



**NEXUS  
EVALUATION  
LTD**

# **BACKBONE FUND EVALUATION SUMMARY REPORT**

February 2023

## ACKNOWLEDGEMENTS

I want to say a huge thank you to all the organisations supported by the Backbone Fund that participated in this evaluation. Your time and input are highly appreciated, and we really enjoyed getting to know you and learning from the amazing work you are doing in the UK.

I also want to thank all the Paul Hamlyn Foundation staff and trustees we interviewed. Your honesty and critical thinking were invaluable. To Kirsty Gillian-Thomas (Head of Evidence and Learning) and Andy Curtis (Research and Evaluation Manager), thank you for being true partners to us throughout this evaluation.

Last but not least, thank you to my team for all their hard work, insights and experience: Louise Armstrong (Systems Change Expert) and Taruna Gupta (Evaluation Consultant).

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## INTRODUCTION

Paul Hamlyn Foundation (PHF) engaged [Nexus Evaluation LTD](#) to conduct an evaluation of their new and unrestricted funding mechanism called the Backbone Fund. The Fund, started in 2017, has funded a total of 39 grants to date, with a total budget of £7.6 million.

This evaluation aimed to assess the extent to which the Backbone Fund is achieving its stated objectives of ensuring that UK sector-critical organisations provide stability, influence decision-makers, demonstrate agility and resilience during crises, develop strong leadership, and drive effective collaboration. This includes the extent to which the Backbone Fund's offer and processes reflect PHF's new diversity, equity, and inclusion commitments. Evidence and learning from this evaluation are intended to inform decisions about how PHF can best implement future work in strengthening and supporting sector-critical organisations.

We used a systems approach and a wide range of perspectives, sources of information, and methods to cross-reference, triangulate and collect evidence. These included document and desk reviews of unrestricted funding practice globally and on social justice, diversity, equity, and inclusion issues in the UK. We also talked to eight funders and 24 infrastructure organisations funded by PHF as well as a number of the foundation's staff and trustees.

This document is a shorter version of the full evaluation report. It contains insights and recommendations for all funders, particularly those interested in supporting infrastructure organisations and those committed to advancing diversity, equity and inclusiveness in the sector.

# WHAT ARE BACKBONE FUND ORGANISATIONS?

Backbone Fund organisations have been a core part of civil society since World War II.

Their primary role is to create an enabling environment for civil society to work effectively. And in times of crises and conflict, they can play a part in rebuilding the foundations of a resilient and diverse civil society<sup>1</sup>. There is also some evidence of a direct correlation between improving health and social indicators in locations where backbone organisations operate<sup>2</sup>.

Moreover, infrastructure organisations can have a role in advancing social justice and diversity, equity, and inclusion in the sector (see *Section 3*).



## SEVERAL OTHER TERMS AND PHRASES ARE USED TO DESCRIBE GROUPS PLAYING THE FUNCTION OF “BACKBONE” ORGANISATIONS

Infrastructure  
Sector critical  
Umbrella  
Anchor  
Ecosystem  
Irrigation

## BACKBONE FUND PORTFOLIO CATEGORISATION

Most grantees are established micro-organisations – they have been in business for six or more years and have up to 10 employees<sup>3</sup>.

The geographic focus of grantees appeared to be on England, specifically in London, with ad hoc grants in other parts of the country<sup>4</sup>.

On the surface Backbone Fund organisations appear very diverse, however, when we look at their functions we see similarities. Most grantees perform activities around capacity building, policy and advocacy, and networking (see Figure 1). The business model of many grantees is network - or membership-based (see Figure 2)<sup>5</sup>. It is important to note that funders themselves provide a specific type of infrastructure and can be viewed in the same category.

<sup>1</sup> [Common Vision report, p7](#)  
<sup>2</sup> Slocock, C. (2018) [Why Social Infrastructure is key to prevention](#).  
Civil Society  
<sup>3</sup> Based on a sample of 24 grantees (those that participated in group discussions), representing 61% of the Backbone Fund portfolio.  
<sup>4</sup> This is based on interviews with PHF staff and trustees and findings from the 360 giving database, which labels funding by grant location (i.e. the area of benefit).  
<sup>5</sup> Both Figures 1&2 are based on a sample of 24 grantees (those that participated in group discussions), representing 61% of the Backbone Fund portfolio.

Around half of all PHF interviewees<sup>6</sup> feel the focus of the Backbone Fund needs improving. Issues include the Fund not being reflective of new strategic objectives (such as diversity, equity and inclusion) or a lack of clarity about how the Fund links up with these objectives, particularly for emergent changes in the system. PHF's current organisational set-up can make it difficult to think outside the box on areas that are cross-cutting.

Figure 1 : Organisational functions

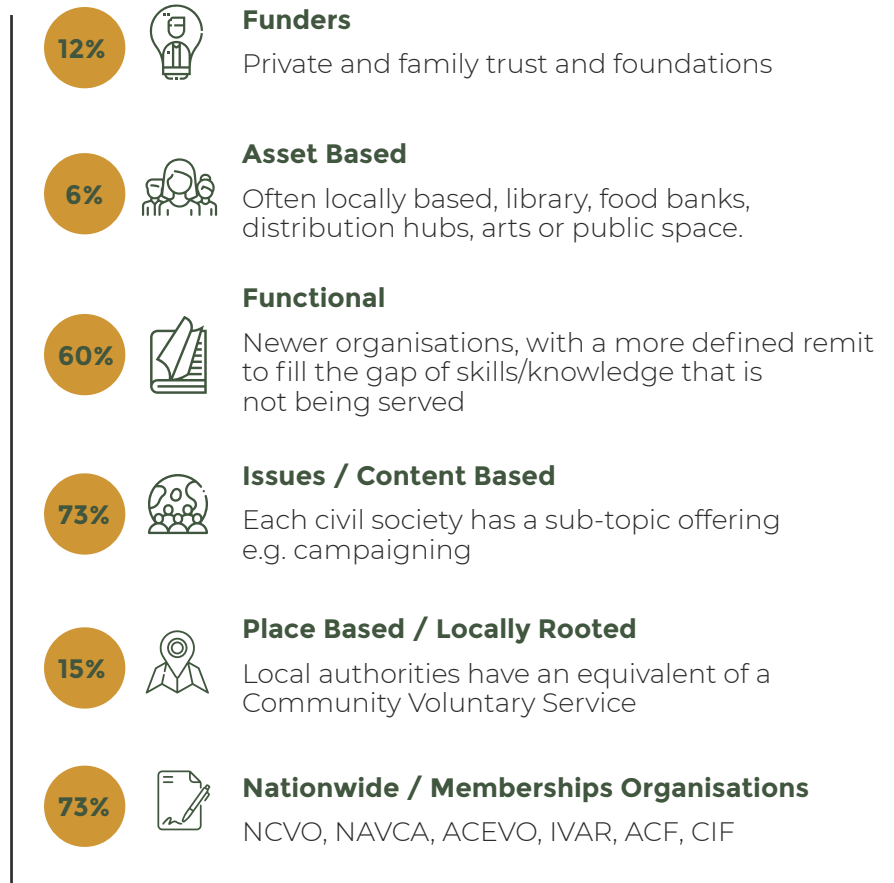


<sup>6/</sup> A total of 11 members of staff and trustees were interviewed for this evaluation.

