



INSPIRING IMPACT NI

Insights and lessons from five statutory sector demonstration projects

Shared Learning Paper

May 2015





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Introduction

Inspiring Impact Northern Ireland (IINI) is part of the Inspiring Impact UK initiative which aspires to change the way that Voluntary, Community and Social Enterprise (VCSE) organisations and their funders think about impact and to embed good impact practice at the heart of their work.

The Building Change Trust as the Northern Ireland partner on the UK board commissioned Community Evaluation Northern Ireland (CENI) to deliver the Inspiring Impact NI Programme. The Trust committed £500,000 to an initial two year programme of work running to December 2015, matched by a further £188,000 from the Department for Social Development (DSD), to support VCSE organisations and their funders to better understand and embrace an impact focused approach in their work.

DSD's commitment to this work came in the context of reports by the NI Audit Office and the Public Accounts Committee (PAC) entitled 'Creating Effective Partnerships between Government and the Voluntary and Community Sector' and the subsequent Concordat between Government and the Voluntary/Community sector which set out to progress issues of unnecessary bureaucracy, improve communications and focus more on outcomes. DSD established a cross departmental 'Addressing Bureaucracy Project' which led to the publication of a report in 2013 'Addressing Bureaucracy: A report on tackling bureaucracy in Government funding to the Voluntary and Community Sector', which offered nineteen recommendations for actions to be taken forward by government in cooperation with the VCSE sector. Two recommendations in particular (15 & 16) relating to piloting and testing an outcomes or impact focused approach to funding in the public sector led to DSD investing in the Inspiring Impact Northern Ireland programme to undertake a pilot to test its approach.

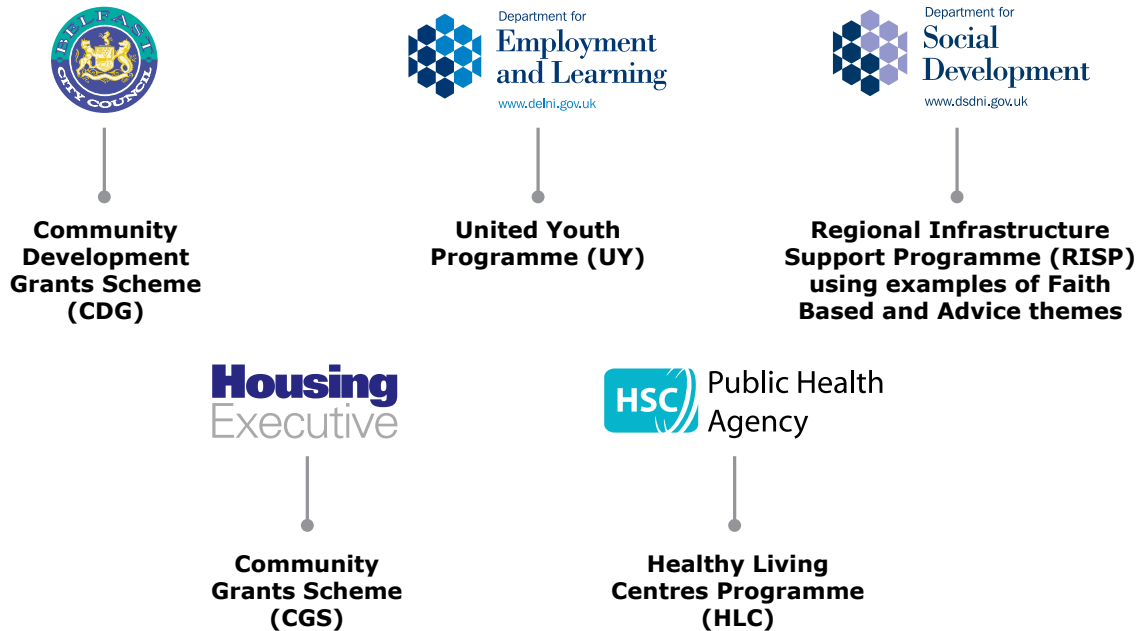
Inspiring Impact UK developed strategic resources to support the VCSE sectors and their funders. The Northern Ireland programme then developed a pilot to test these resources in a practical setting with a range of statutory funders to the Voluntary and Community Sector. This involved the following steps:

-  **Engaging with the Public Sector Group and establishing a sub-group, the Public Sector Engagement Group (PSEG) to further engage with the impact practice concept**
-  **Exploring the Funders' Principles and Drivers of Good Impact Practice with PSEG as a framework for applicability in a public sector setting**
-  **Agreed criteria against which public funders could be identified for supported demonstration projects**
-  **Expression of interest and identification/recruitment of five public sector demonstration projects**
-  **Training and support to apply an impact approach using Inspiring Impact resources**
-  **Undertaking a Scoping study that looked at opportunities and barriers to applying an impact approach across the public sector**
-  **End of project learning exchange event with demonstration projects to share insights, experience and next steps**

Through an open tendering process CENI commissioned a PWC-led consortium to carry out the Scoping Study and deliver support for the demonstration projects.

