CREATING RESILIENCE

How funders can help strengthen small charities

Learnings from a CAF Programme

WILD Choir performing at Marazion, overlooking Mounts Bay (credit WILD Young Parents)
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Resilience has been described as the ability of an organisation to survive and prosper. ‘A highly resilient organisation is more adaptive, competitive, agile and robust than less resilient organisations and rebounds from adversity strengthened and more resourceful’ However, there is no single, universal blueprint of resilience that applies equally to every organisation.

For the purposes of this programme, we focused on six characteristics of resilience that were relevant to a cohort of ten charities. We wanted to explore how these characteristics impacted on the ability of each charity to recover quickly from setbacks and adapt to the changing environment in which they operate. The aim was to help charities not only to have an impact on the cause they advance, but also have a plan in place to continue doing so in the future. For the purposes of this programme, that is what we understood by charity resilience.

We use ‘charity’ to refer to all 10 organisations that took part, although one of them is a CIC. By ‘small charity’ we include charities classed as small and medium-sized with income between £250k and £1.5 million.

We use ‘programme’ to refer to the CAF Resilience Programme and ‘project’ to refer to charities’ services and activities.

We use ‘CAF Advisory’ to refer to support against the six characteristics that was delivered directly by CAF staff or commissioned from CAF’s external consultants.

We use ‘funders’ to refer to all organisations and individuals who financially support charities.

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<table>
<thead>
<tr>
<th>Charitable organisation</th>
<th>Location</th>
<th>Cause</th>
<th>Budget Size (2017)</th>
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<td>Womens Work Derbyshire</td>
<td>Derbyshire and surrounds</td>
<td>Supporting vulnerable women with complex needs</td>
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This report was written by the programme team of the CAF Resilience programme with support from Leila Baker and we are grateful for her input.

CAF defined size by the last annual return which charities may have submitted at different points in the year.
What should we take from the last year that will make us stronger in the next?

Perhaps one of the key things is that small charities are astonishing community organisations that help keep society together. To quote a recent report from the Lloyds Bank Foundation: “Small and local charities were at the heart of the community response (to COVID-19)... in essence they ‘showed up’ and ‘stuck around’, using their position of trust within communities experiencing complex social issues to support people when they are needed most.”

There are about 160,000 small charities in this country and their largest single source of income is the general public. Which is brilliant. We see them do astonishing work and we want to give them money so they can do more; reach more vulnerable people, hold more support meetings, care for more people dying.

But, typically, we don't really give them money to think more strategically about how they are going about their work, or develop more robust mechanisms to measure their impact or reorganise their databases so that they are more efficient. This isn't a surprise - as we don't really see how these things have a direct impact on people in society, we are not really that interested in funding them to happen.

But if no one is funding charities to do these things, the impact is both worrying and predictable in equal measure. We are not helping these charities to be stronger, to better absorb stress, recover critical functionality and thrive in altered circumstances. We are not helping them to set aside the time to make the right decisions about how they can continue their astonishing work into the future. And these are all part of how the Harvard Business Review defines resilience.

If they are not resilient, small charities will at best be less effective and at worse, they will close. This isn't theoretical. According to the Charity Commission, over the course of the pandemic, the number of small charities with no or negative reserves has gone from 9% to 28%. And this is on top of the challenges already experienced during the recent period of austerity. In short, the time to address this is now.

Fortunately, this has been a problem that has been an increasing concern for a number of donors. They started talking to CAF, given its dual role of enabling donor's philanthropic ambitions and delivering quality advice to charities. With the support of an Advisory Board on which I sat, the team at CAF undertook a three year programme to explore how it could develop resilience in a group of ten charities. Their learning is laid out in this report.

Did it work? I am pleased to report that the ten charities involved have come through the pandemic and in several cases even thrived, some taking on additional contracts, one growing their operations digitally to work with 40% more beneficiaries and another successfully gaining their first six figure corporate funding.

There are learnings in this report that other charities should consider. There are also lessons for those of us who want small charities to continue to be brilliant.

In a speech he gave in April 2020, the Chancellor of the Exchequer described small charities as “The unsung heroes looking after the vulnerable and holding together our social fabric.”

If we care about the difference these unsung heroes are making in our shared society then our challenge now is to start caring about the heroes themselves.

David Robinson, Co Lead, Relationships Project
What is the CAF Resilience Programme?

This pilot programme was devised and delivered by CAF in response to evidence that small charities, who play an important and distinctive role in community development, can lack the resilience needed to remain strong and vital organisations. This poor resilience can result in charities that are easily undermined by a changing operational environment, suffering from fragile finances and weak organisational health.

A core challenge is that such charities are mainly funded to deliver projects, so it is difficult for them to secure the type of investment needed to remedy this situation - investment that would enable them to focus on, strengthen and protect their core organisational resilience.

The CAF Resilience Programme pilot tested what resilience could mean for small charities, how resilience funding can be structured and the impact it can have.

CAF designed the Resilience Programme to have three objectives:

- To enable a cohort of ten small charities to develop greater resilience
- To learn and share with the sector the experience of achieving that resilience
- To encourage more businesses, trusts and individual philanthropists to fund charity resilience in the future.

The programme’s rationale (or theory of change) was that if charities had the time and the external help to explore their needs and the nature of organisational development, they would develop an understanding of what resilience meant for them and the steps they would need to take to achieve it.

CAF brought to the programme four main components which, when combined, were designed to enable each participating charity to complete their journey to becoming more resilient:

- Grant funding of £100k over two years, mainly spent on salaries to release staff to work on resilience
- Special advisory support from CAF experts shaped around the specific needs of each charity
- A structured learning approach that enabled the charities to reflect on changes as they developed through the programme
- A funder/charity relationship that was reflective, collaborative and flexible.

What have been the main achievements?

Each charity was actively supported over a two year period from when they entered the programme but all ten charities remained engaged throughout the length of programme from 2017 to 2020.

The journey of each charity was characterised by three broad phases. In the first phase, charities started exploring what resilience meant for them and working towards ensuring they had the fundamental building blocks for that resilience in place. Through the second phase they focused on bigger strategic decisions and shifts. Finally, in the third phase, they worked on consolidation and embedding the progress made.

Through the COVID-19 pandemic, which hit towards the end of the programme, these charities continued to prioritise their journey towards becoming more resilient while remaining agile and responsive to changes happening in their sector.

The charities that joined the CAF Resilience Programme were confident organisations, well respected in their fields. However, they shared some common, key difficulties:

- Income had already reduced or was at risk; fundraising was a challenge

EXECUTIVE SUMMARY
Infrastructure wasn’t keeping pace with growth or change
Their operation was stretched in multiple ways and they feared it risked losing focus
The board was not always as assertive, engaged and/or diverse as it needed to be
The CEO was stretched and the charity was overly reliant on their role.

Through the programme it became clear to CAF that there were six ‘Characteristics of Resilience’ that were evident in all the charities that had successfully developed resilience:

- A clearly articulated and widely understood charity mission and purpose
- Effective leadership from both the board and senior staff
- Awareness of the external environment in which they operate
- Networks and partnerships that support the charity’s mission and purpose
- Finances and operations that are fit for purpose
- An ability to capture and communicate their theory of change and charity impact.

Having developed these Characteristics of Resilience, each participating charity began to recognise that achieving resilience created greater strength and delivered broader benefits, such as:

- Being better placed to analyse options and make well-informed decisions
- Feeling optimistic and in control of their charity’s future
- Culturally more cohesive and motivated as a whole staff team
- Confident in how they want funders to work with them as a partner.

What are the key recommendations?

We hope that the achievements of the ten charities that participated in the CAF Resilience Programme will inspire other funders to recognise the extraordinary impact of developing organisational resilience – impact that has a direct bearing on a charity’s ability to strengthen its community. We would encourage all funders to consider, as part of their portfolio of support, special funding specifically aimed at developing charity resilience.

Our key recommendations to businesses, trusts and individuals who want to help develop a stronger charity sector include:

**Fund all aspects of a charity’s involvement in a funding programme:** Resilience funding is ‘all inclusive’. It is used to free up a charity’s time, energy and attention so that the charity can give appropriate focus to building its strength and flexibility. That means more than just funding core costs or overheads. It is about enabling the creation of space and time for the charity to reflect and achieve change, alongside facilitating support through the skills and networks required to develop resilience. Resilience funding is an approach through which funders, working individually or collectively with other organisations, provide the funds, time, skills and networks to charities that will enable them to sustainably deliver impact within communities.
Show confidence in small charities and create an atmosphere of honesty: When we talk about funders building long-term relationships with the charities they support, this clearly needs to be centred on trust. Moving away from traditional funding dynamics, resilience funding should be characterised by the five features of the funder/charity relationship detailed in the report:

**Reflective:** motivated to learn and develop their work

**Curious:** willing to give things a go, try new things

**Collaborative:** willing to listen and set own agenda aside

**Aligned:** having shared social purpose

**Flexible:** keeping an open mind.

Trust based relationships promote an open and transparent approach and ensure charities can be agile and responsive whilst maintaining accountability towards project outcomes. The onus should be on the charity to determine how funds can be best used to strengthen resilience, and as an investment it should prompt the testing of new ideas, practices, systems and processes at the organisational level. To a degree, some funders have explored this approach when distributing COVID-19 emergency grants and we would call on those to continue this approach as we exit the pandemic and encourage others to join them.

Recognise that your funding won’t necessarily have an immediate, visible impact: Resilience funding is intended to strengthen an organisation. It requires persistent effort over the long-term and it may be hard for charities to see that they are making progress. Funders, with their own skills and experience, can act as strategic partners and help charities to notice the progress they are making and encourage them through this hard work.

And finally, while resilience funding is critical for small charities and can put them on a growth trajectory for the future, funding resilience is equally important in medium or larger charities, although their specific resilience needs would differ according to the stage of growth and the ambitions of the organisation.
INTRODUCTION AND BACKGROUND

Why a CAF Resilience Programme?

Small charities are valued for the distinctive role they play in society as a whole and in the communities in which they work. They are recognised for their ability to really understand local needs, to fill gaps and provide specialist knowledge, to be person centred, responsive and in touch with the needs of their service users. The CAF Resilience Programme was an opportunity to support ten such charities which were meeting societal needs in a positive way and yet needed to develop some elements of their own core strength.

We knew from the outset that investing in charity resilience was important, but the COVID-19 pandemic has dramatically underlined this need and made an even stronger case for this kind of investment. We hope that this report will help influence others to invest in small charity resilience. While it is beyond the scope of this report to discuss wider civil society resilience, we hope that our work can contribute to those conversations as well.

The CAF Resilience Programme at a glance

The Programme’s theory of change was that by creating the time and the help necessary to explore resilience, both separately and with their peers, charities would be able to work out what resilience meant for them and how they could achieve it. To help test this theory, CAF brought together a group of philanthropists to fund the CAF Resilience Programme over three years. The first step was to assemble a cohort of ten small charities all working on early action or prevention. Each charity received two years of support which had four main components: grants mainly to backfill salaries for staff time on resilience building, CAF Advisory support to work on specific resilience priorities, the space for peer learning and reflection and a trust based relationship with programme management at CAF. The Programme had three objectives: to enable each of the cohort of ten charities to develop greater resilience; to learn and share with the sector how to support small charity resilience; and, finally, to encourage more individuals and other funders to fund charity resilience.

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4 For the purposes of this Programme, small means having an income between £250,000 and £1.5million. Charities with an income under £1million were prioritised.
How did the CAF Resilience Programme come about?

The CAF Resilience Programme (the ‘Programme’), was the result of a shared interest in charity sustainability on the part of CAF and philanthropists Julia and Hans Rausing. Through their giving, Julia and Hans Rausing had become aware that some smaller charities lacked financial stability and were in a more precarious position, as despite delivering good services, many funders only considered funding charity project costs. The Programme was the result of looking for a way to help small charities to be sustainable, and to encourage more philanthropists to support smaller charities rather than limiting their funding to larger household names. Through the partnership with CAF, they committed £462,000 as seed-funding to help devise a programme that would make a difference.

Previous scoping research carried out by CAF during 2015 had suggested that small charities, however effective they are, had been adversely affected by the economic downturn and major reductions in government funding; and that poor communication between funders and small charities meant that the former lacked insight into why and how resilience funding could help.

Based on conversations with philanthropists, published research and CAF’s own advisory experience, CAF designed a programme that would see it not only support charities but also learn from them, and then share that learning with other funders and philanthropists. The seed funding from Julia and Hans Rausing enabled CAF to design a multi-year programme and mobilise additional funding to the tune of £1.3m from other individual philanthropists (who manage their philanthropy through CAF) to deliver the Programme. Without such support, this programme would not have been possible and CAF would like to offer heartfelt thanks to the Battcock Charitable Trust, Frith Trust, Hargrave Foundation for a Brighter Future, JSK Trust, Scherer Family Trust, Stillwell-Shaw Trust, Trust for Local Response, Wildish Trust and a number of donors who wish to remain anonymous.