Source: Nexus Evaluation LTD, developed for this evaluation. Based on a sample of 24 grantees (those that participated in group discussions), representing 61% of the Backbone Fund portfolio.

## COMMON TYPOLOGY OF INFRASTRUCTURE GROUPS

Figure 2 : Organisational typology



Source: Nexus Evaluation LTD, developed for this evaluation. Based on a sample of 24 grantees (those that participated in group discussions), representing 61% of the Backbone Fund portfolio.



# THE BACKBONE FUND OFFER AND ITS UNIQUE ADDED VALUE

Through our funding landscape review, we found that project-based funding or payment by results are still popular in the sector despite limiting an organisation's ability to plan long-term and adapt or respond quickly<sup>7</sup>. But there is a growing recognition and awareness that core funding to support organisations is vital<sup>8</sup>.

Notably, it is not easy for funders to pivot in this direction – in our interviews with peer funders for this work, we found that they still struggle to justify the business case for unrestricted or core funding and supporting infrastructure groups, in particular, to their board of trustees. Some perceived challenges are that infrastructure organisations may not be seen as the most innovative or progressive groups. Furthermore, impact can be difficult to evidence and measure for these organisations. Solutions to this used by funders interviewed included onboarding conversations with new board members, one-to-one conversations once trustees were more settled in roles and wholesale board redesign.

We identified three ways the Backbone Fund is particular in the current UK funding landscape:

- 01 **It is truly unrestricted** (*within the normal confines of charitable funding*<sup>9</sup>) – for other peers, funding was core or unrestricted but with limits or restrictions.
- 02 **Length of time** – the average time for unrestricted funds was between two to three years, rather than the five years of the Backbone Fund. The Esmée Fairbairn Foundation, the Tudor Trust and the City Bridge Trust also provided 60-month grants in some instances, but they were an exception, not the norm.
- 03 **Credibility and reputation of PHF** – the peer funders we talked to were all very supportive of the Backbone Fund (“if PHF aren’t supporting infrastructure, then who is?”), and grantees spoke of the confidence, credibility, and legitimacy of having a Backbone Fund grant offered to them. For many, this meant opening conversations with other funders and strategic partners. While this is not a representative sample, it provides insights into the perception of Paul Hamlyn Foundation’s support.

<sup>7</sup> / See for example: <https://www.wivar.org.uk/unrestricted-funding/>

<sup>8</sup> / Leslie Johnston [interview](#), Laudes Foundation

<sup>9</sup> / All funding is limited to use for charitable activity with public benefit.

Most grantees we talked to describe the Backbone Fund as being flexible, long-term and strategic, which they consider important at a time of discontinuity and uncertainty. However, the Backbone Fund grant amount is relatively small for most medium to large organisations in the portfolio, according to PHF staff and grantees.



# DIVERSITY, EQUITY, AND INCLUSIVENESS LENS

Systemic power structures, such as colonialism, patriarchy, and racism, intersect and underpin unjust societal norms. They lead to institutional racism and discrimination against Black and minoritised people, groups and community-led organisations. These include people of African, Caribbean, South Asian, East Asian, Latin, Middle Eastern, Eastern European and all mixed heritages that are regarded as an ethnic minority in the UK. *Figure 3* visually summarises cross cutting barriers to diversity, equity and inclusion and social justice in the UK as well as general recommendations.

Figure 3: Cross-cutting barriers to diversity, equity, and inclusion, and social justice

## CROSS-CUTTING BARRIERS TO DIVERSITY, EQUITY & INCLUSION

### 01

In the UK, civil society aims to practice and promote social norms of tolerance, non-discrimination, cooperation and trust. The objective is to create a fair and equal society in which each individual matters, their rights are recognized and protected, and decisions are made fairly and honestly. In this context, backbone organisations are necessary for the voluntary and community sector organisations to operate and deliver their missions effectively.

## 02 / KEY FINDINGS

A recent review found that few people in the UK feel they are heard, let alone responded to or actually involved in any decision-making.

UK respondents have felt discriminated against because of skin colour, ethnic origin and or religion in 10 areas of life (incl. when looking for work, at work, when looking for housing, when using health services, when entering shops, and when using public transport)

Reports from specialised UN agencies, rapporteurs and international committees generally depict the UK as a system with decreasing levels of human rights protection.

## UNDER REPORTING

Over 80% of respondents chose not to make a complaint about incidences, due to:

1. A belief that nothing will happen
2. A belief that it was too trivial/not worth reporting
3. A belief they will be discriminated against based on skin colour, ethnic origin and or religion
4. A belief it is a long process that uses both time and money
5. Respondents not having a desire to go to court or not having proof

## 03 / RECOMMENDATIONS

There is a need for systemic change which includes:

- Shifting to long-term thinking, focused on problem-solving; tackling discrimination due to skin colour, ethnic origin and religion.
- New and inclusive participatory forms of decision-making, particularly for black and minoritised groups.
- Develop leadership skills needed for co-production with communities
- Need to focus on accountability and trust-building, ideally co-designing systems and practices with people.
- Make the organisations staff and leadership more diverse.

Individual and institutional racism impacts the experience of basic human rights, including economic, social, cultural, civil, and political rights. This seriously affects overall wellbeing and results in biological, psychological, cognitive, and emotional harm. However, most UK government bodies and other organisations are yet to recognise its institutional nature (see, for example, [this press release](#) from United Nations Human Rights and a recent Guardian [article](#)).

