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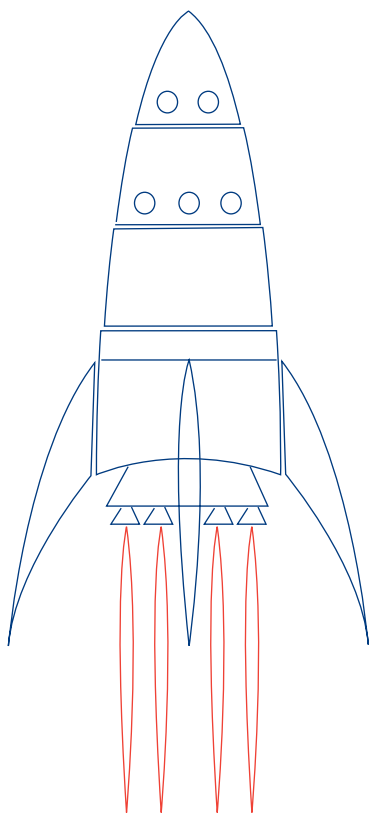
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**Space to think**  
**Fuel for action**



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# Changing the world in a changing world

Perspectives and practice for the  
future role of grant-making, charitable  
giving and philanthropy in the UK.



**Rocket Science is a specialist consultancy with expertise in grant-giving and investment, coupled with a passion for helping organisations across the UK get the most out of their programmes.**

**Our support to the sector includes:**

- Design and structure of grant and investment programmes;
- Development and implementation of application assessment, sustainability and performance improvement systems and tools;
- Delivery of targeted capacity building programmes to support the development and sustainability of third sector organisations;
- Design of frameworks and delivery of evaluation programmes from small to national scale; and
- Policy development and consultation on third sector issues and specialist areas including children and young people, financial inclusion, poverty and welfare advice, welfare to work, and health.

**Who we have worked with:**

Big Lottery Fund  
Carnegie Foundation  
Cripplegate Foundation  
Deutsche Bank  
Government Office for London  
Government Office for the North East  
London Development Agency  
National Youth Agency  
Nationwide Foundation  
Office of the Third Sector  
St Giles's Trust  
Scottish Funders' Forum  
Social Enterprise Coalition  
Social Enterprise London  
Youthlink Scotland  
Youthvoice  
Wise Group

**To find out how Rocket Science can help your ideas, investment, impact and inspiration, contact Caroline Masundire at [caroline.masundire@rocketsciencelab.co.uk](mailto:caroline.masundire@rocketsciencelab.co.uk)**

## Introduction

A significant shift is underway in the grant-making world towards an approach focused on investment and sustainability – this is particularly true for government programmes aimed at organisations commissioned to deliver public services. Grant-makers have an increasing role in this changing context, supporting organisations at the front line and shaping policy agendas at every level through their dissemination of funding, knowledge and experience.

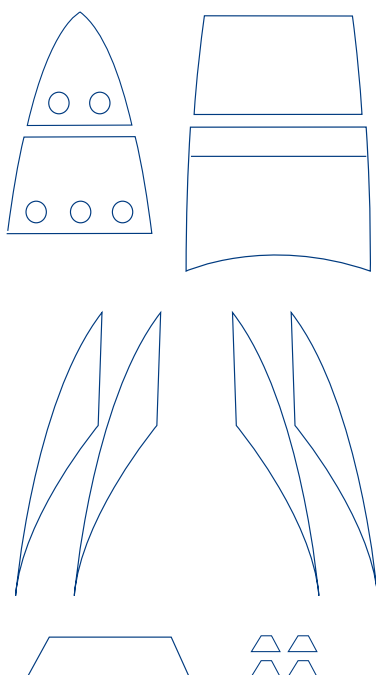
Over £2.5 billion is spent annually by the top 500 charitable trusts in the UK – similar to the annual spend of central government on the third sector. As a result, trusts and grant-makers are becoming equitable investors in the development and support of third sector organisations.

The traditional approach to grant-making is what we describe as ‘Give-Get-Gone!’ Organisations are given money for projects over a set period of time, usually pump-primed and tapering off over the lifetime of the project. There is no requirement to continue the activity after the project ends and it is often difficult to capture lessons learnt and disseminate best practice.