The resulting Programme was a true collaboration between individuals with philanthropic experience and ambitions together with CAF, an expert in supporting charities.

Why small charities need resilience funding

Resilience is a key concern for many small charities. Alongside the remarkable work they do for the community, such charities have a pressing need for their own financial investment and management support to help them to be resilient and able to react, flex and pivot under stress.

To achieve their community impact, small charities generally rely on support from a combination of public generosity and grants, as well as the willingness of staff and volunteers to go above and beyond. The public (and many grant funders) do not always like to fund what are called either ‘core costs’ or ‘overheads’ and they expect the maximum funding possible to be spent on the direct delivery of the charity’s work. Whilst completely understandable, the unfortunate and unintended consequence of this type of funding is that charities are not adequately invested in, too often resulting in strained leadership with disproportionate responsibilities and a lack of infrastructure. This means that even a minor crisis, such as a key staff member on long-term sick leave, can bring them to their knees.

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6 Across the applications and throughout the programme we observed that organisational structures were under staffed in management, strategic or leadership roles. It was not uncommon to have a single individual across all three with a disproportionate burden of responsibilities but limited support.
It is not unheard of for small charities that are successfully raising money to deliver their services still having to close because they cannot fund the support costs necessary to enable them to do this work; costs such as administration, insurance, and providing Human Resource support to the delivery staff.

Speaking to funders, when asked what a good charity looks like, we typically hear responses focusing on strong safeguarding, good governance, transparent reporting and prudent financial management. However, these are exactly the sorts of ‘core costs’ or ‘overheads’ that funders are often reluctant to fund. If society is benefiting from the reliable, quality work being carried out by these charities, we need to invest in them, as well as their project activities. To ensure sustainability of programmes, a charity must be able to develop a robust organisation around its programmes and this is driven by resilience funding.

Small charities have often started from the passion or concern of a few dedicated people and have then grown organically. However, while their budgets and reach may have expanded, too often they have not had the time or opportunity to really understand their developing position and how they need to approach things differently as they grow in line with their ambitions, as opposed to simply reacting to expectations. In short, they have become stuck in existing models or ways of working that used to function well but are no longer fit for purpose.

Charity CEOs often tell us that they feel guilty for focusing on their organisational health or investing in the charity even though they recognise the payoff from doing so. They struggle to operate as efficiently as they could because they are funded to ‘do’ but not to reflect, plan and strategise.

This report

We want this report to be read by funders to spark conversations on the importance of resilience and how and why the CAF Resilience Programme was able to help the charities involved make crucial changes to their operations and so increase their resilience into the long term. Given that the Programme concluded six months into the COVID-19 pandemic, we are also in a position to share the ways that the Programme appears to have contributed to these charities being able to withstand the extraordinary financial and operational shocks that resulted. It is our hope that this will mean that they are in a stronger position to face the future and that their service users will continue to receive their support for years to come.

“...without the changes that participation in CAF Resilience [Programme] has brought about, we would really have struggled to weather the storm as well as we have. Despite the immense challenges it poses, we are still looking to the future.”
The CAF Resilience Programme was designed to help charities go beyond project delivery and normal administrative work, enabling them to find the space and time to focus on some of their underlying issues. This, we believed, would enable them to strengthen their ability to deliver for years to come. Ten small charities were chosen to take part in the programme.

1.1 What were the programme components?

There were four programme components:

1. Funding  
2. Advisory support from experts both in and outside of CAF  
3. Learning  
4. A relationship with CAF (on behalf of the programme’s funders) based on trust.

Funding

Each of the charities involved in the CAF Resilience Programme received grant funding of up to £100,000 over two years. Unusually, the funding could only be spent on freeing up their capacity to improve their organisational strength. Budgets were flexible so long as the charities stayed on course to achieve this overarching goal. The grant was not designed to cover ‘core costs’ but to go further, providing funding that would allow charity leaders or key staff to step back from busy day jobs and be self-reflective and adaptable.

The funding was not to scale up or to start something new but to enable the charity to fully engage with, address and embed solutions to their resilience challenges.

Advisory support

At the start of each year of their involvement, participating charities worked with CAF to map out areas of resilience where they felt there were gaps or where they wanted to develop strength. Together we looked at what wasn’t operating efficiently, what kept them up at night, and the barriers to delivering their mission. Three or four key areas were selected for specific attention (e.g. governance, income development etc.). For each area, we asked the charity what they could do themselves if a member of staff was able to focus on the issues and where they needed outside help to develop. The grant spend and advisory support was then structured around activities to enable the achievement of resilience outcomes with milestones identified to help the charity and CAF stay on track.
In addition to the traditional roles of funder and advisory support, CAF also played the role of a:

- Critical friend to the organisation
- Coach to individuals in leadership role i.e. chair or CEO
- Facilitator for organisational development workshops (e.g. strategic plans, fundraising, theory of change, etc.) or initiatives such as board away-days and peer learning
- Researcher for benchmarking, sector analysis and feasibility studies.

More than two thirds of the advisory support was provided by CAF’s in house team of experts but where other specialist knowledge was required CAF was able to call upon expertise in our wider networks to deliver the right advice.

A key aspect to developing charity resilience is understanding service impact. This comes from having the right systems and processes in place to capture and analyse feedback from service users and then, using that learning, constantly refine services and communicate outputs. To help deliver this, CAF engaged a consultancy, Keystone Accountability, to work with each charity to review the feedback systems they had in place and ensure they remained close to their service users. They did this through a blend of learning and facilitation workshops. The support from Keystone Accountability, specifically funded by an individual philanthropist and CAF client, helped charities strengthen their ability to systematically use feedback to refine and deliver programmes.

Relationship
To enable each participating charity to have the ability to explore their resilience needs as their specific journey developed, CAF felt it was important to establish a different kind of relationship around its provision of funding and saw its approach to programme management as being critical to achieving this. The role of the CAF Programme manager proved to be pivotal in this and the feedback received from the charities clearly indicated that the Programme would not have succeeded without it.

In practice, it was the monthly calls between the CAF Programme manager and the CEO or senior leadership team that held the key to making this ambition a reality. These calls had several functions:

- They forged a genuine relationship between the charity and CAF which created trust and honesty and allowed CAF to understand the charity in detail. This ensured the advisory was tailored, appropriate and consultants were well briefed in advance.
- The calls ensured charities were on track to achieve milestones but also gave them the opportunity to reflect on their progress and challenges.
- The calls allowed the programme to be iterative. Where something wasn’t working or funding needed to be redirected or a new issue arose, CAF was able to discuss this with the charity and allow them to make adjustments to the support, spend and even targets very early on.
- Continuous engagement also helped CAF to identify and capture learning to be shared with the cohort and more widely.

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7 This work and its outcomes is detailed in a 2019 report from Keystone Listening for the future Insights for funders on how small charities use feedback
During the Programme, CAF saw the relationship evolve and an interrelationship emerge between how CAF funded and how resilience increased. We have identified five features of this mutual relationship.

Five features of the relationship between CAF and the ten charities.

- Reflective: motivated to learn and develop their work
- Curious: willing to give things a go, try new things
- Collaborative: willing to listen and set own agenda aside
- Aligned: having shared social purpose
- Flexible: keeping an open mind

Learning
The CAF Resilience Programme was intended to be a learning programme – to support all those involved to learn and reflect as they went along; to be adaptive and responsive to change; and to share what was learned with charity funders to help inform how they could best support charity resilience through their funding frameworks. This was achieved through:

- Facilitating charities to reflect through monthly calls and quarterly reflective surveys
- Convening all 10 charities twice a year to share experiences and common concerns
- Publishing programme learning as we went along
- Being proactive in finding opportunities to share our journey with other funders.

1.2 How did charities apply?

In 2015, when CAF started thinking about charity resilience, its own Social Landscape survey highlighted that a third of charities were using reserves to cover operational shortfall at the same time as seeing demand for their services continue to rise. One in five CEOs of charities with an income less than £1m per year said their organisation was ‘struggling to survive’.

So, for the CAF Resilience Programme we targeted charities in the squeezed middle; charities that had a small team of full-time staff, delivery commitments and service users who relied on them, yet who lacked the funding and staff expertise to be able to focus on addressing resilience concerns.

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8 Blogs and interim reports about CAF Resilience are published here
The Programme was oversubscribed and the comments charities made in their applications clearly underlined the need and demand for this kind of funding.

To gain a rich understanding of what enables charity resilience in different environments, we chose charities of different sizes, locations, causes and programme models. All the participants had been UK registered charities or community interest companies (CIC) for at least two years and had an income between £0.25m and £1.5m, although we prioritised those under £1m. To ensure that across the diverse organisations there would still be sufficient common ground to facilitate learning and sharing, we chose charities working in early action and prevention. Although this theme was broad, many charities within this field shared a concern that it was harder for them to get funding for long-term prevention work compared with crisis intervention work, making it suitable for a pilot programme.

1.3 Who were the 10 charities?

Figure 1: Map of the 10 charities that took part in the CAF Resilience Programme

- Hot Chocolate Trust
- The Link
- The Encephalitis Society
- BRIC (formerly Home Start Lincolnshire)
- The Money Charity
- Child Accident Prevention Trust
- ACE
- WILD Young Parents Project
- West Bromwich African Caribbean Resource Centre
- Women’s Work
The CAF Resilience Programme worked with a cohort of ten diverse charities each with their own challenges and ambitions and each with a different starting point on their journey to become more resilient. The programme was built on a theory of change (see Figure 2 below) that by giving charities the time and help to explore their resilience, they would better understand what resilience meant for them and the steps they needed to take to achieve it. From the experience of working with the participating organisations it became clear to CAF that small charity resilience has six characteristics (see Figure 3 below). The characteristics described are not collectively exhaustive or mutually exclusive but provide structure in the absence of a universally applicable definition and widely agreed understanding of resilience. This section of the report focuses on the theory of change and uses the six characteristics to discuss what outcomes were achieved before going on to discuss wider organisational changes that occurred.

Figure 2 – CAF Resilience Programme Theory of Change (ToC) (the detailed ToC can be found here)
2.1 Where were the 10 charities at the outset, what help did they need?

All the charities were confident in their delivery, felt that they were meeting a need and were respected within their sector or local community. However, each organisation also recognised a need to change how they worked. Although each organisation’s starting point in developing resilience was slightly different, there were some common themes and issues:

**The charity’s income had already reduced or was at risk; fundraising was a challenge**

Many of the charities had experience of trading and possessed fundraising skills but had limited time to think strategically and plan for income generation. Most were largely reliant on one or two sources of income and/or projects. Grants for projects were largely restricted and there was a lack of significant reserves or reserves were routinely being used to stay afloat.

**The charity’s infrastructure wasn’t keeping pace with growth or change**

The charities either felt that they had already outgrown their existing infrastructure or realised they wouldn’t be able to develop the organisation without introducing and updating systems. This covered functions such as Financial Management, Monitoring Impact, Human Resources, Information Technology and Communications.

**The charity was stretched in other ways and felt it risked losing focus**

Rapid growth and new partnerships and opportunities meant that some of the charities felt they were about to overextend and risked losing focus. Staff were stretched and at capacity. They were confident in their delivery but were beginning to feel that strategic direction was missing.

**The charity’s board was not as assertive, engaged and/or diverse as it needed to be**

Some of the charity executive leaders felt that their board meetings were overly focused on operational matters, rather than offering strategic direction. Meetings were transactional and didn’t always help the executive leaders with strategic planning. Several charities felt that their board required additional skills and could benefit from greater diversity of thought and experience.

**The charity’s CEO was stretched and the charity was overly reliant on the CEO**

This created difficulties for everyone. The CEO was too drawn into day to day service delivery or stuck on a fundraising treadmill to be able to spend time on strategic thinking. They felt that they needed the time and space to think differently about income, or how to maximise impact. For example in some charities a lot of knowledge, relationships and responsibilities sat with the CEO which made it hard for other staff to get involved with strategic planning.
2.2 How did the charities use the funding and their time?

Each charity received a grant of up to £100,000 to spend on resilience building activities over a two year period. The funding ensured that, with the help of CAF Advisory experts, the charities could begin to divert time and resources into exploring resilience (see Table 1):

- Most of the funding (86%) was spent on staff. The biggest share (46%) covered senior leadership.
- This enabled the charities to release CEO time and create capacity for work on resilience.
- Budgets were relatively flexible – charities could reallocate funds as necessary (e.g. to take up a training opportunity) so long as they stayed focused on their chosen outcomes and milestones.

In the first year of the programme, the help charities sought was mainly focused on laying foundations e.g. governance, leadership, sector analysis and funding. By the second year, the charities had, typically, expanded their focus and added communications, finance and infrastructure as well as organisational culture.