The learning in this paper, while not necessarily the views of DSD, reflects what, in essence, was a short pilot process with a small sample of public funders to VCSE organisations in Northern Ireland. The demonstration projects were undertaken over a four month period from December 2014 to March 2015 and were informed by the exploratory work with the PSEG as well as the Scoping Study.

Below are the five bodies that participated in the demonstration projects:



Guided by a framework developed by and for independent funders, Funders' Principles and Drivers of Good Impact Practice, each demonstration project was supported to:

- 1** Conduct a self-assessment of existing practice using the online Measuring Up! resource
- 2** Develop a Theory of Change for its funding programme
- 3** Develop an impact plan that could be implemented upon completion of the pilot phase

This was not about an external consultant or organisation coming in to do an evaluation. This was about supporting funders to reflect on and analyse existing practice with a view to developing a more coherent approach to demonstrating the difference (impact) that their investments are making to the VCSE sectors and communities in Northern Ireland.

This Shared Learning paper draws on specific learning from the five demonstration projects, along with issues arising from an Impact Exchange event which brought together representatives from all five of the demonstration projects. The Department of Agriculture and Rural Development (DARD) also contributed to the Exchange event bringing experience of its initiative to develop and apply an impact assessment model to its Rural Community Development Support Service.

Key Achievements

- 🕒 **Public Sector Group agreed to test an innovative approach to improve its practice with regards to demonstrating the impact of its investments to the Voluntary and Community Sector**
- 🕒 **Each demonstration project was endorsed and supported at senior management level**
- 🕒 **All participants were challenged to think in a different way about how they deliver funding programmes and what they are trying to achieve**
- 🕒 **Everybody involved saw this as a positive process/approach and one that is necessary despite practical challenges**
- 🕒 **Process triggered new conversations that the current system and mechanisms do not ask: 'the so what?'**
- 🕒 **Each demonstration project has undertaken an assessment of its current practice and generated an impact plan that can inform and improve future work**



Recommendations

The process and the findings have highlighted a real need for change in the way funding to the VCSE sector is delivered and managed. Below are the main recommendations that were identified for further developing an impact practice approach among public funders to the Voluntary and Community sector:

- 1 There is a need for participating projects to explore options to ensure impact plans generated through this pilot process are implemented.
- 2 There is scope for those involved to initiate discussion with other senior staff / decision makers in relation to other funding programmes and promote the benefit of adopting an impact practice approach, particularly given the objective of reducing bureaucracy.
- 3 There is a need to provide practical learning through case studies from within Northern Ireland or elsewhere of public sector application of a complete impact practice approach.
- 4 IINI should promote the practical components of impact practice planning that were widely agreed as beneficial in adding value to existing grant / contract development processes – in particular Measuring Up! self-assessment, the co-design process and development of theories of change.
- 5 There is a need to prepare a step by step guide for funders focusing on the process of implementing the practical elements of the cycle of impact practice within the context of existing funding arrangements.
- 6 There is a need for regular impact exchange events to provide a platform for statutory and voluntary and community sector representatives to share examples of what is working well and what isn't, with regards to impact practice.
- 7 A high level working group dedicated to progressing a culture of good practice with regards to outcomes/impact focused funding is required in Northern Ireland. This should link with, if not be part of existing mechanisms and initiatives (eg the DSD led Concordat Commitment Action Team on Outcomes, the DFP's Innovation Lab and the Carnegie work on a Wellbeing framework for Northern Ireland).
- 8 The working group should identify and seek to support a cohort of "Impact Champions" at Grade 7 and above across Government Departments, Agencies and Authorities to further promote good practice and begin a process of culture change within the public sector.
- 9 This working group should also engage with appropriate training providers, such as the Centre for Applied Learning, to design and deliver training for public servants on an impact practice approach to funding.
- 10 There is a need for a policy mandate to reform and drive impact practice among funders to the Voluntary and Community sector. This needs to factor in key systems stakeholders including the audit and economic functions across government departments and bodies.

