A rebalancing act

How funders can address power dynamics

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Introduction

Philanthropy is an incredible source for good. Millions of lives are changed by the generosity of individuals and foundations. Yet there is an innate power imbalance at the heart of philanthropy. Funders hold the money, which traditionally comes with power over the recipients of funding and what they do with the funds.

In recent years, the power held by funders has come under increased scrutiny. Several high-profile books have called into question the sources of philanthropic power and the legitimacy of how funders exercise power.[1] Whilst these critiques have tended to focus on so-called 'elite philanthropy' in the USA, they have stirred up wider questions about the balance of power in philanthropy, which have echoed around the UK sector as well.

NPC held three seminars in 2019 on power dynamics to explore how funders and charities are responding to these critiques of funder power and how our sector could achieve a healthier balance of power in British philanthropy. Our seminars were open-invitation and attended by a mix of foundation staff and trustees, philanthropists, charities, funder umbrella bodies and other social sector leaders.

Our conversations suggested that:

- Power is not intrinsically bad, but many think there is an unhealthy balance of power between funders, grantees and communities. There is a desire for funders to reflect on and rebalance their power. This is about more than sharing power; people find it damaging when funders don't see, 'own' and wield power for good.

- There is a strong desire amongst foundation staff and philanthropists to 'go beyond hand-wringing' and to actively address power dynamics. Our seminars discussed how individual funders are already taking action to share, wield, build and shift power.[2] But many funders don't know where to start. We found plenty of appetite for practical guidance on what funders should focus on and actions they could take.

- Everyone has a role to play in rebalancing power, but those with the most power must take the lead. Philanthropists and foundation trustees can transform how their organisations act on their power, from diversifying their decision-makers to using their influence for good. Grant-making staff can influence how power plays out in day-to-day interactions, from redesigning application processes to creating spaces for change. Grantees and communities also have roles to play in challenging and encouraging funders to do better, but they cannot reasonably be expected to drive change when they are dependent on funding.[3]

This paper responds to the appetite to 'go beyond hand-wringing' by giving funders practical ways to address different power imbalances. We have written it for staff and trustees in philanthropically-funded trusts and foundations working in the UK, and for individual philanthropists. We want you to feel confident taking these tangible ideas back to your work and using them as a basis for change.

This paper covers:

- What we mean by rebalancing power in philanthropy.
- Why it is important for funders to rebalance power and the harm of not doing so.
- How to rebalance power through focusing on yourself, grantees and communities, and your goals.

This paper builds on what we learnt from our seminars, alongside subsequent case studies from funders across the sector on how they are approaching power dynamics. We also draw on the wider literature about power in philanthropy and signpost to work that others are undertaking.

What do we mean by rebalancing power?

Rebalancing power in philanthropy means getting the right balance for how funders harness their power to maximise their impact, both individually and collectively. The right balance of power will be different for each funder and there are no one-size-fits-all solutions. Nonetheless, we think funders across the sector can improve how they think about and harness their power to increase their impact.

There are two ways to think about this balance of power which we've found useful:

1. Power over, power to and power with

Funder power is often thought of in terms of their power over grantees and communities. But funder power is more complex than simply 'power over' others. Funders also have the 'power to'. They have the power to take risks, to innovate, to work on marginalised causes, and to take a long-term perspective. Such 'power to' stems from their independence and their range of assets. Meanwhile, working with others, funders can tap into 'power with'—the power that comes from building coalitions with others and supporting collective action.[4] Rebalancing power involves getting a healthy balance between these ways of exercising power.

2. Sharing, building, and wielding power

Rebalancing power is typically taken to mean shifting power from funders to grantees and communities. This is rightly receiving a lot of attention across the sector: from the Civil Society Futures inquiry to the #shiftthepower movement.[5] But power is not a zero-sum game: funders do not always have to give up power in order to build power in others. Similarly, there are times when funders can wield their existing power better to benefit the sector or a social cause. The National Committee for Responsive Philanthropy in the USA argues that it is important for funders to balance sharing, building and wielding power to achieve lasting impact.[6]

Whichever framework you use to think about power, the important thing is to consider the overall balance. This includes thinking about how the ways that you work with power complement each other. For example, your legitimacy and effectiveness in *wielding* power as a funder depends on how well you also *share* and *build* power. If you want to influence government policy on a social issue, you will be much more effective if you listen to grantees and communities affected by the issue and build their capacity to act on it.

The right balance will be different for every funder and will depend on your sources of power and the impact you hope to have.

Why try to rebalance power?

There is an intrinsic moral case for funders to rebalance power: an unhealthy power balance is a social injustice at odds with what many funders stand for. One American commentator argues that 'looking to a kind of generosity of power instead of money can bring some moral and practical clarity to using existing pools of wealth to make the world a better, more just place.' [7]

Regardless of philosophical debates, there is a utilitarian case for funders to rebalance power to achieve greater impact. In short, a healthy power balance lets funders maximise their impact on the issues that they care about.

Funders can achieve impact in several different ways, all of which can be undermined by power imbalances:

Figure 1: How power imbalances undermine impact

A direct impact on people and communities through **funding charities** to deliver services.	Power imbalances can limit funders' ability to **understand** the issues they wish to influence and make effective decisions.
A wider impact on organisations, such as helping grantees and investees to become more efficient and effective through **capacity-building** work.	Power imbalances can limit grantees' and communities' ability to thrive; and **undermine relationships** between funders, grantees and communities.
A direct impact on social issues via their **own activities**. For example, by convening roundtables, commissioning research or raising public awareness around an issue.[8]	Power imbalances can limit funders' ability to **influence** social issues and achieve their goals.

Power and understanding

As the table above shows, power imbalances risk limiting funders' ability to understand the issues they wish to influence, thereby hindering effective decision-making. For example, the people closest to a social issue—whether in frontline organisations or communities—will have a unique perspective on how to act on the issue for maximum impact. If these people with practical knowledge have no power in the grant-making process, then funding decisions are more likely to replicate funder blind spots or misguided assumptions.

Failing to welcome a plurality of voices to the table diminishes the legitimacy of funders' strategic decision-making. Compelling voices remain unheard and vital insights are missed when power is concentrated in a few hands. For example, when people of colour are not represented in decision-making roles then funders will fail to develop a robust understanding of social issues affecting individual communities of colour:

'We know from our work and from comments from other organisations led by people of colour, that a majority-white-led organisation will lack the insights and expertise to understand social issues affecting communities of colour.'

Raheel Mohammed, CEO, Maslaha, ACF blog[10]

Power and relationships

Secondly, power imbalances can limit funders' wider impact on grantees and communities. Poorly designed application processes, unnecessary grant restrictions and onerous reporting requirements can all undermine grantees' ability to pursue their goals. Rather than building organisations' capacity, funder processes can leave social sector leaders 'disillusioned, disheartened and exhausted.'[11]

Many of these problems stem from a lack of funder accountability and feedback mechanisms, meaning that grantees and communities have no way to let funders know how they would like things to be different. Behind the scenes, organisations and community leaders report feeling at the mercy of funders' priorities and forced to 'dance their tune.'[12] Few are willing to speak out publicly, as they are dependent on funding. Put simply, you don't bite the hand that feeds you.

Yet problems also arise from funders not recognising and using their power to maximum impact. Charities express frustration that funders fail to own their power in the grant-making relationship. Rebalancing power involves careful consideration of when to share power and when to wield it.

