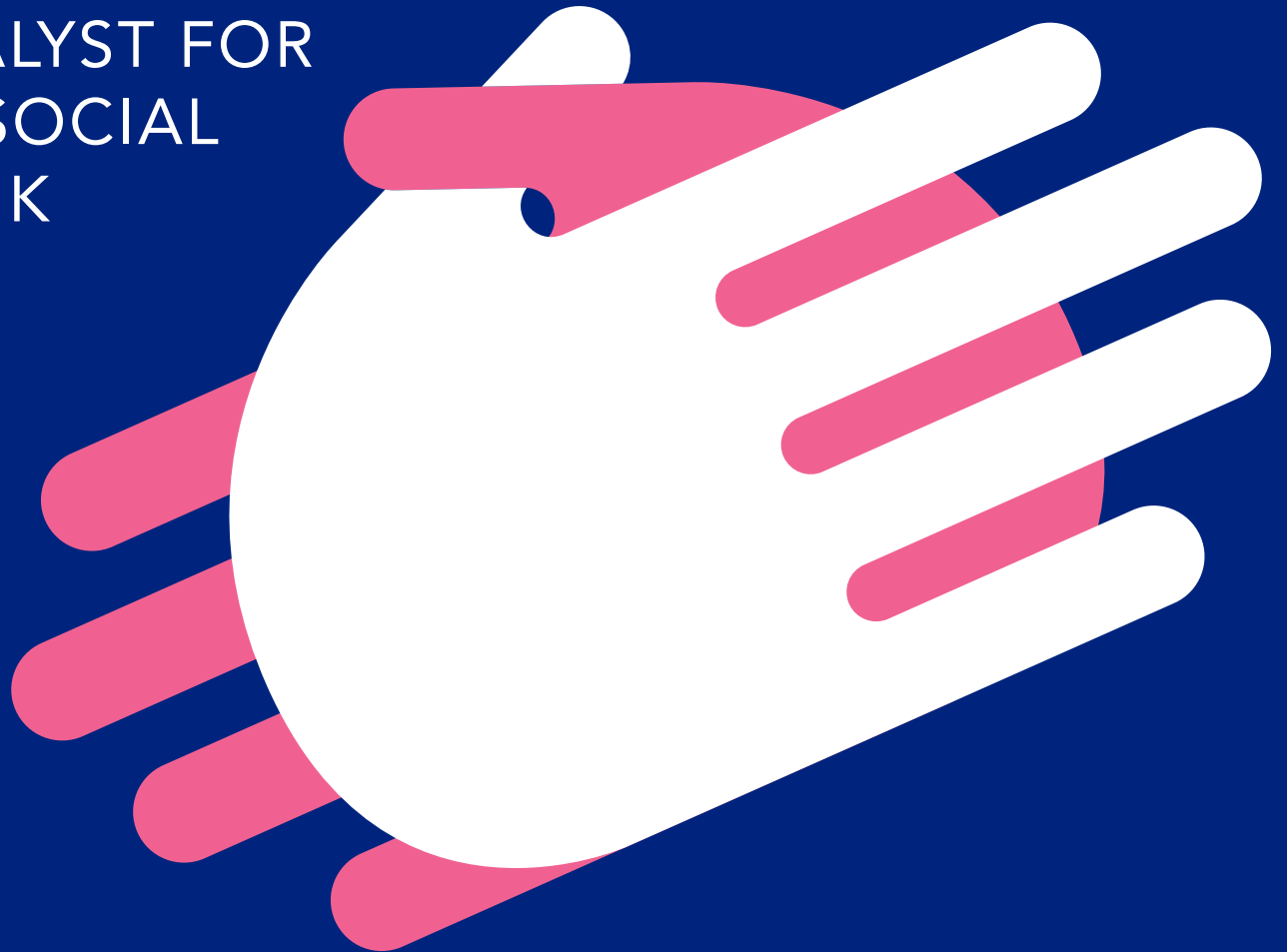collaborate
for social change

THE SOCIAL BREXIT:

HOW FRACTIOUS TIMES
COULD BE A CATALYST FOR
COLLABORATIVE SOCIAL
CHANGE IN THE UK

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ABOUT COLLABORATE

Collaborate CIC is a social consultancy that supports cross-sector collaboration in order to tackle complex social challenges.

Issues such as rising inequality, multiple needs, devolution and fairer economic growth require collaborative responses. We create partnerships that get beyond traditional silos to deliver credible change on the ground.

We are values-led, not for profit and driven by a belief in the power of collaborative services as a force for social and economic progress. Our clients and partners span local government, NHS, charitable funders, civil society and the private sector. For more information, see www.collaboratecic.com

We want to thank the funders of this work, who all have an interest in ensuring that UK trusts and foundations reflect on the implications of the 2016 referendum results for our work.

Supported by:

Barrow Cadbury Trust	Calouste Gulbenkian Foundation (UK branch)	Paul Hamlyn Foundation	Trust for London

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FOREWORD

The result of the British referendum in June 2016 sent shock waves across Europe, into each of our own living rooms and to the highest of political institutions. Whether you celebrated the result or deplored it, there can be no doubt that it was a watershed moment, not only for our four countries with their differing views, but for populations in every other EU country.

In the days which followed I spoke to Gerry Salole, Chief Executive of the European Foundation Centre (EFC) and we pulled together a meeting between the Association of Charitable Foundations (ACF) and the EFC in August 2016. We found ourselves in uncharted waters, mainly because so few of us had seen it coming but also because the rise of populism across Europe made some people nervous that we could now see a "domino effect".

We then convened a very well attended meeting of EFC UK members and some key EFC allies in September 2016; the meeting gave Gerry a mandate to work on issues arising. We engaged in granular and sometimes speculative analysis of the result, its meaning and implications.

Over the coming months, many UK foundations took a hard look at what they were doing and questioned what they could do differently or better in light of the critical divisions the vote had uncovered. Not only the narrowest of margins – 48% : 52% – but between 45%–55% in most places barring Scotland and some outliers. Across the UK communities were starkly divided at a very local level.

So it was in this context that Gerry and I suggested to Collaborate that they undertake this piece of work. Of course, it was conducted in a rapidly changing landscape but it is significant because it is informed by the perspective of the third of interviewees who were from foundations in other parts of Europe. Some were also from operating charities.

A lot has happened since this work was conceived and the report reflects some of what is already happening as well as posing some challenges for us moving forward. It is not for ACF, EFC or individual foundations to take a stance on the outcome of the referendum for the most part, but to consider both individually and collectively how best we can use our resources to build better international relations, promote a pluralistic national society and enable communities to thrive harmoniously at the local level.

Thank you to the report authors. I especially want to thank Gerry Salole for his enabling role in keeping dialogue between UK and other foundations open and honest. Thank you to all our EFC colleagues who have shared thoughts with us and with Collaborate. We are leaving the European Union but we are certainly not leaving Europe and my hope is that foundations across Europe will work ever more closely together.

Sara Llewellin
Chief Executive

Barrow Cadbury Trust

January 2018

EXECUTIVE SUMMARY

Brexit: End of the Beginning?

The story of Britain's exit from the European Union (EU) already dominates our lives, and we haven't even left yet. We have a new lexicon: a hard Brexit, a soft Brexit, and even the (albeit short lived) notion of a 'red, white and blue' Brexit. But if leaving the EU is the means; what are the ends?

Public debate has become incredibly polarised, making it hard to find a sensible route through what are in many cases entrenched views based on root causes that go way beyond the role of the EU in our lives.

Perhaps this isn't a surprise in a country split almost 50:50 in the referendum. But post hoc analysis by the Joseph Rowntree Foundation, British Future and others shows that the old binaries by which we tend to split the public (or at least the electorate) don't serve us so well any more. Nor do the traditional views of what particular sectors of the economy should do.

This report focuses on the role that independent social funders can play in creating a more 'social' Brexit. That is, a future for the UK which is not based on zero-sum political calculation or an economic race to the bottom, but which instead starts with a more important question: what kind of society do we want to be a part of? And how does the Brexit vote help, hinder or catalyse progress to get there?

Bringing the Social Back In

Many independent funders will have felt the pressure to fill the gaps that have emerged as austerity has cracked open the welfare state. Far fewer people within the public sector feel it is their job to 'own' community development or place-based change in the way they did in the past.

