

NPC's charity effectiveness grading grid

Framework		Grading grid			
Area for analysis	Assessment criteria	Excellent	Good	Satisfactory	Below expectations
Activities	<ul style="list-style-type: none"> Focus on greatest needs Range of activities Ability to adapt and innovate Links between activities Risk analysis 	<p>Targets the highest priority needs or areas that are particularly difficult to fund</p> <p>Actively involves users in shaping services</p> <p>Provides a comprehensive range of activities, with no gaps</p> <p>Develops and pilots innovative services</p> <p>Makes the most of links between services</p>	<p>Mainly targets high-priority needs or areas that are difficult to fund</p> <p>Consults service users at times</p> <p>Provides a good range of activities</p> <p>Adapts to external changes</p> <p>Achieves some good links between services</p>	<p>Provides services where there are clear needs, although they are not particularly high priority</p> <p>Occasionally consults users</p> <p>Has some gaps in its range of activities</p> <p>Provides some flexibility in activities</p> <p>Achieves some links between services, but could do more</p>	<p>Provides activities that are 'nice to have', but not essential, and may duplicate others</p> <p>Rarely consults users</p> <p>Has activities that are too limited to achieve goals</p> <p>Shows little evidence that services adapt to change</p> <p>Shows no attempt to make links between services</p>
Results	<ul style="list-style-type: none"> Results culture Evidence of positive results Quality of evidence Sharing results Risk analysis 	<p>Systematically tracks results over long periods (if well established)</p> <p>Has strong results showing improvements to service users' lives or other impact</p> <p>Uses data to improve services</p> <p>Significantly strengthens the sector, for example, by disseminating knowledge, improving attitudes</p>	<p>Measures results, but not systematically</p> <p>Has good results</p> <p>Has convincing theory of change, supported by plan to deliver results</p> <p>Actively helps to strengthen the sector</p>	<p>Has isolated evaluations that show positive results, or is in high demand, or uses a method of intervention proven elsewhere</p> <p>Has clear desire and potential to improve evidence base</p> <p>Contributes to the sector at times</p>	<p>Makes little impact, or shows little evidence of impact</p> <p>Does little to strengthen the sector or to support others working in the same field</p>
Leadership	<ul style="list-style-type: none"> Management team Governance Vision and strategy Priorities Risk analysis 	<p>Has inspiring leader, stimulates change and proactively seeks support to achieve goals</p> <p>Led by a strong management team, evidenced by good staff morale</p> <p>Has a clear, realistic vision, supported by a convincing strategy with measurable targets</p> <p>Demonstrates very good governance processes: board demonstrates all desired qualities and evaluates its own performance</p> <p>Allocates resources for maximum impact based on robust analysis</p>	<p>Led by an effective chief executive who catalyses commitment to a common vision</p> <p>Has a sound management team, which supports the leader</p> <p>Has a clear vision and strategy, but few measurable targets</p> <p>Demonstrates good governance processes, with strong board (although some areas could be improved)</p> <p>Plans and manages allocation of resources</p>	<p>Has a competent leader who can deliver goals</p> <p>The management team lacks skills in some areas</p> <p>Has a clear vision, but the strategy is not always translated into action</p> <p>Has adequate governance, but board does not seem to have much of an impact</p> <p>Considers resource allocation</p>	<p>Has poor management</p> <p>Has no clear strategy, or a flawed strategy</p> <p>Cause for concern through poor governance (for example, lack of key skills on the board, ineffective governance structure)</p> <p>Does not plan allocation of resources</p>

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People and resources	<ul style="list-style-type: none"> Staff Use of volunteers Other resources (such as IT, property and brand) External leverage Risk analysis 	<p>Has staff that is outstanding in its quality and commitment</p> <p>Manages volunteers well and uses them effectively</p> <p>Has all the non-financial resources it needs and manages them professionally</p> <p>Gains additional resources from external support, for example, by securing pro bono support or working in collaboration</p>	<p>Has high-quality staff with above-average commitment</p> <p>Manages volunteers well</p> <p>Manages non-financial resources well, although this could be strengthened</p> <p>Has some external leverage and increasing collaborations</p>	<p>Has staff that is average in its quality and commitment</p> <p>Has ad hoc approach to using volunteers</p> <p>Demonstrates adequate non-financial resources for current operations, but with limited future potential</p> <p>Can show external leverage and collaboration, but this is unlikely to increase significantly</p>	<p>Has shortfall in staff capacity</p> <p>Does not consider using volunteers, or manages volunteers badly</p> <p>Has inadequate or badly-managed non-financial resources</p> <p>Is inward-looking, with few external relationships</p>
Finances	<ul style="list-style-type: none"> Financial security Quality of financial management Efficiency Unit costs Risk analysis 	<p>Has a healthy and diverse financial base, which is getting stronger</p> <p>Uses voluntary income appropriately and for a distinct purpose</p> <p>Demonstrates strong financial management</p> <p>Boosts efficiency through detailed cost analysis and efficiency targets (if a large charity)</p> <p>Has excellent cost data (such as cost per user)</p>	<p>Is well funded and stable, with a fairly diverse income</p> <p>Makes good use of voluntary income</p> <p>Has internal cost controls and benchmarking processes</p> <p>Has better than average cost data</p>	<p>Is financially stable, but would benefit from additional funding or greater income diversity</p> <p>Sometimes uses voluntary income to supplement statutory contracts</p> <p>Has internal cost controls but no efficiency improvement targets or benchmarking</p> <p>Has average comparative cost data</p>	<p>Has financial concerns</p> <p>Is uncertain about how voluntary donations will be used</p> <p>Has few cost controls</p> <p>Shows unfavourable cost data</p>
Ambition	<ul style="list-style-type: none"> Potential to grow or replicate Potential to improve results Potential to solve problems more widely Willingness to change Risk analysis 	<p>Aims to reach significantly more people in more profound ways</p> <p>Focuses on mission without being self-centred (evidenced, for example, through sharing information and collaborating)</p> <p>Makes a constant effort to be the best it can</p>	<p>Aims to reach more people and/or to help them in more profound ways</p> <p>Looks for opportunities to solve the issue it addresses more widely</p> <p>Makes some effort to review and improve how it works</p>	<p>Plans gradual expansion, replication or improvement of existing services</p> <p>Has some external influence</p> <p>Shows little evidence of making an effort to improve</p>	<p>Has no convincing plans to grow, replicate or improve services</p> <p>Is inward-looking and resistant to change</p>

This grading grid is taken from *The little blue book*, NPC's concise and practical guide to analysing charities, for charities and funders. To download *The little blue book* for free, or to purchase a printed copy for £10, visit www.philanthropycapital.org. For information about our charity consulting service, contact info@philanthropycapital.org.