Validating The Fore's Model

Portfolio Performance Compared to Algorithmic Control Group
2017-2019

Executive Summary

Background

- Founded in 2017, The Fore finds, empowers and accelerates innovative young charities and social enterprises with exceptional leadership that have the potential to transform society.
- This report evaluates the impact of the post-pilot programme from 2017-2019, by comparing the success of the post-pilot grantee portfolio to that of an algorithmic control group.
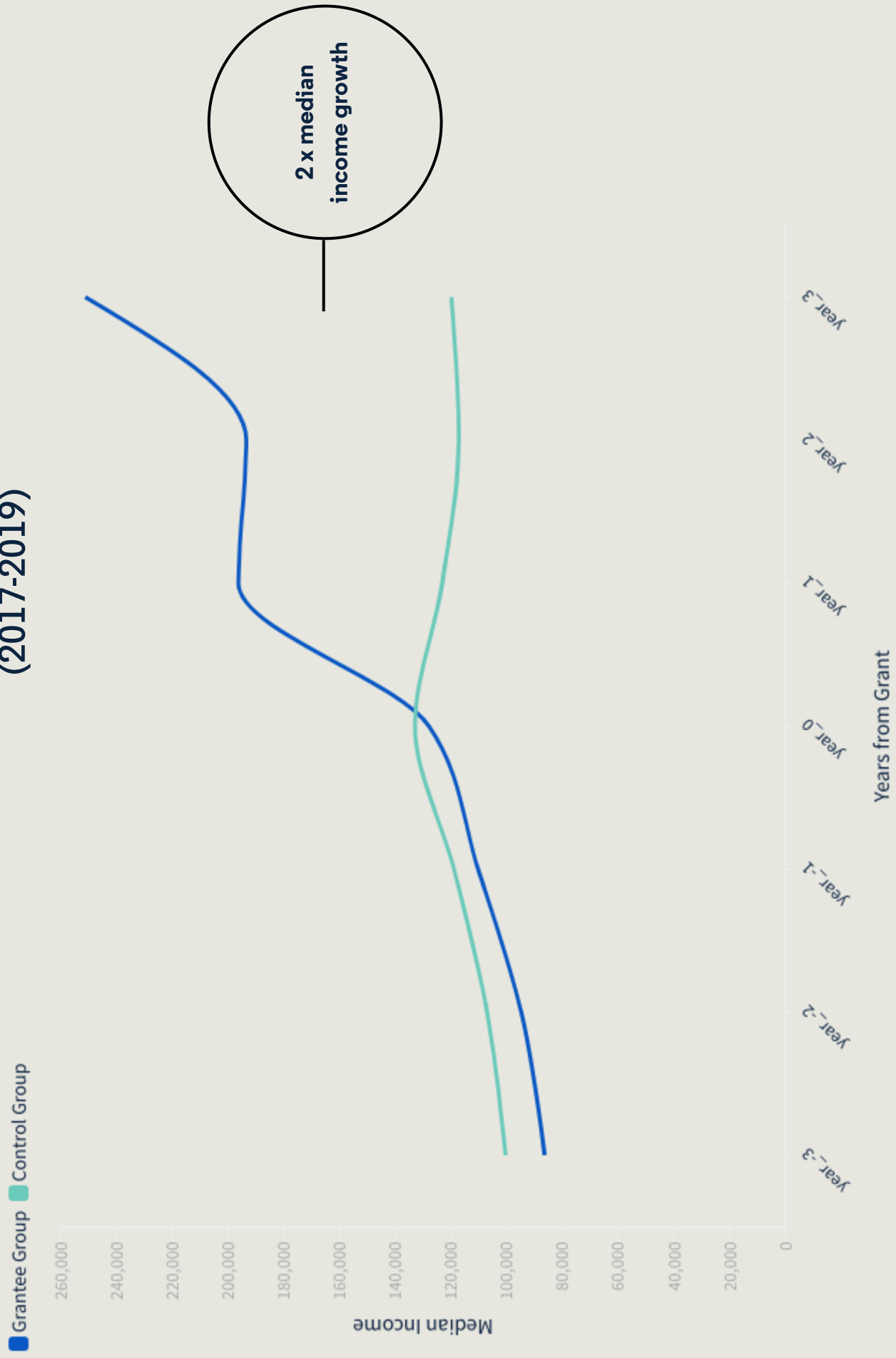
Methodology

