

The Clothworkers' Foundation Grantee and Applicant Perceptions Audit 2020

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Introduction

At the start of 2020, The Clothworkers' Foundation commissioned nfpSynergy to carry out a research project that sought to understand the perceptions of grantees and unsuccessful applicants towards the Foundation.

This research was carried out in two phases. The first phase of the research consisted of a survey of The Clothworkers' Foundation's grantees and unsuccessful applicants. For the second phase we interviewed seven grantees and three unsuccessful applicants to investigate further the experiences and perceptions of applicants to The Clothworkers' Foundation's Small and Main grant programmes.

The first part of the research was planned and carried out just before the announcement of lockdown measures implemented by the UK Government in response to the COVID-19 pandemic. As a result of these changed circumstances, the second phase (conducted in summer 2020) sought to explore the experiences of grantees and applicants throughout these difficult months, as well as dig to deeper into findings uncovered from the first phase of the project.

The Clothworkers' Foundation has reacted swiftly to the challenges posed by COVID-19 in the subsequent months, contributing to a number of emergency grant programmes as well as establishing programmes of its own such as The Clothworkers' Emergency Capital Programme. The findings from this piece of research are already being used as The Clothworkers' Foundation seeks to continue and develop its processes and approach towards the sector as we progress through the pandemic.

Methodology and objectives

At the beginning of 2020, nfpSynergy was commissioned to conduct an audit of how The Clothworkers' Foundation's grantees and unsuccessful applicants perceived the Foundation and its processes.

The objectives of the research were to:

1. Understand and benchmark the perceptions and experiences of grantees and applicants when applying for a grant from The Clothworkers' Foundation
2. Find out how grantees rate their relationship with The Clothworkers' Foundation
3. Understand if grantees and applicants of the Small and Main grants programmes hold differing views
4. Find out perceptions and the experiences of grantees and applicants applying for emergency funding during the COVID-19 pandemic
5. Explore attitudes towards capital and core funding and whether these have changed in the current climate
6. Review areas where The Clothworkers' Foundation can improve
7. Use findings to inform a future strategy

The research was conducted in two phases. The first phase consisted of an online survey with grantees and unsuccessful applicants, which took place between the 9th and 30th March 2020.

- 466 out of the 1,674 charities the survey was sent to responded and completed the survey. (approximately 28% response rate). 288 of the 466 survey completions were from grantees and 178 were from unsuccessful applicants.
- The response rate for grantees was 39% and for unsuccessful applicants it was 19%.
- Grantees were defined as having been successful with their most recent grant application; unsuccessful applicants as those who were unsuccessful.
- We have included a 'grant maker average' based on research conducted with the grantees and unsuccessful applicants from 7 funding organisations. The sample size for the grant maker average is 5000. The sample size for the grant maker average can vary according to the question.

The second phase involved telephone interviews with grantees and unsuccessful applicants. For this stage of the research, nfpSynergy interviewed 10 key stakeholders in July 2020. There was a particular focus on the following:

- Investigating the perceptions and understanding of grantees and unsuccessful applicants from Main and Small grant streams.
- Looking at the changing landscape of grant-making amidst the COVID-19 pandemic, accessing emergency funding and assessing the importance of capital funding during this period.

The profile of the 10 interviewees is broken down as follows:

Main/Small	Number of interviews
Small	6
Main	4
Grantee/Unsuccessful	
Grantee	7
Unsuccessful	3
Region	
Wales	2
South East	3
London	2
South West	1
North West	2
Sector	
Minority communities	3
Young people	2
Disability and visual impairment/people with disabilities	2
Homelessness	1
Disadvantaged communities	1
Older people	1

Summary of key findings

1. Experience of application process for both Main and Small grantees is very positive... but does subsequent experience of emergency grants increase expectations?

There is a great deal of praise from both Main and Small grantees when it comes to the application process. Research participants commended the simplicity and ease of completing the application form, with particular praise directed towards the online elements of the form. An overwhelming majority of applicants also found the process to be reasonable for the size of grant they were applying for, though this was higher for Main grant applicants than Small grant applicants. A particularly strong point was the swift turnaround times in getting back to applicants with a decision on their application, outperforming the grant maker average on this front. Applicants, particularly Small grant applicants see turn-around times as impressively quick. Phase 2 of the research also uncovered the experiences of Clothworkers' applicants in applying for emergency grant funding during the COVID-19 pandemic. Such experiences have suggested an increased expectation that foundations, including The Clothworkers' Foundation, continue to simplify application processes and reduce timescales.

2. Relationships with applicants is very good though more channels of communication would be welcomed

Grantees and unsuccessful applicants who had contact with The Clothworkers' staff were very positive about their experience. However, some participants highlighted a desire for more communication (particularly conversations in person), while some interviewees in phase 2 were keen for more assurance/proactive communications during the COVID-19 pandemic. Given that many of the charities you work with are small, any reassurances about funding and the accompanying requirements are very helpful.

3. Desire for more feedback, even if it is basic

There is a desire for greater levels of feedback for unsuccessful applicants. Nearly half of unsuccessful applicants were unsure as to why their application was rejected, with Main grant applicants in particular highlighting that this would have been especially helpful. In terms of what sort of feedback would be welcomed, unsuccessful applicants interviewed in phase 2 indicated that even minimal, simple forms of feedback would have been appreciated.

4. Wide experience of emergency grant funding

The second phase of research, conducted in July 2020 (nearly four months after lockdown rules were implemented), uncovered the experiences of Clothworkers' applicants applying for and receiving emergency grant funding from other funders. Those who had received emergency funding were impressed with the quick turnaround, as well as the simplified nature of these programmes. As noted above, this is likely to bring about increased expectations of the application process of funders.

