Evaluating impact

September 2016 - September 2019

Toolbox guidance note

Social Impact, and a process for evaluating the Impact of Support Cambridgeshire over a 3 year period from September 2016 – September 2019

Background:

Support Cambridgeshire is an innovative partnership of three trusted community based organisations:

Hunts Forum of Voluntary Organisations:

Hunts Forum is the local umbrella charity for Huntingdonshire and provides information, support and guidance which enables community organisations to set up, develop and grow.

www.huntsforum.org.uk

Cambridge CVS:

CCVS is an independent registered charity, set up by local organisations in the 1980's, to provide a central source of expert help and advice for local groups. Cambridge CVS supports charitable organisations by providing them with the tools they need. They provide training, one-to-one consultancy and advice to help community and voluntary groups set up, develop and grow in Cambridge, South Cambridgeshire and Fenland.

www.cambridgecvs.org.uk

Cambridgeshire ACRE:

Cambridgeshire ACRE is the rural community council for Cambridgeshire and Peterborough.

They provide encouragement, practical help and support to communities throughout Cambridgeshire and Peterborough to enable them to plan and develop as vibrant places to live, work and visit. ACRE identifies what local people need and the issues that are important to them. ACRE champions these things with those who set policy and make decisions in the county, helping to ensure that rural Cambridgeshire has a voice.

www.cambsacre.org.uk

Support Cambridgeshire:

The partners came together in coalition ostensibly to win a County Council Tender valued at approximately 360,000 (from September 2016 to September 2019). Whilst each of the partners is and has always been aware of the others and their work, this is the first time that all three have come together in alliance.

The Support Cambridgeshire partners will help community organisations strengthen and grow through the provision of advice, guidance and support, encapsulated in their strapline: "Your county, your voice, our support".

www.supportcambridgeshire.org.uk

Support Cambridgeshire reports quarterly to its key funder, Cambridgeshire County Council.

Whilst a set of scheduled deliverables has been agreed by all parties within each work-stream, it is recognised that this is a relatively complex project overall and that there will be a range of intended and non-intended outcomes as a result of the work-stream activity. With a project of this complexity, it is also recognised that there is an element of organic developmental work taking shape, which may alter the deliverable schedule between years.

Having said that, a methodology for measuring impact is a key requirement of the reporting process, and investigation and research into the various impact tools will be required as part and parcel of this process.

Support Cambridgeshire works across five key work-streams:

● **Voice and representation**

● **Town and parish councils**

● **Information and advice**

● **Community facilities**

● **Volunteering and social action**

Each work-stream has an overarching goal:

Voice and representation – To facilitate a better understanding of the voluntary and community sector and deliver trained, knowledgeable representation

Town and parish councils – To improve the lives of local communities through vibrant, dynamic and effective town and parish councils

Information and advice – To increase the capacity of the voluntary and community sector through training, information and advice

Community facilities – To increase the contribution of well managed and sustainable community owned facilities

Volunteering and social action – To promote alternative forms of volunteering and place based social action initiatives

Generating Impact through Strategic direction:

