



Summary

- HLS practices have resonated with the Tudor Trust, whose approach already seemed to reflect 'complexity friendly funding'
- More recently the Trust has sought to engage with HLS research to develop its practice of complexity funding, setting up an internal Learning Group and engaging with grant holders
- The Trust suggests the greatest value of HLS practice may be an ongoing capacity to reflect and ask searching and uncomfortable questions and continually adapt what they do to better serve communities

The Tudor Trust

| Overview

The Tudor Trust is an independent grant-making trust founded in 1955 which supports UK voluntary and community groups. It gives around £20m annually (£20.9 million in 2019–2020) to community groups, particularly those working with marginalised communities and groups that tend to fall between the gaps of mainstream service provision. Tudor values the 'how' of service provision as well as the 'what'. 92% (by value) of the Trust's grants went towards core funding in 2019-2020, which allows organisations to adapt during the course of the grant.

During the Covid-19 emergency the Trust has remained open to new applications while also supporting existing grant holders by flexing grants, providing additional funding and further support. In response to the disproportionate impact of the pandemic on ethnic minority communities, and the

Black Lives Matters protests in May and June 2020, the Trust has embarked on further and deeper listening and conversations around its understanding of racial justice, and its relationship with and support for communities experiencing systemic and structural racism.

Tudor was attracted to exploring HLS because much of what the Trust already does seems to count as 'complexity friendly funding'. The analysis of New Public Management, outlined in *A Whole New World*, resonated with Trustees who had already dispensed with programme themes and outcome measures as long ago as 2006. Tudor organised a consultation event with grant holders as a first step in exploring '[complexity friendly funding](#)'.

Since that first step in 2019, the Trust has created a Complexity Friendly Working Group, to explore in



greater detail what ‘bespoke by design’ might mean. The Group includes Trustees, Grants Managers, the Director, the Learning and Communication Manager as well as learning partners in the shape of an associate consultant and Melissa Hawkins from Northumbria University. Through late 2019 and early 2020 five organisations were approached to participate in what was hoped would be a joint learning experience in experimental grant funding.

The Covid 19 emergency has subsequently presented complex challenges and the questions HLS attempts to answer no longer feel theoretical. Instead of experimenting with practice in defined boundaries, the Trust has adapted its approach generally. Over the last few months, we’ve discovered that HLS has proved its usefulness as a reflective tool that is helping us shape and adapt things as we go along. Although we are still in the early stages, we wonder if, in Tudor’s context, the enduring benefit of HLS will be less a finished set of complexity friendly practices, and more about acquiring an ongoing capacity to reflect and ask searching and uncomfortable questions that open us to continual adaptation, in service of the communities we seek to support.

The following write-up includes: more about Tudor’s approach to grant-making, how we went about exploring HLS within the Trust and with grant holders, the changes we’ve seen in ourselves, our relationships and our work during this time, the conditions we think facilitated these changes to occur, and what’s next for our engagement with HLS approaches. In writing up our journey so far, we’re referencing learning and questions that have surfaced through our ‘case study’ organisations, and throughout the Trust, as we have responded to the unanticipated challenges of 2020.

| Tudor’s Approach to Grant-Making

In 2018 Tudor’s approach to grant-making found expression in a set of Principles that expressed the shared instincts and practices within the Trust,

which were felt but not articulated. Without describing outcomes, the principles help guide Trustees strategically and inform the everyday approach to Tudor’s grant-making.

The Principles themselves were refined in early 2020 to give a stronger sense that Tudor was open to challenge, externally and internally. The impulse for this was a shared sense among Trustees that they should be open to new or left field approaches, even if that meant not being constrained by their own principles! The relevance to complexity funding is clear: Tudor wants to be able to support *emerging* ideas and practices. They may be without a proven track record, but with potential to change ‘the way things are done’. The timing of this new principle and joint understanding of what it means for our practice was crucial in allowing us to respond to the challenges and uncertainty that came with the first half of 2020.

Tudor’s Principles

We base our activity on the following strongly felt Principles. We regularly evaluate our practice against them and seek to work with those who are similarly motivated.

- Supporting communities to drive their own positive change
- Investing in relationships as the foundation of all we do - starting from a position of trust and demonstrating that we can be trusted
- Listening with intent: always trying to hear the real voice
- Valuing people’s time: acting quickly where helpful and taking time where needed
- *(adapted in 2020)* Drawing on learning, creativity and experience to offer flexible, practical support to people, ideas and communities.
- *(adapted in 2020)* Making the most of our resources and independence and being open to challenge.



| Story of Change

Trustees wanted to see how engaging the research described in *A Whole New World* and *Exploring the New World* could help Tudor develop its own practice.