This is a story of discontinuity, disconnection, and the evolution of a society and economy in which feeling 'left behind' has become an endemic, complex and structural problem.

But the biggest issue remains unspoken. We are approaching a point of profound disruption, and have done no real thinking at a policy level about the type of society we want to be part of in future. Nor how a new and different set of powers could bring it about. And because of this, we have not asked deep enough questions about the role of civic institutions and of those who can – and do - influence positive social change. When politics absents itself from this space, others must step in.

It is time to formulate a vision for a Social Brexit – focusing on the social changes that underpin it, the political economy (and social movements) that drove it into being, and the role of institutions, networks and social capital in supporting a positive future for our communities.

A Shifting Landscape for Independent Foundations

Our research – built on a wide range of interviews within the sector and civil society more broadly – suggests that doing this will require independent funders to address six trends which are re-shaping the landscape:

- Changing shape of community development – shifts in the role, nature and power dynamics of community organising and development; including a reaction to what Gary Craig calls "top down programmes posing as community led ones".[1]

- Shifting role of the State within communities – a trend sharpened by seven years of fiscal austerity, a failed 'Big Society' policy and the uneasy relationship between community, belonging, cohesion and morality explored in Dame Louise Casey's review in 2015.

- Political flux at a national and local level – the ebbing and flowing of two-party politics, a change in the positioning of the Labour Party, an ongoing attempt to 'detoxify' the Tory brand outside of the south-east, and a general lack of trust in the political class in the wake of the expenses and abuse scandals.

- Changing modes of support for Civil Society – including a well-publicised shift in State support from grants to contracts, a harsh financial climate, threats to the independence and campaigning ethos of many charities and CSOs, and questions about the viability and role of infrastructure bodies highlighted in NAVCA's Independent Commission into the future of local infrastructure.[2]

- The rise of devolution as an organising force – with Scotland and Wales cleaving away from England in their approach to health, care and support for vulnerable people; and experiments in English devolution taking place in Greater Manchester, the West Midlands and London.

- Rise of movements and 'new power' – a growing sense that we are in the era of movements: where the incumbency of traditional institutions is being challenged, and technology, demographic change and social unrest is being channelled into some exciting – and also potentially dangerously populist – new politics.

In this context, four common themes emerged in our conversations as priorities for renewing the terms of engagement with communities;

Supporting voice and shifting power; greater decision-making powers for communities, tackling the lack of trust in public institutions

Movements, campaigns and activism; recognising the locus and methods of social change are shifting, as will Foundations' role in the sector

Narrative, difference and common ground; strengthen understanding and connections across communities and engender pride and belonging

Engaging with place; making the most of devolution, investing in Civil Society in local areas.

Enabling the Social Brexit

No one that we interviewed wanted a race to the bottom, nor did they believe that Brexit necessarily foreshadows one. But people have been equally clear that positive outcomes depend on Foundations supporting a step change in collaborative practice around a set of socio-economic issues that go well beyond the resources and capabilities of any one sector to address.

The best independent funders have always occupied this space, as progress around issues like low pay, migrant welfare and female genital mutilation have demonstrated. In this report, there is a call for colleagues to step into it again, working systematically at three levels – international, national and local – to help create a post-Brexit society in which marginalised and disenfranchised communities can play a full part.

1. INTERNATIONAL

Proactively reaching out beyond national borders, and rejecting the notion that Brexit must necessarily lead to a more inward looking culture. Cross-cultural and cross-border collaboration has been critical in areas like migration and human rights, so funders need to think creatively about how this is sustained as new arrangements emerge.

2. NATIONAL

Foundations must help create a vision for a Social Brexit. This means playing a convening role – building for example on the Inquiry into the Future of Civil Society – and doing more than ever to protect and fight for the rights and livelihoods of the most vulnerable, particularly after the likely withdrawal of European Structural and Regional funds. The traditional lobbying and campaigning routes for civil society are no longer viable. Foundations need to collaborate on new ways of influencing the long term agenda for the people they were set up to serve.

3. LOCAL

More focused work in 'place' will be increasingly critical. Foundations can play a key role developing 'social city deals', making sure that the voice and energy of citizens is present in a way that devolution processes have often failed to ensure to date. This challenges the sector to use its independence and convening role in more powerful ways, enabling collaborations between civil society, business and the state that will be vital to ensuring that the social and economic cleavages exposed by Brexit are addressed over the long term.

These are not challenges that any one actor can tackle alone. Leveraging the collective strength of Foundations at local, national and international levels could provide the critical catalyst to achieve such shifts. This is not a straightforward task, requiring deeper thought on the culture and behaviours that underpin collaborative ways of working, as argued in our work exploring the Funding Ecology[3]. But in uncertain times and with so much at stake for communities across the UK, the need for a revitalised approach to collective action among Foundations is clear. With all eyes turned to the short-term challenges posed by exiting the EU during an era of austerity, Foundations are uniquely placed, thanks to their longevity and independence, to think and act together for the long term. These very virtues provide the valence for Foundations to support the emergence of a new vision for Britain post-Brexit that communities so clearly desire.

SECTION 1 BREXIT MEANS…?

The Wider Context

There is no need for another exposition of the causes, consequences and long tail of policy failure that has led to the situation in which the UK now finds itself. In our 2014 'Funding Ecology' report, we wrote that "the context for social action is changing dramatically". We now know that the Brexit vote gave expression to a sense of disconnection, distaste and unease within our communities, which – for different reasons – led to a dramatic rejection of the status quo.

Analysis from JRF suggests that people already are at the sharp end of society's problems – those who are poor, at risk of being poor, marginalised from the labour market and 'left behind' by economic change – drove the vote[4]. This puts many within Civil Society and the 'progressive' policy community in an uncomfortable position: sympathising deeply with the reasons people chose to vote Leave, but hostile to the elite interest that captured this vote, and indeed sad about the prospect of leaving the European Union itself. As Danny Kruger writes, "many people who work in our sector associate the EU with the principles of tolerance, generosity and openness, and feel they are working in a more hostile climate now'[5]. In fact, most people we interviewed were rightly keen to stress the long term and deep-rooted nature of the issues manifest.

Many Foundations and independent funders are already responding to these shifts in the operating context. A flick through the pages of the Stanford Social Innovation Review offers myriad references to networks, ecosystems, adaptation, emergence and collaboration. In the UK, organisations like New Philanthropy Capital and IVAR have very capably traced the extent to which these ways of understanding the world have been assimilated into practice. The picture, as one might imagine, is mixed.

Our contribution at Collaborate has been to focus on the rationale, process and potential outcomes of collaboration. We have talked about a funding ecology, and a culture of collaboration in which Foundations work together because they understand the added value, and that the risks and downsides of collaboration are part of their role to bear. But none of this is particularly easy. We are in an era of populism, protest and a polarised public discourse that makes incentives difficult to align. Many of the people we interviewed were worried about what lies ahead. We outline some of these findings below.

Immediate risks and mitigations

In December 2017, The Guardian reported on increasing concern among staff and Trustees of charities in the UK of the impact of Brexit which some fear could see an increase in demand at the same time as dwindling funds for their work;

"UK charities risk losing at least £258m in EU funds because of Brexit, including the loss of EU funding streams such as European Structural Fund (ESF), which, together with the European Regional Development Fund … by 2020 will have invested some €11.8bn in the UK since 2014. The loss of £258m would be alarming in itself, but the full amount is likely to be far higher. Funds are often distributed by intermediary agencies in the UK, making comprehensive data difficult to analyse, but even this baseline number would equate to the loss of about 10% of all annual foundation grants, or half of what the Big Lottery Fund distributes each year."[6]

In light of such concerns, The Association of Charitable Foundations and others in the sector have been taking a look at what Brexit means for foundations and exploring perspectives from within the sector. The ACF has engaged with members, government and European colleagues on the implications of Brexit for foundations, including working with government officials to ensure funding to the voluntary sector is not lost.

An alliance of over 20 foundations have formed the 'Brexit Funders' Group' to work, amongst other things, on the European Union Withdrawal Bill. A coalition of its members is funding Unlock Democracy to provide facilitation for social sector organisations to engage with policy makers as the Bill proceeds, the major fear being of important decision-making powers being delegated from parliament (primary legislation) to ministers (secondary legislation).

