
Annual Report of the Trustees

Author: Steven Simpson, Chairman WMFN
Version: 1.0

Date: 13th November 2023
Pages: 7

1.0 Reference information

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| Charity Name | WM Funders Network |
| Charity Registration Number | 1173579 |
| Principal Office | Holligworth House 109 Court Oak Road Harborne Birmingham B17 9AA |
| Trustees | Steven Simpson (Chair) apt. November 2021 Melinda Connelly apt. June 2017 Tina Costello apt. December 2020 Peter Cunnison apt. November 2022 Peter Hardisty apt. November 2019 Wesley Lovett apt. January 2023 Debbie Pippard apt. June 2017 Pauline Roche apt. June 2017 Austin Rodriguez apt. December 2020 Stuart Ashmore apt. April 2021 |
| Persons of Significant Control | Dipali Chandra, Secretariat |
| Bank | Lloyds Bank 32-34 Alcester Road South Kings Heath Birmingham B14 7PU |
| Independent Verifier of These Accounts | Nick Wallace |

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2.0 Introduction

As we emerged from a series of Government restrictions in response to COVID-19, we faced a cost of living crisis marked by high inflation and rising energy bills that have been impacted by the Russian invasion of Ukraine. At the same time Government leadership changed three times creating a climate of economic uncertainty. Our programme of events looked to reflect some of the important issues facing communities of place and interest in the West Midlands.

It is always challenging to operate in interesting times and even more so this year the organisation is indebted to its trustees who give up their time to chart a course through stormy seas as well as chair some of the sessions delivered, our funders and sponsors who make our vital work possible and most importantly to Dipali Chandra the organisation's Secretary who organises and delivers most of the programme of activities.

The trustees consider that the following report and statements for the year ending 31st March 2023 meet the statutory reporting requirements as detailed in the Charities Act 2011.

3.0 Background and Context

West Midlands Funders Network (WMFN) was established as a charitable incorporated organisation in June 2017 to continue the work of Charitable Trusts West Midlands an organisation that had existed for over forty years.

The organisation works to enhance the effectiveness and efficiency of grant making in the West Midlands through sharing information, networking and, where appropriate, encouraging joined up approaches to funding challenges.

4.0 Governance

The organisation was incorporated in June 2017 as a Charitable Incorporated Organisation (CIO).

The organisation has up to 12 trustee posts, 10 of which are currently filled. Trustees meet 4 times each year.

The trustees meet as a board 4 times each year to consider the financial performance of the organisation, the management of risk and any other matters necessary. The trustees have also formed two subcommittees; a Programme Planning committee that considers, plans, and evaluates the programme of activities and an Income Generation Committee that considers the organisations approach to securing grants and donations and sponsorship. Both committees report to the main board at each meeting. Through this structure the strategic direction of the organisation is the responsibility of the Trustees.

The trustees have commissioned a secretariat service to provide day-to-day management of the charity. This includes clerking the board of trustees, acting as first line of contact with the organisation's members and, most importantly, the day-to-day delivery of the events prescribed by the programme planning subcommittee.

4.1 Induction and Training of new Trustees.

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New trustees are recruited from within the organisation's membership or the wider funding sector. After an interview with the Chairperson and Secretary new trustees receive an induction from the Secretary that outlines the work of the organisation as well as sharing an information pack comprising key policies and procedures, management accounts, last year's accounts, and the organisations strategic plan. Finally, trustees complete a declaration of eligibility to serve.

5.0 Risk

The organisation has a risk register that is updated at least twice throughout the year but more frequently if circumstances demand it. Risks are assessed on the basis of their likelihood (scored 1 to 3 with 1 less likely and 3 almost certain) and their impact (scored 1 to 3 with 1 being minimal impact and 3 being maximum impact). The likelihood score is then multiplied by the impact score and then the impact score is added to the total to arrive at an overall risk score that balances the probability and effect of any risks.

In 2022/23 the risk scoring greater than 7 are:

- Reduction of core grants (score 12)
- Reduction in the number of trustees leading to skills gaps (score 12)
- Downturn in the economy (score 12)
- International emergencies leading to disruption of global business (score 9)
- Dependency on key contractors for services (Score 8)

All identified risks have mitigation strategies based around first preventing the issue and then mitigating its impact.

6.0 Objectives and Activities

The object of the Charity as stated in the Trust constitution as a Charitable Incorporated Organisation (CIO) is to promote efficiency and effectiveness in the charitable activities of voluntary and not-for-profit organisations and grant making charities working in the West Midlands and its environs ("the Area of Benefit") and the effective use of charitable resources for the public benefit in particular but not exclusively by promoting and developing good practice in the making of charitable grants by exchanging information, knowledge, expertise and experience.