5. Capital funding is just as important, if not more so, during COVID-19

Phase 1 results showed that capital funding is greatly appreciated. The COVID-19 pandemic has further underlined the importance of capital funding, particularly for those who have been forced to change and

adapt their services as a result. As such, the short and long-term sustainability of these organisations depends heavily on continued access to capital funds. Of course, core funding is also valuable, but there is a sense that there are fewer capital funders than there once were. Some phase 2 interviewees were also concerned that regular Clothworkers' capital programmes would be reduced because of the investment in emergency funding.

In-depth findings

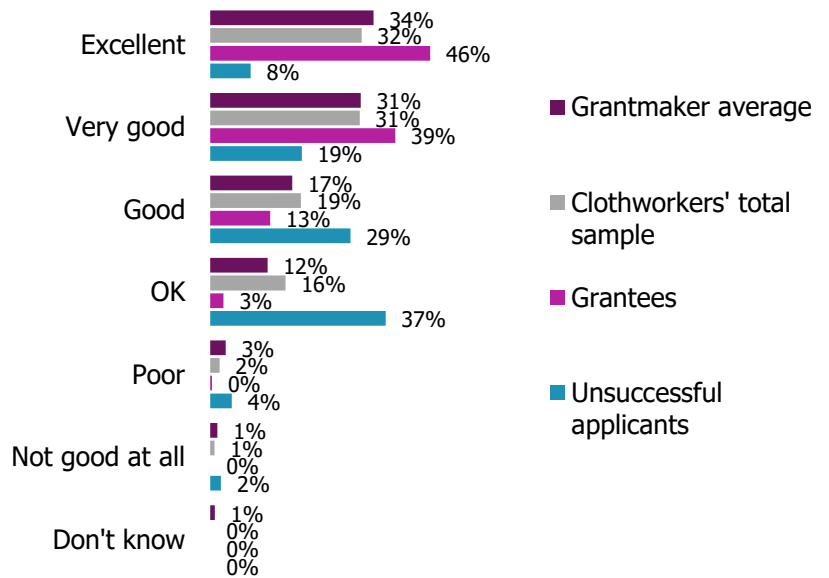
Application process

Overall impressions

On the whole, The Clothworkers' Foundation's application process is perceived very positively, with interviewees commending its straightforward, simple appeal. The application form was seen as very quick to complete with many interviewees, successful and unsuccessful, noting that it took just a matter of hours to complete the form. Some interviewees also praised the online aspect which allowed them to save their work and come back to it at any time without losing their progress.

The Clothworkers' Foundation's overall score in this area compares well to the grant maker average: a third of applicants rated their application experience as 'Excellent' and nearly a third rated it as 'Good'. Grantees are especially positive about the application process, and whereas unsuccessful applicants do not rate it as highly, the number of those who see the application as 'Poor' or 'Not good at all' is extremely low.

Figure 1: Rating The Clothworkers' Foundation's application process



"How would you rate your experience of the application process?"

Base: 288 grantees and 178 unsuccessful applicants | Source: The Clothworkers' Foundation Application Audit, March 20, nfpSynergy and 5,000 grantees / applicants across 6 grant makers | Source: Grant makers benchmark, March 20, nfpSynergy

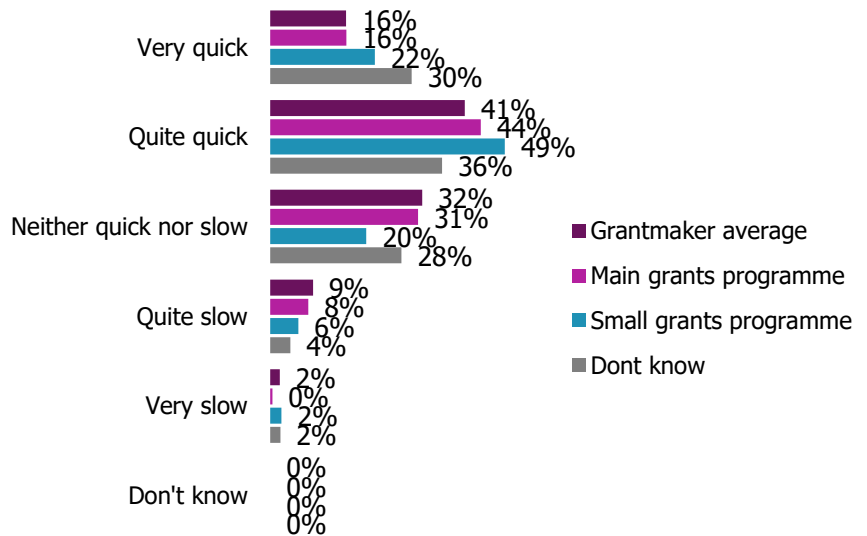
*"It was easy and the **online process was good**. I didn't find it that difficult to fill in the forms online and to find the information. You could **pause** it, you could **save** it, and then you could **come back two weeks later** when you did have that information."* (Grantee, Main, People with disabilities)

*"It was electronic format, I remember that, and **you could save as you went along, which is invaluable**."* (Grantee, Small, Young people)

*"This was a **very, very quick application**. It was easy because they limited the number of words you could use in specific answers, it was a much quicker or quicker application than others might be. **It was a good application process**."* (Unsuccessful, Main, Older people)

It is important to note that the Main grant applicants were predominantly larger organisations, with over a quarter having an income that fell in the £1m-£5m income band. By contrast, nearly a third of organisations that applied through the Small grants programme had an income of less than £50k. We notice that the Main grantees and applicants spent on average of 3.4 hours less on their applications than those applying for Small grants. We hypothesise that this could be explained by this group being more likely to have professional fundraisers working for them and more expertise in collecting the required documentation, which is something some smaller organisations we spoke to struggled with, and is discussed below. This could also explain the figures we see below: once the application form was completed, praise was directed towards the quick turnaround from The Clothworkers', outperforming the grant maker benchmark. 71% of Small grant applicants believed the process to be very quick or quite quick, though this figure was slightly lower (but nonetheless still high) amongst Main grant applicants (60%).

