



# THE SECRETS OF SUCCESS?

## How charitable funders use and share evidence in practice

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This report was prepared for members of the Intelligent Funding Forum, a group of leading UK charitable funders, to help them reflect on use of evidence within the funding community.

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The paper presents the views of the authors and these do not necessarily reflect the views of the Alliance for Useful Evidence or its constituent partners.

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# 1 INTRODUCTION

How many people's lives could you change, or even save, with £100?

Questions like this are a favourite in the evidence community. For good reason, because when evidence shines a light on the most effective and necessary interventions, policymakers and funders can maximise impact. Evidence can help change lives and make funding go further.

For example, researchers have looked at different ways to boost school attendance. Studies found that, in some communities, improving children's health with deworming treatments could be around 25 times more cost effective than alternative approaches to incentivise school attendance.<sup>1</sup>

By contrast, researchers have found that 'Scared Straight' programmes to prevent youth crime have no impact – or could even lead to increased youth offending.<sup>2</sup>

Examples like this are undoubtedly compelling. But how representative are they? Do funders know enough about what works - and what doesn't - to make good decisions?

This paper looks at how a small group of UK funders use and share evidence *in practice*. What evidence they draw on, how they find and use it. And how they share evidence to inform the future decisions of others – funders, practitioners, policymakers.

There is, of course, no single recipe that funders should follow in their approach to evidence. Funders have different priorities and approaches – reflecting, among other things, their different heritages, values and size. But while there is no single recipe, there are some common ingredients and techniques. This report includes questions for funders to reflect on their own practice.

It is fair to say that I come to this project with some starting assumptions, based on my previous experiences with funding. Among my inspirations is a motto of Give Well, a US donor advisory service: "Information about how to help people should never be secret". I am confident that funders would agree with this principle – the real questions are about how this is done effectively, and sensitively, in practice.

This discussion paper has been developed on behalf of the Alliance for Useful Evidence and was discussed by funders at the Intelligent Funding Forum in May 2013. Thanks to all who have contributed – a list is in Appendix A.

Charlotte Ravenscroft

<sup>1</sup> 'Deworming: A Best Buy for Development', J-PAL policy bulletin, March 2012

<sup>2</sup> 'Prevention and Reduction: A review of strategies for intervening early to prevent or reduce youth crime and anti-social behaviour', Department for Education/Centre for Analysis of Youth Transitions, 2010

## 2 SUMMARY

### Key findings and analysis:

- Funders draw on a wide range of evidence sources to inform strategic reviews and funding programmes; they also place significant emphasis on staff expertise to assess individual funding bids.
- The main types of evidence that funders use (e.g. scoping, synthesis, application forms) are different to the main types of evidence they generate (e.g. impact reporting) and share with others (e.g. evaluations).
- Funders are keen to know and share what works, but may have limited knowledge about the relative impact and cost effectiveness of different interventions.
- Grantees may be nervous about sharing evidence with funders and their evidence can be of variable quality – funders need mechanisms to help address this.
- Funders could make better use of the evidence they do hold by sharing it more widely. While funders regularly share evidence with other funders, they are not always as active in sharing evidence with practitioners and policymakers.

### Opportunities for further exploration:

Funders are encouraged to reflect on their practice in light of the findings above. Questions for funders to consider are included in section 4 of this report.

In addition, there are some new strategic opportunities for funders to explore:

#### 1. Open data

Funders could add significant value by sharing more of the data and evidence they hold. Analysts could help match funder data with other data sources to develop the evidence base in different social policy areas.

#### 2. What Works centres

Funders could engage proactively with the new What Works centres, both to share evidence for dissemination, and to seek evidence that will inform their funding.

#### 3. Emerging media and innovative approaches

Funders and grantees can learn from innovative approaches to generating and sharing evidence: social media, film, blogs, online impact and evidence tools.

# 3 FINDINGS

## The evidence debate

Set against the difficult economic backdrop of the last five years, debates about the role and quality of evidence have intensified among the funding community.

The case for better evidence is initially straightforward. With better knowledge about what works, and what doesn't, funders and public commissioners can make more informed decisions about what to fund. At the recent launch of a new 'What Works' evidence initiative, Cabinet Office Minister Oliver Letwin commented: "A decade from now, we will wonder how we ever did without it."

Yet there is a real debate raging among funders about evidence-based or strategic funding approaches. Funders take different approaches, as Richard Jenkins of the Association of Charitable Foundations says:

'Strategic funding programmes require funders to build an evidence base to inform programme design... Responsive funding programmes start from a different place, that voluntary organisations and practitioners will often know more about what they're doing than funders. In that case, the focus may be less on building an evidence base to inform delivery, and more on finding organisations that share the same mission.'

