

Paul Hamlyn Foundation

Paul Hamlyn Foundation Covid Response Fund Review

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1. Background

Paul Hamlyn Foundation's (PHF's) approach to the Covid-19 pandemic was rapid, responsive and unprecedented. As soon as the crisis broke in March 2020, trustees approved an additional Emergency Fund, and PHF joined the collective effort to alleviate immediate hardship by making two contributions of £500,000 each to the National Emergencies Trust and the London Community Response Fund. PHF's Covid Response Fund ran until December 2021 and comprised 517 UK grants with a total value of over £16.5 million. Most grants (56 per cent) were £20,000.

Pausing open grant-making programmes until autumn 2020 enabled PHF to focus on supporting organisations we were already funding and on understanding the changing impact of the pandemic on the communities with which they work. Steps were taken to create governance, systems and processes that could best offer rapid, flexible and targeted support. Many of the normal requirements were simplified to enable funding to be repurposed and timelines to be shifted. Decision-making for emergency grants under £20,000 was delegated to an executive team which met first weekly and then fortnightly, and this process was mirrored by a trustees' Emergency Fund Committee for larger grants.

In their review of PHF's response to Covid, *Trying to Do the Right Thing*, the Institute for Voluntary Action Research (IVAR) reported that the "regular engagement between trustees and heads of programme enabled a level of risk-taking that all felt was right and 'vastly improved the quality of questions and the honesty of debate', while decisions delegated to the Senior Leadership Team (SLT) and broader management team opened up an important space 'for new thinking and policy work'".

To understand something of the scale of the challenges faced by organisations funded by PHF, the impact of our Covid Response Fund and the lessons learnt for our future responses to emergencies, we invited organisations receiving Covid Response Fund grants to complete a short survey, which was available from February 2021 to March 2022. To help simplify the reporting process, PHF's Covid Response survey also acted as a grant report and included questions about how grantees found the experience, what their needs were and the difference the grant made to them.

2. Research objectives and methodology

This review provides an overview of PHF's Covid Response Fund, explores the experiences of funded organisations and the difference the funding made to them, and identifies lessons for grant-making in response to future emergencies.

It also provides an opportunity for PHF staff in the Evidence and Learning Team to implement recent qualitative-analysis training to systematically analyse survey responses, so testing the feasibility of this approach for future analysis of grant reports.

Key research questions included:

- Who were the grants made to and what activities were they spent on?
- How does PHF's response compare to other funders' emergency responses?
- What difference did the grants make to the organisation and the people it supports?
- What were the funded organisations' experiences of the grant-making process and what could have been done better?
- What recommendations do funded organisations make for funders in future?

To focus on grantees' experiences, the main body of this report draws on PHF's Covid Response Fund survey, while also referring to several other items of relevant learning and evidence, as outlined below.

It is important to acknowledge the limitations of what can be determined from an online survey of funded organisations alone. Understanding the impact of funding on work in the real world is complicated and difficult. It may not be possible to distinguish the difference made by an individual grant from the wider context, including other sources of funding and the particular challenges and opportunities presented by a global pandemic.

The survey was designed to be quick and simple to complete and PHF was aware of the importance of adopting a light-touch approach at this particularly challenging time. It included both open-ended questions (enabling respondents to answer particular questions in their own words) and closed-ended questions (where respondents select from pre-defined options so generating more easily quantifiable data). The survey was sent out in waves based on grant end dates: 86 per cent of respondents (152) completed the survey between 1 February and 7 June 2021, while 14 per cent (25) completed it between 3 December 2021 and 16 March 2022. The survey was completed by just over one-third (177) of all recipients of Covid Response Fund grants. Completing the survey was optional for charities and one reminder was sent. Some grants were closed before a survey was sent and, in effect, reporting on those grants was subsumed into reporting on the funded organisations' other grants.

When surveying funded organisations, there is always a concern that the inevitable power dynamic between those receiving and those providing the funding may make it difficult for the former to make negative comments about the latter. In our survey, responses were not anonymous. All respondents have ongoing relationships with PHF, as funded organisations,

and many of them mentioned a desire to receive further funding. Nevertheless, the open and trusting relationship with PHF described by some respondents is demonstrated, to some extent, by them feeling able to give constructive criticism, as well as frequently expressing their gratitude.

In addition to the survey findings, this report also draws on a number of external reports listed in section 8, as well as some particular items of learning and evidence, which have been commissioned and collected by PHF since the pandemic began. They include:

- data from PHF's grants database
- analysis of PHF's Covid response made in *A Year Like No Other: Reflecting on PHF's UK Grant-making in 2020/21* and PHF's *Trustees Report and Financial Statements* for 2020/21 and 2021/22
- IVAR's *Trying to Do the Right Thing: Paul Hamlyn Foundation's Response to the Covid-19 Emergency* (September 2021) – this short report, based on desk research and interviews with staff and trustees, was conducted primarily for PHF's own learning and reflection, and to inform future planning by learning from the challenges of 2020–21 and PHF's organisational response to them
- the Center for Effective Philanthropy's (CEP's) comprehensive *Grantee and Applicant Perception Report 2022*, based on an online survey of PHF's grantees and applicants in May-June 2022 – 48 per cent of grantees had been given a Covid Response Fund grant but, interestingly, CEP found this did not have a consistent effect on whether their responses were positive or negative
- a PHF-commissioned report by 360Giving, *UK Covid Relief and Recovery Grants: Data Analysis for Paul Hamlyn Foundation* (February 2022), to better understand how PHF's Covid response compared to other funders' approaches to the emergency – the report draws on data from 360Giving's *Covid-19 Grants Tracker*, which, at the time, included over 66,000 grants worth almost £2.4 billion from 174 funders across the UK.

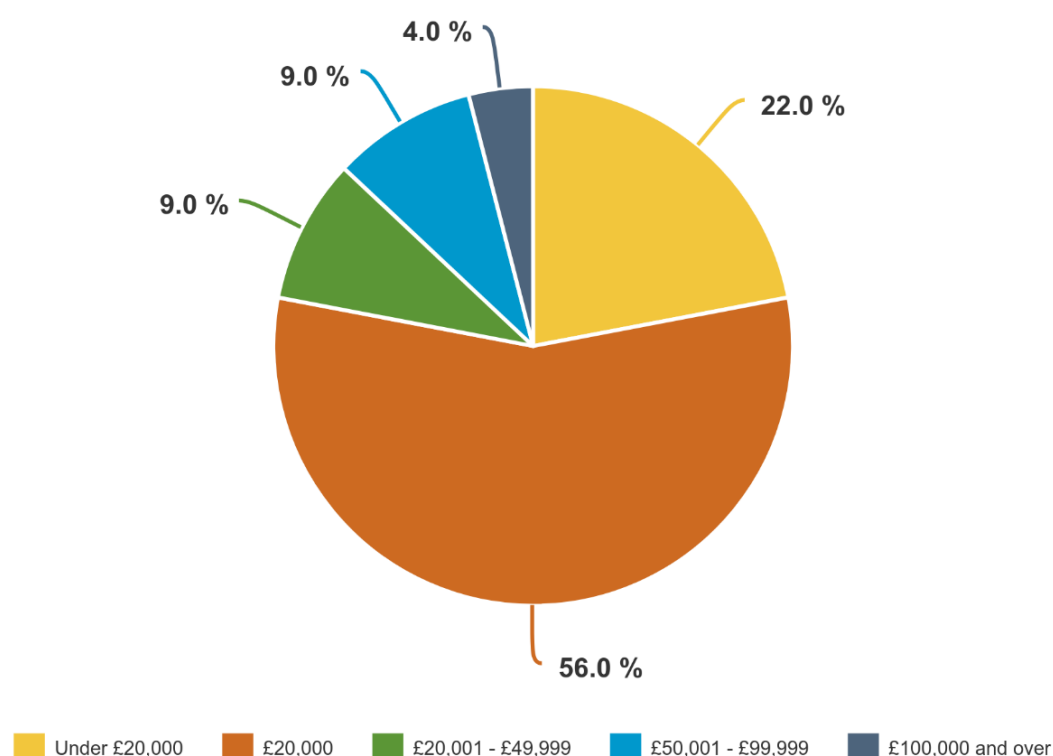
3. Analysis of PHF's Covid Response Fund

This section analyses PHF's full Covid Response Fund data (i.e. not only for those funded organisations that completed the survey).