- An algorithm was used to match each of the 57 charities which received grants from The Fore from 2017-2019 with 20 organisations of a similar size, location, scale, sector, age and income (there were 90 grantees of various organisational legal structures, but data was only publicly available for charities that are currently active). This created a 1,100+ strong control group to compare against the grantee portfolio.
- Income growth was used as a proxy for organisational development. Income data from 2014/15 to 2020/21 was gathered for all organisations in both groups, and growth rates of grantees and control organisations were compared.
- Statistical analysis revealed a statistically significant difference of income from grantees relative to the control group.

Findings

- **Fore grantees' median income is two times higher than that of the median control group.**
- Sector wide, total annual income growth slowed down to 1% in 2018-19. In the five previous years, it had increased by 2-6% per year.
- In the four years prior to The Fore's grant, the grantee group had an average income growth of 48%, while the control group had an average income growth of 32%.
- In the four years after The Fore's grant, the grantee group had an average income growth of 96%, while the control group's average median income declined by 10%, resulting in a total of 106% difference in income growth.
- The performance of The Fore's grantee portfolio in terms of income growth, relative to the control group is summarised in this graph:

Grantee Performance Against Control Group (2017-2019)

2 x median income growth

Legend:
- ■ Grantee Group
- ■ Control Group

Median Income axis: 0, 20,000, 40,000, 60,000, 80,000, 100,000, 120,000, 140,000, 160,000, 180,000, 200,000, 220,000, 240,000, 260,000

Years from Grant axis: year_-3, year_-2, year_-1, year_0, year_1, year_2, year_3

How The Fore Works
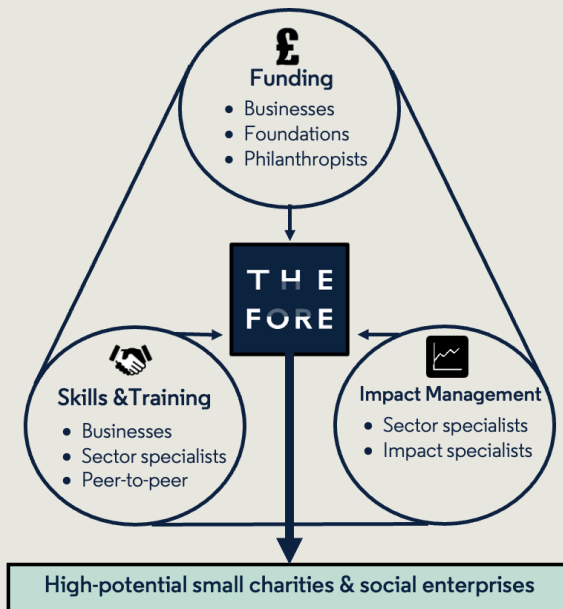
Accelerating social change

The Fore finds and accelerates innovative young charities and social enterprises with exceptional leadership that have the potential to transform society. Our venture philanthropy model brings together the highest-potential charities and social enterprises with businesses, donors and experts to ensure they have the networks, funds and skills to flourish.