An influential contribution to this debate was the publication of two early intervention reports by Graham Allen MP in 2011. Controversially, Allen recommended a shortlist of only 19 specific 'evidence-based' interventions to improve outcomes for young children. The bar was high: each intervention had to have completed a randomised control trial or two quasi-experimental evaluations. Unsurprisingly, the resulting shortlist was dominated by interventions that had originated in North America and whose funders had invested significantly in evaluation.

The shortage of well-funded evaluations and well-evaluated interventions is certainly an issue.

But another concern is that such evaluations are almost always tied to discrete, tightly-focused interventions for specific groups. This could mean that broader interventions – such as public campaigns or system-change initiatives - are overlooked. As the authors of *A Funder Conundrum*, a report by the Diana Princess of Wales Memorial Fund, put it:

"Is the *predictable* impact on a specific group more valuable than the *potential* impact on a wider group or community?"

Other questions go beyond the issues of scope and attribution. Where is the breathing room for organisations to innovate? And when money is tight, how will organisations survive if they have to spend a fortune on evaluations?

Funders have a delicate balancing act to play. Alongside evidence-based approaches, there are other priorities. For example, when the Baring Foundation reviewed its funding programme in 2011, Matthew Smerdon says of its work with legal advice charities: “Looking at the increasing pressure on these services, we felt that we couldn’t just move on. So, we introduced transition grants to help put organisations on a more sustainable footing.”

Sarah Mistry of the Big Lottery Fund says we must also be conscious of the needs of small organisations: “Wherever we end up on the evidence, we must ensure that funders don’t stifle the passion and innovation of people who come together to do kind and humane things to help each other and improve society. Any move towards more evidence-based funding must not put a straitjacket on this.”

In talking to funders, it’s clear that there are a range of views on this part of the evidence debate. It is also clear that many funders use a range of approaches – often complementing open responsive programmes with strategic interventions.

The rest of this report takes a wider look at how funders use evidence in general – not just specifically strategic or evidence-based programmes.<sup>3</sup>

## What do funders count as evidence *in practice*?

In the evidence community, what counts as evidence and what counts as ‘good enough’ evidence are hot topics. The Alliance for Useful Evidence, Dartington’s Social Research Unit and others are playing a leading role in this national debate on standards of evidence.<sup>4</sup> This debate is concerned with the rigour and validity of evidence used to inform policy, practice and funding decisions.

Interestingly, few funders raised standards of evidence as a significant concern during interviews for this project. Ruth Puttick from Nesta was an exception, explaining that Nesta has taken an in-depth look at standards of evidence for their Impact Investment Fund and other programmes. To do this, Nesta has adapted the Project Oracle standards (used by the Greater London Authority to assess what works in improving the lives of young people), to take account of the evidence needed at different stages.

Other funders mentioned quality issues, but specifically in relation to the monitoring and evaluation evidence created by their grantees. There was only limited interest in interrogating the standards of evidence provided by grant applicants.

As Sarah Mistry of the Big Lottery Fund says:

“There are ongoing discussions at BIG about whether there should be higher standards of evidence for repeat funding. But there’s always a challenge – have they provided good evidence or achieved good outcomes? It’s hard to triangulate this.”

<sup>3</sup> For more background on effective philanthropy, see ‘The Effective Foundation’ (details at Annex B)

<sup>4</sup> For more background on standards of evidence, see ‘What Counts as Good Evidence?’ (details at Annex B)

Tim Wilson at City Bridge Trust encounters the same problem: “Applicants find it difficult to provide the right sort of evidence for us. Those with fundraising capacity tend to provide good quality information, those that are smaller often struggle to provide even basic output data.”

However, Tim also described an example where he had overcome this challenge. An innovative, but weak application caught his eye, as it was being supported by a range of other funders: “I spoke to the organisations’ other funders to get their views – and that helped to frame and contextualise what might have looked like poor evidence at first glance.”

Another key issue is that funders place significant emphasis on their own expertise, networks and knowledge. This type of evidence – expert opinion - is included in some typologies of evidence but not others.

In their 2011 report, *Foundations of Knowledge*, NPC uses a typology that distinguishes between:

- explicit knowledge, such as published reports and evaluations about an issue and
- tacit knowledge, such as staff awareness and understanding of an issue.

Speaking with funders, it is clear that while they use both types of evidence, many place significant emphasis on tacit knowledge when it comes to actual funding decisions.

For example, Carol Candler of the Northern Rock Foundation says:

“There are ways to improve our evidence, but really it’s about people. Our Programme Managers are recruited for their expertise and networks...All our PMs are good networkers and we get a substantial amount of evidence from our networks. It’s a cumulative process.”