Table 1 Average break down of spend (c £100,000 per charity) across the 10 charities

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<th>Category of spend</th>
<th>Average spend as a % of funds across both years</th>
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<td>Non Senior Leadership Team salaries</td>
<td>40%</td>
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<tr>
<td>Senior Leadership Team salaries excluding chief officer</td>
<td>30%</td>
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<tr>
<td>Chief Officer</td>
<td>16%</td>
</tr>
<tr>
<td>Freelancer and consultant fees</td>
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<tr>
<td>Travel and subsistence</td>
<td>3%</td>
</tr>
<tr>
<td>Training</td>
<td>1%</td>
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<td>Other</td>
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2.3 What did a journey towards understanding resilience look like?

At the start, some of the participating charities felt overwhelmed by the options available from the different routes they could take through the Programme. The charities felt that the objectives of the Programme were ambitious within an already uncertain and challenging operating environment (and this was pre-COVID-19).

Year One became about the charities ‘finding their feet’ in the Programme and taking care of some basic ‘housekeeping’ that was needed in their organisations. The support from CAF mainly focused on the challenges of getting the pace, intensity and sequencing of actions right for each charity. By the end of the first year, the charities were mostly confident on the progress and direction of travel they were taking. They were excited about going into Year Two and having more time to put into action the decisions generated in the first year.

Year Two was about action. The relationship between CAF and the charities was beginning to develop results: the pace and intensity of support was well tailored to the charities and the Programme needed fewer adjustments for each charity than had been the case in its first year.

However, it was not always easy for charities to see the progress they were making. This was where the external point of view provided by the Programme manager became very important, as they were able to better identify change and endorse progress through positive feedback. Some charities also developed a concern, as they began to understand what resilience would mean for them and what it would take to achieve change, that they would not have capacity to deliver their ambitious aims. The charities felt that adding a third phase to the programme would have enabled them to consolidate and embed or internalise change.

As outlined, the nature of the support from, and relationship with, CAF was considered by the charities to be key to their success. From CAF’s point of view, it was important that the charities would be able to take ownership of their journey and able to take forward future steps on their own, without creating dependencies on CAF. To ensure the programme was managed and closed out effectively:

- From the start, the CAF Programme manager was clear with charities that this was a short term (two year) intervention to create long term change without developing new dependencies. At the end of the Programme while the charities may have continued to face challenges on some aspects (such as fundraising and staffing), they would now be stronger in terms of strategy, governance, systems and communications and so were better placed to resolve outstanding challenges. In practice, many charities had found ways of funding the priorities identified through the work done on income generation during the Programme.
Charities were supported to think about and prioritise the areas that would continue to make the most difference. Some realised they needed to operate in new and modified ways and started adapting their delivery and staffing models.

Through the Programme the ten charities met as a group twice a year for several days of workshops, sharing and reflective learning which enabled them to become a strong network of support for one another. Since the Programme ended, a number have stayed in touch and reached out to the network for advice or encouragement, which we hope will continue.

As part of building resilience, several charities deliberately focussed on building their local or sector connections or recruited new Trustees, all of which helped them to access other sources of advice and support for organisational development.

Finally, as each charity approached the end of their second year, the CAF Resilience Programme manager facilitated a review to bring the Programme to a close. This allowed for a celebration of progress, reflection on what hadn’t gone as expected, and a plan for the way forward. Many of the charities opted to receive support to create a new milestone plan to take them past the end of the Programme as they had found this to be a useful tool. In most cases the Programme manager was also able to engage with the trustee board and review the charities’ progress with them to encourage the board to think about how they could sustain the momentum towards resilience once the Programme finished.

Throughout the second year regular calls with the charities emphasised the closure of the Programme.

All ten charities stayed engaged in the Programme despite facing a range of internal and external pressures (even pre-COVID-19) that made this a challenge. Some of these pressures are typical to small charities where there will always be a degree of ambiguity between strategy and operational roles and even senior staff will sometimes need to ‘roll up their sleeves’ and get involved in delivery. Common challenges included staff changes, sickness, Board level issues, the evolving and increasing needs of service users, a hostile external environment and fundraising issues including prospective income being withdrawn.

What was encouraging about the charities in the Programme was that, even where aims or milestones were not fully achieved (usually because of other pressures), the charities moved closer to their aims and were confident that they now knew how to continue working towards them.

“We’ve been used locally by just about everyone as an example of an organisation which has responded in an agile way to COVID-19, which is reaching more people than ever (75% increase on usual amount in this quarter), and is developing new ways of working. I think because of CAF the whole team were used to challenging the norm and adapting to change, plus recognising that change could bring positive benefits. This meant we had a different ‘organisational mindset’ which enabled us to react/cope/adapt/develop without so much of the drama and pain!”
2.4 What changes were achieved and why?

10 charities are given the time and the help to explore their resilience separately and together.

Charities better understand what resilience means for them and how they can achieve it.

Charities become more resilient having worked on the 6 characteristics.

CAF collected quarterly reflections and annual self-assessments from each participating charity and undertook an end of programme review meeting with a small group of the charity’s staff and trustees. From this feedback CAF was able to identify changes in resilience and how these were achieved, as well as the impact of these changes at the level of the organisation as a whole.

It was also able to identify outcomes of programme support and relate these to the six resilience characteristics.

Most importantly, it was clear from this feedback that charities were able to make progress across all six characteristics as summarised in the table below.

FIGURE 4: Summary of outcomes from the charities against the six characteristics of resilience

<p>| Clear purpose for the organisation | Being supported to work on the mission and purpose helped the charities to sharpen their strategy and direction. Charities were supported in creating strategic plans and facilitating strategy planning workshops. This enabled them to make important decisions such as planning for growth with confidence. Sometimes this led to unexpected but critical outcomes, as in one case where the charity pursued independence from their federation. CAF’s approach of engaging the whole staff and trustee team in these discussions helped the charities to embed change and brought about a positive shift in organisational culture – the charities talked about shared ownership and their common understanding of mission and purpose. |
| Effective leadership | Being supported to work on leadership helped the charities to make changes to their boards and senior staff teams. They made changes to how their boards function and who sits on them with the aim of the board becoming more engaged, focused on strategy and able to support staff to look ahead. Specific trustees went on to set-up and chair sub-committees to focus on strategic priorities such as fundraising. They created new leadership teams or reorganised the way leadership responsibility was delegated across senior leadership teams. Senior staff time was often tied up in service delivery making it difficult for CEOs to delegate responsibilities. The funding and support freed up capacity and helped reorganise senior teams which led to reduced stress, a shared workload and reduced reliance on the CEO. Several discovered aptitude among their delivery staff which even those individuals had not known they possessed, and the time freed up enabled them to grow into more responsible roles. |</p>
<table>
<thead>
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<th>Awareness of external environment</th>
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<td>Making time to reflect on where their charity sits locally, nationally or even internationally had a wide variety of positive benefits. These include forming new partnerships, gaining confidence to carry out advocacy and campaigns and becoming more motivated to take up new training and networking opportunities. For instance, one charity said that the council now seeks their advice on local matters and they have a direct relationship with the mayor and council leader. One charity realised that their sector peers had mostly closed down leaving them as the largest charity of their kind in the UK.</td>
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<th>Networks and partnerships</th>
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<td>Being encouraged to focus on their networks and partnerships has helped with strategy development, funding and service delivery. The programme encouraged charities to explore new relationships and CAF used its extensive networks to help broker new connections. Having the time and space to review their partnerships enabled charities to, for example, attend more external partnership meetings, which led to the development of new work or expanding their reach into new geographical areas. New learning was also brought back into organisations, enabling them to spot things that need to change about their referral agreements or built confidence to approach partners to suggest changes.</td>
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<th>Finances and operations are fit for purpose</th>
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<td>A key resilience priority across the programme was fundraising and income diversification. Charities were supported to create fundraising plans that were actively implemented and monitored in a co-ordinated approach. Innovative fundraising initiatives were explored and charities tested their progress against fundraising goals. Charities were encouraged to diversify income sources, with no single source providing a disproportionate share of total funding (although traditional grant income played a vital role in enabling many charities to survive the COVID-19 crisis). Most charities ended the programme with a fundraising plan in place, but a mix of strategic and ad hoc funding to meet financial targets. The charities also adopted new systems and structures for managing key functions such as finance. For example, while working on strengthening the management of finances, the charities adjusted roles associated with finance and some found cost efficiencies. New systems meant that the CEO needed to spend less time on managing the finances and other staff were able to get involved and help, while trustees had a better overall understanding of the charity's finances and reporting to the board improved. Charities had also, where needed, been able to tighten up systems for GDPR compliance, Human Resources and other operations. One charity that did a lot of work on its finance and operations said that the management team was now more confident, skilled and functional.</td>
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<th>Effectively captured and communicated impact</th>
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<td>Charities were supported to work on their charity's theory of change which helped ensure they had a coherent and shared concept of their mission, direction and intended impact. Support provided through Keystone Accountability enabled charities to identify and institute systems to gather feedback which was critical for impact. The programme helped the charities to communicate in a more tactical or targeted way with key audiences and this improved awareness, profile, and reach, as well as income generation. For example, charities were supported in creating communication material that was tailored to the interests of different funder types including individual philanthropists and corporates. As well as being supported to review the way they capture and communicate impact the charities were, where appropriate, also supported to put in place the staff or project team and processes to make it happen.</td>
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Note: this table brings together charities’ reflections on outcomes gathered through the reflective surveys and final grant review meetings.
The outcomes that the charities achieved against the six characteristics described above also led to wider changes affecting the whole organisation. The five key changes identified at the organisation level from the charities’ point of view are:

- **Better placed to analyse our options**

  Resilience is not about preventing external shocks, it is about creating an environment in which the impact of those shocks can be better managed – as has been evident through the COVID-19 pandemic. The processes that each of the participating charities went through during the Programme has left them better placed to analyse options strategically, for income preservation and future income generation as well as for board and team mobilisation. They were supported to facilitate internal deliberation, research and decision making to make cohesive responses to challenges and so enable a sustained operation. For example, one charity started to realise that COVID-19 was rolling back all the work they had done on their fundraising - except this time they had an able and engaged board as well as a dedicated staff member other than the CEO with time to work on income generation. Similarly, the charities said that the Programme had given them the time and space to understand and evaluate different governance options including their organisational form, structure and franchise agreements.

- **Making well-informed, confident decisions about the charity’s governance**

  Several of the charities faced complex questions about their structure and governance, including whether or not to merge with another charity; whether or not to continue as part of a federated structure or become independent; and whether or not to change to a different kind of legal entity. In at least one case these questions had been discussed for a long time but without ever arriving at a firm decision: ‘the discussions about being held back had been happening for a long time before but [the] CAF Resilience [Programme] helped us make the decision to actually leave’. Having the space and time to think about strategy and to strengthen their board have been positive factors enabling them to take firm decisions with confidence. Even for those who decided not to make a change, they were now able to lay the issue to rest, having properly investigated it, and move forward with confidence.

- **Optimistic and in control of our destiny**

  Reflecting on where they are now, charities talked about feeling in control of their own destiny and optimistic about what they could achieve despite the challenging times they have entered. One charity said that it feels like ‘the world is our oyster’ after taking some confident decisions about its governance and structures. Another talked about believing in the charity’s future and described how being supported by CAF had created the time and space to make progress on two projects that had got stuck due to the lack of CEO capacity. Eventually these paved the way to costed proposals for the work that the charity really wanted to be do, a step forward that was only possible because the charity had freed time to devote to work on their strategy and purpose.

- **Working here feels different**

  Some charities expressed that their organisations now felt different culturally. One described feeling ‘excited, motivated and having a more cohesive whole team’. Staff and trustees were more aligned and felt more involved in the work of the charity as a whole. One charity said that retention rates and staff morale had improved. These changes were attributed to the way the programme encouraged charities to engage everyone in strategic thinking, to help all staff and trustees get a shared understanding of the charity’s finances and work in an inclusive way on activities like developing the charity’s theory of change. After doing some work together on impact,
one charity reported that staff had become less siloed in their separate roles. Another charity had been able to create time for the whole team to look together at the client journey through their services, which led to significant improvements.

- **We’ve got more confidence about how we want to work with funders and partners**

Experiencing a different kind of relationship with a funder had given some of the charities the confidence to know how they wanted to talk to, and work with, other funders and commissioners in the future. The Programme had also given a charity the time to review and think about referrals and the confidence to raise and discuss issues with referral partners.

Progress against the six characteristics, along with organisational level changes, left the charities better equipped to navigate the complexities thrown up by the COVID-19 crisis. While developing charity resilience does not completely mitigate the risks of external shocks, it does help a charity manage them and survive them.

