

Flourishing in the face of change: strategies for survival

Text of a speech at Community First Yorkshire's inaugural conference,

17th May 2018

Introduction

A little over 30 years ago, in February 1988, I received a grant – I think it might have been referred to as a donation – of about £3,000 from Shepherd's Bush Baptist Church. The money was to pay for my salary as I set up a new day centre for homeless families, Shepherds Bush Families Project, in the church's basement hall.

I was a complete novice. There was lots that I didn't know. So, the establishment of the new centre, which opened in July of that year, was a collaborative effort, an attempt to do something together that felt right and proper. It was Ade, a local teacher, who advised me to position the play corner near the loo to avoid too many accidents on the carpet. Ron, a septuagenarian member of the church, who painted our outdoor sign. Jon, the local United Reformed church minister, who helped draft our constitution. Iris, from the Pre School Playgroups Association, who ordered the play equipment. And it was Christopher, Director of the Tudor Trust, who persuaded his trustees to award us our first proper grant, later that year, to employ an advice worker. So, there were many founders, working together for the common good. Familiar, classic voluntary action: residents and enthusiasts and professionals pooling their energy and sharing their assets in pursuit of fairness and justice. I moved on, in 1994, to manage an HIV charity that, four years later, was part of the national merger that led to the establishment of the expanded Terrence Higgins Trust. And then, in 2000, to IVAR, where I have been ever since.

On 4th May 2018, I attended Shepherds Bush Families Project's 30th anniversary. This was an emotional event. In part, because of a feeling of failure: that this organisation is still needed in 2018 is a terrible indictment of successive governments – Conservative, Labour and coalition – and their failure to afford people the basic right of a decent, secure, affordable home. But it was emotional also because of a sense of wonder. I spend my life now – at www.ivar.org.uk – working with, studying, trying to help strengthen, voluntary organisations: that is our charitable purpose. But we don't need researchers to tell us that running a small voluntary organisation is not an easy thing to do, to say little of keeping it going. Most of the sister organisations that we were campaigning with 30 years ago no longer exist. Some have shifted their focus or lost their way or been absorbed. Few,

if any, have been able to stay true to their mission and core values. So, to see Shepherds Bush Families Project today, to hear about its work and partnerships and the benefits that it brings to homeless families, was both moving and inspiring. And it got me thinking again about this question: what helps voluntary organisations flourish and thrive? What enables the Shepherds Bush Families Projects in our community – smaller, local organisations - to stay afloat and remain relevant and useful; steadfast and principled? What is the nature of the challenge that they face in 2018 and how can those challenges be met and overcome, to the benefit of the constituencies and communities that they serve?

I'm going to try to answer it by saying something about context before covering two areas: mission and funding.

Context

The increasing demand on social welfare services and growing inequality in our communities confirms the depths of the economic recession and the divisions that continue to characterise the operating environment for voluntary organisations. Many that we work with – in particular, smaller, local social welfare organisations - continue to see increases in client referrals due to changes in service thresholds and welfare provision or as a result of other organisations in the area closing. And while they are engaging with society's hardest to reach groups and most seldom heard voices, working holistically and in ways that are responsive to different contexts, they have a much smaller share of local government funding than large and non-local charities and their income trajectories remain volatile. So, smaller, local organisations are responding to a set of fluid and continually changing issues. And whilst most of these changes are not new, the scale and uncertainty of change is qualitatively different because of its pace and unpredictability. To which we must add the elephant in the room, namely the systematic decline and collapse of public services: increasingly, less of an edifice and more of a memory.

In this fluid and dynamic environment, organisations exist in a constantly evolving matrix of interdependent relationships. Changes to any one aspect or part of the environment have many potential consequences. The defining characteristic of this environment is that of continuous 'transition' in which survival means being able to adapt to new and shifting sets of circumstances. But voluntary organisations are not undergoing a period of transition from one reasonably steady state to another – transition has become an essential and permanent feature of what it is for an organisation to survive, thrive and make a difference.

Through our work at IVAR, we've observed that economic uncertainty and social upheaval have exerted two kinds of pressure on organisations. **First, they are experiencing pressure to define their mission – who they are and why they exist. Second, they are having to renegotiate and renew external relationships** (with key interest groups, collaborators and competitors). In response to new sets of expectations from service users and new demands from funders, we have observed leaders of organisations feeling saturated; having to act simultaneously as managers of operations and staff, interpreters of new funding rules, and policy advocates on behalf of their beneficiaries and service users.