Similarly, Jane Steele of the Paul Hamlyn Foundation says:

“Our staff become familiar with the funding area and are networking with other funders as well, plus they have a good awareness of projects we have previously funded and that helps them to assess new applications.”

When asked about what evidence City Bridge Trust considers when assessing an application, Tim Wilson stresses the independence of staff: “Whilst we expect applicants to provide evidence of need and their ability to respond, grant officers will ask additional questions depending on their background, interests and knowledge.”

These findings about ‘what counts’ have specific implications for how evidence should be shared with funders, discussed further in the ‘opportunities’ section below.

## What evidence do funders use to inform their strategic decisions?

Funders typically review their strategy and priorities every few years. Several funders will be conducting strategic reviews over the next year including Comic Relief, Big Lottery Fund, City Bridge Trust, and the Paul Hamlyn Foundation.

Often the starting point for a strategic review will be reflecting on learning from previous funding rounds. Peter Argall at Comic Relief says:

“Previously, strategic reviews have generally been about the development of our existing programmes. Now there’s an appetite to look through a different lens – for example, whereas we have focussed on a range of problems affecting young people, such as alcohol or sexual exploitation, we have realised for some time that many of the young people using these services have been ‘looked-after’ and are particularly vulnerable to these types of problems. We now want to focus on their needs more holistically... We’re working with other funders and relevant stakeholders to scope what that will look like and what is most relevant for us to focus on with our funding.”

Funders also conduct scoping work to inform their strategic review processes. Scoping exercises may be desk-based reviews or involve more external facing consultation or external commissions.

For example, City Bridge Trust has recently commissioned scoping papers from a range of external partners on London’s demography, the future of the sector and future of the economy in London.

Emma Stone of the Joseph Rowntree Foundation provided two interesting examples where consultations and scoping exercises had led their work in a different direction:

“When we were developing our current strategic plan, we held a consultation event with around 100 people, talking about issues to do with poverty, place and ageing. One of the main outcomes of the event was that we realised we needed to expand our notion of players in this territory. Though they are harder to reach than policymakers, we identified private sector employers as a key audience for our influencing work.”

JRF had already been working with the My Home Life initiative (itself a result of partnership between Age UK and City University designed to improve practice in care homes). Emma says: “It became clear that risk and regulation were big issues in this space. So we commissioned lateral think pieces about risk and regulation in other contexts, and from different perspectives, to shape future work. In the end – this scoping work led us to fund two separate programmes – one on risk, regulations and relationships in care homes, and one on risk and trust in everyday relationships.”

Several funders mentioned trying to take account of what other funders are doing, as part of scoping. Most often this is achieved through informal conversations.

A further challenge for funders using evidence at a strategic level is synthesising information appropriately for trustees.

Sarah Mistry of the Big Lottery Fund says: “The Board need a bespoke synthesis of evidence – it’s easy to go foraging around for information, but this rarely comes in the shape they need.”

Carol Candler of the Northern Rock Foundation concurs: “The Third Sector Trends study is very detailed, so summaries are more useful for our trustees.”

Matthew Smerdon of Baring Foundation says they use regular strategy meetings to present their scoping and synthesis to trustees: “As part of strategy reviews, trustees have discussed papers prepared by staff, which have included summaries of the Young Foundation’s Sinking and Swimming Report, Trust for London’s poverty profiling, NCVO’s Civil Society Almanac data, and other academic reports.”

In the main, funders prepare scoping papers and syntheses of evidence for internal purposes and these would not routinely be published. There are some exceptions. Baring Foundation publishes scoping papers at the start of each funding programme, such as ‘Rights with meaning’ and ‘Ageing Artfully’. Joseph Rowntree Foundation also publishes all of its research and scoping on its website.

Other funders are aiming to publish more of their research scoping and syntheses in future.

Jane Steele of the Paul Hamlyn Foundation says: “We commission and publish scoping research as the first step for all our special initiatives – for example, “Whose Cake Is It Anyway” on participatory practices in museums. We do lots of internal synthesis but we would need to top and tail this if it was going to be published for an external audience.”

Tim Wilson of City Bridge Trust says: “As part of our current quinquennial review, we’re hoping to publish a synthesis of the reports that we’ve commissioned, along with our own analysis about what we’ve done over the past five years. This would help to frame our new programmes.”

## What types of evidence do funders use to assess individual funding bids?

In her influential report, *The Grant Making Tango*, Julia Unwin describes the assessment of proposals as ‘both art and science’. A combination of evidence – both explicit and tacit - and other factors are brought to bear.

Unsurprisingly, funders continue to place the greatest weight on application forms and, in some cases, visits or interviews with applicants. This analysis is thorough – often structured to understand the theory of change of an organisation or their proposed project. As mentioned above, there is some concern about the quality of evidence presented by grantees for evaluation purposes, but this is not a major concern for funders assessing new applications.

