

Chapter 17 HLS themes: Funding and commissioning in complexity

Funding and commissioning in complexity

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Introduction

This chapter uses HLS as framing to explore how funders and commissioners can manage and distribute resources to respond more effectively to the complex reality of social issues.

Society faces complex challenges that the COVID-19 pandemic has exacerbated. Organisational and community responses have been profound, with many going above and beyond to support those most vulnerable and in need. However, policies, processes and resource allocation for social interventions can sometimes hinder rather than enable this support. We ask what can be done about this, and how funders and commissioners can allocate resources in more effective ways to enable organisations to do the best job they can in supporting citizens and communities.

Mechanical, controlling and reductionist (commonly known) approaches to funding and managing

social change do not work, as NPM has demonstrated. This is because:

- Individual lives are complex, with multifaceted factors affecting people's life-courses and outcomes. Taking a generic and standardised approach to support does not help; instead, we need to listen and provide respectful and flexible support that enables people to consider and play an active role in working towards what a good life looks like for them.
- Dominant approaches to funding and commissioning over the past few decades have sought to contribute positive outcomes through a focus on compliance and control. But this hinders rather than enables the bespoke and flexible approaches that we know make the most difference for people.
- Funders and commissioners often stimulate competition between organisations rather than fostering the collaboration required for systemic and joined-up human

approaches that work best for individuals.

With accompanying evidence, these arguments were discussed in two previous reports that have laid the foundations for this work: [A Whole New World – Funding and Commissioning in Complexity](#) and [Exploring the New World: Practical insights for funding, commissioning and managing in complexity](#).

The [HLS approach](#) has emerged as an alternative to NPM, and has been shaped and is continually evolving based on the work of many people innovating in the public and third sectors. In this chapter, we consider the implications of taking an HLS approach to funding and commissioning. While acknowledging that there are differences in funding and commissioning processes, there are significant similarities and opportunities for shared learning. Therefore, we draw on examples from and make recommendations for both funding and commissioning practice.

This chapter is not a dogmatic blueprint to follow – different contexts will shape and influence responses – and our collective understanding of effective practice is continually evolving. The aim is to explore trends in practice to provide ideas and inspiration for funders and commissioners.

Taking an HLS approach to funding and commissioning

Adopting a complexity-informed lens

Adopting HLS approaches requires a mindset that embraces complexity. This includes recognising that:

- Outcomes emerge from complex systems, and therefore individual people or organisations cannot and should not be held accountable for outcomes
- Complex systems can't be controlled
- Change and adaptation are inevitable and desirable when working in complex systems.

This mindset – of [letting go of the illusion of control](#) – is an essential foundation for developing more human, flexible and collaborative approaches to funding and commissioning. Below, we explore the implications of HLS for funding and commissioning with this mindset as a foundation.

Human

Being human means that we treat each other as fully-rounded human beings in a way that responds to our specific contexts, challenges and strengths.

In many of the HLS case studies, we see examples of organisations and

partnerships working in a human way by providing flexible, bespoke support that responds to an individual's specific circumstances. This relies on building trusting relationships and on practitioners having the autonomy to make decisions in partnership with the people they are supporting.

How can funders and commissioners enable this practice?

Fund and commission relational support

Flexible support based on trusting relationships is a key foundation for working in a human way. Funders and commissioners therefore need to prioritise funding organisations that:

- Build effective relationships with those they serve
- Understand and respond to the strengths and needs of each person
- Act collaboratively with others to do so.

Adopting a relational funding/commissioning approach

Funding organisations that work in a relational way is not enough. Traditional funding and commissioning processes based on compliance can undermine and prevent organisations with the motivation and capability to work in a relational way from doing so. The trusting relationship between an

individual and the person supporting them – and between the leadership of a delivery organisation and the staff making decisions on the ground – needs to mirror the relationship between a funder/commissioner and the funded organisation.

“We start by developing relationships with partners so they in turn can build relationships with the young people they’re supporting. Relationships based on trust are essential.”

(Blgrave Trust – Exploring the new world, 2019)

Nurturing trusting relationships at all levels, between citizens and providers, between organisations, and between funders and funded, leads to improved outcomes; micromanaging outcomes does not. Taking an HLS approach means that funding is treated as a relational process and that policies and processes support this. The relationship between funders and commissioners and funded organisations is prioritised over a transactional approach where services are “purchased”.