**What was the initial impact of COVID-19 on the 10 charities?**

**Snapshot of achievements, challenges and what helped**

The CAF Resilience Programme had long planned to finish in summer 2020, with the final two quarterly surveys, due in March and June of that year, asking participants to reflect on their progress and any issues. With the onset of the COVID-19 pandemic, these last surveys presented a valuable snapshot of the emerging COVID-19 related challenges participants now faced, how they had addressed them and how the programme had helped with this. It also suggested that by June at least some of the charities had moved from crisis management to a period of transition and new ways of working and/or living with the pandemic.

What stands out is the ability of the charities to ‘pivot’. It seems that, because they had done a lot of thinking, even though they were not doing exactly what had been planned, they were able to be flexible. ‘If you’ve spent some time thinking about purpose, about what’s important and you are all very clear and on the same page about that, then you set people up well to cope in a crisis.’

We heard back from charities that, because of the crisis, they had gone back to the strategy work they had done to help them work out what’s important.
In the surveys charities reported:

**Challenges**

- Income and projected income have been negatively affected
- Events and opportunities for fundraising and awareness raising have been cancelled or postponed (e.g. awareness weeks, direct mails linked to seasonal or other calendar events)
- Centres for delivering in person services and activities have closed and moved to remote working
- Some strategic work has lost momentum because of the need to redirect attention to coping with the crisis

During this period, the charities also talked about other challenges they had faced that ranged from reflecting on changes highlighted by the ‘Black Lives Matter’ movement to coping with local anti-social behaviour.

**Achievements**

- Securing small amounts of funding by targeting quick turnaround COVID-19 related grant programmes
- Profile and standing has been raised through being held up as a great local example of an agile organisation responding to COVID-19; and being invited to help shape a COVID-19 grant programme
- Revisiting practice, trying out new ways of working and finding great adaptations that have led to strengthening their reach to families and others requiring help. Some indication that reach to professionals may even have increased.
- By June, charities were reporting that they had managed to get back to doing some longer-term thinking and restarting direct mail campaigns or other postponed activities.

During this period, the charities also noted that just keeping going was an achievement.

**What helped**

- The ability to release more time to enable CEO to think strategically about COVID-19
- Having some paid-for time to reflect and adapt and think about new ways of working
- Weekly support from the finance representative through CAF who has supported the charity through COVID-19
- Confidence to speak frankly and openly to funders and commissioners
- Courage to have difficult conversations/make difficult decisions
- Having already worked (over 2 years) on the resilience of whole team, including volunteers

In terms of the reach of our safety messages, the pandemic meant that our local stakeholders were unable to support families in the usual way. But we adapted alongside them, producing new types of content on child safety in lockdown and adapting our plans for Child Safety Week. And initial analysis shows that our reach to families and stakeholders was unaffected, and that many professionals became more engaged.
CASE STUDY

Encephalitis Society – responding to a global pandemic

Who we are, what we do, and why our services are vital

Encephalitis (inflammation of the brain) is a complex and extremely serious neurological condition affecting half a million people around the world each year. The condition is by no means rare: in many countries, it is more common than motor neuron disease, multiple sclerosis, cerebral palsy and bacterial meningitis. Up to 30% of all new cases will prove fatal and those who do survive the initial medical emergency may be left facing a lifetime of disabilities and challenges due to a brain injury. Common issues may include epilepsy, fatigue, cognitive problems, memory loss, behavioral change, emotional and serious mental health issues.

The Encephalitis Society are a small team of 12 people, working from a HQ in rural North Yorkshire, but delivering life-saving services to people wherever they live in the world. There is no other charity (of any size) in the world delivering front line services to people affected by encephalitis, undertaking research, and raising awareness of the condition.

Waking up to a pandemic world

As the pandemic erupted, we knew that other Coronaviruses had in the past been a cause of encephalitis. None of those, however, were so easily spread as COVID-19 and didn’t appear to have the wide array of acute and post-acute presentations. We entered the pandemic with uncertainty in terms of the impact of the illness and encephalitis.

What we did know however was that we faced an unprecedented fight for survival as income plummeted. We also knew that many in our encephalitis community were fearful and highly anxious of the implications of COVID-19 on their health. Finally, we saw research halted and many of our immediate networks in medicine and academia moved to the frontline in readiness for the anticipated Armageddon on patients and NHS services.

The immediate challenges that presented themselves were:

1. Income plummeting: we lost over 80 fundraising events; sustained a significant loss on the small investments we held; saw withdrawal of some corporate support and we projected a minimum income shortfall of 50% in Year One.
2. Demand for our help and expertise increased reaching 113% at its peak over normal as many in our population were at risk of the implications of COVID-19 in addition to mental health and plummeting confidence (both major challenges post-encephalitis).
3. The retention and wellbeing of our expert staff team was a number one priority and with every role critical to our survival furlough was not an option for our team.
4. We knew that COVID-19 and its associated implications were here to stay at least until a vaccine can be identified and manufactured in sufficient quantities.
5. We were unable to travel to the communities we support or engage with new potential sources of support in-person.
6. In conjunction with these additional pressures and demands, one person a minute is still being diagnosed with encephalitis. If the Encephalitis Society does not survive post COVID-19, then the growing half a million people plus, worldwide who are diagnosed each year, will simply have nowhere to turn.
How we innovated

Being a global charity operating out of the UK we were well set up technologically and digitally. We locked down our HQ and migrated our staff team to home working within five days as well as adapting our existing 2020/21 strategy, action plans and slashing budgets to a COVID-19 emergency version.

We implemented our emergency business continuity plans and created weekly Cobra meetings with our Board of Trustees to manage change and discuss the quickly changing environment and its implications for the charity.

We fast-tracked the recruitment of three new trustees in IT/Cybersecurity, fundraising, and digital marketing. We provided employee assistance programs and apps like Calm to all staff and our scientific advisors (many reassigned to the frontline). We created an Income Generation subcommittee and began work on revised funding strategies, and funding sensitivity analyses.

We continued to think about the future, innovating and planning for issues like carer burden, and increases in anxiety and mental health.

We created bespoke emergency funding appeals to our members generating over £30k of emergency funding, and migrated 50% more staff into writing trust and foundation appeals as well as applying for COVID-19 emergency funding where we could.

Our Chief Executive Dr. Ava Easton co-authored on several seminal COVID-19 papers, became the patient and public engagement lead on several COVID-19 research study grants and international surveillance taskforces including with the World Health Organization. During the Society’s Research month in June, 66 radio and TV interviews with Dr Easton about encephalitis and COVID-19 were syndicated.

How had the Charities Aid Foundation (CAF) Resilience Program impacted our response to this global pandemic?

In the two years prior to the pandemic we had been working closely with CAF and a range of consultants provided by them. This has considerably strengthened the senior team at the Society building on existing skills and embracing new ones. This resulted in several new policy and procedure approaches including the Emergency and Business Continuity Plans which were drawn upon to pivot the charity quickly once the pandemic hit.

In addition, other collaborative work we conducted with CAF’s help such as our Theory of Change, developing a pathway for our international work, and developing our strategic goals meant that we did not lose focus on our objectives or suffer mission drift during the pandemic. This work also meant we were quickly able to free up the Chief Executive to deal with the immediate governance and strategic issues as well as focus on leading the staff team and having a critical focus on their mental health and wellbeing. By doing this, we were able to not only pivot the charity almost overnight but also support individuals in the team with the personal challenges they faced at this time.

Having CAF as a funder, and the collaborative project work we undertook with them, enabled us to convince other COVID-19 emergency funders that we were a robust and viable charity to support and with whom to work.
The CAF Resilience Programme had three objectives: to enable the ten charities that were selected to be more resilient; to learn and share with the sector how to support small charity resilience; and, finally, to encourage more funders to fund charity resilience. In Parts 1 and 2 of the report, we analysed the way the programme played out against our theory of change; described how the programme helped charities to increase their resilience through the six characteristics; and suggested that this had led to five wider changes at the level of the whole organisation.

In this final part of the report we want to focus on our third objective: to encourage others to fund charity resilience. We have been heartened to see more funders offering core funding to help charities cope with COVID-19 and we hope that will continue beyond the crisis period. We would like to see funders go even further. Resilience funding is not just about providing ‘core costs’ but going further, by providing the funding, time, skills and networks, allowing charity leaders to step back from busy day jobs and be self-reflective and adaptable:

"Core funding keeps the wheels turning, resilience funding allows charities to ask if they’re turning in the right direction"

It is important to underline that such funding can be framed to be as restricted as any other project delivery funding.

Below we begin by summarising what we have learned and what we might do differently before setting out recommendations for our peer funders and philanthropists. While it is beyond the scope of this report to discuss the wider context of civil society resilience, we hope that our work can contribute to those wider conversations.
3.1 What did we learn from delivering the CAF Resilience Programme?

This was an inclusive and responsive programme that has worked in a very real and human way with ten charity leaders and their teams. The investment was a blend of investing in people and investing in the organisations that they lead. The charities in this programme were all keen to address functions such as impact reporting, governance and income diversification but they all said funders need to understand that these things take time and require staff to have space and time to step back from the day to day.

We have reflected on how we designed and delivered the programme and have identified the following key lessons that we recommend for future programmes.

- We invested heavily in the relationship with the ten charities and spent time getting to know them, listening to them and working out how we could best support their progress. We took on the role of supportive partner and critical friend to promote rather than enforce accountability.
- We provided support by trying to engage with stakeholders across the organisation, including the Board, leadership and team. The charities where we were able to engage a broader spectrum of stakeholders were more successful in implementing organisational level change. For instance, we encouraged charities to promote a culture of philanthropy within the organisation as a whole as opposed to having fundraising as just an individual responsibility.
- We facilitated advisory support directly through CAF and through partners, which enabled charities to focus on longer term outcomes and strategic plans based on their needs rather than short term fundraising priorities.
- We insisted that we and the charities should stay focused on the outcomes they had chosen to work on but we were very open and flexible about how they got there. This enabled charities to experiment more and make necessary tweaks when things did not work as per plan.
- We wanted the programme to have multiple, interconnected components but also to provide some structure. What we learned was that the structure suited some charities better than others, however it helped all charities stay on track with milestones.
- We didn't initially plan for the emotions of organisational change. Building resilience requires a complete mind-set shift across different levels and teams within charities. We learned from the charities how much time CEOs spend on supporting their staff through the anxieties of change. It takes up a surprising amount of time but without creating a safe and open space to communicate with staff and manage their anxieties, organisational development suffers.

What enabled charities to feel that they were entering into a balanced relationship with CAF?

- We asked charities what help they needed and then created the plans together
- We changed things when they weren't working and gathered feedback quarterly
- We were flexible about the budget; if something wasn't working charities could move the money around and try something else
- We stayed focused on the outcomes and were flexible about how charities achieved them
- We invested time and energy in the relationship: we had monthly calls, we showed interest in the whole organisation and the people not just in our programme outcomes

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10 Previous programmes that we read about during the scoping stage had been criticised for being overly focused on compliance and not focussed enough on outcomes.
3.2 What would we do differently?

We have identified a number of areas where the programme could be adapted. Some charities felt they needed more time and support to fully reap the benefits of CAF’s support. Charities mentioned that year one is about relationship building, finding your feet, housekeeping; and year two is when the maximum progress is achieved on resilience building. A third year could give charities a chance to really embed change with priorities transitioning from CAF to the organisation. Perhaps what was of more interest was the idea of a ‘taper’ at either end of the programme: support at the start to understand how to get the most out of the programme experience and facilitate the mid-set shift to focus on resilience; and support at the end tapering off while the charity embeds change. Even though we worked with the charity’s whole team, a lot of our work was with their Executive Leader. That emphasised that effective leadership development was a disproportionately critical element of organisational resilience.

3.3 What are our recommendations to other funders and philanthropists?

Building charity resilience takes time and patience but for a funder it can be deeply satisfying. With resilience funding we have invested in the organisation, not just a project or service. The journey isn’t linear or straightforward but the outcomes are worthwhile. An engaged funder can really add value by supporting charities throughout the process and helping them to keep going when other challenges intervene.

“If you really want to make a difference with your funding, invest in the organisation not a project or programme. If you invest money to give them time and thinking space they’ll move away from the cliff edge and you can go away and support another charity. It’s not about project or core funding, it’s about resilience funding.”

Resilience funding is ‘all inclusive’. It is used to free up a charity’s time, energy and attention in order to build its resilience. That means using it variously to cover core costs or overheads, to release staff time or to do other things that create space and time for resilience building.

While resilience funding is critical for small charities and can put them on a trajectory for growth, funding resilience applies equally to medium or larger charities, though specific resilience needs would differ according to the stage of growth as well as ambitions of the organisation.

When we talk about funders building long-term relationships with the charities they support, this should be centred on trust and be characterised by the five features of the funder/charity relationship detailed in the report: reflective, curious, collaborative, having a shared purpose and flexible.
After reflecting with all those involved in the programme on what we have learned, these are our eight key messages to other funders.

