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NORTHERN ROCK FOUNDATION  
IMPACT EVALUATION  
FINAL REPORT

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September 2014

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## 1 INTRODUCTION

The Northern Rock Foundation (The Foundation) aims to tackle disadvantage and improve quality of life in the North East and Cumbria, focusing especially on the most vulnerable groups in society and those who receive the least support. The Foundation provide funding and support to organisations in the voluntary or third sector, focusing on five main programme areas:

- ★ **Having a Home** – supporting organisations that work with people who are homeless or at risk of becoming homeless
- ★ **Managing Money** – supporting organisations that work with people who are in debt or face financial problems
- ★ **Safety and Justice for Victims of Abuse** – supporting organisations that work with people who experience domestic abuse, sexual violence and exploitation, or child abuse
- ★ **Enabling Independence and Choice** – supporting organisations that help older people, people with mental health problems, people with learning disabilities, and carers
- ★ **Changing Lives** – supporting organisations that work with young offenders and young people within the criminal justice system; this fund also supports organisations working with refugees, asylum seekers and migrant communities, and people who misuse alcohol or drugs

In addition The Foundation:

- ★ provides support and funding to build the capacity of organisations in the third sector, including the Fresh Ideas Fund which helps organisations explore new business models
- ★ commissions research to build the evidence base in relation to the five programme areas and in relation to the development of the third sector more widely
- ★ shares learning and evidence with funded organisations and the wider sector
- ★ seeks to influence the wider sector and colleagues in the Trust and Foundation community

Underpinning The Foundation's approach to supporting organisations working in each of these key areas is a theory of change that The Foundation can have a greater influence on the long term success of funded organisations by providing a balance of grant support and other non-financial support. This approach (commonly referred to as a 'funder plus' approach) provides organisations with a combination of grant funding and practical advice, support and resources.

In recent years the organisations supported by The Foundation have faced considerable challenges resulting from economic strain across the UK: austerity measures and cuts to public spending; reductions in and increased competition for the funding available from charitable foundations; policy changes; and restructuring of key, national, regional and local institutions. In addition, the funds available to The Foundation have reduced as a result of the collapse, government purchase, and subsequent sale to Virgin Money of Northern Rock plc.

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 focused on building the resilience of organisations in the third sector and strengthening their capacity to respond to changes in the operating environment; so that they may be more sustainable for the future and therefore able to continue to support disadvantaged groups for the years to come. This focused approach, combined with reduced resources, necessarily involved supporting fewer organisations but in a more intensive way.

In 2012, The Foundation commissioned Brightpurpose to undertake an interim evaluation of the effectiveness and impact of its new strategic direction, to assess whether it was on track to achieve the objectives of the new strategy and whether the new approach was creating more sustainable capacity to support vulnerable groups in the North East and Cumbria.

In early 2014, The Foundation commissioned Brightpurpose to undertake a final impact evaluation; to assess the difference The Foundation's added value support has made to:

- ★ the resilience of key organisations, through the development of the necessary skills and characteristics
- ★ the strength and maturity of key subsectors supported, and their ability to work collaboratively with a variety of stakeholders to drive change for the future
- ★ the future capacity of key organisations and subsectors to support the groups and individuals The Foundation wants to help

The objectives of the evaluation were to:

- ★ examine the impact The Foundation's support has made to:
  - the resilience and sustainability of grant-funded organisations
  - the shape and resilience of key sub-sectors of the voluntary sector
- ★ assess what these impacts will mean for the groups and individuals The Foundation wants to help, now and in the longer term
- ★ understand the contribution to impact and resilience made by The Foundation's approach to:
  - deciding which organisations to support and fund, and how this funding is structured and directed
  - providing wider support to grant-funded organisations to strengthen their sustainability, capability and resilience
  - supporting organisations to demonstrate the impact of their work
  - fostering collaboration between key organisations and stakeholders in key sub-sectors

This report sets out the findings of the final impact evaluation.

## 1.1 Methodology

Our approach to the evaluation was to select a sample of funded organisations to conduct semi-structured interviews and case study visits with. We conducted:

- ★ semi-structured interviews with 29 organisations over the telephone
- ★ case study visits with 8 organisations; this involved visiting the organisation and conducting semi-structured interviews with – where appropriate – leadership and senior delivery staff

We selected the samples to ensure:

- ★ geographical representativeness
- ★ representativeness across the different Programmes
- ★ a mix of types of support received
- ★ a 50:50 split between organisations involved and not involved in the interim evaluation

As well as exploring the impact of The Foundation's financial and non-financial support, we attempted to measure funded organisations' resilience and The Foundation's contribution to this. In the interim impact evaluation, we developed a set of indicators of sustainability and capability, which we asked organisations to rate themselves against. The evaluation found that not all of these indicators offered insights and that some were probably missing. We undertook further work the following year, building upon our evaluation findings and the findings of the Third Sector Trends study, to develop a Resilience Framework that set out ten components of organisational resilience. We developed a tool to guide organisations through a detailed self-assessment and action planning process.

Rather than apply the measures used in the interim evaluation, which generated only limited value, we wanted to collect meaningful data about organisational resilience. Therefore we asked interviewees to rate their organisation using the ten components of the Resilience Framework. There were two limitations to this approach:

- ★ self-rating was done as part of the interview without using the full self-assessment toolkit, therefore represents an instinctive self-assessment rather than a more considered assessment
- ★ we cannot compare the scores from this phase of the evaluation with the scores from the interim evaluation, as the measures were different

Despite these limitations, the resilience measures generated very useful discussion during the interviews, and we were able to explore the contribution The Foundation had made to the organisation's development. We were also able to compare our observations from the interim evaluation with our observations from this final stage, to assess shifts in resilience.

## 2 FINDINGS

### 2.1 Other options if The Foundation had not approved application

#### **The Northern Rock Foundation - first choice for funding applications**

The majority of organisations we spoke to put The Foundation at the top of their list of preferred funders and applied to The Foundation for funding before applying to, or even considering, other funders. However most organisations did have a 'plan B' had their application not been successful, though they perceived their chances of success to be lower in relation to the alternatives.

The majority of organisations considered The Foundation the most likely route to a successful application. Such confidence was based on the organisation's pre-existing and often longstanding relationship with The Foundation. In addition the knowledge that their proposed activities were closely aligned to the The Foundation's priorities, and The Foundation's understanding of the organisation, reassured them their applications would be successful.

Even those without a prior relationship would look to The Foundation as almost an automatic choice, because they had helped similar organisations and had a good reputation within the area. In some cases The Foundation has provided more substantial funding than grantees felt they would be able to get from any other single funding source. They may otherwise have had to approach lots of other smaller funders in order to secure the amount needed for their projects.

#### **Funding for projects and activities that other funders won't consider, including core costs – enables greater flexibility and more long range planning**

A significant number of the organisations were using The Foundation's funding to pay salaries for core roles enabling them to extend or maintain existing services. One organisation was using the grant to pay the salary for a fundraiser. This enabled them to look at broader funding options in the future and source funding for existing projects. The Fresh Ideas Fund has also been an enabler for organisations to explore the feasibility of, and implement, ideas and activities that will generate income in the long term.

One charity which provides specialist support to vulnerable people and their families accessed the Fresh Ideas Fund to support them taking forward a furniture recycling social enterprise. The first stage of this support involved a feasibility study carried out by external consultants which demonstrated that the idea had good potential for success. Further funding enabled them to turn their idea into action and they have since opened a furniture warehouse which is currently generating a £2,500 per month surplus.

Other organisations were using funding to pay salaries for managers, finance officers or administrators, allowing organisations to maintain core business functions and deliver multiple projects. The Foundation's willingness to fund such core costs rather than being totally project based was seen as something that sets The Foundation apart from other funders.

Funding projects that will not produce quick wins but rather require a long term view were also identified as projects that others were less likely to fund. Many funders are seen as results driven and, although by no means were recipients under the impression that The Foundation wasn't, they did feel able to explore options and undertake projects that would take longer to yield results. Being involved with and having confidence in their grantees, The Foundation seemed able to take a more long term view on when results will be delivered.

An organisation working with homeless people wanted to provide employment training to raise the self-esteem and confidence of their clients, as a first step in getting them back to work. However this is not a quick solution. The Foundation funded the project giving them time to explore opportunities, learn, and develop a service that works. This service is no longer funded by The Foundation but may never have got off the ground without The Foundation giving them time to learn what was going to work best.

