

An introduction to impact measurement

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1 Introduction

What's in this document

- This section explains the purpose of this document.
- Section Two provides some definitions and principles.
- Section Three outlines existing practice and resources within BIG.
- Section Four suggests ways to explore options for measuring programme impact and provides some structured questions to help.
- Appendix A introduces some reference materials on tools and resources.

Purpose

This guide aims to provide an accessible, non-prescriptive introduction to impact measurement at a programme level. Impact measurement is key to helping funders and those they fund demonstrate what they are achieving and learn how to improve. Evidence from grant holders helps funders to identify their own impact, and direct money to where it will make the biggest difference.

Within BIG, there is a well-established outcomes culture that underpins programme design and delivery. A good deal of knowledge and information exists within the organisation and established internal procedures and external resources are in place.

There is an interest across the funding sector in improving co-ordination and best practice in impact measurement. This is a dynamic and evolving area and there is a daunting amount of information in circulation. There is a proliferation of tools and providers in the field of impact measurement and an acknowledged lack of coordination among providers of impact measurement support. According to New Philanthropy Capital's report *Inspiring impact*¹ there are over 1,000 different methods available. There also appears to be general consensus amongst funders that there is a shortage of low-cost, 'off the shelf' tools and systems.

This document is not an exhaustive study, rather it aims to provide a starting point for discussions on impact and ways of thinking about measuring it, to support BIG's mission of bringing real improvements to communities and to the lives of people most in need.

1

http://www.philanthropycapital.org/publications/improving_the_sector/improving_charities/inspiring_impact.aspx

2 Some definitions

What is impact?

The definition of impact we use at BIG is:

Any effects arising from an intervention. This includes immediate short-term outcomes as well as broader and longer-term effects. These can be positive or negative, planned or unforeseen.

Why is impact important?

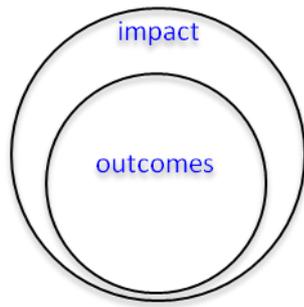
Deciding on what impact we want to have is the first and most important question to address when designing any programme, project or intervention. It will enable us to:

- support a mission - e.g. BIG's mission to bring real improvements to communities and to the lives of people most in need and the priorities identified in England, Scotland, Wales and Northern Ireland
- be accountable to sponsors, stakeholders, customers and beneficiaries
- know what works in the interventions we fund, to adapt and to do more
- improve policy and practice
- make choices and set priorities about the way we design our programmes and about what we fund

What are the relationships between outputs, outcomes and impact?

There is a risk of becoming bogged down in definitions. What matters is that there is a shared understanding of terms amongst all those involved. Impact and outcomes are sometimes used interchangeably. Both terms are about change. Impact tends to describe longer-term, broader change than outcomes. In the context of BIG's approach to funding, whilst we wish to know about grant holders' and programme outcomes, we also wish to know about a programme's impact. This will involve some kind of aggregation of the outcomes from individual projects plus perhaps other changes that add up to an overall impact of the programme such as unintended effects and short- and long-term, positive and negative effects on individuals, organisations or the environment. Outcomes are therefore components of the wider, all-encompassing definition of impact. In summary:

- **Outputs** are the products, services or facilities that result from an organisation's or project's activities.
For example in a programme to improve well-being amongst older people, outputs might include the different types of interventions being offered by projects, or the numbers of people overall participating in activities under the programme.
- **Outcomes** are the changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides.
For example, for the same well-being programme, outcomes might be improvements in clients' physical or emotional health, or projects' improved ability to extend their reach to different client groups.
- **Impact** is the broader or longer-term effects of a project's or organisation's outputs, outcomes and activities.
For example, in addition to an understanding of the extent to which projects funded by the well-being programme have achieved their outcomes, there might be a longer-term change in the way some projects work with their clients, new partnerships may have developed, or policy may have been influenced at a local or wider level.



What is impact measurement?

Impact measurement is the process of trying to find out what effect an intervention (such as a funding programme) is having on people, organisations or their external physical, economic, political or social environment. Impact measurement refers to all activities involved in managing and assessing impact - from 'light touch' routine monitoring of outcomes data to 'high level' and resource-intensive evaluation.

Why is it important to measure impact?

So that we can:

- know what has changed and what works about an intervention or funding programme
- know the extent and intensity of the change
- benchmark and make comparisons
- learn and make improvements
- test assumptions
- provide evidence of value for money which can increase sustainability
- detect any unintended impacts

Don't forget....

