CCSF Learning Report

Building organisational resilience for the future

October 2021

The Learning Strand of the Coronavirus Community Support Fund (CCSF) evaluation was a new way for the National Lottery Community Fund (the Fund) to create, share and facilitate learning from a major programme of funding for voluntary and community sector (VCS) organisations during a crisis. It was managed by Ipsos MORI and the Tavistock Institute of Human Relations (TIHR).

Centred around an online Learning Hub, the Learning Strand aimed to create opportunities for CCSF and National Lottery emergency grantholders (referred to in this report as 'grantholders') to build new connections and share learning about their experience of working through the COVID-19 crisis. Between October 2020 and July 2021, 3,244 members signed up, representing a fifth of eligible grantholder organisations (2,714, 20%).

As part of the Learning Strand, TIHR and Ipsos MORI coordinated a range of activities and outputs. Many were developed with input from grantholders: online discussions, information and learning exchanges, as well as longer-term thematic groups.

This Learning Report shares what we learnt about **the ways grantholders built their resilience in the face of uncertainty during the COVID-19 pandemic**, and how this can help others plan for the future.

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The COVID-19 pandemic and the resulting restrictions put in place from late March 2020 required **VCS organisations** to **anticipate, respond and adapt** as needs in their communities changed. For many, this involved changing the scale of their operations and radically changing their delivery models.

At the same time, organisations had to **plan ahead** to ensure their services could continue to operate. However, many organisations found their **focus was on surviving** and providing **immediate support** to people and that **thinking about the longer-term was difficult** in a crisis. Grantholders were particularly concerned about **future income generation** and whether their current models were **sustainable**.

> "Currently, we're just being reactive and not strategic" CCSF Grantholder

For many organisations, the pandemic was a 'stress test'. For those who managed to keep afloat, maintain staff, or even grow their support, the experience built their confidence that they could survive shocks and 'bounce back' from challenges. CCSF grantholders who were able to **survive and prosper** in this context demonstrated their ability to **prepare for, respond and adapt to change and sudden disruptions**.

Reflecting on their experience during the pandemic, grantholders identified two areas that helped them to prepare for what comes next:

- **Understanding their strengths, alongside the needs of the communities they served.** This helped grantholders to develop a clear purpose, while also building in flexibility to respond to emerging needs.
- **Building financial resilience** through diversifying income streams.

As the response to the pandemic continues to change, **the future remains uncertain, making planning ahead an ongoing priority**. The following sections explore what helped grantholders plan for the future during the pandemic and ideas for how to apply this learning moving forward.

Considering both organisational strengths and changing community needs

During the pandemic, many grantholders found their capacity was stretched, as needs in the community increased and changed. While flexibility was seen as important, some grantholders felt this need to adapt could make it **easy for organisations to forget their purpose** and be **drawn into different areas of work** that might dilute their impact. Therefore, grantholders recognised the importance of **understanding where their organisation can add most value to their communities** rather than trying to "do everything". In order to be in a strong, forward-thinking position, grantholders highlighted the importance of **refining their purpose** and **identifying relevant partners to work with**.

> "What are our core strengths, how can we go back to what we are actually about and focus on that?" CCSF Grantholder

At the same time, many grantholders found that their **ability to adapt** helped them to be flexible and responsive and remain relevant. Many grantholders faced considerable challenges balancing their organisational purpose and strengths on the one hand with being responsive to the needs of the communities they served on the other.[i]

Undertaking research helped organisations to **understand their strengths**, through mapping their capabilities and what they achieved through their work. It also helped grantholders **identify areas for improvement**. This in turn helped organisations to **articulate what they were good at**, which came in useful when **identifying partners** and **making the case for joint-working** or applying for funding and seeking donations. Knowing their strengths and where they needed more support also helped grantholders **reflect on what they bring to a partnership before entering an alliance**, and where partners can add value. Identifying unique assets and skills for each partner helped to promote equality.[ii]

> "You might have links with communities that other organisations do not have. The important aspect is to build the relationships between organisations which make the work stronger."
> CCSF Grantholder

