



# CLOTHWORKERS' EMERGENCY CAPITAL PROGRAMME

## Initial Insights

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Sep 2020

## EXECUTIVE SUMMARY

The Clothworkers' Foundation is a national funder disbursing grants of £6-7 million each year. This year, our response to COVID-19 was to commit a further £2.1 million in additional funding to support charities through the initial period of crisis. This includes the Clothworkers' Emergency Capital Programme (CECP), which offered capital grants of up to £5,000 to small and medium sized not-for-profits adapting their services; priority was given to those supporting vulnerable and 'at risk' individuals across our nine programme areas. CECP was open from April to June 2020 and awarded 327 grants totalling £1,120,800.

We were required to adapt our own processes in order to deliver quick decisions on grants. An initial analysis of the programme shows that:

- ① one in two applications was successful;
- ① on average, it took just over three weeks for an application to be considered and a decision communicated;
- ① two thirds of applicants were paid within two weeks of receiving a grant offer;
- ① the programme had UK wide reach, but (as with our Open Grants Programme) we funded few charities in Wales.

The analysis also provides insight into the types of projects and organisations funded:

- ① the average grant size was £3,430, and our grant covered the total cost of the capital project in more than 50% of cases;
- ① 80% of grants were used by organisations to purchase IT equipment (to be used both by staff to deliver, and beneficiaries to access, services);
- ① the annual income of grantees ranged from just £2,500 to just over £2 million, and the average income was £484,000 per annum;
- ① two thirds of grants were awarded to organisations supporting people with disabilities, disadvantaged young people, and older people;
- ① whilst 12% of grants benefited individuals from BAME communities, only 5% of grantees were 'BAME' organisations as defined by the Race Equality Alliance's data audit tool (and the report outlines our response to this).

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*"Our case study outlines one of our young people; she is 16, and is living at home without access to a tablet or internet that she would normally be able to use whilst the [centre] is open. Thanks to your generous donation, we are able to supply her with the technology to enable her to engage with many of our online activities and Zoom calls. She is one of our young leaders and delivers a weekly session for our junior pop choir. Now that she has the right equipment, she has been able to resume these sessions again for our juniors. This young woman has also now been able to engage with the employability coordinator. She was able to conduct interview practice online, which has resulted in her having a successful interview and earning an apprenticeship that will start in September."*

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## INTRODUCTION

For organisations supporting disadvantaged communities and individuals, COVID-19 has been particularly difficult. The demand for services and other support has increased, whilst government restrictions have prevented organisations from using traditional delivery methods. The Clothworkers' Emergency Capital Programme awarded small capital grants to organisations adapting their services in response to the pandemic. Priority was given to organisations supporting disadvantaged and 'at risk' groups within our nine programme areas.

The programme was open to registered not-for-profits with income of up to £2 million per annum, but excluded charities working only in London to avoid duplicating grants made by the London Community Response Fund (LCRF) (our £2.1 million COVID-19 response budget included a contribution of £300,000 to the LCRF).

This report presents our initial insights into the CECP and its grantees. There are no formal monitoring requirements attached to grants in this programme. However, we are developing a simple and optional monitoring process, so that we can better understand how effectively our grant-making has supported charities responding to the coronavirus pandemic. We intend to publish these findings in due course.



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*“This funding will enable us to connect with those who are socially isolated, who usually make our building their home, but are unable to during the current lockdown.”*

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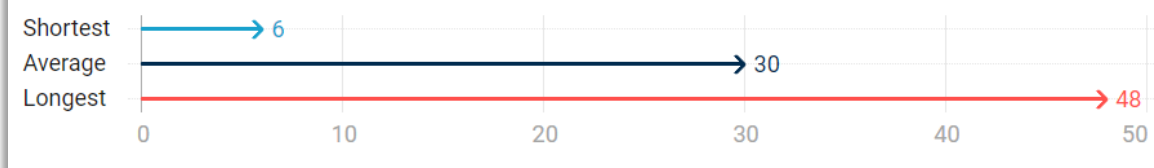
## EMERGENCY FUNDING REQUIRES QUICK DECISIONS

The Clothworkers' Foundation had no prior experience of providing emergency funding. As such, we had to rethink our assessment processes in order to provide quick decisions while also navigating our own internal transition to remote working.

We created a shorter application form that allowed us to carry out minimum levels of due diligence, and to consider the needs of individuals being supported by applicant charities. In the absence of face-to-face assessment meetings, at least two grants team members assessed each application. Our trustees agreed to delegate decision-making authority on all applications under this programme to the Head of Grants. We initially aimed to process applications within two weeks, but soon revised this to four weeks when it became clear that we had set ourselves an unrealistic target.