- It's never too early to start thinking about impact when planning a programme.
- In seeking to measure impact, the fundamental questions to be answered will remain the same:
 - Did we accomplish the change we set out to?
 - How do we know?
 - What changes happened as a result of our work?
 - What unexpected or unplanned effects did our funding have on people, organisations, or the physical, economic, political or social environment?

3 Impact measurement at BIG

What's already in place at BIG?

Measuring impact isn't a brand new way of doing things and the concept of measuring impact is well established in BIG. Outcomes are already embedded in BIG's approach to funding. Each programme has explicit outcomes and applicants must demonstrate how their projects will meet these outcomes. Self-evaluation by grant holders is encouraged as an approach and applicants can bid for funds for this in their applications.

A number of internal processes and external resources are in place to support programme-level impact measurement. For example:

| Processes | Resources |
|---|--|
| A Theory of Change exercise is carried out in the development of every BIG programme, to develop programme aims and outcomes. | An ' Impact Measurement ' intranet page pulls together all relevant documents and resources. |
| The Programme Effectiveness Process is incorporated into every BIG programme, where Measures of Success are set in the areas of impact, learning and programme management, and then annually reviewed. | There is detailed guidance on the Programme Effectiveness Process including support on setting Measures of Success for impact, with examples of different types of measure and how these might be reported annually. |
| Self-evaluation by BIG's grant holders is encouraged as an approach, and evaluation is required of organisations receiving very large grants. Applicants can include funding for monitoring and evaluation in their project budgets, as part of their application. | BIG's resource Getting Funding and Planning Successful Projects helps applicants and grant holders to identify need, develop aims, outcomes, indicators and activities and understand how to learn from their project. |
| BIG sometimes runs support and development contracts alongside funding programmes, which include self-evaluation support for projects. | BIG has funded the development of a number of accessible impact measurement tools : Outcomes Star, Prove It, SOUL Record and Rickter Scale. |
| BIG commissions programme evaluations when rigorous programme-level evidence is needed to inform policy or practice, or to understand an innovative or high-profile intervention. | |
| BIG has begun to explore common approaches to measurement by projects in a targeted programme. Common outcomes, indicators or data collection make sense when projects are working to a common goal with the same beneficiary group. | |

Externally BIG takes a strategic role in discussions on impact. For example, it is currently involved with (and part-funding) the collaborative '[Inspiring Impact](#)' project (alongside VCS organisations, funders and measurement specialists) to accelerate the improvement of high quality impact measurement and encourage and support social organisations to measure their impact better – and thereby make an even bigger difference in the lives of the people they support. This group will support change over the next ten years by providing clear guidance along with affordable and accessible training, tools and systems. The 12-month action plan includes objectives to clarify what good impact measurement looks like, campaign to change

the attitudes of leaders in the sector, set up online resources, and make tools more accessible.

Don't forget....

There is a lot of knowledge and expertise and a large pool of resources on impact, outcomes and learning within BIG. The Research and Learning team can provide advice and signpost you to this and a range of other support.

4 Setting impact measures

BIG funds an extremely varied range of organisations with a correspondingly vast range of aims, outcomes and activities. There are consequently many different impact measurement approaches that are applicable, from simple, off the shelf, low cost tools to high-level academic evaluation.

What existing approaches might be helpful?

Tools and methods can measure different things such as: individuals' progress over time; an organisation's performance against benchmarks or quality standards; impact on specific sectors of the economy, the environment or society. There are a number of tried and tested approaches available for impact measurement, some of which are tailored for specific subsectors. Where appropriate, programmes should align with these, for example:

- Projects aiming to bring about **specific changes for vulnerable individuals** may choose an Outcomes Star tailored for that particular group, enabling individuals to chart their own progress. Data from Outcomes Stars can be aggregated.
- Projects aiming to bring about **change in communities** may choose Community Impact Mapping as a way to support organisations that are new to impact measurement to chart the difference they are making.
- For **larger, more experienced organisations**, tools such as Social Return on Investment, which helps put a monetary value on the project's benefits, or Outcomes Based Accountability may be appropriate ways of measuring impact.
- Large programmes that aim to **influence policy or share learning across a wide network** may invest in a full-scale programme evaluation over a number of years that develops tailored impact measures specific to that programme.

Well-established practices in measuring impact may already be in place, especially amongst more experienced organisations. When developing impact measures for a funding programme BIG must be aware of this, be sensitive to it, and where possible work with it rather than impose new or different practice on those organisations. Equally, some organisations will be glad of advice or signposting from BIG.