"A vision without a plan is just a dream. A plan without a vision is mere drudgery. But a vision with a plan can change the world".
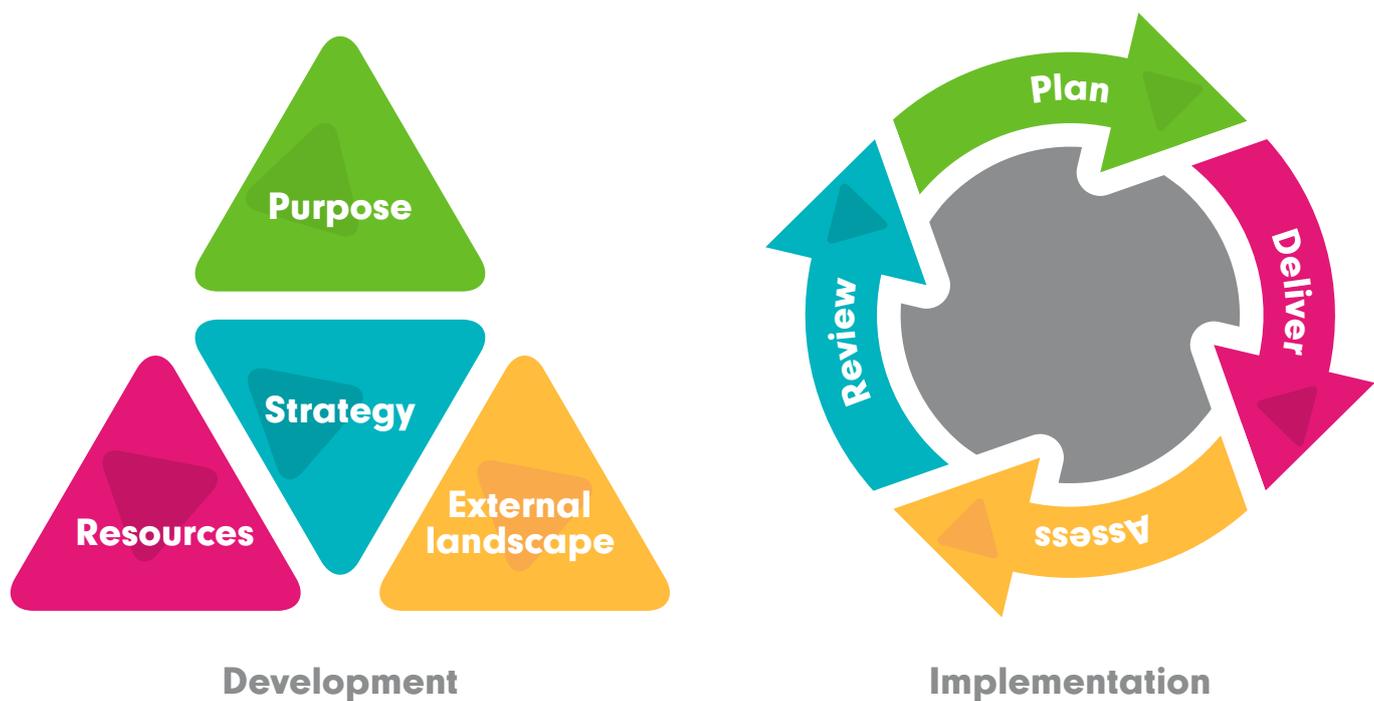
*Source: New Philanthropy Capital 2017

Social impact needs to be embedded into organisational culture for it to work effectively. It also needs to sit at the heart of any organisational strategy.

Our Strategy Triangle:

- **5 workstreams**
- **5 goals**
- **Multiple outcomes**

Core purpose

support cambridgeshire

Resources & capabilities

External environment

- **People**
- **Impact**
- **Operations**
- **Resources**

- **Needs**
- **Funding**
- **Research**

Our Strategic Process:

Development

Implementation

What is Social Impact?

Social impact is a term which can cause confusion and is often over-used. Much of this centres upon the often interchangeable definition of what it is or could be. Contemporary commentators argue that if you google '**social impact'** you are likely to receive 77,000 different search results.

So, not that helpful……

Terminology and specific definitions about impact are notoriously hard to define, and vary depending on the context.

