

THE
FORE

A Kitemark for the Overlooked?

Using 360 Giving Data to Evaluate the Success of The Fore's Assessment
Process for Identifying High-Potential Charities and Social Enterprises

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Executive Summary

Introduction

- This evaluation explores two research questions, related to The Fore's assessment process:
 - Whether The Fore's application and assessment process finds and rewards overlooked organisations that do not usually receive funding from other grant-makers, i.e., Does The Fore's process find under-supported organisations?
 - Whether receiving a grant from The Fore makes it more likely an organisation will receive a greater number of grants from other grant-makers in future, i.e., Does success in The Fore's application process act as a 'kitemark' for other funders?
- The 360Giving dataset provided a unique opportunity to address these questions, by analysing data on the grants that other funders had given to The Fore's grantees and unsuccessful applicants.

Research question 1: Does The Fore's process find under-supported organisations?

- In the three years before applying to The Fore, grantees received on average £4,127 less funding per year from other funders than unsuccessful applicants.
- This difference is statistically significant – with a greater than 99% confidence that the results did not arise by chance.
- Both grantees and unsuccessful applicants received less funding than the average organisation on 360Giving (with unsuccessful applicants falling short by £19,660 and grantees by £23,787).
- These differences do not extend to the number of grants received – on average grantees received only 0.04 more grants, and unsuccessful applicants 0.08 more grants, than the average 360Giving organisation.

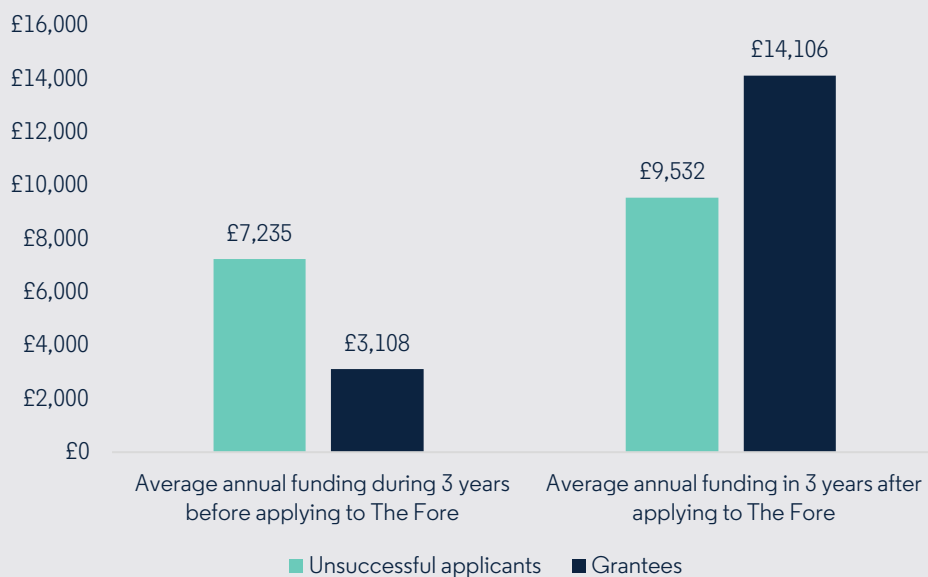
Research question 2: Does success in The Fore's application process act as a 'kitemark' for other funders?

- In the three years after receiving funding from The Fore, grantees grew the amount of funding they received from other grant-makers much faster than unsuccessful applicants.
 - Relative to the 360Giving average, grantees grew the funding they received per year on average by £15,519 (or 65%), while unsuccessful applicants grew theirs by £6,819 (or 35%) – a difference of £8,701.
 - This difference is statistically significant, – with a greater than 99% confidence that the results did not arise by chance.
 - Looking at absolute funding figures (rather than those relative to the 360Giving average), grantees had a grant income growth rate 6x higher than unsuccessful applicants.
- This growth in funding was achieved by winning larger grants, rather than by winning more grants.
 - The difference in the number of grants received by grantees and unsuccessful applicants was not statistically significant.