'When you give us feedback on an unsuccessful grant application, be honest. Don't just say: "Yours was a great application and there's nothing that could have made it better, we were just inundated with good quality proposals." In other words, own your power.'

Anonymous charity CEO, Blagrave Trust blog[13]

Power and influence

Finally, power imbalances can limit funders' ability to influence social issues directly. This might be the result of not sharing or building power. For example, missing opportunities to share knowledge, support movements or use your platform to amplify the voices of others. Yet problems also arise from funders not recognising and using their power for maximum impact, such as missing opportunities to convene people, leverage your investments, or influence policy and practice. Charities express frustration that funders fail to own their power in the grant-making relationship.

Rebalancing power involves careful consideration of when to share power and when to wield it. The right balance of power and how to harness it to influence change will be different for every funder. In our seminars, there was appetite for funders to go much further in using their power to advance their mission.
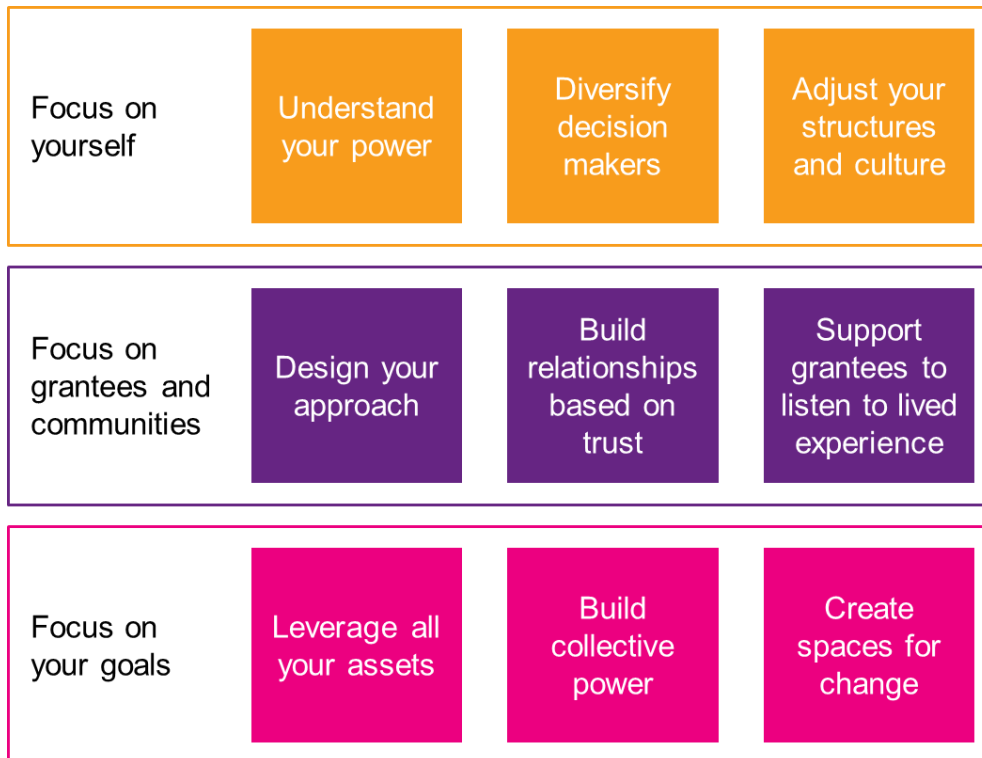
How can funders rebalance power?

Just as power imbalances can undermine funders' impact at three levels, so we recommend that funders focus on rebalancing power at three levels.

1. **Focus on yourself**: Rebalancing power in your organisation will help give you a deeper understanding of the issues you work on, so that you can make effective decisions. A good place to start is understanding your power and how it affects others. Rebalancing power also means diversifying your decision-makers and reforming your organisational structures and culture.

2. **Focus on grantees and communities**: Rebalancing power in the grant-making relationship will support grantees and communities to pursue their goals. You can have a significant impact through (re)designing application and reporting processes to meet both your goals and the applicants' goals. You can also reset the grant-making relationship through approaches like trust-based philanthropy. And you can rebalance power in your wider sphere of influence through supporting grantees to listen to lived experience.

3. **Focus on your goals**: Sharing, building and wielding power in new ways in pursuit of your goals can help increase your impact on the social issues you care about. Consider how to leverage all your assets for change, from your influence and convening power to your investments and physical buildings. Look at opportunities to build collective power and create spaces for change.

The examples and issues we highlight are by no means an exhaustive list what funders need to tackle, but we believe they are a brilliant place to start. We welcome feedback on the issues.

Figure 2: How funders can rebalance power

Focus on yourself	Understand your power	Diversify decision makers	Adjust your structures and culture
Focus on grantees and communities	Design your approach	Build relationships based on trust	Support grantees to listen to lived experience
Focus on your goals	Leverage all your assets	Build collective power	Create spaces for change

1. Focus on yourself

Understand your power

The first step in rebalancing power is to understand your power. As one of our seminar participants pointed out, 'few interactions are power neutral.' Yet funders don't always realise—or care about—the power they have and how it affects others. Illuminating this 'power blind spot' is a prerequisite for harnessing your power better.

Start by understanding where your power comes from and how it manifests itself in your work. Figure 3 shows the main sources and types of funder power.

Figure 3: Sources and types of funder power

Wealth　　Status　　Privilege　　Access

Independence　　Information　　Time　　Ability to set norms

Wealth: Wealth is the most obvious source of your power as a funder. Your balance sheet—or that of your organisation—underpins everything that you do. Your wealth translates most obviously into power through your ability to make or withhold grants and investments. Charitable foundations in the UK gave an estimated £6.5 billion in grants in 2017/18.[14] There is arguably no greater expression of a power imbalance than a group of people with money and resources voluntarily agreeing to transfer them to people in need of money and resources. As a funder, the harsh reality is that you effectively pull the strings of people's livelihoods and the things that they get to work on.

Independence: Independence adds an important dimension to your power, which can be very positive. Independence is the power to go against the grain. The £6.5 billion of grants given annually by UK charitable foundations may be less than half of what comes from government (£15.8 billion in 2016/17),[15] but its impact is amplified by foundations' independence.[16] As an independent funder, you can take more risks, support unpopular causes, address immediate need or work towards systemic change. You will typically face fewer constraints on how you spend the money than your peers in other sectors.

Your independent wealth is at the heart of most other sources of your power as a funder. These include:

- **Status**: Funders hold a lot of visible power in the form of their organisational or individual status—their standing or position in society. Foundations are formal institutions with heritage and authority, and philanthropists too are often held in high regard. At the staff level, many people who move from grant-seeking to grant-making roles report being treated completely differently. Overnight they can suddenly feel much more influential; people seek out their opinion, claim to agree more with them and challenge them less.

- **Privilege**: There are no reliable demographic figures for philanthropists in the UK, but foundation trustees tend to come from groups of people more likely to enjoy existing privileges in society. 99% of foundation trustees in the UK are white, 68% are male, and 58% are aged 64 or over.[17] Funders' power is intertwined with the privileges more likely to be held by people in these groups, which are in turn connected to wider structural inequalities across society.

- **Access**: Funders benefit from disproportionate access to the corridors of power and the rooms where decisions get made. Foundation staff and trustees are regularly invited to events or to join boards; they are more likely to be able to pick up the phone to somebody and get through or arrange a meeting.

- **Information**: Funders often have more or better information than those they fund, creating an 'information asymmetry' at the heart of the funding relationship. This is most apparent in the grant application process where funders know more than grant-seekers about the decision-making criteria, process, context, people involved and previous grants made. But it also occurs when funders fail to share knowledge and data they have accumulated across their work with the wider sector.

