

Core Strength

Evaluation and lesson learning

September 2019

What was Core Strength?

The *Core Strength* programme was a response to the increasing and unrelenting pressures on the charity sector in the UK to deliver more and to fill in the gaps exposed by shrinking public sector budgets. At the same time, charitable funding streams have shrunk.

So, a key question both at application stage and throughout the grant was “what keeps you awake at night”? The programme consisted of three key elements:

1. Core funding (up to £40,000 over two years) for 105 small–medium sized UK organisations (£100,000-500,000 annual income);
2. A range of training opportunities offered to grantees as well as small funding pots for grantees to use on training of their own choice (*Funder Plus*) and;
3. Relational grant management, involving more contact and support than usual; simpler, less-outcome focussed reporting; and a collaborative style in the production of progress reports.

Grants ran from February 2017 to January 2019. Comic Relief defined core funding as:

“The core costs of running an organisation, including salaries, overheads and day-to-day running costs such as rent, heating and lighting. We will also award grants to support specific work that will strengthen organisations for the future. This could include improving leadership and governance, or planning and development.”

Use of funding and achievements

Improving organisational infrastructure & service provision

68% make better use of resources
41% have better financial reporting systems

Investing in workforce & governance

50% have stronger governance
54% say there are now more opportunities for service users to be involved as volunteers, resulting in increased service delivery

Repositioning the organisation/profile raising

50% increased networks
39% increased media presence
13% of Funder Plus participants have written a Theory of Change

Diversifying income & attracting new funding

70% have increased funding
46% have applied to new sources of funding

- > 9 organisations said the funding was critical to their survival;
- > 81% experienced improvements in their original organisational concerns and challenges;
- > 100% felt they were a stronger organisation as a result of the programme;
- > Overall, *Core Strength* organisations are now in a stronger financial position than other similar-sized organisations.

A virtuous circle

The investment both in staff (at all levels) and in better, more efficient, systems and structures provided leaders with 'breathing space' and time to reflect – an overarching and key benefit identified by the organisations. This enabled greater strategic focus and planning to further strengthen critical areas for organisational and service development (such as partnerships, funding, networks and learning);

“It allowed us some ‘head space’ to make strategic plans, think about our profile and make links with other organisations.”

This in turn has unlocked multiple improvements for organisations' beneficiaries:

- > 14% of organisations reported shorter waiting lists;
- > 73% reported beneficiaries having access to improved service delivery;
- > 67% reported an increased availability of services;
- > 54% reported more opportunities for service users to be involved as volunteers, improving service delivery and design;
- > 60% of the organisations said the changes they had achieved are sustainable for the next 6-12 months; 40% for the foreseeable future;

“Core funding, by its very nature, is effective because it allows the recipient the flexibility and freedom to use the funds in a way that reflects the changing needs of their service.” (Grantee)



Maximising the benefits

There were three key factors aligned to organisations being able to make the most of core funding:

1. Strong leadership – having a leader who is able to take up the opportunities afforded by core funding to focus strategically;
2. Clarity about mission – explicit links between organisational development and service improvements;
3. Grant focus – understanding of organisational gaps and how core funding could address these.

Mutually reinforcing approaches

The success of the programme was not simply due to an investment of core funding; the combination of *Funder Plus* support – and the way in which the grant was managed – reinforced an on-going focus on organisational strengthening:

- > Comic Relief invested in a 'relational' form of grant management: more face-to-face interactions; a focus on flexibility and locally knowledgeable advice; and a simpler, non-outcome based, collaborative reporting process. This shifted the balance of power and created a relationship of trust and respect:

“Although the money was invaluable and has enabled us to achieve so much in the last two years, it was the way in which relationship between funder and funded operated that made it work so well.”

- > *Funder Plus*. The training opportunities offered by Comic Relief played to its strengths (e.g. communications) whilst also responding to grantees' stated needs (e.g. governance). For many grantees it represented a sense that Comic Relief was really listening;
- > The flexible £300 budgets for grantees to use on local training - or other opportunities they identified themselves - were particularly popular; and with core funding alongside there was clear capacity, space and time to act on the training provided.