Interpreting the results

- The results provide strong evidence that The Fore is ‘ahead of the curve’ with its assessment process – identifying organisations that are less supported by other funders and that go on to be very successful.
- Three possible mechanisms could explain why grantees were able to grow their grant income so much faster than unsuccessful applicants. At present, we have insufficient data to understand which of these was most important:
 - 1) The Fore’s funding made no difference, and grantees would have gone on to win larger grants in any event, as they are stronger candidates than unsuccessful applicants – i.e. The Fore’s process identified strong organisations but did not change their trajectory.
 - 2) Grantees used their funding from The Fore to become stronger candidates for larger grants from elsewhere (e.g., by investing in impact measurement, organisational capacity, or more professional fundraising/marketing).
 - 3) Other funders view The Fore’s process as robust, so are more likely to award large grants to organisations that succeeded in it.

Average funding received by grantees and unsuccessful applicants



Introduction to The Fore

The Fore helps high impact charities and social enterprises to unlock the next stage of their development, increasing their scale, sustainability, efficiency and impact. We do this through a combination of grants (up to £30,000 spread over up to three years), skills support/training, and impact management support.

The Fore's process is designed to identify organisations with the greatest potential and strongest management, and for whom our funding will unlock the greatest transformation.

We fundamentally believe that small charities and social enterprises are the experts in their fields – not us. Applicants can therefore ask us to fund anything – it could be a new member of staff, it could be investment in a new site, it could be commissioning a piece of research or evaluation – whatever the organisation thinks will be most impactful for them. This report demonstrates the impact of the charity-led, investment-style approach.

Purpose of the evaluation

This evaluation aims to test two research questions:

- 1) Whether The Fore's application and assessment process finds and rewards overlooked organisations that do not usually receive funding from other grant-makers, i.e., **Does The Fore's process find under-supported organisations?**
- 2) Whether receiving a grant from The Fore makes it more likely an organisation will receive a greater number of grants from other grant-makers in future, i.e., **Does success in The Fore's application process act as a 'kitemark' for other funders?**

The 360Giving dataset provides a compelling opportunity to test both questions by comparing the grants given by other funders to The Fore's grantees and unsuccessful applicants.

The 360Giving Dataset

360Giving is a platform where funders can publish data about their grant-making to a searchable database. It enables users to analyse data about charity funding in real time, and has revolutionised understandings of the UK charity sector.

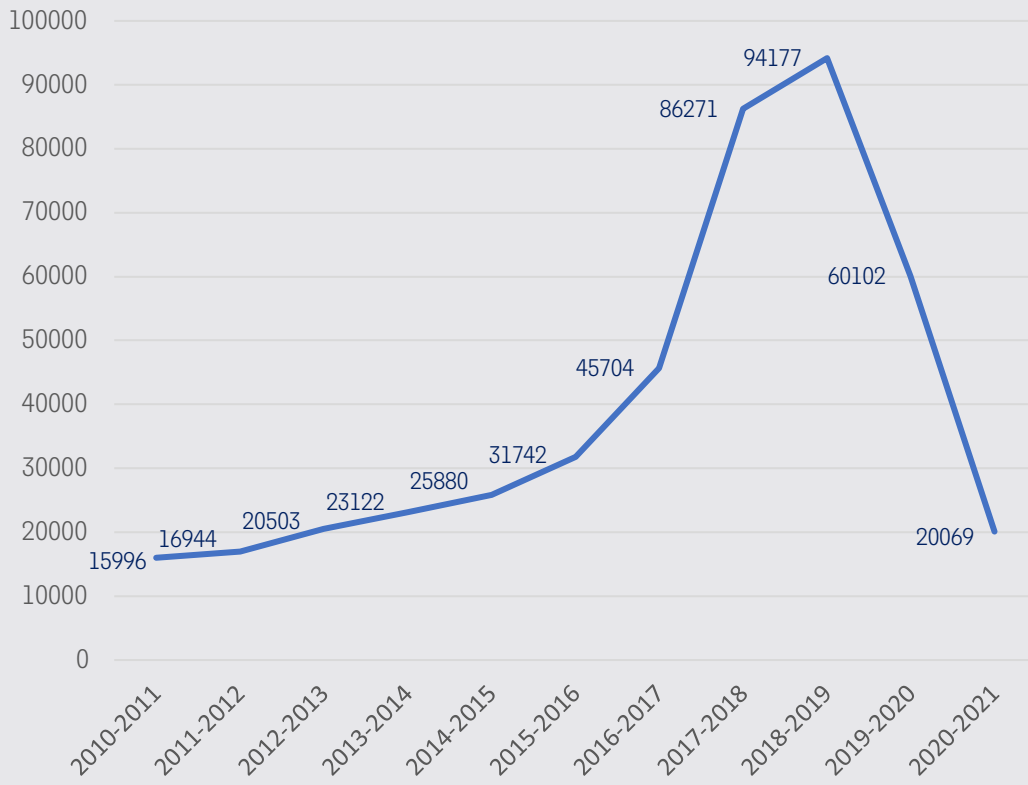
Every grant published on 360Giving contains a unique ID for the grant-maker, a unique ID for the recipient organisation, the date that the grant was made, the amount, key identifiers for the recipient such as their charity number or company number and their location, and other useful data.