How do we arrive at an appropriate impact measurement approach?

What is appropriate for BIG's programme-level impact measurement will depend on:

- what the programme aims to achieve
- what it is possible to measure by what means,
- how and to whom we (and grant holders) wish to communicate this and
- practical considerations such as resources and capacity of both grant holders and BIG staff.

Impact measurement of grant programmes requires careful thought and planning. There are few blueprints. It can be challenging to work out how best to aggregate data from a range of projects in order to inform progress against programme outcomes and wider impact. It is critical to invest sufficient time for discussion and planning at the programme design stage, in order to arrive at an approach for measuring impact that is appropriate and proportionate. Deciding on the **purpose** of impact measurement and the key audiences is essential.

A good impact measuring approach should meet certain quality criteria. It should be:

- able to provide evidence and lead to learning that is useful and relevant to all stakeholders
- capable of providing good quality evidence relevant to the programme aims
- tried and tested
- easy to communicate
- proportionate to the skills / capacity of the types of organisations being funded
- adaptable if required, i.e. usable by the different types of project within the programme
- capable of being integrated with or complementing existing reporting systems
- capable of providing information that can be aggregated from project to programme
- within BIG's resources to develop and implement, and offer value for money

There is no cut and dried route to follow to arrive at the right impact measurement approach, particularly given the number of variables in BIG's funding interventions. However, the following steps may help the thinking process:

- *Step 1* - set up a discussion group or workshop with key stakeholders to discuss programme impact and how it might be achieved, demonstrated and communicated. This will most probably be at the Setting Measures of Success stage of the Programme Effectiveness Process.
- *Step 2* - go through these **six impact measurement questions** in the group (further guidance on exploring these questions is provided at the end of this section):
 1. *What impact is the programme trying to achieve?*
 2. *What level of influence do we expect to have?*
 3. *Who are the likely grant holders and what is their capacity?*
 4. *What will be measured (and how does this align with existing approaches for interventions of this sort)?*
 5. *What kind of evidence will be needed and how will it be collected?*
 6. *What resources are available?*

At the end there should be a set of requirements from the impact measurement approach that can help to start exploring possible options.

- *Step 3* - using the requirements identified, explore some possible approaches using the resources in Appendix A as a starting point.
- *Step 4* - check the identified options against the impact measurement quality criteria above.

The range of programmes funded by BIG means that there are many variables to be considered in order to arrive at an impact measurement method that is appropriate and realistic to implement.

At one end of the spectrum are programmes with broad outcomes, funding locally-based projects and a wide range of beneficiaries. Here BIG may decide to ask projects to report basic accountability data, and encourage them to set up appropriate measurement approaches that help them to improve their services and demonstrate their impact to local stakeholders.

At the other end of the spectrum might be innovative programmes with highly specific outcomes, targeted beneficiaries and the potential to inform national policy. These may require more sophisticated bespoke evaluations that enable BIG, the evaluators and the grant holders to use the evidence for significant influence. Most programmes will fall somewhere in between

these two examples. The impact measurement questions attempt to explore these variables in order to stimulate thinking and discussion at the start of the programme.

Don't forget....

- It is critical to invest sufficient thinking and planning time **early** in the programme's life to identify the intended impact and ways to measure it.
- There is a lot of good information available (starting with the resources in Appendix A) and Research and Learning colleagues can help.
- This will probably be an evolving process - it may be necessary to go through the questions more than once.
- Measuring impact can be difficult! There is no magic bullet so aim for a reasonable approach that gets people thinking about evidence for the change achieved.
- Don't let the measurement approach overtake common sense: not everything that matters can be counted!

Impact measurement questions

Start your discussion by considering three key questions:

1. *What impact is the programme trying to achieve?*
2. *What level of influence do we expect to have?*
3. *Who are the likely grant holders and what is their capacity?*

Then follow up with some more detailed supplementary questions:

4. *What will be measured (and how does this align with existing approaches for interventions of this sort)?*
5. *What kind of evidence will be needed and how will it be collected?*
6. *What resources are available?*

All the questions below link to each other to help guide you towards identifying some measurement options. Although a broad sequence is suggested, in practice collecting together the information is more like piecing together a jigsaw than applying a linear process and it may be necessary to go through the questions more than once.

Key questions

1. *What impact is the programme trying to achieve?*

Think about whom or what the impact will **primarily** be on:

- **Individuals**, for example improving people's wellbeing
- **Communities**, for example supporting communities of interest / subsectors or geographical communities
- **Organisations**, for example changing the way organisations work, deliver services, reach beneficiaries
- **The wider sector or society at large**, for example broad, intentionally non-specific impact over a wide geographical spread
- **The economic, political or physical environment**, for example targeting a strategic issue, influencing policy or debate.

