



London Funders @ Taking the Pulse 24th March 2014

Introduction

Thank You

I want to start by briefly introducing London Funders, then cover.....

- What are the key issues and challenges for funders, both generally in London and in particular for funders involved in funding children and young people's work;
- What London Funders are doing to work with our members in meeting these challenges;

And end with a few more general reflections;

- Important to make it clear that my comments should not be seen as being the specific view of any individual member of London Funders, rather they are more of a general reflection of how the funding community see's things!
- Also a word about language, I am using the term "funder and funding" as a generic label to cover the whole range of methods by which money moves from institutions that have it to those that spend it: ranging from grants (core or project, reactive or strategic) from both independent and statutory sources, to commissioning, through to social investment and payment by results models, and no doubt other funding tools that I haven't heard about!

What is London Funders?

- London Funders is the membership network for funders and investors in London's civil society. We provide a safe place for funders to think, share, learn and act together to meet the needs of Londoners.
- We are unique in bringing together public sector funders and commissioners, with independent foundations, social and corporate investors, lottery funders and others.
- We are small – we are a registered charity and have a small staff team of two!
- Our mission is: ***to strengthen and support funders and promote effective funding practices, to meet the needs of Londoners.***

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We do this by:

- Providing a space for learning and collaboration between funders.
- Being a voice for funders and to actively engage in policy debates (relevant to the work of our members).
- Identifying and promoting effective funding models.

Our members:

- Are passionate about London and Londoners.
- Fund and invest in every aspect of London's life and through a number of channels including the voluntary and community sectors, social enterprises and the private sector, as well as directly to the citizens of London.

So looking at London in 2014 & beyond what are the key issues and challenges for Funders, both generally and for those actively involved in funding and investing in Children and Young People's services.

Looking at the bigger picture, I think there are a number of major strategic issues and challenges, and in particular want to highlight four of them that are driving our thinking and our work with our members. These are

- **The shrinking State** - The relationship between the state (national, regional and local), and the citizen is changing dramatically, there is an emerging new "contract" between the State and the Citizen, but the full terms of that contract are not yet known and the contract negotiation isn't really happening – no one is talking about very loudly (if at all). However it throws up some interesting challenges - What does this mean for concepts such as additionally? Where does the boundary between independent funding and statutory funding now sit, or indeed is there still a boundary? What does this new contract mean for the future role of local authorities, and their relationships with the local citizen? What does this changing relationship mean for the role and funding of BIG and the other lottery funders?

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- **Changing relationships and policies** - Like those who deliver services, funders are having to renegotiate relationships, develop new ones and navigate their way through an increasingly complex and fragmented policy and governance environment. This changing policy and governance environment is often at times contradictory - On the one hand there is the policy driver of the localism and personalisation agendas pushing responsibility and budgets down to the lowest level possible. On the other hand there is the inherent tendency of government (national and local) to impose top down reorganisations and engage in micro management of service delivery.
- **The Age of Austerity** - There is less money, and there is an ever changing and growing pattern of needs. Funders and commissioners are being required to do more with less, which means doing things differently and managing expectations about what can be done and what needs can be met. For me it raises questions such as: How do funders work together to try and maintain a minimum network of services in a particular locality or for a particular group, such as children and young people? The fundamental reengineering of the national welfare provision, is creating massive new challenges for local authorities, for the individual citizens and for independent funders, and requires a more creative and thoughtful approach to resource allocation if we are to protect the most vulnerable in our society.
- **It's the beneficiaries stupid!** - What works is what matters, not who delivers. The focus has to be on the ultimate beneficiaries – the citizens of London and not (necessarily) which organisation or indeed which sector is providing the service. Public sector funders have to be accountable to the public for the decisions they make, hence a focus on the impact that they are making on the lives of their citizens and the need for those they fund to be able to demonstrate the outcomes that they are achieving. Likewise, Independent funders – whilst not necessarily facing the same level of public accountability – are being driven by their own charitable missions to ensure that they can help as many people as possible and are increasingly keen to see the impact that their funds are having.

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So what does all this mean for the Children & Young people's sector in London?

I think this can best be summarised as the 4 C's – Change, Complexity, Challenge and Clarity. Its important here to mention that these thoughts have been informed by some recent work we have been doing, and that we are very keen to be part of an on-going conversation, like this, about the way forward and how we work better together.