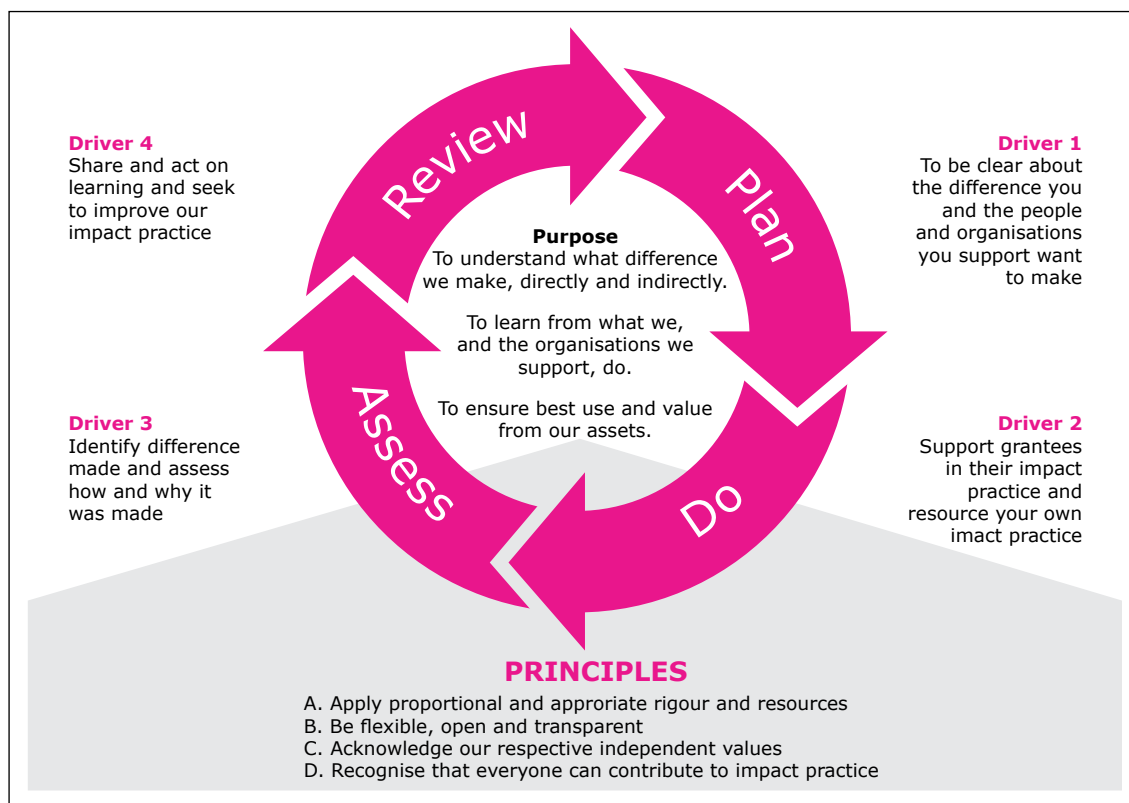
Applying an Impact Practice approach in a public sector setting

The rationale and need for impact assessment is widely understood, and has recently been encouraged within the public sector via the adoption of outcomes based approaches. It was recognised that improved impact measurement can contribute to:





- 🧠 **more robust decision making**
- 🧠 **better use of resources (in respect of both efficiency and effectiveness)**
- 🧠 **more effective learning**
- 🧠 **reduced bureaucracy**

The purpose of the demonstration projects was to test how applicable an Impact Practice approach (presented below) is for statutory sector funders, using resources developed by Inspiring Impact UK.

Cycle of Impact Practice



Specifically, each demonstration project was provided with support to:

-  **Consider the relevance and practicalities of the above principles and drivers**
-  **Undertake a self-assessment of current practice using Measuring Up!**
-  **Develop a Theory of Change for existing funding programmes / projects**
-  **Generate a plan to support future impact measurement**

The remainder of this section discusses findings from across the five demonstration projects aligned to each of the core areas of activity outlined above.

Step 1: Considering the Funders' Principles and Drivers

The framework, which was developed by independent funders, was intended to provide the basis upon which bespoke approaches to impact assessment can be developed.

