NCVO: *MEASURING IMPACT*
18 November 2002

Introduction
Since the report that I prepared for the Community Fund on outcomes and the 'Investor Approach'[1] was published, several people have told me that the data collection visit to the USA must have been fun – that I should be so lucky! The reality was a reliance on the freelancer's joy, Google! All the US experience that I reported on was derived from web searches and downloads.

One recent Google find was a splendid site set up to commemorate Yogi Berra – the baseball star of the 40's and 50's who was famous for mangling phrases; definitely in the John Prescot and Willie Whitelaw class, among classic 'Yogiisms' are:

- When you come to a fork in the road, take it
- The future ain't what it used to be.

I found Yogi as a result of a Yogiism being used to preface a report on Outcomes and Impact by one of the US Foundations to which I referred in the Community Fund report:

- If you don't know where you're going, how are you gonna know when you get there?

A suitable preface to today's discussion, perhaps?
(and there are some other Yogiisms that fit some of today's subject matter, for example: "you can observe a lot by watching").

The W.K.Kellogg Foundation used this question as the preface to their *Logic Development Guide*[2] – a report to which I will return later as it sets out one of the clearer sets of definitions in this otherwise often rather jargon ridden world of impact and outcomes evaluation; I promise to avoid any references to counterfactual determinants or quasi-experimental designs or multi-variate regression analysis.

Checking Google also highlighted something important – the sheer scale of the debate that this event is part of: a search on *Measuring Impact* produced 1.2 million references in 0.13 seconds – a tribute to Google but also an indication of the high spot on the head ache inducing scale that this issue is now reaching. (NCVO might want to know that this conference got in a number 20 – but it was courtesy of the ruralnet site, not your own – and I fear it was 8 places below the entry for the NACVS/Charities Evaluation Services self-evaluation toolkit!)

Enough of all this google plugging!

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[1] The Investor Approach – a Way Forward for the Community Fund? *The Community Fund* June 2002
[2] W.K. Kellogg Foundation Logic Model Development Guide www.wkkf.org/Knowledgebase/Pubs/ 2001

Is all this attention good news?

Is all this attention good news? Every facet of public policy now seems to have an outcomes/impact dimension: how do we know if this initiative, this project, this organisation is delivering?

It's understandable if many in the voluntary sector, faced with yet another set of demands from a funding body for reports on outcomes, groan with a resigned weariness – and see the whole debate as being either part of a compliance and target fixated obsession and/or some additional regulatory onslaught. Even more understandable because – as we shall see later – too many of the external demands on voluntary organisations for information about outcomes and impact (which are primarily qualitative results and changes) are actually requirements for head counts – bean counting quantitative outputs from which little about whether something has really worked well can be gleaned. It's not surprising if voluntary organisations get fed up when they have to spend hours of what feels like totally unproductive time filling in forms and ticking boxes. It may be an understandable response to the whole issue – but it would, I believe be wrong.

The outcomes/impact debate can be a positive development if it means that the voluntary sector adopts and shapes the outcomes agenda for its own use; if we ask ourselves – systematically, intelligently and simply – how can we demonstrate that our work is delivering real benefits? The answer to that enquiry can

- inform and improve what we do
- enable us to explain, perhaps inspire, current or potential users of the services we provide,
- motivate and support, again perhaps inspire, our staff, volunteers and trustees
- report to funders and enhance not only the prospects of future funding but also encourage funders to have more confidence in our work – and free up their funding systems to be more supportive of outcome strategies and less tied to short-term and specific outputs
- demonstrate to government, centrally or locally, the value of a service we have developed and the case for its replication or 'cloning' elsewhere
- promote on a wider stage the value of what we are doing – use what we are learning to influence and inform policy makers, researchers, the media.

It's potentially a great asset to efforts to build or restore trust and confidence in our work.

But it can undoubtedly also be negative if external agencies (or we ourselves) confuse outputs with outcomes; that's when the demands can be resented; demands:

- from a funder that we demonstrate compliance – that we did get that number of people through the doors of the project or that we did spend the money exactly as set out in the budget we drafted over 3 years ago
- from a regulator that we have stuck to their probably limiting version of the straight and narrow

- from a governmental body that we have conformed to some text book defined process.

The challenge is to keep the focus on the real results, the outcomes, and not just the activities or the product, the outputs; and to ensure that an outcomes/impact dimension is is part of the culture and fabric of the organisation.