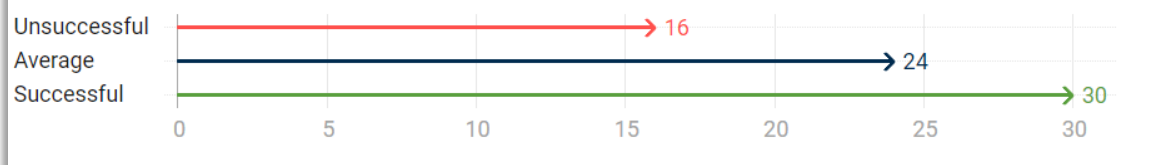
On average, the turnaround time for a successful application was just over four weeks; the quickest turnaround time was six days and the longest was 48 days. We are satisfied with the overall average, but also recognise the inconsistent experience of grantees during the assessment process. We are considering how we can use this learning to reduce future decision times for our normal grant programmes.

### The turnaround time from application to decision was not consistent for successful applicants



On average, the turnaround time for unsuccessful applications was just over two weeks. This lower average figure when compared to successful applications is likely due to our initial sifting out of applications that clearly did not meet basic eligibility criteria.

### The average turnaround period was quicker for unsuccessful applicants



We also benefited from quicker post-award processes. Prior to the pandemic, The Foundation was already developing plans to improve the post-award experience for grantees. This meant we were in a good position to accelerate those plans, introducing online submission of terms and conditions and other grant acceptance forms. We also requested evidence of costs (e.g. quotes, URL links) in the application form rather than after the grant award. This meant that more than two thirds of applicants were paid within two weeks of receiving notice of the grant award.



## OUR SUCCESS RATE COMPARES FAVOURABLY TO OUR OPEN GRANTS PROGRAMMES

CECP received a high volume of applications; in the two months it was open, we received 637 applications. This is almost the same number of applications we would ordinarily process in one year across our Open Grants Programme.

One in two applications (52%) to the emergency programme was successful. This includes applications that did not meet our basic eligibility criteria and compares favourably to a similar analysis of our Open Grants Programme (37%). This may be due, in part, to lighter due diligence during the assessment stage, and we will continue to monitor whether this affects the success of the projects funded.

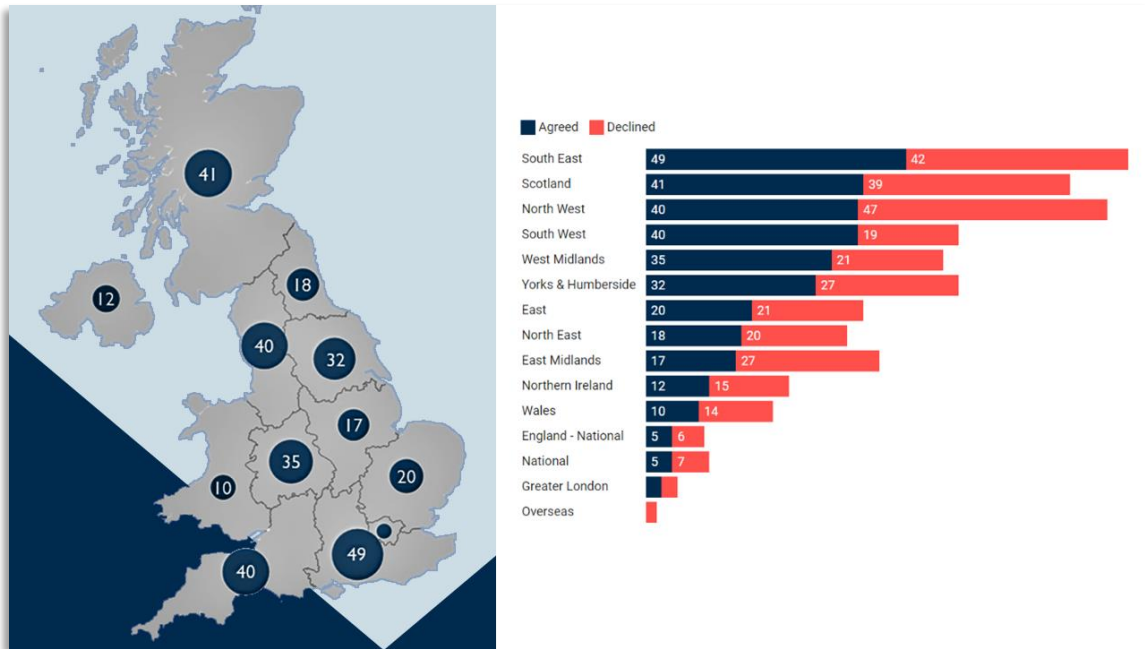
We are not yet able to report on unsuccessful applicant data. Anecdotally, the most common reasons for unsuccessful applications were:

- Ⓢ concerns about an organisation's immediate viability;
- Ⓢ an applicant did not demonstrate financial need (relative to other applicants);
- Ⓢ the applicant did not sufficiently demonstrate that the majority of beneficiaries fell within our programme areas.