Figure 2: Speed of decision



"Would you consider this to be...?"

Base: 5,000 grantees / applicants across 6 grant makers | Source: Grant makers benchmark, March 20, nfpSynergy

Amongst interviewees, many decisions were delivered within a week, with some interviewees noting that they'd never received decisions as quickly as they did from The Clothworkers'.

*"It was a **very quick turnaround**. I applied on the 16th of September and I heard by email on the 2nd of October; that by grant standards is incredibly quick."* (Unsuccessful, Main, Homelessness)

*"I think it was **fairly quick** within our timeframe; didn't have to wait months for a decision."* (Grantee, Small, Young people)

*"It was so quick; **we never get responses back as quickly as that**. Even since COVID, nothing has come back to us within a week."* (Unsuccessful, Main, Older people)

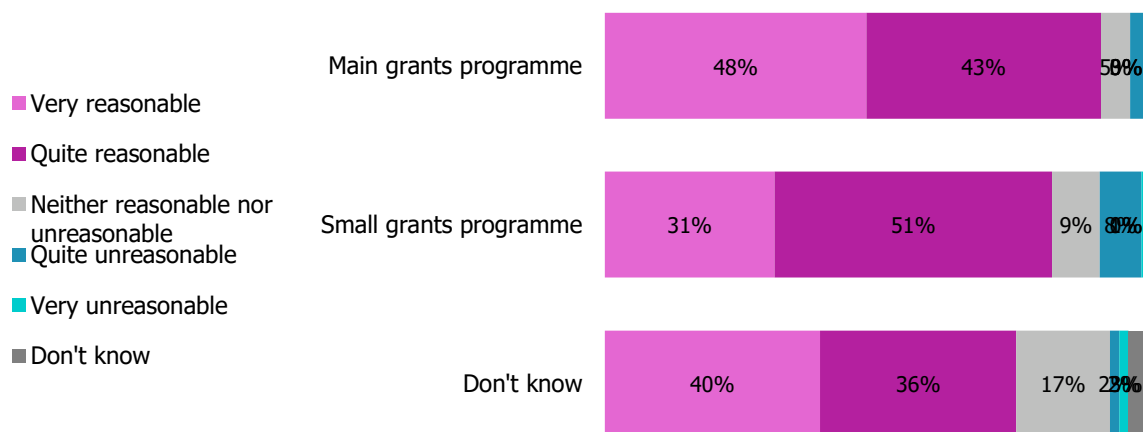
*"The turn around time... **It was only a week**; I assume that we didn't meet the criteria in some ways, but we did find that to have a decision as quickly as that was tremendous. Sometimes you're*

*waiting six/eight months for decisions from people, and sometimes you don't get a decision. You've got applications out there that are hanging there somewhere in the wilderness; just to have the response quickly was great, because we could then write that off. We knew we still had to look funding for that project... **I just felt that it was a really good quick turnaround.** You don't generally have turnarounds as quickly as that from other people, it's beneficial for us."*
 (Unsuccessful, Main, Older people)

Application process vs. the size of grant

Nearly 9 in 10 applicants with an income of over £50,000 felt the application was either very reasonable or quite reasonable for the size of grants they were applying for. When breaking this down by Main and Small grant applicants, 91% of Main grant applicants stated that the process was 'Very reasonable' or 'Quite reasonable' for the size of grant applied (compared to 81% who said the same for Small grant applicants). However, some applicants during phase 2 of the research voiced concerns about the level of detail required about the organisation's financial position and accounts, which some smaller charities found hard to provide.

Figure 3: Rating The Clothworkers' Foundation's application processes



"How reasonable did the application process feel for the size of grant you were applying for?" **By Grant programme**
 Base: 288 grantees and 178 unsuccessful applicants | Source: The Clothworkers' Foundation Application Audit, March 20, nfpSynergy

*"I thought it was quite straightforward; **it wasn't massively taxing for the amount of money that we were bidding for [a little under £10,000].**" (Grantee, Main, Minority communities)*

*"I found the process very time-consuming but realise that for a large grant this is to be expected. I **struggled with financial information requirements** since our charity is very small and doesn't do management accounts, and we found the request for income/exp for next 3 years difficult to project, again, for us being so small. On the other hand, and unlike some other funders, the application form had plenty of space for answers and information." (Grantee, Main, People with disabilities)*

*"There seemed to be **an overbearing focus on the organisation's financial position and accounts**, asking far more detail than the majority of funders we have come across, particularly as these questions all came before anything was asked about the project being applied for (just over 6 pages of application before a question about the funding required came in). This seems **disproportionate for the amount of funding being requested.**" (Unsuccessful, Small, Young People)*

How does this compare to other funders?

Overall, research participants were impressed with The Clothworkers' Foundation and cited it as having one of the easiest application processes, comparing it favourably to the likes of Henry Smith and the National Lottery. Following their positive experience, they also mentioned that The Clothworkers' would be a top choice for those looking for capital funding in the future.