In a similar vein organisations felt that because The Foundation understood them and had a trusted relationship based on successful previous delivery, they were more likely to back projects which others would consider too risky. For example, projects that were complex to scope out or required a certain amount of to-ing and fro-ing to get the best solution. Another grantee commented that The Foundation doesn't follow the trends, they understand what is needed –locally- and provide relevant support.

Another key factor in this is that organisations perceive that The Foundation is willing to risk funding activity or provision where no evidence base yet exists. They will provide the funding to enable an organisation to develop the evidence base that can then be used to influence and attract funding from other sources. This minimises the reliance on continued funding from The Foundation particularly where future funding streams have been identified from the outset.

Even when an activity isn't delivering a service directly to beneficiaries, The Foundation provides support. One organisation we spoke to was using The Foundation's funding to set up a regional network that facilitates the sharing of best practice. The funding of a coordinator role to achieve this ambition is something the organisation in question just couldn't see any other funder supporting.

Put simply, some organisations indicated that without The Foundation's funding they would have been unable to do what they wanted to do. A few said they wouldn't even exist without The Foundation's funding because there were no viable alternatives.

“[Without The Foundation's Funding] we would have had to approach other funders who fund on a national level and don't have an NE focus. Other local funders don't have as big funding pots. National grants would have been more competitive and we'd have had to spend much more time fundraising”

“The pool is getting smaller; fewer trusts and funds are available”

## 2.2 Other funders and funding options going forward

### **The Foundation encouraged and facilitated diversification of funding – enabling organisations to spread risk and reduce their dependence on a single funder**

Organisations readily recognised the need to diversify their funding options and were drawing funds from a range of sources which included other charitable funders, statutory funding and generating their own income.

Overall, The Foundation's funding as a proportion of total income ranged from 0.5% to 61%. Many organisations with a relatively small proportion of The Foundation's funding making up their overall income stressed that it had a disproportionate impact – especially looking towards the future in terms of what the funding would enable going forward.

**“It may not represent a significant amount of money in terms of our overall income but the ability to prove that this approach works is key for us going forward.”**

**“The bit that Northern Rock Foundation funds is the developmental and strategic work, and support for our core purpose. This is allowing us to develop new ways of working that we’ll be able to apply across the organisation eventually.”**

In the mix of charitable trusts and organisations were the likes of the Big Lottery Fund, the Lloyds Bank Foundation, the Esmee Fairbairn Foundation, the Garfield Weston Foundation, the Henry Smith Charity and the Greggs Foundation. Small community funds were also being accessed as were local authority grants normally for provision of commissioned services. Similarly Government departments were providing some grants for research or service provision.

One organisation had sought approval for £500,000 from the Big Lottery Fund, however the Big Lottery Fund requested that they sourced part of the funding from other sources. The Foundation approved a grant of £110,000 to be used as part match against the bid and the organisation strongly believe that this made the difference to securing the remaining funding they required (£390,000) from the Big Lottery Fund. This funding was significant and secured the future of a whole team supporting whole families.

The Foundation was seen as playing an important role in helping organisations diversify funding streams, by highlighting the needs of the North East and Cumbria to large national charities such as the Esmee Fairbairn Foundation. In other cases we heard of a more direct approach with The Foundation making introductions and brokering new relationships. This has helped encourage funders from other areas and more London-centric charities to become more active in Northern England.

**Evaluation, evaluation, evaluation – the emphasis on evaluation enabled organisations to develop evidence bases which can be used in future to convince funders of their worth**

Organisations were conscious that, in order to secure funding from other organisations, an introduction from The Foundation was not enough. Therefore they were also working hard to develop the evidence base which demonstrated the need for, and impact of, their activities. The Foundation's practical support and emphasis for organisations to carry out evaluation, discussed further in section 2.4, and the funding of evaluation activity reflects their ambitions to establish sustainable services.

**“They got the sector thinking about impact and evidence, and really sparked the conversation. They’ve led the way on ‘prove and improve.’”**

A few organisations also provided examples where The Foundation had provided small grant funding to fund independent evaluations of new services that had been delivered through funded activity.

“We received a grant of £5,000 so that we could have an independent evaluation of our service on Tyneside. We were able to commission Sunderland University and it gave us a great evidence base.”

“They funded an external organisation to conduct an SROI based evaluation – it demonstrated our service led to a 72% reduction in re-offending. It has been a powerful piece of evidence for us.”

#### **A level of insecurity remains – will other funders work in the way The Foundation does?**

Though many organisations were drawing funding from several different sources there still remained with some of them a level of uncertainty about sustaining funding. This may reflect a newer relationship with these funders compared to the longevity of support enjoyed by many through the The Foundation. But it also reflects, as mentioned above, a perception of fewer options about how funding can be used. For example, where organisations are using funding for their projects from a particular grant maker, would they provide financial support for salaries for core roles?

In some instances organisations spoke of other funders being much more remote or uninvolved. Whereas with The Foundation, grantees have a programme manager that understands the organisation, the context in which they are operating and develops relationships; they do not have the same experience with other funders. Examples were given whereby after the allocation of grant funding the primary contact they had with funding organisations was through the provision of update reports.

One organisation described a situation where they were only aware of four funding organisations that would provide funding for core costs. They were currently receiving funding from two of these organisations with both grants nearing their end, and have previously received core funding from the other two. They described it as a bit like a game as they moved around different funders, and were not overly confident that they would be successful with repeat bids.

### **2.3 Sustainability of funded activity/project beyond the funding period**

Organisations were acutely aware of the need to ensure they were able to continue to deliver their services beyond the The Foundation’s funding period, and explored a variety of methods to achieve sustainability. A number had accessed the Fresh Ideas Fund to help them develop new, more sustainable business models.

#### **The Foundation’s funding and non-financial support – enabling organisations to seek new funders, new ways to generate income and new opportunities through partnerships and consortiums**

**“The funding has allowed us to shift from an organisation that reacted to growth to one where we can be proactive in our growth.”**

The majority of the organisations we spoke to were using funding to develop activities or business models that would secure non-grant based income. This included services/models that would have the potential to attract statutory funding through to social enterprise arms that would generate income that would support services delivered by the organisation.

**“Our ethos is to use grant funding to demonstrate need and evidence that what we do works, in order to secure statutory funding or to generate income in other ways.”**

Through the Fresh Ideas Fund one organisation has been able to dedicate the resource to an income generation activity that they have had for the past couple of years. Previously they have been able to deliver it on a very small scale and demonstrate that it has potential, though have never had the capacity required to really take it forward on a scale that would generate enough income to justify the resource invested. Although in its early stages the organisation is confident that it will generate a sustainable mode of income that will also help to supplement the core activities of the organisation.

The use of tapered funding was identified as a useful way of keeping the mind focussed on the overall aim of self-sufficiency whilst still providing an appropriate level of support both financial and non-financial. For example two credit unions, each in receipt of tapered funding, had plans to expand membership and services during the funding period so that by the end they would be self-sufficient.

Some organisations had used the Fresh Ideas Fund to explore new ideas for income generation that they wouldn't otherwise have been able to fund, by allowing them to access resources such as external consultants to support them with research and advice. In some instances, this has, or is, leading to organisations developing new services, and which may act as an income stream which may be used to fund other activity and therefore increase the organisations overall sustainability.

Some organisations we spoke to have another one or two years of funding from The Foundation, and were therefore perhaps less focussed on how they would secure funding in the future. For others however it was a priority area as their current grant from The Foundation was coming to an end in the near future. Many had already made applications and some had already secured further funding, whilst others had identified from where they would be seeking funding. As mentioned previously some were using funding to develop the evidence they needed to secure alternative funding streams in the future.

In some instances The Foundation's activity and support had led to organisations entering into consortiums or partnerships, which they hoped will strengthen their chances of sustaining the organisation and their services beyond grant funding. For example, one organisation we met with is now working with commercial partners. They had previously thought this would not be possible, and anticipate this new way of working might help them win work and develop income streams to sustain services. Another organisation is in early stage discussions with a similar organisation in a different part of the North East, about the potential to jointly bid for work across a wider geography.

## 2.4 Role of non-financial support (Funder Plus)

### 2.4.1 Programme Managers

The importance of The Foundation's support provided through the programme managers and their proactive approach to working with grantee organisations, cannot be overstated. Virtually every single respondent praised their programme manager for being there, and for being interested, supportive and challenging in equal measure. One chief executive related how they sometimes feel isolated in that role and having the programme manager to go to with a concern or for advice and support was hugely helpful.