At present, just under 200 funders publish data to 360Giving, with the value of grants registered currently surpassing £100 billion. While this does not represent a comprehensive view of charity income, the dataset can give a good impression of where the larger, more professionalised grant-making foundations (who are the funders most likely to publish their data) are committing their resources.

360Giving was launched in 2014, and since then it has become ever more widely used – meaning that the number of grants included within the dataset each year has grown. There can also be a considerable time-lag before funders actually upload their grants to the system, meaning that the most recent years can have fewer than expected grants. The graph below demonstrates these effects, showing the number of grants on 360Giving per year (by date of award, not date of upload), using The Fore’s financial years as cut-off dates.¹ Any analysis using the dataset therefore must take this fluctuation into account, by comparing grants received by the organisations under investigation to the 360Giving average.

¹All the data from 360Giving used in this study was extracted on 02/06/2021, and so does not reflect any subsequent changes made to the dataset after this point.

Grants registered on 360Giving per year



Methodology

Research question 1: Does The Fore's process find under-supported organisations?

To investigate this question, we used the 360Giving dataset to explore how many grants, and how much funding, other funders had already given to The Fore's grantees at the time they received funding from The Fore. By comparing figures for grantees with those of unsuccessful applicants, we could get a sense of how well The Fore's process identified the organisations that had been overlooked by others. It was decided that grantees and applicants from The Fore's first year (2017-18) would be investigated, as there has been sufficient time since these grants were made to have reliable data for the years both immediately preceding and following the grant.

We examined the average number of grants and amount of funding received by grantees and unsuccessful applicants in the three years before applying to The Fore (i.e., during the 2014-15 to 2016-17 financial years), and compared these figures to the 360Giving average (which was used as a benchmark rate, to counter the effects of the changing number of grants included on the dataset over time). Our hypotheses were that grantees had received fewer grants, and less funding, than unsuccessful applicants. Our null hypotheses were therefore that unsuccessful applicants had either the same or higher number of grants and amount of funding as grantees:

$$H_A: G < A$$

$$H_0: G \geq A$$

Where G is the number of grants/amount of funding received by grantees in the three years before applying to The Fore (relative to the 360 Giving benchmark), and A is the number of grants/amount of funding received by unsuccessful applicants. These hypotheses could then be tested using a one-tailed T-test, with an alpha of 0.05.

Research question 2: Does success in The Fore's application process act as a 'kitemark' for other funders?

To investigate this question, we used the 360Giving dataset to explore how many grants, and how much funding, other funders gave to grantees after they received funding from The Fore. By comparing grantees to unsuccessful applicants, we could identify the difference that is attributable to being a Fore grantee.