Often leaders have little time to think, and when they do, we have noticed high levels of anxiety and fear in relation to an uncertain future that feels beyond their ability to influence. During such a period, characterised by complexity and distress, many of the organisations we work with appear to have become paralysed: hampered by anxiety and faced with daunting challenges – funding crises; sky-high demand for services – that require continuous response and adaptation. Unsurprisingly, in these circumstances, people at times feel defeated when turning their minds to thinking about, and planning for, the future. Not least because of the need to keep the show on the road: *“when your food bank has a queue out of the door and around the building, you can't exactly close for an away day”*.

However, while some organisations have gone into isolation or retreat, others have successfully engaged with uncertainty and grappled with complexity, adapting in order to tackle changing social needs with determination and vision. What can we learn from them? I want to highlight two things: understanding and using mission; and the critical importance of flexible funding.

Understanding and using mission

Organisations that are able to adapt and develop tend to be those which are able to review and renew their mission in a changing environment. Organisations that are comfortable with the idea of continuous reflection and review see this attitude, this mind-set, as a useful approach to managing change. And organisations that seem to understand their mission best are those that are strongly rooted – with a clear sense of where and how they fit into the greater scheme of things, including whether it is necessary for them to exist at all.

For organisations with a hazy sense of other players in the field, or limited horizons or networks, the adaptations and alliances necessary to prosper are less likely. This reinforces the importance of giving organisations the opportunity to ask themselves fundamental questions such as: **Who are we? What are we trying to achieve? And what do we need to do to get there?** So, questions of Function: our reason for being - for many of us, our charitable objects. And questions of Form: our approach to, our method of delivering public benefit. And a test that we might usefully apply to our ourselves is whether we are aligned as organisations. **Alignment between our roots and values, our purposes, our services and activities, and what our beneficiaries need.**

Let me explain a little about what I mean here, about alignment and the idea of mission being useful and usable. In 1998, as I said a little earlier, I was involved in the national HIV mergers, a process that, over two years, saw seven independent organisations merge – out of choice – into the Terrence Higgins Trust. We undertook the process with great care and diligence. Incredible effort and bravery and passion had been poured into the establishment of our individual organisations. So, as Chair of the alliance of regional charities which initiated the process, I was keenly aware of the responsibilities that we carried. But, for all the time and effort, it was, in essence, an incredibly simple process. Why? Because it began with us asking one simple question, when gathered together one evening in the Scottish borders. The question was this: if HIV had arrived in the UK that morning – with the same groups affected and the same level of policy interest – what would tackling it require? Would it be what we had - a series of standalone organisations? Or would it be a national entity, with the resources and critical mass to act as a powerful advocate for improvements and changes to policy and practice? It didn't take us long to answer – unequivocally and unanimously we all agreed that evening to a merger. Why? Because our judgment was that it had the potential to enhance the accomplishment of our charitable objects and our public benefit. **Organisations, we recognised, are just vehicles; they are means, not ends.** And, at that point in our collective histories, our missions required a change of tack.

Let me say something briefly here about the experience of our hosts today in York, Community First Yorkshire, itself the product of a recent merger. We know from our earlier work that mergers entered into out of strategic choice, rather than being forced by economic circumstance alone, seem most likely to yield benefits to the beneficiaries and organisations involved. In these mergers, and the Community First Yorkshire merger fits this description well, both partners have seen themselves as embarking on a 'productive exchange', with each organisation providing something that neither could achieve alone. And what makes this approach possible is the existence of a shared vision – to

build consensus and secure buy-in. This is not a science. It cannot be reduced to a set of logical, rational steps. It requires a leap of faith; it's a risky business. Dogmatic arguments about the 'need for more mergers' that pay scant regard to the emotions and attachments involved in voluntary action do us all a disservice. **Think about merger: contemplate it, deliberate it, open yourself to the possibility of it – fine. But don't let a stranger tell you that they know what's best for you.**

So, to flourish and thrive, organisations will benefit from asking who else is operating in the same space – both within and across sectoral boundaries - and what kind of relationship with them might help to enhance their mission. How else might we use our missions? Through my involvement with Comic Relief's Tech for Good work, I have been able to observe extraordinary and ingenious efforts by voluntary organisations to make their method of delivery contemporary, so that it reflects current patterns of access and consumption. This is not gratuitous innovation, nor is it superficial repackaging. It is about recognising that some familiar methods might be obsolete from the perspective of our beneficiaries – those that we are here to serve. Take the work of STEM 4, a small mental health charity established by a group of six volunteers in 2011, based on the knowledge that early identification and intervention can make a real difference in stemming escalating teenage mental health conditions. To begin with, much of their work took place in schools across South-East England, providing support to students, as well as teachers and parents. But their primary beneficiaries are teenagers, a group for whom telephony is the first means of communication and main route of access. So, in 2017, they launched the Calm Harm app, developed to help young people manage the urge to self-harm. This was the first clinically developed app for young people at risk of self-harm. It has already been accredited by the NHS and is one of only ten mental health apps in the NHS app library; and it has been used by over 500,000 people.