The impact of institutional or structural racism and deep-rooted inequities is noticeable in areas such as health, education, employment, housing, policing, and the criminal justice system in the UK. According to Backbone Fund grantees participating in group discussions, around half are directly working to tackle one or more barriers to diversity, equity, and inclusion. This might need to be higher across the Backbone Fund portfolio to better reflect strategic priorities around social justice and diversity, equity, and inclusion.

Finally, the current legal frameworks and standard practice in the UK, particularly around disability and race, are arguably not keeping pace with what is needed to tackle ableism and racism in the workplace.<sup>10</sup>



## THE ROLE OF CIVIL SOCIETY AND INFRASTRUCTURE ORGANISATIONS

Civil society has long struggled with acknowledging unhealthy and discriminatory practices and cultures, let alone actively changing them<sup>11</sup>. Over the last five years, there has been a near-constant stream of whistleblowing, call-outs, and exposures, and an increasing frequency of more public dialogue about the importance of diversity, equity, and inclusion. Even more recently, there has been an unearthing of the extent of toxic cultures and unhealthy practices that span the whole of civil society, including from some of the most high-profile infrastructure groups<sup>12</sup>.

<sup>10</sup> / Campaign Bootcamp [lessons learned report](#) 2022, page 21-22.

<sup>11</sup> / "Let's Talk about Race: Civil Society and race equality", Nov 2018 [report](#).

<sup>12</sup> / Examples include the [closure of Campaign Bootcamp](#), the [Independent Commission's interim safeguarding and culture report](#) in 2019 which flagged issues at Oxfam and NCVO's [failings and cultural change work](#).

But infrastructure organisations can have a role in advancing social justice and diversity, equity, and inclusion in the sector, and new organisations are emerging to do so directly. Power & Integrity is an example – hosted within NCVO with support from the Oak Foundation. [Power & Integrity](#) aims to build a solid foundation for all non-profits to strengthen their diversity, equity, and inclusion practice. Another example is the recently launched [Black Equity Organisation](#), an ‘independent, national Black civil rights organisation created to dismantle systemic racism in Britain, drive generational change and deliver better lived experiences for Black people across the country’. (From their website, [here](#)).

Despite all these developments, we heard there is still an unmet level of demand that goes beyond available guidance and toolkits. Organisations and people struggle with how to redistribute power and often lack expert and independent support to do it. We also noticed that efforts tend to be reactive and responsive and wonder what a more proactive and long-term response looks like.

The current political and public environment are also barriers to change. For example, the UK government has discouraged talk about Black Lives Matter at school and called one Backbone Fund grantee “extremist” when they advised pausing exclusion guidance for education. Moreover, organisations fear public backlash when working and talking about internal diversity, equity and inclusion issues because it tends to negatively impact their reputation and funding<sup>13</sup>.

## THE ROLE OF FUNDERS AND PHF GRANT-MAKING PRACTICE

Local, regional, and national Black and minoritised infrastructure organisations have been systematically underfunded and under recognised. Therefore, they have been unable to provide Black and minoritised communities with links to the funding they needed, particularly during Covid-19.<sup>14</sup> This reflects power dynamics and biases and needs addressing to rebalance funding in service of social justice and diversity, equity and inclusion.

When it comes to funding mechanisms, unrestricted or core funding with a light reporting approach is generally seen as a positive move and a sign of trust. However, the funders we interviewed recognised that the core and unrestricted funding they currently offer predominantly supports white-led organisations and that it could be seen to reinforce the status quo rather than explicit support for the transition and transformation of these organisations. Some are in active dialogue with their boards and grantees about this tension and are finding a way to navigate this together.

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<sup>13/</sup> Source: confidential discussions with Backbone Fund grantees.

<sup>14/</sup> Natalie Armitage, Rana Zincir Celal, Yvonne Field, Rianna Raymond-William and Fancy Sinantha (2021) [Booska Paper](#), The Ubele Initiative

## BACKBONE FUND GRANT MAKING

Most PHF interviewees feel that the Backbone Fund governance model needs improving. Areas for improvement include having the right level of challenge and expertise, more evidence on impact, and greater transparency (both internal and external) on how and why decisions are made.

Moreover, most PHF interviewees did not feel the Fund's current processes were consistent with the foundation's diversity, equity and inclusion ambitions and commitment to anti-racist practice. They are aware that a closed process is, by nature, reflective of PHF's knowledge, assumptions, biases, blind spots and values and that this privileges organisations in the PHF network. They are also aware that decision makers' own lived experience is relevant in this respect, with staff and trustees reflecting markers of privilege, including being mainly white and able-bodied<sup>15</sup>.

PHF interviewees reflected a wider discussion within funders around confidence and competence concerning discussing diversity, equity and inclusion. There is a fear of being perceived as "telling them what to do" or having "a funder's agenda". Many PHF interviewees feel it is awkward to push diversity, equity and inclusion as the foundation is not yet a 'role model' and lacks dedicated resources and expert support. As a result, diversity, equity, and inclusion are not being raised at check-ins at all or as often as they could be, and there is an expectation that grantees are aware and working on it.

Some Backbone Fund grantees have been supported because their mission is around diversity, equity and inclusion issues (e.g., the Centre for Knowledge Equity or the decolonising history project by the Museums Association). Increasingly, the Fund has sought out and supported organisations which provide infrastructure for specific communities. The experience of Campaign Bootcamp<sup>16</sup>, a Backbone Fund grantee which closed in 2021, highlights how critical it is to support good diversity, equity and inclusion practice. One PHF interviewee said that [most organisational] structure "does not suit social justice and diversity, equity and inclusion" (PHF-5).

A careful review of grantees by type of organisation, looking at who they serve and how<sup>17</sup>, could ensure that new grants better support areas and groups in need and work to address systemic issues that get in the way of social justice and equity in the UK.

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<sup>15</sup> / Current decision-making for the fund sits with senior staff and is ratified at Board.

<sup>16</sup> / <https://campaignbootcamp.org/resources/campaign-bootcamp-leadership-learning-report-2022/index.html>

<sup>17</sup> / Using Funders for Race Equality Data and diversity, equity and inclusion standard data as a starting point

# WHAT DIFFERENCE DOES THE BACKBONE FUND MAKE?

## CONTRIBUTION TO GRANTEE'S WORK AND ORGANISATIONAL DEVELOPMENT

We identified some common patterns in terms of what the grantees used the funds for:

### Time and space to be strategic, plan, learn and adapt

- 01 Breathing space:** Giving a bit more space to make considered and strategic choices.
- 02 Ability to be strategic in a time of change:** Clarifying their role and purpose and undertaking strategy processes. Other examples include navigating the Covid-19 pandemic and responding to the global Black Lives Matter movement, the recent challenges in Northern Ireland and the war in Ukraine.
- 03 Shifting online through Covid-19:** Most organisations spoke about shifting to hybrid or fully remote teams, moving training, events and services online and often increasing reach as a consequence.

