FUNDING FOR CHANGE IN ŌTEPOTI

Perspectives from Dunedin's community sector

During lockdown, we surveyed the community sector on strengths and challenges related to funding. This report collates their responses under several themes. We hope it will contribute to local and national conversations about funding in the community sector.

What we asked

- What funding relationships, mechanisms and approaches work well for you?
- What would your ideal funding situation look like?
- What concerns and challenges do you hold about the future of funding?
- On average, how many hours does a funding application take?
- How much time does your group put into funding applications each month?
- What issues are you concerned about or do you see emerging in the current context of Covid-19?
- Would you like to make any other comments about funding?

Who responded

- 40 responses
- From across the community sector in Ōtepoti and Otago
- Big organisations and small

Respondents came from a wide range of groups and organisations. Some were from place-based community groups, others from specialist advocacy and support service organisations. A number of respondents represented Māori and Pasifika communities and organisations. The health and disability sector was well-represented. We also received responses from arts organisations in the city.

What we found
Relationships make a difference

Most respondents commented on the importance of relationships. Respondents value one-to-one and face-to-face meetings with funders as a way to build mutual understanding. Rather than relying on one-way comms and formal information-sharing or networking events, respondents want funders to visit them, spend time seeing them in action and have informal conversations.

Groups want funders to really understand what they do and why. They also want to know more about their funders and what they fund so they can target their applications effectively. Genuine relationships make the funding process more strategic, transparent and meaningful.

Having staff who can help navigate options and applications is also a highly valued service. It addresses inequity by supporting groups that don't have a large funding base or staffing. It also shifts some of the burden of asking questions and understanding what groups need onto funding agencies.

> "Often the full picture of the long-term plan is hard to articulate in an application. But a good connection between funders and the group helps that understanding of the long-term vision."

> "Face-to-face, genuine partnership relationships, funders to have an informed evidence base of socio-cultural, political analysis and understanding of what groups/communities do and why."

> "It is very helpful when funders are clear as to what it is they are willing/ interested in funding and when they are open and available to discussions about this, prior to an application being prepared. It helps a good deal to know a bit about the trustees/decision makers of the funding bodies."

> "It's not about corporate-style shmoozing with a glass of wine. Manaakitanga is about taking the scones and the cuppa tea to the hui and making time for a kōrero. Community building starts with relationship building – a real, genuine interest in people and their lives."

> " A funder champion who has sat down with you and heard your vision, project and helped guide you through the application process, then once funding has been given they. . .check in how you're doing, what if we need to change direction and the original project has changed, can they accommodate that?"

> " We need funding agencies with staff, to really walk beside and get to know our NFP groups who have no central funding – and to take the time to work out with these groups what appropriate support looks like. Instead they just wait for these groups to 'apply' – these groups who have no staff, who do all of this mahi in their own time after they have worked, parented etc."

Value and understand Te Ao Māori and Treaty obligations

It is critical that funders have cultural competency and an understanding of Te Ao Māori and Te Tiriti o Waitangi. Respondents want this understanding to inform and guide how funders approach groups and their strategic decision-making. Funders often benefit from those who contribute a deep knowledge of Te Ao Māori and are asked to recognise and value this knowledge exchange in their funding models and ways of working.

Cultural values such as aroha and manaaki are core to the way Māori organisations operate and funders are called on to engage within these paradigms, taking responsibility for their own cross-cultural work. The marae is a safe place for people to come and connect, and funders are invited to engage in that space. Valuable support could also be provided by liaison people who are well grounded in Te Ao Māori and have a good understanding of other cultures and networks with various communities.

Some groups don't apply for funding because the requirements exceed their capacity as volunteers and their time is exhausted meeting community need. It is sometimes more sustainable (time-wise and emotionally) to deliver a service and take koha, but these groups also acknowledge that to be sustainable long-term they need to access on-going funding. This gap is not currently being met in the sector.

Respondents want funders to understand and value the volume and quality of voluntary work done by Māori organisations to care for and strengthen their whole communities. The mahi is not just directed at groups identified as being at-risk but is holistic, strengths-based and embraces those who do not access mainstream services. Rather than just considering the financial resources a group can bring to the table, funders are asked to consider in-kind contributions of time, relationships and people power.

