



PUBLIC VALUE RESEARCH FOR



LEARNING SUMMARY

September 2012

www.brightpurpose.co.uk

CONTENTS

section	page
1 Introduction	1
2 Key learning from the research	3
3 Implementing the learning	6

1 INTRODUCTION

In Spring 2012, the Northern Rock Foundation commissioned Brightpurpose to undertake research into the public value generated by The Foundation. Forty-five stakeholders across the North East and Cumbria participated in the research. This document summarises the key learning points from the research.

1.1 Purpose of the research

The Foundation already understood, to some extent, the difference it makes to funded organisations, through the August 2010 Grantee Perception Study and a recent interim impact evaluation is to identify the impact of the Foundation's new strategic direction. The missing piece of the jigsaw was a clear understanding of what the wider public values about The Foundation and its work. This piece of research sought to build this understanding.

1.2 What is public value?

Public value is a framework for understanding the impact an organisation makes at the societal level rather than from the perspective of a grant-funded organisation or an individual helped as a result of the Foundation's funding. It seeks to explain what the public judges to be valuable about what a charitable or public sector organisation does and how it does it.

For example, if you consider 'what is publically valuable about The Foundation's work to strengthen the voluntary sector?'. Grant recipients might say that they value that fact that The Foundation's funding enables them to do more of the things that matter to them and their stakeholders. However, more widely, the public may value the Foundation's contribution to a more vibrant, coherent and capable voluntary sector that is able to weather the current financial storms.

1.3 Our approach to the research

Counter-intuitively we don't establish public value by speaking to a random sample of the general public. Individual members of the public will generally consider the value of public and voluntary services through a very personal lens, shaped by their own experiences.

Therefore, obtaining an objective view of the Foundation's public value required engagement with a wide range of stakeholders who operate at a level where they can provide a strategic, societal view rather than a narrow, single-issue perspective.

We selected a range of stakeholders to invite to participate in the research, categorised according to the three different groupings that make up the strategic triangle at the heart of Public Value¹ theory:

¹ Creating Public Value (1995). Mark H Moore.

Authorising environment	Operational capacity	Observers of public value outcomes
Those with the authority to legitimise and/or support (or not) work in the fields in which The Foundation is active and interested	Those who are involved in delivering work in the fields in which The Foundation is active and interested	Those who are one step removed from the fields in which The Foundation is active and interested – ‘spectators’ who observe the value being generated from a disinterested perspective
MPs	Infrastructure organisations (eg CVSs) and representative bodies for the voluntary sector	Business sector
Local authorities	Foundations and trusts	Higher education
Police and criminal justice system	Large scale regional charities	
Statutory sector funders/commissioners		

We conducted semi-structured interviews with forty-five stakeholders, distributed evenly across the three categories. Interestingly, this represented an 83% response rate, which in our experience is very high for a stakeholder research project.

1.4 Acknowledgments

Thank you to all the stakeholders who took part in the research. The majority were in very senior roles and gave up time in extremely busy schedules to talk to us.

2 KEY LEARNING FROM THE RESEARCH

2.1 What public value does the Northern Rock Foundation generate?

Our findings indicate that the Foundation generates public value in the following ways:

- ★ developing the third sector – helping to create a richer and stronger sector
- ★ supporting the things that no-one else will – directing energy, resource and attention towards issues that need it most, despite often being 'unpopular' causes

Interviewees also acknowledged the importance of The Foundation's project funding in enabling this public value to be generated.

2.1.1 Developing the third sector

This is a time of challenging economic circumstances, increasing unemployment, fewer opportunities for disadvantaged people and increasing personal debt and homelessness. All of this is set against a backdrop of reduced public spending, changes to local authority commissioning and funding processes and an increase in demand and need for support services. All stakeholders agreed it was more important than ever to have a strong third sector to support those in need and help them move on in their lives.

It is through its work to develop the third sector that The Foundation is seen as making its most valuable contribution. This is a sector which is, and will continue to be, vital to the most vulnerable and marginalised people and communities of the North East and Cumbria. Our findings show that the Foundation's work to help increase the richness, diversity, size and sustainability of the sector generates significant public value.

2.1.2 Supporting the things that no one else will

The Foundation's other main contribution is its focus on supporting the causes that need most support and are often overlooked by others.

“the unsexy things that no one else wants to deal with”

Stakeholders recognise that the Foundation uses an evidence based process to:

- ★ understand the areas of greatest need
- ★ target its energy and resource at these priority areas

As the areas being targeted are those where vulnerable groups have the least access to the support they need, they tend to be the less popular causes – the ones that are unappealing to the public and other charities, and sometimes controversial.