What we look for:

Transformational impact of grant / Strength of management / Considered for funding
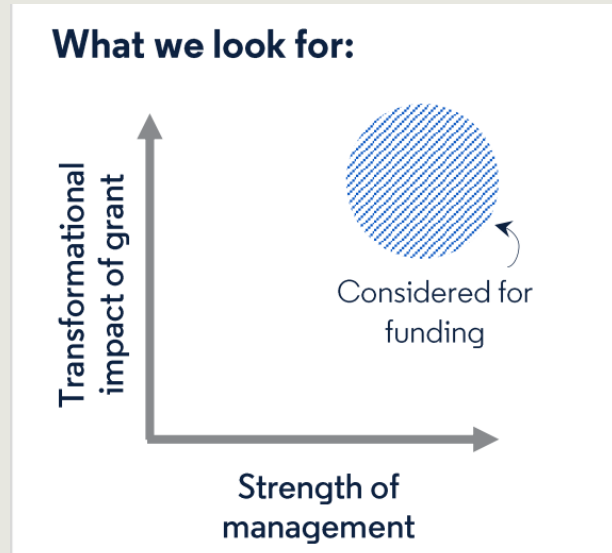
Why small charities?

Small charities provide vital support to their local communities and are innovating at a grassroots level. They are nimble, and respond quickly to the changing needs of the people they serve.

> The Fore's ethos is one of partnership with the charities and social enterprises it supports. Grantees are seen as experts in their fields, and The Fore is an investor in their ability to create social change.

£ Funding
- Businesses
- Foundations
- Philanthropists

THE FORE

Skills & Training
- Businesses
- Sector specialists
- Peer-to-peer

Impact Management
- Sector specialists
- Impact specialists

High-potential small charities & social enterprises

130+ charities introduced to skilled volunteers

4,000 workshop training hours for small charities

68 Fore grantees on fully- funded impact course

2017-2019 Study

This analysis examines the first three years of The Fore funding programme (2017-2019). The Fore made 90 grants over three years, worth £2,578,948. 3,133 applications were evaluated, and 6,500 hours of strategic feedback and advice were provided to applicants.

Purpose of Evaluation

This evaluation is designed to assess the efficacy of The Fore's approach at:

1. Selecting grantees that have great potential for success and growth
2. Accelerating organisational growth and development through its support

In order to do this, this evaluation compares the performance of The Fore's grantee portfolio against an algorithmically generated control group of similar organisations that did not receive grants. The control group contains more than 1,100 organisations, representing a variety of sectors and regions and mirroring The Fore's grantee portfolio. The control group can be used to demonstrate the performance of The Fore's portfolio relative to the small charity 'market'.

It is common for profit-seeking investment funds to measure the performance of their portfolios relative to the market. However, grant-makers have not tended to do so - for the obvious reason that social return (for grantees operating across a variety of sectors and locations) is much harder to quantify than financial return. In the absence of good measures of impact, grant-makers often default to measures of output. Demonstrating impact requires measures of success before and after an intervention, and relative to a control group. This evaluation offers one method for doing this successfully across an entire grants portfolio. It is hoped that this will inspire similar work from other grant-makers, and create a culture of radical transparency in the sector.

The Fore does not specifically target scalability as a criteria for applicants. While this report focuses on income growth as its key metric (as it is easily measurable through publicly available data), a follow-up report is already under way to examine organisational resilience and sustainability.

Methodology

The Matching Process

Each grantee from The Fore's post-pilot was matched to 20 organisations deemed 'similar' according to the following criteria:

Criteria	Metrics	Data Source
Region	UK region of registered office	Registered office postcode, the Charity Commission.
Scale	"Local", "Regional", "National", "International" or "National and International"	Analysis of the "area of benefit" free text field and "areas of operation" on the Charity Commission.
Income	"Under £10k", "£10k-££25k", "£25k-£100k", "£100k-£500k" or "Over £1m"	Annual income during financial year in which the grant was awarded, based on Charity Commission data.
Sector	Similarity score	Analysis of "aims and objects" on the Charity Commission, using natural language processing techniques (Spacy Python Library).
Age	"Up to 5 years"', "5-10 years", "10-20 years", or "Over 20 years	Date of registration with the Charity Commission.

For each grantee, a group of organisations was established that fall into the same brackets for region, scale, income and age, and then 20 organisations with the highest sector similarity were chosen for the grantee's control group.

The matching process process was conducted using a programme written in Python and run on Google Colab, scraping data from Find ThatCharity, The Charity Commission and Companies House.