- **Time**: Funders possess the luxury of time. Many charitable foundations have existed for decades or even centuries and can draw on their history to take a long view of current social issues. Regardless of how long a foundation or philanthropist has been giving away money, their independent wealth means they can work to longer time horizons than those dictated by political cycles or the 'fundraising treadmill'.

- **Ability to set norms**: Stemming from all their other sources of power, funders hold a more invisible form of power—the ability to set norms. Funders can define norms and values through setting the boundaries of programmes. For example a social justice grants programme can influence how social justice is understood. They can also determine sector norms through the way they make decisions, for example through supporting certain organisations they shape what is considered 'effective', 'risky', 'innovative', or 'high-impact'.

Understanding your power is best done through a reflective process involving both staff and trustees. Use the types of funder power outlined above as a starting point for an internal conversation about the power you hold and how you exercise it. You can also ask external stakeholders—grantees, communities and peer funders—for their perspectives. Given the power dynamics in play, it is worth running an anonymous survey or an externally facilitated focus group so stakeholders feel comfortable sharing their views in confidence.

Case study: Exploring power with grantees, staff and trustees

In 2017, the Paul Hamlyn Foundation wanted to better understand its power and how best to use it. Since launching its strategy in 2015, the foundation had seen rapid political and social change: austerity, a shrinking space for civil society, and a disconnect between communities. The foundation wanted to understand how it could best exercise its power in this challenging external environment. It listened to feedback from grantees, staff and trustees and reflected on how it could change the ways that it worked.

Several changes emerged from this reflective process. Recognising its power as an independent foundation to support the long-term health of civil society, the foundation launched a 'Backbone Fund' to support sector-critical organisations at a time when government grants were being withdrawn. Recognising its power to create change locally, the foundation committed 1% of its annual grant spend to a 'Neighbourhood Fund' to be spent in a one-mile radius of its offices in Kings Cross. It considered how it could deploy all of its assets to the best effect locally, for example offering its building to local groups. The foundation also reflected on how it could use its convening power to build more strategic relationships and inform policy and practice.

Diversify decision-makers

Rebalancing power at the funder level means considering both *who* has power and *how* power is shared. This section focuses on the 'who' and the next section focuses on the 'how'; they are of course intertwined in practice.

Diversifying decision-makers—particularly trustees—is one of the most significant actions funders can take to rebalance power. Giving decision-making power to the people closest to the issues that you are trying to address can fundamentally shift the power imbalance at the heart of philanthropy. As well as changing who has the power to make funding decisions, it also changes who holds the less tangible types of power highlighted in the previous section: status, privilege, access, information, time, and the ability to set norms across the sector.

What diversifying decision-makers means in practice will look quite different depending on the nature of the funder and the context they are working in. NPC's research on charities and diversity highlighted that:

'Charities must make their own judgements about what meaningful diversity is for their organisation. Doing so will both help them to work effectively and ensure they are representative of that part of society in which they work.'

Professor Amina Menon and Grace Wyld, *Walking the talk on diversity*[18]

Applying the same principles to funders, diversifying decision-makers demands that you consider what is meaningful and effective for the context in which you are funding. For a funder giving grants to alleviate poverty in Birmingham, this might mean seeking decision-makers with experience of poverty, knowledge of Birmingham and representing different communities living in Birmingham. Whereas for a funder promoting arts and culture in Cornwall, diversifying decision-makers might look quite different. Getting this right is vital for gaining the best insights and avoiding tokenism.

Some funders will need to balance wider diversity with corporate representatives (in the case of corporate foundations), and living donors or family members (in the case of family foundations). For example, almost three quarters of the largest 100 family foundations in the UK have a family trustee.[19]

Nonetheless, all funders can look to diversify their decision-makers by including people with lived experience of the issues they seek to address. The 2027 campaign for better governance encourages foundations to commit to ensuring that a minimum of 40% of their trustees identify as coming from the communities they serve by 2027. This is something that even small family foundations can aspire to, without compromising the family connections on their board. Some funders are going further: the Blagrave Trust is on a journey from being a youth-focused to a youth-led funder, including recruiting young trustees and trustees with experience of working for youth charities.

As well as trustees, it is important to consider who else has the power to make decisions about who to fund and how. This goes beyond grant-making decisions, and includes developing funder strategy, programmes, practices and resource allocation. For charitable foundations, decision-makers may include members of advisory panels or committees, as in the case study below from Bedfordshire and Luton Community Foundation. Senior staff also typically have important delegated decision-making powers—for example, the ability to sign off grants up to a certain level or to make day-to-day management decisions.

Actions that you can take to start to diversify decision-makers include:

- Carve out time in board and staff meetings to discuss power, privilege, diversity and representation. Talk openly about what diversity means for your organisation and what might be holding you back. Bring in other funders who have successfully diversified their decision-makers.

- Collect, analyse and publish data about the demographics of your decision-makers, including trustees, committee members and staff. Ensure you have board and executive commitment to using this data to improve your practices and ideally appoint a senior leader to champion the initiative.[20]

- Conduct a skills and knowledge audit of your board. Think about what you need on your board in terms of knowledge and/or lived experience of the issues you are funding, knowledge of the communities you are serving, and experience of frontline service delivery or working for community-based organisations.

- Review your board and staff recruitment policies and procedures. Do you advertise in a range of media and job boards? Do your adverts contain inclusive language?[21] Do you advertise roles as flexible with part-time or job-sharing options? Do you only ask for skills and experiences that are necessary for the role? Do you look for trustees that bring experience of the issues you are addressing as well as those bringing technical skills like financial and legal expertise? Do you ask recruitment agencies for diverse long- and short-lists? Do you have at least two people scoring applications to reduce unconscious bias?

- Assess your wider HR policies and procedures. Do you offer effective induction, training and performance management to support retention and progression of diverse talent through the organisation? Do you gather feedback from staff, such as an annual staff survey? If you are a larger organisation, have you considered setting up staff networks like those of the Joseph Rowntree Foundation?

- Join the DEI coalition, a group of foundations committed to prioritising diversity, equity and inclusion (DEI) in their own organisations and sharing best practice across the UK foundation sector.

- Join the 2027 programme to bring diverse talent, with frontline work experience, from working-class communities into your teams.

Case study: A community panel making grant decisions

The Bedfordshire and Luton Community Foundation is a place-based funder distributing over £5m annually to local charities and grassroots groups. All grant-making decisions are made by its diverse local community panel, which has existed since the foundation's inception. The panel meets four times a year and applications are agreed by consensus. The foundation believes that it's an expert in grant-making but not in social change. Therefore, although the foundation carries out eligibility tests and handles the administration of applications, decisions are made by the community panel.

The community panel is representative of the area and communities that the foundation serves. Panel members bring lived experience and expertise, including knowledge and understanding of social issues most pertinent to the area. There are 8-12 members in the community panel at any given meeting and organic turnover in the panel means recruitment is ongoing. Vacancies are openly advertised, but as a place-based funder the foundation also draws on local knowledge of who is doing good work. This knowledge prompts one-to-one conversations with potential candidates from under-represented communities to encourage them to apply. Candidates don't require any previous experience in grant-making and are provided with full training.

The rewards of having a diverse community panel are immense. The foundation found that the community knowledge, experience of social change, and local wisdom that the panel brings cannot be replicated by in-house grant managers. The panel is also important because it democratises decision-making and the decisions made have greater credibility and legitimacy.

