Funders and funded in Harmony

Where are we now?

Reflections from Evaluation Support Scotland
**Introduction**

Over the last 10 years or so, funders and funded have wrestled with creating funding relationships that give both sides of what they need in terms of accountability and learning.

This report is in many ways a success story. The funding world has improved. We thought it would be helpful to shine a light on the positives to challenge the myths that develop on both sides of the fence. Funders and funded can be proud of improvements and encouraged that relationship challenges can be overcome. The report provides a range of examples (drawn from a larger pool) of how and why funding relationships have improved.

Of course the work to create harmonious relationships is not finished. The report concludes with some continuing and new challenges that ESS and our partners could work together to address.

*We need to focus on relationship building and myth busting of what we expect of each other*  
(Funded organisation about their funders)
01 What was the problem?

In 2006 ESS ran a ‘harmonisation pilot’ with third sector children’s projects in central Scotland, their funders and local authorities. We found that many organisations did not face onerous reporting. However because organisations did little outcome reporting, this meant funders and the local authority did not see the third sector as a source of learning and evidence.

Most usefully, the pilot enabled third sector and funders to talk to each other in a safe space. This broke down myths and showed the value of creating trust for learning. Participants’ feedback shaped the Evaluation Declaration.

The Evaluation Declaration was written by ESS and the Scotland Funders’ Forum (SFF) and launched December 2006. It sets out Scotland funders’ vision of monitoring and evaluation:

- **Valuable**: adds value to what we do and supports learning.
- **Relevant**: about what we do and the difference we make.
- **Proportionate**: systems are not burdensome for organisations and service users.
- **Supported**: resources to help people do and use evaluation.
- **About looking from inside and outside**: learning comes from self-evaluation as well as external scrutiny.

The Declaration was launched in December 2006, and was adopted by funders across Scotland, including local authorities and health boards. It was developed by ESS in consultation with funders and the Scottish Funders’ Forum (SFF)

In 2007, SFF commissioned ESS to create the Evaluation Declaration Health Check to help funders review and improve their practice in line with the Evaluation Declaration. At the time, 11 funders used the tool to explore what they did well and how to get even better. By summer 2008 most could show improvements in their evaluation and reporting practice, including a shared shift to the language of outcomes and clearer guidance on reporting requirements.

However funders told ESS they were still:

- Not always getting reports focused on the difference funding made
- Not easily able to share learning or use it for future funding decisions.

Their funded organisations were saying:

- There were too many different requirements
- They faced confusing jargon or meaningless monitoring that got in the way of telling the story of their impact
- They rarely knew what funders did with their reports or learning.

This was reinforced by New Philanthropy Capital Turning the Tables research. The research sample of charities spent 5% of their income reporting to funders and the reporting was not always benefiting charities or funders.

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1 “Turning the tables – putting charities in control of reporting” (2008), New Philanthropy Capital – funded by Big Lottery Fund for Scotland & Funders’ Forum
02 Harmonising Reporting

The Harmonising Reporting working group was set up in 2009 by SFF to identify steps funders and funded organisations could adopt to make reporting more useful and less burdensome. The working group was facilitated by ESS and the members are listed in the annex. Over 6 practical meetings the group looked at forms and reports and shared experiences. They consulted 100 delegates at an ESS conference in January 2010.

The resulting good practice “Harmonising Reporting”\(^2\) (2010) was approved by SFF and endorsed by Scottish Ministers. A 2 page summary was produced in 2014 in response to funder feedback.

Key messages:
Relationships matter
- Better understanding makes for better learning. So there is guidance on building good relationships with funded organisations, how to encourage honesty and a meeting note template.

Reporting forms should combine flexibility with clear guidance
- The [Harmonising Reporting template](#) covers the main things funders want in their reports. It has been successfully adapted by many funders.
- Funders found that good practice is to provide a reporting form with a flexible structure of headings or expandable boxes, and clear guidance.

Funders want to know: what did you do, what difference did you make and what did you learn
- Funders say best reports evidence their work, tell their story and reflect on learning. There are [top tips](#) for funded organisations on reporting.