Learning about complexity

As a first step, Trustees set up a Learning Group, made up of a smallish number of Trustees and Staff, to explore the significance of complexity-informed practice for Tudor. Those discussions confirmed the interest in Complexity Funding, but before implementing findings, Trustees convened a group of grant holders whom Grant Managers felt might be able to engage in an action research process. One participant observed *‘the experience I have had with Tudor, from application, to reporting, to applying to adapt our funding, has been that it lends itself well to tackling complexities.’*

However, there was some caution expressed from grant holders on the day. One of the important messages was that it would be difficult if ‘complexity’ became Tudor’s ‘thing’, in the way that some funders have a particular theory of change that they want grant holders to rapidly adapt to. As one participant observed *‘complexity is an alluring idea, but the challenge is to make it useful and practical.’*

Exploring new ways of working together

The next step was to identify a number of organisations to fund, with the aim of more intentionally incorporating HLS insights into funding practice. Organisations were chosen that were working in complex circumstances or with beneficiary groups with multiple or complex needs. It was felt that Tudor needed to feel confident in the relationship, so in all but one case these organisations were already known to Tudor.

Although Tudor’s usual approach to funding aims to attune to the situation of the organisation, developing a process that would feel more bespoke proved to be trickier than might at first seem apparent. Like most grant makers, Tudor carries out

due diligence through the application process before awarding a grant. Until recently the first part of the selection and investigation was carried out primarily by Grants Managers with the grant decision made by Trustees in committee. Because Tudor makes grants not on the basis of future outcomes, but on the basis of trust, this process has been very important – and the Principles are fully at play in forging strong relationships with organisations.

Taking an HLS ‘bespoke by design’ approach however challenged this order. The group sensed that the accountability and reporting requirements of the grant relationship, which would normally be discussed *as* the decision to fund was made, should instead emerge from those earlier conversations. The ethical question arose as to how Tudor could expect organisations to openly and trustingly engage in those sorts of conversations, where they could also give voice to their expectations of Tudor, while funding questions were left dangling. After much discussion, the answer arrived at was to state up front that funding was on the table and then talk about how Tudor could support the group, how they would best give an account of what it enabled, and what they would want to hold Tudor accountable for through the course of the relationship.

When this emerged, Grants Managers felt considerably liberated in forging supportive and enquiring relationships, and reported that the organisations did too. One grant holder shared that they were relieved when they got the grant, as they were worried they had *“too honest”* in a conversation with a grant-manager before the grant was made. The sense has been that giving grants at this stage shifted the power dynamic and with the question of whether or not Tudor would support organisations settled, discussions about how and what that support might be could be freer, more honest and creative. Another grant holder said that this made them feel they didn’t have to ‘squeeze ideas into boxes’ to fit a funder’s agenda.


Example: open conversations with applicants

After an initial first visit to an applicant who appeared to be working in complexity, the grant manager was able to discuss the application directly with Trustees, and gain approval for an ‘in-mind’ grant to the amount they were requesting in their initial written application. On the second visit, the grant manager was able to start the conversation by committing to funding – guaranteed as long as there were no safeguarding or risk concerns.

Starting the relationship by saying ‘we trust in you’ opened the conversation and exploration of what was needed to best support the group, in a way that can never normally happen before a grant is given. Honest discussions around what type of funding was really needed, and how long for, were had openly. It also allowed a conversation around how Tudor could be accountable to and be challenged by the grant holder throughout the funding relationship.

It opened up possibilities without the normal power play that happens between applicant and funder- with groups always at a disadvantage and shaping proposals they think will best suit the funder and not their needs. The grant manager noted ‘*We cannot resolve or negate the power we have as a funder giving money in our current structure – it will always be at play – but I think this did have an impact on the insecurities a group can have during an application process. It was certainly liberating as an assessor and grant manager- and I hope it was a little liberating for them too.*’

The group shared with us that since these initial conversations they have felt the grant manager at Tudor has been “supportive, knows a lot and is passionate about community development”. This has meant

that they feel they can have honest conversations with her, because it hasn’t been like meeting a funder, more like meeting to have a chat.

Since the grants were made, this approach has continued, with open and honest dialogue a cornerstone of the ongoing relationship. One of the grant holders shared with us that *“it was not only that money and the freedom that that gave us, but the sense of partnership and trust as well that had developed”*.