Adjust your structures and culture

As well as looking at *who* has power in your work, it is important to consider *how* power is shared, wielded and built. Grant-making structures and culture often concentrate power in a few hands—whether you are an individual philanthropist or work for a large foundation. Whilst this might enable quicker decisions or rapid responses to acute social need, the downside is that you are not actively building or sharing power through your structures, processes and culture. You may be missing important insights, perpetuating groupthink, replicating blind spots, or neglecting voices that deserve to be heard.

You could start by assessing your decision-making and operational structures. Are they hierarchical and bureaucratic or is there room for debate and challenge? Are decisions made by consensus, by majority, or by senior leaders? Are some decisions devolved to people closest to the issues, such as letting grant managers sign off smaller grants or involving communities in participatory grant-making? Are programmes siloed or are staff encouraged to collaborate and share learning across the organisation? How do job descriptions, recruitment and induction processes, internal policies, and performance management systems reinforce power structures?

It can be useful to think about how different decision-making processes and structures interact with each other. For example, if you use participatory grant-making for some of your programmes, does this align with wider organisational structures or are there tensions? Do you want to take a coherent approach to rebalancing power across your operations or use different approaches for different programmes? Edge Fund is an example of a funder that has adapted participatory structures across its work, not just its grant-making processes. Other funders may prefer to use different structures for different programmes, tailoring each one to the context and what they are trying to achieve.

Case study: Disrupting traditional structures

Edge Fund was established in 2012 to support grassroots efforts to bring about real long-term systemic social change. Edge Fund has pioneered participatory grant-making in the UK, giving those it aims to help a say in where the money goes. This participatory ethos informs all its structures and culture.

Edge Fund has embraced collective decision-making in both its operations and its grant-making:

- **It's run by the community it intends to serve**: Edge Fund is run by around 100 active members from the communities it serves. This is people with direct experience of marginalisation and injustice. Members can be donors, local activists, or grantees—in some cases all three. No members have authority over others. Decision-making power is never based on financial (or other) contributions.

- **Grant-making decisions are made collectively**: Members, grantees and applicants together decide which proposals are funded and how much money each receives. The only time a member has more of a say about an application is when it affects their own community. Funding criteria are kept broad, to allow community organisers to decide what the priorities are for their community.

Edge Fund keeps an eye on the diversity of its members and aims to ensure that participation is not too burdensome. It has built a membership that is representative of the communities it serves—for example, more than 60% of its members are not white. It has also found that participatory structures have increased collaboration across its network, as the grant-making process reduces competition and increases solidarity amongst people working on different issue areas such as racial, gender or environmental justice.

Rebalancing power also means thinking about how transparent and accountable you are to the people you serve. For example, do you openly share information about your activities and how decisions are made? Do you publish your grants on 360Giving? How are you accountable to the people and communities impacted by your decisions? Do you have opportunities built in for grantees and communities to inform your strategy, programmes and policies—whether through designated seats on the board, advisory panels, feedback mechanisms, or regular convenings?

One of the hardest aspects of rebalancing power is understanding and adjusting your culture: your collective behaviours and the underlying assumptions, beliefs, values and norms that drive them. Culture is often unspoken and hard to pin down, but topics to explore and questions to ask include:

- **Communication**: Do people tend to communicate in formal / written or informal / verbal ways? Do people talk freely across departments or across levels of the organisation? Are conversations with colleagues

scheduled or spontaneous? Do people speak in jargon or acronyms that need to be explained to new people or others outside the organisation? Do people communicate differently to internal and external stakeholders?

- **Debate and disagreement**: Is intellectual debate surface-level or in-depth? Is conflict avoided / destructive or welcomed / constructive? Who speaks up in meetings? How do senior leaders respond when an individual or a group raises a difficult issue, especially one involving power or privilege?

- **Incentives**: What behaviours are encouraged/rewarded and what behaviours are discouraged/punished (such as by performance management frameworks)? How are achievements celebrated and credited? Are norms enforced by structured policies or fluid and flexible guidelines?

- **Attitudes to risk and learning**: Do people act to uphold the status quo or to risk more / gain more? Is funding new ideas or sharing power with communities seen as risky? Is learning seen as something to be broadcast out to the world in formal reports or an open and collaborative process with partners, grantees and communities?

- **Environment**: Is the office layout closed or open? Does the office space feel formal / serious or casual / playful? Does the artwork reflect the past (such as your heritage) or the present (such as current grantees)? How welcoming does your office feel to newcomers or people from the communities you serve?

You could explore these questions in a staff or board meeting by asking people to reflect individually or in small groups on what they have observed. Grantmakers for Effective Organizations (GEO) recommends asking how you would describe your culture to a stranger and how you would describe it to your best friend.[22] This could help you to get beyond ritualised descriptions of the culture. You could also use tools like the BRAVE Framework, which assesses the way people 'Behave and Relate, their Attitude, Values and the work Environment they create.'

Some funders invest in external support to observe culture in action, facilitate difficult internal conversations, or solicit anonymous external feedback on their culture. This can help to highlight contradictions between what you say your values are and the way that you behave in practice. For example, you might say you want to share power with communities, yet your culture incentivises staff to make decisions quickly with no time for meaningful community input. Soliciting external feedback may uncover difficult issues that relate to wider power imbalances in society. For example, communities with a history of marginalisation may feel deep distrust of institutions.

Assessing your culture will likely surface strengths you would like to maintain and weaknesses you would like to change. Cultural change is difficult, time consuming and uncomfortable—particularly if you are trying to shift power to grantees and communities. You will need buy-in from staff and trustees, along with patience and long-term commitment. Create a shared vision: what does a healthier culture with more balanced power dynamics look like? Allow dedicated time in board and staff meetings for discussing issues and reflecting on how things are going. Seek feedback as you go and be prepared to adapt your approach. Developing a healthier culture demands constant nurturing, but it can be transformative in rebalancing power.

2. Focus on grantees and communities

The fundamental mindset for changing power imbalances is to focus on the organisations and communities that you need to work with to achieve your goals. Once these are seen as partners in achieving a social goal, it becomes easier to address power dynamics.

Design your approach

Grant-making is commonly seen as an administration job, with a focus on doing it as efficiently as possible—often taken to mean by spending as little money on grant-making as possible. However, this mindset can mean that the work of philanthropy is not always focused on what will help achieve outcomes. As a result, we see things like inflexible processes, processes that encourage competition rather than collaboration, and processes that encourage short-termism. Efficient is not the same thing as cheap, it's about impact too. A good grant-making process should be designed purposively with the outcome in mind. It should enable the applicants to get the outcome they want—by which we don't mean getting money, although that is important—but being able to deliver the work that will most help.

A process designed with applicants in mind fits your applicants' timetables and requirements, rather than those of your own staff or trustees. This may mean that you have to invest in suitably skilled and resourced staff, rather than concentrating on maximising the amount of money going out of the door. For instance, a funder making grants to small volunteer-led charities may invest in having staff available to talk on weekends, when volunteers are more likely to be available. Or a funder may publicise that it is happy to accept the application forms or monitoring reports given to other funders—to stop people having to waste precious time tailoring reports.

We often see that funders have good reasons for their rules, but that that these reasons may not always be about delivering the most impact. For instance, rules about the size or length of a grant are often designed to ensure fairness between applicants but can mean that charities don't have grants that are big enough or long enough to make the difference they seek. This results in a different sort of unfairness, which we explored further in a previous paper, [Granting success](#).