Ideas about how to understand an organisation's strengths

- **Develop a Theory of Change.**[iii] This helped grantholders to understand what they were delivering and the intended results from their work. The process involves identifying the aims of a project, the resources that go into it, and how activities are intended to lead to desired outcomes and longer-term impacts (for example, for the people supported, the organisation and the wider community).
- Going through this process also helped grantholders **decide what evidence to collect** so they could measure change and understand if their project was working. This ensured grantholders were spending time collecting information that was relevant and useful to their work.
- Using a **combination of qualitative (stories and narrative feedback) and quantitative (numbers of people supported and statistical data from surveys) evidence**[iv] can support better understanding of organisational strengths and build a clearer case about the difference their work has made. Grantholders used qualitative data to provide rich personal stories about how individual beneficiaries experienced the support they received. Quantitative data helped them show the impact of their work on a larger number of people (but in less detail).

> "We gather data and evidence, both quantitative and qualitative, to gain important insights about our organisations work. It can help us to both prove and improve the good that we do, as we capture the learning and insights that our evidence has provided." CCSF Grantholder

- Collect real-life stories to raise awareness of the types of challenges the people they support face and how people's lives changed as a result of the help they received. Grantholders collected stories from social media messages, case notes and

conversations. To preserve the subject's identity and privacy, some grantholders created fictional stories that captured common experiences. Others changed identifying details.

> "We need to be careful how we share the case studies. It is important to show hope when we are telling the story. There needs to be a balance in terms of showing the unmet needs and how the intervention is making a difference." CCSF Grantholder

- Build capacity to collect and interpret data by engaging trustees with relevant experience who could provide advice. Some grantholders improved their staff's skills through training or accessing resources online.

Ideas about how to understand community needs

- **Provide meaningful opportunities for people to say what support they want**. Grantholders who recognised that communities are experts on their own needs were more willing to listen to them about the support people wanted. This helped grantholders identify emerging needs (such as exercise and social isolation during the pandemic). A proactive and responsive approach also helped grantholders to develop close, trusting relationships with the communities they served.
- **Draw on wider research on community needs[v]**. Using data on community needs in the design of services helped grantholders ensure they were appropriate and allocate resources to where there was most pressing need.
- **Build relationship with VCS organisations, local services and institutions** (such as playgroups and faith networks). This helped grantholders **understand different community needs**, align with local agendas, and address the issues that were important to communities.

> *CCSF project example: Adapting service delivery*
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> South Oxfordshire Food and Education Alliance (SOFEA) runs food redistribution operations and provides skills development and employability training programmes. During the COVID-19 pandemic, SOFEA wanted to retain their main purpose of offering food and education while reacting to the changed needs of their community. Becoming an emergency food organisation allowed them to draw on their seven years' experience of food distribution and logistics. They also had staff and volunteers with time available to further support food banks. Building on their organisational strengths enabled them to grow their service during the pandemic.

Ideas about how to promote flexibility

- **Reorganise teams to promote flexibility**. Some grantholders found that working in smaller teams helped staff to make decisions faster and more creatively. It allowed individuals to take on more responsibility and encouraged them to contribute. This helped some grantholders respond faster to change.

- **Introduce flexible working practices**. Grantholders found this helped staff focus on fulfilling overall objectives rather than completing a set number of hours each day. For example, some grantholders allowed staff to set weekly, rather than daily, targets.
- **Be open to working in different and new ways**. The pandemic encouraged grantholders to work in new ways to respond to the crisis, leading to partnerships with organisations who did things differently. Many grantholders were more open with partners during the pandemic as they acknowledged that everyone was experiencing similar challenges for the first time. These partnerships promoted flexibility through enabling grantholders to pool resources, expand their work into new areas and learn new ways of working from their peers.

Building financial resilience through diversifying income sources

Financial security was a constant concern for many grantholders during the COVID-19 pandemic. During this period, many income sources for VCS organisations stopped or significantly reduced, including charity shops and street fundraising. Around a fifth of grantholders surveyed (17%) said they would have had to close or stop services altogether without the CCSF grant.[vi] Around half (48%) of grantholders used their CCSF grant to ensure their organisation had the financial resources to operate.[vii] However, the reliance on short-term funding meant many grantholders remained uncertain about the future.