**“That whole element of being able to talk to a person is a very positive part of The Foundation. The accessibility of the programme managers is very positive.”**

**“Of all the funders that I’ve had dealings with I think The Foundation is the best. I think the fact that there is a regional element is helpful – they know the North East. It makes an extraordinary difference.”**

#### **Constructive challenge and ‘critical friendship’ from credible experts – helped them ensure their ideas and plans were the right ones and were workable**

Those we spoke to reported that The Foundation didn't just give them a pot of money and ask them to report the outcomes. They had a genuine interest in projects and became involved, mainly through the programme managers, in developing plans and ideas collaboratively. This was sometimes before an application for funding had been submitted – they could talk through ideas with their programme manager and receive constructive challenge in what was sometimes described as an environment of co-creation. Programme managers were described as going the extra mile to look at how the grants were being used and what they could be doing better. Their knowledge of their sector and their understanding of what was happening on the ground meant that challenges, though not always easy to take, were seen as credible and ultimately helped organisations to deliver the right service.

**“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?’ ”**

#### **A ‘grown up’ relationship and constructive dialogue – enabled them to be honest about challenges and unsuccessful approaches, and get practical advice on support to regroup and move forward**

The long term nature of many of the relationships has built a level of trust and confidence not always enjoyed with other funders. Interviewees saw the programme managers as an invaluable and accessible source of

advice. Even when things went wrong there was no fear about failing to deliver. There is a confidence amongst organisations that they are able to be open and honest with the programme managers in the full knowledge that they would be supported and helped to move forward. This was never mistaken as an easy ride; in fact several organisations commented on how tough their programme manager could be, they wouldn't shy away from challenging and asking those tough questions but it was done with purpose and a desire to help the organisation be successful.

**Flexibility, with more of a focus on the end result rather than insisting on slavish adherence to original plans – allowed new approaches/models to be adapted in the light of experience and externalities**

One organisation that has been awarded a two-year grant of £150,000 spoke about how the flexibility in how and when the funding could be used, rather than being restricted to set milestones, has enabled them to proactively manage and accelerate their growth. They have taken on two members of staff earlier than they anticipated and have also been able to respond to an unplanned opportunity that will potentially support their growth plans as well. It has given them the confidence at a strategic level to develop the business in a way that they couldn't before and respond to business needs as they arise, rather than holding off until funding could be released.

The Foundation's team's knowledge and understanding of the environment in which these organisations operate meant that they were regarded as a valuable source of advice in the broadest sense. Organisations felt they could approach programme managers to test new ideas, to get a view on their plans, even if they weren't directly related to the grant. They would expect The Foundation to challenge constructively which would help them to shape their ideas into workable plans. This reflects what organisations perceive as The Foundation's genuine level of interest in them.

**“Not just a faceless funder.”**

If the project under discussion was not something The Foundation would fund, they would suggest an alternate funder which may provide a more appropriate fit.

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

The Foundation's funding was also used to bring in additional expertise to help organisations, particularly those developing commercial opportunities or needing support with strategic development. For example, Pilotlight mentoring, support from the Fresh Ideas Fund and access to training and support grants for consultants and facilitators.

This approach recognised that an organisation could have an ambition but perhaps not a fully formed plan to deliver that ambition. By providing the expertise of programme managers, and through funding consultants where additional or specific expertise was required, The Foundation has contributed to organisations being able to move forward confidently with their ideas. One organisation that wanted to purchase premises, even knowing it would save massively on running costs in the long run, was understandably nervous about such a financial commitment. The Foundation provided support and an introduction to a mortgage provider, but above all the confidence to take that step.

“The decision to buy was massive – having support provided confidence.”

One organisation supported through the Fresh Ideas Fund was able to access specialist financial and business consultants to help them to understand the unit cost of services and explore how to grow the business. As a result the organisation identified the potential for growth and the constraints of its current premises. The funding has therefore helped the organisation's direction – supporting it to explore new premises to facilitate growth.

#### 2.4.2 Resources and training

Other support provided by The Foundation was also highly valued. This included training opportunities, toolkits to help with monitoring and evaluation, and funding research which highlighted issues, needs and gaps in provision.

**Resources including training, toolkits, research reports – short-circuited the process of sourcing and quality assuring for them; in many cases The Foundation was the only source of affordable support in these areas**

#### Training

Training and development budgets are often the first to be cut when funding is tight. Having access to free training or learning opportunities and development grants has been an important resource to help develop capability and capacity in organisations, which can contribute to increased resilience and sustainability. Many organisations mentioned the learning and development grants available though not all had accessed them. Some interviewees had not accessed learning and development opportunities directly but were aware of their staff having done so and regarded it as relevant and valuable. Some organisations focussed their development by ensuring staff were transferring skills and knowledge internally where capacity and resource allowed this. Others felt they already had the required skills and knowledge for their role. Almost all organisations had taken advantage of training opportunities provided by The Foundation at some stage.

“The Foundation has always helped fund training often for things we would otherwise have to forgo.”

“The Foundation keeps in contact with organisations constantly. They offer learning and support grants which help build capacity in the organisation, like training on how to build in impact assessment work from early on rather than waiting for the final report. They have increased our skill and ability to deliver change.”

Training opportunities included project management courses, working with the media, volunteer management training, retail/customer service, training for trustees, HR and access to mentors (including via the Pilotlight scheme). The recent Leadership Development programme run through the North Leadership Centre at Newcastle University, was highlighted as particularly impactful. Participants reported it had given them

confidence and skills to lead, as well as helping them build a supportive network and access different perspectives.

Following the retirement of its chief executive, one organisation had a relatively inexperienced leadership team. The new chief executive was given a place on the recent Leadership Development programme funded by The Foundation, which provided time and space to think about how to develop and lead the organisation, different perspectives on the issues facing the sector and the organisation, and – crucially – a network of sounding boards. This support has been incredibly useful in supporting the organisation to develop.

Being able to provide evidence of impact in order to secure alternative future funding has already been mentioned. Training relating to monitoring and evaluation was viewed as particularly relevant though had only been accessed by a minority of organisations.

Overall, organisations felt that the short sharp training interventions offered were very useful and focussed. For busy professionals having confidence that the training provided will hit the mark is important, as one put it:

**“I know my time’s not going to be wasted.”**

The quality of training is regarded as good with those delivering it having good business knowledge and who understand the third sector. Training is therefore well balanced and appropriate for the audience.

#### **Toolkits**

A handful of organisations gave examples of where outcome measurement tools had been developed and/or provided by The Foundation, though with varying success.

There were a few organisations that described a social impact outcomes measurement toolkit that had been provided by The Foundation. Whilst organisations recognised the potential value, there were a number of barriers to effectively utilising the toolkit. One organisation indicated that they lacked the training and experience to effectively utilise the toolkit and indicated that further training would have benefitted them. One organisation also indicated that they weren't aware of how to tailor the toolkit to suit the social impact measurement needs of their own organisation, though capacity to explore the resource and how it could be utilised was also a challenge.

**“The Foundation has sent a social impact measurement toolkit. We asked if we could get one and it looks really good, but we need a bit more support and capacity for using it – mainly capacity.”**

However, another example was provided which related to work that The Foundation commissioned from Durham University. This work resulted in an outcome tool which provides organisations working in the field of sexual violence with a framework to measure and demonstrate their impact.

#### **2.4.3 Generating and sharing information**

The Foundation was described as playing a key role in gathering information, intelligence and learning from across the sector and sharing it widely to ensure knowledge was maximised across the sector and region.

### **Intelligence – giving them access to expertise and insights they would otherwise not know about or would have to spend time finding**

Sharing of information and intelligence was also highly valued by organisations. Many mentioned the regular e-mails and newsletters sent out by The Foundation highlighting funding opportunities and what's happening in the sector. Further to this though was the personal contact and targeted, tailored sharing of information rather than generic circulations.

Because The Foundation staff have a more involved approach across the region it provides them with visibility of learning and good practice which can be shared more widely. It was felt The Foundation was able to draw on their experience throughout the region enabling organisations to tap into a learning which would otherwise be far less accessible. In some instances it was a case of making introductions to facilitate a direct conversation with a similar organisation from which they could learn, or connecting people with existing networks.

The Foundation has also directly funded research which has been used by organisations to demonstrate a need for their service. An example of this is the research they commissioned with Liverpool John Moores University to examine options for developing a core of sustainable credit unions. Another piece of research mentioned was into domestic violence perpetrator programmes and children and young people, undertaken by Durham University and London Metropolitan University, and jointly funded by Northern Rock Foundation, Durham University and the Economic and Social Research Council.

