly in people and expanding the choices and opportunities available to them
- ▶ Investing in the work of public and third sector partners that champion their inclusion, leadership and rights

Listening to, amplifying and acting upon the voice of the people we're here for is woven into the fabric of the Trust. Over the past eight years, we have developed a deep understanding about what leads to significant and positive change in people's lives.

As we approach the end of the Trust, we are focused on leaving a positive legacy. In order to do that, it's important that we explain what we do and how we do it, as well as share insights into the impact of working in this way. This funding booklet is one in a series of four:

- ▶ Putting beneficiaries at the heart of funding
- ▶ Relationship-based funding
- ▶ Being a flexible funder
- ▶ Being a strategic funder

# Flexible funding - how and why it works

## What do we mean by flexible funding?

Flexible funding is about more than providing unrestricted funding to an organisation. It is about striking a balance between achieving the best outcomes for beneficiaries, and the way in which that is accomplished.

This requires trust between a funder and a funded organisation. We need to trust the organisations that we fund to make decisions in **consultation** with the people who use or benefit from their services.

These organisations are working directly with people living with dementia, unpaid carers and young people with care experience every day. We are not. As a funder, we need to support them by giving them space to achieve outcomes in the most appropriate way.

The Trust is always clear with organisations from the outset about our expectations, the outcomes that we want them to achieve, and how they do that. For example, all funded organisations know that, as part of their award conditions, they must consult with our beneficiaries in designing, developing and delivering their projects. As a Trust, we try to lead by example, consulting with our beneficiaries when we are designing funding programmes.

It is much easier to trust an organisation that you have an established relationship with. However, robust due diligence procedures will provide confidence around governance and accounting processes.

Working with organisations who are just becoming constituted is riskier, and good communication and a supportive funding relationship is key to addressing any issues before they become problematic. Regular reporting allows organisations to share what is going well or what is not going well and enables staff to evaluate how a project is being delivered as well as its impact.

Flexible funding has enabled the Trust and funded organisations to respond quickly to changing priorities, something which has been demonstrated clearly throughout the COVID pandemic.

Trust staff worked with organisations to arrange extensions to project timelines, and to agree changes in budget allocations and purpose of grant.



# What does flexible funding look like in practice?

There are a number of principles that are key to being/becoming a flexible funder. Below, we outline some key steps that the Trust has identified on our journey to being a flexible funder.

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## 1. Developing a funding programme

The principles of flexible funding, such as trust, reciprocal relationships with groups, adaptability and targeting specific areas of work, have always been inherent in the framework of the Life Changes Trust. These principles are used when it comes to developing specific programmes.

There are many examples of this in the organisations and projects that the Trust has funded. From the outset, our Dementia Friendly Communities<sup>1</sup> work supported groups to investigate and create ways to make a geographical community or a community of interest more inclusive to people living dementia and unpaid carers. The Festival of Voices event for young people with care experience included a 'Participatory Funding' element, which gave young people the opportunity to propose their own ideas for funding, and these were then voted on by the other young people at the event.

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<sup>1</sup> <https://www.lifechangestrust.org.uk/our-dementia-programme>

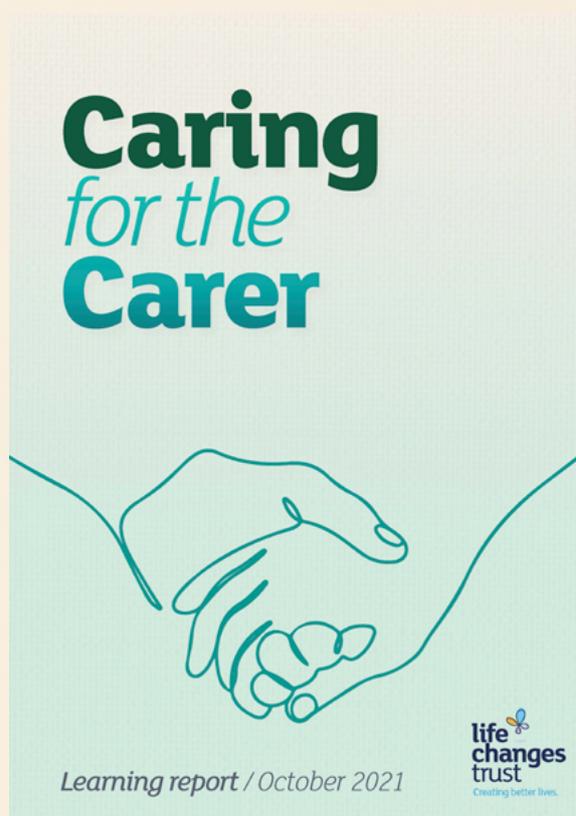
These two examples highlight the Trust's commitment to listening to the people who form these communities - those who have lived experience and those who are in the best position to develop and deliver projects. This is an important part of developing new programmes.