We looked at the average number of grants, and amount of funding, received by grantees and unsuccessful applicants from the 2017-18 financial year in the three years after they applied to The Fore (i.e., the 2018-19 to 2020-21 financial years), relative to the 360Giving average (which was used as a benchmark rate). These figures were then compared to those for the three years prior to the organisations' application to The Fore, in order to calculate the change in the number of grants/amount of funding. Our hypotheses were that grantees would exhibit a greater change in the number of grants and amount of funding received than unsuccessful applicants. Our null hypotheses were therefore that these figures were the same, or that unsuccessful applicants exhibited faster growth. These can be stated formally as:

$$H_A: (G_2 - G_1) > (A_2 - A_1)$$

$$H_0: (G_2 - G_1) \leq (A_2 - A_1)$$

Where G_2 is the average number of grants/amount of funding (relative to the 360Giving benchmark) received by grantees in the three years after applying to The Fore, G_1 is the average number of grants/amount of funding received by grantees in the three years before applying to The Fore, and A_1 and A_2 are the corresponding figures for unsuccessful applicants. As above, these hypotheses were tested using a one-tailed T-test, with an alpha of 0.05.

Creating the dataset

For every recipient organisation on the 360Giving dataset (which contains over 92,000 unique organisations), we calculated the number of grants and amount of funding received by that organisation each year between 2010 and 2021.² We then used the charity and company numbers of The Fore grantees and applicants to match each of them to the relevant recipient organisation record in the 360Giving dataset.³ A data cleaning process was then used to remove The Fore applicants and grantees that were not correctly matched to the relevant 360Giving record, as well as the organisations on 360Giving that did not receive any grants during the time period under investigation (more detail about the data cleaning process is available in appendix 1). This left a dataset of 79,824 organisations.⁴

After calculating the average number of grants and amount of funding received in each year to act as the benchmark figures, the dataset was filtered to include only the 1,176 applicants and 41 grantees that applied to The Fore in the 2017-18 financial year. Outlier organisations, in terms of average funding received per year in 2014-17 or 2018-21, were removed (11 grantees and 298 applicants), leaving a dataset of 30 grantees and 878 unsuccessful applicants for the final analysis.⁵

² Using The Fore's financial years as cut-off dates.

³ We excluded grants from The Fore, so that The Fore's own grant-making did not influence the results. The

⁴ code used to prepare the dataset is available [here](#) as an ipynb file. The code used to analyse the data is available [here](#).

⁵ Outliers were identified using the inter-quartile range, or IQR – organisations with values above the third quartile by more than 1.5xIQR, or below the first quartile by more than 1.5x IQR, were considered outliers. Using the number of grants proved impractical for identifying outliers, as so many organisations received no grants in any given year, meaning that too many organisations would be removed.

Results and analysis

Research question 1: Does The Fore’s process find under-funded organisations?

Grantees received £4,127 less in grant funding per year on average than unsuccessful applicants.⁶

With a standard error of 1291, this difference between grantees and applicants is statistically significant, with a P-score of 0.0007. In other words, we can be more than 99% confident the difference in funding between grantees and applicants did not arise by chance, and that the null hypothesis should be discounted.⁷

In addition, both grantees and unsuccessful applicants received considerably less funding than the average organisation on 360Giving (with unsuccessful applicants falling short by £19,660 and grantees by £23,787).

However, both grantees and unsuccessful applicants received almost exactly the same number of grants per year on average as other organisations on 360Giving (0.04 and 0.08 grants per year difference from the 360Giving benchmark, respectively). Grantees and applicants were therefore receiving smaller grants than other organisations in the dataset, rather than less of them.

	Average number of grants received per year 2014-17 (vs 360Giving average)	Average amount of funding received per year 2014-17 (vs 360Giving average)
Grantees	+0.04	-£23,787
Unsuccessful applicants	+0.08	-£19,660

Research question 2: Does success in The Fore’s application process act as a ‘kitemark’ for other funders?

Grantees grew their grant funding considerably faster than unsuccessful applicants in the years after applying to The Fore. Unsuccessful applicants grew their funding by £6,819 (from £19,660 below the 360 Giving average in 2014-17 to £12,840 below the 360Giving average in 2018-21). This represents a growth in grant revenue of 35%. Grantees, meanwhile, grew the amount of funding they received by £15,519 (from £23,787 below the 360 Giving average in 2014-17 to £8,266 below the 360Giving average 2018-21). This represents a growth rate of 65%.

We can calculate compound annual growth rates (CAGR) by looking at the absolute figures, rather than those relative to the 360Giving benchmark figures.⁸ In absolute terms, the grantees increased their funding by £10,998 between the time periods, representing a CAGR of 24% (if considered over the full 7 years).⁹ Unsuccessful applicants grew their grant funding by only £2,297 in absolute terms,

⁶ All currency figures are rounded to the nearest £1.