As we are near the beginning of these grants, an area that we are yet to explore is exactly what reporting will look like. This has been a part of the initial conversations with grant managers, when groups shared with us that they appreciate the freedom, but want reporting and accountability to be clear from the beginning. We are now asking ourselves: is there a balance to be struck, to provide some structure to reporting so that organisations don’t feel we will suddenly demand huge amounts of detail that they weren’t expecting? One group shared that:

“Most funders don’t do accountability very well as it is usually meaningless outcomes frameworks or ‘frustrating reports’.

Accountability...can be really awful when done badly but when done well, it could be really, really useful... for everybody’s learning.”



From case studies to wider change

The Complexity Group has been unexpectedly helpful in encouraging a more collegiate approach among Grants Managers and Trustees. Because of the newness of the work, Grants Managers and Trustees found themselves talking and reflecting more about their grant-making. As a result, individuals felt less solitary in their relationships with groups and were able to draw on the knowledge of colleagues, where useful, as well as sharing some of the ‘emotional burden’ of grants management. This more collegiate approach strengthened wider learning practices within Tudor, and helped prepare for the challenges of the Covid-19 crisis.

“One initial hurdle was translating a set of compelling but high-level ideas into everyday actions and processes

Over time, HLS has begun to feel a lot less abstract and a lot more useful as a lens for our work. The last 18 months of this have coincided with the appointment of a Learning and Communications Manager, who has been instrumental in helping the Trust develop their approach to learning. While being embedded into day-to-day practices, they have also helped us carve out the time and opportunities for Grants Managers and Trustees to step back from the process of grant making and give extra thought to their practice.

Responding to Covid-19

Covid-19 forced Tudor even more intensively to deconstruct and reconstruct some of the Trust’s ways of working. Although the circumstances are far from positive, some of the adaptations have felt progressive, and there is a hope that they can inspire the Trust to remain agile and unafraid of further change. Work on HLS was a contributory factor in redesigning the way the Trust processes applications.

During Covid-19, while some grant makers decided to close programmes to make space for emergency responses and strategic review, Tudor decided it should remain open to new applications. In doing so, Tudor staff and Trustees sensed that organisations would benefit from even more rapid decision-making and that, to speed up the process and lighten the internal load, a different approach was required. In addition, Grants Managers’ time needed to be freed up to give attention to the organisations already in their portfolio.

The application process normally entails a first stage which identifies organisations that are likely to benefit most from the sort of support Tudor can give. That sift has involved two grants managers reading each application, and the entire team, including the Director who is also a Trustee, meeting weekly to discuss their recommendations. The second stage process, as mentioned, sees Grants Managers working more intensively with these organisations to produce a funding application for Trustees to consider.

Lessons from the Complexity Group case studies, and previous experience of very rapid and co-designed face-to-face grant making after the Grenfell Fire, enabled the Trust to reshape its approach quite substantially. Once at second stage, applications are now worked up in a more complexity friendly way, with less emphasis on getting all the details right ahead of grant-making committees, and more focus on the organisation’s context, people, and approach. The process aims to be more flexible, and tailored to the needs of the applicant, using conversations to build a relationship and respond as quickly as possible to a grant request if appropriate. This more intuitive approach places greater trust on Grant Managers’ judgements, having recognised that this is a key part of the process in terms of building relationships. These conversations also bring in Trustees earlier in the application, as individual Trustees are invited to join conversations with applicants on Zoom, allowing them to meet the people behind the application, and understand what they do and what drives them.



Challenges to exploring Human, Learning, Systems

Like all organisational changes, exploring HLS funding placed additional burdens on staff time and threw up questions of ways of working, with storming, forming, norming and performing dynamics at play.

One initial hurdle was translating a set of compelling but high-level ideas into everyday actions and processes. As one Grant Manager observed *'HLS felt like a fascinating but also very abstract and academic project and I struggled initially to see how it would be useful in practical ways.'*

Tudor has a significant through-put of applications and already invests intensively in each request. Questions therefore arose around 'what was different with HLS?' as well as wondering whether an HLS approach might skew existing good practice. There were questions about whether the introduction of an HLS frame might in fact narrow the focus of conversations which were already open. In particular, Grants Managers wondered if focusing conversation on 'learning' and 'systems' might be experienced as Tudor imposing its concerns on organisations for whom other aspects might be more important.

