 

**RISK: FLEXIBILITY VS. DUE DILIGENCE**

**20TH OCTOBER IVAR & YORKSHIRE FUNDERS FORUM WORKSOP**

**HEADLINES FROM SESSION**

1. Risk appetite and the freedom to take more risks is influenced by the roots, values and ethos of a foundation. Family and faith-based foundations may be able to ‘*be less risk adverse, flex, and duck and dive*’ than corporate foundations where ‘*the approach to risk and ability to change depends on where the power lies*’, and what kind of mandate exists for risk-taking. In both cases, articulating what the ‘risk culture’ is and how that translates into processes is really important; the starting point for this might helpfully be a focus on what target beneficiaries (i.e. grantees) need most to carry out their work.
2. A key aspect of thinking more deeply and flexibly about risk is the composition of the Board. More diverse perspectives and ‘lived experiences’ can help foundations translate their appetite for trying out new approaches or funding in new areas.
3. It may also help to conceive of risk more as an ‘*opportunity to try new and different things*’ rather than something to be avoided or feared. For some, ‘*the obstacles to risk are in our own head. There may be a tendency for Trustees to feel a deep responsibility to be more cautious, but that may not be necessary. We can free up our mindset to take more risk, as long as we do it responsibly and for sound reasons*’.
4. For some, a desire to ‘be more equal, diverse, inclusive and accessible butts up against risk’. It raises concerns about creating greater demand and, in turn, rejecting more applications, and ‘subjecting applicants to more wasted effort and disappointment’. Strategies to address this include:
* Developing clear eligibility criteria and using online eligibility checkers
* Being available for telephone calls at the outset of an application process, and indicating prospects at that early stage
1. Key to this more proactive and transparent approach is a particular mindset about the application experience: ‘*less chance of failure*’ and, by implication, more chance of success. This approach feels respectful of applicants’ time and the pressures they are likely to be under.

Link to Tudor Trust work in Hartlepool: <https://www.ivar.org.uk/stepping-outside-the-normal-the-tudor-trust-and-small-grants-in-hartlepool/>