Minimise specialist or technical words – but “outcome” is a useful word
- The “useful words” section in the report has advice on jargon.

Support leads to better learning and reporting
- There is advice on how funders can support evaluation and learning.

“Funders have a right to know what difference their money has made, but it is not always easy for them to get the right information from the organisations they support. Equally, funded organisations know and accept that they have a responsibility to demonstrate to funders what they have delivered but often struggle when faced with different reporting demands from different funders.”

John Swinney, Foreword to Harmonising Reporting 2010

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\(^2\) Scotland Funders’ Forum (2010) Harmonising Reporting
03 Examples of improvement
(In line with Harmonising Reporting)

This section pulls out a few illustrative examples of how funders have implemented the Harmonising Reporting good practice since 2010.

**Big Lottery Fund**
reporting forms since 2010 have all been created in line with Harmonising Reporting good practice.

**The Robertson Trust**
introduced a report template.
“We are getting good feedback.”
Anne Pearson

**Faith in Community Scotland Action Fund**
used Harmonising Reporting to create simple guidance and a reporting template.

**Climate Challenge Fund**
adapted all its forms and guidance including an editable reporting template and guidance notes) and guidance on report writing.

**Shared Care Scotland**
funded organisations can submit their reports online. These are anonymised and made public in the form of stories at http://shortbreakstories.org.uk/.

**The Prison Services Partnership Pack**
supports effective partnership projects by third sector and funders in prisons. The pack includes a reporting template from Harmonising Reporting.

**The North Ayrshire Health and Social Care Partnership** and funded organisations revised the reporting arrangements for funded projects under the Integrated Care Fund. They moved from a huge activity focused document to a simple, outcome-focused template.

Henry Duncan awards guidance on their website: “We have created a template that you can use for your report. However, if you have already produced a report for another funder that covers the work we have funded, we are happy to accept that. Even if it doesn’t cover everything you want to report to us, some of the information may be relevant so it is well worth checking to see what you could use so you minimise any extra work.”
The Self-Directed Support team used the Harmonising Reporting template and guidance to ensure effective reporting and learning from their funded projects.

“[Harmonising Reporting] is easy to read and it has helpful resources, like the reporting template, which is really great to focus on structure. The Harmonising Reporting language is constructively simple, practical and good to work with as it is easy for everyone to understand yet not oversimplified.” Elaine Black, Scottish Government

A working group from each of the funding streams of the Violence Against Women and Girls Fund, facilitated by ESS and VAF co-created a new reporting template and guidance. Funded and funders swapped roles to explore different perspectives that would best help them tell the story of their work and impact. The new template has contributed to better and fuller reports.

Projects are positive:

“It’s really refreshing to be able to talk about what we actually do. I want to be involved with filling in the form now I know it’s something I can do.” Family Support Worker

Harmonising Reporting has also been relevant for third sector organisations even when there is no specific funder in mind. A positive example is: Active Communities report of their Hearty Lives project in Paisley.

Midlothian Council through A Stitch in Time? developed an outcomes and reporting framework in collaboration with third sector organisations supporting older people at risk of social isolation. The main benefits were actually less about reporting and more about improved relationships and better joint working. Click on the picture for more.

Many funders now provide support on evaluation and learning, directly themselves or through support providers including ESS, or both.

Many funders draw attention to or directly send out the top tips on reporting. The Life Changes Trust goes one step further with its Evaluation Toolkit that includes a wide range of resources for funder projects.
04 Spotlight on: The Health and Social Care ALLIANCE Impact Fund

In 2014 seven projects funded by the ALLIANCE Self-Management IMPACT Fund came together with fund staff to explore and share experiences of how funders and funded projects could build mutually beneficial relationships. The group was facilitated by Evaluation Support Scotland. The funded projects were very positive about their relationship with the ALLIANCE which is seen as a flexible, supportive funder. But together the group identified lessons for the ALLIANCE and funded projects to address misconceptions and issues and make the relationship even better.