3.1. Size and length of grant

PHF's Covid Response Fund comprised 517 UK grants with a total value of £16.6 million and ranging from £2,000 to £120,000 (Figure 1). There were a further eight awards, contributions to pooled funds and regrant, ranging from £200,000 to £1 million. The mean average grant size was £32,143 and the median average was £20,000 – 56 per cent of funded organisations received £20,000 and 22 per cent received grants of up to £20,000. Grant length ranged from one to 35 months, with an average length of six months.

Figure 1: Size of PHF Covid Response Fund grants



3.2. Profile of funded organisations

To understand how the grants were spent, it is helpful to consider grantees' previous relationship with PHF and, in particular, from which PHF fund (if any) they had previously received a grant (Table 1). Over one in five grants went to those who had received Youth Fund grants and 15 per cent went to those who had received Shared Ground Fund grants. While the majority of grants (78 per cent) went to organisations we were already funding, just over one-fifth went to those who were not currently in receipt of a PHF grant.

Table 1: Covid Response Fund grant by existing PHF funds

Organisations' existing PHF funding source	Number of Covid Response Fund grants	Percentage of Covid Response Fund grants
Not receiving a current PHF grant	116	22%
Youth Fund	116	22%
Shared Ground Fund	75	15%
Access and Participation Fund	63	12%
Ideas and Pioneers Fund	30	6%
Arts-based Learning Fund	26	5%
Backbone Fund	15	3%
Teacher Development Fund	12	2%
Neighbourhood Fund	11	2%
Act for Change Fund	10	2%
Youth Strategic Investment Fund	10	2%
Breakthrough Fund	9	2%
Not receiving a direct grant from PHF but funded through a PHF pooled fund	5	1%
Evidence and Learning Fund	4	1%
Strategic Interventions Fund	2	<1%
Voice, Influence and Partnerships Fund	1	<1%
Other	12	2%
Total	517	

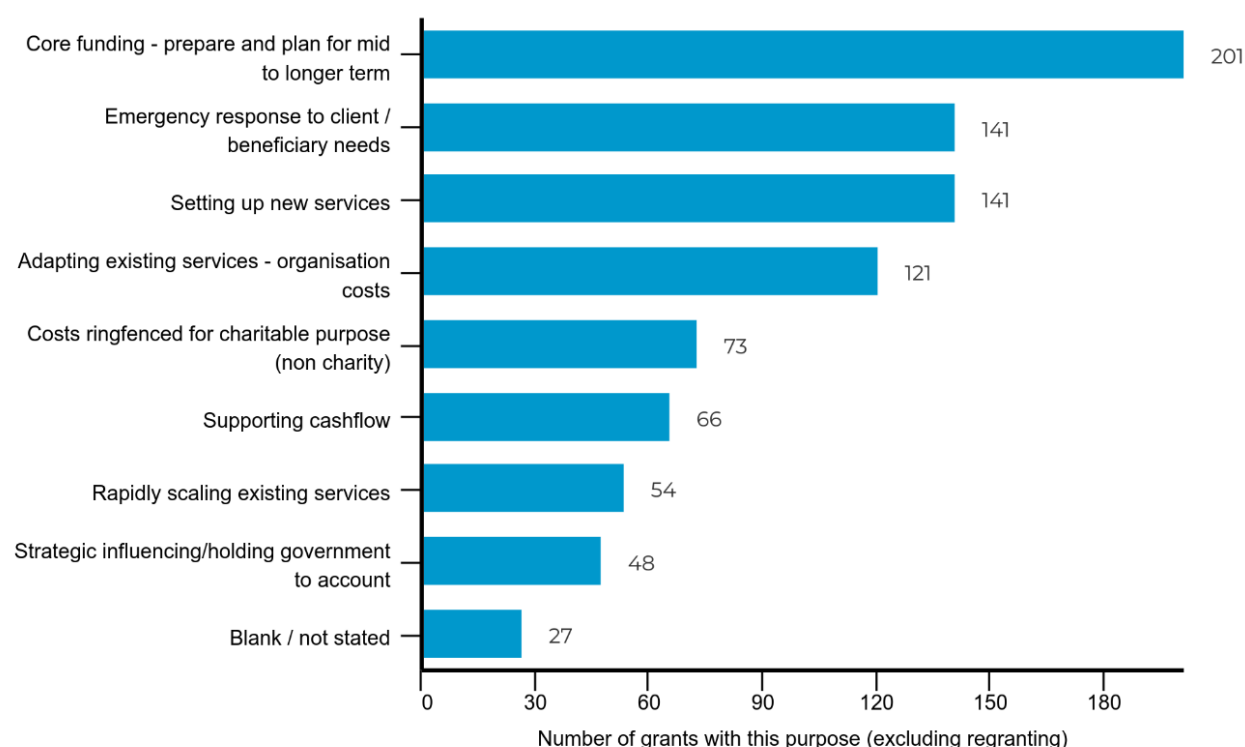
17 grants, totalling approximately £3.2 million, were regrant, that is the funded organisation distributed them to other organisations. Eight of these were for £100,000 or more.

As well as the UK grants outlined above, 99 Covid Response Fund grants totalling just under £1.5 million and 27 Post Covid Relief grants totalling £243,705 were made in India.

3.3. Classification of grants

Grants were awarded to support many objectives (*Figure 2*). Data for 473 of the Covid Response Fund grants (excluding the 17 regrant) show that emergency grants were most commonly awarded to support organisations with core funding to prepare and plan for the future (42 per cent). Just under one-third (30 per cent) of grants were awarded as an emergency response to meet client or beneficiary needs (e.g. by providing food, phones or accommodation), either directly or through frontline groups, 30 per cent were for setting up new services (e.g. the development of new systems, capacity or delivery) and 26 per cent were for organisational costs in adapting existing services (e.g. by providing new laptops, phones or systems).

