

# Introducing our Impact Framework

(7 minute read)

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*This article is about our new Impact Framework, which can [be accessed in full by clicking here](#).*

This is a very exciting update to share. It's two years in the making, longer even. The path that got us to the point of sharing [our first ever Impact Framework](#) is not linear. There have been these moments of great progress and momentum, alongside periods of uncertainty. We've experienced intense head scratching and utter relief and joy, and everything between, as our Impact Framework transitioned from something wispy, fleeting and unknowable to something that started to make sense and feel assured. Designing and finalising an Impact Framework, we quickly came to realise is a series of moments, conversations and experiences that begin on one path and are liable to cross over into places you did not foresee. But it's why we do the work that we do. It's the process you are right to be nervous about, but you never regret.

Perhaps a less whimsical way of describing this process, is that in November 2023, John Ellerman Foundation approved an Impact Framework to underpin our commitment to make progress on our aim to advance wellbeing for people, society and the natural world with 100% of our assets, as set out in [our strategy for 2022-25](#). Our Impact Framework builds upon, and complements, our strategy and [our Investment Policy](#).

It brings together into one place research into what impact, wellbeing and dominant and emergent systems mean in relation to our grantmaking, investing and wider operations. Alongside the learning we have taken from our work in the last few years, including through the implementation of our strategy to-date.

## **What is our Impact Framework for?**

At its core, our Impact Framework supports us to better understand and articulate our impact and contribution within a wider ecosystem of funders. We also believe that having a deeper understanding of our contribution to wellbeing, and our learning and impact will help us to make decisions and respond more strategically to opportunities and ideas. It will also make us more accountable to those we work with, namely our grant-holders, applicants, sector membership bodies, peer funders and grantmakers, institutional and impact investors, and policymakers.

## **What has informed our thinking?**

Our starting point was the Association of Charitable Foundation's definition of impact, which states that impact is *'the positive and negative effects of a foundation's resources, activities and behaviours, and the extent to which these effects contribute to its charitable mission'*. This resulted in a set of principles that we have committed to in relation to how we approach impact in our work, which can be summarised as recognising the complexity inherent in understanding one's impact, which means needing to be values-led, evidence-based, proportionate, transparent and flexible. It also means using qualitative and quantitative approaches and recognising that the focus should be on contribution rather than attribution and that change happens in emergent, non-linear ways, and that we should look to be adding value with the work we do, so that we can contribute to and

promote sector-wide learning. We also know how important it is to make space for reflection and adaptation in order to gain a better understanding of what we are doing well and what we could improve.

Alongside the data and learning we were already collating, we also considered wider thinking and learning around different economic models like regenerative economies, Carnegie UK's wellbeing economies and Kate Raworth's Doughnut Economics. We thought about the commitments and ideas set out in the Dasgupta Review, the Just Transition Investment Framework, the Sustainable Development Goals, and indigenous definitions of wellbeing. We researched dominant and emergent systems, and how this framing can help funders to think systemically and strategically about their role in change. To this end, we were informed by Donella Meadows work on leverage points, Bill Sharpe's Three Horizons model and the Berkana Institute's Two Loops model – with the latter particularly helpful in shaping our thinking.

### **Introducing our four interdependent wellbeing themes**

The process of designing our Impact Framework has resulted in four interdependent wellbeing themes, which we will use to assess the impact we are making through our funding offer and our investing. These are:

1. **Community** – This means nourishing the networks and relationships that support communities to pursue lasting and positive change.
2. **Access** – This means championing the vital role that access to enriching and pioneering arts and cultural activities; a healthy, restored and sustainably used natural world; and political, economic and social systems that are thriving and effective plays in ensuring our collective wellbeing.
3. **Sustainability** – This means building and nurturing healthier social, economic and environmental systems, caring for our natural world, including by stewarding and restoring what is already there, and safeguarding these systems for current and future generations.
4. **Equity** – This means pursuing human rights, social justice, equality of opportunity, and centring the expertise and insights of those with personal experience of and expertise on the issues being tackled.

In each of these themes, those familiar with us will see clear connections to our three funding categories of the Arts, Social Action and the Environment, as well as the work we are doing to be an ethical and responsible investor of our endowment. Consequently, we have a tangible sense already of the ways we are delivering against these themes and the learning and data we already gather and share, but there is much more we know that we can do, which we will look to develop further.

Each of our four interdependent themes has a set of impact measures relating to our funding and our investing that you can read in full in the [Impact Framework document on our website here](#), and they've also been shared as an appendix at the end of this update.

## Implementing our Impact Framework

Our Impact Framework supports us to take a more structured approach to determining our impact as an organisation.