### **Connections to other organisations operating in the same or related fields – for peer support, sharing practice, collaborative opportunities**

For many organisations the opportunity to network with similar organisations to share experience and practice is seen as invaluable. The Foundation has provided opportunities for organisations to work together through consortiums and networks. The credit unions for example have been brought together and now run their consortium independent of The Foundation. Similarly those working with refugees reported having opportunities to link up through a network initiated by The Foundation. Another network formed by The Foundation had more diverse organisations within it, resulting in a diverse agenda, but overall the interviewee felt that the benefits of being able to share was greater than the challenge the diversity created.

However, a small number of organisations indicated that partnerships and relationships with other organisations in their sector could be hard to develop, especially where budgets are tightening and competition for contracts or funding is increasing. One organisation reported that the increasingly competitive funding environment had led to some organisations becoming more inward looking, rather than seeking opportunities to cooperate and work together.

One credit union indicated that The Foundation funding and support had been pivotal in leading, consolidating, and re-shaping the credit union sector in the region. It indicated that The Foundation's role in facilitating networks had helped credit unions from working in silos to working more cooperatively. In addition, The Foundation's support for credit union mergers was seen to have shown the potential strengths of such an approach in creating economies of scale and stronger credit unions. This had raised interest in further mergers. In addition, funding from The Foundation was also considered important for developing their range of services and supporting the roll out (and demonstrating the effectiveness) of a different business model. By supporting leadership within credit unions, staff told us that The Foundation's support was impacting on the rate at which unions could grow their membership and roll out services to be more competitive with other high street finance organisations.

**“It has been fundamental to bringing the arts sector and care sector together to share best practice.”**

The Foundation had also funded opportunities for staff to attend national conferences to learn and share their knowledge and experience of working in the North of England. These are valuable learning experiences which might otherwise not have been accessible. Attendance at such events has also offered opportunities to raise the profile of the area, with the potential to attract other funding organisations. The Foundation also facilitated networking opportunities with service providers, commissioners and policy makers.

## 2.5 Impact of the support

### 2.5.1 For beneficiaries

Whilst it wasn't within the scope of this work to fully understand the direct impact of funding on beneficiaries we were interested to find out what difference the organisations felt the funding made to their beneficiaries.

**“I don't know if they really understand the difference they have made to people's lives - people with complex lives and facing complex challenges - through the support they have provided to organisations like ours.”**

The range of services was broad and the beneficiary groups equally diverse. Unsurprisingly organisations felt that the difference made to people's lives was hugely significant, whether it was giving access to affordable loans and encouraging saving, to supporting refugees hundreds of miles from home, to supporting young people emerging from care, many felt the services they offered were life changing. And much of this was credited to the support they had received from The Foundation.

Whilst the grant funding for some organisations had made a direct contribution to maintaining services for their client groups (or minimising the reduction in service) the majority reported that funding was being used to implement new ideas and initiatives that would have a broader impact on the organisation, and as a result their client groups. This took different forms such as freeing up staff in leadership positions to have the time and space to plan for the future, delivering new services in order to demonstrate need to statutory funders, through to the implementation of income generation activities. It is worth noting that many of the income generation models are also designed to provide progression routes for the organisation's client group by providing work experience and/or paid employment.

One organisation working with refugees and asylum seekers indicated that The Foundation was the only funder they knew to fund advocacy and empowerment in the sector. Several organisations in the sector indicated that The Foundation's funding had been important in ensuring that they continue to provide advocacy support across the region, and also to help refugees and asylum seekers access support during a period when much of the funding and support structures for refugees and asylum seekers have been cut.

### **Would it have happened anyway?**

In most cases it is largely unknown whether the particular activity or project would have happened anyway. Whilst most did have other funding options, confidence in terms of the success of applying to other funders

was not high. Some organisations did categorically state that without The Foundation's funding a specific project would not have been delivered.

**“Without The Foundation’s funding there wouldn’t have been any services. If the charity wasn’t here our clients wouldn’t have anywhere – some might be dead, some might have gone back to prison, some would still be using.”**

In some instances it was reported that the particular service or activity would have happened – just not to the same scale, pace of progress or level of success. For example, one credit union would have had to cut back its expansion plans and taken a longer time to implement its plans for sustainability if The Foundation hadn't funded a chief executive post. Similarly another credit union compared themselves to 2 similar organisations setting up in the area, without The Foundation's support, neither of which had progressed as quickly as themselves.

### **2.5.2 For the organisation**

#### **Being funded by The Foundation provided opportunities to leverage funding elsewhere**

Understanding the impact of The Foundation's support on leveraging funding isn't always possible. Applicants can show they have funding from The Foundation, and they believe this makes a difference as a 'quality stamp', but they don't get to see what difference The Foundation's endorsement makes to funders' decisions.

**“I think the fact you’ve achieved a successful bid from The Foundation reflects well on the organisation.”**

We were able to find some specific examples of where The Foundation's funding has helped lever in existing funding by match funding or encouraging the securing of match funding.

**“The grant funding from The Foundation has strengthened our position in terms of enabling us to seek match funding from other sources.”**

A national organisation had sought funding from The Foundation to help with a specific project for young people emerging from care and facing accommodation crises. Getting funding from The Foundation proved to be the tipping point for getting support from the local authority; it provided the evidence that someone else was taking the issue seriously. The Foundation had also supported the research done by this organisation evidencing the inappropriate nature of current service provision.

Linked to this, and already mentioned previously, The Foundation has facilitated links with other funders and examples of attendance at funder forums were given. This has resulted in organisations securing funding. Further to this, we heard from several organisations that being able to say that they had been funded by The Foundation in the past was a hallmark that gave other funders confidence in their ability to deliver.

One organisation indicated that through The Foundation's funding and support they had been able to hire a bid writer to support them with funding applications. This bid writer worked with the organisation not only on identifying and writing funding bids, but in building staff's capacity to understand funders' requirements and write their own funding applications. As a result the organisation has been more successful in gaining funding.

### Capacity building

In addition to leadership training some of the organisations we spoke to had been referred to Pilotlight and through this had received additional business support and mentoring from experienced business professionals. This has provided a source of valuable expertise to help not only individuals' professional development but as a source of advice to support business planning and developing strategy.

Even experienced business leaders who were involved in running some of the organisations such as the credit unions recognised the value added by having a critical friend to challenge and advise, to 'keep them on track' and provide an alternative view.

### Sustainability

The majority of organisations reported that The Foundation support has had a significant impact on the sustainability of the organisation, particularly in relation to the current funding grants that were largely being used to develop non-grant based income.

**“The funding and support enables us to deliver, prove, embed and sustain.”**

Although the financial support has contributed greatly to sustainability so too has the non-financial support. The opportunities provided to build capacity and grow as an organisation; the advice and guidance provided by experienced and knowledgeable programme managers; the opportunities to share learning and network with other organisations working within their sector, have all helped to develop sustainability.

Organisations told us that they have also been driven by external factors such as economic cuts, changes in legislation, changes in how services are commissioned and the competitor landscape relating to this. They reported that this has meant that they have had to become smarter and more focussed, often driving them to consider, define and concentrate on their core business – what they are really there to do. This has not come without tough choices and decisions, but they report it has increased organisation resilience. Whilst this has been largely driven by necessity, respondents believe this increased resilience will benefit their organisations in the longer term.

One organisation has been financially fragile for several years, and THE FOUNDATION'S funding had 'kept them afloat' on several occasions in the past. Rather than continue in the same vein, the chief executive and board took the very difficult decision to pare back the organisation to a very small core, reflective of the organisation's core purpose. Rather than maintain an unaffordable workforce, the organisation now uses contractors as needed to deliver services and has a plan for a sustainable funding model going forward. It will probably never be a big organisation, but by making tough decisions, informed by the organisation's purpose, its future is now much more secure. This will allow the organisation to continue to make an impact in an essential field with very little Government and mainstream support.

“We are much clearer on our boundaries now – we’ve decided not to go for work in certain areas as it may divert us from our core purpose.”

“We’ve managed to salvage something good and worth saving, and put it on a small but firm footing. Our core grant and Fresh Ideas Fund have enabled us to transition to an unexpected place but actually pared back to our core purpose and strengths”

## 2.6 Wider impacts on the sectors in which they operate

Organisations were not always able to put their finger on how THE FOUNDATION had influenced the wider sector, and this has likely been contributed to by the fact they have been very inward looking and focussed on the survival of their own organisations during these tough times. However, organisations did feedback that they believed The Foundation was likely working in the background to raise awareness of the needs of the region and influence key players.

