

Community Anchors: Fit for Purpose?

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Before I start this talk I want to ask you to think for a moment about the Prince William Sound, a remote stretch of the Alaskan coast and home to salmon, otters and a range of rare birds. Very few humans have ever been here, it has certainly never hosted a community anchor organisation, but it's glaciers are breathtaking and

How much do you care about maintain Prince William Sound, given that you will probably never go there? If it was under threat from oil drilling, would you contribute money to a campaign to stop them? Most people would, not because they ever expect to gain from the existence of Prince William Sound—they will never even get to look at it—but because this stretch of coast has an intrinsic value to them. Just knowing that it is still there is important. This is what economists call 'existence value'

The truth is that in 1989 an oil tanker, the Exxon Valdez, was shipwrecked just off Prince William Sound and 40 million litres of oil was spilled over 11,000 square miles of ocean. Thousands of animals died immediately; the best estimates include 250,000 to as many as 500,000 seabirds, 300 harbour seals, 250 bald eagles, and 22 orcas. It is estimated that some shoreline Arctic habitats may take up to 30 years to recover. Exxon had to pay for the clearing up and compensate those whose livelihoods depended on the sound as you would expect. This came to about \$250m. But they also had to pay punitive damages, this was partly based on estimates for the destruction in 'existence value' of the sound based surveys of US residents. This came to \$3bn.

That existence value is an important concept, that it can be measured and valued is something I want you to keep in your head throughout this talk and I will come back to it at the end.

1. New Philanthropy Capital is a charity that was set up 7 years ago based on the founding belief that people and organisations who give money to charity should be able to access high-quality independent research and advice to achieve the most with their giving.

Since then our vision has become more ambitious: we now want to help create a world in which both charities and their funders are as effective as possible in changing people's lives and tackling social problems.

Matthew Bishop of The Economist described us in his recent book as 'simultaneously a service (for donors) and a cause (for everyone)'. He could also have added that we are a service for charities too.

We want to challenge charities to achieve impressive results and to raise their accountability to funders and to themselves, but we also want to help them to achieve this. As well as publishing research we continue to build a number of free and easy-to-apply tools which help charities to measure and put numbers on all kinds of seemingly intangible results, from the success of an awareness raising campaign to a charities impact on a child's well-being.

We are perhaps most well known for our work in charity analysis. Inspired by organisational analysis in the for-profit world our approach looks at five different aspects charities: the need they are addressing, leadership, ambition, how they use

their resources and, of course, results. By results we mean both evidence that the charity is having some kind of positive effect but also 'results culture' i.e. how evidence is valued and used by the charity.

2. Our experience of evidence in charities (use the word evidence rather than measurement to highlight we are not just talking about quantitative data).

- The majority of charities we see either:
 - do not see the need to collect evidence, their immediate experience convinces them that they are doing, they often will not have a theory for how what they do makes a difference.
 - Are sceptical about politics behind measurement—how will others use the information they collect and can you measure what is important about their work anyway.
- Even where we do see collection of evidence, there is often rich qualitative data that set up mechanisms for how the charities work BUT quantitative data is divorced from this. It is often funder-led and does not feed into service-delivery.

3. It is right to have some scepticism about the power of measurement. Even the most sophisticated measurement system cannot provide definitive 'answers' e.g. we cannot use evaluation to answer the question "what reduces reoffending"

- as social contexts change
- many charities work with too few people to get statistically robust results to prove all elements of their model work for all types of people
- No measure is perfect

TH is great because they are moving towards a system where

- theory driven ensures that outcome measure will be meaningful
- They can feed directly into service delivery.
- sees no 'end' to the process—reflection is built into the process.

4. BUT Toynbee Hall, along with Community Links and Bromley By Bow, has chosen to invest time and resources into the process. This begs the question, who should pay? Some funders do not see it as their responsibility to fund evaluation, a distinction is made between the duty of the funder to fund services and the responsibility of the charity to fund evaluation. All of charities' money comes from donors of some sort so it seems meaningless to distinguish between 'the charity' and 'the funder' in a way.

NPC believes that routine measurement should be seen by funders as a natural part of an organisation's overheads. The kind of work that TH does is part and parcel of being a well-run responsible organisation.

5. However it is naïve to think that funders are not also accountable to others. It is no surprise that those funders that demand the most from charities in terms of data collection are those that disburse public money. Data collection requirements build up as charities find themselves at the end of a long accountability chain.

In a sense this is fair enough, the outrage that is caused by misuse of public funds is only all too evident at the moment from the MP's expenses scandal.

The problem is when the aims of charities, funders and stakeholders diverge and so do their evidence requirements. There is a tension between evidence that is most tailored to the charity and that which fits in with funder requirements.

Funders are not the only external stakeholder's of the data produced by charities. A more important, and arguably more interesting, tension is between evidence that is most tailored to the charity and evidence that is useful to other charities and service-deliverers.

If charities measure using the same tools and techniques they can learn from each other, if they use the same tools and techniques as government they can benchmark what they do against a range of organisations. However, generalisation inherently involves a loss of detail. It is my opinion that we are at the beginning of a journey to understanding these trade-offs, what can we do together and what must we do alone? The time spent on evaluation is precious and it is not yet clear how to get the most value out of this time.

6. In order for us to answer these questions we need to get better at sharing the results of our evaluations. The majority of reports containing evidence of charities' impact languish in dusty filing cabinets. This is because there is no efficient mechanism for publicising and sharing information on charitable activities. Charities and funders rarely have the time or the capacity to write up results to a publishable standard and academic research can seem daunting to those with little experience in the sector.

NPC would like to create an internet platform where charities, funders, academics and other evaluators or service providers can post the results of their work and, crucially, how they measured them. This 'Results Library' would mean that the value of any one piece of evidence is greatly increased. Charities and funders would be able to set their own results in context and see who else is working in their field. We are still at the beginning of this journey, speaking to funders and other stakeholders—so I would appreciate any feedback or comments the people in the room have on this idea.

8. So far, I have been concentrating on outcomes; in the jargon, the short-term effect that a charity has on its service-users. But outcomes is just part of the story.

For me, the exciting thing about multi-purpose community organisations is their potential to create long term change, 'impact' in the language of the sector. Impact not just on those who use these charities but on the whole community

NPC is working in collaboration with IVAR to look at the impact of nine community anchors across England. It is an action research project and user-led and we are in the early stages so we don't yet have many details on the approaches we will use or what the results will look like. I am aware of the wealth of experience in this room and again would appreciate your input into how we can think about what it is that makes a community anchor more than the sum of its parts.

It is my hope that a better understanding of impact will help us to start to grope towards the existence value of community organisations. What these organisations do defies simple description and yet their value at the heart of communities is widely

recognised. This is more relevant for community anchors than less prominent or specialised charities.

There is no doubt that community anchors, like Alaskan coastline, have an existence value. People that never use the services of these charities place a value on having them in their communities—they recognise their role in creating a sense of community and value the work they do in executing our collective responsibility for the vulnerable in society.

If we can understand better the existence value of community organisations we can increase their prominence in policy-making. Some may balk at putting a financial value on something so important, and it is certainly not without its practical and philosophical problems. But it is my view that the benefits far outweigh the downside—giving something a financial value means it is considered properly, alongside more naturally quantifiable benefits such as savings to taxpayer.

We all know that too often 'value for money' turns into lowest unit cost. Knowing the existence value of community anchors makes it easier for government agencies to justify spending money on them, just as knowing the existence value of the Prince William Sound allowed the US government to increase its fine on Exxon by ten times.