This approach needs to change. Fundamentally we believe that a sustainable investment model for grant-making is crucial for supporting third sector organisations long-term and can be achieved without compromising on charitable aims, objectivity and due diligence through four investment principles:

- 1 Evidencing, analysing and appraising the project **IDEA**;
- 2 **INVEST**ing in the capacity and sustainability of organisations through a range of measures and not just money;
- 3 Measuring the wider **IMPACT** of projects and organisations in achieving stakeholder aims and objectives; and
- 4 Using lessons, experience and understanding of interventions to **INSPIRE** and inform policy and practice.

What follows are some of our insights and practice to help organisations deliver their programmes of change in this, a changing world of funding.



## Idea

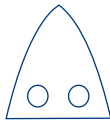
For grant-making organisations to fulfil their role as agents of social change, it is vital that funded organisations and projects demonstrate that they meet the aims and objectives of the programme and the conditions of the grant award. However, many applications are submitted on a 'reactive' process, based on a particular kind of funding, subject area or timescale, which can ultimately lead to 'mission drift'.

We believe that grant-making organisations need to begin with a full analysis to establish the rationale for projects. The analysis should include an appreciation of the broader issues by examining the need for each project and by assessing each project's potential place within existing activity and in relation to long-term objectives for both the project and the fund.

In considering applications, it is important that the assessment process ensures due diligence and objectivity without compromising the focus and inspiration of the programme. A well presented bid does not necessarily make a good project.

Questions grant-makers need to ask:

- Does the bid provide robust evidence of the need for the project?
- Will the project meet that need?
- Has a sensitivity analysis been completed to establish whether the project or programme might displace existing services or provision?
- Where does this project fit within or fulfil wider governmental or social policy agendas?
- Will funding make or break the organisation and how will the project continue once the project has ended?

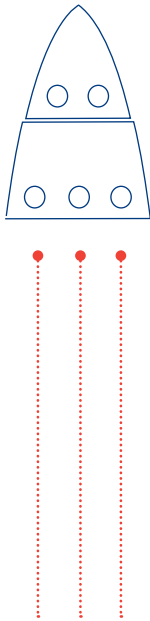


## Idea – Case Study

The Rocket Science Bid Assessment Tool (BAT) helps funders allocate resources in a rigorous, fair and transparent way. Crucially, it provides a clear audit trail for their decisions and ensures that funding decisions support the achievement of key strategic objectives.

As part of developing the BAT, a consultation exercise is conducted to clarify objectives and to help design the decision-making framework. This can include building in sustainability scores, such as the presence of exit strategies or the potential to mainstream the project.

We are working with YouthLink, the national body for youth work in Scotland, assisting them with the distribution of £3m in funds for youth work activities in 2008 as part of the CashBack for Communities initiative. Using our BAT tool, local peer assessment panels were put in place to review applications and allocate funding. Two members of these panels assessed the same applications using the BAT, which enabled all applications to be reviewed and scored using the same criteria. This reduced subjectivity and enabled informed, focused and effective funding decisions. It also allowed broader ownership of the assessment process



## Invest

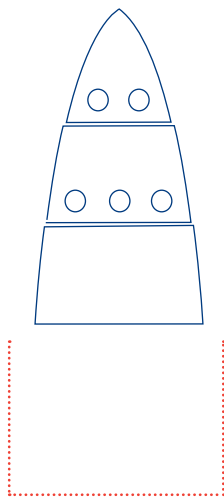
There are challenges to adopting an investment approach to grant-giving. It can be a much more intensive process and require far more hand-holding and support for organisations than traditional grant-making activity. However, it can be more effective in terms of supporting organisations to develop and grow, deliver quality projects and outcomes and make a much more sustainable impact in their area of work.

Adopting an investment approach also means making funding decisions with greater attention to the trajectory and potential impact of changing policy agendas. Such an approach allows grant-makers to better align activity and seek out opportunities for leveraging additional funding. It also looks to the future, building in sustainability issues such as how the project will continue once funding expires and where alternative sources of support and income for the project might come from in the future.

Whilst money is vital, support around governance, project management, marketing, business development and relationship management development is also important to enable organisations to become less dependent on time-limited funding. Consequently, this enables them to remain true to their cause and focussed on their core objectives and fund-raising activity.

Questions grant-makers should consider:

- How can you align your funding with other related funding streams to maximise support for the project, share outcomes and costs and minimise your risk?
- How can you provide capacity and support without risking management protocols or incurring further expenses?
- What can you do to help organisations become more sustainable and assess sustainability before projects conclude?