Due to the more detailed reporting requirements of charities relative to companies and cooperatives, this matching process could only be run on grantees that were charities—excluding CICs, CBSs and grantees with other legal forms.

Combining the control groups for all grantees created a single control group of over 1,100 organisations, spanning all sectors and regions. We believe this control group is broadly representative of the UK small charity sector.

Performance Measures

Income and expenditure are the only metrics for which data is readily available (and comparable) for all organisations in the dataset.

Income was used as a measure of scale and to give an impression of organisational growth. Organisations with higher rates of income growth were considered to be more successful in unlocking scale and increasing their capacities.

For each grantee and control group organisation, income figures from 2014/15 to 2020/2021 were gathered from the Charity Commission data (using the same programme that executed the matching process). This enables comparisons for each grantee relative to its control group of 20, or for this whole grantee cohort relative to all control group organisations.

Limitations

We believe that measuring the performance of our portfolio in this way offers a highly beneficial supplement to other impact measurement methods currently used by multi-sector funders. However, it if important to acknowledge that this approach does have several limitations:
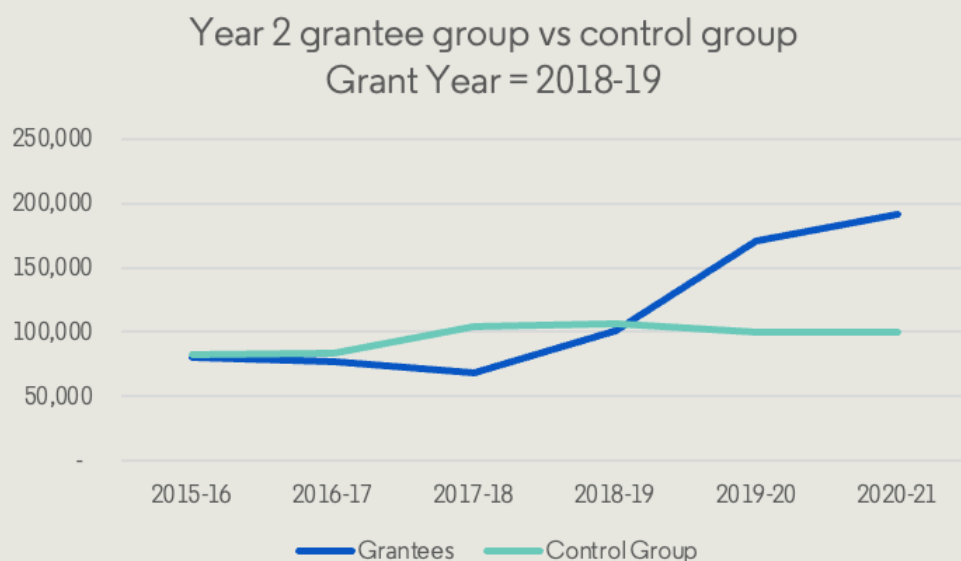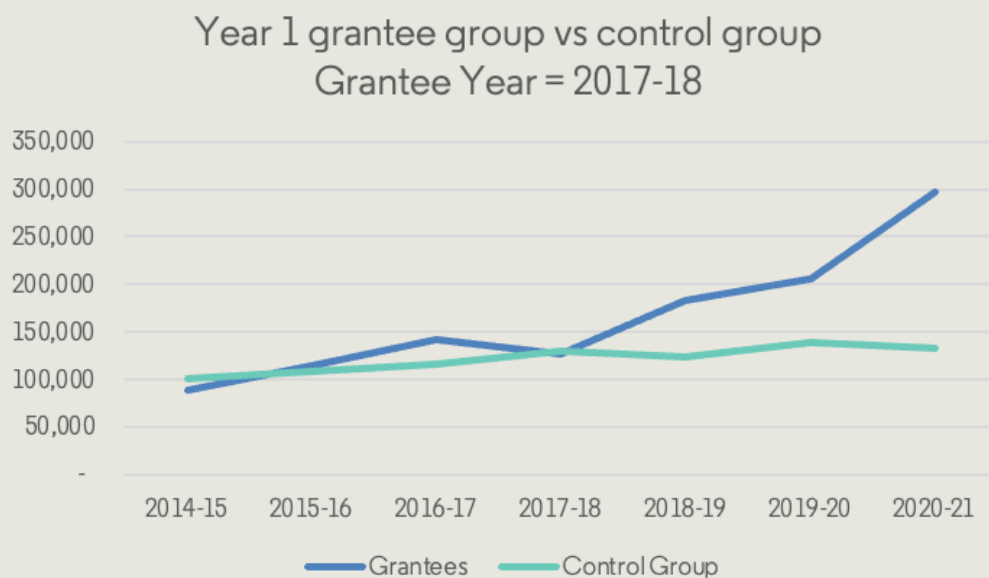- Due to scarcity of data, grantees that are not charities must be excluded
- Although this method can demonstrate that receiving a grant from The Fore is correlated with a change in income growth, it cannot prove without a doubt that The Fore's support caused this change.
- The performance measure used to judge the grantee group against the control group is income, while the grantee group have received grants from The Fore that the control group have not. This obviously gives Fore grantees an advantage in terms of income performance (although, as shall be demonstrated, it is not believed that this advantage alone is sufficient to explain the results).
- Income growth is obviously not, in itself, a measure of social impact. In addition, income can be much more volatile than charity activity - for example, an organisation can be given a large grant to spend down over multiple years. It is therefore not a perfect proxy for scale or success.
- While the matching process was designed to identify similar organisations, the variety of organisations and nature of charity data makes it challenging to find perfect matches.