"Henry Smith were quite difficult to work with. [...] The level of detail compared to what you're applying for. You have to justify your existence to a small project when they could be a bit more supportive to the organisation rather than doing what they can to not fund." (Grantee, Small, Minority communities)

*"Other than working with the lottery, it's **probably the easiest application I've done** in the last year. The **lottery** is very, very clear structured in what they want, how they want to present it. They're not asking for huge amounts of detail, they'll be happy to support the organisation to deliver what they say they're going to do, without masses and masses of due diligence; spelling everything out to the detail." (Grantee, Main, Minority communities)*

*"On a scale of one to ten I'd put them around **seven or eight**. The **ten would be no form and a two-page summary of what you want to do** and how much it costs; ping that out because that's easier, but they were up there. A one would be **National Lottery** stuff that's got six or seven different documents...lots of peculiar language as to what outcomes and impact are, that's the worst kind." (Grantee, Small, Disadvantaged communities)*

*"We apply to an awful lot of foundations that we never get a response from, not even an acknowledgement by email. That is so frustrating... I think the fact that they came back very quickly; **if I had another capital project, I would certainly go back to Clothworkers, because I know that I would get a decision quickly**. I would say possibly 60 percent of those that I apply to - I assume then we've been unsuccessful with - don't respond. Some of them do say at the point of application it's been unsuccessful, but again not many of them do that." (Unsuccessful, Main, Older people)*

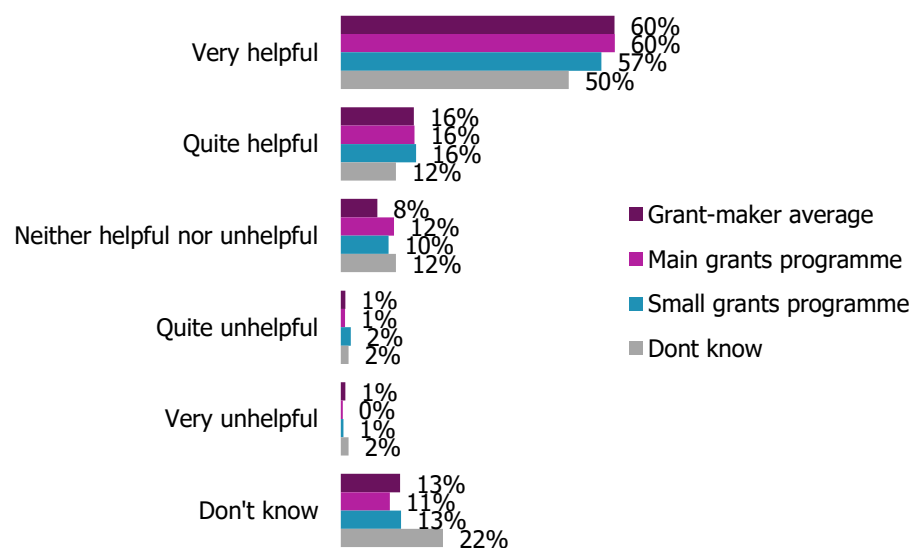
Positive experiences of relationships, though communications can be improved

When communication with staff occurs, it is very positively perceived

In cases where grantees and unsuccessful applicants were in contact with The Clothworkers' Foundation staff participants in both phases of the research (from both Main and Small grant streams) were praiseworthy of the relationships that they had developed. However, some did highlight communication difficulties.

During phase 1 of the research, a vast majority of applicants from across the Main and Small grant programmes saw The Clothworkers' Foundation staff as very or quite helpful. 76% of Main grant applicants perceived Clothworkers' staff to be 'Very helpful' or 'Quite helpful', in line with the grant maker average, while this figure stood at 73% for small grant applicants.

Figure 4: Helpfulness of Clothworkers' staff



"How approachable and helpful were The Clothworkers' Foundation staff while making your application?" **By Grant programme**
 Base: 5,000 grantees / applicants across 6 grant makers | Source: Grant makers benchmark, March 20, nfpSynergy

Where assistance and help were offered, grantees and applicants found the support offered during the application stage to be excellent with several comments from survey participants, both Main and Small programme applicants, highlighting their gratitude for the help on offer when sought.

*"We found everyone at your organisation **very helpful and informative** either via email or phone"*
 (Grantee, Main, People with disabilities - SURVEY)

*"Staff have been **very personable and friendly**. Our application has been delayed because our match funding bid was unsuccessful but Clothworkers' has been very supportive and has given us more time to find the funds."* (Unsuccessful, Main, People with disabilities – SURVEY)

"From the initial support to the charity visit and the grants team, everyone I have spoken to or met has been supportive and professional." (Grantee, Main, Other - SURVEY)

These findings were corroborated further in the second phase of the research, when communications following approval of a grant were highlighted. In particular many interviewees directed praise towards staff diligence and the ease of communication experienced.

*"The grant office head; we asked her information, she asked us additional information, we used to work like that. **She was very good and helpful...** in **terms of follow-up**, they are very good on their side, to make sure the funding is spent on what we say... you could ask them, email them, they come back to you on time, and if you cannot submit some documents, it's okay. It **is very easy to communicate with them.**" (Grantee, Small, Minority communities)*

*"The communication has been very good, actually; **I've just with one person all the way through**, which is good and I spoke to her before I submitted the application... Then as soon as I submitted the application, I remember **getting an email straight away** from [the grants manager] ... Then as soon as we got the grant offer, it was **very straightforward** as to what I needed to do and what I needed to complete." (Grantee, Small, Young people)*

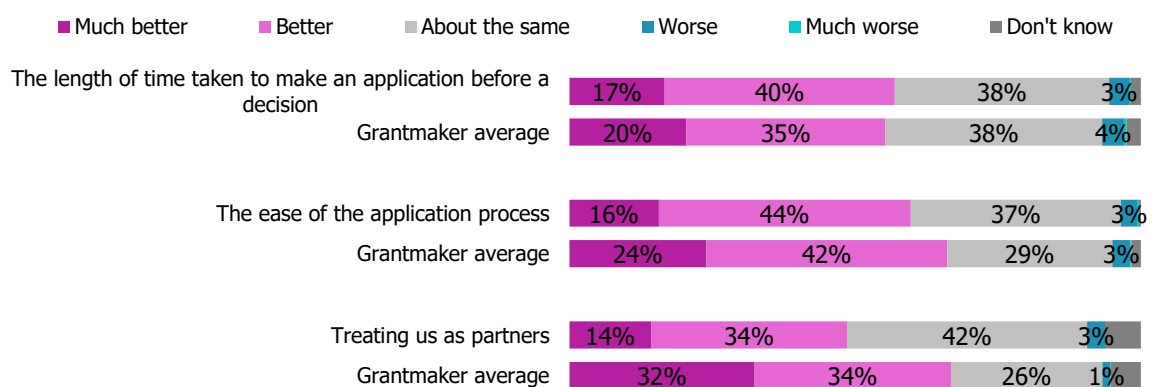
Limited options to communicate

However, other comments from both phases of the research noted that there were sometimes limited opportunities to communicate with Clothworkers' staff. One interviewee highlighted that the process felt driven by the website. As shown in phase 1 of the research, just under half of grantees believed their experiences as partners was better with Clothworkers' compared to other grant makers, underperforming compared to the grant maker average. The difficulty of achieving a conversation with staff could be a reason for this.