The group produced a clear and supportive form to encourage honesty in sharing learning when things do not go to plan:

We expect that projects won’t go precisely according to plan. How could they? People are involved! We trust you to be the experts and know you will able to think on your feet and handle changes well, but we would like to know what’s changed and why so we can learn too.

They also drew up two short good practice documents for any funder/funded relationships:

**Building mutually beneficial relationships – top tips for funders**

**Building mutually beneficial relationships – top tips for funded organisations**

The members of the group benefitted from participating as shown by these example quotes:

“I’ve been more open with Emma [grants officer] about challenges and next steps, and less worried about the lack of progress our project experienced in the first six months.”

“I’ve tried to adopt this approach with other funded projects, in particular one of my Big Lottery Fund Grants Officer relationships.”
05 Where are we now and what next?

In summary:

• Both sides are more comfortable with outcomes.

• Most funders now publish guidance for funded organisations (not just applicants) so funded know what is expected.

• Reporting arrangements and forms are more flexible and proportionate. Where capacity allows, funders meet funded organisations. Many have reduced the frequency of written reporting. There is more focus on learning: “It feels more like a partnership” (comment from funded organisations, 2017 seminar).

• Both sides are more comfortable with different types of evidence. The message is no longer “my funder just wants numbers”. Funded organisations use a variety of types of evidence to tell their story.

What started as an intention to make reporting more useful and less burdensome has become a lot more. Most funders no longer talk of reporting in isolation, but as part of the funder/funded relationship. Funders want to demonstrate the difference they make and understand that, to do so, they need to support funded organisations to generate and share good enough evidence.

Of course there are still challenges:

• Funders still struggle to get reports on time.

• Funded organisations still do not always know how their reports and learning are used by funders.

• Not all funders are the same. One specific challenge is for funders that administer funding on behalf of others (often Scottish Government). There are in effect two funders and it can be hard to meet everyone’s needs.

• Reporting on ‘core funding’ and financial reporting remain areas of confusion.

New funding approaches and technology create new challenges:

• Asset-based approaches require the people who benefit from funding to be involved in explaining, measuring and reporting on their story.

• Online reporting has implications for reporting in general.

• New technologies (such as YouTube, Storify, data visualisation) provide opportunities – and challenges – for reporting and sharing evidence.

ESS will continue to work with partners on these challenges.
06 More funders’ reflections
(Comments captured at ESS Funders and Funded in Harmony event, Feb 2017)

We think we now make better use of the info in reports - analyse and understand the difference the funding makes, but not sure the funded organisations understand how we use their info - we need to communicate this. We hope organisations also find reporting to us useful for them.

We are focused on a strengths-based approach and are reviewing how we capture 6 monthly change. Intend to be more relationships-focused.

That open communication (more often by phone or face to face rather than digital) does lead to the best ‘informal’ reports about a project’s progress and the difference it makes, but the formal reporting is still difficult to get.

We have made some great progress on what the form looks like and with process: now we say ‘send us our form, or any other report you are doing, or a film or pictures etc.’ We are calling it ‘progress’ not ‘monitoring’. Still work to do on tone - making sure it’s about trusting relationships.

Being more open, honest and flexible about what we are looking for - and having discussions with people about this. However, we still see people completing reports by rote it seems. How do we overcome this?

Very good relationships with funded projects through visits, networking events. This has led to projects letting us know about issues immediately. We now provide feedback on reporting and support to improve reporting.
Members of the Harmonising Reporting working group 2009

Mary Craig, Lloyds TSB Foundation for Scotland (Chair)
Sheila Armstrong, Dumfries & Galloway Council
Linda Caston, Angus Council
Liz Dahl, Circle Scotland
Rita Hopper, Sense Scotland
Fiona Malcolm, Scottish Government Third Sector Division
Maureen McGinn
Iain Roxburgh, Forward Scotland
Carolyn Sawers, Big Lottery Fund

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Evaluation Support Scotland works with the third sector and funders so they can measure and report on their impact and use learning to improve practice and influence policy

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