- **Change** – Well it's happening all around and isn't going to go away. It now needs to be seen as a constant positive dynamic affecting the work we all do. We should welcome this, after all change is what we should be about so we need to embrace it. Change in what we do, who we work with and ways that we work with them. For funders it's about recognising the impact that this dynamic has on the organisations they fund, and working together to find ways of supporting and assisting those they fund to respond to this change, there are a variety of ways that funders can do this – such as longer term strategic funding, like the new approach being developed by the Lloyds Foundation, or through enhanced funder plus activity – where the funder works with those they fund to develop their capacity and capability to manage change.
- **Complexity** – here I mean both complexity of the operating environment we are all working in, and also the complexity of needs that we are trying to meet, both of which are changing and becoming more challenging. This changing complexity also raises issues for funders – issues such as 33 different interpretations about where the statutory responsibility for a service intervention starts and stops; issues about the complexity of need that different organisations are now dealing with and the consequential displacement of risk from the state to the voluntary and community sector. This risk transfer raises some challenges - like how is that risk been managed by providers and how should funders assess that risk management approach?
- **Challenge** – this changing and complex landscape is throwing up new challenges: no one organisation and no one funder has all the answers or resources to meet the needs of children and young people in London – we **must** find new ways of working together, in partnership, through co-production of services, through collaborative funding, for example, to give us all the best chance of meeting those needs. Within this – I would suggest – there is

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an additional challenge for funders – ***what role can or should funders play in managing the ecology of providers?***

- **Clarity** – for providers this means clarity of your mission, your purpose and of the outcomes you are seeking to achieve; for individual funders it means clarity about what you want to commission or fund, clarity about your reporting and monitoring requirements, for the London funding community more generally – I believe – it means clarity about the vision that we have for children and young people in London and of the strategy and resources needed to achieve that vision;

What London Funders is doing to support our members in meeting these challenges?

The first thing to say is that the work we are doing to support our members in meeting these challenges is being driven by our members.

The catalyst for us was the recognition by a number of our members - some of whom are here today – that the landscape for the children and young people’s sector in London was changing dramatically and in a largely unplanned and uncoordinated way, and that historic investment and collective learning, knowledge, skills, expertise and resources was being lost to London.

In responding to this we have recently established a Children and Young People Project Group, which brings together both funders and representatives of the sector (Children England, London Youth & Partnership for Young London) to work together to try and build up the best possible picture of what is happening across London, and – **most importantly** – see how and if together we can create a shared vision for the future shape of services in London, and then what the strategy is that is needed to realise that vision and – **critically** – find the resources to achieve it.

As part of our initial scoping work we undertook a short survey of funders and funded (copies are available today or from results our website) and from this we are aiming to commission some more in depth research looking at what is really happening on the ground to services for children and young people.

Importantly we are trying to look at from the perspective of the young person who is trying to engage or be engaged with services. A key part of the research will be to try and help answer some

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of the questions/challenges already mentioned, like where (in reality rather than in principle) is the boundary between statutory and non-statutory responsibility placed, and how real is the raising of thresholds and the consequent displacement of risk?

More on this to follow.....

Finally I want to end with three more general reflections:

- **Leadership matters** – the challenges we are all facing – whether funder or funded – means that we need to develop new shared models of leadership so that we can jointly navigate and negotiate our way ahead in seeking to create a new vision and strategy for the future shape of services in London. We need to place, at the centre of our thinking and planning, the current and future needs of young people in London, and make every effort to leave to one side the constraints and challenges that our individual organisational interests throw up. Easier said than done, I know, but something that we should all strive for!
- **Realistic expectations** – there is no hidden bank, like Gringotts The Wizard Bank, sitting deep beneath Charing Cross Road! Resources are limited and will remain so for the foreseeable future. We must therefore be realistic about managing expectations about what funders can do, about what providers can provide and about what young people can realistically expect, whilst always striving for the best possible outcomes for them.
- **Honesty matters, honest!** – It is critical that as we develop new models of leadership and move forwards in trying to build a shared vision for the future that we have an honest and constructive on-going dialogue together about what is working, what isn't working and what the reasons for that are, and what needs to change

Thank you

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