Performance of Grantee Cohorts

The section compares the median income over time for all grantees in a given cohort (i.e. a given year of grant-making) with that for all the control organisations of the grantees in that cohort.

For example, if five grants were made in Year 1, each of those five Year 1 grantees would each be matched with 20 control organisations, creating a Year 1 control group of 100 organisations. We could then compare the median income of the five grantees with that of the 100 control organisations.

In almost every case, the grantee group and control group began with similar incomes, before the grantee group takes off and outperforms the control group significantly. This usually occurs around the time of the grant or shortly afterwards.

Year 1 grantee group vs control group
Grantee Year = 2017-18

Year 2 grantee group vs control group
Grant Year = 2018-19

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Year 3 grantee group vs control group
Grant year = 2019-20

Median income over time:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Year 1 grantee group	88,226	114,449	141,744	126,488	182,349	205,683	297,512
Year 1 control group	101,221	108,814	116,141	129,494	122,735	138,223	132,765
Year 2 grantee group		80,515	76,585	68,247	101,214	170,534	191,555
Year 2 control group		83,000	84,040	104,386	106,130	99,705	100,000
Year 3 grantee group			107,777	138,574	169,000	200,256	217,527
Year 3 control group			137,107	147,244	167,747	176,762	161,481

Performance of Grantee Portfolio

This section shows the performance of the entire grantee portfolio against all control group organisations.

To do this, it was necessary to change the x axis to show the 'years from grant' rather than actual years, as grantee cohorts were awarded grants at different times.

As the graph below demonstrates, the grantee portfolio as a whole significantly outperforms the control group.

Performance of Grantee Portfolio

Year from grant	Median income of grantee group	Median income of control group
-3	86,394	100,360
-2	94,830	107,036
-1	110,280	118,936
0	127,935	132,924
1	196,321	123,134
2	195,535	117,234
3	251,332	119,990

Before the grant, grantees were growing at a similar rate to control organisations, indicating that the matching process identified comparable organisations. In the years after the grant, this rate of growth increased significantly, suggesting that a grant from The Fore accelerated scaling and organisational development.

Disaggregating The Fore's Grants from the Grantee Income

As the table below demonstrates, over the three years of the grant term (i.e. Year -1 to Year 2, the grantees with available data increased their income by a total of £8,316,269. Over the same period, The Fore distributed a total of £1,422,259* in grant funding to them. This means that The Fore's funding accounts for only about 17% of the grantees' increased income. In other words, almost 83% of the grantees newly generated revenue came from elsewhere.