That act of recognition and then adaptation requires curiosity, agility and an appetite for risk. Those characteristics might be as, or more important, than a 3-year strategy. But what matters most, the golden thread that runs through from our roots and beginnings through to our willingness to think and act digitally, is that clear and unequivocal understanding of the reason for our existence. Shepherd's Bush Families Project has been sustained by many things, but the beating heart of its value and purposeful survival has been an unwavering commitment to cause and beliefs. What struck me as I left the anniversary event, was how visible and present the organisation's values were: on the walls, in the greetings, in the behaviours. It felt like an organisation with agency; one that was able to articulate its values and use its mission as a common reference point – the foundation – for its development, as a filter through which future options and opportunities are

considered. It has faced endless crises and come very close to closure more than once, but it has always been the confident architect of change.

Flexible Funding

Secondly, funding. I will focus here on independent trusts and foundations, not least because of their disproportionate significance to small and medium sized voluntary organisations

During the discussions about the renewal of IVAR's core funding in 2015, we were asked about our "*sustainability plan*" – in other words, what was our plan to diversify income and "*reduce reliance on core funding*". The assumption behind this encouragement (or test) was that organisations in receipt of core funding over an extended period could not be regarded as 'sustainable'. At the same time, in my role as an independent member of Comic Relief's UK Grants Committee, I was party to many conversations about organisational fragility, financial vulnerability, and the need for greater 'sustainability'. And this worried me, because it seemed to be predicated on the idea that there was a magic fundraising wand that could be waved over struggling organisations; that there were reservoirs of untapped grants waiting to be drained by enterprising fundraisers.

I accept that it is largely up to us to understand, articulate and use our mission. And we also carry responsibility for working across organisational boundaries to deliver the best possible activities and services and support for our beneficiaries. But who funds us and how we are funded is more of a lottery. So how funders think about us – applicants and grantees; and the expectations and requirements that they place on us – this matters. Getting it right, or rather trying to improve it ('it' being the funding of voluntary organisations) is absolutely and undeniably critical to the ability of those organisations to flourish and thrive; to be, if you like, 'sustainable'. I only have to think back to the Shepherds Bush event. There was Christopher from Tudor, having invested getting on for £500,000 over 30 years. Sticking with it – not penalising the organisation for needing more, not creating obscure regulations to keep them out. But recognising the work is important, it is needed, it is high quality and it deserves support.

So, if we think about the multiple and complex challenges that organisations are facing, and the internal development needs we have observed that they need to address, it seems to me that what works best is flexible funding. If funding agreements are overly prescriptive there is a risk that they will prevent organisations from responding to their changing context in a way that holds

beneficiaries at the forefront, rather than allowing them the necessary freedom to navigate their way through transition.

In April 2018 we published our research on how funders had responded to the Manchester Arena bomb, the attacks in London Bridge and Borough Market and the Grenfell Tower fire. What we found was that being involved in these emergency programmes has demonstrated that it is possible for funders to work differently, to the great benefit of their grantees and the communities that they serve. Encouragingly, these positive experiences have generated significant enthusiasm for more collaborative, practical experimentation. A particular approach to grant-making that is sensitive and attuned to beneficiaries; highly relational, rather than contractual; one that places a premium on trust. An approach that suggests a kind of common endeavour, where the assets of the funder (in this case, money) are combined with the assets of grantees (their work) for the common good. If funders treat applicants and grantees with respect, if they recognise that applicants and grantees have assets (for example, activities, services, reach, trust, legitimacy, practice, knowledge, expertise) that have intrinsic value and significance, then our experience is that their trust will be repaid by an intensity of effort and commitment. It can't be too complicated to realise that people perform better if they are given a measure of autonomy and are met with praise and appreciation: *"If someone believes in you, then you rise up to that"*. Funding relationships need not be an ordeal. There is no rule that stipulates that applicants or grantees should feel anxious, trying to second guess what is expected of them.

And the context for this, from the perspective of local organisations trying to serve their local communities, is that *'Every day in a community is an emergency. Funders don't have to have a tragedy to give money that way.'* If we accept that analysis – and it finds echoes in all our work at IVAR – then is there not a case for making this kind of grant-making part of routine practice? Flexible funding that can help voluntary organisations deliver responsive and effective services to their beneficiaries within an increasingly complex and uncertain environment. Help them, in effect, flourish and thrive.