*"Contact with Clothworkers' was limited as were the responses given to any queries raised. The process was almost **completely devoid of any human interaction**"(Unsuccessful, Small, Other - SURVEY)*

[Regarding other organisations, they 'seem to really welcome people; talking to people before they actually put in an application, to make sure that everything is clear and straightforward'] *"No, it is a **very website-driven application.**"(Unsuccessful, Main, Homelessness)*

Figure 5: Grantees' experiences



"When you think about your experience of applying for and getting a grant with The Clothworkers' Foundation how would you say they compare with other grant makers?"

Base: Base: 3,000 grantees across 6 grant makers | Source: Grant makers benchmark, March 20, nfpSynergy

*"We **only had email communication** which is good but it **would be nice to have the option to ring and speak with somebody if you needed to.**" (Young people, Main, Grantee - SURVEY)*

*"Slow responses to emails and **no phone contact.**" (People with disabilities, Small, Grantee - SURVEY)*

*"[as for what could be improved] **Providing details of alternative means of communication in its publications/website.**" (Small, Grantee, Other - SURVEY)*

Communication during COVID-19

While phase 1 was conducted before the onset of the coronavirus lockdown, phase 2 allowed us to explore the challenges grantees and applicants experienced during the pandemic. One key finding from phase 2 showed that some grantees wanted more communication from the Foundation during this time. Some interviewees felt that The Clothworkers' Foundation getting in touch with them would have provided them with the assurance of knowing that they were still active during the pandemic.

*"Then we had COVID... **I would have appreciated a little bit more communication**, saying 'We realise it's been a difficult time; hope everything's still ok. We could have closed down by now; I suppose. That would have been nice. **Just a phone call maybe** just to say, 'Can you just give us an update on where you are?'" (Grantee, Main, People with disabilities)*

*"Have I spoken to them since it (COVID-19) began? I don't think so; I don't know if they would even reply at this point. That **would have been nice, to have somebody say, 'By the way, we're still here,** and if you've got any questions you can come and ask us about it."* (Grantee, Small, Young people)

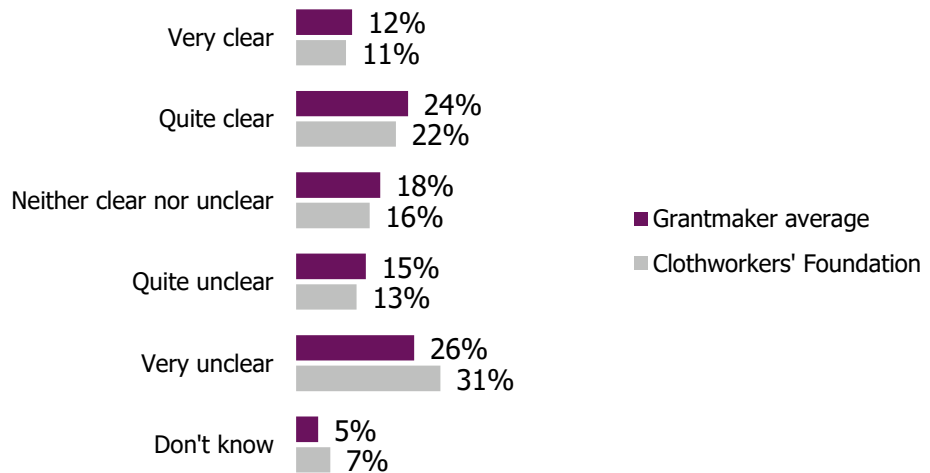
On the flip side, one interviewee who applied to the Small grants programme did note that the level of communication was just right given their limited resources to respond to such demands and requests from different funders during the outbreak of coronavirus. In the case of small charities with limited capacity to respond, this is seen as a good thing:

*"I haven't had a lot of contact with them if I'm honest with you; I wouldn't have expected to, because of the pandemic, everything's a bit up and down at the moment...but I dealt with a lady called Ayesha ...she was **always really friendly and helpful**, but it **was kind of more like, 'If you have any concerns, you can contact us' rather than the other way round. And actually, that's what you need, when you're a small organisation...**we got £500 from one of our emergency COVID people... we were really grateful, but they've wanted loads since then. 'Can we come and take photos?' No, we will take photos and send them to you. The office is too small to get someone else; it's a lot to do."* (Grantee, Small, People with disabilities)

More feedback would be appreciated

Nearly half of unsuccessful applicants were unsure as to why The Clothworkers' Foundation had rejected their application and were somewhat frustrated with the lack of feedback. The proportion of unsuccessful applicants who were not clear as to why their application was rejected was similar to the grant maker average.