By better understanding our impact and the difference we are making, we will begin to improve and expand on various internal organisational capabilities and see these becoming more central in supporting our decision making and direction of travel as an organisation. These capabilities can be summarised as follows:

### 1. *Being strategically responsive*

This means working more collaboratively with stakeholders and the pioneers and stabilisers in our networks to advance wellbeing through our funding offer, investing and wider operations. Where it makes sense for us to do so, we will take a strategic leadership role in some areas of our work, for example we do this already through our work to encourage other funders to support environmental work in the UK Overseas Territories.

### 2. *Sensemaking*

This means seeking to understand organisational and systemic operating contexts. This is a continuous process where we will seek to develop a deeper understanding of our operating context, through observations, data, experiences, conversations and analyses. It also requires us to iterate and to be open to applying different and new frameworks or models.

### 3. *Visioning and inventing*

This means creating a compelling picture of the future, becoming less linear in our thinking and embracing uncertainty and complexity, by building trusting relationships within and across existing and new organisations and networks, and creating spaces where diverse views and ideas can be shared, to understand the ways in which we are part of interdependent systems and sectors. At any given time, we will likely be considering multiple working hypotheses from work happening in the UK and well beyond, in pursuit of our organisational aim.

### 4. *Making judgements and decisions*

This means moving to a place of confidence in the reasoning and judgements we make. This includes having absolute clarity on the ways in which we are prioritising advancing wellbeing for people, society and the natural world in all that we do.

## So what next?

In the coming months we will build on our existing experience and knowledge of monitoring our impact by further defining qualitative and quantitative data points and indicators for each aspect of our Impact Framework. Where we do not yet collect the data we need, we will work on processes for rectifying this. In doing so, we will be able to compare our progress across each of our impact measures with internal and externally available baselines and benchmarks, and where appropriate we will set targets for the future. By understanding our impact in this way, we will be able to determine the different ways we can truly add value within the ecosystem in which we operate, made up of civil society groups, funders, financial actors, local and central government, and the wider public.

We will also continue developing the ways we share the progress we are making as an organisation, namely through monthly updates from the team like these, our Annual Reports and Accounts, reports we have commissioned, and reporting back on the various initiatives that we are signed up to like the Funder Commitment on Climate Change.

Our intention is that any changes we make to our processes in the coming months will cause minimal disruption to others. It is also worth stating that we do not have any expectations that our applicants use the Impact Framework to develop their first and second stage applications to us. Applicants should continue using our funding guidelines only for this. The Impact Framework has very much been designed for us to use as a tool to apply to our work, as opposed to others feeling compelled to apply it to their work.

One thing we will say is that we know all too well that whilst we have a set of next steps that we are working to, we will no doubt find ourselves stumbling onto unexpected paths that will lead to new perspectives and ideas emerging.

## Appendix – Our impact measures for our four interdependent wellbeing themes

### Our funding offer



#### Community

- We will commit to increasing support for organisations that demonstrate that they are open, collaborative and connected, and understand their role in relation to others.
- We will advocate for and amplify the work of our grant-holders.
- We will actively seek out opportunities to connect grant-holders with each other and our wider networks, in order to pursue change, shared goals, learning and growth.



#### Access

- We will back organisations that identify and remove barriers to pioneering arts and cultural activities, to our natural world, and to systems that promote and ensure our collective wellbeing.
- We will support grant-holders to ensure that the work they do and their organisations are accessible and inclusive.



#### Sustainability

- We will support emergent work, identifying champions that nurture and protect a liveable planet for current and future generations and advocate for the rights of nature.
- We will strengthen the sector's work to safeguard and nurture the systems that promote our collective wellbeing and collective response to the nature and climate crises and their detrimental impacts on people, society and our natural world.



#### Equity

- We will apply rights based approaches in order to tackle divisions and inequity, in pursuit of human rights, social justice and a thriving planet.
- We will back the work happening to reform dominant systems, and/or pursue new emergent systems, in pursuit of transformational change and the just transition.

## Our investing



### Community

- We will lead on and support collective action aimed at improving fund manager practice, working with these systems stabilisers in response to the nature and climate emergencies.
- We will shape and participate in communities of practice within sector networks on improving the effectiveness of ESG investing through engagement, as well as seeking out and shaping other investment approaches that recognise the systemic changes required to advance wellbeing.



### Access

- We will use our access to charity and other types of institutional investors to influence more investors to consider environmental sustainability in their practices.
- We will engage with financial markets and decision-makers within the sectors and companies we invest in to review their role in supporting, or not, our collective wellbeing, advocating for improvements where needed.



### Sustainability

- We will continue to invest responsibly for financial return in order to continue our grantmaking into the long-term.
- We will commit to understanding the environmental impacts of our current investing approach and promote more sustainable investments that reduce harm to people, society and the natural world.



### Equity

- We will commit to achieving our total return target through a range of investment approaches like traditional, responsible, sustainable, and impact investing.
- We will work with our fund managers and investing networks on just transition initiatives.