While there has always been flexibility in the Trust's approach to funding, bringing worthwhile and positive results, the efficacy and effectiveness of this method was further emphasised during the COVID-19 pandemic. The Trust wanted to use this flexible approach to fund specific pieces of work to help improve people's lives during this time. An example of this was the 'Caring for the Carer' fund.

The 'Caring for the Carer' fund was set-up specifically to help unpaid carers of people living with dementia during the pandemic. It was created after the Trust conducted some online sessions with unpaid carers and the organisations that support them.

The idea was to listen, and create a programme that enabled people to better cope with some of the challenges that they faced as carers, and that had been exacerbated by the pandemic.

The purpose of this fund was to be flexible and light-touch. It was to enable unpaid carers to think about themselves, and use the grant to help them cope with the additional challenges that the pandemic had brought with it.



Applicants could apply for up to £1,000 for purchasing any number of things that would help with their day-to-day lives. For instance, new or better technology to stay connected, short respite breaks, fitness equipment, improved outdoor spaces or counselling.

A simple application process was important in reaching and encouraging carers with competing demands on their time. The Trust used the learning it had gathered from online sessions to develop a funding programme that targeted both a specific group and a national health crisis. This was achieved due to the Trust's flexible approach and desire to develop funding programmes that addressed current issues.

An earlier example of this targeted and flexible response can be found with the Trust's Minority Ethnic Communities and Dementia<sup>2</sup> programme. It was established following research into the inequalities of dementia support and services for people living in minority ethnic communities. The Trust wanted to fund projects that raised awareness of dementia in these specific communities, address gaps in services and undertake research into the reasons why people were not engaging with services.

For this development, the Trust contacted specific organisations and groups that supported and worked within these communities and who might be interested in applying for funding.

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<sup>2</sup> <https://www.lifechangestrust.org.uk/minority-ethnic-communities-and-dementia-evidence-and-learning-0>

Within the programme objectives and parameters, there was a level of flexibility and trust to enable organisations to create and run projects developed by them with input from people living with dementia and unpaid carers. This approach was taken so that the needs of people with dementia in minority ethnic communities could be addressed effectively.

The pandemic also enabled the Trust’s Young People with Care Experience programme to create a responsive funding programme. The ‘Keep Well Fund’ was set up in response to lockdown and aimed to support the overall wellbeing of young people with care experience. Conversations with young people disclosed that they were feeling isolated and stressed, due to many factors, including not being able to meet up with family, friends or support workers. Applicants could apply for up to £250 for items to help with study, staying connected and supporting mental health. The fund provided young people with the support to improve their wellbeing in a way that worked best for them.



The 'Keep Well Fund' replaced the Trust's previous individual grants programme, Aspirational Awards<sup>3</sup>, which aimed to support young people with their plans for the future. The Young People with Care Experience's Advisory Group<sup>4</sup>, which is comprised of people with care experience, recognised that a more immediate response to lockdown was needed to support young people who were struggling. They decided to use the Aspirational Awards budget to deliver the 'Keep Well Fund' instead.

The Advisory Group and the Trust worked together to create the objectives for the programme, along with the application materials and guidance. Given the circumstances created by the pandemic, this programme required a very quick turnaround. The Trust's flexible approach to funding and the Advisory Group's experience facilitated a fast response to changing needs in the lives of beneficiaries.

The Trust's flexibility and experience in developing and running new funding programmes in response to need has attracted additional funding from other funders, who welcomed the opportunity to be involved in responsive funding programmes.

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3 <https://www.lifechangestrust.org.uk/project/aspirational-awards>

4 The Advisory Group, whose members have all had experience of care at some point in their lives, was established by the Trust to ensure we truly were listening to the voice of young people with care experience. The group members volunteer their time to advise the Trust, and work on specific funding projects and initiatives.

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## 2. Application and assessment process

The Trust's flexibility applies across its different funding programmes and initiatives. However, it could be argued that the greatest degree of flexibility is demonstrated in small grants. This is due to a number of reasons, including working with lower capacity groups that may not have the resources and structures in place to undertake larger projects.