Funders also place significant emphasis on the tacit knowledge and accumulated experience of their staff when assessing funding bids.

Emma Stone of the Joseph Rowntree Foundation said that this is reflected in the level of delegation that their staff have for individual funding decisions.

Other funders did not mention specific levels of delegation, but highlighted that their staff are the lynchpins in assessing bids and making recommendations to trustees. Often, staff draw on their accumulated knowledge from assessing previous bids – in order to judge new ones in the same field.

Jane Steele of the Paul Hamlyn Foundation says their staff benchmark proposals based on their own experience: “If applications are similar to projects we’ve already funded, they can get a sense of plausibility.”

Many also draw on experience in previous roles, and on people in their networks for advice.

Matthew Smerdon of the Baring Foundation says, “We talk to others in our network – funders, representative bodies – and ask their opinions. It’s about getting the benefit of what others know as well.”

In addition to staff expertise, several funders involve external experts in their assessment of individual funding bids. Funders considered the role of experts as complementing staff experience with technical or on-the-ground insights.

For the Big Lottery Fund’s Improving Futures programme, it received over 100 applications and wanted to consider which proposals would make the greatest difference for families with complex needs. An advisory panel was set up to review bids - including policy leads from the Department of Health, Department for Education, Children England and other experts. Their recommendations were presented to BIG’s funding committee for final approval.

Similarly, the Baring Foundation, Comic Relief, Diana Princess of Wales Memorial Fund, and Unbound Philanthropy combined forces and worked with expert advisors, including a QC, to assess bids from legal aid organisations.

Northern Rock Foundation said that their focus on the North East and Cumbria enabled them to draw connections with other organisations and initiatives at a local level. This knowledge was shared with trustees by preparing regional context papers, to help inform their decision-making across a range of programmes.

While funders say they draw on their own and others’ expertise, most said they would struggle to gage the relative impact and cost effectiveness of different proposals. Generally, staff would be limited to a ‘rule of thumb’, such as looking at salary costs to check these were reasonable.

The main challenge is comparability. As Jane Steele of the Paul Hamlyn Foundation says:

“Our trustees do worry about value for money, but it’s not really possible to consider cost-effectiveness in any systematic way. We can look at other grantees doing similar work to get a sense of costs, but this is pretty crude.”

“We can’t really compare arts projects that are about extending the audience significantly with arts projects that are about supporting individuals to participate in arts. They are different in terms of breadth and depth.”

Tim Wilson of City Bridge Trust says:

“The problem is diversity – our older people’s interventions range from medical to musical interventions... We wouldn’t look at cost effectiveness particularly, unless something anomalous stood out. Sometimes we do receive this kind of information for medical proposals, but generally, grant officers would need to interpret it based on their previous experience.”

“That said, one thing that may be helping our applicants is that we publish details of all our grants on our website. They appear to be using this information to determine reasonable project costs.”

Sarah Mistry at the Big Lottery Fund says:

“The decision-making process can be light on understanding evidence about effective interventions - because it gets complicated quickly. Grants officers are supposed to consider value for money, but it’s often comparing apples and pears and not based on evidence. It’s somewhat easier for them to get a gage for targeted funding programmes, where we’re comparing more like-for-like interventions. There we can get a sense of unit cost and the intensity of interventions.”

There may be an appetite for more guidance on these issues. As Sarah Mistry says:

“It would be useful if funders had at least basic information to help with this. It’s almost ‘what is the lowest hanging evidence that we need to know?’”

## How do funders share evidence...

### a) With other funders?

Funders share their expertise and views with other funders in different ways. Often this will be informally, by picking up the phone, but there are several networking forums that funders value.

The Association of Charitable Foundation’s issue-based networks were widely cited in interviews, and generally described as “excellent” and “a good place to come together”. ACF’s knowledge website is also considered a good resource for informal sharing between funders. Jane Steele of the Paul Hamlyn Foundation says “It has been a surprising success and is most useful for connecting people.”

Peter Argall of Comic Relief reflects: “I remember at one ACF meeting, a foundation was very open... They talked about what didn’t work, what they’d learnt, and how they could be more effective as a result. I remember it because it was unusual.”

Matthew Smerdon of the Baring Foundation provided another good practice example:

“In my experience, the Environmental Funders Network is a highly effective model. It’s funded by a number of partners, who pool resources to employ one person. They arrange quarterly lunches and an annual retreat with environmental experts, analyse gaps in environmental funding, and produce reports that are useful for all of us – like ‘Where the green grants went’. I get masses and masses out of it, including many lessons that read across to other areas of our funding.”