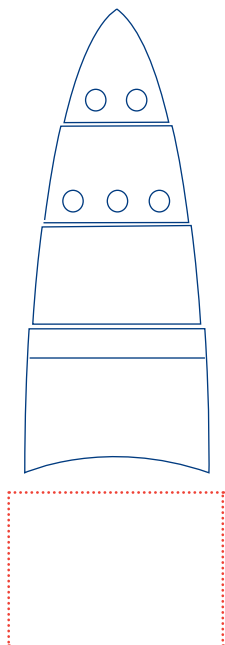


## Invest – Case Study

Building on the innovative award-winning model, Banking on Shadwell, which was pioneered by Deutsche Bank, Rocket Science was commissioned to evaluate Project Shoreditch. This is an area-based partnership between Deutsche Bank, Linklaters, and UBS, the East London Business Alliance (ELBA), and the Shoreditch Trust (the New Deal for Communities organisation for the area).

The aim of Project Shoreditch was to meaningfully involve the three businesses in the regeneration of Shoreditch, a neighbourhood located in the heart of London. Working directly with the Shoreditch Trust, and through a volunteering brokerage model managed by ELBA, Project Shoreditch places corporate volunteers into local organisations.

Rocket Science's evaluation of Project Shoreditch was designed to not simply assess the project, but to explore and highlight what can be achieved through bringing together and leveraging all of the partners' contributions. Project Shoreditch offers an innovative template by which other companies wishing to contribute to their local communities can make a lasting difference through pooling resources, working with community organisations and retaining local responsiveness at the core of their activity.



## Impact

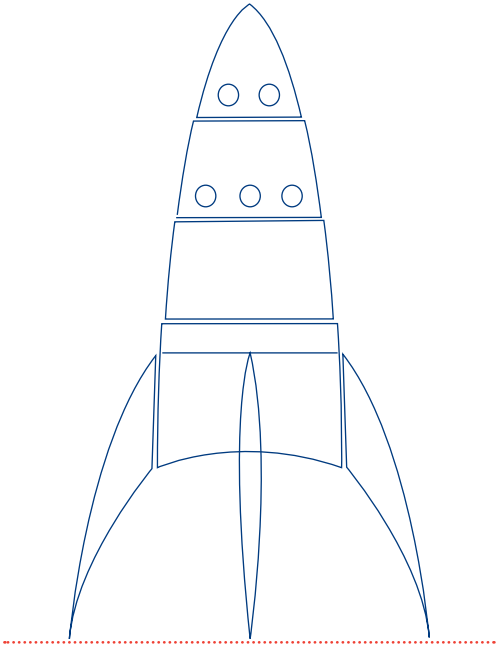
Evaluation tends to focus on the final destination, rather than the journey and in many cases is introspective and relative only to specific project objectives and outcomes. Yet measuring the impact of projects should go beyond a summative approach.

Accurately assessing the impact of a programme or project is of central importance to knowing whether funding has been spent appropriately and if funders' objectives have been achieved. Emerging practice around evaluation focuses on taking both a formative and developmental approach, to capture the process and progress through the stages of project development. This approach gives the opportunity to identify whether a project is working and what additional support it might need to achieve its objectives.

It is vital to gain insights into questions such as what is and is not working? What lessons have been learnt? What does it need to do now? How can it go forward? That way lessons can be learnt and best practice built into future programmes.

Considerations for grant-makers on evaluation:

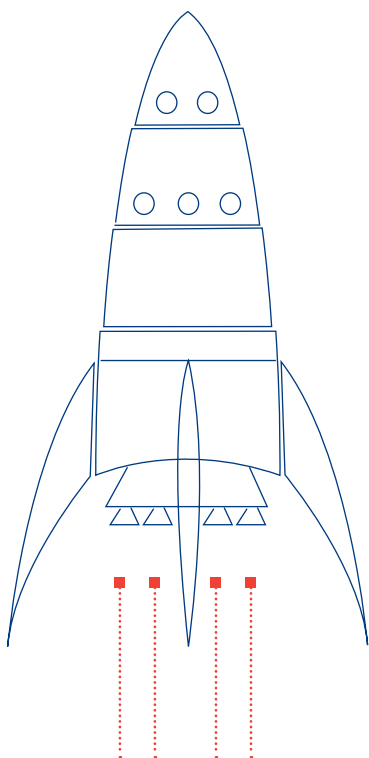
- Does your organisation have a strategy and process for conducting evaluation? Are they built into project funding or conducted independently?
- Do you have an appropriate evaluation framework for your programme of funding? Does it fit with the strategic objectives of your organisation and is it consistent with current methodological approaches?
- Have you thought ahead and built monitoring and evaluation requirements into the grant?
- How are you using self and peer evaluation methods to support projects and capture qualitative input?