As part of developing an HLS approach to commissioning housing and homelessness support, commissioners at Liverpool City Region Combined Authority started by recognising the

need to look beyond a narrow service lens to understand the complexities of the environment that homelessness services were delivering in and the wider needs of communities.

“Rather than develop a specification that stated for the next three years: ‘you need to deliver these outcomes’, the specification needed to allow the provider/commissioner to always evaluate and develop delivery/services to ensure they can respond to the variety of needs demonstrated by the client group, reflect best practice and have a clear learning impact on future delivery and commissioning.”

(Liverpool City Region Combined Authority)

A relational approach is a key feature of the Tudor Trust’s grant-making process:

“Once at the 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.”

(The Tudor Trust)

This gives grantees the support needed to work in complex conditions, and therefore grantees don’t have to “squeeze into boxes to fulfil a funder’s agenda”.

Similarly, commissioners such as the Plymouth Alliance have prioritised developing honest relationships:

“[Building relationships] was necessary, given the previously competitive nature of relationships in a market approach to tendering. We were consciously acknowledging the mistakes of the past whilst also sharing the context of those mistakes and at the same time trying to build empathy and understanding

so we could move forward together.”

(Plymouth Alliance)

Adopting a relational approach is not straightforward and raises important questions for funders and commissioners about whom they build relationships with. Responding to diversity is an essential feature of “human” approaches, and to adopt a relational approach that encourages and embraces diversity – rather than reinforcing existing biases and networks – requires funders and commissioners to critically examine their networks and who makes decisions. This includes considering diversity among staff involved in funding and commissioning, and among those who make decisions. There are important initiatives supporting this work, for example:

- The [2027 programme](#), a collaboration between Ten Years’ Time, Centre for Knowledge Equity, Koreo, and the Roots Programme, which aims to increase the diversity of people working in grant-making.
- Efforts to give decision-making power to communities. For example, the Blagrove Trust’s [Challenge and Change programme](#) – delivered in partnership with the Centre for Knowledge Equity –

which delegated both the design of the programme itself and the funding decisions to an advisory group made up of young people for a fund to invest directly in their peers.

- Increasing focus on [participatory grant-making/budgeting](#).

Enabling flexibility

To provide human support, organisations must have the autonomy to respond to whatever strengths and needs they uncover in their relationship with the person they are supporting. Funders are, in recognition of the fact that organisations working on the ground are best placed to make decisions about how to use resources, and to enable the flexibility to adapt as contexts change. [Core funding](#) also recognises the importance of funding more than project delivery – of investing in organisational and partnership development to develop the capability and culture for more relational, human ways of working.

As well as providing core funding that can be used flexibly rather than tied to specific activities and outputs, funding needs to be managed in a way that reinforces flexibility. This means no rigid KPIs or targets, because these can never absorb the variety of people’s context.

When organisations are freed from reductionist performance management and measurement processes (usually focused on outcomes that can be easily quantified and measured), then energy can be diverted into finding out what outcomes matter to the people they support.

Funders and commissioners need to consider what they are holding organisations to account for and why, and whether these approaches are fit for purpose. How is reporting information being used and is it an unnecessary burden? Greater transparency around this and also how funders and commissioners are themselves held to account is needed. The Tudor Trust are exploring accountability further as part of an action learning project:

“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.’”

(The Tudor Trust)

Taking a long-term perspective on funding and commissioning

If time is invested in building relationships between citizens, organisations, funders and commissioners, then trust is built and there is a greater likelihood of positive outcomes. Time and again, “trust” is the word which resurfaces: “trust is a prerequisite for systems change”. In order to build relationships, people need to be able to trust one another; in order to trust one another, people need to build relationships, and trust takes time and it doesn’t happen overnight.

The focus shifts from organisations having to try to achieve the impossible, which often means improving outcomes over which they have little control in a short space of time, to

spending time developing trust and relationships throughout the system.

The Plymouth Alliance have spent many years working on developing long-term relationships through regular coffees and catch-ups with colleagues and leaders to engage in systems leadership, and through convening large-scale learning and listening events for the people of Plymouth to attend.

“The trust and relationships built over time have held the alliance together during tough times and situations. This is not to say it is all plain sailing, and sometimes there is tension between organisational and alliance processes, however, members of Alliance Leadership Team are united over the purpose and rationale of the alliance.”