Carol Candler of the Northern Rock Foundation also felt that existing forums are very good, but struck a note of caution that they are more likely to suit larger funders. “It’s important not to get too hung up on formal systems and processes – conversations are often better.”

### b) With practitioners?

Funders take different approaches to sharing evidence with their grantees, applicants and wider practitioner communities.

Several funders hold face-to-face events for grantees, enabling them to share learning and hear from other experts. The Paul Hamlyn Foundation has taken a hands-on role with grantees - clustering several grantees working to tackle truancy and appointing an external evaluator to help draw out learning from their different approaches.

The Paul Hamlyn Foundation has also been active in sharing evidence with wider practitioner communities at face-to-face events. For example, holding a national conference for universities, to share learning from its ‘what works’ initiative around student retention. The conference engaged universities that would not otherwise have had a link with the funding programme.

Several funders also publish regular learning resources – for example, City Bridge Trust’s The Knowledge newsletter and the Baring Foundation’s Strengthening the Voluntary Sector working papers and forthcoming Learning Bulletins.

Matthew Smerdon of the Baring Foundation says it’s important to be clear about the target audience for these types of communications. Legal advice organisations are one of their key audiences: “These organisations want to know about the challenges others are facing, how they’ve been overcome and who they can get in touch with to find out more.”

While there is an understandable focus on sharing learning with grantees, future applicants can also benefit. For its Improving Futures programme, Big Lottery Fund wanted to encourage applicants to build on existing best practice. So BLF produced a two-page guide for applicants about policy context and best practice in family intervention, alongside the application form.

### c) With policy makers?

Funders take different stances on sharing evidence with policymakers. Some embrace these opportunities as a chance to influence wider systems or build support for organisations and projects they are funding. Others prefer to focus their efforts on supporting voluntary organisations and social action independently.

At one end of this spectrum, the Joseph Rowntree Foundation actively aims to influence policy as part of its mission to achieve lasting change for people and places in poverty. Its approach has evolved, but influencing remains core. As Emma Stone says: “We realised that we wanted to do more than simply critiquing different Government policies around poverty. We decided it was time to do a thorough review of the existing evidence base and try to develop our own evidence-based anti-poverty strategies for the four nations.”

Similarly, the Baring Foundation has actively sought to build relationships with policymakers through face-to-face meetings. Matthew Smerdon says: “Our independence as a trust actually helps with these conversations. It’s quite compelling to be able to say, our trustees could have chosen to focus on anything, but they’ve decided this is the most important priority for our funding.” By sharing evidence with these policymakers, the Baring Foundation has helped influence Cabinet Office and BLF to launch transition funds for advice services.

At the other end of the spectrum, funders would say that policy influencing is not part of their role.

Comic Relief, the Northern Rock Foundation and City Bridge Trust are examples of funders somewhere in between.

Carol Candler of the Northern Rock Foundation says that while policy influencing is not a stated objective of their work, they decided to engage with local authorities as part of the Foundation’s work to understand sexual exploitation and trafficking. Now, the local authorities and police are more involved, and the work has changed as a result.

Peter Argall at Comic Relief says: “Even though we do fund policy or advocacy work, Comic Relief can’t be overtly political, as we fundraise from the public. It can be easier for endowed foundations to do policy influencing work, should they choose to do so.”

## 4 Analysis

Reflecting on the findings above, this section offers a few thoughts for further discussion by funders. The key questions are whether funders could do more to discover, and share, the secrets of success.

### In search of what works...

It is clear that funders have a wealth of expertise and knowledge that they bring to bear during the funding process. Much of this is tacit and relational – based on what and who they know. Funders are also adept at digesting a huge range of evidence to inform their strategies and decision-making. And they require and receive a huge amount of data and intelligence from grantees about the work they are doing.

Yet, for all of this, it is notable that only a few funders are at the forefront of evidence and policy debates about what works. Certainly, there are constraints: most funders will be smaller than those interviewed for this project; others may be wary of the political aspects of these debates. Notwithstanding these constraints, is it fair to ask whether funders really know what works?

Some doubts were expressed in a recent Big Lottery Fund report, *Where there is money there is influence*. Whereas BIG's external stakeholders felt the funder should do more to share the evidence ("If there are lessons from what they are funding, then I think it's important that the sector knows what those lessons are"), a member of BIG's own staff reflected:

"It's interesting to hear that people think we sit on a whole bunch of knowledge that tells us about what works and what doesn't. Because I would say that we sit on a whole bunch of data, but I couldn't tell you what works and what doesn't."

This suggests that, in some cases, BIG's challenges may be about digesting the volume of information available. But in common with other funders interviewed for this report, most said they would lack the evidence or expertise to assess the *relative* impact and cost-effectiveness of different interventions.

