Funding for Systemic Change action inquiry

Learning paper #1

An initial learning paper on key definitions and issues

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Introduction

The project

The Funding for Systemic Change project is overseen by a steering group of individuals from a range of social sector organisations and chaired by Save the Children UK (see the notes section of this paper for a full list).

Organisations include national charities, agencies and individuals. Members have a deep understanding of place, systems change and/or complexity, and community- or place-based initiatives. The group collectively supports the project by providing project oversight and direction, engaging with outputs and findings to inform the direction of the project, and sharing access to contacts, networks and relevant opportunities. There is a shared commitment to following the work as it evolves.

The key issue that this group wants to engage with is: **how can funding best be managed to support long-term, place-based systemic change (PBSC), and how can this move us away from approaches to resourcing social change which do not engage with complexity and are short-term, simplistic and output-based in their view of how change happens.**

The first phase of this work, led by Renaisi on behalf of the steering group, is designed to:

- build an understanding of how funding can best support local, place-based organisations and leaders to lead and support 'systems change' work;
- explore ways to support traditional funders and the national charity sector to better fund and support this type of work;
- develop a range of practical tools and/or proposed approaches which could be tested or piloted in future stages of work by the steering group; and,
- strengthen the understanding, relationships and interest in this area between steering group members and wider stakeholders.

This learning paper

This paper sets out some initial learning and insight that will be used to frame and guide the work. It is the first of four papers that will be produced during this first phase of work. It explores four key points at this early stage of the project, and these will all evolve as the project progresses:

1. Definition of place-based systemic change

2. Existing support for PBSC

3. Initial frames for exploration

4. Learning questions and lines of inquiry

The paper assumes some level of appreciation of the concepts used, and how they might be relevant to funders, local charities/ social enterprises and government. Many of the links provide some introductory/ definitional content that may be useful.

Definition of PBSC

Whilst the work of the steering group is labelled as being about funding for systemic change, a key element of the work that is missing from that title is place. The group wants to explore geographic systems, rather than issue-based systems.

The focus of the work is on place-based systemic change, and how to fund it. What, therefore, is that?

The working definition that was developed by the group, building from their own practice and from discussion, is that place-based systemic change is an approach to social change that is defined by:

1. **Time horizon** - it is long term in ambition and practice

2. **Focus** - it is not limited to a single organisation or service, but rather collective and interrelated practice

3. **Approach** - it is engaged in building and developing relationships between people and organisations, it is flexible and responsive, and it explicitly engages in questions of complexity

4. **Scale** - it is focussed on geographies that are coherent and understood by those who live in them, and to the systemic challenge.

This is not, therefore, defined by outcomes, organisations or any funding structure. All of those will feature in the work, but it should not shape it.

There is an assumption is that this work could be found in all kinds of places, organisations and partnerships and that it will often be contingent on other work and highly context-dependent.

Existing support for PBSC

There is already existing research and frameworks in this space. This project will continue to build on and review those resources and consider in conversations with funders/ places what tools are useful and how such resources/tools/frameworks etc. are used in practice.

Resources that have informed this work fit into four groups, with a funding/ delivering split and a place/systems focus split (there is much that is not referred to here, so the below references should not be seen as exhaustive). This includes funders exploring their work, frameworks and tools developed by consultancies, and the practice of certain places and organisations.
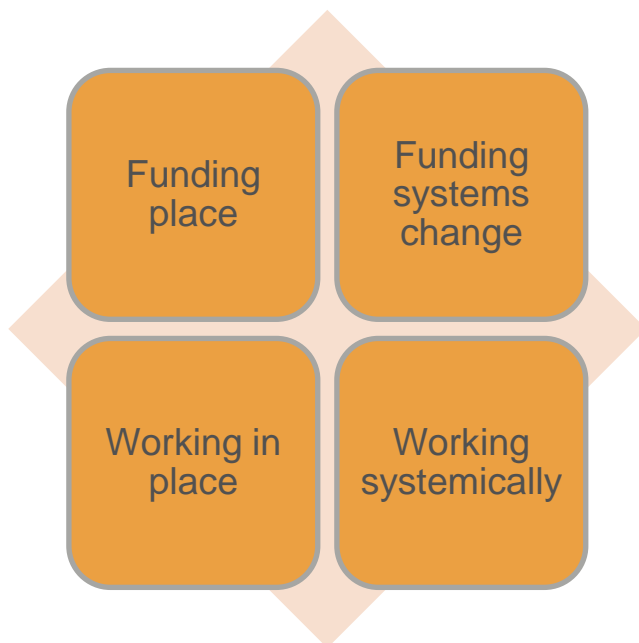
Funding place – IVAR's work from 2015/16 created 'a framework to support funders in the planning and implementation of place-based approaches.' This framework is useful for all kinds of place funding.

Funding systems change – Collaborate and Toby Lowe's 2019 work on Human Learning Systems (building on numerous other publications from Collaborate) whilst focussing more explicitly on complexity than systems, has significant overlap with this work and is a valuable and well-cited example. There is also a 2020 report by Ashoka on funding Systems Change.