My main perspective today is that of a funder (I'll leave it to Jon Low from RNID to concentrate on the perspective of a service provider charity).

One response to the Community Fund report provided a 'health warning' to any funder that might be considering whether to adopt an outcomes/impact type strategy:

> "The funding community in the UK must avoid the fashionable trends and models, the quick fixes, the magic bullets, and the golden promises. Actually funding outcomes, and developing an outcome orientation, is a slow process that requires dedication and hard work and must take place in conjunction with the funded. It cannot be imposed as a new system overnight"[3].

I couldn't agree more – and asserted in the report that a funder 'cannot afford...to introduce a flawed system or even to introduce a good system clumsily.'

It looks to me as if today will provide a valuable opportunity – from lots of different perspectives, not just that of a funder – to examine the achievements, quality and relevance of a number of systems for measuring and assessing the impact of voluntary sector performance; one test I recommend is applied to all the systems is that of the extent of the engagement in their design and operation of the people, groups or communities that are the intended beneficiaries of that performance.

Why is it important to be clear about outcomes and impact?
Let me answer this with four examples.
First, a funder. In his introduction to *Monitoring and Evaluation*[4], the 'practical guide for grant-making trusts' published by the Association of Charitable Trusts, Joel Joffe, the former Chair of the Allied Dunbar Charitable Trust wrote:

> "All trusts and foundations are in the business of bringing about some form of positive change, and giving grants is the means by which we set out to do this. And yet, all too often grant-makers focus on the giving itself rather than the outcomes of the giving. Having given, they frequently fail to ask the key questions: has our grant made a difference? Has it contributed towards positive change, towards improving the quality of life of others? Has it achieved what we intended it to achieve, and – very important – has it represented value for money?"

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[3] Which Investor Approach: Not a way forward for the Community Fund? Or, The Emperor's new clothes. Investing In Change *The Wales Funders Forum Briefing Paper No: 3;* August 2002
[4] Monitoring and Evaluation *Des Palmer* ACF 1998

When I was Director of the Baring Foundation we were probably ahead of the game in our ability to report in considerable detail on the activities we funded – what, where, for whom, how much. We were good on amounts and quantity; in the jargon, we were very informative about inputs and outputs. This proved invaluable when the press suddenly got interested in us after the Baring Bank crisis removed the source of 85% of our income. Our data base and information management systems meant we could send within a few minutes masses of detailed information, pie charts and tables to any journalist who asked about what we funded.

But if one of those journalists – or one of my trustees – had asked:

- What had been the impact of that project or of this grant programme?
- What had been the difference made to the lives of the 100's of people that were being assisted by the organisations who were in receipt of the grants we had provided?
- What had worked and why?

I'd have had to resort to anecdote and example. We were good at 'counting the beans' but we had no overall evidence of the results – the outcomes or the impact; and, other than statements which were seldom more than articles of faith, we could provide little or no systematic evidence of the quality of what had been achieved and what lessons had been learnt.

We did do some evaluations, I recall. One was of the value of 'tool-kit' type guidance materials – we followed up on 12 grants made to fund the preparation and production of such materials. What had been achieved? What had been the impact? The answer was that we found out how many had been produced and distributed – but only one grantee had systematically followed up the users of the guidance to find out if the material had been used and for how long, what value it had had, what lessons had been learnt. The rest judged success by the level of demand that had followed the marketing of the materials and/or the fact that they had distributed them all – that they might never have been taken out of the wrapping or had spent the last year gathering dust on a shelf did not seem to be a question the grantee organisations had ever got round to checking. Output was everything – the impact was not considered. One responded by saying that they were glad we had asked what had happened because it had made them check their stocks and prompted them to ask for another grant to pay for a reprint!

2. A second example – from the perspective of someone making a referral to a project – say a day centre; a professional referral agency, or a family member or carer, or a potential service user him or her-self. The information provided by the day centre will no doubt set out the ambitious objectives of the high quality service that the project claims to be providing; it will no doubt be able to provide lots of data about the people it helps – their age, gender, ethnicity, home circumstances, levels of disability. But will it be able to provide evidence of the actual differences made over time to day centre users, to the quality of their lives – and the lives of their carers?

An example from a US library evaluation study – they had established a new health information service; they could provide tons of information about how many people were using the service, who they were, when they used it, what bits they used and so on. But they could not answer the question as to whether people were making healthier life-style choices as a result of using the new service – which was, ofcourse, why the new service had been set up in the first place.