As a result, The Foundation's funding adds value by funding the things others can't or won't fund, resulting in the development of new provision that simply wouldn't exist otherwise.

Furthermore, the Foundation's work in these areas raises the profile of the key issues, and shines a light on problems that would otherwise be hidden or misunderstood.

Finally, The Foundation funds a range of important and influential research that is widely used by stakeholders but would not be commissioned by anyone else. For example the Third Sector Trends Study which has been influential at a regional and national level.

2.2 How the Northern Rock Foundation adds value

As well as understanding what public value The Foundation generates, it is equally important to understand how this value is generated. We asked stakeholders to identify the strengths of The Foundation and the ways in which it adds value. The common themes are illustrated in the diagram below:



The table below summarises what we mean by each of these themes:

Intelligent funder	Credible expert	Practical partner
<ul style="list-style-type: none"> ★ Thoughtful about investing funds to maximise impact ★ Identifies unmet needs - designs programmes to address these needs ★ Uses evidence to guide funding decisions ★ Learns from experience to improve funding decisions ★ Shares learning ★ Understands the organisations it is funding ★ Commissions important research that no one else would commission 	<ul style="list-style-type: none"> ★ High calibre, credible staff at all levels ★ Staff are experts in their fields: the 'go to' people for advice and intelligence on issues in their respective sectors ★ Locally rooted and nationally active 	<ul style="list-style-type: none"> ★ Funds core costs to help organisations get on their feet and move forward ★ Gives practical hands-on support and advice to grant recipients without interfering ★ It's never just about the money - provides capacity building, advice and support

Capacity building	Clear sighted	Influential leader
★ Genuinely focused on strengthening organisations' ability to sustain, survive and thrive	★ Clarity about funding streams and priorities – holding steady to these	★ Pioneers best practice in grant-making, supporting funded organisations and demonstrating impact
★ Provides expertise and small injections of funding to enable them to plan a sustainable future	★ Strong Board and Senior Management team – providing stability during difficult times	★ Encourages wider adoption of best practice amongst the Trust and Foundation community
★ Provides training and resources to give organisations the skills and confidence to shape their futures	★ Independent	★ Uses evidence to influence policy, practice and future thinking in the third sector

2.3 The purpose and role of The Foundation

Whilst most of the people we spoke to had a broad understanding of The Foundation's goal to tackle disadvantage in the North East and Cumbria, many in the authorising environment and observer categories had limited understanding of what The Foundation does at a more detailed level. For example, they didn't tend to understand the priority areas in which The Foundation is trying to effect change, or understood a part of the picture rather than the whole. Another example is the continued perception that The Foundation invests in the cultural sector, when in fact this has not been a priority area for some time.

Those in the operational capacity group understandably had a more up to date picture of The Foundation's role and purpose, as they often came into contact with The Foundation at a strategic and operational level. One of the notable points raised by this group was The Foundation's commitment to going beyond 'just funding': investing in the strength, coherence and capability of organisations and the wider third sector.

2.4 Future priorities

Stakeholders highlighted the extremely challenging economic circumstances, and the likelihood of this continuing for some considerable time; they felt that, given this backdrop, The Foundation would be under pressure from all quarters for funding and support. Throughout the research stakeholders had acknowledged the value of The Foundation 'holding steady' and remaining focused on a small number of priority areas, rather than trying to be all things to all people. They reported that The Foundation would need to continue to be firmly focused, otherwise it could end up spreading its resources too thinly.

That said, some stakeholders in the authorising environment also suggested that The Foundation needed to be flexible and allow its priorities to be influenced by the impacts of public spending cuts; monitoring the situation to ensure that it remained up to date on where the areas of greatest disadvantage and need were.

There was a consistent call from within the operational capacity for the Foundation to do two things:

- ★ continue to support and build the capability and capacity of the third sector, to enable it to adapt to the changing landscape
- ★ continue to fund important research that will inform and influence at a regional and national level.

3 IMPLEMENTING THE LEARNING

This research provides a strategic perspective on the Northern Rock Foundation's public value, and the process by which it generates this value. However, it is only one part of the picture. The Foundation used the findings of this research in combination with the Grantee Perception Study, the Interim Impact Evaluation and emerging themes from the Third Sector Trends Study TSO50. Together they provide a rounded view of The Foundation's role and impact, which has informed its thinking about future strategic direction.