The most sensible way of thinking about the concept of impact is to visualise what resources and effort you put into a particular project, and as a result of those resources and effort, what difference have you made. It is important to remember that some differences are notoriously hard to define or measure, because they are social and are not simply number based. These definitions may help:

- **Input:** An input is the resource allocated to a project or service: This could be time, finances, raw materials or office space for example

- **Activity:** An activity is how the input is used. This might be running a service, meeting beneficiaries or arranging a conference

- **Output:** The output is the tangible result of the activity. It might be called a 'deliverable' or a 'product'. This may be the number of beneficiaries met, a conference organised, or a report published

- **Outcome or Impact:** The impact is the change intended from an output. The term outcome is often used to describe the nature of that impact. For example the outcomes of improved well-being and improved social relationships for an individual might constitute the impact of a peer-support course

At its heart, social impact has 2 core themes:

- An improvement in the lives of people, be that groups or individuals

- It's social impact and not personal impact: So in order to reach a group of people, "social impact" must be elevated from a one-off, case-by-case approach: it must be systematic. That way it can be applied efficiently and effectively to many people. Certainly the results are personal, as testimonials from clients or service users often show, but they are also social or system-wide

So a good definition of social impact could be:

"Activities or projects which deliver systematic and social improvement for individuals or groups within society".

So what improves the lives of people in society? Here are some examples:

- Physical security

- Housing security

- Food security

- Civil rights

- Freedom of religion

- Artistic expression

For example, can a food bank perform systematic social improvement?

No. Food banks provide food to hungry people, sometimes temporarily, sometimes for prolonged periods of time, and in doing so they reduce or eliminate the physical hunger of their clients. But physical hunger is not the underlying problem. It's merely a symptom of that problem, which is food insecurity. Yet most food banks exist not to eliminate food insecurity.

Systematic social improvement would be an organisation with a mission not just of feeding people, but of training them for employment in the culinary arts. **It's systematic:** the organisation uses a

consistent approach to training and services. **It's social:** it serves a group of people, usually low or no-income individuals suffering from food insecurity, housing insecurity, and other underlying problems. **And it's improvement:** graduates of the training curricula go on to support themselves with culinary employment.

Why does Support Cambridgeshire want to measure its impact?

Access to finance

Impact is an increasingly important item on investors' agendas, and one that is proving hard to ignore. For organisations looking to access funding, demonstrating impact opens new doors and opportunities. Whilst securing investment is no mean feat, demonstrating social impact is essential if you want your application to be successful. Embedding good impact practice and measuring relevant impact will ensure your organisation stands out from the crowd in a competitive bidding process. Demonstrating exactly how you deliver on your mission can make the difference between securing funding and missing a valuable opportunity. Support Cambridgeshire is delivering a multi-faceted programme across 5 very complex work-streams, and whilst some of the impacts will be difficult to define, some will be identified and it is right and proper that these are reported.

Measuring impact is the sign of a well-run organisation

Impact can be a form of performance monitoring, and if you are embedding impact measurement within your organisation then it sets up very visible ways of judging the success of an organisation and showing that it is delivering to its beneficiaries. It is a signal to donors, investors and beneficiaries that your organisation cares about improving its delivery, and is willing to be held accountable for its performance. This transparency increases engagement from external donors and can also help to motivate employees and volunteers as they see the progress they are contributing towards.

It helps tell your story to stakeholders

Communicating your work effectively builds engagement with stakeholders. Stakeholders such as donors or investors increasingly want to see the return on their investment, whilst wider stakeholders want to know how your work is progressing. Using empirical data as evidence of your outcomes and benefits helps build your narrative. Telling a good story needs facts and impact, not just output. Data is essential in order to make the most of your outcomes, whilst testimonials play a strong supporting role. Never underestimate the importance of a good and effective local case study to demonstrate the difference a service or project makes.

Impact reporting is here and it's here to stay:

Whilst the use of the term 'impact' may change and alter, the key principles will remain the same: the need to effectively demonstrate your performance as an organisation. As the impact agenda moves forward to include more empirical benchmarking using core indicators for particular areas and beneficiary groups, being ready with your relevant impact indicators and data will help to ensure

your competitive advantage over those organisations that have not embedded impact measurement within their strategy.