There are different ways to design good grant-making processes, but we recommend incorporating a user-centred approach into wider thinking about what is needed to deliver the impact. This means thinking about the needs of the collective sector as well as individual charities, considering where you sit in the ecosystem, and also what might be the intended and unintended consequences of your processes.

Activities that you can undertake to be more purposeful in the design of your processes include:

- **Get feedback** from successful and unsuccessful applicants about what they like and don't like about how you work. Bear in mind that this feedback has to be a well-designed process in itself to overcome the power dynamics in the relationship. Advice on survey design can be found in our new guide, [Understanding impact](#).

- **Understand your pipeline**, both in terms of who is applying and also who isn't applying. If particular communities or types of organisations are under-represented, investigate possible reasons and what you can do about it. This might include investing in targeted outreach or civil society infrastructure to support a more diverse pipeline. For example, the Greater London Authority, in partnership with City Bridge Trust and the National Lottery Community Fund, launched the [Civil Society Roots](#) fund to support specialist civil society

infrastructure in London. The fund focuses on civil society support organisations that work with people who often experience an intersection of inequalities and multiple barriers to accessing funding.

- **Consider the end goal** of what you are trying to achieve. Funding some types of work and outcomes requires different processes. For example, a technology funder needs to be able to take risks by funding innovations without knowing what the output will be. Similarly, funding in a fast moving policy environment needs to have shorter timetables so money can be used when it is most needed.

- **Be clear about who you are** and where you sit in an ecosystem of funding and charitable work. Funders who understand their relative strengths and weaknesses can make sure that their processes work to strengthen the whole system. This might mean becoming more collaborative—sharing your areas of expertise and asking others about theirs—so that the burden of explanation does not always fall on a charity.

More and more funders are experimenting with different sorts of processes, whether it is a video application form (see the Rosa fund case studies below), or setting up collaborations of funders like the Justice Together initiative, or sharing applications such as through the Brevio model. That said, it's important not to rush into a new model just for the sake of innovation. Be sure to go through a proper design process to be confident that you are doing something that will really help people and organisations. Sometimes it requires a wholly new approach, and sometimes it requires tweaks to the process.

Case study: Participatory application processes

Rosa is a fund for women and girls. In the wake of the #MeToo campaign and TIME'S UP movement, Rosa launched the crowdfunded Justice and Equality Fund: giving support and access to justice for women aiming to bring an end to the culture of harassment, abuse and impunity in workplaces and beyond. Rosa had a relatively small amount of funding, so creative participatory approaches were needed to ensure the money went to the places where it was most needed.

Applicants to the fund were then invited to submit a three minute video and a short grant form. Applicants then reviewed a random, unique cluster of five other applicants' videos, scored them and wrote explanations for their decisions. Applicant organisations viewed them as a group, with staff, volunteers and service users making the decisions together. Rosa then brought together women's organisations, service users and previous grantees onto its decision-making panels to oversee the process. 80% of the fund went to the top 11 organisations chosen by the applicants themselves. The panels used the remaining 20% of the fund to address gaps in the grant portfolio.

The process meant people felt included and empowered in decision-making, increasing their engagement with the applicant charities. Organisations learnt about other approaches and felt empowered to collaborate. Rosa learnt that it needed to reduce the feeling of competition between like-minded women's groups. Looking ahead they plan to improve applicants' understanding of the process by developing clearer guidance.

Build relationships based on trust

The nature of your relationship with grantees can so often be one of benefactor and supplicant. But when a funding relationship is like that, it is often because people value money over mission. Remember that while a charity can't achieve its mission without funding, funders can't achieve their mission without the work of charities either. Instead of making grantees jump through hoops to get funding (inadvertently or otherwise), and then further hoops to demonstrate that they have spent the money wisely, relationships based on trust can deliver better results.

Case study: Building a more honest relationship with charities

The Lloyds Bank Foundation for England & Wales has been grant-making for over 30 years. Over the last six years, the foundation has collected anonymised feedback through NFP Synergy on its grant application processes and used this to improve the application journey. The foundation found that it took an applicant roughly 44 hours to get through all the stages of an application, which is a significant drain on resources. Unsuccessful applicants also fed back that the foundation wasn't providing useful enough feedback. Perhaps most worryingly of all, the foundation identified that its processes, along with many other funders, created 'deferential bias'—where people tell you what they think you want to hear. This discouraged honest relationships from the start of the application journey.

In response, the foundation re-engineered its application and monitoring processes. The process was made shorter, easier and more understandable. Applicants now find out within a few minutes whether they are eligible for funding using a short questionnaire on the website. It also created an open approach to providing feedback. Unsuccessful applicants now receive a personalised letter or a phone call detailing concrete reasons and are offered the opportunity to speak to their regional manager. This supports charities to improve their applications to other funders.

To address deferential bias, the foundation focused on relationships between regional managers and grant applicants. Regional managers now have smaller caseloads and focus on building more honest relationships from the start of the application process. Managers visit charities and ask them about their priorities, rather than making them feel that they need to conform to the foundation's priorities. This approach goes hand-in-hand with the foundation's commitment to offering charities more flexible funding with fewer restrictions. The foundation has also worked with their regional managers to help them to understand their power, for example looking at how they address unconscious bias in their work. This is part of their commitment to 'Equity, Diversity and Inclusion (EDI)' and providing better support to charities that might not be as articulate as others.

Relational based grant-making can be easier if your organisation reflects the charities you are working with, this could mean staff or trustees having experience of grant-seeking or lived experience of the problems you are trying to solve. This makes it more likely that you will understand the issues you are trying to address. It is also an important part of having a process designed around the outcomes you are trying to achieve. What this looks like in practice will vary from funder to funder.

The Trust-Based Philanthropy model in the USA works to address power imbalances between funders and grantees, outlining six principles of a trust-based relationship. A common misconception is that funders need paperwork and restrictions to ensure accountability and performance evaluation, but trust-based philanthropy offers an alternative model where there is monitoring without unnecessary hoops. Implementing some or all of these principles will help you rebalance your relationships to be based on trust. Their six principles are:

- **Give multi-year, unrestricted funding**: Unrestricted funding is unbeatable for charities to grow and adapt. The benefits of core funding in helping charities to thrive is well documented.[23] It also signals to grantees that you trust them to make the best decisions about what will achieve an outcome, and therefore often leads to a more trusting relationship between funders and grantees. More funders, such as the Peter Cundill Foundation, are advocating for unrestricted funding as a way to build effectiveness.

- **Do the homework**: Put the onus of due diligence and information gathering on yourself rather than on grantees. This could involve a proactive search for good charities working in the area, particularly in underfunded geographies, or setting up your application processes so that publicly available information like who the trustees are does not have to be inputted by applicants.

- **Simplify and streamline paperwork**: Accept proposals and reports submitted to other funders, and only ask for things you need. Over ten years ago, NPC worked with a group of funders to streamline reporting

requirements in Turning the tables in England, and for many charities the situation has not become any better. Even simple questions, such as the number of staff, can be asked in different ways by a funder (number of staff, number of FTE staff, number of full-time and part-time staff) which means charities have to do different calculations for every application.

- **Be transparent and responsive**: Be clear about what you will and won't do and communicate any changes in advance. Be transparent about your own challenges and get input to allow you to tackle them in partnership. Funders say that being more transparent leads to more targeted and higher quality applications.