“The Foundation has had a fantastic impact on influencing commissioners and policy makers. It’s a northern voice in a southern dominated environment. It has been good in facilitating other organisations to influence policy.”

The research that The Foundation has funded was also reported as supporting the sub sectors in which they operate by highlighting hidden issues and encouraging discussion and action to address them. Examples of this were provided by organisations working in the field of domestic violence and victims of discrimination.

In relation to domestic and sexual violence and hate crimes, a number of organisations indicated that the sector in the North East is stronger, with some organisations indicating that The Foundation had been pivotal in leading the sector. A few organisations indicated that The Foundation’s support had helped to tackle homophobia and influence policy makers. One organisation indicated that they had, as a result of The Foundation’s research and support, developed a project to support LGBT victims.

Another important role that The Foundation has played in terms of the wider sector is through catalysing, facilitating or supporting the development of networks. We heard several times that without The Foundation’s intervention the networks would not have started nor continued in the way they have today. Further to this, and in a less formal structure than a co-ordinated network, The Foundation has also played a significant role in introducing organisations to one another where they have identified the potential for mutual benefit for each of the organisations. This included links that provided cross referral routes, peer support, sharing of knowledge and good practice or the potential for consortium collaboration to take advantage of commissioning opportunities.

As one service provider for refugees said:

**“In 2000 there was nothing. The Foundation has helped build an infrastructure which wasn’t there before.”**

Raising the profile of the region and enabling recognition of the work going on in the North East and Cumbria amongst other funding organisations, as well as national conferences, was also mentioned several times. Organisations were reporting greater awareness and success in securing funding from a wider range of organisations and credited this, to varying extents, to the activity of The Foundation.

**“In the region, the sector is in a much better and different place than 10 years ago. This has been driven by The Foundation. The sector is seen as much more robust and effective now.”**

The support that The Foundation has provided to key organisations in each of the subsectors is also viewed as helping to maintain the service delivery and presence of available support in these sectors and for the service users that need the support offered. Whilst it can be argued that this is not impacting on the sector more widely, it was acknowledged that the survival of these key organisations is essential.

**“They [The Foundation] use money intelligently to create an environment of complementary rather than competing organisations.”**

### 3 ORGANISATIONAL RESILIENCE

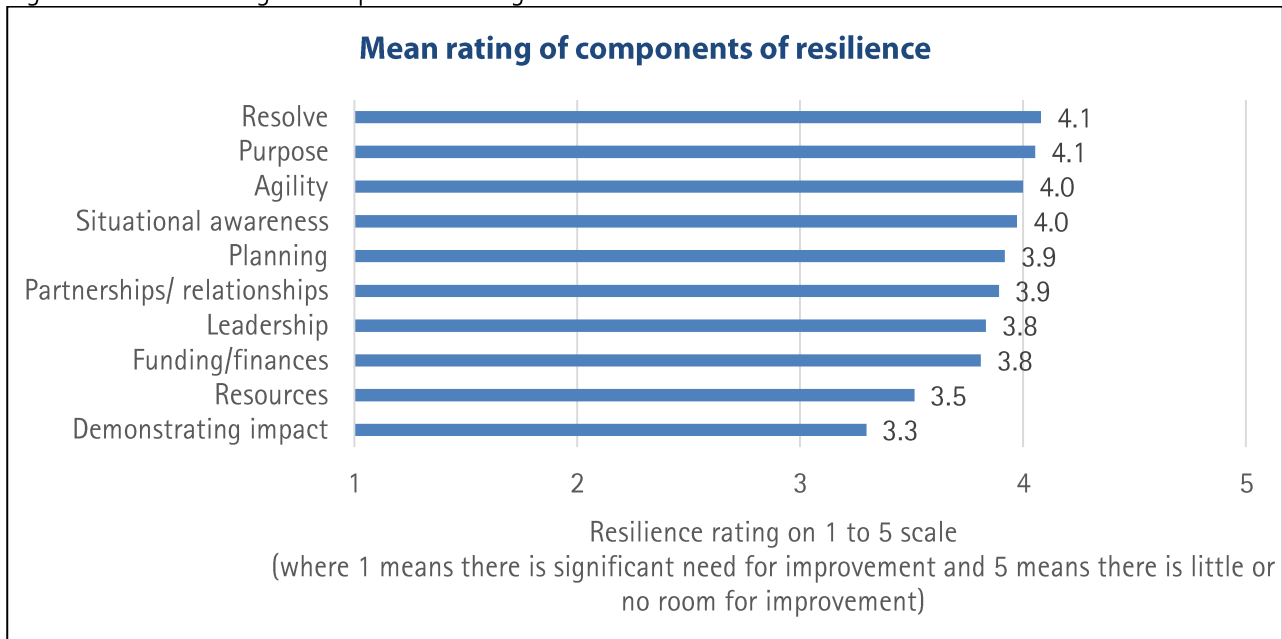
As described in section 1.1, our approach included asking organisations to rate themselves against the ten components of resilience described in the Resilience Framework. These are:

- ★ partnerships and relationships
- ★ resources
- ★ purpose
- ★ demonstrating impact
- ★ planning
- ★ agility
- ★ situational awareness
- ★ leadership
- ★ resolve
- ★ funding and finances

Interviewees were asked to rate each of the components on a scale of 1 to 5, where 1 meant there was significant need for improvement and 5 meant it was an area of strength. In total, we obtained feedback on the resilience of 37 organisations.

Figure 1 below shows the mean ratings across the sample. We did not subdivide the sample by geography or programme, as this would have made for samples too small to provide meaningful data.

Figure 1 – Mean rating of components of organisational resilience



As can be seen, the areas of most strength were resolve and purpose, and the areas of least strength were resources and demonstrating impact. Whilst the averages for each component are relatively similar, each organisation had different areas of strength and challenge. Therefore the graphs in the following sections, which show distributions of ratings against each component, are perhaps more revealing than looking at the mean ratings.

Very few organisations reported that The Foundation had contributed to the development of every component, though every organisation reported that it had contributed to some areas (and the areas were different for different organisations). The most common and consistent areas that The Foundation were reported to have supported the development of were:

- ★ partnerships and relationships
- ★ resources
- ★ situational awareness
- ★ funding/finances
- ★ demonstrating impact
- ★ leadership (where they have supported senior managers and sometimes board members)

While many organisations indicated that The Foundation had supported them to become more resilient in some of these key areas, it should be noted that other factors also influenced organisations to develop their resilience. For many organisations, developing some aspects of their resilience was self-driven, for example where they had identified weaknesses. They also reported that some components of resilience had been developed through necessity, as a result of having to survive in a much harsher environment.

The sections below (3.1 – 3.10) provide a breakdown of how organisations rated themselves for each component of organisational resilience, and how The Foundation's support has contributed to this.

### 3.1 Partnerships and relationships

Organisations rated their resilience in terms of partnerships and relationship highly, with a mean ranking of 3.9/5.

Figure 2 – Distribution of resilience ratings for partnerships and relationships



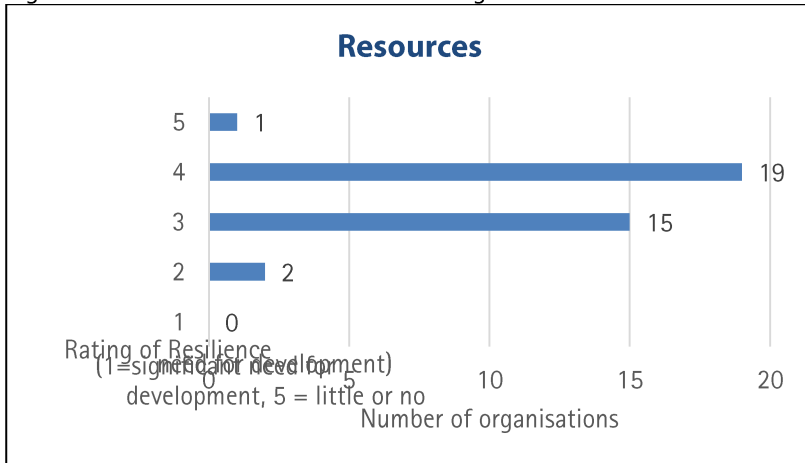
Most organisations had developed a wide range of partnerships and relationships within their sector, and had a wide breadth of relationships. Many organisations indicated that The Foundation had supported them to reach new partners, through a variety of methods, including:

- ★ facilitation of networking events
- ★ support for attendance at conferences
- ★ direct links made through programme managers
- ★ funding senior posts to enable exploration of new business models and partnerships

### 3.2 Resources

Organisations rated their resilience in terms of resources moderately high, with a mean ranking of 3.5/5. The mean ranking is lower than other resilience components, with the exception of demonstrating impact.