Working in place – Lankelly Chase's Place Action Inquiry report of 2019, whilst written by a funder does explore much about practical change.

Working systemically – NPCs work on Systems Change from 2015 remains a useful primer on what the concept means for organisations.

Other key resources that have been used in the early stages of this work are those produced by the Corra Foundation on Place-based working, the review of the National Lottery Communities Fund, and the evaluation toolkit published by the Australian government on place-based working.

Initial frames for exploration

The initial approach to this project has been to think about four frames to explore practice through and to tease out the distinctions and challenges experienced by those interviewed that allows for different views on those frames. This approach acknowledges that not everybody will approach the concepts in the same ways that the partnership is considering them.

Frame #1 – Place

There are different ways to think about the concept of 'place' in terms of how the individual/ institution views change:
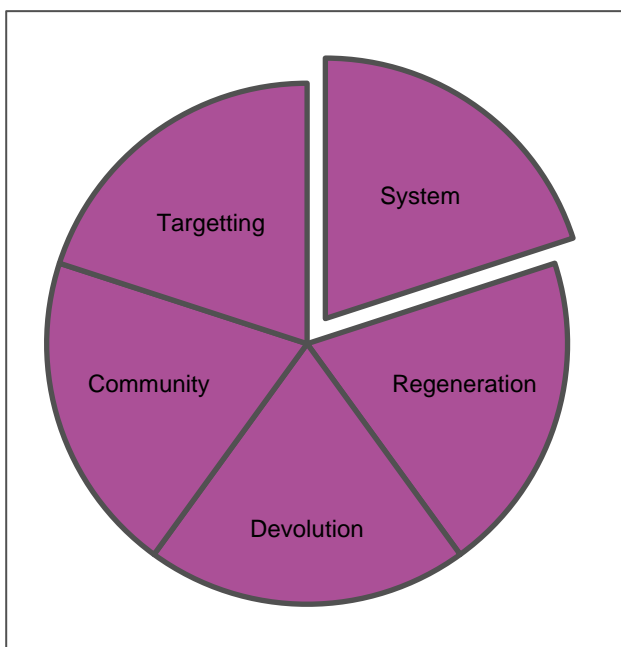
**Regeneration** – change as being about fixing a problem that has affected the economy of the whole place.

Targeting – change as coming from evidence-based work that targets resources on places that fit their approach.

Devolution – change that would result from localising decision making, and tax-raising powers, to more local forms of government.

Community – change that sees local people as the real sources of knowledge, strength and ownership of a place.

System – change emerges from systems of relationships between institutions such as public services, charities, and the community.

Frame #2 – System
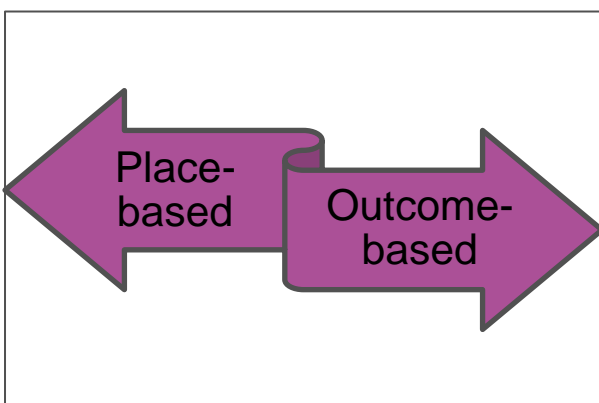
Place-based systems use geography as the primary tool to define the limits of the system to explore, and work on that system would rather follow other issues in the place than stray outside of it.

Outcome-based systems use an issue or theme as the limit of the boundary and work would stray outside a geographic boundary if it was right for the outcome/ system question.

Frame #3 – Evaluation, learning and change

Work on impact measurement and evaluation typically focussed on three kinds of evaluation practice, each with different purposes and truth claims. Different funds and funders prioritise certain kinds of knowledge and evidence within their work.
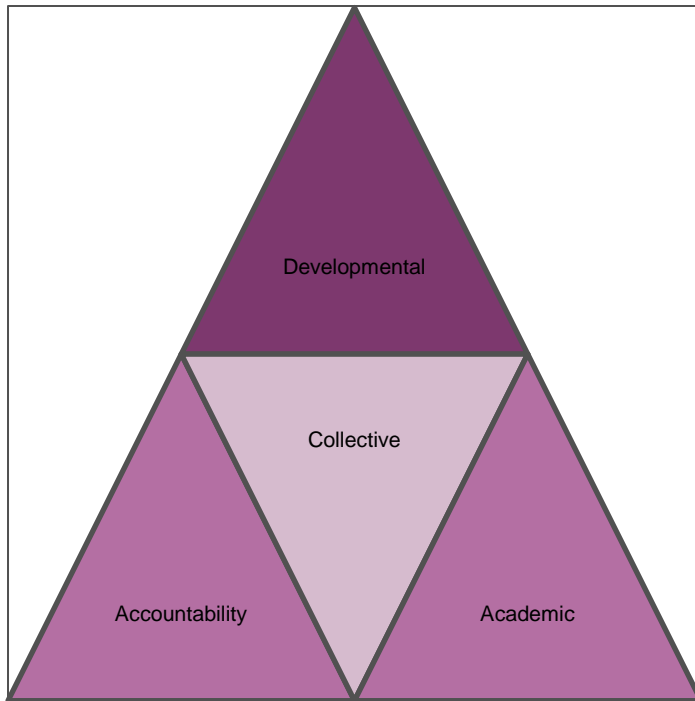
1 – **Accountability** is about value for money and evidencing clear impact for a specific investment. Based in Green Book approaches.