This report and its purpose

In the light of the Brexit vote, and with the context for the Social Sector and wider Civil Society under increasing pressure and uncertainty, a number of UK based Foundations identified the need to unpack and explore their roles as supporters of social change. The Barrow Cadbury Trust, Paul Hamlyn Foundation, Trust for London and the Calouste Gulbenkian Foundation, UK branch agreed to support a piece of work exploring;

- Popular disquiet and disconnection – between communities and institutions that serve them;
- The changing relationship between sectors;
- The possibilities of a re-alignment of interests post-Brexit; and
- The implications of these issues for Foundations

Through this research we conducted 34 interviews; 17 with senior staff of Foundations and 5 with Social Sector organisations (intermediaries, think tanks) in the UK; and a further 12 with senior staff at Foundations from across continental Europe. In addition we have hosted two roundtables and one webinar with Foundation staff and drawn on desk-based research to:

- Identify how funders can – and indeed are - showing leadership in supporting communities to manage the challenges and risks intensified and/or illuminated by the Brexit vote
- Understand funders approaches to these issues – that are both preventive and reactive – and assess their relative merits and impacts
- Understand the need for thinking as a sector within a rapidly changing context, and a growing climate of popular dissent and disenfranchisement
- Galvanise aligned and joint action by funders to ensure the sector is 'fit-for-purpose' and achieving maximum impact in a new, challenging context

The issues explored are not unique to the UK of course; Foundations across Europe, while operating in different contexts and with distinct pressures, are dealing with many of the same issues and re-examining their role as agents of change. The question too of the UK's departure from the EU is not only an issue for the UK. As such, engaging with Foundation colleagues in other parts of Europe was an important part of the process for sharing learning and providing new perspectives, and to understand the state of international collaboration in philanthropy. The European Foundation Centre provided the opportunity to host one such conversation.

Doing this research and engagement work exposed to us a paradox: an anxiety to 'do more' to support communities, influence and advocate for positive social change in a climate in which it all feels increasingly difficult. But at the same time, a deep awareness that this is not a short term policy problem, and that the root causes – and long term solutions – must come from relationship and movement building that goes way beyond the events of the past year and a half.

The following pages set out what we found. We start with a short policy background, move on to our interpretation of our fieldwork, then set out some areas in which we think collaborative action from independent funders and Civil Society will be most important. What we found will be unsurprising to some, and perhaps challenging to others. The over-arching theme is about getting out of our silos and asking where we can collaborate to edge forward what are a set of intensely complex and multi-faceted issues.

SECTION 2 SECTOR VIEWS

New trends, emerging practice and some big questions

We interviewed senior staff of Foundations and a small number of intermediaries and think tanks to understand their views and concerns in supporting communities in changing times. We asked: Where did our respondents feel there is more to be done? How are funders shifting their practice in response? And which initiatives did they feel are pointing the way to a new way of working with citizens and communities?

Four common themes emerged;

A.	B.	C.	D.
Supporting voice and shifting power	Movements, campaigns and activism	Narrative, difference and common ground	Understanding and supporting Place

The following sections outline why these were felt to be priorities by those we interviewed, what they believed needs to change and some of the ways in which Foundations are already experimenting with doing things differently in these areas.

A: Supporting Voice, Shifting Power

Many we spoke to expressed real urgency in needing to redress the feeling of powerlessness and dissatisfaction among citizens. Statistics bear this out: satisfaction with the system of governing Britain, for example, is at 31%.[7]

'Remainers' (40%) are more likely than 'leavers' (30%) to feel that their involvement in politics can make a difference. While there is local variation across the country, if grassroots voices are absent from mainstream local and national politics then we run the risk that 'voice becomes protest', and "if protest [is] not heard, [it] becomes riotous" - FOUNDATION, UK. Some interviewees suggested that many communities are at a 'flashpoint'; but cautioned at conflating this disconnection with a lack of cohesion:

"We take for granted our position and we assume disconnection because we are disconnected from them – they are not necessarily disconnected from one another"
- FOUNDATION, UK

A common theme to emerge from our interviews was the need to ensure citizens and communities are given a voice and greater power in the decisions that affect them. The role of Foundations in supporting this work was seen as a priority area for further development with a focus on some key areas.

WHAT NEEDS TO CHANGE?

Institutions need to take trust seriously

"Trust and confidence in democracy has been severely degraded and [this has] not been addressed over time."
- FOUNDATION UK

Those institutions that hold power – from government and public sector bodies, to the media, to charities, and to Foundations themselves – all have a role in creating or maintaining an environment that either engenders or undermines public trust. Transparency, integrity and commitment to acting honestly and holding up 'your side of the bargain' within the bounds of a recognised social contract are all markers of trustworthiness citizens will expect to see in their institutions.

Several interviewees were deeply concerned about the impact of 'fake news', with influence now being felt not only at the margins, but in mainstream debate. When the Hansard Society asked which sources people felt to be most trustworthy in informing around the referendum, top of the list came TV and Radio programmes (34%) with experts in at second (21%), leave and remain campaigns considerably lower (at 10% and 9% respectively) and MPs on an unimpressive 6%. While only 9% cited information from social media as trustworthy, many were nonetheless concerned about its rising influence and capacity to create self-enforcing 'bubbles' of confirmation bias.[8]

A number of Foundations interviewed expressed concern at the risk of diminishing trust in public institutions extending to 'the Foundation brand'. Confidence in the Charity sector has been under threat, with the peak of media and public scrutiny surrounding the collapse of Kids Company – it is not such a leap to imagine Foundations too might come under fire in time. Those interviewed felt there to be a "need for more transparency to build trust. Be better at communicating and divulging what [we] are doing and funding."

- FOUNDATION, CONTINENTAL EUROPE

A strong thread emerged from interviews with Senior Staff at Foundations in continental Europe on this issue. Though the picture is widely varied, there were a number who described already worsening views on Foundations:

"[In some territories] Foundations [are] seen as agents of Western Liberal indoctrination rather than economic or human development."
- FOUNDATION, CONTINENTAL EUROPE

Living their values and consciously shifting power

The need for a wider range of citizen and community voices to be heard and involved in decision-making was widely accepted as an area where Foundations could do more. Doing so with public sector institutions was a priority for some, while others pointed to this being an issue for the Social Sector too. The question being: are the people whom charities and the broader sector are designed to serve, sufficiently present within these organisations and with the agency to shape things?

Some expressed concern that people with lived experience may be marginalised from leadership and decision-making within the Social Sector – particularly so in social entrepreneurship/innovation sectors. As Sandhu reflects on research with leaders across the sector:

"…although most people appear to recognize the intrinsic value of working alongside communities with direct experience of social and environmental issues, many were reticent or apprehensive about including these so-called "beneficiaries" in their organizations' leadership. Many reported little, or no, awareness of people or communities with lived experience who are leading change in their field."[9]

Many of our respondents reported that staff teams and Boards are rarely representative and struggle with real connection to the communities they exist to serve. Foundations understandably spend much of their time focused on those they fund, rather than the end 'beneficiary' and risk losing sight of the purpose of their work. As one Chief executive warns:

"As independent funders [we] should be there for people rather than organisations."
- FOUNDATION, UK

Shaping grant-making through greater engagement

Interviewees felt that meaningfully engaging people in the design and delivery of funding programmes, strategies and principles can be hard to achieve. The obvious risks are of tokenism and poor engagement. Some funders spoke of trialling more open, consultative approaches to designing their programmes – but user engagement remains a recognised challenge across the sector.

PARTICIPATORY GRANT-MAKING

One cited approach, which tries to build a better understanding of beneficiaries' aspirations and needs, is participatory grant-making. This approach entails new ways of judging or awarding grants on a more open, collaborative basis. This gives room for public input from setting the scope of the work, through to selecting final grantees from a shortlist. This might consist of public comments or voting, judging by panels of outside peer reviews, or a combination of both.

"Participatory Grant-making Funds serve as a powerful intermediary between grassroots organising and traditional and institutional donors, functioning as a learning hub for institutional donors and participants"[10]

One interesting case is the global grant maker FRIDA | The Young Feminist Fund. They use a model of participatory grant-making, in which the young feminist activists who apply for grants participate in the decision-making by voting for other proposals. This process is a way of shifting the traditional power relation between funders and grantees, and seeks to heighten the sense of solidarity and accountability among young feminists. [11]

Supporting democratic engagement

Foundations have a range of ways they can support democratic engagement: from supporting initiatives that strengthen representation and engagement using their funding, through to sharing their existing routes to influencing. Interviewees mentioned organisations like Involve, Unlock Democracy and the Democracy Alliance, all of whom exist to improve democratic engagement and participation through a mix of education, support and campaigning.