> " We can't get any further in long-term planning without having a conversation about colonisation and its impact on communities. Funders need to have this conversation."

> " I applaud the approach by funders to get together and come up with innovative solutions – to really look at their relationships with Māori based on TOW articles, to really think about how their funding can make a difference. To think about what do community-based responses look like and how funders can support and grow based on values of partnership and transparency."

> " Funders who demonstrate a respectful and cultural understanding competency will devise and offer appropriate ways for groups / communities to engage with them. This should not be interpreted as giving groups/potential applicants an expectation of 'automatic funding' – it is about establishing relationships. Meet with applicants on their terms – times and places that suit them. Demonstrate a cultural and inclusive understanding of these dimensions. Provide assistance with online/internet-based systems, e.g. contract/fund 'mentors' or admin assistants who can work alongside applicants to complete forms and collate information required."

Fund for equity

A clear theme emerging from the survey is that traditional funding mechanisms disadvantage those who need funding the most.

Well-resourced organisations often have funding calendars and staff whose role includes relationship management and writing funding applications. Other groups don't apply because it's too complicated and they don't have the capacity or specialist staff. This means that some worthy services and projects fail simply because groups do not have the specific capability and time to apply. Complex and verbose/poorly written application forms can also be a barrier for ESOL groups. Groups that find the application process a barrier or hurdle are at heightened risk of burnout and loss of will to pursue projects and services. Funders are asked to consider what responsibility they have for helping to bridge this gap and what mechanisms they might use to do so.

Respondents understand that community groups operate differently, and flexibility in funding models is needed to account for this. In a competitive model with complex requirements and criteria, there is a concern that small, grassroots groups will be squeezed out by larger, more mainstream and well-resourced groups. Diversity in the ecosystem of community groups and service agencies helps to support a diverse society and ensure that everyone has somewhere to go – somewhere they feel comfortable and understood.

Respondents also commented on the need to value different sectors more equally. For example, sports groups and projects are seen as getting a large slice of the funding pie, with the arts less well-served.

> **Only the people who have the resources and the intel will be successful in securing funding. Those without the resources will become frustrated and then give up. These groups tend to be the ones who have the most need for funding and then go without and suffer in silence. It is these groups I worry about the most. They are also usually the last ones to hear about any funding opportunities and do not know how to submit an application and rush to meet the deadline. They are behind the 8 ball from the start."**

> **The values have got mixed up. . .The values of 'sustainability' for example have become conflated with 'economic independence'. . .This approach continues to disadvantage our most vulnerable and marginalised groups."**

> **Most community work needs all sorts of funding to sustain it – we also don't currently show 'in kind' hours in a way that accountants can understand. If we could actually show that each volunteer contributes $10k in 'work' for example then we should be able to apply for funding by showing our % in our contribution of being there and doing the mahi. Currently it's all money based — so our contribution is only based on how much money we've raised which then 'allows us' to apply for funding. This approach continues to disadvantage our most vulnerable and marginalised groups."**

> **Will funders be brave? Will funders do the analytical work and look at what 'they' do and what contribution they can make to dismantle systemic disadvantage? Or will they do BAU and wait for applications that only the most advantaged can get together in times of crises?"**

> " These responses are not new. Many applicants give up way before submitting funding applications because it is too hard. Culture and arts are not seen as a priority. Small community groups need funding to run cultural events during Pacific Language weeks. $1000 is not really that much but the application process means many give up."

Fund for systemic change, not just the status quo

One of the most significant questions for funders is whether they are funding with an expectation that the status quo will (and should) continue or whether they are funding strategically with a kaupapa of creating systemic social change. The answer to that question has the potential to dramatically shift the volume and direction of funding decisions, and the processes and relationships that uphold them.

Many respondents commented on the difficulty of securing funding for preventative services, long-term resilience and community building. This work is often hard, slow and doesn't deliver the quick wins that make for good marketing material or media stories. Nevertheless, it is the bedrock of a transformative future.

> " I hope that the future funding culture will be about sustainability and have the outcome for thriving people at its centre and not the return of money per investment."

> " One where people and their development is at the heart – rather than projects. We need to invest in our people."

> " Lots of resources going into short-term emergency relief but not enough into longer term resilience to prevent growth of problems and dependence in the community."