Figure 6: How clear was the decision behind rejection



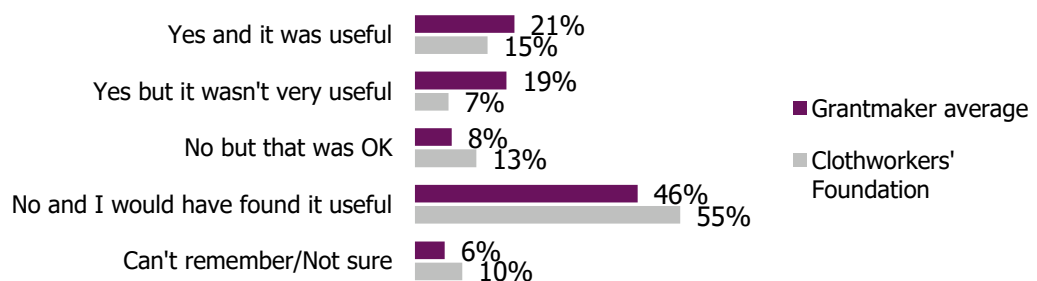
"Was it clear why Clothworkers' Foundation declined your application?"

Base: 178 unsuccessful applicants | Source: The Clothworkers' Foundation Application Audit, March 20, nfpSynergy and 1,300 unsuccessful applicants across 6 grant makers | Source: Grant makers benchmark, March 20, nfpSynergy

Nearly a quarter of applicants reported they had received feedback on their applications, of which only 7% did not find the feedback very useful. This figure is significantly higher across the grant maker average – just under a fifth of the entire sample said their feedback wasn't useful.

Yet, nearly 70% of applicants whose applications were not successful with The Clothworkers' Foundation did not receive any feedback. The majority of those report they would have found it useful.

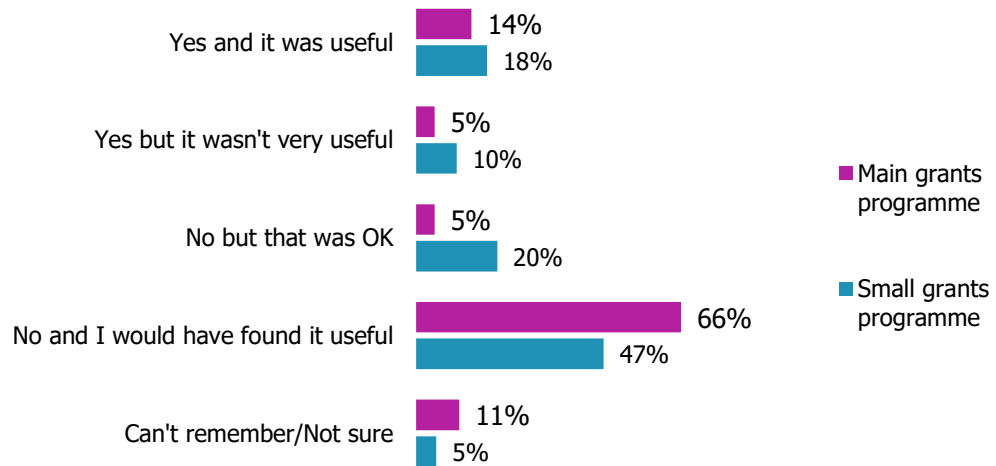
Figure 7: Rating feedback



"Did you receive any feedback on why your proposal was unsuccessful?"

Base: 178 unsuccessful applicants | Source: The Clothworkers' Foundation Application Audit, March 20, nfpSynergy and 1,300 unsuccessful applicants across 6 grant makers | Source: Grant makers benchmark, March 20, nfpSynergy

The importance of receiving feedback was expressed in particular by applicants who applied through the Main Grants programme, with two thirds of them saying they would have found it useful. There was also a much lower number of Main grant applicants who did not mind not getting any feedback – only 5% of them said it was OK, compared to 20% of those who applied for Small grants.

Figure 8: Rating The Clothworkers' Foundation's feedback

"Did you receive any feedback on why your proposal was unsuccessful?" **by Grant programme**

Base: 178 unsuccessful applicants | Source: The Clothworkers' Foundation Application Audit, March 20, nfpSynergy

*"We have three areas that overlap with the Clothworkers; homelessness, substance and alcohol abuse and sex offenders. **We had really good alignment with their fund; it would have been so useful to know what went wrong, because we would [like] to reapply.**" (Unsuccessful, Main, Homelessness)*

Some interviewees noted that feedback would have been of great benefit to them particularly when it comes to developing future proposals, both for The Clothworkers' Foundation, as well as for other funders:

*"No [I didn't receive feedback], it's good to receive feedback but then **most of the organisations I know, they don't give feedback** because of their staff. But it's better to have feedback, to give us a **better idea how we can develop our application.** Not just for Clothworkers; I can use this feedback for another organisation." (Unsuccessful, Small, Minority communities)*

Desired feedback not necessarily extensive

In expressing what level of feedback they would like to receive, unsuccessful applicants didn't expect anything too extensive. There was recognition amongst unsuccessful applicants that this may be difficult for grant makers like The Clothworkers' to deliver due to staff capacity and the trade-off between funds set aside to cover provision of feedback and more money available to be issued as grants.

"I appreciate the foundation must be inundated with requests, however feedback from unsuccessful applications would be most appreciated (even just a brief line or two). I realise the capacity to do this may be very limited though. Otherwise it is a great application process, staff are really helpful and responsive and I only wish more funders had your approach (such as having detailed, helpful info on website!). Thanks." (Unsuccessful, Small, Other - SURVEY)

The importance of feedback was especially emphasised when talking about future applications, either with The Clothworkers' Foundation or other funders. Knowing what went wrong would help applicants avoid making the same mistake in the future.

That said, even minimal feedback would have been well received. Types of preferred feedback mentioned included something as basic as a tick box or a standardised response specifying in one or two sentences indicating where something went wrong.

*"I'm **not expecting grant funders to go into any great detail**, at best I think it'd be **something like a tick box**; whether it was because of the size of grant, whether it's because of the purpose of the grant, whether it's because of lack of sufficient information or justification or just over demand. It's always useful to get any feedback, because it does help whether you're hitting the target or not."*(Unsuccessful, Main, Homelessness)

*"Having that feedback would be very - and I think most people who are applying for grants would say - **to have a little bit of feedback**, even if that's only a telephone call or a very quick email, **would be so useful**."*(Unsuccessful, Main, Older people)

Emergency grant funding widely accessed

Experiences of accessing emergency grants

Phase 2 of the research, conducted during the summer of 2020, sought to delve deeper into the grant-making experiences of Clothworkers' applicants during the COVID-19 pandemic. Interviewees were asked about their perceptions of the current grant-making scene amidst the coronavirus outbreak.