(Plymouth Alliance)

Working together not only meant learning was a primary outcome, but also that greater trust has been developed between colleagues, which in turn led to the enablement of a more human way of working, with people being supported. In addition, the creation of an alliance has meant that competition between providers has been reduced, further supporting the development of honest and

collaborative relationships

Learning

Funding for learning

Learning is the strategy for achieving purposeful change in complex systems. [ref. learning chapter] As explored in the Learning chapter, this requires some significant shifts in mindset and practice, including proactively building a learning culture and aligning organisational systems and structures to enable it to flourish – encouraging curiosity and creating psychological safety through developing a positive error culture.

If funders and commissioners are serious about taking an HLS approach, they need to work in a way that prioritises learning, not control, at three levels:

1. Funders and commissioners giving the space for, and incentivising, funded organisations to learn, which includes a role for experimentation
2. Funders and commissioners learning alongside funded organisations
3. Funders and commissioners reflecting on, and continually learning about, how to improve their own practice.

These learning levels will now be briefly explored with reference to case

studies actively implementing these strategies in practice.

Levels of learning

1. Funding for learning: ensuring grantees can prioritise learning

“We recognise that changing complex systems requires the ability to adapt and change because the context which enables interventions to ‘work’ is constantly changing. ‘What works’ is the continuous process of listening, learning and adapting.”

(The Lankelly Chase Foundation Case Study)

Dominant approaches to performance management in funding and commissioning have focused on holding people and organisations accountable for delivering predefined programmes of work and predefined outcome targets. This leads to [gaming](#) and incentivises organisations to “stick to the plan”, rather than having an honest conversation with their funder or commissioner about what they are learning and how they need to adapt their approach to do what’s best for the people they are supporting.

As an alternative to a compliance culture focused on meeting predefined targets through prescribed

approaches, a positive error culture can lead to improved innovation and performance by promoting ongoing learning ([Keith and Frese, 2011](#)). In this context, the role of funders and commissioners shifts from compliance to creating a culture of honesty where funded organisations are encouraged to share ongoing learning and adapt their approach accordingly.

As well as funders and commissioners creating a culture of honesty (which can take time, given the fundamental resetting of expectations and relationships required), they also need to support funded organisations to create the time and space necessary for learning.

Learning is something that can be squeezed out of what is thought of as “real work”, and “we don’t have time for learning” is often heard.

“People don’t see learning or dialogue as ‘doing’, so there can be a narrative that this is a ‘talking shop’ – ‘we need action’. This means it can take time to embed learning.”

(The Lankelly Chase Foundation Case Study)

Funders and commissioners can support the prioritisation of learning by considering how funding is managed. Grantees tell how multiple and

lengthy report-writing processes can take up valuable time, with the focus being on tangible and measurable results instead of the “invisible” work of systems change, such as critical reflections and learnings (the Tudor Trust, 2019). Funders and commissioners need to shift the focus of performance management from compliance and “proving” impact to enabling learning and improvement.

The following examples demonstrate ways in which funders and commissioners are creating time and space for learning:

- In their funding of systems change work, the Lankelly Chase Foundation are more focused on the how rather than the what:

“It ain’t what you do, it’s the way that you do it: the ‘how’ (the written and unwritten rules and assumptions – the terms of engagement that govern how we all act) are more important than the ‘what’. Collectively, we tend to be drawn to actions, models, interventions, policies etc. We might get further if there was more collective focus on the underlying ‘how’ things are done.”

(The Lankelly Chase Foundation)

- The [Cornerstone Fund](#) funds

partnership approaches led by civil society support organisations, to bring about systems change to build stronger, more resilient communities and improve outcomes for Londoners. The Fund recognises the need for learning and adaptation when addressing complex systemic issues, and aims to encourage this in funders’ interactions with funded partnerships:

“We are providing funding to go on a journey, to enable a process to happen. We need to have level of acceptance and tolerance for risk.”

(Funder)

This has enabled funded partnerships to continually adapt to changing external contexts, experiment when the way forward is unclear, and develop and embed a learning culture with partners.

- Commissioners for the [Liverpool City Region](#) are “led by learning and not operational targets”, putting learning at the heart of the performance management process. This has included running regular sense-making sessions with delivery teams to adapt to changes in service demand, ensure effective service provision, capture

learnings, and shed light on where commissioners can best support these processes.

- The [European Social Fund \(ESF\)](#) managing agency in Flanders is funding the formation and growth of eight multiagency local partnerships to support young people who have challenging employment prospects. The funding framework is explicitly anchored around pooled budgets and shared sense-making and learning, with partnerships developing their own evaluation frameworks locally, rather than performance measures being predefined by ESF. Because of their national presence, ESF and the public employment service VDAB are working hand-in-hand with each of the local partnerships to define the system stewardship role, based on learning about what the partnerships need in order to flourish.