Some of these organisations are providing important locally-based grassroots work that can be overlooked by traditional funding programmes. One aspect of the Trust's flexible approach is the application and assessment process.

A recent example of this is, again, the 'Caring for the Carer' fund. The simplicity of the funding approach was important in helping as many time-pressed carers as possible. Carers had the option to submit their application by post or complete it over the phone with a member of staff if they were not comfortable undertaking it online. The flexibility and person-centred approach of the programme also enabled carers to change their applications in light of impactful circumstances, such as the deterioration of the person they were caring for. This was key to ensuring that carers were able to meet their specific needs through the fund.

To assess applications for the 'Caring for the Carer' fund, the Trust established a panel that consisted of carers and ex-carers who brought deep knowledge and experience-based judgement to the decision-making process. Carers provided invaluable input that allowed decisions to become more consistent as well as helpful advice on providing feedback to unsuccessful applicants. The flexibility of the decision-making process allowed the panel members and funding staff to incorporate learning as they went along to ensure that the process was constantly refined.

Another example of flexibility during the application and assessment process is our ‘Creating Better Lives’ small grants programme<sup>5</sup>, which was established in each of the NHS areas in Scotland. These grants were specifically for local-based and grassroots organisations, with applicants able to request up to £15,000 to deliver a variety of dementia-related services and activities. Funding was established following the Trust’s Scotland-wide regional events, which focussed on the issues and concerns of people living with dementia and unpaid carers in their own communities.

Potential grant applicants could attend the regional event in their area to find out more and discuss project ideas with Trust staff.

This gave people the opportunity to learn about issues identified by people with dementia and unpaid carers and to learn more about the Trust’s work. This led to stronger and more informed applications. Regional events moved online due to COVID-19, but applicants had the opportunity to attend drop-in sessions on Zoom to discuss project ideas and ask questions.

The Young People with Care Experience programme’s ‘My Choice, My Future’ fund was adapted to allow young people to complete applications online, by phone with a staff member, or to submit a video application, and they could be supported by staff from other organisations they were involved with to complete their application.

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5 <https://www.lifechangestrust.org.uk/project/community-and-dementia-creating-better-lives-regional-events-and-grants>

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### 3. Due diligence

The Trust has a very robust and efficient due diligence process, which begins at the application stage. Details of organisations that apply for funding are checked through the Office of the Scottish Charity Regulator and/or Companies House websites. Funding staff follow up on issues such as delays with the submission of annual accounts or irregular changes to the management Board. They do general online checks for groups that are not registered charities or companies. Applications for funding also ask organisations to submit: their annual accounts; reserves; and policies on health and safety, protection of vulnerable adults and adult support and protection. Some community groups may not have all of these policies in place and Trust staff will work with them to put the required procedures in place.



Successful organisations are asked for a current bank statement and a list of signatories. Once this has been checked, an award letter is written, with terms and conditions, objectives, payment dates and length of project. This letter must be signed by a member of the management committee or Board of the organisation, returned to the Trust and passed to the Finance Department, along with bank information. If further checks are required, they are followed up by finance and funding staff.

With a robust due diligence process in place, the Trust is able to look at ways of being more flexible for certain programmes and grants. Again, the 'Caring for the Carer' fund and the 'Keep Well Fund' demonstrated a flexibility and trust with regards to this process. Given that both of these programmes were about responding quickly to the challenges facing people during COVID, ease and speed of payment were essential. Applicants to these programmes simply provided bank details to allow their grant to be paid directly. The Trust has a system which can verify bank accounts, thereby minimising some of the risks with this approach.

The due diligence process has also had to be adapted due to the pandemic. As Trust staff are working from home, obtaining signed hard-copies of award letters and bank forms was difficult. The agreed process was to accept award letters by email, either scanned or with an electronic signature. For the 'Creating Better Lives' small grants programme, it was not possible for groups to get every bank signatory's signature, due to restrictions imposed by the pandemic. Groups were asked instead to submit an email with bank details and the names and roles of the bank signatories. It should be noted that award letters have to be signed by someone who is part of the management of a group, such as a Chair or Treasurer. This, at least, means there is a named person accountable for the delivery of a project.

The Young People with Care Experience individual awards programmes<sup>6</sup> often make payments directly to young people, unless there are exceptional circumstances. The process requires the young person to agree to the conditions set out in their award letter, which must officially be recognised by return email or signature, and to provide bank details which match the details provided by the young person.