3. A third example – the government trying to justify its investment in the physical regeneration of the poorest communities; an investment that was intended to address actual poverty – of income and opportunity – not just to enhance the appearance of a derelict area. In the report of the Social Investment Task Force[5] we quoted government evidence that will be familiar to his audience, that "around £3billion a year of public regeneration funding has been poured into the UK's poorest areas. But the effect has often been confined to improvements in the physical appearance of places that, year after year, remain stuck on the UK's list of poorest neighbourhoods. Public expenditure programmes have done little to increase the incomes or personal assets of the people living in those areas. Public funding has too often compensated people for being poor rather than helping them to find ways of creating wealth".

In proposing such huge public capital spending programmes, government officials and ministers (of the time – I know ofcourse that this would not be the same today!) often relied on articles of faith and occasional anecdotes about the stunning achievements of individual social entrepreneurs or community groups – even when the measures that indicated the impact of the programmes on actual household poverty demonstrated how serious were the flaws in those capital investment led strategies.

4. A final example – close to home. NCVO's impact on the Cross Cutting Review[6] has been considerable – and the review gives the voluntary and community sectors a formidable place on the stage and at the centre of government policy. The review makes considerable efforts to bring together evidence that the voluntary and community sectors do make a unique contribution – added value that goes beyond what the private or public sector can provide. The report acknowledges that the 'academic literature…yields mixed results' – a pretty favourable assessment of the evidence, I'd have thought – written, perhaps, by someone who knew that the forward to the review by the Chief Secretary was going to emphasise the 'crucial' role of the sectors in 'the reform of public services and reinvigoration of public life'.

Having argued for all my working life that the voluntary sector has the potential to run services in a very special and positive way, I'm not going to start knocking the notion now, but the evidence has been pretty thin – it's an article of faith that we are flexible, innovative, inclusive, and so on; maybe – but I'm sure NCVO is eager

[5] Enterprising Communities: Wealth Beyond Welfare *UK Social Investment Forum* 2000
[6] The Role of the Voluntary and Community Sector in Service Delivery *H M Treasury* 2002

to have to hand some hard evidence for the distinctive added value; without it, it would be understandable if people in the public and private sectors argued that the government's enthusiasm for the voluntary sector was tilting the playing field rather more than is justifiable! Let's hope that Margaret Bolton and Helen Bush's work that will be reported later this morning shows how we can justify the tilt with some hard evidence about the special impact of services provided by the voluntary sector.

Inputs, Outputs, Outcomes, Impact

I've already commented that funders, the government, the voluntary sector itself gets the terminology of outputs and outcomes confused. In the Community Fund report I devoted a whole section to what I described as 'the jungle of terms and confusing definitions'. This is an area of debate in which the same terms have several different meanings – there are times when Peter Cook's caricature of Harold MacMillan, when Prime Minister, describing Presidents Kennedy and de Gaulle as having a very frank exchange of views 'in their respective languages' seems like an accurate image of the discussion.

The four key terms are Inputs, Outputs, Outcomes, Impact. There seems to be general agreement about the meaning of the first two:

- Inputs – the resources that are to be used to run a service, project or programme; the money, people, facilities, equipment
- Outputs – the numbers of people helped, doors painted, leaflets distributed, hits on a web page;

Inputs and outputs are quantifiable and relatively straightforward to measure. The trouble is that – probably as a result – that is often where things stop. The trustees of the organisation are content with graphs showing the quantity of the activities that are being provided; the funders are happy that the grantee has delivered the numbers.

The hard stuff is getting some clarity and valid measures of outcomes and impact; they may not be so easily quantifiable or quantification may distort them. And there are some thorny definition problems, not least because some commentators seem to use the terms interchangeably; for example, the text book type materials produced by the *Management Assistance Program for NonProfits* describe outcomes as:

- "the actual impacts/benefits/changes for participants during or after a programme; these changes, or outcomes, are usually expressed in terms of :
    - knowledge and skills – short-term outcomes
    - behaviours – intermediate-term outcomes
    - values, conditions and status – long-term outcomes"

  (no just one type of outcome, but three!)

and argues that you would set targets (number and percentage) for each and work out in advance what would be observable and measurable indicators so that you could monitor progress and timetable milestones by which time the targets should be achieved.