### Investing for impact

- 01 Investing in policy and influencing work:** For some, this led to improved relationships with government and policymakers. For others, it influenced where future investment went (e.g., to minoritised groups and for a few grantees/ infrastructure organisations through investing in essential communications/ influencing platforms).
- 02 Investment in research and development:** The ability to focus on core work and spend less time chasing project funding and to scope new programmes that have turned into fundable ventures.
- 03 Investing in relationships:** There is a saying about progress only being able to "move at the speed of trust", and investing in relationships is a pre-requisite to this. The Backbone Fund allowed some of these conversations to happen. The grantees spoke about investing in a whole host of relationships, such as community organising capacity, growing their membership base, building strategic relationships and collaborations, and having the ability to participate in collaborations and take care of the wider ecosystem.

## Investing in healthier organisations

**01** **Stitching together a functioning organisation:** To "fill the gaps left behind by just project funding" because "project funding doesn't amount to a functioning organisation."

**02** **Investing in healthy organisational culture:** This area can be hard to see and actively invest in, but it was critical to many grantees throughout the pandemic and lockdowns. It offered stability in an uncertain time and meant not having to furlough staff. For some, this was about really investing in team wellbeing and ensuring attention was paid to onboarding new hires, and being able to speak about the role and the nuanced position of the organisation and their position in the system.

**03** **Investing in key hires and leadership capacity:** Many grantees spoke about the Fund allowing them to invest in and "aim higher for who we bring in than we might otherwise" for key enabling roles in their organisations – including the hiring of a Head of Impact, a new CEO, a Head of Communications, a Director of Communications, a Campaigns Officer and increased fund-raising capacity.

For some, they also revamped their formal governance, with a shift in boards and setting up youth advisory and reference groups to make their organisations more reflective of those they serve.



## BACKBONE FUND CONTRIBUTION TO ORGANISATIONAL CHANGE & KEY INFRASTRUCTURE

The work and investment in the previously presented areas directly enabled:

- **A healthy organisational posture:** A sense of credibility and organisational confidence. Grantees felt that the Backbone Fund was a signal of trust and meant they felt valued, seen and acknowledged. This impact cannot be underestimated, especially for organisations with an almost 'invisible' enabling power/reach across civil society. As one grantee put it: "[we] do more than we could ever have imagined" (even with Covid-19).
- **An ability to balance strategic and operational needs** and a renewed clarity of purpose about how to use time and position.
- **A sense of security and stability:** "we can better commit to the long term."
- The ability to be **responsive to a fast-changing context.**
- **Influencing** the wider sector and key decision-makers.
- **Growth:** The grant was a catalyst for engaging with other funders, securing other sources of income and increasing the pool of unrestricted or core funding.
- **Widened reach, engagement and participation:** "provided the scaffolding for the 'right' voices to be heard". This included bolstering access and inclusion to more people and new groups – it "elevated the voices of Black and minoritised women". Some developed genuine co-designed processes.

The Backbone Fund also indirectly contributed to the start of a **re-framing of some key narratives**, challenging long-held societal narratives that need to be updated. It also contributed to **key collaborative infrastructure** needed for a healthy and resilient civil society; examples include the Cultural Learning Alliance, the Fair Education Alliance, and the Centre and Young People's Mental Health Coalition.

There is some evidence of a contribution to more collaborative working across the sector and within smaller networks and attempts to work more deliberately as an ecosystem. While attribution can't be entirely correlated to the Backbone Fund, it enabled greater participation in and hosting of networks. Put in other words, we found evidence that the Backbone Fund met all its five objectives – with varying degrees of achievement as follows:

- Most stories relate to:
  - **Stability** and being **agile and resilient**, particularly during Covid-19.
  - **Influencing** the sector and key stakeholders, including amplifying the voice of those marginalised and discriminated against.
- There is evidence of the Fund contributing to **collaborations.**
- Some evidence was found around strong **leadership** in the sector.

Sector-wide collaborations and building the type of leadership needed in the sector are areas for improvement in the Backbone Fund.

## BACKBONE FUND GRANTEE'S CONTRIBUTION TO SECTOR-WIDE & LONG-TERM CHANGE

We developed a series of case studies about sector-wide and/or long-term change that Backbone Fund grantees contributed to. One is presented below as an example. A couple of videos were also created to tell their stories.

### Case study: Improving undocumented migrant's access to the COVID-19 vaccine

In 2021, undocumented migrants were able to access primary care and the Covid-19 vaccine as a result of GP surgeries signing up for the [Safe Surgeries Initiative](#) and [Clinical Commissioning Groups \(CCGs\)](#) in several local areas changing their policies on registration or increasing the number of walk-in vaccine clinics which did not require registration with a General Practitioner (GP).

This change was significant. Before this point, the coronavirus pandemic had exacerbated existing health inequalities across the UK, particularly for undocumented migrants who could not access primary care and the Covid-19 vaccine.



All these changes link back to an [original investigative report](#) by the Bureau of Investigative Journalism, launched in July 2021. It focused on undocumented migrants and their struggle to register with GPs which negatively impacted access to healthcare and the Covid-19 vaccine. The investigation provided the biggest dataset to date on how undocumented migrants are excluded from primary care and made it obvious that the situation was a flagrant breach of the UK's National Health Service policy.

The Bureau's investigation became the catalyst for Doctors of the World to republish its Write to your MP tool, which was launched soon after the Bureau's investigation was published. More than 1,000 emails were sent to 425 MPs, raising concerns over how undocumented migrants were being treated, which led to the changes outlined at the beginning of this case study.

Six staff members at the Bureau worked on this investigative project, thanks to the support of PHF and other funders. They directly partnered with media organisations across the country, grassroots migrant support organisations, and diaspora publications. To publicise the investigation, the team took part in a broadcast interview in Spanish for Express News UK. A [video](#) was also shared on YouTube to raise and highlight awareness of this issue.



