
NORTHERN ROCK FOUNDATION – FINAL IMPACT EVALUATION

LEARNING SUMMARY

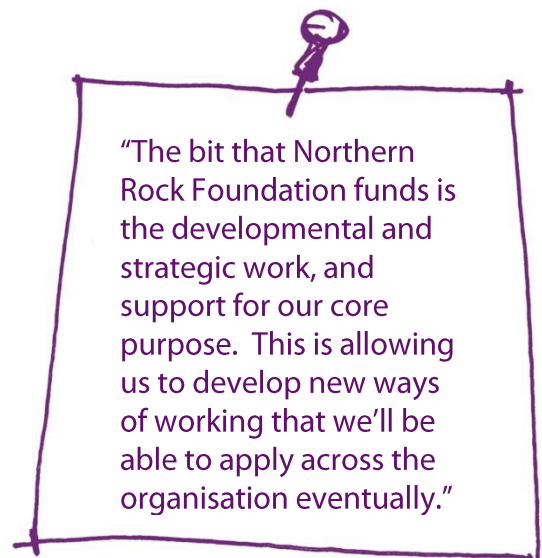
In recent years the organisations supported by the Northern Rock Foundation have faced considerable challenges resulting from economic strain across the UK. At the same time, the funds available to The Foundation have reduced.

In 2011, The Foundation developed a new strategy designed to reflect these changes and maximise the impact of its funding on the organisations it works with, the disadvantaged groups they support and the third sector more widely. As well as funding practical projects to address disadvantage, the new strategy had a strong organisational development focus, aimed at building the resilience of organisations in the third sector and strengthening their capacity to respond to changes in the operating environment. This focused approach, combined with reduced resources, necessarily involved supporting fewer organisations but in a more intensive way.

The Foundation's approach

Alongside grants for service delivery, The Foundation provided:

- ★ funding support for the development of new business and operating models with the potential for income generation and/or greater self-sufficiency
- ★ core funding for senior leadership and developmental staff time within funded organisations, to support organisational development and give organisations the headroom to think, plan and implement new ways of working
- ★ access to learning and development opportunities including leadership development, mentoring, monitoring/evaluation and volunteer management
- ★ access to networks of likeminded organisations and professionals
- ★ advice, guidance and 'critical friend' support from grant managers with specialist expertise in their sectors



Building organisational resilience

The evaluation shows that this was an intensive process both for The Foundation and the organisations it supports, and that it was an effective approach. Recent years have been turbulent and financially challenging for funded organisations (and many of their beneficiary groups), but their responses to this have been purpose-driven and resolute, including:

- ★ paring back to a smaller core, aligned to vision, purpose and the core strengths of the organisation
- ★ building partnerships with organisations (including former competitors) to secure work aligned to core purpose
- ★ saying no to opportunities that might distract from or damage ability to deliver core vision and strategy
- ★ developing models of self-sufficiency or partial self-sufficiency
- ★ developing creative models for resourcing their services, e.g. volunteers, using contractors for some delivery

"We've managed to salvage something good and worth saving, and put it on a small but firm footing. Our grants have enabled us to transition to an unexpected place, but actually pared back to our core purpose and strengths"

The Foundation's support has contributed to funded organisations being able to:

- ★ carve out the time and space to develop and implement new models and strategic plans that will support future sustainability
- ★ take calculated risks
- ★ be flexible and respond to changes in their operating environments
- ★ connect with like-minded organisations to share practice and collaborate (for example on joint tenders)
- ★ develop an evidence-base of their impact, so they can secure alternative funding streams in the future
- ★ connect with other national funders with similar goals/priorities
- ★ develop leadership and strategic capability within the senior team and trustees; which has in turn enabled them to make tough decisions about the future focus and shape of their organisations, and then implement these decisions
- ★ lever in funding from other sources, as a result of having time to pursue this funding combined with the perceived 'quality stamp' of The Foundation being willing to fund the organisation

The evaluation found that The Foundation's approach gave organisations the confidence to try new things, secure in the knowledge they had a supportive and flexible backer in The Foundation. If things didn't go as originally planned, The Foundation's approach was to be adaptable and encourage the organisation to try alternatives. There was no fear that funding would be withdrawn.

The Foundation's approach also gave organisations access to the resources they needed to plan and implement successful organisational change.

A different relationship

Organisations report that the 'grown up' relationship they have with The Foundation has been crucial to the effectiveness of The Foundation's support. This encapsulated a number of really important aspects of how grantees experience The Foundation's approach:

- ★ striking the balance – neither being at arm's length nor looking over grantees' shoulders; this gives organisations the space they need and an implied confidence in them from The Foundation, whilst also taking comfort in the knowledge they can reach out when they need to
- ★ genuinely open and supportive dialogue, which enables organisations to be honest when things aren't working according to plan, without fear of funding being withdrawn
- ★ a focus on end results rather than processes, so that organisations can try alternative approaches if their initial proposed approach doesn't work or conditions change; no need to re-bid or risk losing funding, provided the organisation keeps The Foundation in the loop
- ★ constructive challenge and helpful advice when discussing new developments and plans

The Foundation set out to work in a mature and developmental way with its funded organisations, and the evaluation findings indicate that this is how the sector experienced The Foundation's approach, and that they valued it enormously.

“We get sound advice and wise words from our programme manager, and these come from a strong knowledge base. If we're struggling with a decision, we often ask ourselves 'what would they say?' ”



“With the Foundation it's never just been about the financial support.”

An effective Funder Plus approach

The Foundation has applied the Funder Plus approach in an intensive way, with a great deal of developmental support. The Foundation's experience suggests that Funder Plus, applied in this way, does work.

However, for organisations wishing to learn from The Foundation's experience, it is important to recognise that a Funder Plus approach of this kind requires financial resources. It is not only about providing advice, guidance and support (although this is pivotal); it also needs to be backed by focused financial support for organisational development interventions.