Others argue that a distinction has to be made between outcomes and impact – a distinction that I, personally, find helpful. I referred earlier to the W.K. Kellogg Foundation. It advocates a *Programme Logic Model* which can be applied to a single service or project or to a whole programme or organisation. This is intended to be a tool for use by the people involved in a particular project or organisation to gather and use information about what is going on – "to learn continually about and improve programmes that you operate or fund".

Kellogg describe a sequence of 5 programme components:
The first two are 'your planned work':

1. inputs: the human, financial, organisational and community resources needed to operate your programme
2. activities: what you do with the resources – **if** you have access to the resources, **then** you can use them to accomplish your planned activities

The next three are 'your intended results'

3. outputs: the direct and tangible products – **if** you accomplish your planned activities, **then** you will deliver the amount of product and/or service that you intended
4. outcomes: specific changes in participants' behaviour, knowledge, skills, level of functioning – **if** you accomplish your planned activities to the extent that you intended, **then** your participants will benefit in certain ways
5. impact: fundamental intended (or unintended) changes in organisations, communities or systems – **if** these benefits to participants are achieved, **then** certain changes in organisations, communities or systems might be expected to occur.

Kellogg also suggest that you incorporate a time line, emphasising that impact often occurs well after the conclusion of a period of project funding and cautioning against measures designed to report on long-term impact being imposed by a funder (or government) when only short-term outcomes can be discerned.

So all well and good I can hear the restless among you – but let's get real and apply all this to something practical OK, here's a World Bank example! This is the monitoring of a loan to control a particularly harmful emission from diesel buses, PM10[7].

- ***The input:*** financial and technical assistance
- ***The output:*** the number of new engines installed
- ***The outcome:*** the reduced PM10 emissions from buses
- ***The impact:*** reductions in ambient concentrations of PM10 in previously polluted areas and reductions in health problems caused by respiratory diseases.

[7] "PM10 is particulate matter (PM) with a mass median aerodynamic diameter less than 10 micrometers; PM10 is therefore particulate matter which is very small, remains suspended in the air for periods of time, and is easily inhaled into the deep lung. Increased death (mortality) and disease (morbidity) have been linked to periods of high outdoor PM10 concentrations." *The Rocky Mountain Center for Occupational and Environmental Health at the University of Utah.*

US foundations have been engaged for many years in active debate about these issues and the practical challenges that they raise; the extent and quality of their debate puts their UK equivalents to shame, I think. Only, I feel, in the international development NGO and funder arena here in the UK has a comparable level and depth of discussion been undertaken – until recently.

I do recommend Google hunts – you will turn up some interesting material and practical examples to set alongside the UK experience and methodologies about which you will hear in later sessions today.

Edna McConnell Clark Foundation
One of these, and my last example from the USA, is the Edna McConnell Clark Foundation which, as well as a welcome commitment to fighting jargon and championing clear writing, has developed some useful thinking about how it incorporates outcomes within its work.

The Edna McConnell Clark Foundation defines outcomes as:

> "the 'enduring changes' in conditions that are achieved as a result of efforts undertaken".

…and "has adopted a number of definitions relating to outcome management that are appropriate to their aspiration to influence developments at a number of levels:

- "The *individual level*, which includes changes in people's knowledge, skills, abilities, and attitudes;
- "The *organizational level*, which includes the adoption of new policies, practices, norms, and capacities;
- "The *neighbourhood or community level*, which includes changes in income and employment rates, crime rates, school achievement and graduation rates, housing ownership, use of public spaces, etc.; and
- "The *policy level*, which includes the adoption of new laws, public sector regulations, public and private sector funding practices, and so on".

I would have thought that these aspirations would be shared by many UK voluntary sector organisations – and that they would want identify the outcomes and impact they are aiming for at each of these levels and to define the measures they will use to test out their performance and achievement.

If nothing else I hope that this section of my talk persuades you that you need to make sure in each of the parallel workshop sessions later today that you get the speakers to define right from the start how they are using these terms!

Just Common sense and Good Management?
Isn't all this just common sense and good management? As I argue in the Community Fund report:

"Any organisation should endeavour to:
- set out clear outcomes and performance targets which a particular function or new project is intended to deliver
- be clear in advance about the steps that it will take to achieve those targets
- have a procedure for stocktaking as they complete each step
- be ready to adjust or amend the targets/timetable/methods if their experience and learning demonstrate that to do so would be appropriate
- establish a system of keeping those organisations that are helping them (with funds or other resources) informed positively about progress and learning."