Figure 2: How PHF Covid Response Fund grants were spent
(Each award could have more than one purpose)



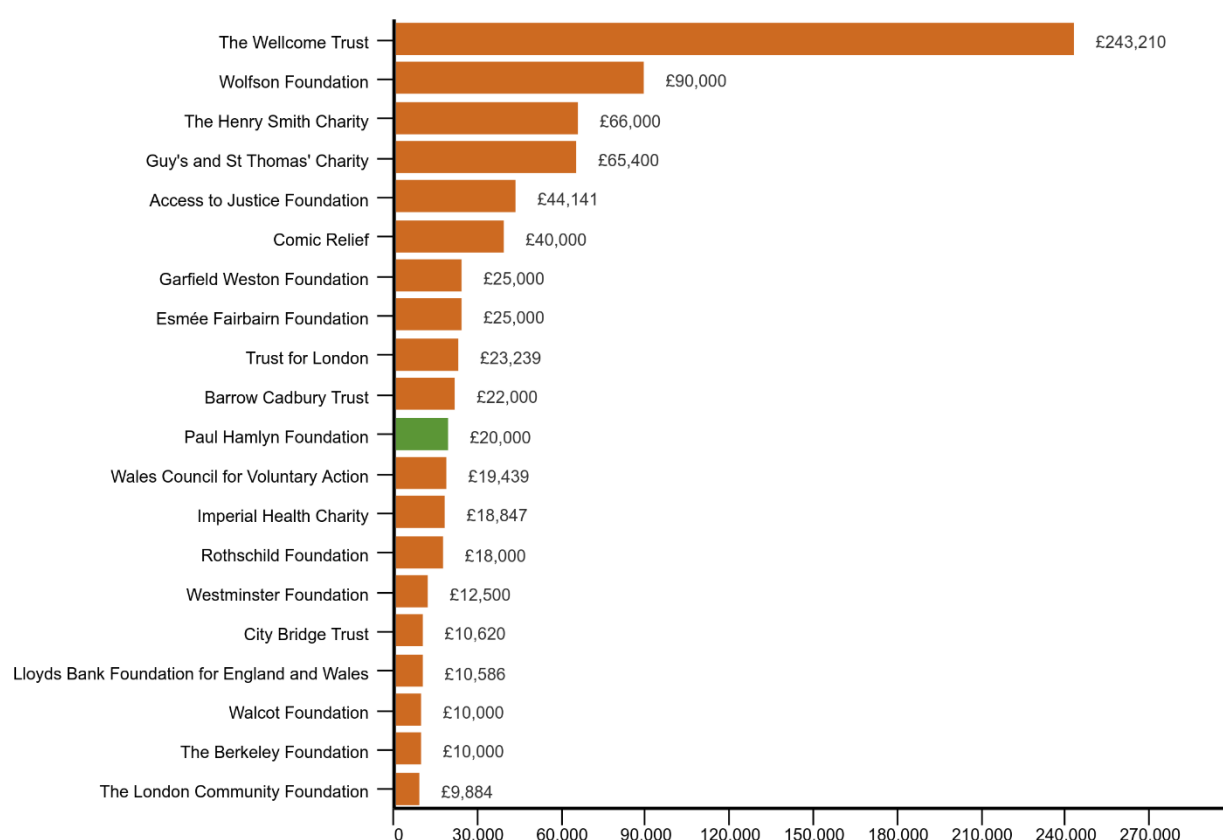
3.4. Comparing PHF's response with other funders

As part of PHF's commitment to transparency and to support learning in the sector, we openly publish our grant data in a standardised format on 360Giving, alongside 240 other funders. In February 2022, PHF commissioned 360Giving to analyse data from its *Covid-19 Grants Tracker* to better understand how PHF's Covid response compared to other funders' approaches to the emergency.

At the time, the Covid tracker included data on over 66,000 grants worth almost £2.4 billion from 174 funders across the UK. The tracker indicates the majority of Covid relief and recovery grants were classed as small grants and were most likely to go to medium-sized registered charities. Comparing PHF with funders from the 'other funds' category¹ indicates that PHF's median Covid grant size of £20,000 is the eleventh largest and is in a group of eight funders with a similar median grant size (Figure 3).

¹ 'Other funds' excludes government, National Lottery, National Emergencies Trust and community foundation funders. This analysis considers funders that made more than 50 Covid grants only.

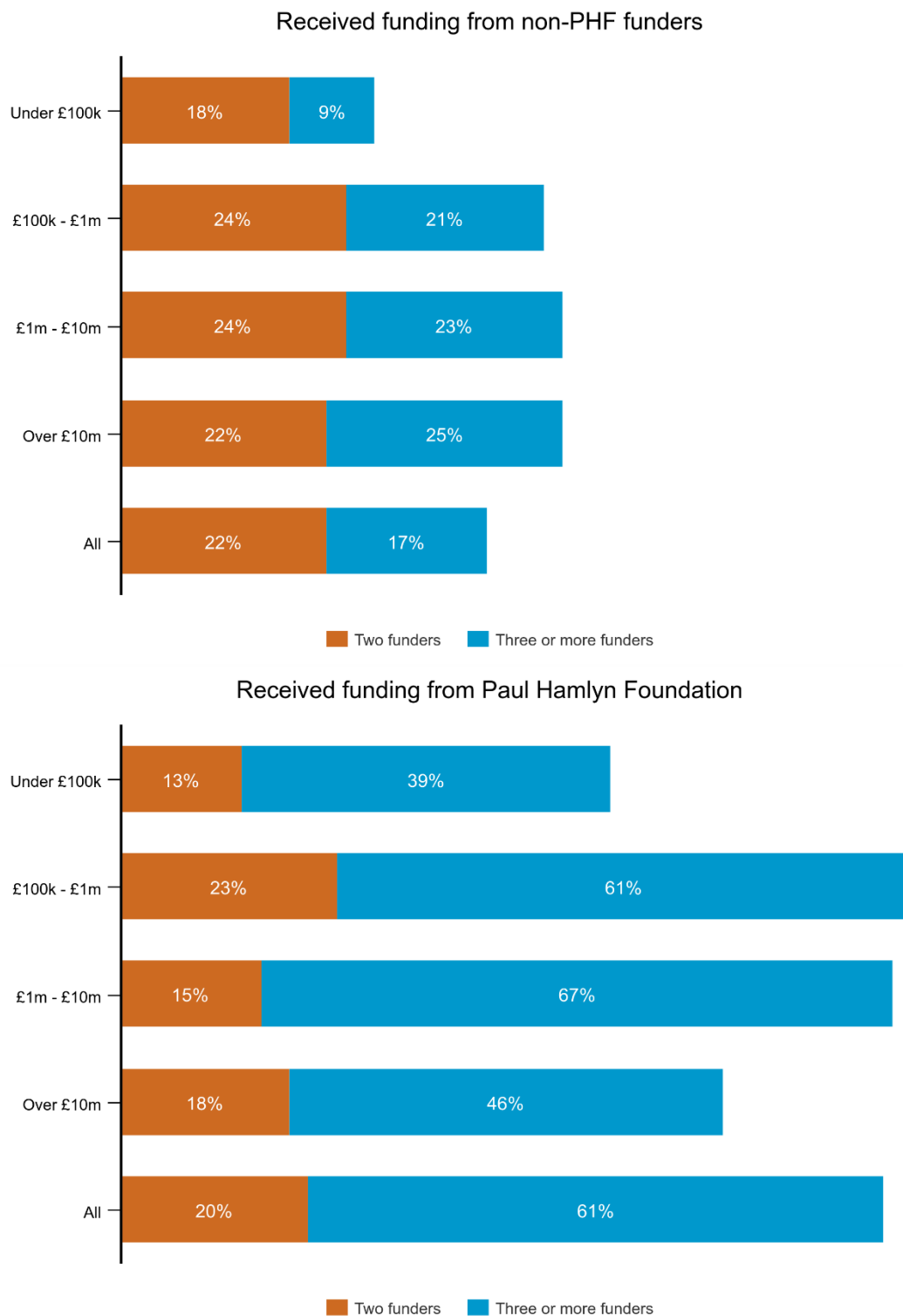
Figure 3: Median grant size for Covid relief and recovery grants, 360Giving data
(Based on the largest median grants from funders in the 'other funds' category)



While only 44 per cent of the grants in the Covid tracker dataset include the grant duration, the available data suggest Covid grants were generally for short durations, as may be expected given the emergency nature of the funding. The percentage of Covid grants of six or less months' duration was identical for PHF and other funders (76 per cent). Nearly 80 per cent of PHF-funded organisations were registered charities, which is also similar to other non-government funders.