There was a unanimous willingness among demonstration projects to move towards more effective measurement practices, and to engage in ways of exploring relevant approaches.

Using Inspiring Impact resources to start a journey

The Inspiring Impact framework provided a useful basis for both internal and external discussions. It facilitated re-thinking of programmes; the development of a longer term perspective; and the engagement of a range of relevant stakeholders. This engagement and the Theory of Change process, as evidenced in the demonstration projects, encouraged helpful probing relating to the 'why' as well as 'what'.

Shared understanding and new relationships

It was recognised that application of an impact approach could contribute to a new shared understanding of programme objectives and intended impacts and transformation of the relationship between funders, grantees and their beneficiaries. This has the potential to support and promote co-design when new programmes are being developed or existing programmes are being reviewed.

There are particular opportunities in drawing on these lessons and applying the approach in multi-stakeholder scenarios such as with Community Planning; working with cohorts / coalitions of grantees in co-design processes; and with partnership approaches.

Adopt a holistic approach when considering the impact practice framework

It is important to approach the impact practice cycle holistically as the drivers are interdependent. Consideration of all stages of Plan; Do; Assess; Review cycle, together, will help develop a realistic Theory of Change; ensure that relevant evidence can be gathered; contribute to appropriate analysis; and ultimately inform policy and practice.

Consideration of the framework revealed that there were some concerns as to how the underpinning principles would translate across into the public sector. It was noted in particular that:

- ② Understanding of proportionality of investment into impact assessment related to the scale of funding, and was driven by a risk-based approach. It was noted that the Funders' Principles referred to proportionality in relation to the purpose, nature, scale and complexity of the learning – and that this should determine the associated rigour required in relation to data gathering and analysis, taking into account the skills and capacity of the funder and grantees. Financial constraints within the public sector do however bring the issue of proportionality into sharp focus. More is being demanded from less in respect of programme impact and pressure on resources (staff, time, and capacity) limit the scope for application of a longer-term learning oriented approach to evaluation
- ② Flexibility is challenging in a public sector system that generally requires consistency of approach
- ② Given the scale of operations and division of labour within public sector organisations it is difficult to engage all relevant stakeholders in developing and implementing impact practice

While there were no significant issues raised with regard to the Plan; Do; Assess; Review cycle, and the associated drivers of good impact practice, it was evident that separating this, as an impact practice cycle, from the respective programme/grant implementation cycles would prove challenging with the existing emphasis and influence of compliance-based reporting.



It was acknowledged that there is no 'one size fits all' approach to impact assessment, and equally that the cycle of Impact Practice and other measurement approaches, rather than being mutually exclusive, are in fact complimentary.

It was noted that proving value for money is likely to remain the primary purpose, supplemented by understanding the difference made and learning from practice, and it remains that financial control forms the basis of reporting systems.

It was observed that there are several approaches to impact assessment currently being trialled within the statutory sector, including in particular, the Inspiring Impact cycle of Impact Practice, the Outcomes Based Accountability¹ model, and the Measuring Change approach².

Whatever the approach, the form of the analysis is recognised as critical and should include consideration of the counter-factual, unintended consequences, and investigation of cause and effect i.e. what difference was made and how.

¹Outcomes Based Accountability (OBA) was developed by Mark Friedman and articulated in his book Trying Hard Is Not Good Enough. OBA is a way of thinking and taking action that can improve outcomes for populations, organisations and communities.

²Measuring Change is an approach developed by Community Evaluation NI which is tailored to enable funders and organisations to capture and use outcomes data to improve delivery.

Step 2: Self-assessment using Measuring Up!


Measuring Up! is a straightforward, step-by-step online self-assessment resource designed to help organisations review and improve their impact practice. Whilst designed for charitable organisations it can be used by funders, in order to assess current practice, and to develop an action plan to improve practice as it relates to demonstrating impact.

Though the questions are orientated towards voluntary sector organisations Measuring Up! was considered to be:

- 🔗 **a useful tool to derive a comprehensive set of actions required to address specific weaknesses in current impact practice; and**
- 🔗 **a helpful guide for regularly and systematically challenging practice.**

Using the self-assessment resource also presented a range of challenges due to issues of scale and differentiated responsibilities with a Government Department, unit or agency. In two cases one person had the breadth of knowledge to take responsibility and respond to the questions laid out in the resource. In other pilots completion was more problematic – revealing internal variations in funders' practice with different programme managers adopting different approaches to thinking about impact.