2. Learning across systems: funders, commissioners and grantees learning together

There are valuable learning opportunities to be gained by collaborating across systems. As explored in the Learning chapter, *“Learning together builds trust, which creates autonomy, which enables adaptation – building a learning*

culture is its own learning journey.”

Creating opportunities for shared learning and sense-making can support funders, commissioners and funded organisations to build understanding, take more systemic approaches and improve practice together.

This requires funders and commissioners to be curious and open to critique and challenge. [The Tudor Trust](#) has adapted one of its guiding principles: “making the most of our resources and independence and being open to challenge”.

Commissioners at [Plymouth Alliance](#) ran a large-scale learning event where citizens and organisations in Plymouth came and told their stories, which for the commissioners meant realising that their approach was not working. Lankelly Chase spends a lot of time learning from the organisations they support:

“Our codesigned work involved meeting with over 200 people. They helped us understand different perspectives, what role people wanted a foundation like ours to play in the places, what we thought our money could achieve, what we could learn from what others were doing and what we should focus on. We started with individual conversations and soon realised

that participatory methods of codesign generated more cross-pollinating ideas, connections and excitement. So we used the formats of World Café and Appreciative Inquiry. This process generated the system behaviours as a collective best-guess about the qualities of healthy systems. These became the focus and bedrock of our place-based work.”

(The Lankelly Chase Foundation)

How learning opportunities might look will be dependent upon context. For the Tudor Trust, it has meant a journey of action-learning between the trust and its grantees. This began with a Complexity Learning Event. It was a day when grantees, Tudor Trust staff, and researchers at Northumbria University came together to discuss what complexity-informed and relational grant-making practice meant, and what the implications of such an approach might be.

Often, organisations are looking for more from funders and commissioners than just financial support, an approach known in the funding sphere as [“Funder Plus”](#). For example, organisations being funded by the Tudor Trust spoke of the value of the ongoing supportive relationships between grantee and grant managers, as well as a journey of action-learning between the trust and

grantees exploring what complexity-informed and relational grant-making practice means and the implications of this (Tudor Trust, 2019). [The Plymouth Octopus Project \(POP\)](#) has found that many organisations require more than just money, and a large part of their work involves engaging and capacity-building with the VCS. The [ESF](#) in Flanders has learned of the value of supporting an active community of practice among the emerging partnerships, to proactively share learning, explore challenges-in-common, and seek support from across the region.

Funders and commissioners learning about their practice

As well as funding for organisations to learn, funders and commissioners should prioritise and plan for their own learning. [Lankelly Chase](#) has used various methods, including:

“Reflective practice to learn about ourselves and the work. We used Systems Coaching to understand the systems (or nested systems) we were part of and our shared purpose. We used Deep Democracy to have better dialogue, build trust, make decisions based on collective insights and address conflict.”

(The Lankelly Chase Foundation)

Lankelly has academic partnership support:

“We recruited a Learning Partner to help us govern the work as a learning process. We recognised that we didn’t want a ‘model’; we were interested in a continuous process of learning that would allow us to adapt to the living systems of which we were a part.”

(The Lankelly Chase Foundation)

Commissioners and leaders in Plymouth embarked on a nine-month Systems Leadership Programme led by The Leadership Centre, which they cite as invaluable for learning about the complexity of systems change and enabling strong relationships to be built between participants. The [Plymouth Alliance](#) manager has recently been forging connections with other alliances, which, although varied in process and setup, find much to be learnt from colleagues elsewhere.

Systems

Systems are the set of relationships and interactions that combine to produce outcomes in people’s lives. A “healthy” system is one that produces better outcomes for people, based on collaboration, learning, and shifting power. To take an HLS approach

requires funders and commissioners to consider how to realign their funding, on the basis that systems (not projects or organisations) create outcomes.

To do so, funders and commissioners need to see themselves as part of the system, with shared responsibility for systems change. The role of funder and commissioner moves from ensuring compliance as “performance or grant manager” to recognising that they have active roles to play in contributing to and nurturing healthy systems.

Key questions for funders and commissioners to consider include:

- Which people/organisations are part of the systems which produce the outcomes I care about?
- How can I convene the system to help it understand itself better?
- How can I allocate, distribute and manage resources so as to build trust as a key asset across the system?
- How can I enable collaboration between actors?