2 – **Academic** is about understanding the efficacy of approaches. Based in What Works approaches.

3 – **Developmental** is about practice, improving rather than proving and is linked to learning and feedback.

4 – **Collective** impact, measures the value of combined results of more than one intervention or approach to place-based system change. This approach is less well developed than the other three.

Frame #4 – Funder practice

This final framed comes from insight from previous, unpublished work with other funders (not involved in this work) about the value of place in their practice. It was identified that the attitudinal views of the funders influenced how they structured their teams and practice and that this then influenced the kind of work they funded. It will be important to test this further, but there are two polarities that must be managed, and different funders will manage them differently.

One is the balance between having a clear hypothesis for change and giving up power to projects/ communities to own that hypothesis.

The second is about taking a more convening role, which inserts the funder into activity, and getting out of the way of local practice and focussing on providing structure and other expertise.

As with all polarities, these need to be managed and the different approaches to managing them will lead to different outcomes. They are not binary choices.
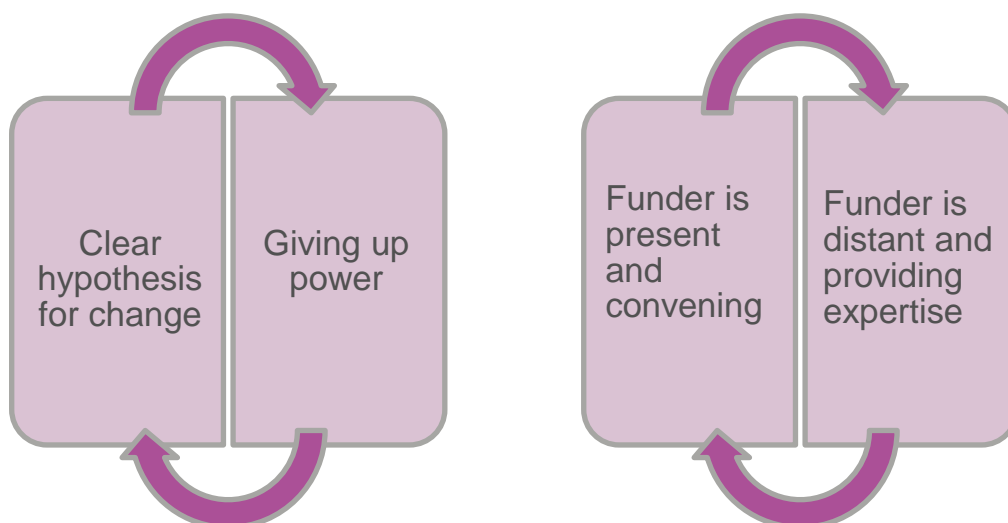
Initial learning questions

Based on conversations with steering group members and some early interviews, some early learning questions have emerged. These questions will be reviewed as the project continues.

Defining and understanding PBSC

- Does the definition focus on concepts that are meaningful to both funders and/ or practice, and enable precision in decision making for either party?

- Which of the above frames resonate with different funders and in what ways?

- Is 'place-based systems change' the right way to define this approach to working for places?

- Does the definition focus too much on the elements that are about systems change, and not enough on being clear about what is place-based?

Growing and disseminating

- How can this work genuinely build on a great deal of existing knowledge and usefully disseminate it?

- Can we identify examples of practice that highlight new forms of funding and finance that enable us to widen our collective understanding of PBSC?

- How can this project challenge the practice of the steering group?

- How can this project complement the existing work of steering group members, and other interested parties?

- How can trusts and foundations usefully consider the work in their practice?

Tools and practice

- What do different actors in this space need to support their work?

- What tools would open-up significantly new types of finance?

- What would influence the current behaviour of funders in this space?

Notes

The membership of the steering group has included individuals from the following organisations:

- The Children's Society

- Collaborate CIC

- Dartington Service Design Lab

- Homeless Link

- Save the Children UK

- Lankelly Chase

- The MEAM Coalition

- The National Lottery Community Fund

- New Philanthropy Capital (NPC)

- North Camden Children's Zone/ the Winch

- West London Zone

Notes