

Moving to Unrestricted Funding

Mike Sawkins & Gil Newman

The Talbot Trusts



Established in 1955, initially providing funding to hospital-based social workers

Remit widened in 1980 to include funding for community-based social workers plus health-related charities working in Sheffield and the surrounding areas

Grants to charities had always been restricted to specific (new) projects but in 2024 we decided to move to unrestricted funding

Motivation



IVAR presentation describing how unrestricted funding:

- saves time and effort for applicants and grant recipients
- leads to more resilient charities which can better respond to communities' needs
- **is just as good as restricted funding at delivering funders' priorities and desired impact**

Had clearly been on trustees' minds as the decision in principle to go ahead was very quick!

Issues to Work Through



Trustees did not raise any objections as such, but some specific 'wrinkles' were identified which we needed to work through

Loss of our ability to evidence the specific, direct impact of our funding

No great insight as there is no 'solution' to this problem

Nevertheless, useful to discuss and confirm we were happy to accept it - shift of mindset to just celebrating totality of grant recipients' achievements and our contribution to them

Issues to Work Through



What do do about 'part-eligible' organisations such as:

- Those with a wider geographic area of benefit
- Those whose primary purpose is not health and wellbeing but who do some relevant work (e.g. arts charities)

Simple solution would be to say they're ineligible and focus on organisations where all of their work fits our priorities

Quickly established this was not what we wanted to do, but also that in some cases we would not be able to award them unrestricted funding

Issues to Work Through

Question - how to draw a clear line between those organisations eligible for unrestricted funding and those which aren't?

Discussed options such as:

- operating two separate funding streams and asking applicants to choose which to apply for
- defaulting to restricted funding and asking applicants to justify asking for unrestricted funding

Issues to Work Through

Question - how to draw a clear line between those organisations eligible for unrestricted funding and those which aren't?

Discussed options such as:

- asking organisations which are part-eligible to contact us to discuss whether we would accept a restricted application
- setting a threshold for what proportion of work must be eligible for organisations to apply

Issues to Work Through



In the end, we had to remind ourselves that the goal here was to be a 'better' funder and make life easier for local charities, so accepted taking some additional leg work on ourselves

We ask applicants to describe:

- All the work their organisation does, whether they think it is eligible for our funding or not
- Which bits of their work fit with our priorities and how
- Who they help and how many of them are from Sheffield

Issues to Work Through



We then make decisions about whether to restrict a grant on a case-by-case basis

Individually and collectively, we do any additional research we feel we need in order to make these decisions

Also reminded ourselves that we would learn more by doing and that reflections on our first unrestricted funding round would give us a much clearer picture of what works and what doesn't

Practicalities & Processes



We obviously had to update our application form and guidance (this was a significant piece of work but has led to a simpler form, which is better for us and for applicants)

As this is a big shift, we made sure to actively communicate the change to applicants (e.g. through our website and social media)

For each funding round, I prepare a spreadsheet which summarises the key information from all the applications. With a simpler form and focus just on the organisation, rather than the detail of a specific project, this was quicker and easier

Practicalities & Processes



This created more time to work on insights and information to support decision-making, including:

- Due diligence and background research, especially for organisations which are not registered charities (e.g. checking websites, social media, interrogating finances)
- Analysing and summarising how applications fit with our priorities (e.g. specific areas of health and wellbeing, types of activity, beneficiary numbers and demographics)

Reflections So Far

Our first unrestricted grants meeting was only last week, so more learning to come, but 'hot off the press' first thoughts:

- Although trustees had obviously reviewed applications in a slightly different light, the change didn't significantly impact the feel, flow or structure of the meeting
- Trustees found the applications more straightforward to review (again due to simplified form and focus just on organisation not detail of a specific project)

Reflections So Far



Our first unrestricted grants meeting was only last week, so more learning to come, but 'hot off the press' first thoughts:

- We anticipated a challenge in terms of how to compare/prioritise between applications where we felt able to award unrestricted funding and those where we felt we would need to restrict the grant
- This wasn't an issue in practice - we discussed applications in much the same way as ever and once we had decided which organisations to fund, we reviewed to see if we felt any needed to be restricted (only 1 of 15 this time)

Reflections So Far



Our first unrestricted grants meeting was only last week, so more learning to come, but 'hot off the press' first thoughts:

- Time saved on discussing details and intricacies of projects was instead spent discussing things like charity governance, decision-making and strategic planning. Trustees agreed this was a positive shift

Reflections So Far



Our first unrestricted grants meeting was only last week, so more learning to come, but 'hot off the press' first thoughts:

- We now ask for some additional financial information from applicants, including a whole organisation budget for the current year
- To avoid unnecessary additional work for applicants, we didn't specify a format for this with the intention that they could use documents they already had

Reflections So Far



Our first unrestricted grants meeting was only last week, so more learning to come, but 'hot off the press' first thoughts:

- In most cases the information was clear and easy to understand, and gave us what we needed to be reassured about organisations' financial robustness
- However, this was not true of all applications and we are considering whether to provide some additional direction in terms of the format for the figures, as well as what commentary/context is helpful alongside them

Conclusions & Next Steps



It's early days but the switch to unrestricted funding has been incredibly positive for the Trusts so far

We have had some positive comments from applicants too, but will be asking all applicants for more structured feedback when we send our decision letters

Based on this, we will take time to reflect, individually and as a group, about what we could do better for our next funding round in May/June

Any Questions?