- **Fund small charities to focus on their organisational strength and resilience**

  Allow them to spend time with a skilled external facilitator to understand the root causes of their needs before offering specific funding/support. This can be done by making initial grants towards staff or core costs that then frees up those post holders to undertake the exploratory work.

- **Fund all aspects of a charity’s involvement in a funding programme**

  Ensure that any project funding you offer includes an element to meet resilience building costs in addition to programme delivery costs and core costs (such an element can be structured to be as restricted as the project funding). The charity should also be supported for their complete engagement with the programme and include aspects such as taking part in promotional or learning opportunities that the funder requests as part of their own wider agenda.

- **Build long-term relationships with small charities**

  Change is slow and complex. Provide multi-year funding with agreed outcomes but flexibility along with accountability towards outputs and spending. This allows the charity to work out what is best for them and their service users.

- **Show confidence in small charities and create an atmosphere of honesty**

  Encourage the charity to be as open and honest as possible with you about what does or doesn't work and where their skills gaps lie. Help create the space and time to reflect and trust the charity to use it well.

- **Support Executive Leaders**

  It can be difficult for an Executive member and/or senior staff in a small charity to move from delivery mode to strategic planning. The charities want to do the strategic thinking but in practice it can be tough to switch. Executive Leadership salaries are often funded from project budgets which results in a disproportionate focus on projects.

- **Recognise that resilience funding won’t necessarily have immediate visible impact**

  Attribution is very difficult to prove when it comes to organisational development but the long-term impact is worth it. Even if you can't carve out what outputs are directly connected to your funding you have contributed to the growth and impact of the charity as a whole.

- **Recognise that building partnerships takes time and therefore money**

  Give charities the time to explore partnerships. For some charities the best way to serve their service users could be to partner with other organisations. However, this doesn't happen without an understanding of their own resilience and a clear strategy that allows them to identify those partners with whom they are aligned.

- **Consider the benefits of a cohort or peer learning approach**

  Being part of a diverse cohort of charities with organisations unlike themselves means that charities can learn from each other’s experience, as it will encourage them to think outside of their own networks. The networks created through programmes go on to serve as mechanisms for sustaining the impact of such programmes. Even when funded programmes come to an end, peer networks act as support structures for participants involved.
Conversation starter -
Five questions you can ask small charities

For small charities, being honest about the help they need and asking for support is not always easy.

Funders have an important role to play in setting the tone for the conversation and creating a dynamic where charities can tell them what they need, rather than what they think the funder wants to hear about.

Here are five questions funders can ask small charities whose work they are looking to fund.

- What are the hardest things for you to get funding for?
- To the people your charity supports, what is the most important part of your work?
- If you had a ‘spare’ month and worked for your charity but didn’t have to do your day job, what would be the best use of your time?
- What underlying issues does your charity have that it either doesn’t have the time or expertise to fix?
- What’s the biggest challenge to your efficiency?

“Dr Benedict Michael, Vice-Chair of the Scientific Advisory Panel at the Encephalitis society, at the lab. (credit: Encephalitis Society)

The current crisis has shown how quickly the team can respond to change. The crisis has shown us how the work that we have done over the last couple of years has really assisted us in being able to respond so quickly to the changes needed. Not only can I see the resilience of the team and volunteers which has been really pleasing to watch, but we have seen many families show huge amounts of resilience and themselves recognising an ability to survive during a crisis.”
3.4 How will CAF take this work forward?

The CAF Resilience Programme was a pilot programme designed by CAF to test our hypothesis that resilience building is a key area of support that small charities need and that it could play an important role in ensuring the sustainability of their service delivery. Our experience from 2016 when we starting designing the programme indicated that resilience funding was uncommon and charities were hesitant in articulating its need. From 2017 to 2020 we observed a slow shift towards resilience funding especially among individual philanthropists, Trusts and Foundations. However, while there is increased interest in funding core costs in addition to programme delivery costs, the charities we support have expressed that having funding in place to provide them with the space and time, as well as support in place to invest in resilience remains a challenge.

With the COVID-19 crisis, 2020 was a year of unprecedented change that had a widespread impact on charities. A survey conducted by CAF among over 400 charitable organisations, soon after UK entered into its first lockdown, revealed that organisations faced an increase in demand for services, whilst facing a threat of falling income. A majority of organisations (58%) had started working remotely. While 39% found an alternative way to deliver services, 25% found new ways to reach service users and 18% developed new collaborations. The presence of the six characteristics of resilience, outlined in this report, enabled charities to adapt to the crisis and ensured that they not only survived the crisis but also learnt from it and developed further. For instance, developing strong cash reserves enabled charities to adapt with agility to the pivot to digital and remote working which required new investments in systems and processes; engaged and proactive trustees helped charities explore new delivery models while remaining true to purpose; and having strong networks and awareness fuelled new collaborations.

The crisis did not create gaps in resilience, it simply highlighted those that already existed and laid bare how vulnerable charities were.

CAF’s 2020 Charity Landscape Report, in partnership with ACEVO, highlighted that income and sustainability are the biggest challenges for charities. As the report outlined, 55% of charity leaders think that generating income and achieving financial stability is one of their top three challenges, although 28% do say that they now have more access to broader funds than they did before the pandemic.

This highlights how funders have responded to the crisis. CAP’s network of charities mentioned that support has been received from existing funders. Many funders provided flexible funding through the crisis and supported charities in repurposing grants to modify services and timelines based on the needs of service users. What remains to be seen is if such funding practices are sustained post crisis.

In 2021, we have come a long way from when we started exploring resilience in 2016. However, the crisis has exacerbated the pressures on charities and challenged CAF to reimagine how we need to support charities in the post pandemic environment.

CAF is actively looking into how it can build on the lessons from the CAF Resilience Programme, both to improve its own grant giving, and to identify what further research could usefully be undertaken to provide the funding community with practical steps it can take to support charity resilience.
CAF has responded to the challenges presented by COVID-19 by developing a body of work that is designed to reach charitable organisations working with individuals, groups and communities who have been disproportionately affected by the pandemic. This work is being delivered in three strands:

**SURVIVE**
Supporting small charitable organisations with unrestricted emergency funding to help them survive till March 2021 and get through the worst period of the COVID-19 crisis.

**ADAPT**
Supporting small charitable organisations with resilience funding which will cover programme costs, core costs and funding for organisations to strengthen their resilience.

**THRIVE**
Supporting small charitable organisations to thrive post pandemic by strengthening resilience within civil society as a whole.

If you would like to help small charitable organisations that have been disproportionately affected by the COVID-19 crisis or would like to know more about anything in this report, please reach out to us on cafresilience@cafonline.org

For more information on the CAF Resilience Programme please refer to our website.
CREATING RESILIENCE
How funders can help strengthen small charities

Learnings from a CAF Programme
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Programme approach to learning and measurement

The CAF Resilience Programme (the ‘Programme’) was developed with the support of an Advisory Board and Keystone Accountability, who also provided some consultancy support to the charities. They worked with us to create a Theory of Change (ToC) for the Programme and a working understanding of resilience that identifies six characteristics of resilience. Over the course of the Programme, the characteristics of resilience were used to build a practical self-assessment framework for the Programme (see Appendix C).

Each charity in the Programme focused on a set of bespoke milestones for their work with the Programme. The milestones were flexible and realistic – we recognised that sometimes timescales move for good reason or a new issue surfaces that must be addressed before resuming work on planned milestones. It was more important to us that the charity increased its resilience than that they hit their milestones in a ‘tick box’ way. Together with the self-assessment framework, these milestones gave us a practical way to keep track of progress with the charities. As the Programme progressed, we added more detail into the self-assessment framework based on what we were learning.

We were aware that, while the self-assessment framework and milestones would tell us about what has changed, they might not help us understand why. We introduced a number of mechanisms (qualitative and quantitative) for capturing the charities’ reflections and learning about how and why they were becoming more resilient.
These comprised:

- Annual surveys completed at the start, middle and end of the programme that provide a ‘snapshot’ of how the charity is seeing its resilience at a point in time (31 questions measuring charities’ progress against indicators of resilience listed on the framework)
- Quarterly reflective surveys to capture charities’ reflections on progress and learning (10 mainly open questions)
- Monthly calls between the Programme Manager and the charity to discuss their development against agreed milestones, reflecting on what was an enabler or barrier to progress
- Bi-annual learning workshops with all of the charities to explore specific areas of resilience

Programme management was informed by surveys, formal and informal conversations with the charities, associates delivering advisory support and management records of spend and support provided.

Insights were collated and shared with the charities at the bi-annual workshops. These workshops were an opportunity for participants to come together and have open and honest conversations, share learning, build links with one another, identify common issues and explore these as a cohort. They were also useful opportunities for participants to gain inspiration but also be challenged to reflect on their practice. Learning was shared with the Programme Advisory Board, who used this to inform the ongoing advice and support they gave to the Programme, and with colleagues at CAF, so that the learning could help shape this and future Programmes.

In preparing this report we reflected on which learning strategies were the most helpful. For day-to-day programme management, the monthly calls and learning workshops were especially valuable.

The practical usefulness of the surveys varied and it might have been preferable to reduce the frequency of the quarterly surveys and the length of the annual surveys. For reviewing the Programme as a whole, we found the reflective surveys to be the most useful because they provided a deep and rich understanding of each charity’s journey. These, along with the annual survey and Programme management records, helped create the ten charity profiles that you can read in this report as well as our analysis of the Programme as whole.
Profiles of the 10 charities

In this appendix we explore each charity’s experience of the CAF Resilience Programme.

The profiles that follow for each charity provide information about the charity and its circumstances when it joined the Programme. They then set out their achievements through the Programme, the support that was provided and the way the charity used its grant funding.

All participants received a grant of c.£100,000 over two years to explore and build resilience. Grant spend was focused on resilience building priorities and was mostly allocated to fund the salaries of the Chief Executive, Senior Leadership Team (SLT), non-leadership team staff (non-SLT), the use of freelancers or consultants, travel and subsistence and training. Each charity profile provides details of how their grant was allocated to these broad cost categories.
ACE (ACTION IN CAERAU AND ELY)

About ACE

ACE is a community developed charity owned and run by the residents of Ely and Caerau in West Cardiff. It was set up to develop and deliver a range of different projects and activities to regenerate and improve their communities.

The charity had only been in existence for five years when they joined the CAF Resilience programme but they had reached a critical point where they were about to lose over 70% of their funding as their grant from the Welsh Government was coming to an end. They were keen to explore other ways of developing income and reconsider what they wanted the charity to look like once they were no longer as reliant on one funder’s requirements. The charity had a large number of activities taking place but struggled to articulate the impact they made and decisions were often made reactively in the absence of an overall guiding strategy.

Achievements

Through the CAF Resilience Programme, the charity has made significant strides around its financial resilience. They now have a business plan with income generation targets to develop traded income. They have a more structured way of working, having developed a system to assess business ideas ensuring they have become more streamlined and strategic with income generation activities. They recently secured almost £500,000 from the National Lottery Community Fund as a result of exploring new income streams and are investigating the use of buildings and the purchasing of new buildings to be used as both trading income (renting of houses) and to further charitable purposes (renting of houses to disadvantaged members of the community).

Culturally ACE have felt the shift for staff and trustees from reliance on one main source of income. There has been a change in dynamics so that now everyone sees managing charity financials as part of their role. They are also spending more time looking forward financially rather than tracking backwards. The charity commented that they feel that they are now more strategic and ‘defining their own destiny’ as a charity rather than being funder-led. Their theory of change and subsequent work means they now have a coherent and shared concept of where they need to go as an organisation. The board also challenge the staff team more as it is clearer what they are trying to achieve. ACE have a new monitoring and evaluation system in place, based on the aims of the charity as a whole and not just individual projects. This allows them to better track their impact against their mission and articulate their value.
**Support**

The charity received support to develop a theory of change and new strategic plan, to review their data collection for monitoring and evaluation and help to strengthen feedback loops, restructure their website and improve their annual report. They were also supported with business planning through financial coaching, and taking structured approaches to decision making, stakeholder management and succession planning. The charity benefited from bespoke research that helped them to assess their options around opportunities to earn traded income and to acquire an asset to generate income.

**ACE SPEND OVER TWO YEARS**

![Chart showing spend over two years]

- CEO Staffing: 30%
- SLT Staffing: 27%
- Non SLT Staffing: 41%
- Travel/subsistence: 2%

**BUILDING RESILIENCE IN COMMUNITIES (BRIC) FORMERLY HOME-START LINCOLNSHIRE**

**About BRIC**

BRIC provides targeted support through guidance and practical help to parents with young children struggling to cope. They want to help build a society in which every parent has the support they need to give their children the best possible start in life. BRIC was formed out of a merger of eight smaller charities and when they joined the programme they were still called Home-Start Lincolnshire and were a part of the Home-Start network.
After going through a lengthy merger process, the charity’s CEO was keen for a fresh start and wanted help to map out a new strategy and set a new vision of where they were going as an organisation, with a fresh marketing approach to help them achieve key objectives. The charity was looking for help to raise money which was increasingly challenging despite the cost savings they had made as a result of the merger. They knew they needed to both diversify income and refresh the board, who needed additional skills to lead the charity through a new environment and the confidence to challenge the CEO appropriately.