Many cited the particular value some Foundations – particularly those with influence – can play in 'providing a seat at the table' for those voices who might not otherwise be heard. Though some warned against reinforcing old power structures with this approach:

"Build capacity around rights from [the perspective of] people rather than from [the perspective of] funders – high level advocacy not enough – [we need] thickening of Civil Society across all levels."
- FOUNDATION, CONTINENTAL EUROPE

Engaging young voices

A number of interviewees highlighted concerns over intergenerational inequality and the need to better understand and connect with younger voices. Some cited the hollowing out of youth services and provision, insecure work, rising costs and dwindling opportunities as issues commonly faced and driving dissatisfaction and anxiety among this age group. Adult millennials are, for instance, now spending three times more of their income on housing than their grandparents did at a similar age.[12]

The proportion of young people (18-24) who voted remain was around 70% with turnout at an estimated 64% compared to 90% of over 65s.[13] It is clear too that younger people are concerned about the impact of Brexit on their prospects, alongside wider structural issues as a recent Women's Trust survey of 16-30 year olds found:

"…almost half of young people (47%) still said they were worried for the future. When asked what, if anything, made them feel anxious, the most commonly cited reasons were the UK leaving the European Union (42%), the ability to afford a home in the future (41%), their current financial position (37%), not earning enough to live on (35%) and finding a job (34%)."[14]

A range of Foundations are providing targeted funding to tackle these structural issues and the resulting anxieties they cause. Paying particular attention to engaging young voices in democratic structures and influencing was a particular related concern among a number of Foundations.

WE ARE UNDIVIDED

In the wake of the EU Referendum a group of 30 young people came together to form a campaign with the aim to ensure that young people's voices and interests are heard in the Brexit negotiations by gathering the opinions of 1 million people under 30 in Britain. Several organisations with an interest in democratic engagement, including the Citizenship Foundation, Ashoka, British Youth Council and Paul Hamlyn Foundation are supporting this work.[15]

Earlier last year the campaign published a report after engaging and surveying a larger number of young people on their priorities for a better Brexit. It found that young people wanted to be consulted throughout negotiations, and for the UK government to address domestic social challenges around health, housing, mental health and inclusion, while also prioritising the protection of important aspects of their EU membership (such as the Erasmus programme, environmental commitments, and freedom of movement). Representatives from the campaign have also worked together with the All-Party Parliamentary Group on a Better Brexit for Young People (APPG-BBYP) to build on the survey's findings in order to contextualise young peoples' views on the process of UK withdrawal from the EU more accurately. [16]

"Undivided is an immediate response but is located in a longer term plan to maximise youth voice, mobilise young people, build and strengthen coalitions, engage, support and empower passionate young people to press for change and to influence and shape a shared and positive future."[17]

PONTES UBUNTU – UBUNTU BRIDGES PROGRAMME

The Ubuntu Leadership Academy is a project to empower young people with leadership potential, from contexts of social exclusion or who intend to work in such contexts, developing or integrating social entrepreneurship and innovative projects at the service of the community. The 4th edition targets 50 young people aged 18-35, from Portugal and whose names were put forward by local, regional or national institutions.

The Ubuntu Leadership Academy operates on a one-year training cycle, using non-formal education methodologies, delivered in 10 thematic weekend residential seminars, with peer mentoring a core part of the offer. The seminars address topics such as leadership, communication, self-knowledge, negotiation/mediation, civic courage, among others, are addressed in these training sessions.

"[With a] peer mentoring system, things become much easier to communicate, easier to reach people who might be suspicious of authority, especially young people." (Foundation, Continental Europe)

The Ubuntu Bridges Programme is supported by the High Commission for Migration, the Lisbon City Council, the Montepio Foundation and the Calouste Gulbenkian Foundation.[18]

B: Movements, Campaigns and Activism

Public perception of – and relationship with – Civil Society is changing, as the dispatches from the Inquiry into the Future of Civil Society chaired by Julia Unwin make clear. Trends over recent decades have engendered a more tightly defined, professionalised and performance measured Social Sector. We are again waking up to the power of movements – powered in part by technological changes. With the roles around the provision of social goods in flux as the State withdraws and resources available for traditional Civil Society organisations diminish, the centres of power for social change are shifting too.

Foundations, in their efforts to understand complex issues to inform their grant-making, tend to focus their scoping and research activities on issues and need ahead of intervention. A number we interviewed felt more could be done in understanding changing forms of engagement and community organising methods too. How is it that people are exploring and championing solutions to the issue they face? How are they mobilising action and what tools are they using to do so? Interviewees felt that to engage meaningfully with communities – of interest and of place – it is important to do so on their terms, using the channels and methods they are already using. As the writer Ben Ramalingham suggests, this requires us to:

 "…map, observe, and listen to the system to identify the spaces where change is already happening and try to encourage and nurture them."[19]

THE SOCIAL CHANGE PROJECT

Convened by the campaigning support charity, the Sheila McKechnie Foundation, this project looks to deepen understanding of how change happens and mobilise better, collaborative action. It seeks to illustrate both the critical role Civil Society plays in supporting important social reforms, and the need for the sector to examine more deeply how change has happened in the past in order to strengthen future efforts.

The project supports and trains people across England, explores 'burning issues' in depth, and examines instances of change to generate learning and insights – all with the aim of harnessing existing movements for change. In doing so, the Foundation brings together a new diverse and vibrant community of change-makers committed to working together around a common goal.[20]

For this Funders who invest to promote peace and connection between communities, there is added urgency. As research by campaigning group Hope Not Hate has demonstrated, far right groups across Europe and more widely have been very successful in understanding and utilising digital platforms and other methods to mobilise movements to their own advantage. They have done so through using online tools to attract a younger audience and advance its cause by effectively engaging with "Online Antagonistic Communities". The movement operates as an amorphous and mainly online political movement composed of a vast array of blogs, vlogs, websites and podcasts.

"Such a movement has no single leader or even a dominant organisation but, instead, resembles a many-headed hydra made up of a collection of figures and groups, none of which fully control the movement's direction".[21]
At minimum, understanding and countering this threat is crucial for all those interested in nurturing and protecting community cohesion.

A number we spoke to reflected on the changing landscape of support for Community Development and Community Organising over the decades (see Understanding Place section), and that such approaches, particularly at times of austerity, are seen as 'nice to have' and are vulnerable to cuts. With an ever-increasing emphasis on impact and the professionalisation of the Social Sector, some felt this too had contributed to an environment that undervalues grassroots organising. There was real desire among many we spoke with to reverse this trend, and invest more in the grassroots and Community Development resource.

Working with movements

Technological advances make organising much simpler and immediate, so the trend in community-led movements looks set to grow and grow. Some of the Chief Executives we interviewed felt that Foundations needed to do more to understand their role in this new environment. Movements like Occupy, Podemos or Women's March engage hundreds of thousands of individuals in campaigning activity and are relatively independent of Foundation support. Initial concerns that wide swathes of the country were 'disengaged' now seem premature, or at least need to be nuanced.

Engaging with movements will require new ways of working and greater flexibility, which may prove challenging for those Foundations with more 'static' programme design and delivery. Nonetheless, some interviewees pointed to the importance of understanding and acting alongside and in support of such movements. How might additional support from Foundations be catalytic in certain areas – such as offering different opportunities for influencing, or supporting with data and analysis? There are examples of Funders who are experimenting in this space below.