⁷ It should be noted that the removal of outliers does make a considerable difference to the statistical significance – the P-score without the removal of outliers is 0.45.

⁸ This is because some figures relative to the 360Giving benchmark are negative, making CAGR calculations impossible.

⁹ In absolute terms, grantees grew from an average of £3,108, to one of £14,106, whereas applicants grew from one of £7,235 to one of £9,352.

representing a CAGR of only 4%. By this measure, grantees had a growth rate 6x higher than applicants. By way of comparison, the average organisation on 360Giving had a CAGR of -6% over the same time period.

In other words, grantees effectively grew their grant income at double the rate of unsuccessful applicants (1.8x as fast in terms of aggregate growth), and, if we look at absolute compound annual growth rates, up to 6x as fast.

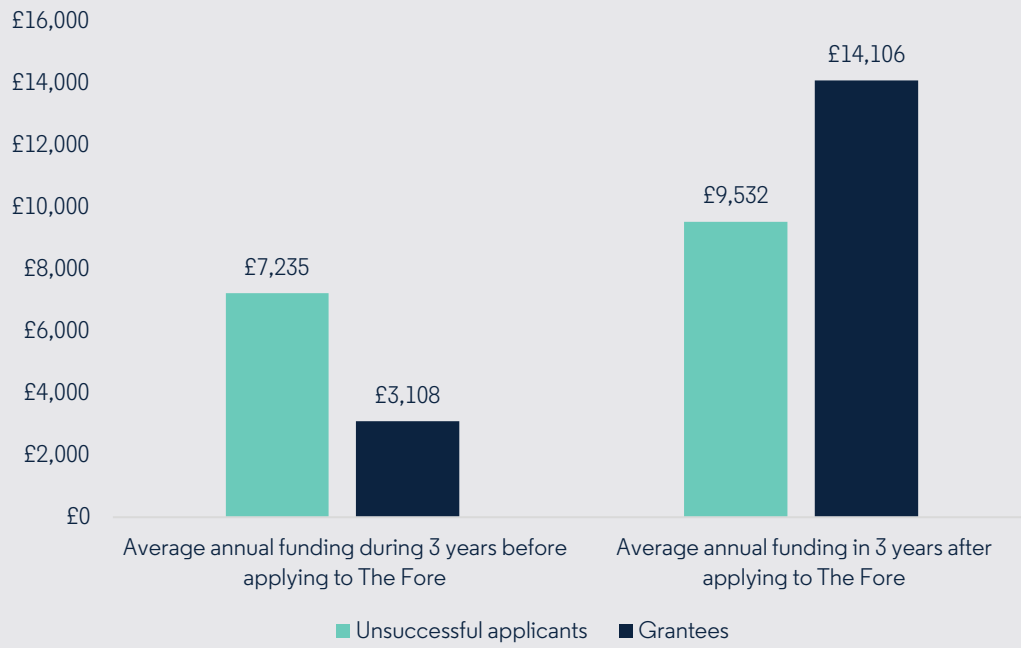
The difference between the grantee and applicant funding growth is statistically significant – with a standard error of 3,027, the difference of £8,701 between grantees and applicants relative to the 360Giving benchmark gives a P-score of 0.002. In other words, we can be more than 99% confident that the difference in grantee income growth rates is not due to chance, and that the null hypothesis should be discounted.¹⁰

However, this finding does not extend to the number of grants received. Although the increase in the number of grants received by grantees was 4x higher than that of unsuccessful applicants, this only actually equated to a difference of 0.2 grants per year on average (grantees went from 0.04 above the 360Giving average in 2014-17 to 0.30 above in 2018-21, whereas unsuccessful applicants went from 0.08 above the 360 Giving average to 0.14 above). With a standard error of 0.12, the difference in the rate of grant growth was not statistically significant (although, with a value of 0.052, the P-score was only just short of being considered significant).