**Achievements**

BRIC have said that the CAF Resilience Programme gave them the impetus and mind-set to think about things differently and make confident decisions. They describe feeling more in control and attribute this to having the time and space to see their issues clearly and actually address them. During the Programme the charity made the decision to leave the Home-Start network and also to stop delivering some of the work that they felt was the remit of the local authority because it did not fully fit with their strategy. They have also begun to be more proactive and intentional about the forming of partnerships with other charities. All of these are bold steps linked to having time to focus on mission and purpose and gaining the confidence to be driven by this rather than simply reacting to funding opportunities.

BRIC now has a new strategy and theory of change (and is finalising a business plan), all of which have been developed with far more staff and trustee involvement than previously would have been available without the Programme. As a result, staff are becoming much clearer about their role to achieve the charity’s mission. The charity has collaborated with staff across the organisation to create a ‘measures’ framework which makes it clear what success looks like, helps staff understand why they need to input data and will be used to communicate externally about impact. BRIC has also spent time on its governance. In addition to some changes in trustees (with some trustees realising that they were not best placed to lead the charity through its next stage), trustee meetings have become more focused and there is more engagement than there was before the Programme.

The charity understands its options for income generation, the resources needed to proceed with each and have been able to focus on the ones that make most sense for them. They are completing a new fundraising strategy that will bring this together. They have also received help to review communications and marketing which is resulting in defined audiences and key messaging, a clarified marketing budget and income targets. These conversations have led to BRIC deciding to recruit for a fundraising and marketing role as they recognised the need for this function.
Support

The charity was supported to review their approach to trustee recruitment (to create relevant materials and prioritise where they searched) which led to them being joined by a new trustee who then stepped into the chair’s role. They also received support to review their user involvement and feedback processes. The charity had a facilitated theory of change workshop and vision day as well as a facilitated board away-day to look at roles, responsibilities, and the strategy. Following this, the charity began to seriously consider leaving the Home-Start network and so CAF provided a paper outlining the options and the practical implications of this and facilitated discussions with the trustees and teams.

They decided to go ahead and so their next advisory support focussed on developing a new strategic plan, defining audiences, articulating key messages and creating a communications and marketing plan. They also undertook a benchmarking exercise to look at how other charities like them fund themselves and a workshop to explore how they could fundraise, and the roles and skills needed. Through this they were able to identify alternative income sources and plan for them appropriately. Finally, CAF helped to review their financial processes to assist in sharing their financial reporting and assisted trustees in effective decision making and risk analysis.

‘We are in control of our own destiny and we now feel like this in our organisation; before, we were full of frustration’.
About CAPT

The Child Accident Prevention Trust (CAPT) works across the UK to prevent death or serious injury to children, with particular emphasis on children from the poorest families who are 13 times more likely to die and three times more likely to be admitted to hospital. The charity does not work directly with families but delivers its mission through equipping local partners with practical resources and training to cascade their safety messages, empowering parents via advice on social media and their website, and providing advice to standards bodies, local and central government and the NHS.

CAPT joined the CAF Resilience Programme following a very testing time, having lost a significant amount of income when their trading model collapsed due to austerity measures. Local authorities were no longer funding their services and whilst they cut down their staff team, closed their offices with staff working remotely and were trying to access corporate income, the charity was on a financial knife edge using up their reserves each year. Trustees were understandably very concerned about their finances but this had begun to dominate all conversations and they had reached a point where the whole emphasis was on looking backwards at what had happened and scrutinising past spend. The CEO was stretched very thin without any other senior staff to share decision-making and other responsibilities. She was able to stay in post by being almost entirely funded by project delivery which meant she had little time to focus on strategy.

Achievements

The biggest catalyst for change was the work CAPT did on governance. Joining the Programme highlighted that many trustees felt ready to move on and that there were gaps in the skills and knowledge that the charity needed in order to move forward. Support received resulted in a new chair with a fresh vision, and five new trustees with the right mix of skills. The new and engaged board shifted the charity’s focus from looking back to planning ahead; became more focused on the charity’s mission; and created new sub committees (e.g. fundraising) to support the CEO.

The sharing of both the workload and the strategic planning has also been helped by the appointment of a part-time Head of Fundraising (part funded through this Programme, part through another funder). For the CEO to have another senior staff member who can bring expertise and proactive support with income generation and communications has been extremely helpful. This, along with the board changes, has contributed to greatly improved decision-making processes and a better balance between strategic and operational work.
Whilst the charity is still small their financial position even through COVID-19 is stronger than when they joined the Programme and the CEO is no longer spending the majority of her week focused on reporting numbers. A significant corporate partnership, along with support from charitable trusts and foundations has enabled the charity to: explore effective digital engagement with parents and launch its first safety animation; remove barriers to advice for parents by translating their fact sheets and distributing free copies of their picture-based booklets; and develop and deliver interactive online training. They have a fundraising strategy, patron programme, improved feedback mechanisms and a plan to improve their website. Work is also underway on the charity’s first impact report.

**Support**

CAPT had a lot of help to improve its financial position, they benefited from research into the corporate fundraising opportunities for the charity, support to develop a corporate strategy and proposition and help to review the overall fundraising strategy. They were provided with a feasibility study into online training opportunities which is an area they have been keen to develop for years. They were also supported to develop consistent and effective communications across all their projects and media channels, and received a benchmarking report for their website identifying improvements and recommendations, along with help to develop a digital strategy. Both of these pieces of work will help support their ability to promote themselves and raise income.

In terms of governance, the Programme supported the charity with a trustee skills audit and work on trustee engagement as well as facilitated workshops around vision and board function. The charity was also supported with trustee recruitment including the identification of a new chair. Finally, CAF advisors facilitated an away-day for staff and the new board to focus on the new strategy and develop better ways of working.

**CAPT SPEND OVER TWO YEARS**

- **CEO Staffing**: 2% (27%)
- **SLT Staffing**: 13% (38%)
- **Non SLT Staffing**: 2% (20%)
- **Freelancers/consultants**: 2% (Other)
Katrina Phillips, the Chief Executive of the Child Accident Prevention Trust, said:

‘Support from the CAF Resilience Programme has been transformational for our charity. It enabled us to step off the treadmill of day-to-day survival and lift our sights, so we could focus on planning for the future and how to better meet the needs of our service users.’

‘The COVID-19 pandemic has been a testing time for charities and the communities they serve. CAF’s input meant we were in a strong position to face the challenges, able to assess new risks to children and develop new ways to support our local partners and reach families UK-wide with our safety messages.

‘Vulnerable children are safer as a result of CAF’s thoughtful, expert advice and support. We really cannot thank you enough’.

About the Encephalitis Society

The Encephalitis Society provides direct support to people affected by encephalitis and their families. They work to raise awareness and increase early diagnosis of this condition which can, in many cases, prevent death and the severity of damage to the brain. They also promote and collaborate on research to improve the diagnosis, treatment and management of patients, and focus on recovery and rehabilitation.

The charity wanted to take some time to assess whether there were ways they could achieve even more impact using the resources available to them. As part of this they wanted to strengthen the way they measured and demonstrated impact. They wanted help to understand how best to diversify their income and identify which approaches would be most likely to yield results for them. They were also supported to maximise their existing strong relationships with volunteers, who could themselves be potential funders. Finally they wanted help to review their strategy for working internationally, as they receive calls and requests from around the world.
Achievements

The Encephalitis Society commented that the CAF Resilience Programme’s encouragement towards developing a more inclusive and collaborative approach to organisational decision-making had led to staff responding more positively to change. The charity worked as a whole staff team on how organisational culture can enable positive change. Senior staff noted that the whole team had more time and space to talk and be excited about new developments. The charity’s board were also keen to engage with these discussions and are now formally reviewing the charity’s values and involving their stakeholders in this. The charity feels that they have a more engaged board as well as a bigger staff team and that their senior leadership team has gone from strength to strength.

An important change for the charity has been that they were able to find a way through the challenge of how to focus their finite resources in order to have the greatest impact internationally. They were able to identify what they really needed through CAF’s advisory and used a report enabled through CAF to convince a group of philanthropists to commit £50k to engage a leading epidemiologist (previously from Public Health England) to do a baseline situational analysis on encephalitis around the world. This is a huge piece of work for them that will inform their future strategy and they have even lined up a major donor to fund some of the work once they have developed a strategy. The charity commented on how satisfying it had been to have the time and space to map out what was needed and then pursue funding for it rather than reacting to funding opportunities offered.

Other changes that the charity has achieved include developing clearer messaging to more defined audiences, helped by recruiting a trustee with a digital marketing background. They have also connected their communications with their fundraising and improved major donor income. They were able to make their support more accessible through animations, information videos and multilingual resources even before COVID-19 but following the start of the pandemic they were able to quickly pivot communications to both the platforms and subjects that service users cared about most and stay relevant. They provided expert information on demand, new content was produced quickly and they started to put out podcasts which led to several good networking and funding opportunities.

Support

The Encephalitis Society received advisory support to map donor and volunteer journeys and look at opportunities to connect the two, to hold a theory of change workshop with the whole team, to improve their feedback tools and to review current data collection methods. They were also helped to make changes to the way they measure and communicate their impact.

The Programme worked with the charity on developing a strategy to increase major donor and legacy income, including a benchmarking exercise against other charities. CAF also benchmarked the charity against other medical charities to provide models and options for how the charity could expand internationally. They were supported to review their options for expanding the staff team and to explore with staff and volunteers the charity’s culture and how they manage change.
Hot Chocolate Trust encourages isolated, wary young people in Dundee’s city centre to take up and sustain their engagement with transformative opportunities which will enable them to live fuller and healthier lives. They build long-term relationships through the provision of bespoke support. A high proportion of those they work with experienced significant adversity in childhood and large number currently experience difficult situations including homelessness, family breakdown, substance misuse a discrimination due to their LGBTQ+ identities.

The charity had built up an excellent reputation locally but had become concerned they might be about to overextend themselves and lose focus – they had expanded beyond what their infrastructure could support and they were being increasingly asked to contribute their expertise to other projects and organisations. The charity was also keen to explore monetising the impact database they had developed to see if they could leverage this to generate significant trading income.
Achievements

Through their work in the CAF Resilience Programme, the charity developed a better understanding of their finances and the feasibility of trading opportunities, including an assessment of social investors’ appetite to invest in them. Culturally, they have a newly structured management team that has increased in skills and confidence. All job descriptions have been rewritten and shared across the staff team so that everyone is clear on who is responsible for what. They have a new strategic plan with the direction significantly shaped by young people’s needs, balanced with research on what other charities were delivering in order to incorporate best practices and realistic goals. In terms of governance, the reporting systems to the board were improved and reports are now split between board subgroups as relevant to make best use of trustee time and attention.

The charity was supported to make a lot of changes to internal processes including revised practices on paying staff on residential weekends, a new incident reporting system, and substantial GDPR work, especially in response to the young people’s concerns about how sensitive information would be used. Hot Chocolate now have the right internal operational structure to be able to support delivery and improved use of IT (information technology) and physical space to match the strategy.

Support

Hot Chocolate received research support, to explore the market and benchmarking the opportunities to sell training courses and leverage the impact database to generate income. They received CAF’s support as a critical friend to redevelop their strategic plan following an in-depth consultation with young people and staff. They also had help to review and restructure their line management and Human Resource support and develop leadership capabilities within the team. They were provided with support from a workspace designer and advice on improving their physical office space for maximum use, improving health and safety and staff wellbeing.

Hot Chocolate also had support to develop their business case and draft a business plan for investment in their database. In addition they received advice and recommendations on their IT infrastructure issues and how to improve them in the short, medium and long term.

HOT CHOCOLATE TRUST SPEND OVER TWO YEARS

- SLT Staffing: 73%
- Non SLT Staffing: 4%
- Freelancers/consultants: 4%
- Travel/subsistence: 2%
- Training: 2%
- Other: 4%
- Total: 100%
‘The opportunity to partner with CAF’s Resilience Programme came at exactly the right time for Hot Chocolate Trust. It provided the space, alongside other like-minded organisations and leaders, to reflect critically about our ambitions and needs. It offered a wide range of pro bono support and input, to help stretch our thinking and practice. It included invaluable funding to resource our ambitions. We’re a very different organisation now – not in terms of vision or mission or culture or ethos (although these have been strengthened) – but in terms of our organisational robustness, resilience and preparedness for the future.’