## Impact – Case Study

v champions youth volunteering in England with a view to engaging a further one million young people aged 16-25 in volunteering and community action. It wants to go one step further and also achieve an enduring step-change in the range and quality of volunteering opportunities on offer. In order to capture the impact of its £150 million investment v wanted to commission a three to five year longitudinal evaluation of its funded programmes. However, to do this they wanted some assistance in developing a detailed evaluation framework.

Rocket Science's role was two-fold; firstly we facilitated discussions with key stakeholders including staff members, members of the trustee board, young people and external stakeholders to get their perspectives and understand what their expectations were regarding the evaluation of v's investment. Secondly, we felt that the specification needed to look beyond the views of the key stakeholders and draw on the experience of others in the sector. Therefore, the specification cast a wide net to draw on examples, experience and practice in monitoring and evaluation from across the sector and beyond. This culminated in a framework underpinned by a methodological approach designed around a theory of change model.



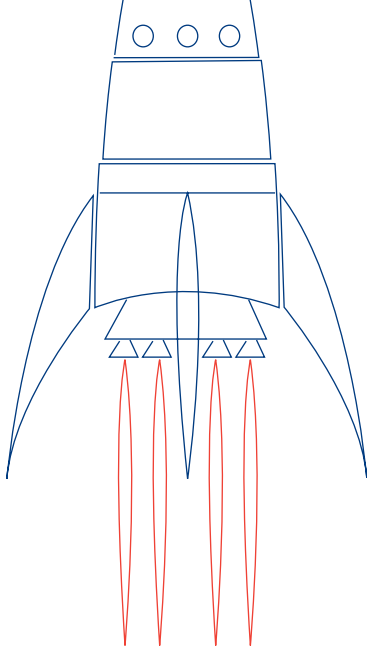
## Inspire

We believe that organisations need to promote their learning to inspire positive social change at every level. Many grant-makers are funding new thinking and new ways of working, and setting the agenda for future policy. As cutting edge innovators and policy shapers, grant-makers and funders need to look at how they promote the impact of their work – not just internally, but to Government, policy makers and the public at large.

The current emphasis tends to be on delivery and project end – but the lessons learnt and the journey itself, both for funded projects and grant-making organisations can make a real difference to how mainstream programmes and policies are developed. Funders are the custodians of this intelligence and can use this to build networks, develop partnerships and position themselves to influence policy decision makers towards lasting social change.

To inspire others, as a grant-maker you need:

- A dissemination strategy as part of your programme to share learning both internally and externally;
- An understanding of the unknown stakeholders in your area of work. Creating a map of influence enables you to get the right message to the right person at the right time;
- To cultivate advocates through existing networks who can spread the message. Using workshops and learning formats as a forum for knowledge exchange and ideas is very effective at winning ‘hearts and minds’; and
- To assess what PR methods you are using. Remember, the best PR can often be the most cost-efficient and linking up with partners or aligning with other agendas can be very effective and sometimes more powerful.



## Inspire – Case Study

Poverty is not the word that springs to mind when thinking of Islington. But the Cripplegate Foundation knows that poverty is the reality facing many people in a borough where great wealth and prosperity sits alongside great deprivation.

With this in mind, they commissioned Rocket Science to work with them to undertake a study to get insights into what it is like to experience poverty on a daily basis. This is where the study differs from others: it is a piece of work that has, at its heart, the voices of those who are living in poverty. Members of the community told us the impact that living in poverty has had on their health, happiness, opportunities and aspirations, not just for them but also for their children.

The study has helped the Foundation to reflect and move forward. Firstly, it has provided them with evidence and insight to talk to other Foundations, policy-makers and practitioners about what it means to live in poverty in inner city London. Secondly, it has provided the Foundation with evidence to refine its existing grant-making strategies that support people to cope with and move out of poverty.