During the pandemic, to check that payments were made securely, emails confirming acceptance of an award needed to be from the same email address that submitted the application.

Overall, the level of due diligence is responsive to the particular programmes. This is to support lower capacity organisations that might find this process challenging. The Trust wants to ensure that smaller and less established groups and organisations feel as confident and supported as possible to access grant funding. Our flexible due diligence process reflects this.

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#### **4. Grant management**

It is inevitable that some of the organisations that we fund will experience changes to the delivery of their projects due to many factors. Funding staff apply flexibility in their approach to grant management which allows discussions around budget underspend, timescales of projects and changes to project delivery. Any changes are requested by email and discussed with funding staff before next steps are agreed.

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<sup>6</sup> <https://www.lifechangestrust.org.uk/young-people-care-experience>

This approach is facilitated through developing good relationships between funding staff and the organisations we fund. Staff foster an atmosphere of trust, encouraging organisations to report difficulties at the earliest stage so that these can be discussed and solutions developed together. Both sides are invested in the project succeeding.

The Trust instils an element of flexibility to enable those who run projects to have licence to adapt if circumstances change. Obviously, this is done in correspondence with funding managers. It is from the initial grant set-up stage that the reciprocal nature of the relationship is established. There is awareness that projects delivering support may need to be adaptable and change is not viewed as a negative.

Again, recent examples of this can be found with projects that were funded just before, or during, the pandemic. Many organisations struggled to start their projects and, if they had started, it was difficult for them to achieve as much as they had hoped, or in the way that they had planned. This led to requests for extensions to project timescales, or, in some cases, to test out new ideas. Extensions also arose as a result of unspent funds towards the end of a project.

The Trust worked with the organisations to ascertain if the funds could be used within the project to support outcomes for beneficiaries, rather than being returned. If a use for unspent funds could be agreed by both parties, an extension was granted. This was done by way of a formal letter of agreement.

Budget changes were also quite a common. If a group wanted to adjust their budget, they could discuss this with their Trust funding officer or manager. As long as the grant is being used to achieve outcomes for beneficiaries, then it can be a simple enough process. Depending on the scale of the change, a group can send through a budget reallocation spreadsheet, and this can be used for the basis of the new use of funds.

For the individual grant programmes of ‘Caring for the Carer’ and the ‘Keep Well Fund’, grant management was quite straight forward. Once the grant was paid, the Trust did not require further information. Although not necessary, some applicants submitted receipts or photographs as proof of purchase. For the ‘Caring for the Carer’ fund, applicants were requested to complete a short feedback form if they wished to do so. Many applicants responded with detailed information which helped us to learn from this approach.

Similarly with the funding processes, the flexibility in grant management gives organisations the space needed to complete projects. It also allows for a reciprocal relationship, whereby the group feels confident enough to speak with Trust staff about changes and any concerns they may have about undertaking the work. Therefore, grant management is not just about deadlines and dates, it is also important in getting the best out of a project and achieving the best outcomes for our beneficiaries.

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## **5. Project delivery**

Flexibility in project delivery comes from the Trust’s faith in the ability of funded organisations to complete the work they want to do. For example, an individual or organisation may have a plan for their project but this may have to change due to a number of circumstances.

The Ayrshire and Arran ‘Creating Better Lives’ small grants<sup>7</sup> is just one example of funding being impacted by the pandemic. Applications for this funding were received just before lockdown. Due to the myriad of restrictions, this meant that project plans inevitably had to be changed. This was obviously a time of great uncertainty, so having a flexible approach to delivery was vital. Even with making changes to these plans, circumstances could shift again, making it difficult to put anything concrete in place.

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<sup>7</sup> <https://www.lifechangestrust.org.uk/ayrshire-arran-regional-grants>

In this situation, it was impossible for some of the funded groups to run the projects they had planned. At that time, it was hoped that they would be able to continue further down the line. With some of the organisations, the Trust agreed it was best for them to run elements of the projects, so that they could at least support those most in need.

Some examples were: ensuring that individuals had access to technology to access online support; food deliveries; providing activity packs; telephone calls; and, when safe and from a distance, face-to-face meet-ups. The Trust recognised the importance of supporting people in the best way possible over the completion of an agreed set of project outcomes that were not achievable at that point in time.