This shows that the higher incomes of the grantee group relative to the control group cannot be accounted for by The Fore's grant alone. Instead, it seems that The Fore's grants are enabling grantees to unlock new revenue streams from other sources.

Organisation	Grant total	Income growth: Year -1 to Year 2	Grant as a share of income growth
Groundswell	£25,000	£894,023	3%
Lensational	£30,000	-£286	-10490%
London Football Journeys	£30,000	£27,618	109%
Muddy Fork	£7,500	£17,274	43%
North East Wellbeing	£29,232	£52,179	56%
South London Cares	£25,000	£157,727	16%
StreetDoctors	£30,000	£308,726	10%
The Harbour	£25,400	£9,584	265%
Wellgate Community Farm	£24,268	-£14,602	-166%
Disability Africa	£29,562	£123,357	24%
Empire Fighting Chance	£30,000	£627,119	5%
Mindsong	£30,000	£197,088	15%
On Your Bike	£30,000	£19,748	152%
Small Acts of Kindness	£30,000	£123,305	24%
Stay Up Late	£30,000	£102,261	29%
Tea Leaf Trust	£30,000	£15,497	194%
Temple Legal Centre	£30,000	£8,530	352%
Action on Postpartum Psychosis	£30,000	-£35,963	-83%
citizenAID	£30,000	£26,213	114%
Hackney Playbus	£30,000	-£15,606	-192%
In2ScienceUK	£28,800	£294,702	10%

Disaggregating The Fore's Grants from the Grantee Income

Organisation	Grant total	Income growth: Year -1 to Year 2	Grant as a share of income growth
Oarsome Chance Foundation	£29,525	£334,778	9%
Pete's Dragons	£30,000	£181,293	17%
Seenaryo	£25,000	£377,961	7%
Settle	£30,000	£318,809	9%
The Girls' Network	£30,000	£317,299	9%
The Josephine and Jack Project	£30,000	£80,919	37%
Tiyeni	£30,000	£96,684	31%
Imagine If Theatre Company	£30,000	£52,767	57%
WasteAid	£30,000	£357,433	8%
Free to Be Kids	£30,000	£127,507	24%
Young People's Puppet Theatre	£19,000	-£4,557	-417%
Refugees At Home	£30,000	£407,642	7%
Wicked Weather Watch	£29,200	£27,088	108%
Mobile Education Partnerships	£30,000	-£30,325	-99%
The Listening Place	£30,000	£991,934	3%
Museum of Homelessness	£29,700	£151,763	20%
Be Enriched Elements	£30,000	£218,515	14%
Odyssey Project Ltd	£30,000	-£23,376	-128%
Henry Dancer Days	£30,000	£67,994	44%
Gasworks Dock Partnership (Cody Dock)	£30,000	£689,718	4%
Kitchenette Karts	£30,000	£43,780	69%
GETAWAY GIRLS	£30,000	£188,392	16%
Multi Agency International Training and Support (MAITS)	£30,000	-£35,275	-85%
R-evolution	£29,900	£222,449	13%
Crosslight Advice	£25,844	£341,563	8%
The Turnaround Project	£30,000	£5,473	548%
Teach2Teach International	£30,000	£25,666	117%
Development Education Centre South Yorkshire	£19,328	-£127,286	-15%
The Philosophy Foundation	£30,000	-£28,833	-104%

Disaggregating The Fore's Grants from the Grantee Income

Organisation	Grant total	Income growth: Year -1 to Year 2	Grant as a share of income growth
Head2Head Theatre	£30,000		
Hope for the Young	£29,213		
Young Urban Arts Foundation (YUAF)	£30,000		
Vision Care for Homeless People	£30,000		
RIFT Social Enterprise	£30,000		
Greater Change	£29,437		
CoDa Dance Company	£30,000		
Total (for grantees with available data)*	**£1,422,259**	**£8,316,269**	**17.1%**

* Grant amounts for organisations with no income data were excluded from calculations.