- **Solicit and act on feedback**: Give grantees a chance to give feedback on you. There are many ways to get feedback from grantees. It can be done on a continual, informal basis, through an evaluation, or through a formal grantee perception report which compares you to other funders. Grant Advisor is a pilot website where charities are able to give feedback on funders—an initiative in its early days at the moment, but something which could change power dynamics in the sector.

- **Support beyond the money**: Give responsive help to grantees alongside funding. Capacity building in all its forms can be a powerful boost to charities. NPC's report on how funders can support grantee effectiveness, More than grants, can help funders think through appropriate methods. This needs to be done carefully to avoid misuse of power; there is a risk that grantees take up support that they don't actually need.

Case study: High-trust funding relationships

Inspiring Scotland was a response to demands from the sector for longer-term, flexible funding that would enable systemic issues to be addressed more effectively and social impact to be maximised.

Inspiring Scotland brought together venture philanthropists, trusts and foundations, and the Scottish Government under the 14:19 fund, in order to practice better funding when tackling youth unemployment. This involved supporting 24 charities across Scotland over a ten year period, through primarily core funding. Performance advisors were used instead of grant managers. Acting as critical friends: tailoring support to the board and SMT, developing the operating model and helping to maximise the impact of the grant, and bringing in pro bono support where useful.

This is a high-trust model, underpinned by rigorous evaluation and performance monitoring. The approach was based on relationships rather than paperwork, which allowed advisors to suggest pro bono support which helped the organisations to grow. The fund was evaluated and was found to have achieved many positive outcomes for people and communities: over 36,000 young people were supported into employment, education or training and many organisations scaled their activities across multiple local authorities.

A key part of the model was a focus on a successful exit at the end of the ten years. This ensured that ventures were sustainable beyond the 14:19 fund investment. This better approach to funding allowed grantees to become more responsive, more agile, more independent, and more forward-thinking, in turn allowing them to sustainably improve their communities.

Support grantees to listen to lived experience

Addressing power dynamics between funders and their grantees is one part of the puzzle, but it's important to remember that there are also power dynamics between charities and the people that they work with. Charities can sometimes be as distant as funders from people with lived experience—which ultimately undermines the effectiveness of their work. Resources like Expert Citizens' insight tool diagnoses how good organisations are at welcoming, listening, learning and leading from people with lived experiences (see also NPC's guide on

implementing co-design). However, these are not always easy things for a charity to implement, so we think funders can support charities to put people with lived experiences at the heart of what they do.

While some of the techniques for listening to lived experience can be straightforward—such as feedback surveys or focus groups—they still need to be paid for. Good practice in co-design is to pay people for their time. It gets more expensive though when wholesale culture change is required (see the Listening Fund case study below). These organisational changes can include diversifying the trustee board or putting in place mechanisms to reflect and act on information from people. Such changes require a flexibility in funding where unrestricted or core funding can help. Funders can also ask questions about how people with lived experience are listened to, to encourage charities to listen and learn from the people they work with. This can be a good example of where funders can wield their power to build up the power of others.

More fundamentally, if funders are supporting charities to listen to people with lived experience, it means that funders need to be prepared to listen to them too. This means that if a funder believes that a certain activity is what is needed, but the people involved think differently—e.g. a funder wants to pay for free tickets to a big art event to improve engagement, but the young people would rather have art events closer to their home—then the funder needs to be prepared to change their requirements. For charities to really allow people with lived experiences to lead, it means that funders need to take a back seat. Unrestricted funding can be a powerful way to help charities who want to put these changes in place.

Case study: Listening to those you serve—distributing power

In 2017, a group of funders wanted young people to have greater influence over the services and organisations which are run on their behalf. The Listening Fund (TLF) was born, providing two year grants of up to £20,000 per annum to 22 organisations across England. A Scottish fund launched in 2018.

The grants have provided partners with the capacity to develop and refine their listening. From surveys to technology-based approaches, via trusteeships and peer-to-peer listening, they have explored how they can improve their accountability to young people and then acted on what they have heard: e.g. in response to a new survey of young people, CASY have developed services for siblings affected by mental health issues. This is where partners feel the TLF has had the most impact.

However, whilst developing and systematising listening tools and processes is necessary, organisational culture remains the biggest barrier to the meaningful involvement and leadership of young people. Across the sector, this vital work often remains a project within an organisation. This is mirrored within funders themselves, who have shared their challenges in engaging with a wider group of stakeholders as part of TLF.

The learning from TLF has therefore already prompted deeper reflection about its purpose and the role of funders. In particular, whether TLF should play a greater role in supporting young people who are leading efforts to change the wider structures and systems which affect their lives, as well as challenging the power dynamics between themselves and existing organisations. TLF is currently due to run until April 2020 and will continue to share its learning, including an evaluation by the Centre for Youth Impact and a report on funder listening practice.

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3. Focus on your goals

Focusing on using power in pursuit of your goals goes far beyond grant-making activity. As a funder, you can wield power through investing for impact and influencing others, build collective power through convening people or investing in sector capacity, and share power through opening up access to assets like buildings or knowledge. These can all increase your impact on the social issues you care about.

Leverage all your assets

Funders are increasingly thinking about how to leverage all their assets and types of power—not just their grant-making—in pursuit of their goals. This might mean thinking differently about your endowment: many funders are looking to align their investment portfolio with their mission, looking for social as well as financial returns. Some, like Friends Provident Foundation, have gone further by using their power as an asset owner and shareholder to influence the investment market.

Case study: Using influence as an asset owner and shareholder

Friends Provident Foundation has a formidable goal: to create a fair and sustainable economic system that serves society. In 2013, the foundation decided to change the way it works to better use its capital endowment and other assets in pursuit of its mission. Trustees agreed that up to 10% of the foundation's investible funds could be invested into social investments, accepting a higher level of risk or a lower level of financial return than the market norm—especially for investments aligned with programmatic aims.

The remaining 90% of the foundation's endowment is allocated to a 'market-rate portfolio' that generates income to support grant-making. Here, the Foundation uses its power as an asset owner and shareholder to influence changes in corporate practices that serve its mission. In 2016, the foundation created a new job role focused on investor and shareholder engagement. The foundation engages companies, investors and shareholders on its priority themes of community energy, utilities market transition, and transparent executive pay structures. The foundation also engages its asset managers and the market more broadly on responsible investment policy and environmental, social and governance (ESG) issues.

Influencing the investment market like this takes time. Nonetheless, NPC's evaluation of the foundation's work in 2018 found that its carefully targeted engagement strategy had achieved some significant early signs of impact. The foundation is also seen as a pioneer in investment engagement and has influenced other funders to think differently about how they use their influence as an asset owner and shareholder.

In recent years, more and more funders are getting involved in influencing work, often attracted by the idea of addressing root causes to amplify their impact. In NPC's review of how funders can use their influence for good, undertaken in partnership with Lloyds Bank Foundation for England & Wales, we found four main approaches to influencing work:

• Supporting grantees in their advocacy work.

• Encouraging grantees to campaign.

• Campaigning as a funder.

- Influencing other funders.[24]

Funders often use a combination of these approaches and the most effective funders are flexible, using different techniques at different times and responding to changes in the external environment.

Some funders, like Millfield House Foundation, have reoriented their entire focus from supporting service delivery to influencing public policy and attitudes. As a funder you can bring a range of assets to this work, including your voice, independence, knowledge, convening power, long-time horizons, and ability to take risks.