Figure 3 – Distribution of resilience ratings for resources



Most organisations indicated that they had the resources required to deliver against their current strategic and operational priorities, however, many were stretched in terms of capacity, with limited possibilities for expanding services without additional resources. The Foundation's support was often critical in this area where it provided core funding for staff posts providing capacity to develop and deliver new services, or conduct business development activity to secure further resources. For a small number of organisations, The Foundation's support has helped identify staff capacity as a challenge or limiting factor for growth and this has helped organisations to actively seek more employees.

### 3.3 Purpose

Organisations rated this component very highly, with a mean ranking of 4.1/5 – the second highest of all resilience components.

Figure 4 – Distribution of resilience ratings for purpose



Organisations generally indicated that they had a strong vision for the organisation and that they had strategic and operational plans in place to support delivery of their vision. Organisations indicated that The Foundation's support had helped them to develop their purpose in a number of ways, including:

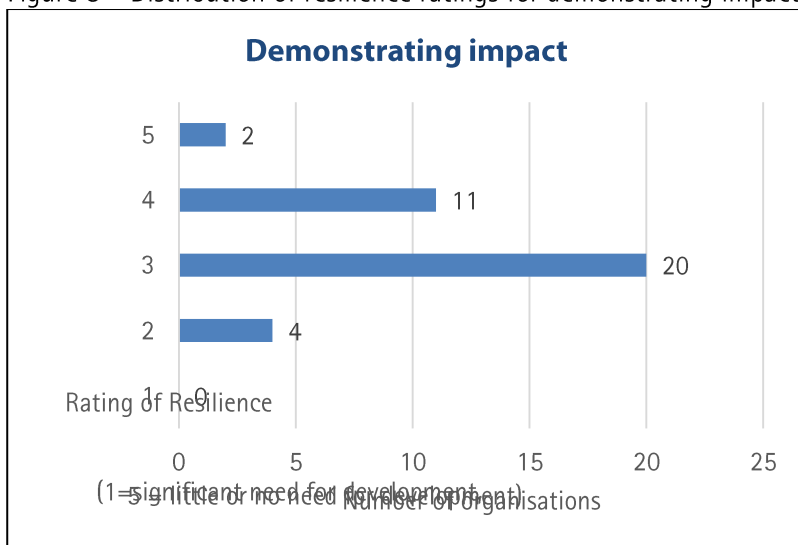
- ★ discussion with The Foundation's programme managers
- ★ provision of strategy and business consultant support
- ★ provision of mentoring support through the Pilotlight scheme
- ★ training around business planning
- ★ leadership development

A small number of organisations indicated that they felt that their vision was well understood within the organisation, but that it was challenging to articulate this vision to some partners and stakeholders.

### 3.4 Demonstrating impact

Organisations rated their ability to demonstrate impact as the lowest of all resilience components, with a mean ranking of 3.3/5.

Figure 5 – Distribution of resilience ratings for demonstrating impact

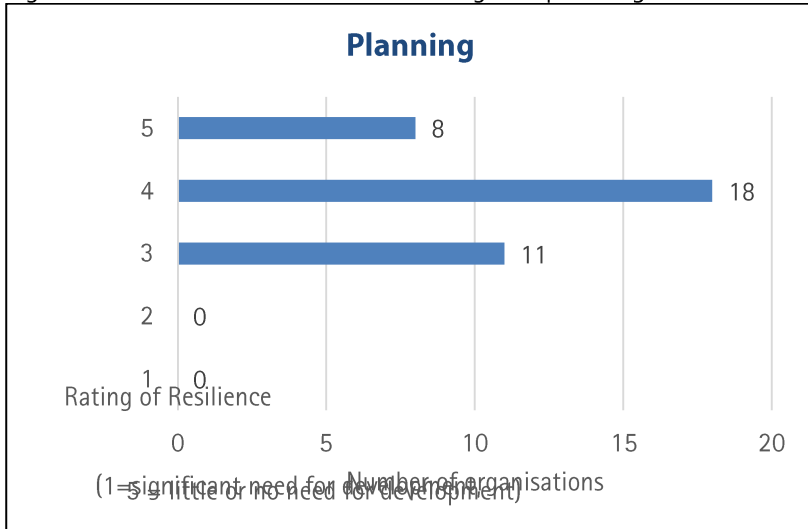


Whilst most organisations understood the impact evidence that stakeholders and funders wanted to see, and were able to collect this, they had challenges in collecting their data at an organisational level. Often impacts were collated on a project by project basis due to the reporting requirements of a given project and funder, meaning that different measures might be collected. Some organisations faced challenges in finding appropriate measures to sum up the impact they made as an organisation because of this.

### 3.5 Planning

Organisations rated their resilience in terms of planning highly, with a mean ranking of 3.9/5. No organisations rated their organisation's planning at less than 3/5 as indicated in figure 6 below:

Figure 6 – Distribution of resilience ratings for planning



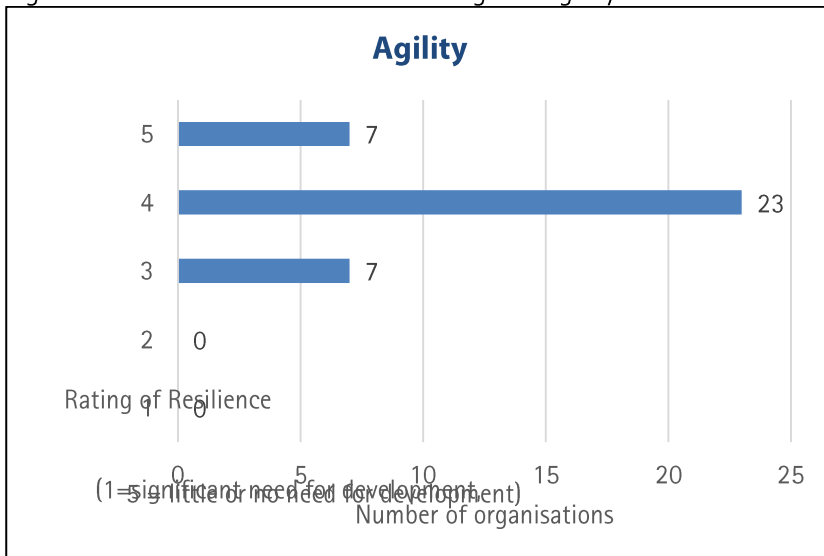
Most organisations indicated that they had organisational plans which were aligned to their strategy. Many organisations had away days or planning meetings which were regularly scheduled to ensure that appropriate planning was made. In some instances The Foundation has funded these away days to support planning.

For some organisations, a crucial benefit of The Foundation's funding has been that it allowed the organisation to try things that they couldn't otherwise have tried. This has impacted on their planning by allowing them to test new services. In a number of instances these services have proved extremely successful, but as a small organisation without support, they wouldn't have been able to take those chances.

### 3.6 Agility

Organisations rated their resilience in terms of agility highly, with a mean ranking of 4/5. No organisations rated their organisations agility at less than 3/5 as indicated in figure 7 below:

Figure 7 – Distribution of resilience ratings for agility



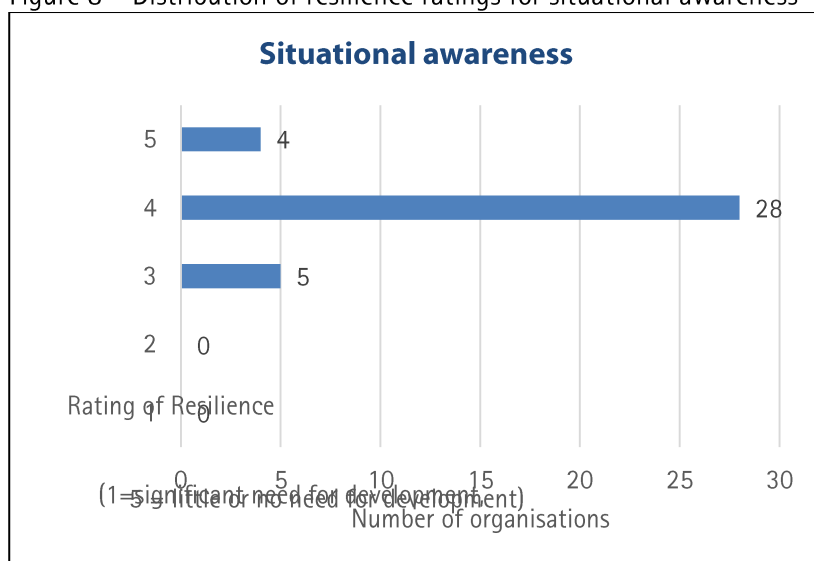
The majority of organisations indicated that they are agile and able to respond quickly to change. This was noted by both large and small organisations. In many instances organisations considered themselves to be extremely flexible and adaptable because they had been forced to change due to recent changes in funding sources or policy – for example the impact of welfare reform was commonly mentioned.