Funders and commissioners as Systems Stewards

The idea of System Stewardship has been explored in both the literature ([Davis et al., 1997](#); [French et al., 2020](#)) and in practice. System Stewardship assumes that people

who work in the public and third sectors are motivated in their work to support others, generally can be trusted, and therefore do not require top-down control from managers or from funders and commissioners. Funders and commissioners instead take on the role of “stewarding”, which can include making sense of the system, nurturing its health, and shaping positive behaviours, such as making connections to parts of the plan ([French and Lowe, 2019](#)). Funders and commissioners move to a capacity-building role, shifting away from a “specify > select > fund > report” model to an integrated role where they actively participate in sense-making, experimentation and acting on system-level patterns beyond the control of individual system actors. This means that funders and commissioners move away from being the “performance managers” of funding to being actively engaged in and enablers of complex systems change. To take an HLS approach means funders and commissioners considering how to fund partnerships or “coalitions of purpose”, rather than allocating resources only to individual organisations.

As explored in the Systems chapter, taking on an active System Stewardship

role depends on legitimacy. Funders and commissioners are sometimes in a position of legitimacy, where they are best placed and trusted to take on a stewardship role. Below, we explore examples where this is the case:

- Lankelly Chase has developed a set of systems behaviours, including how power should be devolved so that people being supported have more agency in decision making ([French and Lowe 2019](#)).
- In Flanders, the [ESF](#) and [VDAB](#) are collaborating closely as national agencies with shared interests in the employment market to understand how they can cocreate a shared system stewardship approach.
- [Liverpool City Region](#) redesigned their role of contract and review lead as a Systems Steward role – responsible for developing trusting relationships (between providers and between commissioners and providers), creating spaces for reflection and learning, being led by learning not operational outcome targets, working shoulder-to-shoulder with providers to understand issues on the ground, modelling behaviour, and enabling autonomy for providers.

Funding and commissioning to enable more collaborative, systemic approaches

As identified above, funders and commissioners can sometimes play a useful role as Systems Steward. But they are not always best placed to play this role – other actors may be better connected, more trusted, and closer to the issues, and may already be playing a stewardship role.

At the most basic level, funders and commissioners should explore what they can do to build trust and collaboration among organisations, or at least not incentivise competition. Rather than pitting organisations against each other and asking them why they are more worthy of funding than each other, the focus shifts to exploring the potential of organisations working together and how funders can help nurture this. Rather than funding those organisations who can articulate why they are “better” than other organisations locally, funders and commissioners should instead prioritise organisations who are trusted and connected locally (as well as those that offer “human” relational support). Funders and commissioners should also recognise the costs of investing in enabling collaboration – working in partnership does take more time and coordination than single organisations delivering discrete projects, and this needs to be resourced.

The Tudor Trust, for example, feel they are more “systems servants” than “Systems Stewards” as a national funder. They do not have enough knowledge of local places (or resource) to bring organisations together to collaborate to improve the health of the system.

“As we do that, the emerging question seems to be not so much, ‘how do we play the role of Systems 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 ecosystems?’ In posing questions in this way, it feels that Tudor then is not so much a ‘Systems Steward’ as a ‘system servant’.”

(The Tudor Trust)

If funders and commissioners consider their role as systems servants, they could look to working with and supporting organisations that do play a stewardship role locally. An example is the [Esmée Fairbairn Foundation](#) giving funds to POP because POP is embedded in the community and can make decisions on funding based upon knowledge of a local need and how organisations could collaborate.

HLS as an enabler of change: examples from the pandemic

There have been innovations which have happened during the pandemic (for example, in removing bureaucracy, thinking creatively, and collaborating) that we can learn from. Funders and commissioners have a crucial role to play in ensuring we do not retrench back to traditional forms of control, and restart practices that experience has shown us are not necessary.

“(There) is this determination that we absolutely must not go back to the way things were. Even for us, we were doing this explicitly HLS way of working, there are lots of practices we must not go back to, I think.”

(Plymouth Alliance HLS Webinar, 2020)

Human

Funders and commissioners who had already taken a relational approach have found that this has supported them through the crisis. Members of the Plymouth Alliance identified that the relationships and trust already developed over a number of years between members of the alliance enabled them to adapt quickly to sudden change:

“[COVID-19] has also placed all the values we enshrined in our contract, front and centre, so things like kindness, empathy, openness and trust. Everybody talks about that, everybody is demonstrating that and it’s been really affirming for everybody, I think, the way this has, right across the city, been coming to the fore.”