# NEEDS AND FUTURE TRENDS

## THE FUNDING AND EVIDENCE GAP

### Invisible backbone for civil society

Infrastructure organisations are inherently part of the fabric and background of civil society and so can be taken for granted. There have been significant cuts to investment in local backbone organisations over the last 20 to 30 years<sup>18</sup>. With the hollowing out and underinvestment of infrastructure, many infrastructure organisations are at risk.

When backbone support works well, it is invisible and enables others to do more. This smooth and seamless nature doesn't mean there isn't time, energy and care that goes into it – quite the opposite. A lack of evidence on impact is at the core of the funding crises for infrastructure organisations, and it has remained so for decades.<sup>19</sup> This is linked to funder practices that do not incentivise the production and use of evidence and organisational capability gaps.<sup>20</sup>

The Covid-19 pandemic forced many groups to adapt and evolve quickly to meet new and immediate needs. In some places and sectors, the role of infrastructure groups was key to ensuring effective and efficient support and information, a safety net for people to fall back on. Despite this, a lot of funding during Covid-19 was directed to delivery-focused or front-line organisations, but some emergency funding was made available through backbone organisations. This reality is amplified by perceptions that change only comes from front-line activities that you can see and are tangible.

### Competition or collaboration

The funding landscape does not incentivise collaboration or connections across these groups. On the contrary, there is competition for funds and attention. The Covid-19 pandemic has forced some new collaborative activities out of necessity. However, it is too early to see if this will sustain. Yet, it is vital to adapt to the intersecting crises that will continue to negatively impact the economy and our society's fabric (see next section for more details).

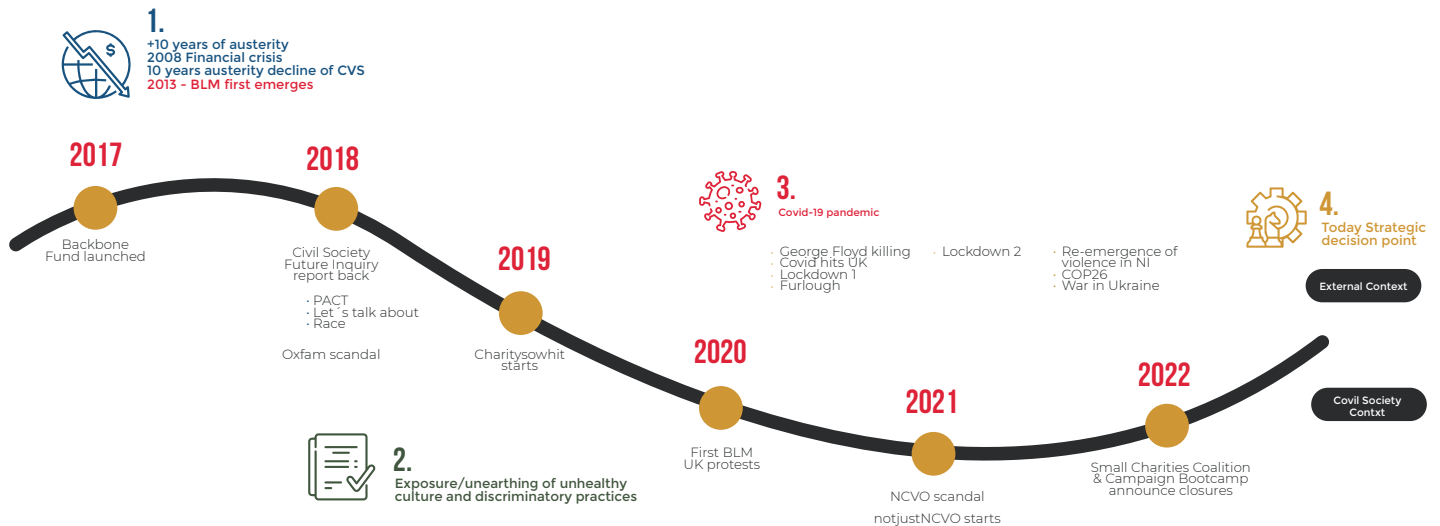
<sup>18</sup> / [Common Vision report](#), p7 and [Smalls Charities](#)

<sup>19</sup> / See for example "A Rapid Evidence Assessment of the Benefits of Voluntary and Community Sector Infrastructure" by Rob Macmillan (2006), Sheffield Hallam University.

<sup>20</sup> / PHF and other peer funders providing unrestricted funding to Backbone organisations do not request evidence on impact or encourage its prioritisation. Many grantees also struggled to provide stories of impact as part of this evaluation and some have started to fill this gap with new appointments (e.g. new evaluation roles).

## INTERSECTING CRISES

Figure 4 : Context Timeline



Source: Nexus Evaluation LTD, developed for this evaluation.

Grantees recognised that "this is the era of continual intersecting crisis" and the "multidimensional collision of crises" will continue to be the backdrop of our lives over the coming decade. Unrestricted funding can provide stability in times of crisis and uncertainty, ensuring there are resources to adapt and shift as required. External pressures, along with flexible and unrestricted funding, have spurred change and transformation for these organisations that might not have happened otherwise.

The combination of the impact of Covid-19, toxic and unhealthy diversity, equity and inclusion practices and cultures and the ongoing pressures on infrastructure groups mean there is a small but potentially growing trend around organisational ending and closure. However, a decline in investment and loss of councils for voluntary services support might intensify longer-term trends, the impacts of which are only just being seen.

## BUILDING A HEALTHY ORGANISATION AND A CULTURE OF CARE

We heard that "the last two years have been tough, but it's only just started" and "we're exhausted and depleted". This is particularly acute for minority leaders: "we need to take care and protect those with intersecting traumas". It is also true for those playing leadership and public-facing roles, particularly Chairs and CEOs, where there is a need to "acknowledge the emotional labour of those holding the sector".

Real skill, care and appropriate support are required as the need for conversations and action increases – both physiological and emotional – such as specialised, trauma-informed mental health staff and other confidential advisory support. Enhanced coverage for staff who are neurodiverse, staff with disabilities and trans staff might also be needed. This is particularly important as more white-led organisations are starting to recognise their complicity and the further work they have to do. There is a risk of triggering further harm and division if white-led organisations are overly centred and/or don't acknowledge the context other leaders have to navigate. External validation and recognition (with further investment signalling the importance and enabling nature of this work) can be hard to justify<sup>21</sup>.

Two questions emerge from this area that need attention: what will it take to further resource individuals in this time of crises? And how can deeper dialogue, conversations, and work take place while not further harming those who have been marginalised and placing additional labour and expectation on them?