Case study: Influencing public policy and attitudes

Millfield House Foundation is a small local foundation which seeks to address the underlying causes of poverty and inequality by funding policy work in the North East of England. The Foundation's early grants were to relatively small local projects seeking to improve the lives of people in disadvantaged communities. However, in 1996 the foundation changed the focus of its funding, away from grants for 'service delivery' toward work seeking to influence public policy and attitudes, believing this would be a more effective use of its limited resources.

Following a review in 2013, the foundation moved towards a relational approach to grant-making—supporting a smaller number of long-term strategic partners with core funding, alongside additional support and capacity building. The foundation's strategic partners focus on policy work on issues such as child poverty and refugees and asylum seekers. Partners also work together on joint projects and share learning and skills amongst one another, facilitated by the foundation. Their work contributes to the work of other policy workers and campaigners in the North East and across the UK. The Foundation looks for opportunities to share learning and encourages people and organisations in the North East to think about where they fit within a 'mosaic of change' for influencing policy.

Next time you hold a strategic review, use it as an opportunity to reflect and take stock of your combined assets and how you can wield the power that comes with them for impact. As the largest independent grant-making trust in Scotland, the Robertson Trust is currently considering how best to leverage its combined assets and resources to create the most impact in the sector.

Case study: Leveraging assets and ability to take risks

The Robertson Trust is the largest independent grant-making trust in Scotland. Against the backdrop of a significant increase in demand for funding, the trust brought forward its strategic review by a year to 2019. The trust's new strategy (to be launched later in 2020) considers how its combined assets and resources can be leveraged to create the most impact in the sector.

Currently, the trust is leveraging its assets in various ways beyond its grant-making, including using its balance sheet to support the sector. For example, the trust's new charity hub in Stirling invested in offering subsidised accommodation to charities. Such investments add to the capacity of the sector and can help with core costs through reduced rents. The trust is also developing and trialling a new grant funding model called Social Bridging Finance (SBF), which aims to ensure the long-term sustainability of services delivered by the third sector, which can evidence success. SBF involves bringing together a working partnership of public sector, third sector and independent funders. The model enables grant funding to take the risk of the initial demonstration phase of an evidence-based service, before the public sector sustains those which successfully meet agreed outcomes.

Build collective power

Funders can use their funding—along with their voice, knowledge and convening power—to build collective power around tackling a social issue. This can take a variety of forms, including investing in sector capacity, convening people around a shared goal, commissioning research into what works, or funding social movements. Many funders take a multi-pronged approach, such as Barrow Cadbury Trust's Transition to Adulthood Alliance which combines funding, subject expertise, convening and campaigning. By working with others in this way, you can build everyone's knowledge, skills and capacity, thereby amplifying the collective impact of everyone working on a social issue.

Case study: Creating a network of practitioners, policymakers and advocates

Barrow Cadbury Trust convenes and supports a network of organisations who are campaigning to change the way the criminal justice system responds to young adults. The trust identified that young adults (18-25 years) make up less than 10% of the general population, but account for over a third of the probation service's caseload and a third of those sentenced to prison every year. It was clear to the trust that one organisation alone could not change this. So it convened the Transition to Adulthood (T2A) alliance—a network of 12 of the leading policy, practice and advocacy organisations working with young adults in the criminal justice system.

Over the ten years since the alliance was launched, the trust has worked with and funded the alliance members and others to build and refine the evidence base of what works for keeping young adults out of prison. It has provided funding for many different types of work: testing new approaches, developing new policy ideas, supporting key advocates, and funding posts in organisations whose missions closely align to the T2A campaign. It has explored new areas such as bringing to light the very high incidence of brain injury among young adults in custody, and piloted new approaches, such as trauma-informed policing. Importantly, it has helped organisations working in criminal justice to work together to reduce the numbers of young adults in the system.

Tackling an issue this big has taken time, and the work is not yet complete. But by taking a partnership approach and building the field of organisations with expertise in supporting young adults, the trust has seen real change at all levels, from policing, through to the courts and to the prisons. A highlight of the campaign was when the Justice Select Committee's inquiry into young adults in the justice system endorsed T2A's case for the need for a distinct approach to young adults. This level of impact would not have been achieved by the trust alone, or through a traditional grants programme. The combination of the trust's subject expertise and funding, with the specialist knowledge and campaigning experience of its partners, has given the alliance the strength it needs to demonstrate a better way of supporting young adults in the criminal justice system and minimising harm to wider society.

As well as building collective power around a social issue, funders can build power around effective or innovative approaches to social change. The Strengthening the Voluntary Sector programme—a joint initiative between the Baring Foundation, the Esmée Fairbairn Foundation and the Legal Education Foundation—focuses on using the law for social change. The programme supports charities using the law and human rights approaches to influence change in different areas, including climate change, children's rights and immigration. As well as funding individual charities, the programme brings them together to learn from each other and increase collective knowledge of effective approaches.

In recent years, a growing number of funders have sought to build collective power through funding social movements to shift public opinion and influence policy. In response to #BlackLivesMatter, US donors and foundations set up the Black-Led Movement Fund to build local power and support the sustainability of activist groups. In response to school climate strikes and Extinction Rebellion, three philanthropists—Trevor Neilson, Rory Kennedy and Aileen Getty—launched the Climate Emergency Fund in 2019 to support activist movements demanding action on climate change.

There are many challenges and risks for philanthropy supporting movements. Movements tend to be disruptive, demanding political reform or challenging the status quo. Funders need to consider the charitability of their grants, the risk of funding groups that are newly formed or not registered as charities, and the potential for negative reactions from stakeholders if they are involved in controversial movements. Funders wanting to support movements often find that their traditional application criteria, grant-making processes and funding conditions are not appropriate. More fundamentally, many worry about harming the agility, independence and credibility of grassroots movements through external funding. These are all legitimate concerns and need to be carefully thought through.

Nonetheless, philanthropists and foundations can have a significant impact on social issues through building the power, capacity and infrastructure of movements. Independent funders are well-placed to take considered risks and fund movements that challenge the status quo; they are also well-placed to build the long-term capacity of movements through core funding and support for governance, strategy and fundraising. A recent review of movement-building found that activism at scale doesn't necessarily translate into power; a more nuanced approach is needed.[25] Many funders are thinking carefully about how philanthropy can support movements at different stages of their lifecycle, as well as supporting movements to connect with established organisations.[26]

Funding movements can also be an important part of your wider strategy for building collective power: funding a mix of grantees operating on multiple fronts can help to increase the chance of a breakthrough on a social issue. The Transition Advice Fund—supported by Unbound Philanthropy, Paul Hamlyn Foundation, Barrow Cadbury Trust, Legal Education Foundation, and the Open Society Foundations, and managed by NPC—funds a mix of established charities, researchers and newly formed groups like the3million to help pursue its goal of ensuring that everyone who is eligible to settled status is able to secure their right to live in the UK.

Create spaces for change

Creating spaces for social change can be an effective way of wielding power, sharing power with others, and building collective power in pursuit of your goals. Many funders focus on place-based working to support thriving communities and enable social action. Spaces for change need not be physical places; some funders are creating spaces for marginalised voices to be heard or creating spaces for important conversations to happen.

As place-based funding has gained traction, funders are increasingly thinking about how to create spaces for local change and how to empower communities. Lankelly Chase Foundation's power action inquiry found sharing power and promoting equality of voice to be essential for change to happen locally.[27] Hahrie Han's research in the USA has shown that the most effective community organising approaches make space for community members to build connections with one another, develop the skills to take risks, develop political strategies, work together, hold their peers and people in power accountable, build coalitions and, through all of this, put their hands on the levers of change.[28] This requires funders to commit for the long term and be prepared to give up some of their control.