While concern was raised around confidentiality associated with using an external system this was overcome through downloading questions and responding offline rather than through the online system.



Completing Measuring Up! may be best undertaken with input from a multi-disciplinary team which should include those at programme operational level and those with responsibility for data collection and analysis and for corporate performance.

Step 3: Developing a Theory of Change

A Theory of Change is a process of reflection to explore change and how it happens. It can locate a programme or project within a wider analysis of how change comes about, draw on external learning about development, articulate our understanding of change and acknowledge wider systems and factors that influence change. A Theory of Change is considered by many as a practical and essential element of any transformation effort, and forms an important part of monitoring and evaluation activity. It shows the path from needs, to activities to outcomes, to impact, including contribution to relevant policy agendas. It describes an intervention's intended change and the steps involved in making that change happen. Theories of Change also depict the assumptions that lie behind an intervention's reasoning, and where possible, these assumptions are backed up by evidence.

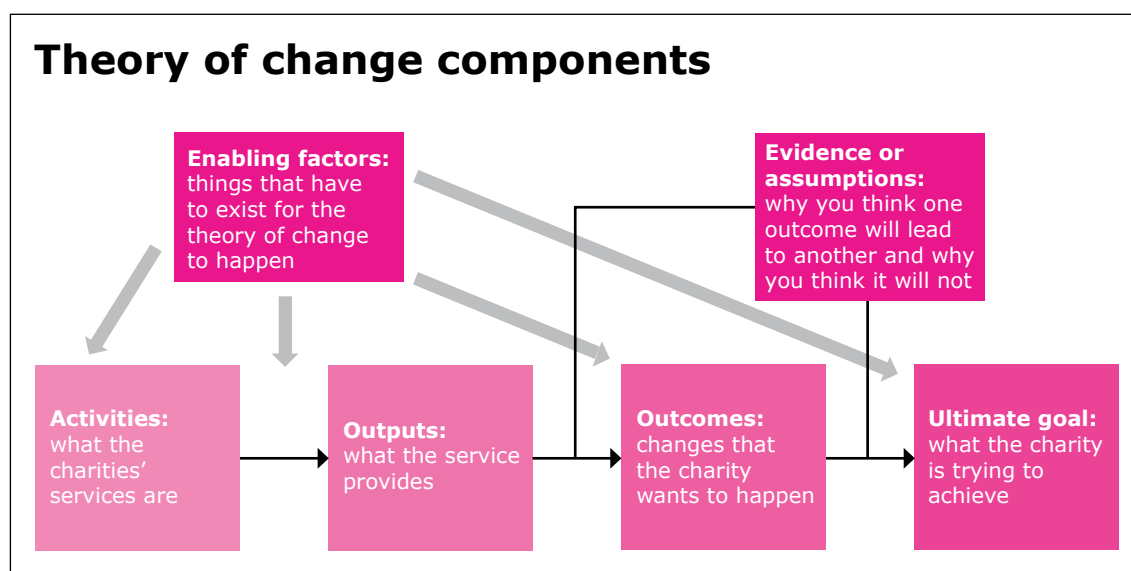


Assessment of current practice using the self-assessment Measuring Up! resource can be applied at any time and is perhaps most useful when all of the aspects of programme reporting are in place so that a realistic snapshot can be taken of current practice.

Use of the framework prompted useful discussion – in particular through encouraging the development of a Theory of Change. A Theory of Change is a way of helping ensure clarity around:


- 🧠 **defining and articulating the difference intended**
- 🧠 **the steps and processes involved and assumptions made**
- 🧠 **the evidence required to demonstrate impact**

It thus represents an essential starting point upon which impact practice is built. See below model of a Theory of Change based on a template developed by New Philanthropy Capital (NPC):



In some cases the discussions involved potential grantees in order to ensure the relevance and credibility of evidence i.e. the indicators and standards applied. To that end, face to face discussions between grantors and grantees within the planning stage around Theories of Change have proved very valuable in providing an environment whereby open, frank and honest discussions could be had about what the intended impacts of the programmes were / should be. The framework provided a useful basis for both internal and external discussions.

The Theory of Change helped define programme objectives and outcomes, and articulation of the links between outputs and outcomes over various time scales. It also encouraged the re-consideration of inputs i.e. appropriate resource deployment (e.g. grant plus other forms of support) and the relationship between funding voluntary and community sector organisations and direct public body service provision. In every case, the development of a Theory of Change, while very useful, required considerable investment of time in order to come to an agreed design. It often involved a process of creating an initial ambitious and complex theory and then simplifying from that.