## ADAPTING TO DIFFERENT NEEDS AND LIFECYCLE STAGES OF GROUPS AND ORGANISATIONS

We heard that some moments of change in an organisation need specific support (sometimes beyond money) to navigate and flourish. These might be when key leaders leave, when pivoting work or relooking at organisational strategy, at points of organisational crisis, and when facing significant external pressures/critique. More attention is needed to best support groups effectively at these times.

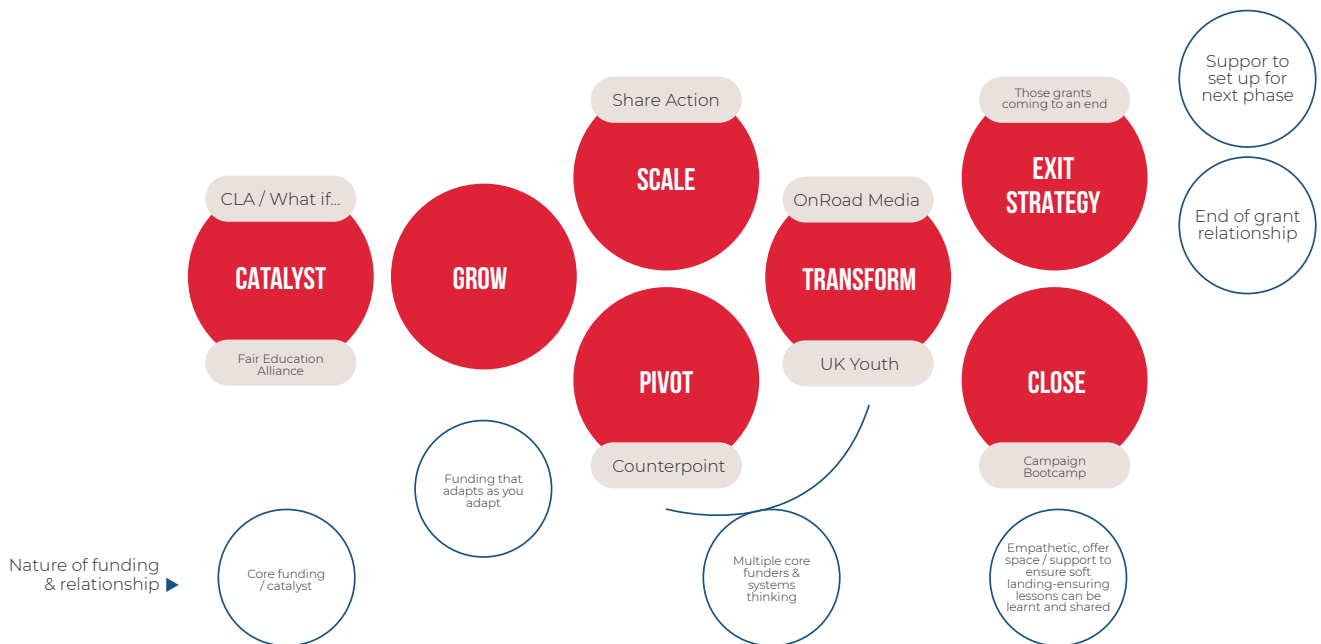
The same applies to different organisational stages. Different types of funding are useful at different stages, and the role funders play at other points might differ. For example, knowing when it is time to let go of things and make space for new support to emerge is important – organisations need support to come to that realisation and see that as a credible strategic choice, a courageous move and a contribution to future backbone support. This is about not avoiding difficult conversations but creating the much-needed space for them.

<sup>21</sup> / See [lessons learned](#) from Campaign Bootcamp close down on prioritising nurturing and maintaining good relationships at all levels of the organisation and on engaging with critical feedback.

Figure 5 visualises the key life stages of an organisation with types of funding and support, as well as examples of where some Backbone Fund organisations might currently sit. Moreover, infrastructure organisations can play a role in advancing social justice and diversity, equity, and inclusion in the sector.

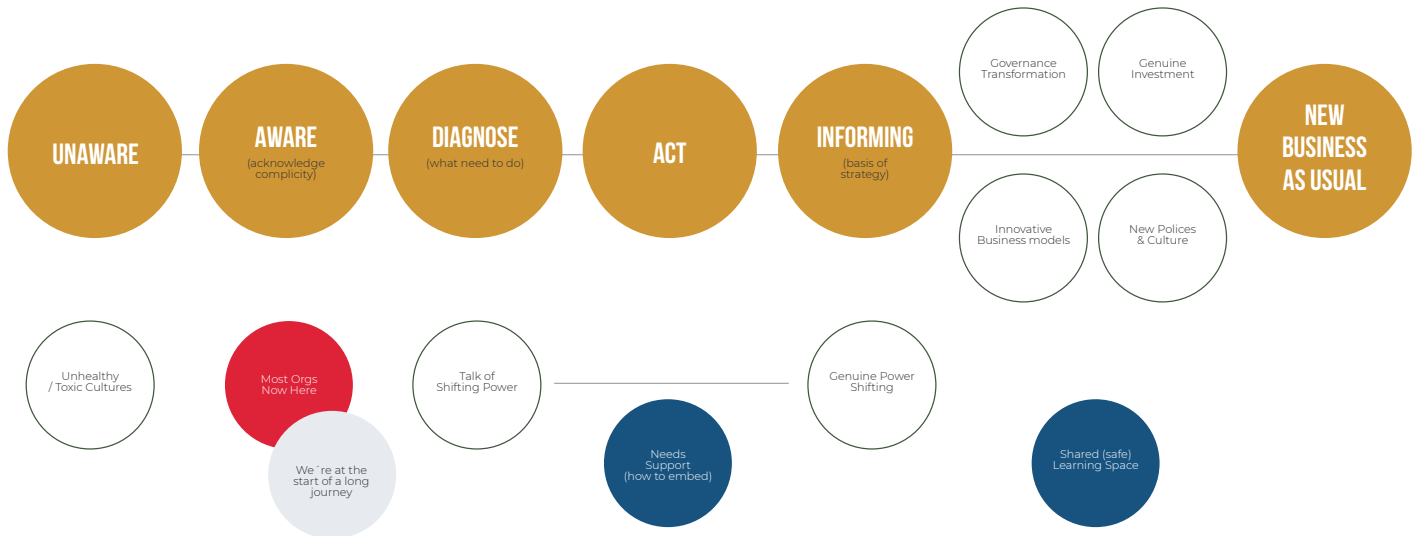
All Backbone Fund grantees we talked to are aware of it and trying to make changes as needed. But they also need, like everyone else, to be supported. The needs and nature of support might look different for Black and minority-led organisations – the distinction and understanding of what that means for the nature of the relationship is key. Figure 6 visualises the different stages of an organisation’s diversity, equity and inclusion journey for white-led organisations based on our experience.