Key factors for delivery

There were also a number of challenges in Core Strength's implementation that are important to highlight:

1. Consistency of relationships: a shift of grant management from the Comic Relief central office to locally-based advisors a few months into the programme disrupted relationships and communications, and caused some confusion with regard to clarity of roles between Comic Relief, advisors and grantees;
2. A reduction in Comic Relief administrative and logistical capacity on the programme caused challenges in coordinating and communicating with grantees, particularly *Funder Plus* activities and offers;
3. The *Funder Plus* offer, when not webinar based, was initially largely London-centric. Whilst non-London events were held in the second year in response to this, the locality of events was a factor in the take up;
4. Whilst *Core Strength* was only ever planned as a single two-year initiative, because of its value and uniqueness for grantees, there was inevitably a demand for continuation, and further exit planning would have been valuable.

Context: a reality check

All the various benefits identified by participants in the programme should be placed within the context of the on-going financial and capacity pressures facing many UK charities. Within this context, funders need to be realistic about the degree of difference their individual funding can make to an organisation:

- > Whilst 81% of organisations said they had experienced improvements in their initial challenges and concerns, many cited continuing and new pressures for their organisations;
- > There was widespread agreement that funding of 3-5 years would provide a more sustained period over which to reap the benefits and to implement further changes.



Lesson Learning

Supporting organisational strengthening effectively requires a careful mix of funding, approaches and processes:

“[Core Strength is] not just about giving cash but helping, supporting and listening – a breath of fresh air.” (Grantee)

Core funding

Core funding creates an opportunity to develop more open and trusting partnerships to tackle social challenges. For charities, core funding represents a vote of confidence that goes beyond the amount of money involved.

A relatively small investment can catalyse and leverage a range of significant improvements for organisations and their beneficiaries. *Core Strength* demonstrates that core-funding can:

- > Lead to a more honest and productive relationship between grant maker and grantee;
- > Free up Director/CEO time for reflection and learning;
- > Enable space and time for effective strategy development;
- > Lead to stronger governance;
- > Have a positive impact on funding from other sources;
- > Buy time for organisations to create space for transition;
- > Improve organisational confidence and morale;
- > Make integrated improvements in services and in internal operational systems (including fundraising, IT, HR, and monitoring & evaluation).

All of which provides the platform and capacity that directly links to the delivery of stronger, more effective and more accessible services for the beneficiaries whom those organisations seek to support.

Grants management

Taking a relational approach to core funding builds upon this important sense of a shared partnership.

- > This kind of partnership-based funding requires significant grant management time and investment;
- > Locally based and contextually relevant grant management can play a part in building up the right relationship for maximising the opportunities of core funding and *Funder Plus*;
- > Flexibility is vital as an organisation’s approach may need to change in response to the external context;
- > A non-outcomes based and conversational form of reporting adds to trust and openness;
- > Short-term funding is unlikely to provide a long-term solution; funders need to be realistic about the degree of difference their funding can make, and how outcomes are best reported on.

Funder Plus

Funder Plus approaches can enhance organisational capacity to maximise the benefit from core funding.

- > *Funder Plus* ‘offers’ that are flexible and non-mandatory are important – even very small pots of specific funding to be used by grantees at their discretion can have a positive effect disproportionate to the monetary value;
- > Funders finding a niche in what they offer, based on their own strengths, may help grantees navigate through the competing offers;
- > Funders should ensure there is an on-going strategic programme, rather than one-off opportunities;
- > Core funding enables organisations to have the capacity to act upon *Funder Plus* support.

Core funding can be effective in developing ideas within an organisation. The voluntary and charity sector is rich in innovative and pioneering ideas and solutions, but these seldom become realised due to the lack of resources available to develop and bring them to life.” (Grantee)