Unsurprisingly, phase 2 revealed that a handful of interviewees had already applied for emergency funding being offered by a large number of grant makers, many of whom are community/locally based. Typically, these were often small grants that would help secure and sustain charities for the short to medium term.

"We did quite well with one application about coronavirus emergency grants; we got seven of them, we also got small business rates relief thing that was going out... Some of them were only £500, some of them were bigger. Cornwall City Council, Devon City Council; Devon Community Foundation; Pocklington Trust, which is a specific kind of grant giver; Western Power." (Grantee, Small, People with disabilities)

What was most apparent about these emergency grants was the simplified nature that the application forms took noting that they were not as time-consuming to complete as regular grant applications. Making applications shorter and simpler was highlighted by one small charity as being all the more important given the range of duties out with bid writing that they have to undertake to keep the charity afloat.

Grantees and applicants interviewed were most impressed by the swiftness with which decisions on their emergency grants were delivered. This was vital, particularly for smaller charities who are seeking a level of security during this time. One interviewee noted that this proved that funders can act and respond quickly to events and expects reduced timescales to be the norm going ahead.

*"We applied to Forever Manchester who were really good, they were great. We applied to Edward Gosling. They were great as well. I think **people have simplified the applications because of COVID**, because of the time it takes normally for grants. **That's been a godsend** because sometimes you can wait; by the time, the need is gone, you just have to abandon it."* (Grantee, Main, People with disabilities)

*"In future, they [grant makers in general] should **consider the amount of time it takes to do a good funding bid**. I need to do everything; at the moment I'm the photocopier, expert, the cleaner and the receptionist as well as being everything. In times of COVID, we're all having to respond to the crisis."* (Grantee, Small, Disadvantaged communities)

*"Yes, **emergency funding has been really helpful for us**; obviously a lot of work for me over the last three to four months, but **having that really quick decision-making by funders shows that grant funding can happen that way, and it probably should**. There should be more sharing between funders, due diligence; if you're applying for one fund, everyone should be able to access that. Information can be shared between funders quite easily, so they probably should; the application process can be sped up. Decision making process can be sped up; **they've shown that that can happen, so that's something we should really do in future**. It's also*

been the core support for organisations which is something that more funders should really look."
(Grantee, Main, Minority communities)

Dissatisfaction over changed criteria

However, there was some dissatisfaction voiced amongst interviewees during phase 2 of the research over the current emergency grant scene and the changed criteria imposed on pre-COVID-19 arrangements. A couple of interviewees (who were Small grantees) were keen to point out how regular grant applications to other grant makers just before the onset of COVID-19 were declared null and void and how previously agreed funding pledges were changed. Such changes had ramifications for the long-term funding prospects of these participants. Also noted was a belief that perhaps not all efforts from grant makers, including The Clothworkers', should go into emergency funds and that continuity from pre-COVID-19 should remain the priority.

*"Funding applications that **were submitted before the crisis without any reference to the crisis, have been assessed on the basis of new criteria, and that's not helpful...** it's a bit like the law. If you introduce the law, then you can't be penalised for doing something that was legal that is now illegal... It's not very fair, really; don't get me wrong, I understand criteria change, **but it makes funding difficult** because criteria are based on now." (Grantee, Small, Disadvantaged communities)*

*"Lloyds Bank **promised to fund us initially for three years, but now they said they can only fund us one more year.** That means it affected our long-term funding," (Grantee, Small, Minority communities)*

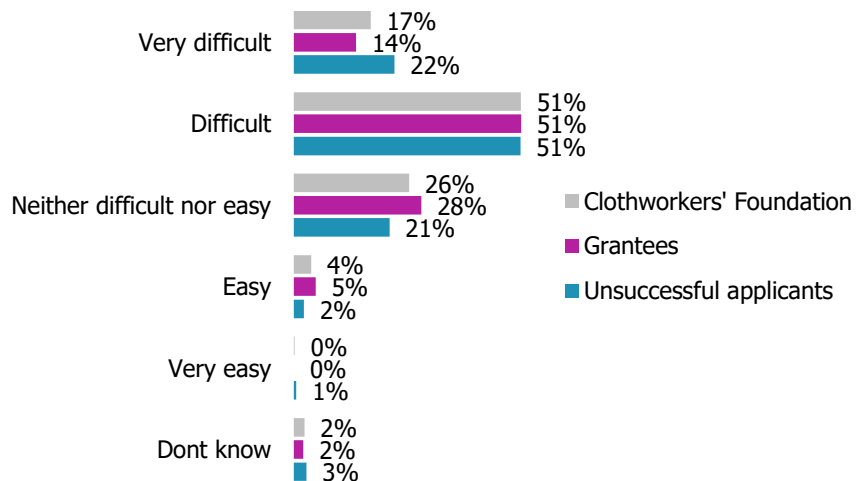
*"Because of COVID...we lost the long-term funding. Other resources are affecting the future because they are investing a lot of money... **what are they gonna do with three/six months (of funding)?**" (Grantee, Small, Minority communities)*

Capital funding in the current climate

Capital funding is highly valued during the pandemic

Within the context of The Clothworkers' Foundation being a specialist capital funder, we explored the perception of how difficult it is to achieve and the importance of capital funding. The importance of capital funding was underlined during phase 1 of the research. Here, nearly 7 out of 10 survey participants said that it was either 'Very difficult' or 'Difficult' to access capital funding for their organisation.