**KEY FINDING:** Funders want to know and share what works, but may have limited knowledge about the relative impact and cost effectiveness of different interventions

#### Questions for funders

- How confident are you about 'what works' in the areas you fund?
- Are there barriers around the availability of evidence, the quality of evidence, the volume of evidence – or something else?

Two insights from the Northern Rock Foundation suggest that funders' relationships with their grantees affect the evidence available to them. There is a risk that funders often only hear about the upside impact of their funding.

Carol Candler says:

“Short-term funding is why organisations don't give evidence about what doesn't work... We have strong relationships [with our grantees], so they're less nervous to tell us what doesn't work.”

Fiona Ellis, reported in a previous study, made a similar point about what happens with restricted funding approaches:

‘The charities pretend to use the money as we've said, and we pretend to believe them.’

Given that a number of funders have raised concerns about the quality of evidence from their grantees, and the need for better “feedback loops” from grantees to inform future funding decisions, these may be interesting points to consider further.

The funder/grantee relationship is a major theme in wider studies about effective philanthropy. While not explored in detail in this report, the power imbalance between funders and their grantees is well-documented, and it is easy to imagine that many organisations would hesitate to tell funders what isn't working or why they've changed their approach. Funders may wish to encourage greater transparency and support learning, but it can be hard to overcome the power imbalance, even if offering grantees additional support.

Two funders interviewed for this project - the Northern Rock Foundation and the Paul Hamlyn Foundation – have both used the Centre for Effective Philanthropy's 'Grantee Perception' review process and found it valuable.<sup>5</sup> It gave them a benchmark for their performance (through comparison with other foundations) and a chance to hear genuine feedback from grantees. This, in turn, led to improvements in their funding and communications approaches.

**KEY FINDING:** Grantees may be nervous about sharing evidence with funders – funders need mechanisms to address this.

### Questions for funders

- How confident are you about the evidence gleaned from your grantees?
- What opportunities are there for applicants and grantees to feedback on your funding practice?

<sup>5</sup> Centre for Effective Philanthropy – Grantee Perception Reporting  
<http://www.effectivephilanthropy.org/index.php?page=grantee-perception-report>

## Sharing what works...

Another point that may be interesting to consider is the difference between how funders use evidence in practice, and the types of evidence they generate and disseminate.

From an applicant's perspective, most of the evidence used by funders is not available when they are developing a bid:

### Evidence funders use to develop a programme

- Scoping and synthesis of evidence;
- Knowledge and expertise of staff;
- Informal funder-to-funder networks; and
- Consulting practitioners or beneficiaries.

Sarah Mistry at the Big Lottery Fund says of their scoping of the evidence base: "If we don't share this with our applicants, they have to guess what we know and what we are looking for."

Carol Candler at Northern Rock Foundation says that funders want to retain flexibility about what and why they fund. As a result, "internal decision-making is a bit of a black box."

While funders may be synthesising evidence for internal decision-making purposes, its value to others could be higher than they realise – particularly to potential applicants, but also to other funders and commissioners working in a similar field.

The mismatch between the evidence actually used by funders, and the evidence made available to others, also arises in relation to evidence generated from applicants and grantees:

### Evidence generated during funding programme

- Application forms;
- Reporting data and commentary;
- Evaluations; and
- New networks and enhanced staff knowledge.

Only a small proportion of this evidence generated during funding sees the light of day. Typically, funders will limit themselves to publishing evaluations and sharing their learning informally, and retrospectively, with others.

Let's look at the mismatch in more detail. Funders often require significant amounts of data and documented evidence from grantees. Yet at the application stage, funders say they place relatively less emphasis on evidence of applicants' impact or cost effectiveness to date – than on what the applicant proposes to do in the future and the tacit knowledge of staff to situate this information in wider context. The data and information that funders glean from application forms is not usually revisited or shared externally.

Meanwhile, when funding a grantee, funders often require significant volumes of bespoke reporting data and written commentary. Most grantee organisations receive funding from a range of sources, so preparing these reports for their funders can be a significant burden. Yet, it is unclear to what extent this evidence is used by funders. Some funders say it informs decisions about repeat funding of the grantee – in which case, the grantee may consider this very worthwhile. But if it is simply used for accountability purposes and ‘put on file’, then it is unlikely to help the grantee secure other funding in the future or influence wider practice.

Richard Jenkins of the Association of Charitable Foundations says that the data and information that funders hold could be “a huge untapped resource for internal and peer learning.”

Ruth Puttick at Nesta similarly says: “Funders could do more to put information out there, even if it has to be aggregated and anonymised. That would be a huge leap forwards.”