In relation to Tudor's main grant making, the prioritising of relationships does also create a tension. As demands on Tudor's available funding increase, so also must the number of times Trustees must say 'no' to organisations at second stage. This feels at odds with the humanity at the heart of the approach, especially if that decision is made after organisations have invested in the relationship and conversations. It's a significant difference from the complexity case studies where for the reasons we described, it felt important to start with funding on the table. So, there is a risk that HLS 'logic' sets up new contradictions.

Throughout the project, Tudor has been very comfortable with the 'human' strand of HLS. The importance of the learning strand is becoming increasingly apparent. The appointment of a Learning and Communications Manager was important. While the experience overall has

opened up more collegial conversations among the Grants Managers involved and with Trustees, and has increased the agency of Grants Managers, there has also been an accompanying sense of heightened scrutiny. While Tudor aims to operate in a high trust atmosphere, and Grants Managers would report that they feel trusted by Trustees, it is worth noting that the shift of emphasis onto the judgements of frontline staff which HLS entails, and the increased light shone on their ongoing learning and conundrums, can create a sense of exposure which, rather than feeling liberating, can feel inhibiting. We have found this in Tudor and had to work hard to stay sensitive to staff as they innovate practice as well as staying with the intentions of the project to accelerate exploration.

The 'systems' side has also felt outside of the Trust's comfort zone. *Exploring the New World* identified the role of 'System Steward' and discussed the possibilities of funders and commissioners framing their response in this way. From Tudor's perspective, this feels problematic in a number of ways. A key part of Tudor's self-understanding is about being a responsive and open funder without an agenda. To self-identify as a 'System Steward' is therefore tricky – where would the legitimacy come from, never mind the skills? And in the particular case of being a national generalist funder, Tudor in one sense is part of no system while also being part of many hundreds of inter-locking systems through the funding. How would it play the role of System Steward in local areas where it has no feet on the ground and relationships with just a number of local players?

One possibility offered by HLS is instead to focus on and support organisations to realise their own system role. In some cases this is apparent, but in many cases Tudor funds organisations that see themselves as offering alternatives to mainstream provision and therefore as 'outside the system'. So language again becomes important. [Research carried out by IVAR](#) and funded by Tudor highlighted that organisations themselves are more likely to use terminology such as 'partnership', 'collaboration' or 'networks' to talk about their interactions with the wider ecology, but even if they were to use system language, very few would



see themselves as playing the role of System Steward.

Example: challenging the system while being part of it

Several of the organisations mentioned in conversations with grants managers that they felt their role was to challenge the system, while at the same time being very much impacted by it. Funds from Local Authorities and funders were important in growing their work, yet came with constraints, which led to concerns that they would lose their distinctiveness and ability to push back.

Grant managers discussed their hopes that funding from Tudor could help these organisations to honour their values, giving them the resources to continue their work, and contemplate turning down contracts if they felt they weren't able to remain true to themselves.

At the same time, the Covid-19 crisis has highlighted how much more open to, and reliant upon, the wider ecology these organisations are and have had to become. One organisation among the Tudor case studies reported how, during the early days of the crisis, they were playing an increasing role in sharing intelligence with, and joining up, services between local public agencies and other voluntary sector organisations on behalf of their vulnerable user group. These interactions had a direct impact on users and took resource, but the Director wondered how to understand that activity as something 'billable', and to whom it might be charged. So even though Tudor funds small and medium sized organisations, it is clear that many play a vital role in their ecology and one that is often not recognised by commissioners and funders. So, the HLS analysis is right – but the

question remains, how best to frame a role, if System Steward doesn't feel appropriate?

The racial justice issues raised by the Black Lives Matter movement has further underlined systemic questions relating to Tudor's practice. Around 16% (2019-2020) of the Trust's grants go towards targeted work with BAME (Black, Asian and minority ethnic) communities, but we don't currently have a way of separating out BAME-led work from work with BAME communities. There is a need to go into this further and ask deeper questions about all areas of how Tudor works. The philanthropy sector is as a whole characterised by groups largely composed of socially and economically advantaged white people distributing assets to those outside this system of privilege- and Tudor is no exception. While parts of the sector have responded by setting up dedicated, time-limited funding streams to increase the proportion of funding to BAME communities, Tudor is finding its way through having far reaching conversations beyond funding equity, including about representation, power, the importance of lived experience as well as the possibilities of social solidarity in challenging the system.