Figure 5: Funding and support by organisational life cycle



Source: Nexus Evaluation LTD, developed for this evaluation.

Figure 6: Diversity, equity, and inclusion journey



Source: Nexus Evaluation LTD, developed for this evaluation.

## BUSINESS MODEL EVOLUTION TO MEET NEW NEEDS AND CHALLENGES

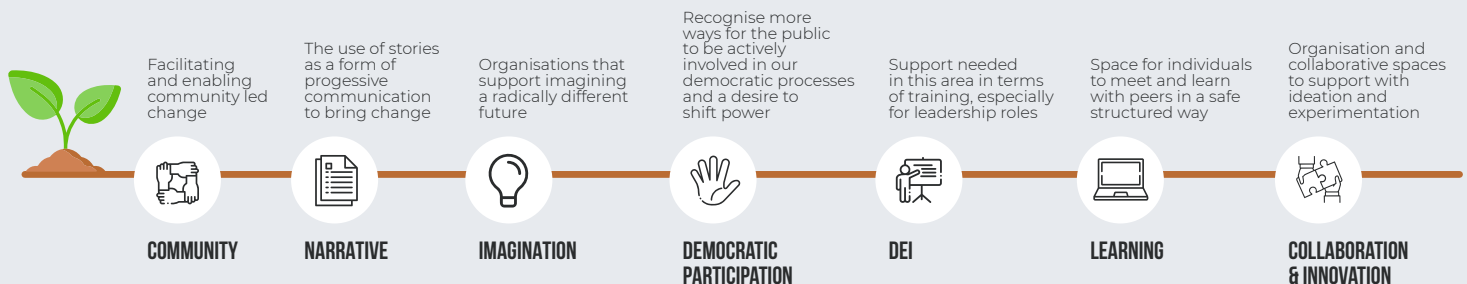
Many organisations recognise that a long-term sustainable business model is a challenge. This is particularly true for those with a membership model. When civil societies are faced with high overhead costs, they have less to spend on support, making membership fees easy to forgo when requiring funding for survival. Network or membership models were also challenged by the shift to remote working during Covid-19. Digital technology made making connections and networking less likely to be something you need to pay for. Therefore, the need for intermediary organisations, in some instances, can be perceived as less relevant. Such organisations need to demonstrate real value around convening with advanced networking and systems facilitation skill sets, identifying sector-wide trends and challenges and designing exchanges to maximise peer learning and support as well as produce influential briefs that can be used by beneficiaries and for advocacy and influence.

## FUTURE BACKBONE NEEDS

There was also a sense from our conversations that there is a need to look ahead to the infrastructure needed in the future and for the challenges to come. The positioning and reimagining of current infrastructure groups might not be what's needed to deal with the inevitable climate change that is coming. More joined-up and intentional work is needed to bolster and best support infrastructure groups to ensure that civil society can contribute to the transformation of society at large and face the biggest issues of our time.

Figure 7 visualises the support and infrastructure required for a healthy and resilient civil society and voluntary sectors in the future.

Figure 7: Future needs



Source: Nexus Evaluation LTD, developed for this evaluation.

# RECOMMENDATIONS

This is a summary of the recommendations made in the full evaluation report. We recognise that there are many recommendations resulting from this evaluation. We have categorised them to help present, share and implement them.



## FOR FUNDERS AT LARGE

The need for funders to **join up practice** along the following lines:

- To co-fund for scaled impact and to share risk when investing in new models.
- To support sector-wide collaborations between grantees and across funders, changing the competitive nature of the sector.
- To influence and advocate for change as needed.
- To share knowledge, experience and learning more broadly.
- To regularly scope and research emerging needs and trends in the sector and what that means for grantees and funders.
- To help with the evidence gap on impact with a focus on diversity, equity, and inclusion.
- To document and better understand the impact of new business models and organisational endings and closures in the sector, with the view of developing a sector-wide approach focused on ensuring that civil society can contribute to the transformation of society at large and face the biggest issues of our time.

Regarding **social justice and diversity, equity and inclusion**, sector-wide collaboration is needed to:

- Help collect diversity, equity, and inclusion data, filling the evidence gap to inform decision-making.
- Identify what meaningful and significant efforts look like to address diversity, equity, and inclusion, identifying and implementing proactive and long-term plans.
- Support the real skills, care and appropriate support needed as conversations and action increase – both physiological and emotional – reducing the risk of triggering harm and division.
- Bolster and support new and emerging infrastructure groups focused on addressing systemic issues that get in the way of social justice and diversity, equity, and inclusion.



## FOR PHF AND THE BACKBONE FUND

### GOVERNANCE

To **improve the identification of potential grantees**, PHF could consider engaging external advisers and/or accept nominations from grantees to help access specific organisations or groups not otherwise reachable.

To **improve the decision-making model**, consider using different governance models for the Backbone Fund. This could include a new cross-cutting panel with delegated authority and a mix of skills, expertise and representation from staff and trustees as well as external experts to challenge assumptions and biases.



### FUND DESIGN

PHF is encouraged to **continue to offer unrestricted funding for five years or more but should revise the overall amount**. This could be done by using a sliding scale that structures support and is adjusted based on how significant PHF wants its contribution to be, inflation and overall increased costs and need based on the phases/stages of the grantee.

Consider ways to help **prioritise and increase strategic focus**. For example, more weight can be given to organisations serving two or more thematic areas of interest at PHF. Quotas can also be used to ensure certain strategic areas are supported more or less as needed over time. The Backbone Fund should also ensure that all its objectives are met, such as sector-wide collaborations and building the type of leadership needed.



Improve **decision-making criteria and ensure their consistent use** throughout the grant-making cycle. This includes clarifying what a backbone organisation is, using reach (to ensure people outside England are also served) and diversity, equity and inclusion as new criteria (e.g., grantees working to address causes of systemic issues that get in the way of a just and fair society in the UK) to maximise contribution to ecosystem impact.