> " Difficult for some services to tell sexy stories of their work which makes competition hard. Often see funding to visible bright sparkly projects when there is no funding for other vital services that can't tell stories of wins or whose wins are engaging in normal life – like conflict resolution, advisory, preventative, youth services.

> " Are there specific funders who are more likely to fund systemic change? This seems like it would need to be a longer term of funding like up to three years to see any progress. Are funders up for long-term support for NFPs? Would it be possible to have major funding streams as well as smaller funding streams?"

Collaborative models

Many respondents underscored the advantages of collaborative models over competitive and siloed approaches. Well-designed models are seen as a way to bring together community, NGOs, government departments and the private sector, creating an environment where organisations from different sectors work together to achieve shared outcomes. More collaborative models also recognise, amplify and provide funding to support the knowledge embedded in communities.

Collaboration between funders was raised as one potential model, with two or three funders funding agreed work areas over a significant timeframe (say, five years) and using the same application forms and report requirements. Another proposed model was for a pool of money to be made available to all organisations involved in similar work – the organisations would then discuss each organisation's focus and divide the money by consensus. A related model would be to fund a kaupapa across several agencies, which would then be jointly responsible and required to demonstrate collaboration. Co-designing a service with a larger body (eg. central government) that would provide the bulk of the funding was another suggested approach – this could be built on a proof of concept and trial funded by smaller bodies (eg. regional trusts and private philanthropies). As can be seen from these suggestions, the key attributes of more collaborative models are flexibility, reduced duplication and a reimagination of where decision-making power might sit.

Respondents saw increased competition as disadvantaging smaller players, undermining local relationships and reducing the support networks that allow larger charities to support or umbrella smaller groups that are less able to point to frontline delivery outcomes but fill gaps across communities.

Practical collaboration to strengthen community and funding infrastructure was also highlighted. Ideas included a resource of all available funds with a search function that filters by criteria, timeframe, format and need, measures to provide free or low-cost rooms/buildings for groups, and sharing of suppliers or discount cards. Having a list of funds and cut-off dates would make it easier for applicants to plan their funding applications and finances. The sector would need to discuss where this resource should sit and how it should be built, maintained and updated.

> **Cultural and community intelligence is important to determine collaborative opportunities to avoid duplication and strengthen service to families/whānau."**

> **We also. . .have to compete with some large environmental projects that can make it hard for smaller groups to get funding – i.e. if the 'allocation' for Dunedin/Otago is taken up by these other large groups. It's not to say that those projects aren't absolutely worthwhile – they are – it's just if we are all competing for the same dollar it's hard for the little groups to compete."**

> **It could be good if something similar to a crowdfunding system could be used, where organisations can fill in one form and have all the information for their project etc in one place, and funders can search relevant fields and find projects that relate to their mandate and make a pledge."**

> **I worry that a significant and increasing amount of funding is spent on leases which means in effect funding agencies like the DCC subsidising private landlords. Perhaps there needs to be more ways of helping not-for-profits own their own premises in some way e.g. through DCC owning the land and organisations owning the building or the DCC being more proactive in using its own properties for not-for-profit community-based organisations."**

Trust us

Many respondents see trust as a cornerstone of an effective funding relationship. Trust is expressed in many ways, from multi-year funding to simple application forms to partnering on reporting processes. Trust may also mean recognising that some practices, such as a clear split between governance and operations, are not practical or achievable for all organisations or at all stages of their development.

For many respondents, the funding process all too often gets in the way of good mahi rather than enabling and supporting it. Practical support with navigating the system and writing applications is highly valued – particularly in organisations that do not have specialist funding staff or substantial time resources. Inadequate funding (and consequently poor pay rates) in the community and arts sector contributes to burnout and a systemic lack of sustainability.

Respondents also appreciate funding processes that give them flexibility to manage timeframes, projects and general operational matters. Funding for staff and operational costs is crucial for many organisations, expressing trust in and commitment to their ongoing sustainability and success.

Some organisations identified that they are doing work that contributes to core central or local government strategies, yet only get contracts or funding for some of their services and have to fundraise for the rest. They want this work to be recognised and properly resourced. At best, the relationship between an organisation and its core funders is seen as a partnership with a shared kaupapa or desired outcomes.