There was considerable overlap of funders: 39 per cent of registered charities received a grant from more than one funder, including 17 per cent that received funding from three or more funders (Figure 4). This proportion was significantly higher for those receiving PHF's Covid grants, with 81 per cent of charities receiving our funding also receiving a grant from another funder, including 61 per cent that received funding from two or more other funders.

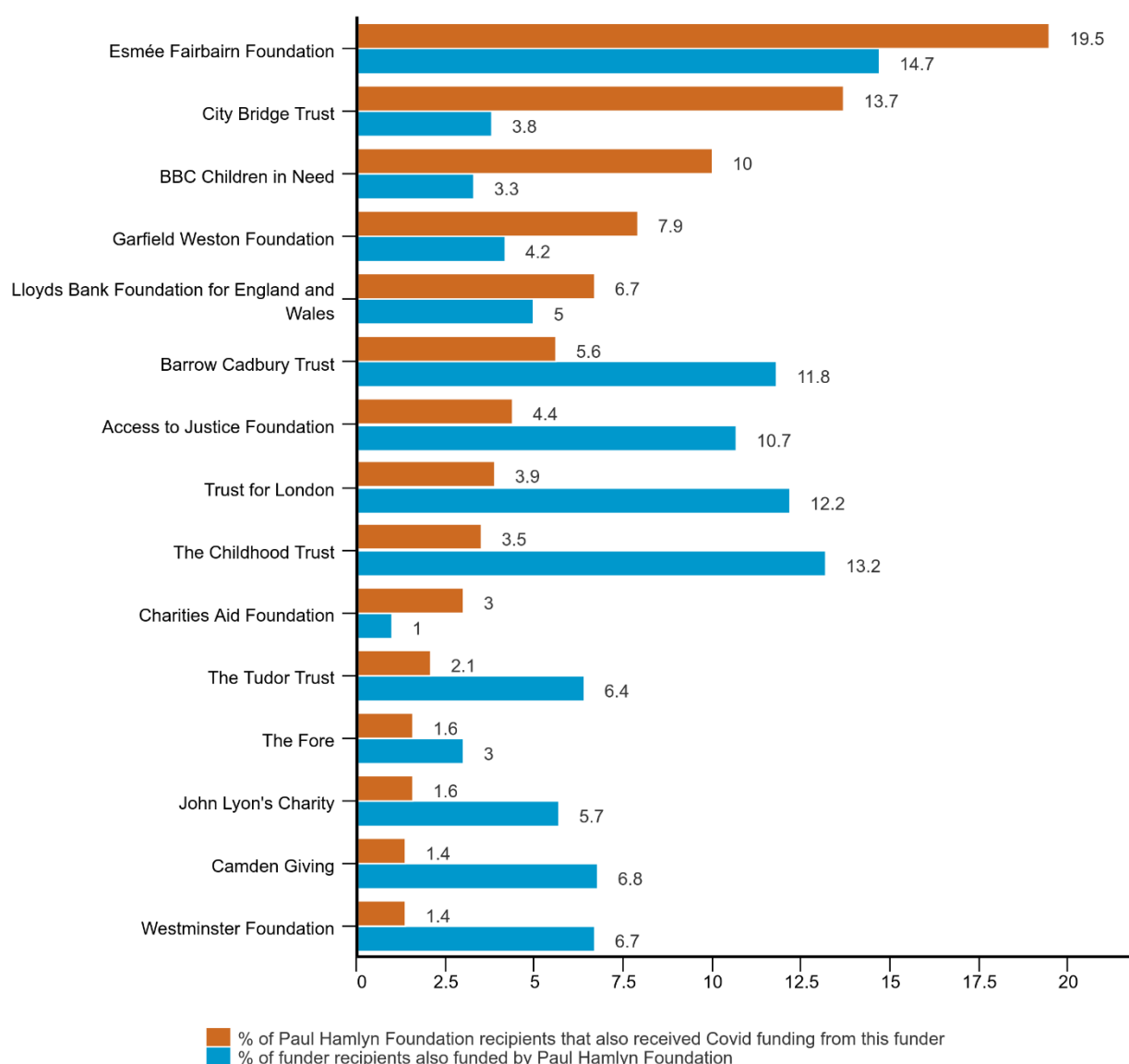
Figure 4: Proportion of all charity recipients that received grants from more than one funder, 360Giving data
(Based on all Covid funding)



There is a substantial overlap between PHF and Esmée Fairbairn Foundation grants: 20 per cent of those receiving a PHF grant also received a grant from Esmée Fairbairn, while 15 per cent of those receiving a grant from Esmée Fairbairn also received a grant from PHF

(Figure 5). In some cases, a relatively large proportion of those receiving funding from other organisations also received funding from PHF, but only a small proportion of those receiving PHF funding also received funding from these other organisations. For example, between 11 and 13 per cent of those receiving Covid grants from Barrow Cadbury Trust, Access to Justice Foundation, Trust for London and The Childhood Trust also received funding from PHF, but less than six per cent of those receiving grants from PHF also received funding from these organisations.

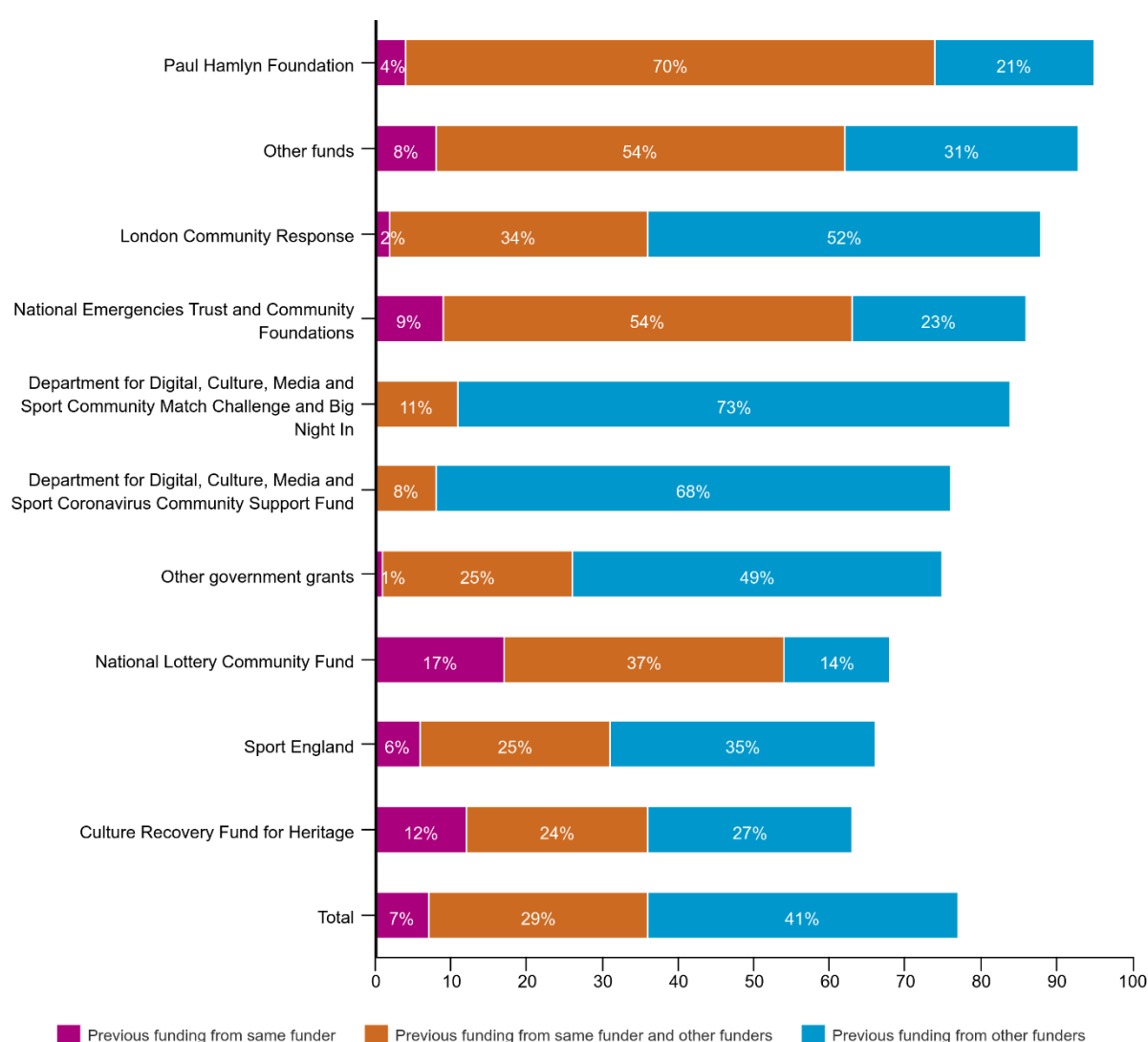
Figure 5: Shared recipients with other funders, 360Giving data