NPC's guide to place-based funding recommends that funders take the time to understand the dynamics of an area, build connections, listen to the views of those living in an area, and map the network of existing relationships and power dynamics, before choosing to begin a programme of work there. If you are considering embarking on a place-based programme, think about what types of power you have that you can share: your funding is vital but opening up buildings or sharing knowledge can also be transformational. Think about how you can build power through investing in capacity and infrastructure—whether paying the rent for community centres or paying community members to conduct their own research into local issues. Our conversations with place-based funders also emphasised the importance of 'safe spaces' and creating psychological space by working at a 'pace of trust'.[29] For example, Corra Foundation's People in Place programme has created 'agenda-free spaces' for people to gather, in an environment which is welcoming, comfortable and is a natural place for get-togethers.

This can encourage people to have conversations that they wouldn't otherwise have had, find common ground, share ideas and self-organise for change.[30]

Case study: Working in community spaces

Corra Foundation is a Scottish funder that seeks to support people to create positive change and enjoy fulfilling lives. Corra recognised that many communities were not accessing funding available through Corra and other funding streams. In 2014, Corra launched the People in Place programme, which aims to go beyond traditional grant-making by removing barriers and making it easier for communities to access funding and support. The People in Place programme currently works in nine communities across Scotland and Corra spent, on average, six months researching and mapping each local context. This focused on listening and learning from the people living and working in the community: mapping people, households, shops and civil society. Corra's approach is underpinned by a local community co-ordinator who works alongside the community helping facilitate and support conversations and ideas. Corra's funding supports local people to do what they want and often includes paying the rent for community centres to give people agenda-free spaces to discuss the changes they want to see.

Corra's place-based work has enabled the foundation to continually look at shifting the power and getting alongside communities as they progress their solutions. Without creating the space for local people's voices to be heard, services and grants would continue to be misaligned and those communities would remain underserved. People in Place represents an approach that goes beyond grant-making. Although the small levels of money that come from Corra are important, what is more powerful is the role of the Community Co-ordinator in supporting local people to develop relationships, networks, confidence and ultimately voice and power. Learning from the People in Place programme has fed into Corra's new ten year strategy, launched in March 2020, which centres on strengthening and amplifying people's voices and power to make change.

Creating spaces for change doesn't have to mean working in just one place. Funders can use their power to amplify marginalised voices or facilitate conversations across society. The Community Foundation Northern Ireland's Civic Activism programme demonstrates how a funder can invest in creative approaches to citizen engagement to collectively influence the space for change in a country. This approach works best when a funder has a rich contextual understanding. In Northern Ireland, many people believed traditional politics was failing, so projects like the Civic Activism programme exploring alternative routes found fertile ground.[31]

Case study: Supporting citizens to speak truth to power

Since its inception in 1979 the Community Foundation Northern Ireland has viewed a big part of its role as giving communities the opportunities to speak truth to power. Since 2013 however, through its partnership with Building Change Trust, the foundation has been focussing on how a more expansive model of democracy is required for communities to have real influence. The Civic Activism programme, managed by the Community Foundation Northern Ireland, supported a suite of projects from 2014-2018, using creative approaches to engage the public in decision-making across a range of social, economic and community issues. This involved a civic toolkit, grants to deliver civic engagement projects and a wraparound learning support service providing technical support and bespoke mentoring. After this initial phase, previous grantees plus others from the social sector, public sector and academia came together to take stock. They proposed strategic collaborations to further advance a more participatory and deliberative model of democracy. This led to Northern Ireland's first ever Citizens' Assembly and a network to promote and support participatory budgeting. The Citizens' Assembly made 29 recommendations for the reform of social care, which have been welcomed by statutory agencies. The participatory budgeting network increased the number of public agencies using the tool from zero to at least eight in the past three years, with communities in each case directly deciding how public money should be spent. The Civic Activism Programme is now is now in its second iteration as the Civic Innovation Programme, as part of the foundation's 2019 strategy.

Final thoughts

From experience working directly with funders and charities alike, we think the power dynamics in philanthropy are undermining the effectiveness of philanthropy and entrenching some of the social injustices that philanthropy is meant to be solving; a view which was shared by funders and charities attending our 2019 seminar series. We therefore wrote this report to help people working in philanthropy—both trustees and staff—to take action to mitigate some of the power imbalances.

We know that some people are working on more radical solutions and many across the sector think we need wholesale systems change. The Funding Utopia series of blogs and events asks people to share their vision for a radically different grant funding system in the UK. SCVO's Funding the Future project is working with the Scottish voluntary sector and funders to develop new funding principles, approaches and models. NPC's own work a decade ago with a group of funders in Turning the tables called for an overhaul of reporting systems. Projects like these can create space for important conversations about power dynamics in grant-making and enable us to collectively imagine alternatives to the status quo.

Conversations about systems change in philanthropy inevitably lead to conversations about changing the wider systems of power that philanthropy exists within. Two recent books that have catalysed debate in the American non-profit sector draw out the links between philanthropy, capitalism, structural inequalities, and systems of oppression like colonisation and racism.[32] These books challenge those of us working in philanthropy to consider how we may be inadvertently propping up systems of power that perpetuate the social issues we wish to tackle.

This report aims to complement these more radical conversations and highlight some of the promising initiatives that are already rebalancing power in philanthropy. It is above all a response to the people who attended our seminar series and wanted to actively address power dynamics but didn't know where to start. We hope that this report gives you practical ideas to take back to your work, as well as contributing to the wider conversation about this important topic.

Addressing power dynamics is not an easy task and there are no silver bullet solutions. It is an endeavour that requires constant vigilance matched with humility and a willingness to be challenged. Power permeates every aspect of philanthropy and rebalancing power can revolutionise all aspects of your work. This report is not the end of the story, but we hope it provokes further conversation and prompts action across the British philanthropy sector.

If you have any questions about the report or would like to discuss further, please get in touch with Katie Boswell or Fatima Asif at info@thinknpc.org

About NPC

NPC is a charity think tank and consultancy. Over many years we have worked with charities, funders, philanthropists and others, supporting them to deliver the greatest possible impact for the causes and beneficiaries they exist to serve.

NPC occupies a unique position between charities and funders. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

References

[1] Villanueva, E. (2018) Decolonizing Wealth: Indigenous wisdom to heal divides and restore balance; Giridharadas, A. (2018) Winners Take All: The Elite Charade of Changing the World (2018); Callahan, D. (2017) The Givers: Wealth, Power, and Philanthropy in a New Gilded Age; and Reich, R. (2018) Just Giving: Why philanthropy is failing democracy and how it can do better.

[2] Our three seminars are written up on the NPC blog: Oli Kelly-Dean (2019) 'Power dynamics in grant-making' https://www.thinknpc.org/blog/power-dynamics-in-grant-making/; Cristina Andreatta (2019) 'Three ways to wield power well', https://www.thinknpc.org/blog/three-ways-to-wield-power-well/; Fatima Asif (2019) 'Shifting power, changing lives', https://www.thinknpc.org/blog/shifting-power-changing-lives/

[3] Some have called for charities and civil society organisations to go further in avoiding or selecting funders based on their approach to power. For example, Roitstein, F. (2019) 'Please, walk your talk this time', Alliance blog, https://www.alliancemagazine.org/blog/please-walk-your-talk-this-time/ This paper focuses on funders as we think they have a greater role to play in driving change, given their existing power.

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