(Plymouth Alliance, 2020)

Crises such as the Grenfell Tower fire and COVID-19 led the Tudor Trust to [adapt their funding processes](#) and consider some of these adaptations to be progressive. For example, as it became necessary to free up grant managers’ time due to increased workload during the pandemic, the stages in the grant decision process have been revised so that less time is spent on grant managers “working up” a grant to put before trustees.

“[Instead,] 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 honing in on registering the organisation’s context, people, and approach. It 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' judgments 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 applicant, and understand what they do and what drives them."

(The Tudor Trust)

Learning

Maintaining and creating opportunities for learning is difficult during times of crisis. However, the following cases have not only been able to continue to make time for learning but have found that learning has supported them through difficult times as well, and are keen not to retrench back to "old ways of working" when the crisis has passed. There are examples of funders and commissioners who have managed to increase opportunities for learning over

the past twelve months. The Plymouth Alliance have been able to experiment with new ways of working:

"Prior to COVID-19 there was lots of integration, information sharing and a fairly small-scale focus around experimentation. Once COVID-19 began, the alliance was able to experiment with wholesale changes to the delivery of all aspects of service. In addition, the alliance was able to rapidly prototype and implement experiments; for example, around managed alcohol use in hostels and free vapes for vulnerable people that would have needed weeks of negotiation before."

(Plymouth Alliance case study)

The Plymouth Alliance is using appreciative inquiry, their chosen method of asset-based learning, to capture learning, engage in sense-making, and reflect upon finding in order to inform future practice. They are keen to use the crisis to consider what is important to retain and what isn't: COVID-19 "meant that governance and regulation could be examined for what is essential and what is extraneous".

The Tudor Trust have found that simply the act of engaging in learning with each other as part of a group has supported them during the crisis:

"The project 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."

(The Tudor Trust)

Systems

Funders and commissioners who have played a role in building the health of systems have been able

to support funded organisations to adapt and respond to the communities they support.

There are funders and commissioners who have seen the importance of linking together organisations in place to learn from each other in times of crisis. [Likewise](#), a social care organisation being funded by both funders and commissioners, was funded to carry out research for a learning report:

"COVID-19 created an opportunity for change that we jumped on. Driven by commissioners recognising local need – a very important leadership move – a group of VCS, Local Authority and NHS Trust organisations were drawn together to develop a rapid, systemic solution to the over-stretched services and increased need of the borough's most vulnerable people living with serious mental illness. We found ourselves in a position we had not been in before – able to influence a systemic change offer based on our experience and our values, and with the language and frameworks of HLS to support us."

(Likewise)

The role played by local VCS organisations as Systems Stewards has been more important than ever during the pandemic. Recognising the value of and funding this sometimes intangible activity is crucial:

“One organisation among the Tudor Trust case studies reported how, during the early days of the crisis, they played an increasing role in sharing intelligence with and joining up services between local public services and other voluntary sector organisations on behalf of their vulnerable user group. These interactions directly impacted users and took resources, 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.”

(The Tudor Trust)

POP has used its existing relationships to continue to collaborate, build capacity and strengthen networks.

“COVID-19 has brought home just how vital a healthy and vibrant community infrastructure is. POP has made this a priority from the start of its EFF funding, investing in skills development, building, and connecting networks, micro funding grassroots initiatives, and engaging the change makers of the future.”

This has included working with Plymouth City Council on supporting the vulnerable through the Good Neighbours Scheme and in partnership with local organisations creating the Neighbourhood Care Networks, which have supported community organising and support during COVID-19.

Summary and implications

We have outlined the reasons why funding and commissioning using an HLS framing is important, and what changes funders and commissioners should be considering if they are interested in adopting such an approach.

Taking an HLS approach to funding and commissioning involves:

- Adopting a complexity-informed mindset
- Taking a relational approach
- Funding for learning

Endnotes

- 1 “funded” represents funding from both commissioners and funders

- Taking a Systems Stewarding role when appropriate
- Using HLS as an enabler of change, particularly in times of crisis.

Taking an HLS approach to funding and commissioning is not always easy. However, as the examples in this chapter have illustrated, HLS can support funders and commissioners to resource and support social change more effectively in complex and adaptive contexts, something that is particularly relevant for the current time.

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