Completing a Theory of Change was considered by many as a 'tipping point' in terms of shifting the thinking and resulted in a number of tangible actions relevant to the respective programmes.

Step 4: Generating an Impact Practice Plan

The combination of completing a Theory of Change and Measuring Up! informed the development of impact practice plans for the respective demonstration projects. These plans summarise the information that project / programme representatives need to understand what needs to be measured, and how to go about doing it. The plans were designed to address barriers and gaps in impact practice.

Actions in impact practice plans included:

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- ① **Mapping of beneficiaries (front line, final, and indirect) in relation to short, medium and longer term outcomes**
 - ① **Amending / adjusting prospective service specifications to take account of measuring both activities and outcomes**
 - ① **Engagement with stakeholders and potential grantees to consider Theory of Change, outcomes and a commitment to ongoing dialogue**
 - ① **Using the Theory of Change as the basis of funding contracts (to be supplemented by a more detailed, corresponding outcomes framework)**
 - ① **Identifying / refining indicators and measures, relevant sources of data, and methods and processes of data collection**
 - ① **Developing an appropriate reporting framework (linked to the outcomes framework and with the underpinning objective of reducing bureaucracy)**
 - ① **Cascading impact practice approach across relevant staff and supporting grantees (and where appropriate relevant infrastructure organisations) in developing their impact practice**
 - ① **Using the impact approach when designing new funding programmes / social investment decisions / tendering and procurement and promoting it amongst others, within the respective organisations (in particular to engage senior management) and more widely**

It is worth noting that each pilot arrived at different states of readiness in terms of their time, capacity as well as the stage at which their funding programmes were. All now have plans to inform their practice going forward. One of the key challenges is to ensure they are able to put those plans into operation and see the cycle through.

Practical lessons & issues to consider

The demonstration projects highlighted both opportunities offered by applying an impact focussed approach, and strategic and operational challenges to developing impact practice. These are presented below along with some practical lessons emerging from the demonstration projects which may help realise the opportunities and address challenges. These align closely with the steps laid out in the findings from the Carnegie Roundtable's 'Towards a Wellbeing Framework', in particular steps 1 and 3 (Establishing new ways of working & Improving accountability respectively).

Practical and operational lessons

The demonstration projects served to confirm, as identified in the scoping study, that successful implementation of an impact approach will require:

- 🧠 **Leadership**
- 🧠 **Culture change (within both funding bodies and grantees)**
- 🧠 **Time**
- 🧠 **Skills**
- 🧠 **Resources**
- 🧠 **Continued sharing of experience and collective learning**

Practical operational lessons identified through the demonstration projects are detailed below:

1 Leadership

The demonstration projects served to highlight the potential of leading by example - providing for a consolidated understanding and articulation of the respective programmes and the development of impact practice plans in a relatively short period of time. There is scope for those involved to initiate discussion with other senior staff / decision makers in relation to other programmes, and with regard to other approaches, to start to consider the cost-benefit of improving impact practice, particularly given the objective of reducing bureaucracy.

2 Seek culture change

A fundamental challenge is addressing and ultimately changing 'normal practice' (based on compliance-based approaches focussing on financial accountability) through questioning, holistically, what we are aiming to achieve and the change our interventions are seeking to make. This is all the more difficult in the context, in some cases, of practice, often driven by the influence of audit / economic units, which has been the norm for many years.

Recognising that various different approaches to evaluation and impact measurement exist, the Inspiring Impact Cycle of Impact Practice provides a framework, or process, within which different approaches to evaluation and impact measurement can be applied.

Embedding a framework will be of primary importance if culture change is to be effected.

However impact practice should not be conflated with grant monitoring and reporting, and while one may contribute to the other, there should be distinction between their respective purposes and processes. Adopting an impact approach as a means of ensuring financial accountability and providing evidence of value for money alone however ignores the potential of it contributing to understanding the difference made (what works and why) and as such requires a change of culture (and approach) that allows for decoupling of the impact practice cycle and the grant reporting cycle.

3 Devote time and consider timing

It was recognised through the demonstration projects that timing of the assessment process and the application of improved impact practice is important.

What is then required is time and resources to address the actions needed to improve impact practice and to apply that to future programme design and implementation. Experience from the demonstration projects suggests that while some bespoke improvements can be made to current practice in relation to programmes already in operation it is difficult to retro-fit a different approach and as such is more likely to increase rather than reduce bureaucracy.