Lessons Learned

This evaluation has shown that The Fore's process is able to identify orgnaisations with exceptional prospects for growth, and that following The Fore's support, these organisations significantly accelerate their growth and development. The results from The Fore's post-pilot programme 2017-2019 offers a powerful validation of The Fore's approach.

This evaluation has also demonstrated one possible way for multi-sector grant-makers to measure their success relative to 'the market'. This approach is far from perfect, but it offers a substantial development from the output measures that many grant-makers have to resort to. It is hoped that other funders adopt similar approaches and build upon this one, in order to create a rigorous reporting and radical transparency in the sector.

Appendix: Grantee Portfolio

Funding Round	Organisation	Charity Number	Company Number	Grant Amount	Grant Duration (years)	Part of evaluation?
Summer 2017	Groundswell	1089987		£25,000	2	✓
Summer 2017	Grow to School		8390034	£26,563	1	
Summer 2017	Lensational	1165958		£30,000	1	✓
Summer 2017	London Football Journeys	1152450		£30,000	2	✓
Summer 2017	Muddy Fork	1170128		£7,500	1	✓
Summer 2017	North East Wellbeing	1154255		£29,232	2	✓
Summer 2017	Onion Collective		8323538	£26,000	2	
Summer 2017	Remakery Brixton		IP031891	£30,000	3	
Summer 2017	South London Cares	1157401		£25,000	2	✓
Summer 2017	StreetDoctors	1150925	8330240	£30,000	2	✓
Summer 2017	Survivors of Sexual Abuse Anonymous	1158391		£15,000	1	
Summer 2017	The Harbour	1008360		£25,400	2	✓
Summer 2017	Wellgate Community Farm	1091729		£24,268	2	✓
Autumn 2017	Active Impact		7454426	£30,000	2	
Autumn 2017	Disability Africa	1172163		£29,562	3	✓
Autumn 2017	Empire Fighting Chance	1156690		£30,000	3	✓
Autumn 2017	FareShare North East		7254880	£28,966	1	
Autumn 2017	IMAS		9017084	£30,000	2	
Autumn 2017	JAGS		7305010	£20,000	2	
Autumn 2017	Mindsong	1149189		£30,000	2	✓
Autumn 2017	On Your Bike	1143731		£30,000	3	✓
Autumn 2017	Small Acts of Kindness	1178546		£30,000	1	✓
Autumn 2017	Stay Up Late	1145040		£30,000	3	✓
Autumn 2017	Tea Leaf Trust	1123427		£30,000	3	✓
Autumn 2017	Temple Legal Centre	1171331		£30,000	3	✓
Autumn 2017	The National School Hawes		9462147	£27,966	3	
Autumn 2017	Tutors United		8595641	£24,400	2	
Spring 2018	Action on Postpartum Psychosis	1139925		£30,000	2	✓
Spring 2018	citizenAID	1176033		£30,000	1	✓
Spring 2018	E17 Puppet Project		8132418	£28,990	2	
Spring 2018	Element Creative Projects		10249359	£24,000	1	
Spring 2018	Find Your Voice		10776677	£30,000	1	
Spring 2018	Hackney Playbus	1163792		£30,000	2	✓
Spring 2018	In2ScienceUK	1164821		£28,800	2	✓
Spring 2018	Irene Taylor Trust		3637201	£30,000	2	
Spring 2018	Oarsome Chance Foundation	1167787		£29,525	1	✓
Spring 2018	Pete's Dragons	1160644		£30,000	2	✓
Spring 2018	Reverse The Trend Foundation		10001362	£30,000	1	
Spring 2018	Rhubarb Farm		7059841	£28,850	1	
Spring 2018	Seenaryo	1173822		£25,000	2	✓
Spring 2018	Settle	1162399		£30,000	1	✓
Spring 2018	The Girls' Network	1156517		£30,000	1	✓
Spring 2018	The Josephine and Jack Project	1169241		£30,000	2	✓
Spring 2018	Tiyeni	1113274		£30,000	3	✓