> **The focus is on what we do and how we do it rather than including the who we are doing it for and the change and outcome we, and more importantly the people we serve, are seeking."**

> **Multi-year with a relationship manager who we regularly check in with F2F – it's all very much report-based and accountability – be great if RM could interview us and help derive a report based on a partnership and transparency – rather than us formulating a 'fancy' report each year telling them what they want to hear."**

> **Currently too many requirements, too onerous, previous history should count, rather than endless letters of support and the time needed to get them."**

> **We are trying to get to a situation in which we have three core funders which fund us for multiple (three) years at a time, plus extra funding for specific projects to build on the core work. We add to this as much of our own income as we can from newsletter advertising, rent and donations, but it's unlikely we would ever be able to survive on this alone so we need long-term funders who are in a partnership with us to keep building up our community."**

> **Flexibility with timeframes so different stages of a project can be considered including for the long term strategic planning – I really believe this would help with sustainability and resilience, and in the long term would decrease dependence on funding."**

> " **Issues for funding where it is an issue to find sources of funding for long term projects – you can end up being restricted in what you can apply for as you have already approached that source. Having a commitment for a long term strategy, where the community group has a focus and long term vision would help. Especially where there are often financial peaks and troughs through the year that makes it hard to support and encourage staff."**

Anything that saves time makes a real difference to us

Simple processes, clear criteria and practical support make a real and concrete difference to organisations. Some of the things that are highly valued are:

- grant writers
- autofill from previous applications
- save-and-return forms
- simplified requirements
- up-to-date, accurate websites
- flexible word limits
- well-phrased questions.

A request for an easily accessible list of funding organisations and a clear indication of what they fund also came through from the survey. Groups want it to be easy to find the information they need, and want straightforward access to their previous applications and reports.

Many groups commented that applying for funding is very time-consuming and their capacity to make applications depends on the time/people resources they have available and their other commitments. Or, time is diverted from their core purpose and real work to fund-raise.

The timing of the funding process can also make a significant difference to groups' ability to both plan for the long-term and respond to immediate need. There is value in funding mechanisms that allow energy to be used when it is there. A range of emergency, open, short-term and long-term funds provides for a wide range of groups and for the range of work that many groups do.

Almost a quarter of the groups said an average application takes two to three hours. Just under half of the groups said it takes more than a day. Almost two-thirds of the groups spend more than 10 hours a month on funding applications. Just over a third spend more than 20 hours.

> " **Applying for funding is exhausting and services often miss funding opportunities because they are too busy doing the work they desperately need money to provide."**

> " **Some applications take longer than others. I usually work on larger ones over two weeks or more. You have to get quotes, consult people, get support letters. It all takes time. You can't just copy and paste everything cause stuff changes. Questions change. Goals and ideas change."**

> " **Funds that are open year round as well as those that have specific time periods. Often the period a fund is open doesn't work with events in terms of when the money needs to be spent or when programming can/ does happen in relation to the timeframes."**

Covid-19 response and rebuilding

Groups strongly identified that the Covid-19 context brings increased need, more complex need and increasing pressure on the funding sector.

Covid-19 has ramped up the level and urgency of work required for many organisations and communities. Some groups saw a significant and rapid increase in the volume of need. Others are bracing for longer term impacts. A widespread concern is that already existing complex needs may become systemic across communities post-Covid.

The impacts of isolation and a lack of connectedness came into sharp relief during lockdown – this requires both immediate responses and a concerted effort to build more connected and resilient communities. Some commented that they found a heightened awareness of mental health issues in their communities – some acknowledging issues for the first time and others experiencing more severe symptoms under the pressure of lockdown. The importance of food resilience and the arts was also highlighted. In this context, community work meets essential needs (not 'nice-to-haves') and it will be vital to fund it.

For some groups, Covid-19 is also a big wake-up call about their level of exhaustion and the unsustainability of working voluntarily, often on top of full-time paid work elsewhere – this led to conversations about the need to resource volunteers, perhaps with an honorarium. The lockdown time was also used to reconnect with families and recover.

Covid-19 is changing the ways groups operate and raising a whole range of operational questions that need to be answered quickly and well. It also raises pressing questions about how we rebuild – what we keep, what we let go of, and what we create new. Some groups are seeing new people stepping up to do mahi, groups are working together on some activities, and it is an opportunity to think outside the square about how to do things.