Achieving your purpose

As social organisations, your mission and purpose is central to your existence and reason for being. Delivering on that mission is why you carry out your work, so having definitive proof of how you are achieving your aims and to what extent is paramount. Measuring impact can help with this, but it is important that you make measuring impact work for you and your organisation. When impact measurement is carried out effectively, it will not only provide access to finance but also support your key performance indicators and your organisation's overall effectiveness. If what gets measured is to get done, it is crucial to measure the right thing. It is important that the vital work being done is not overshadowed and that impact measurement is done in a practical and proportional manner.

Impact is a valuable tool for ensuring more is done better. The question is not whether or not to measure impact, but how to do it effectively and efficiently, and how to ensure that it is undertaken in a proportionate manner to the size of your organisation.

Different social impact frameworks:

There are a massive number of different and varied social impact measurement tools, but some are very similar in structure. For the purposes of this research, Support Cambridgeshire has identified only the main forms of impact methodology.

(1) Social Return on Investment (SROI) is a method for measuring and communicating a broad concept of value that incorporates social, environmental and economic impacts. It is a way of accounting for the value created by our activities and the contributions that made that activity possible. It is also the story of the change affected by our activities, told from the perspective of our stakeholders. SROI can encompass all types of outcomes but it is based on involving stakeholders in determining which outcomes are relevant. There are two types of SROI:-

● **Evaluative SROIs** are conducted retrospectively and are based on outcomes that have already taken place

● **Forecast SROIs** predict how much social value will be created if the activities meet their intended outcomes

Forecast SROIs are useful at the planning stage of a project, or where data records have been collected regularly which can help evidence the difference an organization makes. Organisations with CRM systems are likely to be at an advantage here, although paper or other forms of electronic records can be utilized.

SROI was developed from social accounting and cost benefit analysis, and has a lot in common with other outcome approaches. However, SROI is distinct from other approaches in that it places a **monetary value** on outcomes, so that they can be added up and compared with the investment made. This results in a ratio of total benefits (a sum of all the outcomes) to total investments. For

example, an organisation might have a ratio of £4 of social value created for every £1 spent on its activities.

The principles of SROI:

SROI is based on seven principles. These principles underpin how SROI should be applied and are as follows:

- Involve the stakeholders
- Understand what changes
- Value the things that matter
- Only include what is material
- Do not over-claim
- Be transparent
- Always verify the result

Judgement will be required throughout an SROI analysis.

Often the principle of materiality will guide judgement, so this principle is very important. Materiality is a concept that is borrowed from accounting. In accounting terms, information is material if it has the potential to affect the readers' or stakeholders' decision. A piece of information is material if missing it out of the SROI would misrepresent the organisation's activities. For transparency, decisions about what is material should be documented to show why information has been included or excluded.

Undertaking an SROI analysis involves six stages:

- Establishing scope and identifying key stakeholders. It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how

- Mapping outcomes. Through engaging with your stakeholders you will develop an impact map, which shows the relationship between inputs, outputs and outcomes

- Evidencing outcomes and giving them a value. This stage involves finding data to show whether outcomes have happened and then valuing them. For many organisations, this could easily be the hardest concept to grasp, and the most difficult to attribute

- Establishing impact. Having collected evidence on outcomes and monetised them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration

- Calculating the SROI. This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of the results can be tested

● Reporting, using and embedding. The last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report

SROI can help you improve services by:

● Facilitating strategic discussions and helping you understand and maximise the social value an activity creates

● Helping you target appropriate resources at managing unexpected outcomes, both positive and negative

● Demonstrating the importance of working with other organisations and people that have a contribution to make in creating change

● Identifying common ground between what an organisation wants to achieve and what its stakeholders want to achieve, helping to maximise social value

● Creating a formal dialogue with stakeholders that enables them to hold the service to account and involves them meaningfully in service design

SROI can help make your organisation more sustainable by:

● Raising your profile

● Improving your case for further funding

● Making your tenders more persuasive

SROI is less useful when:

● The strategic planning process has already been undertaken and is already being implemented

● Stakeholders are not interested in the results

● It is being undertaken only to prove the value of a service and there is no opportunity for changing the way things are done as a result of the analysis