It is clear the pandemic has disproportionately affected particular communities and the organisations working in these communities often faced funding gaps. To determine whether Covid funds were reaching new organisations, 360Giving analysed whether those receiving Covid grants had previously received any grants from funders in the 360Giving dataset. To do this, they analysed grants to registered charities from funders that had published at least

four years of grant data since 2015, including data related to the Covid response. They concluded that, overall, 23 per cent of those receiving Covid grants had not previously received grants from funders in the dataset (Figure 6). This was highest for the Culture Recovery Fund for Heritage (37 per cent), Sport England (34 per cent) and the National Lottery Community Fund (32 per cent). In comparison, just seven per cent of those receiving Covid grants from other funds and five per cent of those receiving PHF Covid Response Fund grants had not received funding previously, reflecting a tendency to make these grants to those already in receipt of grants and to larger organisations with multiple existing funders.

Figure 6: Proportion of registered charities receiving Covid grants that have previously received grants, 360Giving data
(Based on funding from a subset of funders since 2015)



4. The difference made by Covid Response Fund grants

Focusing primarily on findings from PHF's Covid Response Fund survey, this section outlines some key differences the grants made from the perspectives of those receiving them.

4.1. Context

To understand the difference the grants made, it is helpful to consider the wider context in which they were made. In their responses to the survey, many funded organisations described how income from many sources was dwindling while, at the same time, the need for services was soaring. Organisations whose funding had previously been sustainable, for instance, by receiving income from a combination of contracts, grants, community fundraising and trading, were suddenly at risk. Meanwhile, the forced closure of face-to-face services prompted the rapid development of remote methods of delivery in some sectors, which enabled an increase in reach and, potentially, in demand, so compounding the pressure on already stretched organisations. Many organisations were in crisis mode and, without the capacity to consider longer-term strategies and planning, focused on immediate emergencies.

A key theme arising from the survey was the value of being awarded an unrestricted grant at this time. Around two-thirds (67 per cent) of respondents referred to the grant enabling them to deliver their core work in some form at this critical time, as opposed to focusing purely on the organisation's survival:

“[W]e had to stop all of our face-to-face delivery, which impacted our income from running training sessions by 75 per cent ... The grant has helped cover this loss and allowed [our organisation] to continue operating in the pandemic.”

“It saved our [lives]! Without this funding we would have survived in the short term, but we would not have been able to fulfil our purpose. In other words, we would have been unable to work with and support our local communities, partners and freelance practitioners.”

“I'm not sure we'd still be here (certainly not in a position to think about expanding!) without that funding.”

“Core funding was out of scope for many funders and many of our projects that had restricted funds attached to them were on hold during lockdown periods. To have a flexible emergency grant during this period of financial uncertainty took enormous pressure off the senior management team.”

As noted above, some organisations pivoted completely in response to changing needs, for instance, by delivering emergency services. Around 30 per cent of respondents reported

using their grant for alleviating serious hardship, such as delivering essentials like food, toiletries, cleaning products, mobile-phone credit and face masks. A significant proportion of the Covid Response Fund grants were used to support salaries, enabling organisations to maintain their capacity, bring staff off furlough and recruit them to new roles. The grants were also used to help staff adapt to remote working, as home working became the norm for a wide range of roles. Previously, this would not have been thought possible, even without added pressures such as shielding requirements and home schooling:

“[We used the grant to] improve our remote-working capability to ensure youth workers could/can continue to support young people from anywhere, including from home, enabling ongoing access to our services. This included training (both delivery and safeguarding) and physical equipment (computers, headsets and cameras).”

4.2. Timeliness

The difference made by the timeliness of this emergency financial support at the beginning of the pandemic was highlighted by 34 respondents. In particular, they mentioned the immediacy of the support, reflecting the suddenness of the far-reaching impacts of the pandemic on themselves, their work and those they were supporting:

“PHF were the very first of our funders to get in touch to ask how we were responding to Covid-19 and to offer a crisis grant to us. It was such a relief ... the timing was important too ... thank you very much for your invaluable support and for being such a thoughtful and proactive funder!”

“From June, we started to receive other Covid grants but [quarter one in 2020] was very difficult as most of [our] regular grants were either suspended or cancelled and we were caught in a trap. We would have difficulties with cashflow and would need to consider reducing FTE [full-time equivalent] of some of our staff, which would be disastrous for our users as we had [a] 2.5-fold increase in enquiries.”

“This gave us hugely needed unrestricted cashflow at a point [when] we already knew that critical posts were at risk and that we needed to invest in core infrastructure in order to survive.”

In addition to the value of receiving immediate financial support during this “time of extreme uncertainty”, a number of respondents highlighted how the grant provided “a huge boost to ebbing team morale” and a much-needed vote of confidence in the organisation and its work during the crisis:

“Knowing that one of our most supportive foundations was by our side during this period gave great solace to the team and bolstered our confidence at such a challenging time.”

“At a time when it was hard to sleep at night for worrying about how we were going to manage, the cash – and the solidarity – was like treasure, to be appreciated and valued.”

4.3. Relationships

Several respondents referred to how receiving the grant enabled them to create stronger partnerships and build relationships with other organisations working in the same area. They also highlighted the value of PHF’s convening efforts:

“[W]e were successful in building a partnership across a number of agencies working with ... communities to develop a single point of access [to a] hardship fund – reducing administration costs, developing relationships and streamlining access to support those in need. Previously, these organisations had not worked closely together and they now have a steering group and work more closely together.”

“One of the things we have really valued is being connected with other cultural organisations funded by Paul Hamlyn Foundation, exploring similar areas and/or encountering similar challenges ... We value this connection and exchange, be it formally or informally.”

A small number of respondents also highlighted relationships with other funders and reported they felt receiving the Covid Response Fund grant from PHF gave them more credibility in the eyes of these other funders and so had the indirect benefit of leading to further funding:

“This grant has been the catalyst for other funders to invest and believe in us.”