Figure 9: Difficulty of obtaining capital funding



"How easy or difficult is it to access capital grant funding for your organisation?"

Base: 288 grantees & 178 unsuccessful applicants | Source: The Clothworkers' Foundation Application Audit, March 20, nfpSynergy

The onset of COVID-19 has further emphasised the importance of capital funding. Many of the charities interviewed during phase 2 of the research have been seriously hampered by COVID-19 and the restrictions imposed by lockdown. Services have been stopped or severely curtailed and financial difficulties have also been experienced. Here, one small charity highlighted that next to no funding has come in during this period as a result of suspended fundraising engagements and receiving no statutory income. A few research participants in particular highlighted the financial pressures that many organisations face despite not being able to run their services at the moment:

*"The way that **we deliver services has changed**...we're not really expecting or encouraging clients to come to the building because we're trying to manage how can we keep the building COVID-free. The more people in the building the more complicated it is, so we are seeing **whether we can continue to deliver advice over the phone** with one advisor at home and the other advisor here. **It's not ideal but it is what it is.**" (Grantee, Small, Disadvantaged communities)*

*"We **have to stop providing the services that we normally provide**. We could see what was coming what was happening before lockdown, so we put in place a community response tool out into the community, where we put together a team of street champions, if you like, and we match them up with vulnerable people." (Unsuccessful, Main, Older people)*

*"I think it should be out there; I think that **there are still capital projects that are needed**, and I think what has happened during lockdown is people have had the time to sit back and think about*

what they really need... we do need places like Clothworkers Foundation, to give where there is capital funding available.”(Unsuccessful, Main, Older people)

The current funding environment is not easy for charities, particularly smaller charities. Core funding came up a number of times as a source of funding that is highly desirable, again particularly among smaller charities. However, when probed in the second phase of the research, the majority of participants saw the value in The Clothworkers' Foundation specialising in capital funding. There are not many capital funders and any decrease in funding would be a huge loss to the sector.

However, larger charities have noted their ability to innovate more, moving services online or via telephone:

“Without a doubt. I think it's a priority, because people have to change. When you're working with vulnerable people, you have to adapt, especially now because of health needs, and we will have to adapt... One of the things we were planning on doing, and we did start- we needed to be a bit more up and with it with IT. I did notice actually, and this was another thing I thought was good; Clothworkers were offering support for people with IT.”(Grantee, Main, People with disabilities)

*“There's obviously been a large impact in that we've had to close our offices; we've stood down a lot of our volunteers; our face-to-face work has stopped, we haven't had any face to face for months; **but we've also been innovative. We've started a helpline for our clients, and we've been quite successful in our fundraising across the last four months. We've raised all the funds that we need for all of our emergency activities, plus a bit more; we're close to restarting our basic services while still continuing our emergency response.**”*(Grantee, Main, Minority communities)

Overall, interviewees noted that capital funding remains just as, if not more important since COVID-19. There is recognition that we are in an era of permanent change with an emphasis on greater IT need, changes to premises and more prominence given to remote working spaces and practices. It is generally felt that capital funding remains a priority purely on the basis that it allows smaller charities to prosper and develop as organisations and the fact that it is a type of funding that is often much harder to obtain.

However, a few interviewees did note, that while understanding the need for emergency grants, there was some frustration that all attention was being focused on this area (even if this was a perception rather than the reality). Maintaining the regular types of capital funding Clothworkers' provided before COVID-19 (and not just focusing on emergency grants) was seen to be very important.

“I noticed that Clothworkers have also changed the emphasis [to emergency funding]. That's actually what's been putting me off; I haven't been able to apply for the area that I wanted to apply for Clothworkers for that very reason, that they put all their money into the emergency response.”(Unsuccessful, Main, Homelessness)

Sustainability and capital funding in the post-COVID world

Dealing with the real and present threat of the pandemic and coming up with plans on how to approach funding in a post-COVID world is a considerable challenge. This is certainly reflected in phase 2 of the research, with the perception being that capital funding will become even more important going forward, particularly as many organisations adapt to living with the disease. However, small charities are keen to see a longer-term focus within the funding environment, away from the short term, reactive measures introduced during the pandemic.

*"Capital funding is always valuable because it's so difficult to get. People don't want to fund it; I feel the Clothworkers specifically doing that, it's great. I think **post-COVID it's going to be even more valuable**, because people are **having to make permanent changes to their premises and the ways they work**. We're looking at a large capital project at the moment to buy our premises and to renovate them so that there is more space for people to spread out and social distance in future. I think you'll see more organisations changing the way they work; there'll be more remote working, more hot desking in offices for people like myself, back up staff who don't need to be office based. I think there's going to be a huge need for capital funding in the next few years."*
(Grantee, Main, Minority communities)

*"When moving from face to face to online, you need resources; for example, our organisation have only one laptop, but when we work remotely you need laptops, telephone, you need resources for this. It is obvious; but **what is happening at some moment, beyond all the money and the resources thrown to COVID, is ignoring the long-term sustainability for organisations, especially small ones**. Our sustainability will be limited and this trust foundation will say they have no money. It will be high competition; the small organisations will have to strive to sustain their services."*
(Grantee, Small, Minority communities)

About nfpSynergy

nfpSynergy is a research consultancy that aims to provide the ideas, the insights and the information to help non-profits thrive.

We have over a decade of experience working exclusively with charities, helping them develop evidence-based strategies and get the best for their beneficiaries. The organisations we work with represent all sizes and areas of the sector and we have worked with four in five of the top 50 fundraising charities in the UK.

We run cost-effective, syndicated tracking surveys of stakeholder attitudes towards charities and non-profit organisations. The audiences we reach include the general public, young people, journalists, politicians and healthcare professionals. We also work with charities on bespoke projects, providing quantitative, qualitative and desk research services.

In addition, we work to benefit the wider sector by creating and distributing regular free reports, presentations and research on the issues that charities face.



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