Some organisations indicated that The Foundation's support has helped them understand the area and the need for services through their research, and that this helped them respond to changing circumstances, for example, targeting groups no longer supported by statutory services following policy changes. Some organisations also indicated that they were more responsive and adaptable because The Foundation's support had helped them to develop new services and expand their service offering. This meant that organisations didn't necessarily have 'all their eggs in one basket' and this often made the organisation more resilient in the face of uncertainty and policy changes.

### 3.7 Situational awareness

Organisations rated their resilience in terms of situational awareness highly, with a mean ranking of 4/5. No organisations rated their situational awareness at less than 3/5.

Figure 8 – Distribution of resilience ratings for situational awareness

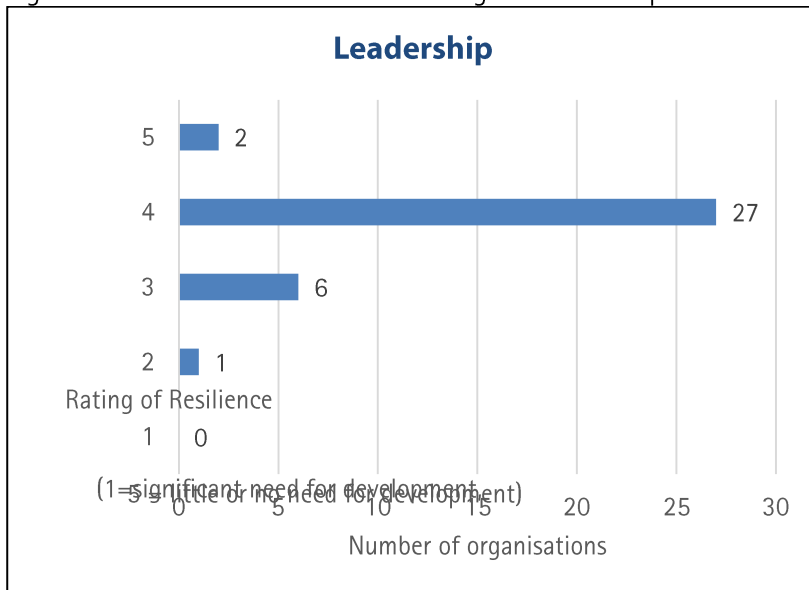


Most organisations indicated a high awareness of what was happening in the sector. Organisations indicated that The Foundation contributed towards their situational awareness, through regular correspondence and newsletters, highlighting important regional events, news or opportunities. In addition, organisations indicated that the programme managers were an invaluable source of sector knowledge as they work across the region and work closely with different organisations.

### 3.8 Leadership

Organisations rated their resilience in terms of leadership highly, with a mean ranking of 3.8/5. Only one organisation rated their leadership at less than 3/5 as indicated in figure 9 below:

Figure 9 – Distribution of resilience ratings for leadership



The area of leadership most commonly cited by organisations as needing development was their board, which needed to be strengthened with:

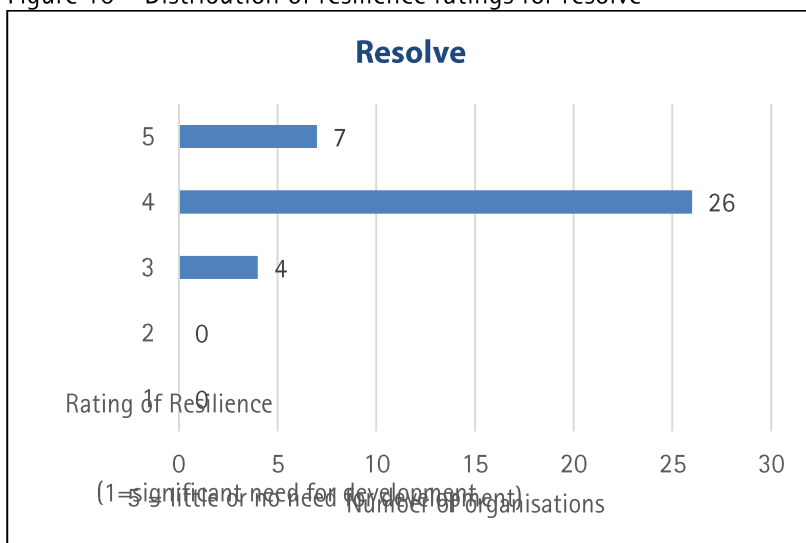
- ★ additional skills
- ★ consistent levels of commitment

In this area, The Foundation had been extremely helpful to some organisations which had benefited from board training days. Some staff indicated that these were very helpful in supporting the board and senior managers to work together effectively and supporting alignment of strategic and operational plans.

### 3.9 Resolve

Organisations rated their resilience in terms of resolve very highly, with a mean ranking of 4.1/5.

Figure 10 – Distribution of resilience ratings for resolve



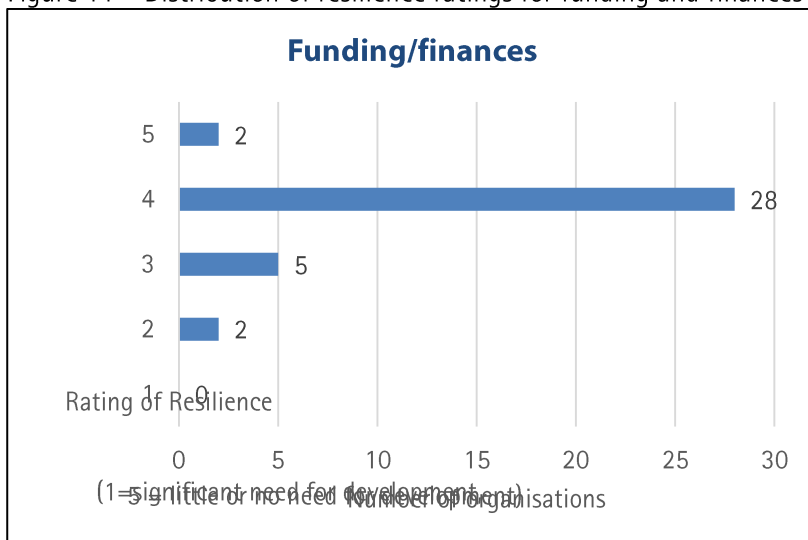
Most organisations felt that they had good resolve; they were clear about what was required to fulfil their aims and objectives, and did not shy away from making tough decisions. Organisations felt that staying true to their values was important and they "wouldn't go after funding for funding's sake".

Support from The Foundation, particularly programme managers, for the leadership and management of organisations has helped practically and in giving confidence. One organisation also mentioned that The Foundation's funding for a service development manager had helped the organisation get greater clarity over strategy and vision, what they were there for.