	Change in average number of grants received per year (2014-17 vs 2018-21, compared to 360 Giving average)	Change in average amount of funding received per year (2014-17 vs 2018-21, compared to 360 Giving average)
Grantees	+0.25	+£15,520
Unsuccessful applicants	+0.05	+6,819

¹⁰It should be noted that, again, the removal of outliers does make a considerable difference to the statistical significance – the P-score without the removal of outliers is 0.24.

Average funding received by grantees and unsuccessful applicants



Interpreting the results

Grantees went from receiving less grant funding on average than unsuccessful applicants in the years before receiving a grant from The Fore, to more funding than unsuccessful applicants in the years afterward. Crucially, this growth in funding was not accompanied by an equivalent change in the number of grants received. Grantees received more funding by winning larger grants, not by winning more; the average size of grant received by Fore grantees grew from £11,096 in the three years before applying to The Fore to £19,323 in the three years afterwards – an increase in grant size of 74% (unsuccessful applicants, meanwhile, actually saw the average size of their grant decrease from £22,609 to £16,433).

Why were grantees able to start winning larger grants from other funders? There are three likely explanations:

- 1) The Fore's funding made no difference, and grantees would have gone on to win larger grants in any event, as they are stronger candidates than unsuccessful applicants – i.e. The Fore's process identified strong organisations but did not change their trajectory.
- 2) Grantees used their funding from The Fore to become stronger candidates for larger grants from elsewhere (e.g., by investing in impact measurement, organisational capacity, or more professional fundraising/marketing).
- 3) Other funders view The Fore's process as robust, so are more likely to award large grants to organisations that succeeded in it.

It is very difficult to discern which of these dynamics resulted in grantee growth, and it is likely that a combination of all three factors came into play.

Conclusions

The evidence presented in this evaluation provides compelling evidence that The Fore's process favours organisations that have received less funding from other large grant-makers, and that the organisations which do well in its application process subsequently go on to do well with other funders. In this way, The Fore could be seen as 'ahead of the curve' with its grant-making.

There are multiple possible explanations as to how and why grantees outperformed unsuccessful applicants in the years after receiving funding (the difference could have been made by The Fore's grant, or these organisations might have been more successful anyway). Drilling down into the causes of grantees' meteoric success will require further research.

Appendix 1: The Data Cleaning Process

The charity and company numbers of The Fore applicants and grantees were gathered during the application process via an online form. This presents the possibility of data entry errors, meaning that The Fore applicants and grantees would not be matched correctly with a recipient record on 360Giving. In other words, if it looked like a Fore grantee or applicant received no grants at all during the period under investigation, we needed to be sure that this was because no grants genuinely were received, and not because a data entry problem meant the organisation was not matched with the relevant record on 360Giving. Being able to discern between these two scenarios posed a key challenge.

Three tests were run. First, we identified all the organisations that received no grants during the time period (as organisations that received grants must have been correctly matched to a 360Giving recipient record).

Second, we cross-referenced the charity numbers of the organisations with the Charity Commission dataset, to identify which organisations were ‘real’ charities, and which looked like they had invalid charity numbers resulting from data entry problems. This enabled us to identify data entry errors for English and Welsh charities, but did not help us with CICs – a large proportion of The Fore’s applicants and grantees.

Finally, to help identify data entry errors for applicant and grantee companies, a ‘regular expression’ was used to identify organisations with company numbers in an invalid format.

Organisations which failed on all three of these tests (i.e., they had no grants, they were not on the Charity Commission and they had an invalid company number) were then removed from the dataset.

Finally, all non-Fore organisations on the 360Giving dataset that received no grants at all during the time period were removed, as many of these organisations will no longer be active and do not form a fair comparison group for grantees.

This resulted in a dataset of 79,904 organisations. A detailed breakdown can be found below.

	All organisations	Fore Grantees	Fore Applicants	360Giving recipient organisations
Number at start of cleaning process	101,263	451	8,020	92,792
Number with no grants registered	23,630	131	2,805	20,694
Number not on Charity Commission	42,842	139	2,850	39,853
Number with an invalid company number	22,337	58	1,139	21,140
Total with no grants, not on Charity Commission and an invalid company number	21,459	40	705	20,694
Number after cleaning process	79,824	411	7,315	72,098
Percentage change	-21.1%	-8.6%	-8.7%	-22.2%