*Note: we applied these reasons within the context of a competitive programme and relative to other applications in the programme.*

## THE PROGRAMME HAD UK-WIDE REACH

Our grants successfully reached communities throughout the UK (excluding London). However, we must acknowledge that we reached and funded a disproportionately low number of Welsh charities, mirroring data on our Open Grants Programme from 2019. We are exploring how we can improve/expand our grant-making in Wales.



## SIZE OF CECP GRANTS

The average size of a CECP grant was £3,430. As the chart below demonstrates, most grants were for between £3,000-5,000.

### Most grants were for between £3-5K

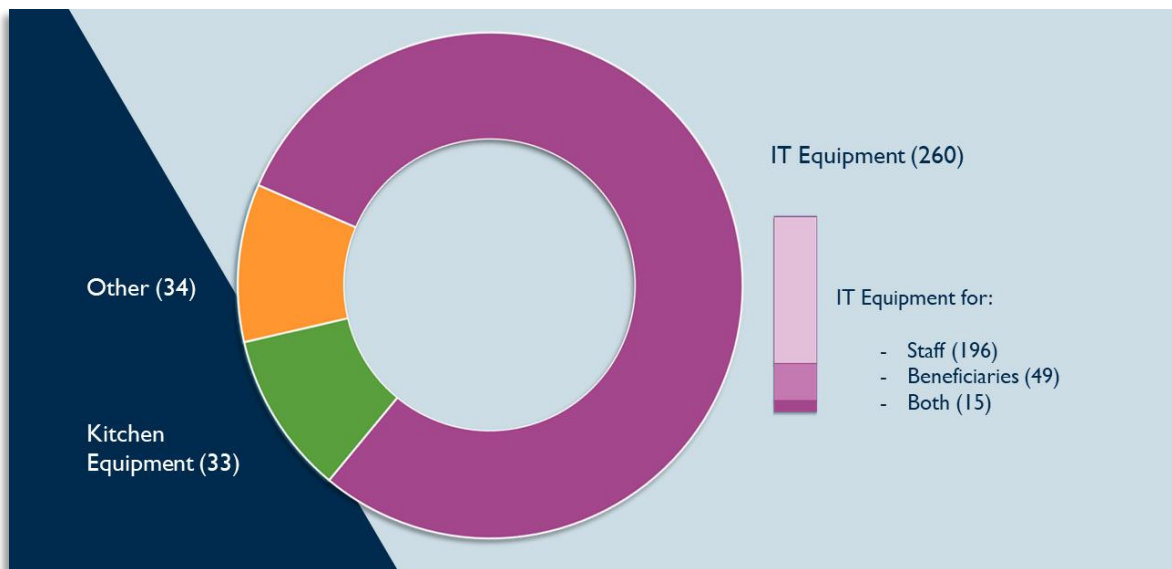


In awarding grants of up to £5,000 to charities, the programme aimed for a balance of covering the urgent capital needs of small- and medium-sized charities with our own finite programme budget (c.£1 million). In almost half of cases, our capital grant covered the entire project budget, suggesting that we went some way to achieving this balance. Of course, we recognise that some applicants will also have tailored their project budget to reflect our maximum grant award.

## MOST CECP GRANTS WERE FOR IT EQUIPMENT (80%)

Unsurprisingly, 80% (260) of grants supported the purchase of IT equipment for organisations adapting to remote delivery (this figure includes telephone equipment such as smart phones). In 75% of cases, this was to provide staff with the IT equipment required for remote delivery, but 25% were to provide IT equipment to beneficiaries so they could access services.

We awarded 10% (33) of grants towards kitchen equipment for food preparation and storage as organisations sought to meet the increased numbers of individuals struggling to access food.