Respondents are very aware that the funding pool is reduced, with constrictions in the financial markets and the closure of gaming venues and subsequent loss of that funding stream. This has been confirmed by funders. There is a call for funders with substantial reserves to consider releasing more of those funds to invest in both the immediate response and the rebuild. At the same time, some respondents identified that more central government funding might be directed to the south, opening possibilities for new funding channels and for a redirection of local government and philanthropic funding to longer term work.

There are also concerns about how groups might best approach emergency and recovery/rebuild funding – some groups have not been able to access the funding they need for immediate response efforts, while others were not able to develop a full understanding of their community's needs during lockdown and want more time to plan before putting in applications. At the same time, communities feel this is a time to re-evaluate their priorities and create a "new normal" – there is a fear that this opportunity will be lost but also hope that the pandemic has generated a stronger sense of community and local resilience and opportunity. Respondents want the rebuild to be inclusive and to wrap in those who have been hardest hit by the pandemic.

> **In the short-term we are worried about the impact of the COVID-19 pandemic. A lot of money has been swung into short-term recovery which is understandable, but as a community-led development agency our work is not in the relief and welfare space, rather it's long-term empowerment work which needs stable, core funding. We have relied on the Lotteries funding in the past (not pokies), but that will likely decrease at least in the short- term. There is also an issue with funders wanting our application for Covid recovery work when we have not been able to effectively meet with our community except for online. We can't come up with recovery projects until we have had time during Level 2 and beyond to assess the need and create new responses with the community."**

> **We have seen a doubling of client interactions and a 68% increase in mental distress (anxiety and depression)."**

> **Ongoing challenges with giving services in the recent climate of keeping safe etc with distancing. People are struggling with the mental problems of being isolated, being not able to see friends and family and NGOs are trying to fill the gaps and support people and more are presenting with low mood etc."**

" Inability to make contact via paper/newsletters due to surface contamination, so having to think differently about ways to communicate. For our community a large number of households will be financially stressed and mentally stressed in the months ahead and possibly further ahead. Roll-on effects of less students, jobs going, wages down, cold homes. A degree of people not wanting to come out for community events once we are able to, a reluctance to congregate. Trying to rebuild that sense of community. Food security could also be an issue, so building backyard food networks."

" Increased need and increased complexity of need. People who were coping with some long-term conditions may be pushed over the edge. In high unemployment situations, people with disabilities face a greater challenge to gain employment, coupled with higher living costs. We may see longer term unemployment amongst people with employment challenges leading to poorer health outcomes."

" One funder has emergency funding only available for increased costs. Loss of income is the issue for us. Currently writing applications but it is very difficult to plan not knowing what restrictions there will be on gatherings in future. We also potentially lost more funding (applications withdrawn by the funder) than what we can now apply for to replace this."

" Those who can't fundraise as much are in this circle of pitiful funding which puts them more at risk . . . If you ask funders now, for example, how many Māori organisations have applied for funding during COVID-19 – I bet the rates are less than normal because Māori are too busy coping with immediate need to be strategic."

" Arts/community services funding will be overlooked because they are not eventually going to be self-supporting, so jobs created in these sectors tend to be regarded as less important than the for profit and business sectors and most focus will go on trying to reestablish the tourism industry."

" Funding trusts and pub charity trusts etc have mostly stopped giving at present as their own streams of funding have pretty much stopped. Stocks have dropped so interest and dividends have dropped for other funders. Many have lost positions and don't have the spare money to squander on such things as gambling etc so future funding will go down for groups. Many people aren't buying lotto tickets as don't use computers so can't do online. I think many NGOs will be closing in the next two years."

" Funding is a future opportunity to help kick start the local economy and help local communities to help themselves. Post-Covid people are more engaged with their community and local environment.

"It seems like a tsunami is going to hit us and we can already see the crest of the wave. The impact of Covid-19 on particular populations / communities in the UK and USA is bearing out the fears and expectations that have been voiced by tangata whenua and Pasifika commentators from social and health sectors. We have not recovered from the impact of the 1980s & 1990s. How can we avoid this devastation? It requires some intergenerational thinking — support whānau, support mothers, support community-based groups, neighbourhood, hapū, ethnic groups, support rangatahi."