THE LINK CIC

About The Link

This community interest company (CIC) based in Redcar in the North East has a mission to reduce the number of children and young people facing mental health issues and emotional distress. They intervene at an early stage, usually with face to face counselling, before the child or young person has reached the threshold for CAMHS (Child and Adolescent Mental Health Services) support.

The Link had grown rapidly and the leadership was concerned that it had outgrown its systems and ways of working; and did not have the financial stability to be easily handed over to someone new when the founder CEO retired. The charity’s governance was confused: the CIC was set up as limited by shares which they now felt was preventing them from accessing some grant funding; and a sister charity with a similar name doing similar work had since been set up. The relationship between the two entities was unclear. The organisation faced high demand for their services, but lacked processes to manage this in a planned way. They gave a number of reasons for this, from outgrowing their systems and lacking new ways of managing the service efficiently to not knowing key metrics like the unit cost of their service. This all meant that the stretched senior management were not finding the time to meet regularly which resulted in a lack of communication and direction as well as siloed working.
Achievements

The Link CIC used quite a lot of their funded time on the Programme to do significant housekeeping on their ‘back office’. They spent time digging into their finances, reducing expenditure and recalculating their unit costs and updating financial policies. They transitioned to a new finance package and brought payroll back in house to save money. They also spent time tidying up their reporting database, improving data collection, and used part of their grant to have their database reconfigured so that they can run automated reports that show their impact across all strands of their work. As a result of this they produced their first ever impact report.

The Link now has a greatly improved understanding of its governance structures and relationships – there is a Memorandum of Understanding in place that formalises the relationship between the CIC and its ‘sister’ charity. Five new directors have been recruited to the board, all of whom are clear about the organisation’s governance and direction following a development session facilitated by CAF. The organisation considered changing its structure in order to be eligible for more kinds of grant funding but chose not to for the time being, partly because it had already managed to secure alternative funds. During the CAF Resilience Programme, the organisation worked hard to diversify their funding streams and now see themselves as being in a much better position, financially, to move forward. They are less reliant on grants and have won some public contracts. They consider the work on income generation has helped them build reserves and develop more accurate cash flow projections.

The Link CIC feels that they have greater clarity of direction, are less reactive and approach challenges in a more strategic and efficient way. Their revised strategy is more useful and useable because everyone was involved in its development and both posts and work-plans are aligned to it. The CEO suffered some ill health necessitating the Service Manager to step up. Whilst this was not planned or ideal, the way that this worked relatively smoothly showcased the distance travelled in terms of leadership compared to when they joined the Programme. For the first time they have a communications strategy and a cross cutting team from across the organisation supporting this work, which includes an improved website. Staff are better informed, engaged and several are now demonstrating an ability in business development that was not recognised or developed before.

Support

Advisory support included a workshop on governance structures to determine the right one for them, support to map out how to change their structure, a review of the roles and responsibilities of their non-executive directors, and a facilitated workshop together with the ‘sister’ charity to develop a memorandum of understanding between the two organisations.

There was a facilitated vision day with all staff, followed by a strategy day with the senior team and coaching to help redevelop their strategic plan and embed this into work-plans. They were supported to review and improve both their feedback systems and young people’s voices within their decision making processes.
CAF provided a benchmarking report against similar organisations to identify new income sources and had their internal budgeting and financial planning procedures and systems reviewed with an improvement plan being created. Finally, they were supported to understand who their audiences are, how they can better present themselves online and were helped to develop a communications strategy and action plan along with clarity around needed skills.

THE LINK SPEND OVER TWO YEARS

‘Being able to spend time to look and think what we needed to do was so helpful. It was really useful to be on a programme with other organisations who are experiencing the same difficulties and be able to share your frustrations and get advice and support from people who are also living it. The programme came in at the right time for The Link – we were at a make or break point, we could have survived but no where near to the extent we are now with our finances being healthy. This hasn’t been without hard work but at the beginning you think that the money will be useful but it’s the support and knowledge that’s really useful and invaluable – none of us are business people and we would have had good intentions in doing it but a bit blind leading the blind . . . the whole programme has been about investing in development and the organisation and the monthly telephone calls were crucial to our success. Show funders the before and after story of The Link CIC- it’s worked for us – the proofs in the pudding – it’s about teaching sustainability and standing on their own two feet’
THE MONEY CHARITY

About The Money Charity

The Money Charity is a national organisation with a vision that everyone should be able to achieve financial wellbeing by managing their money well. They empower people across the UK to develop the skills, knowledge, attitudes and behaviours to make the most of their money throughout their lives by providing educational workshops and resources, by engaging with all parts of the financial services and credit industry to improve practices and outcomes for their consumers and by influencing and informing policymakers, the media, the industry and public attitudes around money management.

This charity had been in a tough financial situation some years before joining the Programme, without sufficient funds to support core costs, until a major donor stepped in and made it possible for them continue for several years. They were conscious that they needed to diversify their income and ensure that they did not get into the same position again. They also recognised that their board was too small and would benefit from greater diversity as all members were from the financial services industry and they felt this needed to be balanced with more charity experience. Board conversations tended to be transactional and not strategic and the CEO found she was spending more time on fundraising than strategy.

They wanted greater capacity to be able to develop relationships with corporates to deliver their charitable mission in terms of running workshops and to generate income. To achieve this they felt they needed to enhance their fundraising skills.

Achievements

At the end of their first year on the Programme, The Money Charity had a new three year organisational strategy created with greater stakeholder input than previously. The CEO had been able to focus more on strategy and big picture and they had undertaken an increasing amount of policy and communications work in the last year compared to normal, including a new email campaign. They saw evidence that they were gaining greater recognition of their brand and mission externally following the work undertaken around marketing to clarify audiences.

The charity had new trustee role profiles and a refreshed recruitment pack which led to the recruitment of three new trustees. They were reporting increased sales (19 workshops with corporates in the first quarter of 2019 compared to 13 in whole of previous year) due to additional senior time available to build new external relationships as well as a tripling of consultancy income from 2017 to 2018. The team considered this to be a result of increased marketing and promotion as well as direct marketing at events.
The Money Charity finally had, for the first time, a fundraising strategy incorporating major funders. Core costs were also covered for the next twelve months. Thus, the second year on CAF Resilience started well. The team had an increased understanding of what would be required in order to be ‘contract ready’ with a plan to increase the efficiency of their financial processes. However, there were several changes leadership followed by a reduction in agreed corporate funding which was further adversely affected by the supporting corporate’s economic situation. The sudden funding shock, coupled with the COVID-19 crisis hitting soon after, placed further strain on the organisation. The charity’s services centred on the face-to-face delivery of workshops which became impossible during COVID-19 and the charity decided to furlough staff to preserve the organisation.

As the initial lockdown started easing, The Money Charity got back to work and the leadership and Trustees revisited the organisation’s strategy, in context of the new environment. Through the CAF Resilience Programme, the charity had been able to outsource fundraising. As such, despite operations coming to a halt during the pandemic, fundraising could continue. The charity has also observed an increased interest and willingness among service users to pay for its offerings. Backed by a renewed strategy and re-energised Board, income generation will continue to be a key priority going forward.

**Support**

Through the Programme, CAF provided the Money Charity with support to look at major funders as a potential new income stream and benchmarking research on charities doing similar work. There was a facilitated workshop with trustees and staff to determine major donor opportunities and existing connections. They received support to review any financial weaknesses and efficiency opportunities, with advice for best practice systems for finance. Support was also provided to clarify their audiences and improve the quality of their marketing in order to increase their earned income from training.

They received feedback on their organisational strategy, a workshop to look at their theory of change as well as advisory support to review their feedback and advice to ensure that evaluation did not overshadow satisfaction. They were also helped to understand what they would need to put in place to be contract ready for government or local authority funding.

The charity was supported to recruit new trustees, received a vision facilitation day with the board and follow up support to review how the CEO and board work together and improve the existing culture within the charity’s governance. Three new trustees were on-boarded. Given the changes in the leadership and Trustees, governance support focused on establishing new dynamics at the Board level and reinforced how the Trustees could positively come together. Revisiting the organisation vision and mission enabled the Board to align and buy into the organisation’s core in context of COVID-19 which helped refocus their ‘ask’ to funders. Strengthening relationships for Board effectiveness will continue to be a priority to support the organisation to achieve its ambitions.
The Money Charity spend over two years

![Pie chart showing the spend over two years.](chart_image)

‘I feel the milestones from the last quarter and the last year (year 1) have provided a good base for year 2 and have helped us to learn about our organisation, our limitations, and skills gaps. . . We have seen a tremendous increase in demand for our financial wellbeing commercial offering and a number of tender opportunities. The support from CAF has allowed us the time to take advantage of these opportunities as well as providing us support to make the most of the opportunities’.

West Bromwich African Caribbean Resource Centre (WBACRC)

About WBACRC

WBACRC aim to make a positive impact on the quality of life for local people in the West Bromwich area by delivering culturally appropriate services including care of vulnerable people, education, health and wellbeing. They do this through a community centre and an ‘at home’ service, mainly focussed on older people with preventable physical health issues and social isolation.

When they joined the Programme, the charity was interested in merging with another organisation but had neither the time nor skills to explore this. Although their strategy was not very coherent, they wanted to diversify their income; responsibility for fundraising sat entirely with the CEO. Their trustee board was almost all aged over 70 but they struggled to recruit younger people. Finally, while they knew that the community’s needs were changing, they were unsure how to go about assessing or responding to this.
Achievements

Through their work in the CAF Resilience Programme, the charity has increased its knowledge and awareness about the local community and about how their charity compares with other similar organisations. From this they have: introduced a new, simple set of questions to measure satisfaction with their services; learned that there may be more scope for community fundraising than they thought; shaped their strategy on what they have learned from working with the local community to better understand their needs.

Financially, they have explored different areas of income generation and have been supported to write a new fundraising strategy, as well as create the materials and plan to develop legacy income and a direct mail campaign which they plan to launch soon. The charity is now clear on how to calculate full cost recovery and has used this to negotiate its funding with the council.

The charity is becoming more strategic across all its work, with senior managers taking more responsibility for work that previously sat with the CEO. There is a good understanding among staff and trustees about the charity’s strategy and theory of change, which was not always the case before. Trustee engagement has been reinvigorated through the recruitment of new trustees who bring different skills and perspectives as well as training on governance roles and how these relate to staff. The board was supported by the Programme in their exploration of the proposed merger and concluded that this was not the right time. There was currently no appetite for a merger among trustees, who felt the organisation needed to be in a stronger position in order for this to succeed, but they would consider the question again in the future.

The Programme has freed up the CEO’s time to apply for funds they otherwise could not have explored and to join a local consortium, which resulted in greater awareness of local voluntary sector, new networks and new funding through partnerships. Towards the end of the Programme they secured new funding to help young people with employability and assist digitally excluded children to catch up via online learning (identified as priorities in their theory of change). They have also expanded their social media presence as a result of advisory received and started to produce annual reports that focus more on the impact of their work than just financials and activities.

Support

WBACRC received support to develop a theory of change. They were given advisory support on how to recruit new trustees based on the skills gaps identified and critical friend support in their chair recruitment planning. They were helped to review their feedback systems and coaching to improve their social media presence.

WBACRC were supported to look at alternative income streams and to develop and implement a legacy fundraising stream and direct mail campaign in their local community, alongside support to develop a fundraising plan for the whole organisation. They also received advisory support to review their full cost recovery calculations and best practice finance management advice.
CAF undertook research for them, benchmarking WBACRC against other community centres supporting specific communities, to assess how their model and income sources compared and where there might be opportunities. Research (including focus groups) was also conducted on the needs of the community and the services they require to inform future strategy. The charity had a facilitated workshop with the board and staff to discuss and embed the new strategy and fundraising plans within their roles.

**WBACRC SPEND OVER TWO YEARS**

![Pie chart showing spending distribution]

- 20% CEO Staffing
- 15% SLT Staffing
- 9% Non SLT Staffing
- 6% Freelancers/consultants
- 3% Travel/subsistence
- 1% Other
- 46% Training

‘Part of what has persuaded them to back us is our theory of change and futurology report so the impact is coming through’

‘Being able to employ a receptionist helped to free up time my time so I could concentrate on the more important things rather than answering the door every few minutes’.

‘The benchmarking exercise gave us confidence that we weren’t doing as badly as we had thought’.

‘Completing the Level 5 fundraising certificate has complimented the development of the fundraising strategy and we now have a robust case for support that outlines why we need to exist and the areas that we are seeking to impact’.

‘Our increased social media presence has seen us double the amount of online funders’.

‘The futurology has enabled us to identify and focus on areas that key stakeholders have identified so we are better targeting our energies’.
About Women’s Work

Women’s Work is an award-winning service that supports vulnerable women in Derbyshire facing multiple disadvantages. Its mission is to see all women with complex health, emotional and social needs have an equal opportunity to live a healthy and fulfilling life.