“[Receiving the grant] helped leverage other emergency funding.”

This reflects findings in PHF’s *Backbone Fund evaluation*, which reports how grantees “spoke of the confidence, credibility and legitimacy having a Backbone Fund grant offered them. For many this meant opening up conversations with other funders and strategic partners.”

4.4. Remote service delivery

The most common change brought about by the pandemic was the need for services to respond to sudden Covid mitigation measures by quickly adapting to remote means of delivery. This has also been explored in the *Evaluation of the Tech for the Good Build Programme* and in research on *how the remote delivery of immigration advice evolved during Covid*.

In the Covid Response Fund survey, almost half (46 per cent) of respondents said the grant helped enable them to adapt services for remote delivery, albeit with varying degrees of

success depending on factors such as the type of work and the extent of digital exclusion among the people they support. The immediacy of the grant was again important here, with some respondents noting how it gave them the capacity to innovate at speed and even to lead the way in their sector:

“It helped us to very quickly mobilise our emergency response in the early days of the pandemic without having to worry about how we would fund things. We completely adapted our service delivery model within a week and having funds to back this up meant that we could be creative, innovative and helpful in our response.”

“[The grant] enabled us to pivot and respond to the changing situation. As a result of our rapid shift, we were able to lead the sector into moving carer support online.”

Twenty-eight respondents highlighted the importance of addressing digital exclusion among their service users, whether this was due to digital poverty or poor digital literacy. Seven respondents mentioned using their Covid Response Fund grant to address some of these challenges:

“Prior to the emergency grant, we were unable to offer online provision to all our participants due to the issue of 'digital poverty'. With the majority of our participants living in areas of deprivation and [being] from low-income families, many could not access appropriate technology or the internet. The emergency grant enabled us to provide tablets and internet dongles to some of our most vulnerable participants.”

“Moving key programmes online meant that we had to actively ensure our target communities could access them. That work has not been perfect but, wherever practicable, we distributed Chromebooks and prepaid internet to key households. This has been a massive learning experience.”

A number of respondents highlighted benefits from moving online, some of which were unexpected and led to unforeseen, lasting impacts. One key benefit is how remote delivery extends reach and access, not only by overcoming a number of barriers, such as geographical location and physical access, but also by enabling anonymity. This benefits those whose gang affiliation, social anxiety or lack of confidence about public speaking, for example, may have prevented them from participating in person. Several respondents highlighted how they would be continuing to offer services online in some form even when it was no longer necessitated by pandemic restrictions.

“[The grant enabled us to] develop innovative new ways for our healthcare volunteers to provide training remotely ... The training keeps young people anonymous, which has had some unintended benefits, including being able to deliver training to groups of young people who would not be able to attend together in person due to gang affiliation or social anxiety, for instance.”

“Our programme is very successfully run online and this has widened our reach as young people who previously faced barriers (living remotely [or having] physical disabilities that prevented engagement) have been able to access our activities.”

“We will continue to do online events because of being able to link up people across the country who find it difficult to meet in person ... campaigners have reported they feel more confident public speaking in that format.”

Other participants noted that, while the experience of delivering services online had limitations, there would be value in combining both online and in-person approaches in future:

“Adding regular online meetings to the crucial relationship-building, energy-generating, in-person events (when these are possible).”

“Being unable to visit schools highlighted the necessity of in-person relationship building ... informal and spontaneous moments of reflection lead to better relationships with school staff ... [but moving online meant] practitioners were able to deliver longer one-to-one sessions with teachers than would have been possible in the school context ... Going forwards, we aim to maximise the benefits of digital learning and pair this with the human connection and relationship-building that we know [are] essential.”

Nevertheless, in certain areas of work, remote service delivery had only limited success and experiences here highlight the importance of face-to-face delivery:

“We learnt that the importance of our work is the live participatory experience we provide for children. Schools were reluctant to engage with our digital offer because they wanted the live work in their settings.”

“In-person working is preferable for work aimed at strengthening local systems of support with people seeking asylum, refugees and migrants who are destitute.”

4.5. Longer-term impact

The combination of being in what one respondent described as a “period of intense change” and being forced by circumstances to explore new approaches meant this was a period of learning and experimentation for some organisations. Without overstating the impact made by an individual grant, for some organisations, Covid Response Fund grants contributed to innovations that had longer-term impacts on service delivery and the organisations’ work, which, at times, were unexpected:

“Unexpectedly, [the grant] enabled us to test new ways of working with young people that we aim to feed into our programme going forward.”

“Some adaptations had unanticipated benefits that we will use in the future. For example, we have been able to reach a new audience of young people who live in remote areas where they wouldn’t have had access to our services. Now they can participate in support groups online. We will continue this service in future and we are exploring new approaches to enable us to blend online and offline services.”

“Throughout Covid-19, our practitioners curated a large amount of video content to support teachers remotely ... the material could be easily shared and thus benefit multiple teachers in the school ... [and also] mitigate challenges around staff turnover [which affects] programme stabilisation.”

Several respondents noted that the grant was used to implement changes that could or should have happened sooner, such as the greater use of digital technology or the creation of new roles:

“We should have had this position years ago! It’s been critical through the pandemic to establish relationships with grassroots organisations but, actually, it’s going to change the way we work even once we are out of lockdowns.”

One respondent reported that their organisation’s experiences of delivering services online had led to an entirely new strategy for the next decade:

“[Our] digital activities and developments throughout 2020 have revealed the enormous potential of digital engagement with young people around the country. What started out as activities focused on the musical and artistic development of ... musicians [involved in our organisation] has become an exciting new ambition ... to reach all teenagers in the UK. This is clearly an incredibly large ambition to which we are fully committed and will only be possible through a far-reaching digital strategy, created by and for teenagers, in collaboration with partner schools and organisations throughout the country.”

5. Experiences of PHF's Covid Response Fund grant process

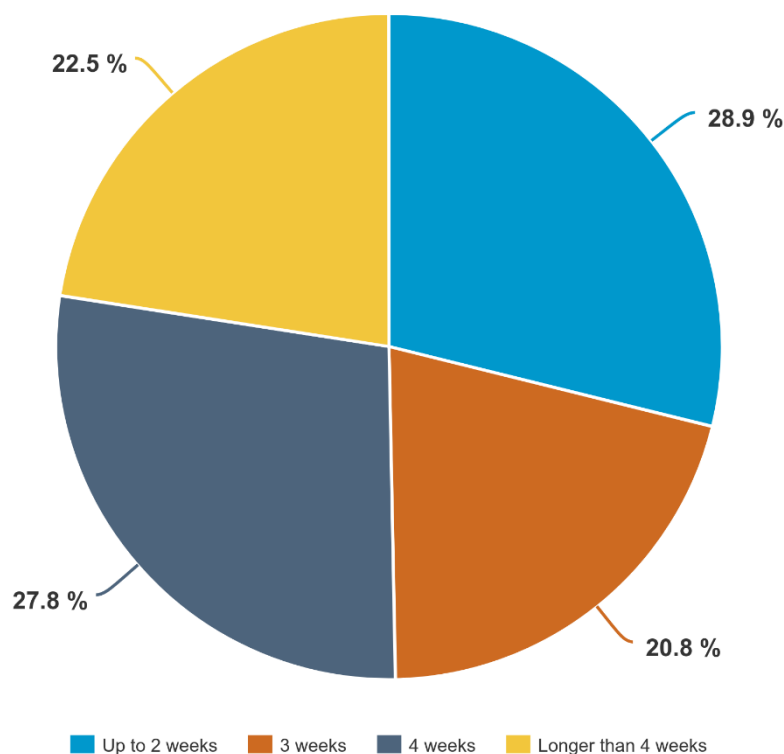
Both closed and open survey questions provoked a largely very positive response to PHF's Covid Response Fund process.