Comparing social return between different organisations

Organisations work with different stakeholders and will have made different judgements when analysing their social return. Consequently, it is not appropriate to compare the social return ratios alone. In the same way that investors need more than financial return information to make investment decisions, social investors will need to read all of the information produced as part of an SROI analysis. However, an organisation should compare changes in its own social return over time and examine the reasons for changes. Organisations should also endeavour to educate funders and investors on the importance of putting the ratio in the context of the overall analysis. SROI is perhaps one of the more complex impact measurement tools and can be resource heavy in delivering. In addition, the support of specialist financial advisors may be required as the prescription of a financial value could be viewed as complex.

Case Study:

A case study of Gorgie City Farm in Scotland (2011) illustrates a typical SROI impact.

It shows a community garden project benefiting from a wide range of stakeholder involvement including volunteers, visitors, the NHS, the local council and the environment (Gorgie City Farm, 2011). To explain the concept in more detail this case study created a short model calculation based on data from stakeholders and assumes £10k of investment and only presents the SROI on health benefits for volunteers and NHS funders.

Growing Health (Sustain & Garden Organic) Dr Ulrich Schmutz 11/15/2013

https://www.sustainweb.org/resources/files/reports/GH_SROI.pdf

(2) Social Accounting and audit helps an organisation prove, improve and account for the difference it is making. Starting with that in mind, it helps organisations plan and manage its internal plans and demonstrates what it has achieved.

Social accounting and audit is a logical and flexible framework which enables an organisation to build on existing documentation and reporting systems and develop a process so that it can:

- Account fully for and report on its social, environmental and economic performance and impact
- Provide the information essential for planning future actions and improving performance
- Be accountable for those it works with and for

Through social accounting and audit organisations will understand the impact the organisation has on people, the planet and the way it uses its resources. It will also help an organization to manage and improve its effectiveness.

Social Accounting and Audit can be used by any organisation, whether voluntary, public or private sector, and of any size or scale.

Social accounting and audit uses eight key principles to underpin its process, ensure verification is effective and deliver continuous improvement. These are:

- Clarify the purpose
- Define the scope
- Engage the stakeholders
- Determine the materiality
- Make comparisons (this is often referred to as benchmarking)
- Ensure transparency
- Verify accountability *and*
- Embed the process

In more detail this requires:

- **Thinking it through:** Securing commitment within the organization and ensuring an understanding of the purpose and benefits of social accounting

- **Step One: What difference do we want to make?** Ensuring that the vision, mission and values are clear. Ensuring internal objectives are being met and clarifying the objectives. Identifying stakeholders and key stakeholders

- **Step Two: How do we know we are making a difference?** Understanding and identifying indicators and outcomes. Confirming the scope and planning the social accounts. Putting the plan into action and obtaining data and the results from consultation with stakeholders

- **Step Three: What is the difference we are making?** This involves drafting the social accounts, either in basic or advanced format. The data gathered in step two are used to report on performance, impact and key outcomes, comparing them to targets and benchmarks where appropriate

- **Step Four: Can we prove we made a difference?** This is the audit stage where the draft accounts are tested by the social auditor and the panel. The social audit statement is completed and signed off, the social report finalised and a summary produced if required

A simple example of social accounting can be seen here:

http://www.socialauditnetwork.org.uk/files/9813/2135/1510/case_studytraidcraft.pdf

(3) Theory of Change

Theory of Change is an approach to planning and evaluating activities, projects, services or consumers of a service to deliver identified long-term changes, or outcomes. The approach involves the identification of desired outcomes, and utilises a 'backwards planning' approach to map the intermediate outcomes and activities, or interventions required to deliver these long term changes. The approach can be used by organisations that deliver change, as well as by service commissioners.