The charity had grown rapidly and was experiencing high demand, and even had to stop taking new clients at one point. Staff were at capacity, were thought to be at risk of burn out, and they had outgrown their building, which was limiting their opportunities to earn income and deliver sessions. The founder CEO felt that too much knowledge resided with her, but it was hard to change this when most staff were tied up with direct service delivery. The small leadership team was newly formed and were not yet taking responsibility away from the CEO. The CEO felt they were too reliant on grants, and the trustee board and the staff team did not always work together as well as they could.

Achievements

Through their work in the CAF Resilience Programme the charity has been able to review different sources of income, look at prioritisation and so develop a fundraising and communications strategy. This has helped them to identify which sources of income they will explore in the short, medium and long term and their key fundraising messages for the next few years. They have developed legacy collateral and plan to publicise this. They now understand the activities involved in a major donor strategy and a direct mail campaign and will undertaken them when they are ready.

Using the time freed up by the CAF Programme, the CEO has been able to identify and secure a building that meets their needs and she project managed the renovations and moving in. This has really improved the working environment for staff as they were extremely cramped before. It will enable them to deliver more in person sessions as they have more space and it also provides opportunities to generate earned income. These possibilities have been fully explored and costed for post COVID-19 action. The CEO comments that the building has provided the stability and security to go forward.

Women’s Work has improved social media awareness and skills, with a strategy that links to their income, and a greater priority has been placed on communicating their work. Their theory of change has become embedded in their practice and their thinking, and they feel it has helped them to better communicate impact. They also feel that their leadership structure has been strengthened as the senior team is more confident, with the workload better shared and a reduced risk of over-reliance on the CEO. She notes that this has led to her personally feeling less stressed and more motivated as her workload has become more manageable.
The charity feel that they have done a lot of groundwork to enable them to manage their size and look to the future. They started the Programme feeling very stretched in terms of delivery but now this has stabilised and they offer more services and feel that they are better able to meet service users’ needs. They also had help reviewing significant information on how data is captured and feedback is obtained from stakeholders and have improved the surveys and tools that they use.

Trustees (including a new chair and trustees) were supported to work together to optimise the performance of the board. This covered: understanding one another’s cultural values; self-assessment against the charity governance code; and developing plans for strengthening the board and linking the work of the board to a review of the charity’s strategy.

**Support**

Women’s Work received support to develop a theory of change and a facilitated workshop to address the limitations of their building space and consider how these might be addressed. The programme worked with them to create a social media strategy, a whole new area for them, and provided training to help the charity implement it.

Through the programme, the charity reviewed its feedback systems and developed new questionnaires to improve their consultation. The board received training on their roles and responsibilities and were offered a ‘critical friend’ review of their chair recruitment process. A facilitator supported the CEO and board to discuss how they could work together more effectively.

Women’s Work also received advice on developing major donor and legacy income. They received help to create a new fundraising plan that would look at how the whole charity is funded which including some initial support to make a strong ‘case for support’.

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**WOMEN’S WORK SPEND OVER TWO YEARS**

- CEO Staffing: 42%
- SLT Staffing: 32%
- Non SLT Staffing: 21%
- Travel/subsistence: 1%
- Training: 2%
- Other: 2%

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'The work we have done with CAF has been very timely and fundamental to our ongoing development and sustainability particularly so in the uncertain future we and other charities are facing.'

**WILD YOUNG PARENTS**

**About WILD Young Parents Project**

WILD Young Parents Project works with mums and dads aged under 23. They focus on supporting young people from mostly deprived parts of Cornwall to be healthy, happy and safe and therefore give their babies the best possible start in life.

WILD knew that they received great reviews from funders about their outcomes so were confident in their delivery, but acknowledged that the back office was overstretched and at breaking point. They applied the Programme because their resilience felt strained from the CEO holding too many core leadership roles which were not devolved among the team and therefore created a risk if she were to leave. IT systems and staff competencies needed to be developed. Simple systems were missing, for instance there was no shared computer drive, and reporting was manual, inefficient and did not allow them to see the overall impact. They did not have a current strategic plan and over the course of the programme recognised that their trustee board was not as engaged as it needed to be.

**Achievements**

Through their work in the Programme, the charity now has a strategy (and theory of change) which the staff team was involved in developing and which aligns with their work plans. They also have a ‘whole organisation’ fundraising strategy and developed major donor income for the first time. Systems are now fit for purpose - a new database has been introduced, resulting in streamlined reporting and a new ability to monitor work effectively.

Research carried out by CAF advisory identified the charity as being the largest in the UK working solely with young parents (others had closed or contracted) and gave WILD a new understanding of their role in the national young parent space. They received help to explore campaigning, and to plan and launch their first campaign on behalf of young parents.

The biggest change has been cultural. The staff team works more closely together and has a shared vision for the future and an understanding of the charity’s mission and purpose. New roles were developed, which led to staff stepping up, taking initiative, and taking responsibilities away from the CEO. At the start of the Programme only the CEO wrote bids, now three others share this task which has removed some of the risk identified by the CEO.
The charity feels that they have made the shift to long-term thinking from a position of constant fire fighting. The Programme enabled them to begin to address challenges within their trustee board, and they gained confidence to tell funders when things are not working, to push back and advocate for the charity. They are also exploring a reduction in the number of services they run in order to do deeper work with those families most at risk.

**Support**

They received support to develop a theory of change, hold a vision and strategy day and write their new strategy. CAF advisory researched the young parent sector in the UK and refined their annual report to better demonstrate impact. They were helped to explore their options for income beyond grants and contracts, following which they had support to develop major donor fundraising as an alternative income source and coaching to write a new fundraising strategy.

WILD were supported to review their feedback processes and develop a new stakeholder survey, along with a workshop looking at key audiences and messaging across different channels, and advisory support on campaigning techniques.

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**WILD YOUNG PARENTS PROJECT SPEND OVER TWO YEARS**

![Circle chart showing percentage distribution of project spend over two years: 27% CEO Staffing, 21% SLT Staffing, 6% Non SLT Staffing, 3% Travel/subsistence, 43% Other.]

‘It’s been transformative . . . feels like we’ve had to deconstruct to reconstruct all while delivery carries on around us, like taking the walls off a house whilst you’re still living in it’

‘I’ve been learning to let go, listen more and support others to have a sense of ownership over the charity’.
Resilience self-assessment framework

This assessment framework was designed to be a live, working document that CAF developed over the course of the programme as a way to open up conversations about resilience. It reflects the context in which it was developed and used: the programme design, the particular issues faced by the ten charities and the external environment at the time. We do not see it as comprehensive or prescriptive – it is not intended as a diagnostic tool. We were interested in understanding progress towards resilience and are aware that not every charity is seeking support, or indeed needing it, in every area.

In the report, and for this programme, we have described the six characteristics of resilience as:

- Clear purpose for the organisation
- Effective leadership
- Awareness of external environment
- Networks and partnerships
- Finance and operations are fit for purpose
- Effectively captured and communicated impact

In the assessment framework some of these six areas are broken down in more detail than others. This reflects the support CAF provided and the support the ten participating charities needed in order to increase their resilience. These characteristics are neither collectively exhaustive nor mutually exclusive. During the Programme, some areas emerged as being more critical to increasing resilience than others but we also recognise that perhaps the emphasis may have been skewed by the Advisory support provided. We recognise that resilience is unique to an organisation and may vary according to the stage of growth as well as the ambitions of the charity. This framework always needs to be viewed with this in mind and tailored for the specific charity using it.
Progress through each Resilience Framework Indicator would be identified by measuring against 5 different levels of development, going from Level 1, the first/Early stage, up to Level 5, the Exemplary Stage. Through conversations with each participant, CAF advisors would identify what form of progress was appropriate for that charity at each level. The resulting table would give each participant a bespoke road map to greater resilience that could be used to measure their improvement through the Programme.

<table>
<thead>
<tr>
<th>Resilience Framework Indicator</th>
<th>Area of Organisation</th>
<th>Journey from level 1 (Early stage) to Level 5 (Exemplary Stage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear purpose</td>
<td>Organisational Vision and Mission</td>
<td>Developing as an organisation from being one with no mission or vision to one which has clarity exactly on what those are. These are then fully adopted by staff and trustees and become guiding principles when establishing policies and making decisions.</td>
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<tr>
<td>Clear purpose</td>
<td>Strategic Plan</td>
<td>Moving from a position of having no strategic plan, through to one where a plan does exist but perhaps does not inform operational activity to, finally, a state where the plan is used to shape all activities and informs strategic direction in the medium to long term.</td>
</tr>
<tr>
<td>Effective leadership</td>
<td>Board Composition and Effectiveness</td>
<td>Starting from a position of having a board which rarely meets and has little understanding of its role, to a board that is fit for purpose, reflective of the skills needed for good governance, clear on its responsibilities and strategic oversight and effective in terms of its delegation to the executive.</td>
</tr>
<tr>
<td>Effective leadership</td>
<td>Leadership (individuals in position of authority who provide vision and direction, specifically Senior Leadership)</td>
<td>Developing a senior leadership team from one which perhaps has limited, if any, understanding of the organisation’s mission and vision, poor relationships with staff and volunteers and an inability to delegate decision making to a team that drives mission and vision, develops staff, has clear decision making functions and is not wholly dependent on an individual leader.</td>
</tr>
<tr>
<td>Effective leadership</td>
<td>Decision Making</td>
<td>Changing from a situation where decisions are made on an ad hoc basis and often by only person, to one in which there are clear and understood lines and systems governing decision making across the organisation. Decisions are consistently made in a timely fashion and are well communicated to stakeholders.</td>
</tr>
<tr>
<td>Resilience Framework Indicator</td>
<td>Area of Organisation</td>
<td>Journey from level 1 (Early stage) to Level 5 (Exemplary Stage)</td>
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<tr>
<td>Effective leadership</td>
<td>Learning Culture</td>
<td>Going from a “doing” culture that involves little reflection or learning, to one that actively encourages constructive debate, dialogue and experimentation, where mistakes are recognised as a valuable part of a learning culture.</td>
</tr>
<tr>
<td>Awareness</td>
<td>Analysis of the External Environment and Tracking Trends in Area of Work</td>
<td>Moving from a position of little awareness of, analysis of, or response to the external environment to one in which the external environment is effectively and consistently monitored and analysed, without the need for external support, and the results of that knowledge inform decision making.</td>
</tr>
<tr>
<td>Networks and partnerships</td>
<td>Relationships (formal and informal) with wider external stakeholders</td>
<td>Developing from a state where there are no relationships with external stakeholders to one where partnerships are proactive, well defined, are considered an integral part of the organisational strategy, involve multiple links across the organisation and are a core part of sharing and learning.</td>
</tr>
<tr>
<td>Finances and operations</td>
<td>Organisation Structure</td>
<td>Improving organisation structure from a point at which the structure, or the lack of one, is an obstacle for effective working to a point at which it effectively supports current and future programme delivery, with roles and responsibilities clear and complementary.</td>
</tr>
<tr>
<td>Resilience Framework Indicator</td>
<td>Area of Organisation</td>
<td>Journey from level 1 (Early stage) to Level 5 (Exemplary Stage)</td>
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<tr>
<td>Finances and operations</td>
<td>Management</td>
<td>Going from a state of little understanding of the nature of organisational management or analysis of the need for change, to a state in which systems, policies and procedures are at the heart of the organisation’s management, are clear, regularly updated, shared with external stakeholders and enable change to be managed smoothly and sensitively.</td>
</tr>
<tr>
<td>Fit for purpose</td>
<td></td>
<td></td>
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<tr>
<td>Finances and operations</td>
<td>Understanding of Finance and Budgeting</td>
<td>Moving from a situation of limited understanding of financial policies and processes, with risks overlooked and a focus on tracking past expenditures, to one in which skilled individuals participate in the development of policies and processes and manage the finances of an organisation with detailed forecasts, budgets and clear lines of responsibility.</td>
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<tr>
<td>Fit for purpose</td>
<td></td>
<td></td>
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<tr>
<td>Finances and operations</td>
<td>Financial Resources</td>
<td>Changing from a state of reliance on a small number of funders and unclear financial goals, often resulting in cash flow difficulties, to one in which fundraising is actively planned and delivers a more stable plurality of funders all offering sufficient flexible funding to allow the organisation to invest in areas that they know will make the most difference. The organisations will also have adequate reserves and secured funding for a year or more.</td>
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<tr>
<td>Fit for purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectively captured and communicated impact</td>
<td>Monitoring and Evaluation of Programme &amp; Projects as well as Articulation of Impact to Stakeholders.</td>
<td>Developing from a place of limited, if any, impact monitoring or assessment and evaluation, the organisation grows to create robust monitoring and evaluation tools that are used across the organisations and which play a vital role in decision making. Furthermore, all staff are able to consistently articulate the organisation’s impact.</td>
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</tbody>
</table>