NEW ECONOMY ORGANISERS NETWORK (NEON)

This is a network that includes 1,600 UK organisers from 900 different Civil Society groups whose long-term aim is to build deep relationships and alignment between progressive movements. Supported by a small core staff, the network operates on a wide range of 'key battleground issues' such as migration, energy democracy, housing and precarious work, organising where they work with the community to run better, more effective action They provide support, training programmes and networking opportunities for individuals, organisations and movements to equip themselves with knowledge around campaign strategy, leadership, political education, media relationship management and more. The organisation is currently funded by Friends Provident, the Joseph Rowntree Charitable Trust, the Barrow Cadbury Trust, Unbound Philanthropy, the Pickwell Foundation and individual donations. [22]

The digital space

A handful of interviewees spoke about the critical need to improve digital literacy in the Foundation world. Digital technology is radically altering the way Civil Society operates, as one interviewee points out:

"What do we mean by communities … when the digital world is changing the way communities organise?"
- FOUNDATION, CONTINENTAL EUROPE

Some called for Foundations to better understand digital platforms – for the purposes of engaging the communities in a way that builds trust through greater transparency and open sharing of data. Some cited attendant benefits in doing so, creating greater clarity and coherence across the wider sector. Understanding in what ways, and with which platforms, communities are having the conversations that matter to them seems imperative if Foundations are to remain relevant and effective in their work. Interviewees felt that addressing the issue of 'digital echo chambers' will become increasingly important.

Support for advocacy, campaigning and activism

A number of interviewees spoke of the need to do more to champion the rights and interests of those communities and groups with less voice and power. We found a sense that, while not right for all funders, there is a need for increased support for advocacy and campaigning to affect social change with communities.

While there was wide consensus on this point, a number pointed to barriers – some real and some perceived – that are holding back progress. Support for campaigning and activism is still viewed as risky activity for Foundations, with Boards often reticent to support work which is seen to be party political, fearful of 'falling foul of the regulator'.

Nonetheless, it is clear that in some arenas things are progressing and Foundations are stepping more publicly into campaigning work. In the UK, interviewees mentioned both the work of the Joseph Rowntree Reform Trust (JRRF) as instrumental in providing funding for activists in often scarce times, and the charity, the Sheila McKechnie Foundation, which provides invaluable mentoring, support and guidance for campaigners. JRRF is not constituted as a charity and therefore has a freedom of operation that gives it additional flexibility. More widely, those Foundations in the migration, rights and social justice space were particularly cited as leading the way. Part of the reason may be that coalitions and networks of Foundations are well established in these spaces, offering as some interviewees described 'a sense of safety' and mitigating some of the risks by acting together. The Ariadne and Human Rights Networks have provided valuable platforms for real connections to form between Foundations, later providing the basis for joint campaigning activity.

Learning from initiatives in other parts of Europe, it is worth examining the work emerging to counteract the 'closing space' for Civil Society mentioned by some interviewees in continental Europe. Fears over security, scarcity of resource and competing interest has led in many regions to populism, nationalism and hegemony that is creating an increasingly hostile environment for charities, NGOS and others. In response, a range of coalitions and Foundation networks have become more vocal, moving into the campaigning arena to stand up and protect the communities and organisations they support.

An example is the letter composed by the European Foundation Centre, and signed by 60 of its members to the Hungarian Government earlier last year, which condemns the "repeated efforts of the Hungarian government to restrict and stigmatize nongovernmental organizations operating in the public interest".[23]

The letter and latter the establishment of the Philanthropic Alliance for Solidarity and Democracy in Europe, launched at last year's European Foundation Centre's AGA, are important examples of Foundations showing bravery by acting collectively to stand up for open space for civil society to operate.

"… European philanthropy and European Foundations stick together, that they care about what is happening in Europe, and are determined to show solidarity and commitment in tackling the challenges our societies face today."[24]
- EWA KULIK-BIELI SKA, EFC CHAIR AS AT JUNE 2017

FUNDERS' INITIATIVE FOR CIVIL SOCIETY (FICS)

This global initiative was established in 2016 and funded by 11 international donors; brings together private philanthropy to help build collective capacity to support Civil Society's response to the closing space trend, and to find innovative ways to maintain a free and healthy Civil Society in which there is engaged citizen participation that is free of restriction from governments.

The initiative set out to work towards three strategic priorities: strengthening resources, building alliances and using influence. Among other things, the funders commit to:

- convene and participate in learning opportunities on closing space
- develop practical guidance and mechanisms to support the funding community to engage in effective closing space grant-making (for example, convening thematic working groups to align global action)
- create or co-convene working groups across philanthropy and other sectors using the FICS levers and other issue-specific areas (for example, an LGBTI working group, led by the Global Philanthropy Project)
- convene grant-makers to pilot specific joint responses in identified countries across a range of contexts to demonstrate which approaches can work
- lead and facilitate joint funder-led advocacy on closing Civil Society space, where appropriate and useful, building and sharing learning about when and how funder advocacy can work and when it can cause harm.[25]

C: Narrative, Difference and the Search for Common Ground

In the run up to the EU referendum campaigning reached fever pitch. Questionable adverts were referred to the police over concerns around inciting hatred as the narrative around identity and immigration became ever more fraught. Many of those we interviewed traced this divisive rhetoric much further back, and present too in subtler ways in mainstream politics, with voices championing the benefits of migration becoming ever scarcer. A number of Foundations spoke of deep concerns around the narrative of difference that by the vote had become so entrenched. Others spoke about divisive narratives fuelled by a well-resourced and mobilised far right movement. Some felt this was providing legitimacy to views that perhaps were unable to find a platform before. The need to counter such narratives seems clear.

A number of interviewees reflected on the role of Foundations in light of these tensions, referring to a shift in funder practice to supporting particular communities, or marginalised and vulnerable groups (once described as building social capital), with perhaps less spent now on support for integration and shared dialogue (bridging social capital).

A small number of interviewees questioned whether good intentions of supporting particular groups may have, in some cases, led to unintentionally worsening wider community relations. Some felt that some interventions may be inadvertently quite "othering" by focusing on single issues, such as cultural identity, oversimplifying personal situations where there is often a complexity of considerations at play.

Building common ground

Many interviewees felt that there was now a need to rebalance support for 'building' and 'bridging' social capital, with more resource directed towards activities that create common ground across communities.

"Working in small communities and recognising positive aspects and common base [from which] to build forward [is important]. Brokering 'meaningful contact' [and] bridging bubbles. Find … concerns we have in common and act on these together."
- FOUNDATION, CONTINENTAL EUROPE

The particular value of the Arts in creating neutral spaces to explore and refresh narratives was mentioned; "[arts organisations] can animate people in way other organisations find more difficult".
- FOUNDATION, UK

#MOREINCOMMON AND THE GREAT GET TOGETHER

This summer's Great Get Together event and linked social media campaign, #MoreInCommon, is one large scale example of an initiative seeking to build common ground through positive messaging and action. In memory of murdered MP Jo Cox, and building on the success of nine years of Big Lunches, local events across the country sought to celebrate and emphasise all that unites our communities.

The hashtag connected to the event had previously trended on social media and refers to Jo's maiden speech in Parliament where she sought to challenge narratives of difference, saying "we have far more in common than that which divides us". The event gained mass media coverage, was endorsed by royalty and celebrities, and included a series of street parties, bake-offs and picnics in the UK. The events highlighted the possibility for communities to come together, create a sense of belonging and to welcome a language that focuses on the commonalities between, and within, the communities in which we live.[26]

New narratives and nuance in language

Several interviewees felt that Foundations can play a strong role in reframing narratives, and enabling communities to do this for themselves in ways that build pride and a sense of belonging. Interestingly, some talked about abandoning language that only further exacerbates the tensions at hand (for example, the 'rust belt' in the U.S. and 'left behind' communities in the UK).

AT HOME IN EUROPE: EUROPE'S WHITE WORKING CLASS COMMUNITIES

As part of their wider At Home In Europe project, which works to advance the social inclusion of vulnerable communities in a changing Europe, the Open Society Foundation published research in 2014 on the daily realities and concerns of white working class communities across six cities in Western Europe. The project, which seeks to counteract negative rhetoric and stereotyping, found that white working-class communities felt they were bearing the brunt of rapid changes in society with many having lost faith in their ability to have any real influence on decision-making processes. This powerlessness has been made worse by negative media portrayals, with participants in this research reporting a strong sense that the ways in which white working-class communities are represented are almost exclusively in the hands of people who are not drawn from those communities.

In Manchester, the study found that white communities had limited access to skilled job opportunities, experienced housing pressures and felt negative media portrayals were having a demoralising effect. Yet there was nonetheless a strong sense of pride and community.[27]

The interviews also suggested a growing understanding of the importance of language. The work of British Future was cited as providing essential insight into the use of language around the migration debate. This identified an 'anxious middle' of people who sit between the 'rejectionists' and 'migration liberals' and who have both concerns about migration and at the same time recognise many of the benefits.[28] British Future research demonstrates that for this particular group, myth-busting through presenting facts has in many cases been damaging and further increased, rather than diminished concerns.