If they did this, then impact measurement would be part of standard organisational practice, alongside basic things like financial record keeping or more advanced processes like staff appraisal! And yet, you try getting most organisations to get beyond 'marketing and fund raising speak' when asked to describe the impact of their work – and, therefore, the impact of the funds they use to implement their aims.

Is it rocket science or just good practical management? I think it is the latter – but there are some tricky issues – difficult enough to make it much easier for many to stop at outputs; difficult enough, too, for it to be all too common for an organisation (or a funder) that has established outcomes monitoring and impact evaluation systems to default back to simplistic outputs measurements if resources get tight or the key advocates for the systems move on to another organisation.

That's why I argue in the Community Fund report that an outcomes approach is not just something you can switch on here and there for particular grant programmes or initiatives. These systems do involve significant cultural changes within an organisation:

- a funder can't change from compliance obsessed and budget line fixated monitoring systems to understanding and applying an outcomes and impact evaluation approach just by an executive decision
- an operational charity can't just add a few extra tick boxes to its quarterly monitoring and claim it's adopted impact evaluation
- a funder cannot make new demands of a grant-assisted organisation for sophisticated outcome tracking and impact measurement without a lot of planning and discussion and a recognition that gathering extra knowledge and learning costs money.

These are major changes – and the transitions do not come cheap.

Some of the challenges

So what are the challenges involved in this? Here are three – though I am sure many more will be identified and debated during the day:

- Time – when to measure? (how can you judge outcomes after just two or three years? how do you keep tabs on what has happened to people or communities over long enough periods to be sure about the impact of whatever intervention you have made?)
- Variables – how to allow for all the other internal and external factors which contribute to an outcome? (yet you will hear funders – with excessive arrogance, I feel – asserting that there was a direct connection between the decision to fund and the achievement of a particular goal (or outcome) by the grantee – such a direct (and usually evidence-less) attribution of a 'grant caused outcome' is an unfortunate tendency among grant-makers; it's a denial of the impact of a huge range of potential variables and external circumstances on the outcome of any particular intervention.
- User involvement in definition and verification – if an outcomes or impact measurement system is introduced only as a result of funder demand or even if it is designed only to satisfy the questions of the management of the service provider, it will, I believe fail to generate the information and learning that it should; it may even prove unproductive. Proper account has to be taken of user aspirations and experience – if the system is not directly relevant and meaningful to them, it's bound to be flawed.

Challenge to Funders

There are some challenges, I believe, with which funders must deal; I think that the past practice of funders – in all sectors – has been a significant cause of the general inability of voluntary sector organisations to provide sustained impact and outcomes data:

- they have concentrated on short-term support, tied to tangible and measurable outputs and quantitative monitoring – success is measured by compliance not by achievement
- their application forms and programme priorities have tended to concentrate on the activities that their funds will be used to pay for – not the changes in the life experiences or opportunities of the intended beneficiaries
- they may have asked how an organisation will evaluate its work and what indicators of success it will use – but they seldom provide sufficient funds to pay for the necessary information gathering or for the resources and time needed to analyse and make use of the lessons learnt
- too often grantee organisations sweat gallons on completing complicated monitoring reports (too often, as well, several completely different forms for different funders – the lack of collaboration between funders is fantastically wasteful of everyone's time) and then, adding insult to injury, no use seems to be made of the reports – they get no feedback or comment – it's as if the key achievement is the completion of the monitoring form, not the content of the work itself.

Challenge to Fund Seekers

But I do also think that the grant-seekers have colluded with this superficiality – and that fundraisers are especially prone to celebrating – and not going beyond – outputs and activities; perhaps their impatience to get results and their enthusiasm for simplistic marketing messages gets in the way of the investment of time, effort and skill needed to be able to identify, report accurately on – and to celebrate – long term impact. Quoting the numbers – how many attended, received, were trained, fed or housed – is so much easier than trying, clearly and coherently, to explain the qualitative achievements (or failures – with lessons learnt), the outcomes and the lasting impact. Hopefully, more funder and funded organisations will come to realise that the initial effort and investment needed to establish an outcome and impact focus throughout an organisation or project does – as RNID has shown – pay dividends internally, externally and, above all, in the quality of the experience of the people and communities who are the targets of the charity's purposes.

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