5.1. Efficient and quick process

When we asked participants a closed question about how they found the process, the majority said they found it either very easy (66 per cent) or easy (27 per cent).

Half the respondents received their grant within three weeks (Figure 7), with 43 per cent agreeing that the length of time it took was 'about right' and 54 per cent agreeing it was 'quicker than expected'; just three per cent thought it took too long.

Figure 7: Length of time to receive Covid Response Fund grant



In response to an open question about the process, 84 per cent of respondents praised it, with 52 per cent saying that nothing could be done to improve it and some even referring to it as a model. Respondents repeatedly described the grant-making process as simple, smooth, accessible, relatively quick and collaborative:

“We have been using this process as an example to approach other funders on how a simplified application process can have a great impact on a small charity like

us, not only in terms of securing funding but allowing [the Senior Management Team] within the organisation to focus on delivery, adaptations and staff support.”

“It was an incredibly smooth, supportive and straightforward process.”

Of the 37 respondents who commented on the speed of PHF’s Covid Response Fund process, 29 (78 per cent) said it was appropriately fast:

“We were delighted that funds reached our account very soon after we submitted our application.”

“It was a very smooth process, with the funding confirmed only a few days after we applied. This meant that we could start planning immediately even if the funds weren’t received for a few weeks.”

5.2. Areas for improvement

Eight respondents (22 per cent of those commenting on the speed) said that some aspects of the process were too slow. These respondents referred to both the decision-making element and the processing of the payment:

“The process was straightforward; it was just the time waiting to hear if the application had been received and was successful – it was a period of about two to three months. I do understand that Paul Hamlyn [Foundation] was particularly busy at that time, assessing grants.”

“Once the award had been made it took a while to generate the payment.”

There were 10 negative comments about the process itself, primarily relating to a lack of clarity about what was required for the application and reporting, as well as issues with administrative aspects. For example:

“[During] the first conversation, the process through which this was being distributed or how we could use the funding [were not entirely clear], and it would have helped to have that clarity from the outset.”

“There was some confusion about bank details despite this being our third grant from PHF.”

“Some of the online systems were a bit clunky.”

There was one negative comment about a funded organisation’s relationship with PHF, which highlighted a difficulty getting in touch:

“I know everyone at PHF has been really busy since we were awarded our grant, but it’s made it difficult to keep you updated and get questions answered.”

5.3. Responsive and trusting

Survey participants were particularly positive about the responsive and supportive approach of PHF staff during this time. However, albeit it beyond the scope of this report to explore further, it is also important to be aware of the pressure the Covid response put on PHF staff.

IVAR describe how PHF's wish to adopt a responsive approach to Covid began in the early stages of the pandemic, when our grant managers reached out to funded organisations to ask how they could help. This shifting of the power dynamic reflected PHF's desire to be more of a relational funder, looking to sustain more open and trusting communications in our relationships with funded organisations. Although resource intensive, this approach appears to have been appreciated by grantees while, as IVAR note, also giving us a "live" understanding of the different pressures facing the sectors we support, enabling thoughtful and agile responses as the crisis unfolded. Overall, the survey respondents largely reiterated IVAR's characterisation of PHF's emergency approach as responsive and flexible:

"[It] was liberating to be able to offer an idea at a time of crisis and be responded to with such thought and generosity of time. Having conversations about the project was so helpful, [enabling us] to continue to develop the idea in collaboration with PHF and [in] response to the feedback."

"We liked that part of the process was a telephone conversation as we could explain what we were doing and what we needed."

When asked about the process, 18 survey respondents praised PHF staff and their relationship with them, describing it as genuinely responsive, a partnership, trusting, flexible, caring and collaborative. For example:

"We feel like genuine partners, working together for [the] common good. We are open and honest and learn from each other. This humility is a powerful agent of change."

"PHF staff are fantastic in their collaborative, attentive approach to working with grantees and we genuinely feel there is an investment in our company that is beyond financial."

"Thank you for your support, the flexibility and care you've shown to grantees, and for the excellent communication. Throughout this process, we remained accountable to our grant officer, while [we] also felt encouraged to raise challenges and propose changes."

At the same time as aiming to be responsive to the pressures of the pandemic, PHF sought to be more trusting and show greater flexibility in our expectations of plans, reports and results. IVAR note the potential for this to be developed into a longer-term system that is viable for staff, while providing sufficient balance between trust and rigour. A number of

respondents were appreciative of the relative simplicity of the process, while four specifically praised the simplicity and flexibility of PHF's reporting requirements. For example:

"It was extremely efficient and straightforward, with a simple application form of one page followed by submission of financial information."

"PHF ... were very mindful of the pressures we were under during the crisis period and made the process as easy as possible."

Looking at grantholders' perceptions of PHF more generally, not only during the pandemic, the Center for Effective Philanthropy (CEP) found that grantees' perceptions of PHF's responsiveness, approachability and openness to ideas had significantly improved since the previous CEP survey in 2017. PHF are seen as responsive and flexible to changing contexts and needs, honest in our communications and demonstrating trust in our relationships. Staff are described as "incredibly supportive", "flexible" and "always helpful".

Just under half (48 per cent) of the total sample surveyed by CEP had been given a Covid Response Fund grant. In general, the responses from those receiving Covid support were largely similar to those from the full sample. There was a small number of questions to which those who had received a Covid grant were likely to give a slightly more positive response, which is to be expected. These questions were:

- How aware is PHF of the challenges that your organisation is facing?
- How comfortable do you feel approaching the Foundation if a problem arises?
- To what extent did the Foundation exhibit compassion for those affected by your work during this grant period?

6. Learning for funders

When asked what funders could do, over the next 12 months, to maximise the impact of their support for grantees or the wider sector, the responses reflected themes revealed throughout the survey.

6.1. Unrestricted and longer-term funding

Many respondents highlighted the challenge of financial uncertainty, particularly with grants coming to an end and funders “re-evaluating their strategies” or “not yet 'ready' to return to regular grant-giving”, and, for instance, continuing to “support their current portfolio rather than opening up grants to new charities”.

Over half of the 159 respondents who suggested what funders could do to support them or the sector mentioned the need for flexible, unrestricted or core funding. It should be noted that while there is a tendency for the terms ‘unrestricted funding’ and ‘core funding’ to be used interchangeably, they have different definitions. IVAR provide the following definitions:

- “Unrestricted funding: ... no strings funding that organisations can use for anything within their charitable objects
- Core funding: ... grants restricted to either a specific element of overheads (for example, rental costs or the Director’s salary) or grants available to be used for essential running costs more broadly
- Project funding: ... grants restricted to the delivery of a specific project or defined set of activities, often (but not always) including a percentage contribution towards general running costs.”

Respondents were keen to receive funding that enabled them to support core costs, invest in planning and development, and respond to changing priorities and needs, particularly when income sources were reduced:

“The biggest support funders could give [our organisation] during this time is unrestricted core funding to enable us to weather the continuing downward pressure on our income generation until we are able to [resume] our face-to-face, income-generating activity.”

“Funding core costs and allowing charities the space to respond to an unclear context and rebuild.”

“Continuing to offer flexible funding which can be used wherever there is the greatest need.”