Some interviewees spoke of tensions in the debate around Human Rights, and in particular a sense that rights-based language can, in public messaging, unintentionally create a sense of competing rights between different groups.

Ensuring space for a diversity of voices and approaches

A number of the Foundations reported that they are thinking carefully about the language used in their different activities, and with different audiences. Many are grappling with how to balance support, which both recognises and builds connection with the 'anxious middle', while also providing crucial support for marginalised groups. But a number of interviewees also cautioned against the pendulum swinging too far. Some were concerned about whether language over-sensitivity has left charities representing minorities feeling they are unable to speak out: for fear of standing apart from new, more popular narratives, and ultimately, losing funding and therefore their ability to act at all. One interviewee cautioned that we don't undermine diversity and representation. For this interviewee, the dominant narrative "… *is framed as integration/segregation rather than equality, [which is where] BME communities are coming from. If asked they will not speak of integration/segregation and feel their voice [is] not listened to.*"

- FOUNDATION, UK

D: Understanding and Supporting Place

The lens of Place has been an important part of post-Brexit vote analysis. The narrative of communities that had been 'left behind' has entered the political mainstream. Several interviewees found this deeply uncomfortable language. While this view has been shown to oversimplify, some we interviewed acknowledged that regional inequalities are nonetheless important factors that Foundations and those working to support Civil Society must be aware of:

"Part of the story is around geography and how it matters. People are aware of it. Power, resource and voice [is] concentrated in London and the South East."
- SOCIAL SECTOR ORGANISATION, UK

Many respondents painted a picture of Foundations, in the early days following the vote, asking searching questions of themselves and the wider philanthropic sector in relation to the effective and balanced support of local communities. This is particularly true of national funders who struggle with mandate to act and connection to the local level. There were a number of instances of Foundations undertaking scoping, mapping and reviews of how to re-approach funding in local areas. Many in the sector were surprised by the vote, which in and of itself has been unsettling for some.

Ensuring that any renewed focus on place is used wisely for positive impact was a concern among both funders and grantees. There was concern that there may be a rush to support only the most deprived localities, or those where the vote to leave was highest, and those areas that are somewhere 'in the middle' could miss out.

Responding to the opportunities of devolution

Support for Civil Society: Investing in the 'glue'

Many interviewed – across Europe – highlighted an important role for Foundations in supporting the continuation of the Social Sector in times of such constraint. The impact of austerity has been keenly felt by those in local voluntary groups, doubly squeezed by reducing statutory funding, and rising demand among their clients/ users, and Foundations have felt the need to step in to maintain base levels of community support. As one interviewee described:

"[We] need to build a thicker Civil Society by being more rooted in the community, bottom up, support and build capacity – individuals and communities."
- FOUNDATION, CONTINENTAL EUROPE

The value of community development was mentioned by some as an important mechanism in maintaining the resilience of and positive outcomes for communities. With local budgets under threat across the country, questions are emerging as to the role of Foundations in helping to plug such gaps. One interviewee felt quite strongly that without the infrastructure of support offered by community development workers, who are trained to have the 'difficult conversations', bridging differences in communities, efforts to invest in local places will be meaningless.

WHAT NEEDS TO CHANGE?

A key part of the context for a renewed interest in funding in Place is undoubtedly the impact of the devolution agenda which – though playing out in different ways across the nations and regions – is a driving force for change, offering an opportunity to shift the terms of engagement with communities. Understanding this shift in the centres of power, particularly at a time when Westminster is dealing with the mammoth task of taking the UK out of the EU, is crucial for Foundations shaping where to focus their influencing and funding activities. Doubt was expressed by many as to the efficacy of engaging in policy work with any part of central government at present. At the same time, new forms of policymaking and leadership on issues that deeply impact on communities across the UK are under way through devolution deals.

A number of those interviewed referred to the traditionally low levels of engagement between national Foundations and the local public sector, and a need to focus on building effective relationships between the two – particularly if Foundations are to achieve real impact and longevity. There are obvious benefits, particularly when so many places are exploring public service transformation, and methods to achieve change in ways that best meet the needs and aspirations of local residents and communities. Identifying strategic opportunities to shape these emerging agendas offer the promise of much greater longevity than independent funding strategies alone. Power to Change has recognised this opportunity and is actively developing relationships with local areas and their authorities through their Regional Inequalities Fund .[29]

PEOPLE IN PLACE

To tackle issues of poverty, including rising in-work poverty, health inequalities, youth unemployment and lack of affordable housing, the Corra Foundation (previously Lloyds TSB Foundation for Scotland) set out to develop an asset-based empowerment model to support nine local authorities in Scotland that had not previously received funding from independent Foundations. Considering their own funding approach, the Foundation decided to experiment with co-production to reach out to those communities they had previously struggled to engage.

The Corra Foundation wanted to go beyond working with charities and instead work more directly with communities in Place to encourage participation and increase resilience. The People in Place programme was launched in 2015 and seeks to increase awareness, through learning and sharing, of the importance of place and how this affects life chances and opportunities. The Foundation has partnered with four national Foundations who have co-invested in the programme, namely Esmée Fairbairn Foundation, Joseph Rowntree Foundation, Lankelly Chase and the Tudor Trust. Two years on from initiating the programme – and reflecting the time such co-produced and collaborative processes can take – the Foundation had made good connections with all the identified communities, and funding for four of the nine local authorities had been secured.[30]

Nuanced understanding of geography

Several interviewees felt that intervening credibly in Place requires an understanding of the nuance of working at different geographical levels in a place (street, neighbourhood, ward, borough, region), and the different systems and stakeholders that exist at those different levels. The geographical scope of a funding intervention must be set by the logic of the place: respecting and linking across the different 'footprints' of different services of statutory and non-statutory bodies. It is also influenced by the purpose of the Foundation. IVAR research suggests that those looking to create a systemic change around particular issues may be advised to focus on smaller geographies, while those opting for a responsive approach are better able to fund borough wide or regionally.[31]

Recognition of geographical scope in Place has an impact on how funders engage partners, support organisations and engage with the public. It influences intentions for spreading or scaling impact. We heard that Foundations 'must not be seduced' by the idea they can 'lift and shift' successful models from one place to another. They must, rather, develop an understanding of what Collaborate has called the preconditions for good place-based interventions, as well as understanding where natural regional comparators and opportunities may lie. For example, are there established relations between neighbouring boroughs? Is the Local Council body or its employees involved in other learning networks or models, like the Commissioning Academy or the Age Friendly Communities network?

A number reflected that finding a careful balance between work at the local level, and connecting learning, insights and providing a platform for residents' voices to play into both regional and national debates is vital and a role that Foundations could be well placed to play.

"Bringing people together helps to build trust and do things together [and is more effective] than conversations about difference. [This is] easier to do at local level but hard to scale. [We] over-fetishise the hyper local. Bigger picture is the problem. Trying to knit together [these two] is important."
- SOCIAL SECTOR ORGANISATION, UK

Some concerns: Mandate and market shaping

In the UK there are stark regional differences in available resource, the impacts of austerity and the outcomes for citizens. There are real concerns about local public services and Councils being unable to continue even basic provision.

"[We] need a proper conversation about public-philanthropic partnerships. The public sector can be naive about independent funding [though] some are creative in leveraging funding together. Community Foundations are working more with Councils but public bodies often assume [they have] lots of funding or contacts to rich folk."
- FOUNDATION, UK

Many questioned the mandate of funders to intervene in the public realm. Where democratic structures are in place Is it for example right for Foundations who are independent to enter into action which challenges how places are governed, how services are delivered and how Civil Society is supported? This was felt to be particularly problematic for national Foundations lacking roots into places – where they are not locally recognised partners and stakeholders of a place.

A further concern was expressed that 'place-based funding' might become yet another funding fashion, with many rushing to get involved and have their own tailored responses to this latest funding approach. What effect such a trend might have on 'non-place-based' approaches seemed of concern to some.

Working through intermediaries

One common response to providing support to places is doing so through intermediaries. Two types were commonly mentioned: in the Social Sector, through community connectors/activists and infrastructure organisations, and in the Philanthropic Sector, through local funders, such as Community Foundations and other local Trusts (Development Trusts, Local Family Foundations among others). Such models enable national funders to support local areas more effectively than they might manage alone, by using the local insights and experience of those with a local connection to communities in that place.