4 Involve others

Recognising that everyone can contribute to impact practice is an underpinning principle of the impact practice framework. A starting point for this in a public sector setting is to engage a broad range of staff in consideration of impact practice and the subsequent change management process, through their involvement in the initial self-assessment e.g. using Measuring Up!. There is merit when developing a Theory of Change in involving a broad range of stakeholders – including potential grantees as those ultimately responsible for the realisation of the intended impact.

5 Value qualitative data

There is also a need to promote the evidential value of qualitative indicators, particularly in areas such as community development where it is often impractical or uneconomical to produce quantitative indicators which meet technical tests of validity and reliability. This will require programme managers to be open to a wider range of methodologies when evaluating outcomes. Qualitative data, including case studies, can be more effective in communicating the detail of what has or can be achieved and how. The data types are complementary. Generally using both quantitative and qualitative indicators will give the best understanding of what impact is being achieved and how that impact comes about.

6 Don't reinvent the wheel

While it is necessary to consider any indicator / measure on a case by case basis given set measurement parameters including budget, skill and capacity, resource and stakeholder expectations, there are resources available to assist in deciding on appropriate indicators. Work undertaken by others could be harnessed and shared to help in the identification of appropriate measures and data may already be available and may not be programme specific, thus avoiding primary data collection.

7 Apply a different perspective on proportionality

Proportionality of investment (time and resources) should focus on the scale and complexity of the problem/programme rather than the percentage of the grant. Related to this is the need to be realistic with regard to the scope of impact achievable within the funding available, and honest in terms of the role that programmes play in delivering the outcomes identified.

Opportunities

Below is a range of opportunities to improve and transform current practice as it relates to demonstrating the difference of investments public funders are making to the Voluntary and Community sector. These correlate with the recommendations as outlined in the first section of this paper.

The need for an overarching policy mandate: Whilst there is a Ministerial commitment to an outcomes-based approach there is need for a clear mandate in order to move beyond demonstration projects and to justify deployment of appropriate resources. More effective implementation of evaluation and impact measurement is a significant component of the Public Sector Reform Unit's agenda. This represents an opportunity to develop working groups to discuss, debate and ultimately take the principles of impact practice forward.

Evidence of a commitment to continue the impact practice journey: It was acknowledged that in the course of the demonstration exercise it was proving difficult to redesign/critically challenge accepted-as-normal practice. Never-the-less lessons were being learnt which could be applied in future programme design and implementation – whether grant-based or implemented through other forms of procurement. All representatives outlined their commitment to continue to learn, question and challenge their own programmes through the lens of the impact practice principles post the end of this pilot. There was interest in maintaining momentum, but recognition of a need to seek further buy-in and endorsement at senior [and political where relevant] levels.

The desire for continued external support: Several statutory sector representatives highlighted that without further support there was a risk of “crowding out”, reinforcing the importance of challenge from the outside to maintain focus on embedding the impact principles and practice.

The importance of communications and appropriate language and guidance: Articulating and communicating the rationale and benefits of impact practice was viewed to be particularly important together with using language and terms that are appropriate and relatable to internal stakeholders. Concern regarding new “jargon” was also raised.

The benefit of routine sharing of impact practice experiences: There was consensus among statutory sector demonstration projects that a routine sharing of information and measurement and learning tools – not just within departments / funders – but across programmes would be of benefit.

The need for skills development and capacity building: The majority of demonstration project representatives recognised the need for skills development and capacity building in support of impact measurement, particularly for public servants.

The importance of proving through practice: It was felt that there is a need to prove that the Inspiring Impact approach works and it would be helpful to have case studies and examples which demonstrate that application of the Funders' Principles and Drivers have contributed to improved impact practice and ultimately to enhancement of impact.

Strategic and operational challenges

General barriers associated with implementing change include resistance to change, system inertia, and cost. Specifically in relation to impact practice the demonstration projects identified challenges including:

- 💡 **Overcoming the current emphasis on accountability and compliance**
- 💡 **Separating out project monitoring from impact assessment (i.e. decoupling of impact practice cycle and grant reporting cycle)**
- 💡 **Fitting the application of an impact practice approach within a broader corporate reporting framework**
- 💡 **Technical complexity associated with all of the skills in each stage of the impact practice cycle**

Notes

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