This has been translated into the following overall strategic aims:

- 1) To promote good practice in grant making
- 2) To promote efficiency and effectiveness of voluntary and non-profit organisations in the West Midlands

We do this by:

- 1) Increasing skills, knowledge and expertise among funders and others with an interest in civil society
 - 2) Establishing WMFN as the 'go to' organisation for networking and sharing learning and information about issues of relevance to funding civil society
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- 3) Convening and co-ordinating opportunities for encouraging joined up approaches that work towards improving the lives of people living in the WM

WMFN is a membership organisation. Grant makers, and others that award money in the Civil Society sector pay a membership subscription in order to attend and participate in events run by the organisation. Membership subscriptions are based on the amount of money a member awarded in grants last year with those who awarded more paying a larger subscription fee. Under this model those larger organisations do subsidise the membership of smaller organisations to some extent.

7.0 Achievements and Performance

In this financial year the organisation has held or co-hosted 13 events with 385 people attending (instances of attendance). Membership of the organisation has increased slightly with 45 organisational members (an increase of 2 on the previous year).

One of the early events in the year was on reviewing funders' progress on Equality, Diversity and Inclusion (EDI) since the 2021 Annual Conference. It was an opportunity to hear from funders that participated on the opportunities and challenges in making progress, any tools used that were effective in moving forward and learning from what worked and didn't work, led by member, Carla Belle. Particular areas of progress were on application assessments, improvements in monitoring the distribution of grants in the region and using this to identify EDI gaps. Some had considered the make-up of Boards and decision-making panels and how well that reflected the diversity in the region.

The COP26 Summit in 2021 and the growing global environmental and sustainability movement was an important reminder of how much more needs to be done to protect our planet. The 2022 Network conference was a focus on the important synergies between sustainable development and social justice and the role of funders in bringing together social and environmental concerns that are root causes of ill health, poverty, disadvantage, and delivering inclusive economic benefits and positive social change. The 2-day conference brought funders together to improve knowledge and understanding of the key causes and impact of climate change and environmental issues, changes and solutions to tackling this at a local level, improving knowledge on operational changes of funders and the wider VCSE sector to reduce the organisational carbon footprint, and explore and share good practice in embedding a sustainability lens in the priorities and processes of funding programmes. Jane Cabutti, Environmental Funders Network was a keynote presenter that defined the current pressing climate change and environmental issues that we face. Key presenters from WMCA (Cheryl Hiles and Claire Spencer) and Local Authorities Andrew Greenall and Ann-Marie Attfield Solihull MBC) reflected on the strategic and operational priorities to tackle climate change and sustainability in the WM and where the gaps in funding lay in supporting the VCSE sector playing its role in tackling climate change and achieving equitable outcomes for its beneficiaries. A range of funders from across the UK shared their current journey in strengthening policy and practice to address climate change that builds a better future for everyone. Small Trusts such as the Saintbury Trust and Cole Charitable Trust shared their investment policy approach. Power to Change and Foundation Scotland shared how they were embedding an environmental lens in their grant making programmes. Phil Beardmore, Environmental Leadership Coach shared some of the tools and resources that can support the VCSE in improving their carbon footprint and NLCF shared the learning from their sustainability funding programme for third sector organisations. A framework for

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funders to use in integrating a sustainability agenda in their work was presented by Nick Perks – Funders Commitment to Climate Change. Specific tools, guidance and resources were shared and demonstrated to support funders in assessing where they are in their journey on embedding a climate change agenda.

In the summer, the Network continued with a particular event on increasing funders' understanding of financial exclusion due to the cost of living crisis. Turn2Us was invited to share the learning from their casework and grant making nationally and in the region. The idea of a common application form was raised again as a potential idea to reduce the time spent by applicants in making various applications to several funders. This was followed by a November event, working closely with Birmingham Voluntary Service Council, on a city-wide event that looked at a range of issues impacted by the cost of living crisis and the role of the VCSE and funders working together to address this. Many of the funders that operate in the region have thematic programmes that are not specifically focused on climate or environmental issues but have been considering how a sustainability lens in grant programmes can support VCSE organisations to tackle their carbon footprint and those of their clients.

The quarterly members roundtable exchanges, where members set the discussion by putting forward agenda items continued. These looked at updates on funders programmes responding to the cost of living crisis, new funding programmes for the region, regional funding insights, EDI progress, community asset transfer and housing and community wealth building and climate change.