COMMUNITY MATTERS

The £5million Community Matters project managed by The Heart of England Community Foundation, and funded by the Big Lottery Fund and the European Social Fund, seeks to fund through local intermediaries. The project aims to generate prosperity in communities across the Black Country, by tackling causes of poverty, promoting social inclusion and driving local jobs and growth. The funding is delivered in Local Enterprise Partnership (LEP) areas according to local priorities, which have been set by the LEP's themselves. It will support a variety of projects, ranging from those improving employability for the most disadvantaged and helping with multiple complex needs to improving financial literacy.[33]

Using a Systems approach in place

Engaging with the range of stakeholders mentioned prior is vital. Some went further to suggest a 'systems approach' to working in place to be an effective way to engage thoughtfully in place. Such an approach looks to map the different parts of the system at play – from delivery of services, to commissioners, to legal restrictions, to the use of data and insight – in order to unearth root causes of issues and the parts of the system one needs to engage to change outcomes. One respondent highlighted the importance of being sensitive to the systems at play, not only at the regional and national level, but considering how this plays out at the neighbourhood level too.

"How can Foundations plug into grassroots social action? Too much sticking plaster, [for example] foodbanks. Who is stopping? And asking how to stop them."

- SOCIAL SECTOR ORGANISATION, UK

Place-based funding is an emerging response to these challenges:

PLACE-BASED FUNDING

The study 'Work in Place' undertaken by the Institute for Voluntary Action Research (IVAR) and London Funders with support of a number of national and regional Funders demonstrate the increase focus on place-based funding. The study reviews place-based approaches in the UK and includes interviews with staff, trustees and partners at several UK trusts and Foundations. The findings were tested at events across the UK, and resulted in a planning framework for placed-based approaches.

The study identifies learnings about the pitfalls and successes of these approaches and the framework aims to support funders in their planning and implementation in order to improve partnership work, set up planning and reflecting processes, and promote sharing of thinking and transparency. The framework includes 12 areas that Foundations and trusts need to take into consideration and focus is motive, impact, relationships and partnership building.

"Relationships and partnership working are a central feature of place-based approaches – whether in terms of having a trusted source of local information/ insights or the co-design and delivery of initiatives. Place-based working is often about sharing power, respecting local knowledge, and a degree of pragmatism." [34]

As is clear from the research, effective place-based working requires listening in, understanding local context and building relationships carefully with key local stakeholders. All of this takes time and a number pointed out the Foundations will need to think about their grant-making processes to ensure long-term support which is adaptive is delivered. By not doing so, Foundations run reputational risk and inadvertently causing more tensions than they resolve.

"You can't [fund] in somewhere like Northern Ireland unless you have long term presence and are from the place"
- FOUNDATION, UK

SECTION 3 WHAT HAPPENS NEXT?

Changing times…

We are at a point of disruption. With the departure of the UK from the EU, the relationship between the constituent parts of Europe is in flux – the relationship between the four constituent parts of the United Kingdom too is changing, with devolution altering the terms of engagement and the impact of Brexit felt differently across the nations. At the same time devolution within England is shifting the balance between local and national powers. Clearly the impact on technical arrangements is significant – from policy to legislation and more besides – but what this means for our sense of identity, our vision for the places in which we live and our place in the world cannot be underestimated.

For Foundations supporting connections in places and across boundaries, understanding purpose and action in this ever-changing context is challenging.

A diverse sector…

We are still in the foothills of what needs to be a comprehensive look at the ways in which the public, social and private sectors work together to support positive changes in the experience of our communities. None of this is straightforward or binary. Foundations with their longevity and constancy are often looked to at such times of change, providing support as they do to some of the most disadvantaged people. Increasing numbers support a 'system change' approach (or at least acknowledge their role within it) which requires different ways of working with statutory and other bodies. But Foundations struggle with issues of mandate and the relationship between citizens, state, and the Civil Society infrastructure they support.

These tensions have come across strongly in this research – so that boldness and ambition for society at large sit hand in hand with a sense that real change only happens through consistency and granular action. Some have called for a small number of important 'wedge issues' to define the sector response to Brexit. Others talk about the importance of 'keeping the lights on' during difficult times. Many of the institutions engaged with have a long back story and feel nervous about grand political statements at a time when the value of 'lobbying' in its traditional form is increasingly questionable. For this diverse sector, there is no one-size-fits all response, but there are some key actions around which many can coalesce, making a virtue of this difference to push decisive, joint action.

Hard, Soft or…Social?

This process started with a problem statement. The Brexit vote, the rise of populism and an increasing sense of disconnect between global economic trends and the possibilities for communities pose a fundamental challenge to us all. What are the implications for Foundations? For those of us who spend money to support social change, how do we have the intellectual headroom to think about the future we need to bring into being, as well as crisis management in the present? It is clear that now is not the time for continued post-hoc analysis of the vote and what it tells us about British society – we must look ahead if we are to protect the most vulnerable and champion a positive vision for the future.

This research has signposted something of the sector response to these questions, and the things that are already happening – funded, proposed and under the pubic radar – that might edge us towards something better. But what needs to happen next? This body of work suggests that progress needs to be made at three different levels:

INTERNATIONAL: "We are still European" – saying no to isolationism

The UK's relationship with Europe and the wider world is as yet to be decided post Brexit. The purpose and direction of the European project too is necessarily under consideration. As important connectors and conveners across geographic boundaries, how might Foundations across Europe and in the UK show leadership in the modes and ambitions of continuing international collaboration?

1. ### Tackle issues across borders through alliances

   There are issues of European and global importance where international alliances are needed to shift change – in practice and in policy. One obvious arena is migration where having an impact on the issue and good outcomes for asylum seekers will require working in other jurisdictions (where, for example, outcomes for people in the UK rely on policies in France and other Mediterranean countries). Foundations working together across borders, and with other Social Sector organisations have potential to influence policy in ways others perhaps would struggle with.

   Supporting alliances and collaborations which share learning and provide the opportunity for deepening connections across borders is of importance too. These collaborations are essential, across the sciences, the arts and social initiatives and movements. The imperative for forming and maintaining cross-cultural exchange and alliances if anything is stronger than it was before the vote, with the likelihood of cuts to funding for this work from other sources. With the likely eventual withdrawal of European Structural and Regional funds among others, UK Trusts and Foundations will need to think creatively to ensure the value derived from these exchanges is protected in a way that continues to improve practice and achieve long term change for communities.

Ensuring a wider range of UK Trusts and Foundations make use of existing peer networks – through the European Foundation Centre and their specific networks and others like Ariadne – will help in making these connections.

NATIONAL: A vision for Post-Brexit Britain

2. Sketch out the Social Brexit

There is a dire need for an alternative narrative as the UK prepares to exit the European Union. With policy failing to lead the way on a collective vision for the society we want post-Brexit, much less an action plan, what might Foundations do as champion and convener of Civil Society to co-produce a viable alternative?

2017 has seen a number of important engagement exercises supported by Foundations, all of which point to a gaping hole where a vision for our society ought to be. The Inquiry into the Future for Civil Society and the Beatrice Webb Foundation's work on Rethinking Poverty have both undertaken broad engagement with people across the UK (England only in the former) and all cite this as a concern among communities. New narratives which build a sense of common ground and understanding are felt to be largely absent but deeply desired and needed – there is a very real fear that without them, divisive and extreme nationalist narratives continue to fill that void. We should note that, the UK Labour Party is attempting to create a new narrative and it remains to be seen how inclusive and practical this vision proves to be as it develops.

What would it mean to explore such an idea in practice? There are existing opportunities which could provide the platform for exploring common narrative and vision – the respected and collaborative process run through the Inquiry in to the Future for Civil Society might help convene an open exercise to co-create a vision for post-Brexit Britain. With the right civil society infrastructure and/ or campaign groups for Wales, Northern Ireland and Scotland, together such an alliance could create a UK wide project. Utilising a range of engagement techniques through local focus groups, national surveys, cross regional workshops and more besides, a co-produced vision could help to galvanise and inspire new narratives to emerge in places across the UK, drawing on national campaigning methods. The time is ripe for a project of this importance and scale and could be built incrementally over time with the support of Foundations.