In relation to HLS and Tudor's approach, there is a growing question from organisations that Tudor funds, as to whether there is more influencing work the Trust could do among peers to fund in ways different to the principles of New Public Management. To that end, Tudor funds organisations that challenge the system, and is becoming part of movements within the sector, such as the Losing Control Network, who are trying to reform funding practice.

Overall then, the System aspect of HLS does feel relevant if also challenging. Systemic pressures themselves are shaping Tudor's practice and self-understanding, and it feels that this is the area we could lean into more. As we do that the emerging question seems to be not so much, 'how do we play the role of System Steward?' but 'what is Tudor's role within the funding sector?', and in relation to our grant-making, 'how do we support organisations to play their part effectively in their respective eco-systems?'. In posing questions in



this way, it feels that Tudor then is not so much a System Steward as a ‘system servant’.

| Conditions for Change

- **Buy in from leadership has been key.** Trustees and Director recognise that HLS resonates with what the Trust aims to do.
- **A dedicated task group** has been important, although there is a sense of this evolving too. Having started off feeling that there needed to be clear boundaries around experimentation, it quickly became clear that the sort of adaptations made within the Complexity Funding Group had relevance elsewhere in the organisation.
- **Time is an important factor.** It has taken time to ‘digest’ the research, make connections and allow a plan to formulate. Assimilating HLS insights has been a journey not a project.
- **Building trust in the HLS approach.** Tudor Trustees and staff have a strong sense that there is much good in the current grant making, so they needed to feel trust that the HLS approach would enhance and not distort what was already good. Convening the consultation therefore was an important step in that, and hearing from grant holders provided the necessary evidence that this work is relevant to and adds value to communities the Trust wants to help.
- **Accepting doubts.** Even though there was a resonance with a lot of the ideas of HLS, there have been a lot of questions and doubts along the way. Discussing and accepting them and allowing them to be a part of the exploration process has been important.
- **Capacity.** It has been important to draw on additional learning and thinking capacity within Trust. The appointment of a Learning and Communications Manager has been critical, in addition to having a staff lead within the grants team.
- **Staying connected with the ongoing and wider conversation** is also important for support, challenge and inspiration.
- **Honesty** in being able to give voice to doubts and challenges. While there was energy and excitement around HLS, translating those insights into everyday processes in ways that don’t undermine existing good practice has been challenging. Giving space and time for those within the organisation to engage and shape the project has been important, while also acknowledging that HLS can feel particularly exposing for those involved.
- **Patience and understanding that** this is a journey. What is emerging is that HLS is less about reaching a finished state and more about applying HLS as a series of lenses which help practice continually evolve in response to challenges in the environment.



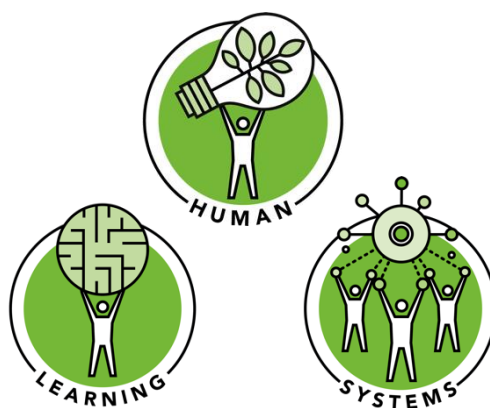
WHAT NEXT

Now that the HLS focused organisations have received funding, the question about what difference this way of working makes will emerge over the coming months and years of the funding relationship.

The Covid-19 emergency has, however, created new and unexpected pressures, meaning that we will have to dispense with the tidy idea of an experimental group of funding relationships being compared with the rest of the 'portfolio' acting as a sort of control. Instead, we expect, as we have begun to do in this edition of the case study, to cast our perspective more widely on changes throughout the organisation, which are prompted by the new and complex circumstances we all find ourselves in, and consider whether and how HLS insights help shape emerging practice.

We will continue to track and reflect on the 'experimental' grants, but equally importantly will be looking at:

- Adaptations to the way we process all applications – what tensions do they throw up, and do they fulfil our core aims as expressed in our principles? How do we now use an HLS lens to spark reflective, constructive and relevant discussion with all staff?
- Understanding the importance of learning and finding the best ways to learn as an organisation. For example, Tudor benefits from the richness of personal interactions which result from shared office space and frequent interactions with Trustees. Working online through the Covid 19 period has made some things possible but has also had a cost to our 'human' interactions.
- Leaning into and allowing ourselves to be more probed by the questions posed by the 'system' aspect of complexity, which in many ways feels for Tudor like the most challenging aspect of HLS.



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