> "There have been quite a lot of small pots that we have been successful in getting, but not quite as many of the larger pots of two or three-year funding which give your organisation sustainability and stability to then develop." CCSF Grantholder

In response, many grantholders worked to **build a better understanding** of their organisation's **financial health**. Grantholders realised that relying on a small number of funders, a single income source, or specialised funding was less reliable than having a diverse portfolio of income sources. This was because if one source was no longer available, income would not dry up.

> "[We're] trying to spread the sources of funding across as many streams as possible. [Then] if something goes wrong in one area you still have something to rely on." CCSF Grantholder

While grant funding remained an important source of income, grantholders took a number of steps to increase their financial security, by taking a **more proactive and entrepreneurial approach.**

As organisations continue to respond to changing circumstances, there are **opportunities to reassess how to generate income and diversify income sources**. Creating robust financial strategies requires time and money, which may not see immediate returns. However, **prioritising income diversity in the future will help organisations continue to be agile and find income streams that are best suited to their context.**

Ideas for how to understand an organisation's financial health

- **Conduct a financial audit**. This involves reviewing the organisation's financial reserves policy and assessing different funding streams.
- **Engage financial consultants**, or volunteers with financial expertise, to examine the viability of grantholders' financial strategy, assess financial security and identify potential risks.

Ideas for how to secure grant funding

- **Keep abreast of funding opportunities**, through checking funders' websites regularly; subscribing to relevant newsletters (such as the Small Charities Coalition). Also, invest time in building and maintaining relationships with funders, such as through attending events and roundtables.
- **Speak to funders** about what they are looking for before submitting grant applications.
- **Approach the local authority Community Development team** for help to identify grant funding opportunities and make funding applications.
- **Develop grant writing skills** by accessing training from local support agencies, who can guide staff through the grant application process.

Ideas for how to diversify income streams

- **Think of ways to generate income from activities or organisational assets**. Examples from grantholders included hiring out their rooms, charging for training and selling merchandise. They saw self-generated income as less reliant on external decision makers – such as funders or commissioners - and therefore more within their control.
- **Approach local companies for donations and sponsorship**. Grantholders identified potential sponsors through mapping local business networks and associations for larger private companies with corporate social responsibility (CSR) budgets, or that adopted a Corporate Shared Value (CSV) approach. The CSV approach integrates positive social and environmental impact into business models.[viii] Grantholders felt these businesses were more open to working with or funding VCS organisations.
- **Generate income through online donations.** Examples from grantholders included setting up an online donation button on their websites and using existing online shopping platforms where shoppers can donate a proportion of a sale to a charity of their choice.
- **Review membership models**. Several grantholders began charging for membership to bring in revenue. However, one grantholder stopped charging and instead asked for voluntary donations. Both approaches resulted in increased revenue.

> ## CCSF Project example: using in-house knowledge to generate income
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> Diversity House promotes community integration, re-integration, social inclusion and cohesion in diverse communities across Kent. When the pandemic made it harder for them to generate revenue, Diversity House looked internally and asked, *"what assets do we have"?*
>
> > *"Every organisation and community has assets"*
>
> Staff identified their specialised expertise and knowledge - cultural awareness, equality, diversity and inclusion (EDI) expertise and experience working with Black Asian and Minority Ethnic (BAME) organisations and communities - as an opportunity.
>
> Diversity House started charging to undertake equality and diversity audits. This brought in some money that was quickly plugged in to support the charity's activities.
>
> > *"We will never give such things for free again. If people want it, we can support them. But they need to give us something in return".*

Key takeaways

During the COVID-19 pandemic, **grantholders demonstrated their organisational resilience** by adapting to new ways of working, ensuring they could continue to support their communities. Organisations that did this successfully were more **prepared for future challenges**.

Now is the time for VCS organisations to take stock and reconsider what they offer and how this relates to current needs and priorities in their communities. Much of this work is already taking place, with VCS organisations considering how their work can address pressing social issues that have become more apparent during the pandemic (such as reducing inequalities and digital exclusion, promoting mental health and wellbeing, and addressing climate change). There are also **emerging opportunities** for some grantholders to shape the local funding and commissioning agenda by leveraging new partnerships with local authorities and other public sector organisations.