Funding only those already working on diversity, equity, and inclusion is insufficient as a long-term funding strategy for systems change. To further social justice and diversity, equity, and inclusion practice, PHF also needs to **support more organisations that are directly addressing systemic issues that get in the way.**

PHF should also consider whether they have an **anti-oppression and trauma informed approach to grant-making**. This includes reviewing whether grant sizes and processes account for the greater resources needed for organisations to be truly equitable and to provide enhanced coverage for staff who are neurodiverse, staff with disabilities and trans staff.



## FUND MANAGEMENT AND SUPPORT

Consider the **creation of internal feedback loops after each grant-making round** so that staff can understand how and why decisions are made, which could improve selection and overall practice after each funding cycle. PHF can also more formally review and reflect on its grant-making practice, with a strong focus on impact and continued relevance and legitimacy of grantees to inform the next funding cycle and ongoing relationship management.

PHF is encouraged to **support grantees in other ways beyond funding** by discussing sensitive issues, gathering feedback, and conducting critical inquiry and joint learning with grantees that help surface how its grant-making is or is not advancing equitable outcomes and how it needs to evolve to advance diversity, equity, and inclusion practice. PHF is encouraged to discuss long-term strategies internally and with grantees so that grantee business models and practices evolve as needed to avoid reliance on PHF, while acknowledging that in some cases there will always be a need for support (e.g., the Bureau of Investigative Journalism where independent funding is key).



## WIDER SECTOR INFLUENCE

PHF is encouraged to **discuss whether and how it can support and advance diversity, equity, and inclusion in the sector, and its grantees, more widely.** For example, PHF could:

- Use the **'pipeline' approach** more strategically by supporting emergent or growing organisations that meet underserved nations/groups, sector-specific needs, and diversity, equity, and inclusion journeys.
- **Fund new emerging areas of interest and needs** in the system, such as organisations working around human rights issues and new governance models, those supporting improved business models and diversity, equity, and inclusion practice in the sector or at organisational level.
- Help **invest in specialist or disruptive infrastructure** by helping develop a new type of independent backbone organisation that could deal with reports and cases of malpractice in the sector – particularly those around diversity, equity, and inclusion issues. And by adding whistleblowing or independent investigations to the existing good practice standards, ideally in collaboration with other funders. This can be similar to the living wage standards.
- **Create spaces to share good practice across the sector**, breaking silos and celebrating success around diversity, equity, and inclusion practice. Honesty and humility would be important throughout the journey and a strong signal about the importance of this area of work.

# ANNEX 1: METHODOLOGY SUMMARY

A detailed evaluation matrix was developed to describe how each question was going to be answered and used international quality standards in our work. We also used a portfolio and systemic approach for the evaluation. As such, it was important to identify the boundaries, interrelationships, and perceptions for this evaluation:

- **Demographic scope** – UK civil society, specifically sector critical organisations (grantees) work, which mainly covers England.
- **Spatial scope** – grantee organisations were categorised to better understand what type of organisations, functions, and thematic areas of focus they have, as well as the type of target audiences/beneficiaries and diversity, equity and inclusion composition of staff and executives.
- **Thematic scope** – current state of affairs and major trends in the UK civil were used to understand how grantees are positioned in the wider system, with a focus on understanding what role they play in creating a fair, diverse, inclusive and equal society – particularly for Black and minoritised groups, communities and organisations.
- **Temporal scope** – the first five years of operation of the Backbone Fund (2017-2022) as well as a future-looking focus to inform how PHF could continue and build on social justice and diversity, equity, and inclusion in the UK.

We used a wide range of perspectives, sources of information, and methods to cross-reference, triangulate and collect evidence that would credibly answer the proposed evaluation questions. Details are in the next sections.

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### Document and desk review

We used secondary sources of information from reputable organisations to document and summarise barriers towards social justice and diversity, equity, and inclusion in the UK, and the role that backbone organisations and funders can play in that space. This included UN human rights reports and systematic reviews of evidence.

We reviewed hundreds of documents, including proposals, annual reports, research and policy briefs by grantees and papers to the board of trustees at PHF. This helped better understand the Fund and its grantees, and identify potential case studies of impact.

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### Focus group discussions and interviews with grantees

We facilitated a total of three online group discussions with grantees and interviewed three grantees directly as per their request. We engaged a total of 61% of grantees, which helped with portfolio categorisation and the development of more detailed and nuanced findings around the use of funds and their impact, needs and diversity, equity, and inclusion practice.

We used semi-structured topic guides to facilitate discussions and interviews.

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### Funding Landscape

We used the 360 giving database and the term 'unrestricted', resulting in 5,352 results allocated to 3,229 recipients and totalling £223.8 million. However, it was noted that this search did not yield comprehensive results, especially about Backbone Fund grants.

According to the records of this first round of research, PHF only provided three unrestricted grants, which Nexus Evaluation know to be incorrect. Therefore, to produce more accurate insights, the team conducted a deep dive on a sample of 24 (or 61%) grantees in the portfolio and their history of receiving unrestricted funding.

We complemented the funding landscape review with five interviews with the following peer funders: Blgrave Trust, Esmee Fairburn, John Ellerman Foundation, Friends Provident and Pears Foundation. We also had informal conversations with City Bridge Trust and Local Trust and used desk review to investigate practices by other global foundations such as Hewlett Packard.

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### Other interviews

We interviewed 11 members of staff and trustees at PHF – they represented a mix of seniority, thematic expertise, and genders.

### Outcomes Harvesting and audio-visual content

We used an outcome-harvesting (OH) approach to help identify, develop, and evaluate claims of impact. We harvested potential case studies via focus group discussions and document review and designed an OH survey that accepted audio-visual content. We then work with grantees to clarify story details and seek evidence as needed.

We also engaged an audio-visual content expert, paid for by PHF, to turn a couple of cases into short videos for wider use by grantees and on social media.

Limitations include grantees struggling to share stories of outcomes and impact change they contributed to as well as an inability to find independent experts to corroborate some of those stories. Therefore, we relied more on harvesting cases from publicly available information on grantee websites as well as secondary sources of data to substantiate claims.

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### Diversity, equity and inclusion standard and Funders for Race Equality Alliance (FREA) racial justice audit tool

The FREA racial justice audit data was put together by PHF and shared with Nexus Evaluation LTD for inclusion in this evaluation.

Most recently, PHF distributed a survey to collect diversity, equity and inclusion data from grantees, which received responses from 24 out of 29 grantee organisations (61%). We found that this type of data can be misleading when aggregated and is best used on a case-by-case basis.



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