Appendix: Grantee Portfolio

Funding Round	Organisation	Charity Number	Company Number	Grant Amount	Grant Duration (years)	Part of evaluation?
Spring 2018	Toylikeme		10778527	£30,000	3	
Spring 2018	Veterans Woodcraft		10823931	£29,100	1	
Spring 2018	Wessex Social Ventures		10246702	£30,000	2	
Summer 2018	No More Taboo		9452204	£25,000	3	
Summer 2018	Innovating Minds CIC		9998435	£30,000	1	
Summer 2018	Imagine If Theatre Company	1160935		£30,000	3	✓
Summer 2018	WasteAid	1160263		£30,000	3	✓
Summer 2018	Pulse Arts CIC		9763852	£28,132	2	
Summer 2018	Free to Be Kids	1165678		£30,000	2	✓
Summer 2018	Well Grounded Jobs CIC		9964649	£30,000	1	
Summer 2018	Compass Project 2012 CIC		8043211	£26,000	2	
Summer 2018	Young People's Puppet Theatre	1165649		£19,000	2	✓
Summer 2018	Refugees At Home	1177765		£30,000	3	✓
Autumn 2018	British Nordic Walking CIC		6636564	£29,950	3	
Autumn 2018	TRAMPOLINE N.H C.I.C.		10394394	£22,322	2	
Autumn 2018	Wicked Weather Watch	1133006		£29,200	2	✓
Autumn 2018	Mobile Education Partnerships	1115837		£30,000	1	✓
Autumn 2018	The Listening Place	1164739		£30,000	1	✓
Autumn 2018	Museum of Homelessness	1164091		£29,700	3	✓
Autumn 2018	Be Enriched Elements	1170219		£30,000	2	✓
Autumn 2018	South Lakeland Mind	514587		£16,800	2	
Autumn 2018	Odyssey Project Ltd	1045259		£30,000	3	✓
Autumn 2018	Henry Dancer Days	1147982		£30,000	2	✓
Spring 2019	Gasworks Dock Partnership (Cody Dock)	1141523		£30,000	1	✓
Spring 2019	Kitchenette Karts	1149052		£30,000	1	✓
Spring 2019	Each Amazing Breath CIC		8928926	£25,000	1	
Spring 2019	Comics Youth CIC		9549165	£30,000	2	
Spring 2019	Fat Macy's			£30,000		
Spring 2019	GETAWAY GIRLS	703003		£30,000	2	✓
Spring 2019	Multi Agency International Training and Support (MAITS)	1126268		£30,000	2	✓
Spring 2019	R-evolution	1159808		£29,900	2	✓
Spring 2019	PULP FRICTION SMOOTHIE BAR CIC		7497948	£30,000	2	
Summer 2019	Head2Head Theatre	1161873		£30,000	2	✓
Summer 2019	Hope for the Young	1127017		£29,213	2	✓
Summer 2019	Young Urban Arts Foundation (YUAF)	1159604		£30,000	2	✓
Summer 2019	Crosslight Advice	1163306		£25,844	2	✓
Summer 2019	The Turnaround Project	1112832		£30,000	2	✓
Summer 2019	Euan's Guide	SC045492		£30,000	3	
Autumn 2019	Vision Care for Homeless People	1118076		£30,000	3	✓
Autumn 2019	RIFT Social Enterprise	1074546		£30,000	2	✓
Autumn 2019	Connected Routes		11814087	£30,000	2	
Autumn 2019	Greater Change	1188164		£29,437	2	✓
Autumn 2019	Teach2Teach International	1175660		£30,000	2	✓
Autumn 2019	CoDa Dance Company	1155551		£30,000	2	✓
Autumn 2019	2020Change CIC		9937259	£30,000	1	
Autumn 2019	Development Education Centre South Yorkshire	1153377		£19,328	2	✓
Autumn 2019	The Philosophy Foundation	1140338		£30,000	2	✓