Tim Wilson of City Bridge Trust says: “Undoubtedly we could do a lot more with the information that we receive... We wouldn’t want data to cause embarrassment to any grantees, so would need to anonymise it if we were to share more.”

In short, funders could be adding significant value by sharing more of their evidence with others. Grantees and practitioners would be likely to gain most. They may be able to use information generated by funders to: learn faster, improve practice, identify partners, and become more cost-effective.

Alternatively, if funders are less confident about the quality of this evidence or have other reasons not to publish it, it may be that reporting requirements could be simplified to save the grantee and funder time and money. Several funders said that they felt conversations with grantees were the most helpful part of the reporting process anyway – could this suffice?

It may be useful to establish a general principle here: funders should look to maximise the value of evidence they gather, while minimising the costs of creating it.

**KEY FINDING** The evidence that funders actually use (e.g. scoping, synthesis, application forms) is different to the evidence they generate and share with others (e.g. evaluations). Funders could make better use of the evidence they hold by sharing it more widely.

### Questions for funders

- How do you use the evidence generated by your applicants and grantees?
- Could there be added value in sharing (more of) this evidence with others?

Finally, it is interesting to consider *who* funders share evidence with.

As a generalisation, funders may be more inclined to share evidence with their existing grantees and other funders, than with applicants, wider practitioner communities and policymakers. There are of course notable exceptions to this.

This also relates to *how* funders share evidence – particularly whether it is active (for example, face to face meetings) or passive (for example, putting information on a website).

Geoff Mulgan, now Chief Executive of Nesta, has argued that active influencing is needed to grow social innovations.<sup>6</sup> While an organisation's beneficiaries may value a service, 'demand' for the service is often mediated by funders or commissioners who will pay for it. As such, it is not simply enough to achieve impact, organisations must also influence funders and commissioners in order to sustain and grow their work.

Where grantee organisations would find it helpful, funders can help to influence their wider external environment – sharing good practice and lessons learned with others. Many funders cite their 'convening power' to bring influential people together with effective organisations. Others disseminate evidence to policymakers and practitioner communities, via research reports, newsletters, meetings or events.

Using evidence to influence policymakers is not just about securing new resources though. It can be about addressing regulatory barriers or even wider societal change. As researcher Diana Leat says in her 2007 report, *Just Change*:

'In the past many foundations acted as though they could somehow ignore government (while, at the same time, implicitly relying on government to provide on-going maintenance for projects fathered by foundations). In all the emphasis on the importance of a strong voluntary sector it is easy to lose sight of the fact that only government has the power to reduce the need for endless charity by regulating the way both public and private institutions operate.'

**KEY FINDING** Funders could make better use of the evidence they do hold by sharing it more widely. While funders regularly share evidence with other funders, they are not always as active in sharing evidence with practitioners and policymakers.

### Questions for funders

- What funding, policy or other barriers do your grantees face that limit their impact or scale?
- Are there ways you could help them to address these barriers?

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<sup>6</sup> Kohli, J. and Mulgan, G. (2010) *Scaling new heights: how to spot small successes in the public sector and make them big*. Center for American Progress, Doing What Works and The Young Foundation.  
 Mulgan, G., Ali, R., Halkett, R. and Sanders, B. (2007) *In and out of sync*. London: Nesta

# 5 OPPORTUNITIES FOR FUTURE EXPLORATION

## Open data

Funders may be surprised by the uses that others could find for their data. By opening up their data, funders could add significant value and enhance learning and innovation. They need not have the skills to interpret or analyse data themselves, to achieve this impact.

David Kane, Senior Research Officer at NCVO says:

“There are all sorts of possibilities. Take, for example, funders’ efforts to strengthen voluntary organisations. With just a list of charity numbers and the duration of funding they received from a funder, we could match this with Charity Commission data and see what happened to the organisation’s finances after their grant ended.”

With government opening up more of its data, there would also be possibilities to match data or explore correlations between different thematic data sets. In and of itself, this will not necessarily answer research questions about what works, but it may be a useful contextual contribution. For example, has there been a change in crime levels in the areas where we funded crime prevention initiatives? Is our funding reaching areas with the highest levels of health deprivation?

The international aid sector is leading the way on open data. By establishing common data standards, the sector is enabling more comparable and readily useable data. To find out more, watch the short video on the Indigo Trust’s website

(<http://indigotrue.wordpress.com/2011/11/28/indigo-iati-aid-transparency/>).

Glasspockets.org is another related initiative – showcasing foundations that have adopted transparent funding practices.

## What Works centres

In 2013, Government ministers launched four new ‘What Works’ centres, to act as evidence hubs. They expect the initiative to be a game-changing development.

On behalf of the Association of Charitable Foundations, Gerald Oppenheim is currently looking at what the What Works centres will mean for them. The key, says Oppenheim, will be how funders feed evidence into the What Works centres, and what they can expect in return.