Two workshops were held during the year that looked at sharing practice on assessing application using an EDI lens and assessing applicant's governance and organisational policies. Heart of England Community Foundation and NLCF shared their approaches to using an EDI lens in assessing applications. Birmingham Community Matters and Get Grants provided an insight from an applicants' experience of accessing funding and challenges. The key points taken away by funders were: improve funders' transparency on how decisions are made; setting the tone of the funding relationship; provide more tailored constructive feedback on applications to those that are unsuccessful. Shivaji Shiva, VWV led the workshop on assessing applicant's governance and organisational policies. In particular he highlighted the current charity framework for good governance and key organisational policies' regulatory compliance for those entities that have a charitable purpose and are not for profit. Funders shared their approaches to what they look for and their appetite for risk.

This year a regional funders' EDI working group has been established between members that have a national strategy with a regional presence and others that work specifically in the West Midlands to look at practical ways to improve equitable access to funding. The initial focus has been on racial inequity in funding and building a relationship with the emergence of the Stephna Legacy Foundation – a growing forum for Black and Minoritised Ethnic Led Organisations that have come together in memory of the important work that Stephna Watts (former Funding Manager, NLCF) did in the region to improve access to funding opportunities for Black and Minoritised Ethnic groups.

8.0 Commentary on the Accounts

The organisation has had a successful financial year and despite a budgeted deficit of £1,835 has returned a moderate surplus of £232.

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Income did however reduce by £1,536 to £18,310. This reduction was due to a reduction in the amount the organisation received from other trusts and sponsorship. Income was composed of £10,425 of grants and donations, £7,840 of membership subscriptions and £44.92 of event income.

All income was generated in the UK and the organisation did not receive any funds from any overseas entities.

Expenditure also decreased to broadly match income at £18,077 a reduction of £2,404 on the previous year. This was in part due to a reduction in the amount spent on marketing and communications. Unfortunately cutting this vital aspect of the organisation's operation cannot continue indefinitely and in future years thought will need to be given to increasing income levels.

At the end of the year the organisation had £12,676 in cash.

9.0 Reserves

The trustees think it prudent to hold 3 months operating costs in reserve (£6,025). The trustees also wish to ensure that the charity always holds one month's secretariat costs in cash at all times (£1,506). As of 30th March 2023, the charity was holding £12,676 in cash of which £4,800 is for restricted purpose (development grant) and £7,876 is unrestricted.

10. Public Benefit

The trustees of the charity have given due regard to the Charity Commissions guidance regarding public benefit. No individuals have benefited directly from the organisations activities however the public has benefitted from the organisations efforts to improve the quality and effectiveness of grant making in the West Midlands. In 2022/23 this public benefit is derived from the efforts the organisation has made to share best practice regarding the global environmental challenge, embedding strategies to increase equality and diversity in organisations, workshops on assessing applications and members sharing best practice through roundtable events.

11. Related Parties

No trustees benefitted from their relationship to the CIO and no payments were made to trustees excepting any expense reimbursement once legitimate expenditure has been defrayed and evidenced.

12. Future Plans

As the Network looks ahead, and writing this annual report, the Network is in its final year of its current 3-year strategy. The process of undertaking a strategic review has taken place and the priorities for the next 3-year strategy has been considered by the trustees.

The trustees have observed that while attendance at events has remained high, individual members only attend 2 -3 events each year with events such as the annual conference generating the greatest attendance and attracting the most positive feedback. In light of this the trustees have decided that, starting in 2024, the organisation will run a smaller programme of higher quality events cutting the activity from the nominal 12-14 events a year to 4 big ticket events and additional 4-6 networking/update 'roundtable' that can be administered by trustees. The trustees have high hopes that this approach will allow the

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organisation to address key strategic issues of importance to the sector in a comprehensive way while also making the most of the organisation's resources.

The trustees have also noted the effectiveness of having consistent marketing resources and will seek to increase the income of the organisation through a combination of events sponsorship, grant applications and partner funding to ensure that marketing resources can be available on an ongoing basis.

In the pursuit of a greater level of financial stability the trustees will also introduce a voluntary contribution scheme for the network's largest members. This scheme will operate in addition to the normal membership subscription fee and will provide an opportunity for larger members to increase the amount they pay to support the services the organisations provides.

We hope that these actions will ensure that WMFN can continue to provide valuable and vital support to members for years to come.

Signed on behalf of the Board of Trustees by

Steven Simpson
Chairperson