Due to the ongoing uncertainties around the COVID-19 pandemic, there are still challenges for some groups with delivering their intended work. This means that flexibility in project delivery is all the more important.

Overall, the delivery of a project is initially stipulated in an application and agreed upon as part of the funding process. However, the current situation has necessitated some flexibility around project plans, meaning the journey to reaching objectives and outcomes may change over the lifetime of the grant.

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## 6. Monitoring

The Trust requests that regular monitoring reports are submitted for the purposes of evaluation and to ensure that any difficulties encountered by organisations can be addressed at the earliest opportunity.

Staff at the Trust work with funded organisations to develop a monitoring and evaluation framework, with specific outcomes relevant to that organisation and its work. If it becomes apparent during the timescales for the project that the outcomes are no longer relevant, these can be adjusted following discussions with the Trust. Organisations submit evidence to demonstrate how their work has contributed to each outcome and this can be in a format that is most relevant to them, including photographs, videos, quotes, case studies, feedback from stakeholders, etc.

The Trust ran a funding programme called ‘Get Outdoors’<sup>8</sup>, which was about supporting people with dementia and unpaid carers to undertake outdoor activities to improve physical and mental wellbeing, form community connections and be involved with nature.



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8 <https://www.lifechangestrust.org.uk/get-outdoors-evidence-and-learning>

Groups used different ways to evaluate the work, including photographs, videos, graphics, case studies and stories.

One group used ‘nature faces’, where a person could show how they were feeling by making the face happy or sad. Evidence was also collected through poetry and personal storybooks. Many groups find that creative evaluation makes their work more accessible in highlighting the work that they do.

This approach enables the Trust to show, in an impactful manner, how effective project work is in achieving better outcomes for beneficiaries. Many of the examples of innovative evaluation work is captured in the Trust’s evaluation reports which are widely disseminated to inform practice and policy.

Creativity has always been an element that the Trust has encouraged in both the Dementia and Young People with Care Experience programmes. With regards to the latter, due to the nature of their work, it became clear that funded groups and those involved find creative responses a better way to meet the objectives and outcomes they want to see fulfilled.

Again, this flexible and creative approach is based on a reciprocal relationship. It is about finding ways to best support those participating in projects, along with providing the best evidence to showcase this work.

This flexible monitoring approach allows organisations to demonstrate their work in interesting and meaningful ways. Some have expressed surprise at this way of working, but were encouraged at the grant set-up stage to find interesting ways to demonstrate their evidence. As part of their work for the ‘Home & Belonging’ project<sup>9</sup>, the University of the Highlands & Islands created a film and many Champions Boards have also produced videos to highlight issues such as language and better review processes etc.

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<sup>9</sup> <https://www.lifechangestrust.org.uk/young-people-care-experience>

As discussed earlier, monitoring requirements for the ‘Caring for the Carer’ fund, the ‘Keep Well Fund’ and ‘My Choice, My Future’ were kept to a minimum, with a simple feedback form that individuals were under no obligation to submit. Applicants did not need to evidence how the items they had purchased had benefited them.

However, many were keen to send in photographs, emails and letters and agreed to talk to staff about their experiences of applying for funding. This information was invaluable in compiling and writing up learning reports and contributing to evaluations of these programmes.

Flexibility in monitoring can help to gain understanding about the impact of funding that perhaps might be missed with more formal monitoring and evaluation frameworks. The Trust works in a supportive way with organisations that we fund to monitor progress, adjust to changes and evidence the important outcomes being achieved for beneficiaries.



## Top ten tips for flexible funding

- ◆ Involve beneficiaries in each step of the funding lifecycle, crucially in programme development and decision making.
- ◆ Be flexible, open, and honest with applicants and awardees to build trusting relationships.
- ◆ Have attentive, well-informed, and experienced staff dealing with applicants and awardees every step of the way so that they feel supported and engaged in the funding process.
- ◆ Develop appropriate and proportionate monitoring processes and forms, providing an opportunity for regular, but not overwhelming, reporting.
- ◆ Provide awardees with an opportunity to report in ways that suit them best, making use of existing evidence such as photos, videos, surveys, and case studies.
- ◆ Put regular communication lines in place to ensure awardees are able to raise concerns and discuss any necessary changes to their project and budget.
- ◆ Give awardees a degree of autonomy, allowing them to make changes to projects if things are not working as planned.
- ◆ Work closely with other grant making organisations to share learning and develop the principles of flexible funding across the sector.



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