Sarah Mistry of the Big Lottery Fund says that simplicity will be vital:

“It depends what form the evidence they produce takes. Funders like checklists, for example, to help reflect and learn. And simple resources that tell us: ‘these are the key things you need to know about this topic’.... Money spent on research synthesis would also be money well spent.”

Given the findings of this project - that funders place significant emphasis on their own knowledge and networks – the What Works centres may also want to consider investing in their outreach activities. Getting involved in existing funding networks and getting to know people will be important, if they are to use the evidence that is on offer.

## Emerging media and innovative approaches

Funders could also look at how they are utilising emerging media to gather and share evidence. Some examples are:

- Karl Wilding at NCVO and Matthew Smerdon at the Baring Foundation both recommend Twitter and RSS feeds as useful ways for funders to stay in touch with policy developments. Matthew Smerdon says, “The power of social media really came to life for me when we were supporting work on influencing the legal aid bill.”
- City Bridge Trust worked with the Media Trust to make short films about several of their exemplar projects. The idea was to highlight projects and raise awareness of their potential for replication.
- Nesta and the Big Lottery Fund have trialled a new approach to reporting on their Neighbourhood Challenge programme. They asked grantees to write a regular blog, rather than using traditional monitoring forms. This enabled grantees to be more reflective, prioritise areas of interest, and engage with a wider audience.
- Nesta is also collaborating with writer Ben Goldacre on a new project called ‘Randomise Me’, due to launch in summer 2013. Ruth Puttick explains:

“The complexity and cost of experimental methodologies puts many organisations off doing these types of evaluation. Randomise Me will be a free online trials generator. We’re aiming to do for randomised control trials what sites like Survey Monkey have done for surveys , helping strip out the complexities to enable any organisation or individual to set up and run their own trial.”

- Crowdfunding and peer-lending websites, such as Buzzbnk, Kiva and Kickstarter, are gaining popularity, at the same time that other types of crowdsourcing initiatives are taking off, such as Fix My Street. These innovative models could offer new insights about how evidence is generated, used and shared – and would be well worth further investigation.

# 6 CONCLUSION

The introduction to this report noted Give Well's motto that "information about how to help people should never be kept secret". It seems obvious that funders agree with this and that many go to lengths to ensure that any firm evidence they hold about 'what works' is shared more widely.

It is also obvious that funders wishing to make more informed decisions need to invest in, and make good use of, evidence – their own and others. An oft-made comment in interviews was about the need for better orchestration of evidence, for example, by funder networks and by the new What Works centres. This will also enable better understanding of different standards of evidence.

A more sensitive issue is that funders are not always comfortable sharing what they think works and what doesn't. One funder remarked, for example, on the 'marketing risk' they would face in revealing what hadn't worked. This is a genuine concern – one that is of course felt all the more acutely by frontline organisations competing for funding. Another risk is that funders could draw or lead others to draw the wrong conclusions if they are too didactic. Just because one poorly-managed project didn't work, it doesn't mean that other organisations using a very similar approach wouldn't be successful.

Overall though, funders occupy privileged positions and could do more to help open up and strengthen the evidence base. They are the guardians of funds for public benefit, and, as one interviewee said, are 'not really operating in a competitive market'. Is there anyone better placed to take a lead in sharing what they know - whether or not they can say if it worked? The secrets of success are not always held within. But by shining a light on the pieces of evidence they have, hopefully others will be able to join them in solving the puzzle.

# APPENDIX A

## Interviews

Many thanks to all who contributed their time and insights to inform this report.

Semi-structured interviews took place between March and April 2013 with the following people:

Peter Argall – Comic Relief

Carol Candler – Northern Rock Foundation

Sarah Mistry – Big Lottery Fund

Ruth Puttick - Nesta

Matthew Smerdon – Baring Foundation

Jane Steele – Paul Hamlyn Foundation

Emma Stone – Joseph Rowntree Foundation

Tim Wilson – City Bridge Trust

Additionally, the following people were consulted with:

Jonathan Breckon – the Alliance for Useful Evidence

David Kane and Karl Wilding – National Council for Voluntary Organisations

Richard Jenkins and Gerald Oppenheim – working with the Association of Charitable Funders

Professor Ann Buchanan - Director of the Centre for Research into Parenting and Children

Tris Lumley – New Philanthropy Capital

Two other projects are ongoing that may be of interest:

Carnegie UK is currently looking at how evidence is shared across England, Wales, Scotland, Northern Ireland and the Republic of Ireland.

Gerald Oppenheim is currently looking at what the new What Works centres will mean for charitable foundations.

# APPENDIX B

## Literature reviewed

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