Which key factors prevent charities and social enterprises from becoming more resilient and sustainable? i.e., which capacities need to be built?

1. Governance and leadership

We find three major barriers to preventing organisations from becoming more resilient:

- **Resources** — a lack of resources, often related to the size of the organisation and impairing its ability to focus on issues other than day to day
- **Entrepreneurialism** — not naturally found in social sector leaders who may have had a career in service delivery — a talent for helping people directly, or campaigning on policy, does not necessarily equate to a talent for finding and shaping business opportunities.
- **Conservatism** — trustee boards' conservatism may be born out of a lack of skills/knowledge or a fear of innovation.

2. Performance management and evaluation

Factors which prevent organisations from becoming more resilient range from the top down infrastructure issues to bottom up skills shortages.

Top down there is a:

- **lack of infrastructure** to help bring organisations together to work on impact measurement collaboratively
- **lack of standardised outcomes and measurement frameworks**
- **lack of resources for evaluation**
- **need for better access to relevant academic research and synthesis of academic research to make it relevant to charities and practitioners**
- **trend towards oversimplistic interpretations of how impact and change occurs, and what charities should be accountable for**

From the organisation’s perspective, there needs to be:

- **alignment with funders on measurement and evaluation** — ideally what is useful for organisations to measure will be what funders demand — failing which:
- **more clarity about funders’ measurement and evaluation requirements** — what do they need to know? and confidence that funders will listen and act upon results
- **more learning from impact measurement and understanding how it is interrelated with performance management.**
- **More investment in evaluation skills**

3. Digital

The sector varies massively in the approach it takes towards digital, but in general, we find there is a:

- **lack of infrastructure** to help bring organisations together to work on common digital platforms rather than in isolation
- **lack of digital skills & awareness in funding and investment organisations**
- **lack of digital skills & awareness in boards and leadership teams**
NPC response to Access consultation

- limited availability and quality of digital solutions to underpin organisations’ impact practice

How can capacity building support most effectively be delivered for our target population?

1. Governance and leadership
   - Continued investment in training opportunities – increasing use of digital delivery to increase reach.
   - Development of peer to peer/ networks/ communities of interest – working with cohorts/federated organisations to leverage reach.

2. Performance management and evaluation
   - Building networks/communities of practice within specific sub-sectors e.g. sports for development, ageing, mental health.
     - Embedding the theory of change mind set and approach and creating common language about intermediate outcomes within sectors.
     - Sharing theories of change and developing consensus on how change occurs for different client groups / social problems.
   
   Inspiring Impact is helping to support such networks, working with lead partner organisations to develop tailored guidance and support that help organisations to improve their practice across the sub-sector. This may lead on to the development of shared measurement frameworks, but that's not a requirement for the partnerships.
   - Capacity-building for cohorts of organisations e.g. NPC’s experience of this with impact readiness fund, and links to shared measurement.
   - Using existing platforms that contain guidance and tools in conjunction with capacity-building programmes, to maximise the value and usage of existing materials (e.g. Inspiring Impact, PerformWell, Centre for Youth Impact).
   - Supporting excellence in Impact measurement advice – through specialist accreditation programme. Often impact measurement is folded into general investment readiness advice (ICRF, Big Potential etc) and success measured by further capital raising as opposed to ability to evidence impact – risks development of poor practice.

3. Digital
   - Accessible guidance for charities and social enterprises on:
     - Mapping their technology requirements
     - Funding and working with technology partners
     - Use of available open source/commercial software
   - Capacity building for cohorts of organisations within similar field, building on shared mapping of technology options.
   - Strategic transformation programmes identifying, prioritising and developing technology opportunities within specific fields eg advice, ageing, health.