The Theory of Change maps an initiative through 6 stages:

- The identification of long term goals

- Backwards mapping while connecting the preconditions or requirements necessary to achieve goals and explaining why these preconditions are necessary and sufficient

- Identifying the basic assumptions about context

- Identifying the interventions that initiatives will perform to create desired change

- Developing indicators to measure outcomes to assess the performance of initiatives

- Writing a narrative to explain logic

The Theory of Change process hinges upon defining all of the necessary and sufficient conditions required to bring about a given long term outcome. It uses backwards mapping requiring planners to think in backward steps from the long-term goal to the intermediate and then early-term changes that

would be required to cause the desired change. This creates a set of connected outcomes known as a "pathway of change". A "pathway of change" graphically represents the change process as it is understood by the initiative planners and is the skeleton around which the other elements of the theory are developed.

Support Cambridgeshire has used a very simple logic in constructing its Theory of Change.

Logic point 1:

An identification of the problems which each work-stream is attempting to alleviate.

Logic Point 2:

An identification of the *change drivers* within each work-stream.

Logic point 3:

An identification of the beneficiaries.

Logic Point 4:

The schedule of activities or deliverables which individually and collectively will begin the process of change. Some of these activities are new in concept, and so assumptions have been made about the likelihood of success or not. It should be remembered that Support Cambridgeshire is in some ways forging new ground, and as such some of the initiatives may not be successful, and some only partially successful.

Logic Point 5:

An identification of the outcomes.

Logic Point 6:

An assessment of impact where possible or practical.

Logic point 7:

The tools used to define impact. These do not need to be complex or onerous.

This approach to planning is designed to encourage very clearly defined outcomes at every step of the change process. Users are required to specify a number of details about the nature of the desired change.

The process generates a visual map of the relationships between interventions, outcomes and long-term outcomes; and articulates all assumptions about how interventions will generate the desired outcomes. Articulating these assumptions means that they can be tested, and where no causal relationship can be evidenced, more appropriate interventions, or pathways to change, considered.

Theory of Change provides a framework for evaluating social impact, by making explicit the relationships between activities and desired outcomes, and by describing the 'chain of events' that relates one outcome to another.

(4) A **logic model** is a visual model of the links between the intended outcomes of an activity and the actions or processes within this which are designed to deliver the outcomes. The model articulates the theory behind the proposed project, programme or policy and identifies and expresses any assumptions within the theory about the relationship between activities and outcomes. The Theory of Change and the logic model go effectively hand in hand.

Logic models can be used for a number of purposes:

As a **planning tool**:

- When developing policy or a programme strategy
- When designing a project or service; or when developing a strategy for the commissioning of a group of services
- When **implementing** a policy, strategy, or programme, logic models can form the basis of management plans and help you to identify outcomes indicators and the outcomes data that should be collected while the activity is taking place to enable monitoring and improvement of the activity throughout delivery
- When **evaluating and reporting** on the performance of an activity and reporting on what has been achieved, logic models can help present information and progress towards articulated objectives in a clear and coherent way
- There are different forms of logic model. A simple logic model might map the relationship between resources/inputs, activities/processes, outputs, and outcomes as a flow diagram. A more developed form could incorporate short term, medium and long term outcomes and the relationships between them, and highlight the interventions necessary to deliver these outcomes. Support Cambridgeshire has used a very basic form of logic in defining its Theory of Change, although subsequent revisions will develop as data gathering, handling and local expertise increases

Barriers to any form of Impact Measurement:

One of the barriers identified by many commentators is the time-scale over which impact needs to be measured. Impact reporting does not lend itself to an annual reporting cycle. Changes in personnel, the type of data collected and information systems present a major knowledge management and resource challenge.

Cost is often cited as a barrier to undertaking outcome and impact reporting. Feedback from various reports have identified that funders are generally reluctant to pay for evaluation meaning that impact assessment has to be wholly funded from unrestricted income. The issue of cost is even more acute in smaller organisations, and since 76% of charities in England and Wales have income less than £100,000 per year, this means that the majority of charities lack the professional or financial capacity to undertake impact reporting. For organisations more concerned with raising enough money to survive and deliver their work, resource heavy approaches to impact reporting are low on the list of priorities.