3. Think, work and act boldly for change

While uncertainty is high, there are two things which we can be sure of as the Brexit negotiations rumble on. First, with the mammoth task of managing the UK's exit from the EU, there is little political space for anything else. The political chaos of Brexit threatens to exacerbate existing vulnerabilities; worsened by years of austerity, forgotten about during the complex period of exiting and most likely adversely affected by any negative impacts of withdrawal thereafter. The role of Foundations in protecting the issues and people that are most vulnerable to such shocks will be crucial in the coming years.

Second, available resource to support communities will continue to shrink with EU funds no longer available. As the decision to withhold UK cities from applying to the European Capital of Culture prize shows, we have to assume EU Funds for a range of projects with social, scientific, cultural and environmental impacts will no longer be available. While the government has made some assurances about continuing funding for projects already agreed under Structural Funds, this cannot be sustained long term. With these funds covering a range of initiatives across private, public and social sectors, there is no certainty as to which areas and sectors will be deemed priorities for replacement funding by the UK government through for example the Shared Prosperity Fund.

With political attention turned towards Brexit negotiations, what is needed from Foundations to ensure the protection of communities?

Stronger focus on and support for the most vulnerable

Alongside a range of civil society organisations, Foundations will need to remain vigilant as discussions continue and decisions are due to be made in terms of impact on different groups. How might decisions on migration policy affect resident ethnic minorities differently, as well as incoming migrants? Might there be a worse effect on disadvantaged groups in rural areas with the withdrawal of EU Funds? How can Foundations use their influencing abilities to ensure that the same regions don't continue to lose out when it comes to inward investment? If protections by the European Court of Justice are removed, who will be most affected?

Foundations will need to consider changing practice and programmatic objectives to ensure protection for those vulnerable to these changes. It will be important there are enough Foundations who can be reactive yet strategic given the need for swift action in many cases – such action cannot wait until the end of a five-year funding cycle.

Getting more vocal

Funders have a number of tools for influencing that can be used to greater effect to champion rights and interests and safeguard the communities they serve. From subtle use of soft power and networks through to direct funding of campaigning, the independence and longevity of many Foundations means much can be achieved by simply sticking at things. What are the political levers or opportunities, to push the case of the communities you serve?

LOCAL: Invest in place

The provision of services to the public and grassroots community support is undergoing a sea change with the opportunities offered by devolution acting as one key catalyst. How can we use this opportunity, and the renewed focus on place post-referendum, to ensure we get a better deal for communities across the country?

4. Show how devolution can drive social change

Many acknowledged in the research that government has been poor at enabling real democratic engagement, though the problem is wider and deeper, affecting a range of institutions of public benefit. Many people experience a real lack of empathy in the institutions that serve them, as most brutally exhibited by the fallout from the Grenfell Tower tragedy. Social and public institutions have to get better at listening and responding to citizens' concerns. As the UK prepares to leave the EU, this is of greater imperative as the future for our communities post-Brexit is formed, nationally, and place by place. The consequences will be dire if we fail to do this with (rather than to) people.

How might funders help to catalyse a revamped approach to citizen engagement that gives greater decision-making power to people in places? Devolution offers a significant opportunity here. There is potential for new forms of democratic engagement within devolved regions, the formation of which offers real hopes to redressing some of the geographical inequalities across our communities. To date, however, most city deals have focused on economic growth strategies and public service arrangements. If these deals are to meet the ambition for change for those places, the critical role of business and Civil Society as part of the local system must be better taken into account. How might a Social City Deal create a better version of devolution for communities? Could funders support systemic approaches to place by strengthening the perspective of communities and wider Civil Society?

A mix of local and national funders working in an area might trial a transformational engagement model, delivered and co-produced locally to ensure communities are listened to and have real influence on their place. Such a model might look to work across the system locally, convening public sector leaders, Civil Society, anchor institutions, service deliverers and others – to identify local opportunities to shift practice which communities desire. It would need to identify:

- Quality engagement and co-production techniques, including strengthening citizen insight and data, and co-producing commissioning
- Shared accountability frameworks and feedback loops – where those with decision-making power learn from and can respond to community aspirations and concerns more quickly
- Areas of alignment across community priorities and opportunities for Public Service Transformation objectives
- Robust commitment mechanisms from philanthropic and Public Funders (among others) to change in response to feedback

… And stronger practice and impact

"Funders are privileged and don't need to worry about funding and cuts like the voluntary and public sector does. With privilege comes responsibility to work harder and more effectively."
- FOUNDATION, UK

The achievement of these ambitions is of course underpinned by good and improving practice among Foundations. There is an opportunity to use the current context as a way of re-setting terms of engagement, and asking probing questions about the way Foundations work. Initiatives like the Association of Charitable Foundation's Stronger Foundations[35] programme point the way too for the sector to reflect, adapt and strengthen practice. This will be about structure and process and to take real effect will need to consider culture and behavior too. Four core principles for strengthening Foundation practice emerged in many of our conversations:

Collaborative – *focusing on cultures and behaviours for domestic and international partnerships; collective impact for influencing*

The issues the sector faces – in the UK and across Europe – are complex and often entrenched and many we spoke with said acting alone on such issues simply isn't feasible. Working on riskier topics or influencing around policy was felt to be more comfortable if done in collaboration with peers and alliances. The ability for Foundations to bring their collective resources and capabilities to bear will depend on the health of the partnership and how aware of and aligned differing cultures are across organisations. Is there a sufficiently strong shared vision and intent which can help work around internal barriers in processes, for example? Taking the capabilities for collaboration seriously is an integral part of the process.

Transparent – *making better use of existing platforms; sharing more learning*

Many Foundations have developed expertise in the issues they support, some helping to catalyse and pioneer underrepresented/unexplored issues. But there is an element of hiding lights under bushels, with lots of insight gathered through projects in reports for example, which aren't always well shared. Transparency of data is important here – 360 Giving's GrantNav is a great platform, and there is a real opportunity to use this to dramatically improve coherence across the sector – but it needs greater uptake for it to be of real value and, in time, to move beyond sharing grants data, to sharing more qualitative insights through stories, case studies and multimedia.

Co-producing – *engaging more with communities and beneficiaries to draw on their expertise; listening to those outside of our networks*

It was felt there is more to be done to demonstrate co-production in the design, delivery and evaluation of grant-making programmes. Interviewees felt the sector must show it is more accountable to those it serves, not least if it is to be in a position to protect itself from attacks by regulators and the media. There seems little appetite for anything as strong as collective self-regulation on this basis, but most interviewees were clear about the 'root and branch' nature of this issue, and difficult questions need to be asked about how this process is led and sustained.

"[We need to] move away from top down working, feeling we can come up with solutions – has to be done in concert with communities"
- FOUNDATION, CONTINENTAL EUROPE

Nuancing understanding of risk – *rebalancing focus onto risk of NOT doing, away from the risk of doing*

"[We] need to show our colours in a sense… If we do not take risk we abdicate our role and position in these societies."
- FOUNDATION, CONTINENTAL EUROPE)

There are challenging times ahead for communities across Europe. The people we care about and the organisations that exist to support them are facing uncertainty on many fronts. From financial uncertainty – in the form of austerity, the withdrawal of the welfare state and the post-Brexit economy – to real (and potential) threats to civil liberties – in the shape of the EU Withdrawal Bill, or the wider trend of closing space for Civil Society. Arguably the greatest threat is that of key issues being determined through the mechanism of secondary legislation – and away from the spotlight of real democratic scrutiny.

The way Foundations offer support must – and is – changing in response. Utilising the insight and influence the sector has at its disposal, Foundations are in a unique position to champion approaches that go beyond business-as-usual and to take risks that others cannot – bridging divides, tackling structural inequalities and championing communities and the wider Social Sector. This will require boldness, imagination and risk-taking.

These actions require joint effort to refine and deepen, but this is the level of ambition that Civil Society passionately needs. No one is pretending any of it is easy – there remain many questions about how to test out and shape emerging ideas with communities – but we have to start by taking responsibility for what each of us – and the organisations we advocate for – can do to serve our Society and citizens. This is 'a moment' of making personal and institutional choices. And if we miss this opportunity to support the kinds of essential shifts needed to support strong, cohesiveness and real agency among people, we could be waiting a very long time.

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