### 3.10 Funding and finances

Organisations rated their resilience in terms of funding and finances highly, with a mean ranking of 3.8/5. Two organisations rated their funding and finances at less than 3/5 as indicated in figure 11 below:

Figure 11 – Distribution of resilience ratings for funding and finances



As mentioned earlier, organisations are now finding they have to be much more business-oriented to survive in an increasingly challenging environment. The Foundation's support for improving organisations' financial resilience included:

- ★ funding for expert advice to help with financial strategies, business plans and financial systems
- ★ funding of posts which directly or indirectly allowed an organisation to explore other funding opportunities
- ★ providing information about other funding opportunities, brokering introductions and directing organisations to other potential funders
- ★ training to help develop strategies and make better applications

## 4 CONCLUSIONS

### 4.1 Impact of The Foundation's support on individual organisations

#### 4.1.1 What has The Foundation's support enabled organisations to do?

The two years since the interim evaluation have been as turbulent and financially challenging for grantees (and many of their beneficiary groups) as predicted, 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 (only pay for what's used)

As well as supporting service delivery during these turbulent times, The Foundation's support (financial and non-financial) has contributed to grantees being able to:

- ★ carve out the time and space to develop and implement new models and strategic plans that will support future sustainability
- ★ have the confidence to take calculated risks
- ★ be flexible and respond to changes in their operating environments
- ★ connect with like-minded organisations to share practice and collaborate (e.g. 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

#### 4.1.2 What difference has this made to their resilience and sustainability?

Organisations involved in the evaluation have demonstrated noticeable improvements in their resilience since the interim impact evaluation. This finding is derived not only from their relatively positive self-reported scores across the components of the resilience framework, but also in our analysis of the responses to our semi-structured interview questions.

We note a marked increase in the extent to which organisations are clear on their purpose and have strategic and operational plans (including Plan B, Plan C and sometimes Plan D) in place to deliver against their purpose. This had been an area of weakness identified in the interim impact evaluation.

The areas where supported organisations appear to be strongest, and have received most support to develop, are purpose, resolve and agility.

**Purpose, resolve and agility appear to be the fundamental qualities that, when strengthened and developed, equip organisations to address the other components of resilience, or to thrive and move forward even where other components are weaker.**

Development of these characteristics has usually been born of necessity within the organisation. However, The Foundation has been able to contribute in many cases to development of these three components, through providing a combination of:

- ★ space to think, plan and innovate
- ★ support and challenge from a trusted Programme Manager
- ★ consultancy support to focus the planning and development process
- ★ exposure to leadership development and networking to stimulate new ways of thinking

The areas where organisations more commonly reported less strength are demonstrating impact and resources/funding. This does present a slight contradiction to other findings, as the majority of organisations reported recognising the need to demonstrate their impact. This is likely related to the lower scores against resources, with organisations reporting a lack of capacity and capability relating to the use of outcome measurement toolkits etc. The lower score against finances is also a little surprising given the majority of organisations are using their current funding to implement new models and activities that if successful will enable them to generate non-grant income. Though this may be a time factor, in that it is still too early for organisations to tell just how successful these new models and initiatives will be.

## 4.2 Impact of The Foundation's support on key sub-sectors

As well as supporting individual organisations, The Foundation has contributed to the development of stronger key sub-sectors in the third sector, through a combination of:

- ★ strengthening and ensuring the longer term sustainability of key individual organisations within the sub-sector
- ★ taking a coordinated and focused approach to supporting groups of interdependent and mutually supportive organisations within the sub-sector
- ★ building networks in key areas of interest, bringing together organisations from different parts of the system to foster shared understanding of the issues and develop more integrated ways of working
- ★ building peer networks to enable organisations in the same field to share practice and develop common responses to emerging issues
- ★ commissioning research to generate new knowledge and insight into an area of interest and inform further development

The networks that were highlighted to us during the interim impact evaluation appear to have developed more traction and longevity during the last two years. Some were now reported as operating independently of The Foundation, or with very light touch involvement such as provision of a venue.

The Foundation has been much more active in identifying funders with an interest in similar issues in the last two years. Two years ago, our public value research showed that funders tended to think that The Foundation 'had it covered' in the North East and Cumbria. By actively engaging with these funders, The Foundation has encouraged them to fund in the region. This has benefited individual organisations, but also the sub-sectors they operate in, as they are now on other funders' radar.

## 4.3 The Foundation's approach

Variations on a single phrase were so frequently used to describe The Foundation's approach to supporting organisations that it became something of a refrain during the evaluation:

## “We have a really grown-up relationship with The Foundation.”

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 needed
- ★ genuinely open and supportive dialogue, which enables organisations to be honest when things weren'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 – this has probably contributed to the development of organisational resolve and agility
- ★ constructive challenge and helpful advice when discussing new developments and plans

### 4.3.1 The 'funder plus' approach

Many of the impacts described by funded organisations have been achieved by the combination of non-financial and financial support. The most important types of non-financial support have been:

- ★ advice, guidance and 'critical friendship' about developing their organisation and its business models
- ★ brokerage of connections with other complementary organisations, to explore collaboration
- ★ brokerage of connections with other relevant funders
- ★ access to resources, training courses and research to support the organisation and its leaders' development
- ★ encouragement and support to try innovative new business models, which has often given organisations the confidence they needed to take this step

However, these have all been backed up by funding not related to project delivery, to provide the time and breathing space to:

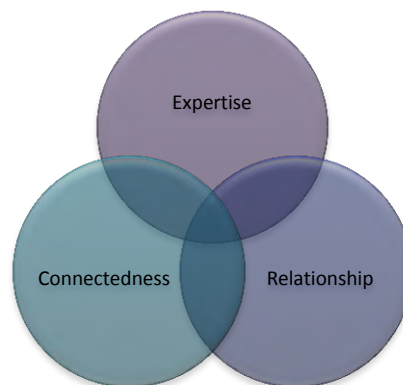
- ★ imagine, develop and test new approaches and business models
- ★ think and plan for successful implementation of new approaches and business models
- ★ develop the leadership capabilities necessary to drive the organisation to a new future

The interim impact evaluation found that the funder plus approach was of similar value to funded organisations as their main grant for service delivery. At this final impact evaluation stage, many of the organisations are now in receipt of much smaller grants for service delivery, if at all. Therefore we find that the funder plus approach has been perhaps even more valuable, and that the largest impact of The Foundation's support has been in practically supporting these organisations' development rather than their delivery. When we describe 'practical support' for these organisations' development, we are referring not only to non-financial funder plus support, but also to the tightly focused financial support for organisational and product/service/business model development. The two are mutually interdependent – neither would be impactful without the other.

**The final impact evaluation has therefore shown how the non-financial aspects of a funder plus approach need to be supported with a tightly focused non-delivery-related financial element that buys organisations the time and space to make best use of the non-financial support available.**

### 4.3.2 Role of the programme manager

As in the interim impact evaluation, the role of the Programme Manager has come through as absolutely critical to the impact of The Foundation's support. A number of factors contribute to this:



### Expertise

A deep understanding and knowledge of the relevant sub-sectors, their operating environments, the challenges and opportunities, and the key players both operationally and strategically. This results in:

- ★ credibility both with funded organisations and decision makers
- ★ an ability to provide trusted, relevant, constructive advice to funded organisations
- ★ a knowledge of who would benefit from being connected to who, and expertise in facilitating those links and introductions

### Connectedness

Well connected within the sub-sector at both strategic and operational level, and with other likeminded funders. This results in:

- ★ rapid access to intelligence within the sub-sector
- ★ an ability to broker connections between likeminded organisations for network-building and collaboration purposes (including collaboration on tender/commissioning opportunities)
- ★ an ability to broker connections with other funders

### Relationship

A mature, trusted relationship with each of the organisations they support, including in many cases a long history of working together. This results in:

- ★ advice and support rooted in a deep knowledge of the organisation and its operating environment
- ★ an ability to act as a sounding board and offer constructive and rigorous challenge as a critical friend

## 4.4 Has the strategy delivered against its objectives?

The Foundation's aim was to work in a particular way with its grantees, which went beyond grant-making to support strategic organisational development. Our findings show that this aim has been met and that grantees in the sector have both recognised and valued this support. By working in this way, The Foundation has contributed to the continued development of a relatively robust and resilient group of organisations that are likely to be around for the foreseeable future, delivering effective services for the types of people The Foundation wants to help. The approach of focusing on a smaller number of key organisations, and putting significant support into them, appears to have been largely successful in taking them towards a more sustainable future.

In addition, The Foundation has made desired impacts on the wider sector, in terms of:

- ★ establishing networks that now have traction
  - peer networks to innovate and learn together
  - networks that bring together different links in the chain, to agree how to work together in a joined up manner
- ★ influencing other funders to invest in organisations in the North East and Cumbria
- ★ influencing policy makers and commissioners to better understand need and appropriate responses to those needs, through credible research evidence
- ★ encouraging national service providers, e.g. in homelessness, to remain active in the region to complement local services

**Therefore our assessment is that the strategy has achieved its objectives, and can be considered as a model for strengthening the resilience and sustainability of key organisations for the long term. Whilst all organisations reported that the closure of The Foundation will leave a substantial gap in the third sector in the region, we conclude that this most recent strategy will leave a significant legacy within the sector.**