Additionally, many research reports have found continued confusion about the terms output, outcome and impact. Difficulties in accurately measuring outcomes and impact represent a real barrier for many organisations which again exacerbates the strain on resources.

The most important audiences for impact reporting appear to be government funders, beneficiaries, trustees and trust funders, followed by the general public and individual donors - a wide range of audiences with different requirements which are difficult to meet in a single report. This is likely to contribute to the wide variation in quality and style of reporting, ranging from pure marketing literature with popular appeal to detailed assessments of performance targeted at a specialist audience.

Other factors influencing impact reporting

Research shows very few examples of external impact reporting. However many organisations see it as a clear benefit: It contributes to staff and volunteer motivation, helps inform decision-making and plays an important role in organisational learning. There are many instances where charities have undertaken internal evaluations, surveys or assessments, but have not included these in their external reporting. This suggests that internal impact or outcome assessment may be more widespread than the evidence of external reporting would suggest, although it could be at the level of individual projects rather than the organisation as a whole.   The choice of information reported may be restricted by resources, skills and the availability of suitable data.

Conclusions

Support Cambridgeshire has concluded that the best form of social impact analysis for the project is the Theory of Change, largely because it is relatively easy to conceptualise and design. In many respects, it is the least complicated form of social impact analysis, although it still requires some development of thought process and logic.

Support Cambridgeshire also recommends that this particular form of impact measurement be attempted by community groups or voluntary organisations, simply because it is the least complex of all of the impact methodologies.

As a starting point, Support Cambridgeshire recommends that any community group or voluntary organisation wishing to "dip their toes" in the waters of social impact do so by using the nationally recognised Measuring Up self- assessment tool compiled by Inspiring Impact.

Measuring Up allows organisations to review and improve their impact practice – that is, the way organisations plan, evidence, communicate and learn from the difference that their work makes.

Measuring Up has been designed for use by all kinds of charitable organisations, social enterprises and funders. There are three current versions available:

- Measuring Up for small organisations (those with an income of £0-£100,000 or newer to impact practice)

- Measuring Up for medium to large voluntary organisations (those with an income of £100,000+ or more experienced in impact practice)

● Measuring Up for funders (which includes all types of voluntary sector funders)

http://inspiringimpact.org/measuringup/

After first registration, Measuring Up asks a series of simple questions which seeks to identify any gaps or weaknesses in an organisations current impact practice, and provides a report from which further advice or guidance can be sought. The report should lead organisations into thinking about their own proportionate Theory of Change review, which Support Cambridgeshire can assist with.

In addition to our own review, Support Cambridgeshire is working with National Partners in the development of an Impact Framework, closely linked to a quality accreditation. Following a recent meeting with NAVCA and New Philanthropy Capital (under the banner of inspiring Impact, a 10 year programme funded by Big Lottery) , the concept of a sub sector partnership (lead by NAVCA) was explored. Support Cambridgeshire is willing and able to take part in this programme, although it may focus ostensibly on the issues faced by Infrastructure organisations in demonstrating impact, as distinct from Support Cambridgeshire as a project. However, any outputs from such a project will be valuable for not only Support Cambridgeshire but for the 3 partners who also operate on district or separately funded activities.

NAVCA will be identifying a time-line for the instigation of the sub sector partnership over the coming months, and will also be looking towards member organisations to input and test various aspects of the impact evaluation. Further details are awaited.

Not withstanding this potential National support, it is clear that Support Cambridgeshire as a defined project will need to continue to map a Theory of Change as a way of identifying work-stream impacts.

Author: Russell Rolph (Development Manager) Support Cambridgeshire June 2017

References:

In the compilation of this analysis, Support Cambridgeshire would like to acknowledge the following publications and organisations:

● Non Profit Periscope
● Social Impact Scotland
● Community Scot
● Changing Minds
● The Business Directory 2015
● Wikipedia