The pandemic highlighted the importance of **building in time to review ways of working**. Grantholders achieved this through **collecting data and analysing and reflecting on how they work**, and including partners and beneficiaries in these conversations. This helped ensure services are relevant, fit for purpose, and better placed to deal with the unexpected.

As well as VCS organisations, funders and the public sector can also play an important role in helping plan for the future. Below we outline our key takeaways for each group:

For VCS organisations

- Grantholders recognised that the context for the people they support continues to change. Therefore, **VCS organisations need to continue to listen to people**. Gathering evidence and integrating new learning remains central to driving improvements in service design and delivery. While these activities can take time away from providing

direct support, they will help staff reflect on their organisation's practices, strengths and where they need more support.

- **A strong network is an important resource in times of uncertainty and change**. VCS organisations should continue to seek out opportunities to build and strengthen partnerships.
- **VCS organisations should undertake a financial health check**. This can help identify over-reliance on risky or potentially unsustainable sources of income. It can also help to think creatively about new ways of generating income. A robust and diversified financial strategy is also crucial for organisations contemplating scaling up or replicating their services. This can help manage the risks of delivering in new ways or in new places.

For funders

- Funders can support VCS organisations to reflect on their strengths and where they need more support by communicating the value of this, offering support to do so and signposting organisations to freely available resources.
- Funders and commissioners can help sustain the shift among VCS organisations from competition to collaboration providing funding and connections to different organisations to bring people together around common causes.
- Where deeper relationships have been built between funders and VCS organisations during the pandemic, this presents an opportunity for providing longer-term, sustainable 'trust-based' funding.[ix]

For public sector organisations

- Shared vulnerability across the public and VCS sectors allowed greater scope for collaboration, leading to deeper relationships. Some relationships between public sector and VCS organisations developed into strategic partnerships, where VCS organisations are brought into planning and developing local services based on their knowledge and expertise of local communities. The task now is to focus on ensuring these collaborations continue for the longer-term benefit of communities across the UK.

Further information

Other learning reports in this series include:

- Building connections and trust in a crisis
- Creating a culture of wellbeing to support staff and volunteers
- How the pandemic shaped volunteering: learning for the future

You can find more information about the CCSF evaluation on The National Lottery Community Fund's website.[x]

Endnotes

[i] For more information about building connections and trust with communities, see the Learning Report on "Building Connections and Trust in a crisis".

[ii] Building partnerships is explored further in the Learning Report on "Building connections and Trust in a crisis".

[iii] Theory of Change maps how we believe our project or organisation will make a difference. For further detail see here: https://www.thinknpc.org/wp-content/uploads/2019/10/Theory-of-Change-10-Steps-Updated.pdf

[iv] For more information of what is meant by data and evidence see here: https://www.tnlcommunityfund.org.uk/funding/managing-your-grant/learn-from-your-project/data-and-evidence and for guidance on mixed methods evaluations see here: https://www.betterevaluation.org/en/resources/guides/conducting_mixed_method_evaluations

[v] For example, on the health needs of ethnic minority communities, see: Public Health England (2020). Beyond the data: Understanding the impact of COVID-19 on BAME groups. London: Public Health England. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892376/COVID_stakeholder_engagement_synthesis_beyond_the_data.pdf

On children and young people, see Mental Health Foundation (2021). Impacts of lockdown on the mental health of children and young people. Available at: https://www.mentalhealth.org.uk/publications/impacts-lockdown-mental-health-children-and-young-people

[vi] These findings are from an online survey conducted by Ipsos MORI with CCSF grantholders in the sixth month of their grant, as part of the CCSF evaluation. 6,712 responses were received.

[vii] Ibid.

[viii] For more information about CSR and CSV, see: https://sustainablebrands.com/read/business-case/csr-v-csv-the-difference-and-why-it-matters

[ix] Trust-based funding involves providing long-term, unrestricted funding with streamlined reporting processes and a commitment to building lasting relationships. In this way, it aims to enable organisations to be creative and think strategically. For further information see: https://www.thinknpc.org/resource-hub/covid-funding/

[x] Wider learning from the CCSF evaluation is available at: https://www.tnlcommunityfund.org.uk/insights/covid-19-resources/responding-to-covid-19/ccsf-grantholder-evaluation