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*"This grant will make a huge difference, enabling our team to respond more quickly and efficiently to the broad range of queries they receive, relating to a wide variety of devices. This will in turn, help our members to feel more confident about using technology, access a range of information that they may not have had access to previously, and maintain contact with friends and family. You may like to know that since we began delivering our support remotely, the team has spent 380 hours speaking with 2,442 members. Many have had very little contact in the past few months and have really valued our support. One member said:*

*"Thank you so much for keeping in contact, it really is good to know you are there for us."*

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## WE SUPPORTED A RANGE OF SMALL- AND MEDIUM-SIZED NOT-FOR-PROFITS

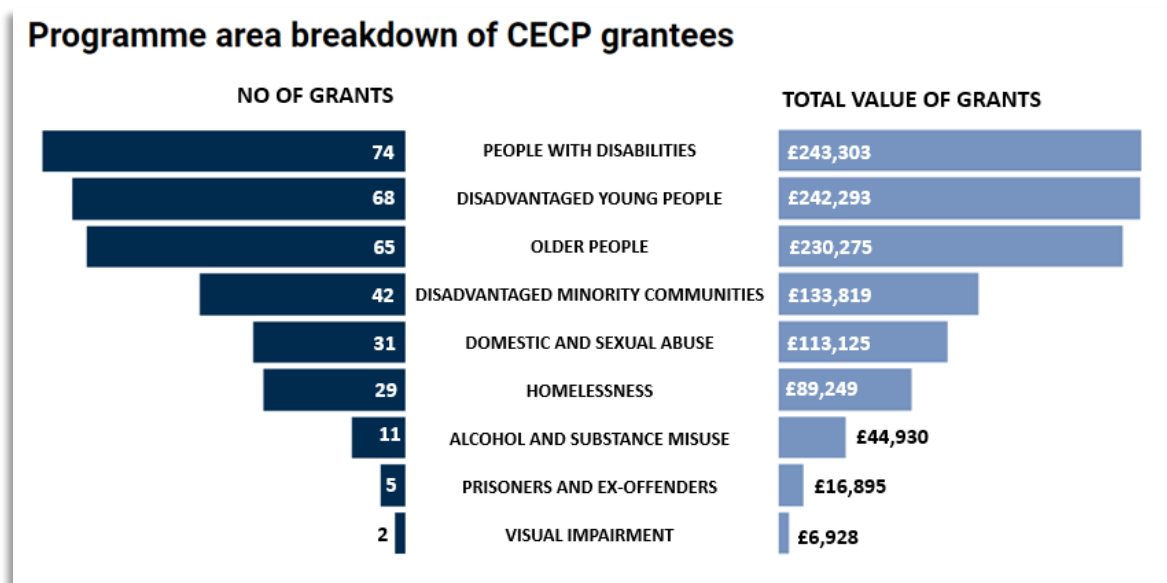
The programme was open to organisations with income up to £2 million per annum. The smallest grantee had an annual income of £2,500 and the largest just over £2 million. The average income of

grantees was £487,000 per annum, indicating the criteria helped us to ensure grants were channelled to small and medium charities.

In line with our wider portfolio, most grants were awarded to registered charities with a small number of Community Interest Companies also receiving grants.

## GRANTEES BY PROGRAMME AREA

The Clothworkers' Foundation supports organisations working across nine programme areas. We prioritised organisations working in these programme areas when assessing grants. The chart highlights that almost two thirds of grants went to organisations supporting people with disabilities, disadvantaged young people or older people.



Whilst the above chart provides headline figures for CECP grants, we recognise that these programme areas are broad and many of our grantees straddle multiple programme areas. We are in the early stage of developing an improved way to capture information about grantees and their beneficiaries. Initial analysis indicates, for example, that 15% of CECP grantees ordinarily provide community facilities and that 17% provide mental health and wellbeing support to their beneficiaries.