There was also recognition of the challenge of balancing the need for immediate funding with that to sustain a medium- and longer-term focus. While acknowledging the value of immediate emergency grants, 28 per cent of respondents highlighted the need for longer-

term or continuation funding to enable longer-term planning, particularly unrestricted or core funding to enable organisations to continue to adapt:

“Emergency funds were vital but support moving forward will be equally as important. Supporting the activities such as reintegrating staff, training, opening back up and core costs will be key, not just supporting projects or new activities. It is not in anyone’s interests to just ‘return’ to how it was before, but we must use all we have learnt to move forward, and support and funding in this area will be key.”

Similarly, CEP found that one of the most popular suggestions among funded organisations was for PHF to make larger, consistent, multi-year and unrestricted funding to allow for greater flexibility, long-term stability and impact.

The focus on unrestricted and multi-year funding reflects findings from IVAR’s 2022 *Funding Experience Survey*. Designed to help funders understand how charities experience funding from trusts and foundations, and what changes would be of most benefit, the survey showed a large appetite for charities to be given funding that enables stability and control over the use of resources. There is evidence of a wider move towards core funding since the start of the pandemic, with the Community Foundation’s *Third Sector Trends 2022: finances, assets and organisational wellbeing report* showing that 60 per cent of civil society organisations in England and Wales received unrestricted or core funding from grant-makers in 2022 compared to less 46 per cent in 2019.

An emphasis on the need for funding of any kind was also evident in responses to the Covid Response Fund survey closed question about respondents’ future needs. The majority (89 per cent) of those who responded to this question said they needed further funding; support with fundraising (44 per cent); support with digital proficiency, including developing online services (43 per cent); support with evaluation (42 per cent); and support with strategy (40 per cent). When asked whether they had received evidence and learning support from PHF, approximately one in four participants said they had. The majority of these participants (40 out of 43) found it very or extremely useful, with the remaining three agreeing it was ‘somewhat useful’. This support most commonly involved looking at funded organisations’ overall evaluation (19 out of 46 who answered the question), their post-Covid evaluation needs (18 out of 46) and their evaluation framework (16 out of 46).

6.2. Flexibility

Reflecting the responses about PHF’s Covid Response Fund process, 40 per cent of respondents emphasised the importance of flexibility in relation to how the grant is spent, application processes, monitoring, reporting, outcomes, timescales and deadlines:

“The most useful thing in the last year has been funders being flexible in how we use grants and having trust in us that we will use them to achieve the same impacts but in different ways. It would be useful if this type of support could continue in the year ahead which is also so uncertain.”

“PHF’s flexibility in reporting deadlines have been critical in enabling us to continue to apply for funding to support the organisation.”

Similarly, IVAR’s *Funding Experience Survey* found respondents were keen to be trusted to adapt and change project plans and budgets, if needed.

Respondents to our survey made 15 recommendations related to reporting, mainly supporting the idea of a simplified, minimal or light-tough approach to reporting, so “lessening the administrative burden” and enabling charities to focus their efforts on their core work. Respondents appreciated clarity about reporting requirements in good time, so enabling planning, as well as receiving online survey questions in a Word document. Participants also encouraged funders to be flexible about the types of document they would accept as grant reports and about meeting targets or outcomes:

“[When] we are reporting on our targets/outcomes, it would be good for funders to be flexible – to accept that even meeting 50 per cent of targets is a major achievement in this period – and not to compare organisations when some have been able to achieve higher targets/outcomes than others due to [the] circumstances of [the] pandemic (e.g. some staff teams may have had more vulnerable/or shielding or more home schooling).”

“Funders making their application and reporting process more transparent / simpler is incredibly important for our small and under-resourced teams.”

“We have five funders [for one project] all of whom require a different method for reporting (apart from PHF). If we could put **all** our evaluation and reporting energy into **one** report instead of four, that one report would be much more useful and probably more valuable. Although we do very good reports, we are doing **four** very good reports, which means the team are overworking.”

One respondent highlighted how “unnecessarily cumbersome” application processes “cause stress, burnout [and] illness, and affect our ability to deliver other work”. They highlighted the importance of thoroughly testing the application portal from the applicant’s perspective and recommended providing a Word copy of the online application form as “nobody writes their application straight into a portal; everybody drafts them carefully in Word first”.

7. Conclusion

Covid Response Fund survey respondents were generally positive about PHF's Covid response. The survey findings go some way to illustrating the difference the grants have made to grantees and beneficiaries. From providing direct emergency services to people experiencing disadvantage to enabling organisations to stay afloat, continue their work and retain their staff, respondents repeatedly praised the value of these quick, flexible grants, as well as PHF's responsive and supportive approach.

Research by 360Giving suggests PHF's response was reasonably typical for funders in their 'other funds' category in terms of the size of grants and who received funding. There was a large amount of overlap with other funders and a clear focus on organisations that were already receiving funding, which raises questions about the emphasis that should be placed on reaching out to new organisations.

The themes that come across from the survey responses largely correlate with those highlighted by IVAR in their review of PHF's response to Covid, as well as PHF's own reflections on grant-making during the pandemic. In particular, the value of a flexible and responsive approach are noted. The emphasis respondents place on the importance of core funding feeds into long-running debates about a greater need for core funding. As noted above (6.1), there is evidence of a wider move towards core funding among funders since the start of the pandemic.

The survey responses illustrate how the pandemic has both accelerated and provided opportunities for the use of digital technology to change how organisations work and how services are delivered, with, at times, unexpected and potentially long-term impacts. The grants were used in many ways in relation to this, from assisting funded organisations to innovate and adapt their services to online delivery to supporting staff adjusting to remote working and addressing digital exclusion. This needs to remain an ongoing priority for the sector, as one respondent noted:

“Support the drive to ensure digital inclusion for all – this is a major social justice issue that we need to be more vocal [about] in making sure that this remains close to the top of our priorities going forward. Additionally, ongoing support [is needed] to help the third sector embrace the digitisation of their services. This is no longer the future: this is now. However, the third sector needs a lot of help and additional resources to make better use of the new technologies available to us now.”

As described in *A Year Like No Other*, PHF's reflections on UK grant-making in 2020/21, we are keen to use the experience gained through the pandemic as a catalyst for improvement in both the shorter and longer term. Similarly, IVAR report a strong desire at PHF that this year should be transformative and that we should hold onto and build on the positive changes to our practice and relationships driven by the crisis. This led to the reopening of PHF's grant-making programmes at the end of October 2020, with a more flexible funding offer and simplified processes. We have also introduced an 'enquiry call' option for some

funds to provide guidance and support to potential new applicants. These steps are part of PHF's ongoing attempt to be more user centred in our approach – an approach that findings such as these will feed into.

The majority of respondents completed our survey at the height of the pandemic, so the responses reflect the immediate pressures and challenges of the crisis. However, the learning continues to be relevant in light of the ongoing challenges exacerbated by Covid and other pressures, such as the cost-of-living crisis, and in relation to potential future emergencies. For instance, IVAR's recent briefing about charities and the cost of living crisis, *In the Face of Overwhelming Need*, suggests there are lessons to be learnt from funders' response to Covid. A number of charity leaders consulted by IVAR said they would like to see funders initiating conversations with grantees – as a number did in the early days of Covid – and continue this approach of facilitating open and honest conversations about the challenges they are facing and the changes that would help them, without worrying this may affect their funding. This reflects our findings in the Covid Response Fund survey, where grantees highlighted the importance of the open and trusting relationship that many experienced with PHF at this time.

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