## FUNDING BAME COMMUNITIES

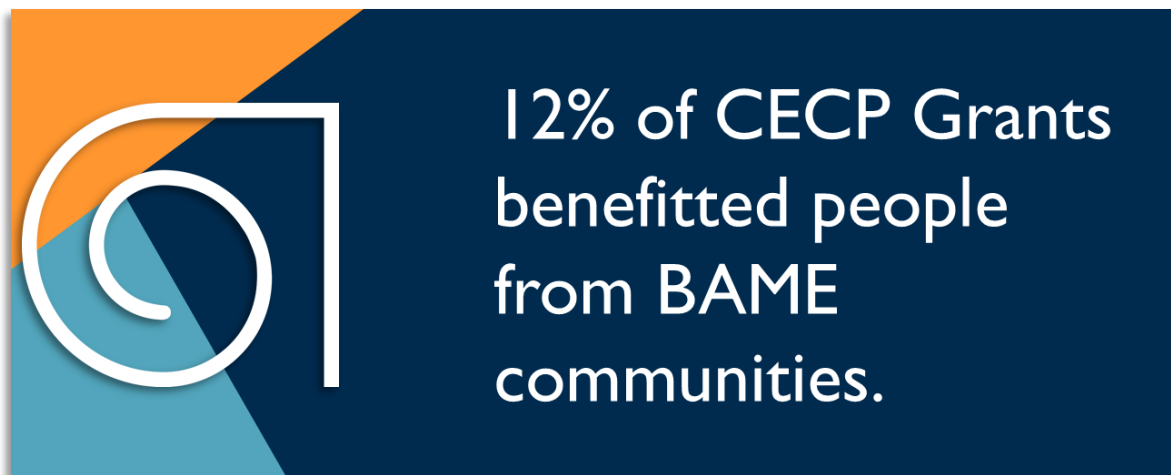
While COVID-19 has had a disproportionately large impact on BAME communities across the UK, recent events have also highlighted the ongoing structural racism and inequality that persists in our society and are mirrored in the grant-making sector. The Clothworkers' Foundation is grateful to the bravery of individuals and movements in the charity sector such as #CharitySoWhite and Future Foundations; their calls to action have helped us understand how we are failing, and how we can do better.



We have used the Race Equality Alliance's data audit to understand, in part, our funding to BAME communities and to improve our transparency under this programme:

- 🕒 5% of grantees were BAME organisations (i.e. mission targeted at people from BAME communities and trustees are people from BAME communities);
- 🕒 12% of projects/services were for the benefit of BAME communities.

The next phase of our coronavirus response will be more focused, including a strategic initiative to support BAME-led charities. We are committed to working with BAME intermediary partners with the expertise to distribute grants to small- and medium-sized BAME organisations responding to COVID-19. We are also committed to embedding the learning from this partnership into our future grant making.



In 2019, The Clothworkers' Foundation carried out a governance review that highlighted the lack of diversity at trustee level. It also recognised the value of having a diverse board of trustees, particularly one that represents the expertise and perspectives of the communities we fund. The recommendations of this review are being progressed in two stages. The first stage will involve widening the cohort of members of The Clothworkers' Company who are eligible to apply for trusteeship and recruiting two new trustees from this cohort (they have joined the board as of September 2020). The second stage will involve, for the first time, the recruitment of two external trustees, not associated with either The Clothworkers' Company or The Clothworkers' Foundation, by early 2021.

## **SUPPORT FOR PREVIOUS AND CURRENT GRANTEES**

The Foundation is a signatory to the London Funders' statement on COVID-19, and we have been supporting existing grantees through flexible grant management and other measures. An initial analysis shows that 9.5% of grantees received a grant under our normal Open Grants Programme since 2018. The usefulness of this figure is limited because, as a capital funder, we have a five-year gap before previous grantees can reapply.

We know that charities will continue to be impacted by COVID-19 in the months and years to come. We will continue to explore how we can support them during this period.

## NEXT STEPS

The Foundation has not requested monitoring information from grantees as part of the terms and conditions of the CECP. However, we are developing a simple and optional monitoring process for the programme, so that we can better understand how effectively our grant making has supported charities responding to the coronavirus pandemic. We intend to publish these findings in due course.

The next phase of our COVID-19 response will be focused on two strategic initiatives, the first supporting BAME communities (mentioned above) and the second supporting the domestic abuse sector.

## OUR OTHER COVID-19 RESPONSE INITIATIVES

As a UK-wide capital funder, we were well placed to disburse emergency capital grants nationally to help organisations adapting their services to COVID-19. However, we strongly believe that to better support the sector during this difficult period, funders should work collaboratively. In total our £2.1 million budget to respond to COVID-19 included the £1,128,800 distributed via the Clothworkers' Emergency Response Programme as well as the following:

- ④ £500,000 to [National Emergencies Trust](#), recognising the expertise of Community Foundations and the value of place-based funding;
- ④ c. £300,000 to the collaborative [London Community Response Fund](#), recognising the experience of London-based funders to support London's voluntary organisations.

### Other Initiatives:

- ④ a grant of £100,000 was awarded to an existing grantee, [RedR](#), to support their international response to COVID-19;
- ④ we have funded the development of [DigiSafe](#), a new (and free) step-by-step guide to digital safeguarding when designing new services or taking existing ones online.

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*“This type of funding is so rare and has/will make a huge difference to us.”*

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