2. *What level of influence do we expect to have?*

Do we seek to have:

- **Limited influence beyond beneficiaries and grant holders** - impact data will need to be accessible and appropriate to that group and costs of sharing learning are likely to be modest
- **Influence on communities of interest** - there may be specific approaches that have credibility and will support diffusion of learning, for example tried and tested sector-specific methods. Sharing learning may be achieved via existing networks or infrastructure
- **Influence on government, policy makers and other funders** - high standards of evidence will be required, requiring potentially higher cost approaches, such as external evaluation. Consider what has been previously published and whether you can build on existing evidence and if you should use the same or a complementary approach to measuring impact. There may be learning from other funders who have worked in this area.

3. Who are the likely grant holders and what is their capacity?

In all cases, grant holders' ability to meet the demands of data collection is a key consideration, depending on who they are. Here are some examples:

- **Within one specific sector** - in which case explore impact measurement approaches that are tried and tested within that sector
- **Community groups or small organisations** - in which case aim for simple, low cost, off the shelf approaches
- **Medium sized organisations** - in which case look for simple, low cost, off the shelf approaches and also sector-specific models if relevant
- **Large charities or social enterprises / public sector bodies / partnerships and consortia** - in which case explore sector-specific approaches if relevant as well as systems and approaches already used or developed by these organisations; these organisations may have experience and capacity to develop and pilot new approaches; it may be appropriate to get them to commission formal evaluations.

Supplementary questions

4. What will be measured (and how does this align with existing approaches for interventions of this sort)?

- Consider which aspects of the intended programme impact it makes sense to try and measure, if they can be quantified, if baselines can be set and what these would look like - and what this tells you about the measurement approach that might be most suitable.
- It is important to be realistic and practical. The other questions will help - i.e. the programme's anticipated level of influence, the grant holders' capacity, and the likely resources available.

5. What kind of evidence is needed and how should it be collected?

Good quality impact evidence should *ideally* have:

- **breadth** - covering a representative spread of grants
 - **depth** - digs down to provide information from a number of different perspectives
 - **objectivity** - stands up to scrutiny and can be independently verified; even if only case study evidence is available, it should not just comprise 'good news' case studies or anecdotal information
 - **information about change** – robust quantitative and qualitative data consistently collected throughout the relevant period to track the change that is happening
- Bearing in mind these quality criteria, think about what is **reasonable and practical**, taking into account the anticipated types and numbers of beneficiaries and grant holders. In some circumstances, such as a targeted programme with few grant holders, it may be feasible to consult on this.
 - **If the programme is highly targeted**, it may be appropriate to require all grant holders to adopt a uniform method, particularly if there is a tried and tested tool already in use in that sub-sector.
 - **If the programme is large and diverse**, it might be more practical to collect information from a sample of grant holders.
 - Consider if **existing systems** will support the collection, retrieval and aggregation of data. If additional ways of getting the information are needed, consider what options are appropriate. Setting up simple spreadsheets to collect particular information from the

start of the programme may be a relatively simple and effective option. There may be value in planning in a one-off exercise to analyse routinely collected data to explore a particular programme outcome.

- Given the nature of the programme and the intensity of engagement with individuals, consider how far it is reasonable to attribute the benefits to the intervention. Does your measurement approach really prove that intervention A caused outcome B? If the funding programme is one part of a multi-agency effort, you might want to go for '**contribution not attribution**', i.e. measuring achievement of the goal with other partners, rather than trying to disentangle the part that BIG's funding played.

6. What resources are available?

- If existing tools or methods are appropriate, it may be most cost-effective simply to **signpost grant holders** to these, depending on the quality and range of impact data the programme demands.
- If a particular approach to impact measurement is required of grant holders, it may be necessary to **include specific costs for impact measurement in grants**.
- Is funding a **development and support contract** a viable option? For example, if a relatively technical model such as SROI is identified as the best tool for measuring the programme's impact, training would probably need to be available for grant holders and this may be most efficiently achieved via one provider, depending on the number and geographical spread of likely grants.
- Having identified the most appropriate options for measuring impact, it will need to be established whether **internal capacity** – in terms of staffing and time – exists to manage it.
- If the programme warrants an **external evaluation**, it will be necessary to consult the Research and Learning team
- Bear in mind **cost versus rigour**: self-evaluation is cheap but not particularly rigorous. Different impact measurement approaches have different costs and levels of rigour.

Acknowledgements

In addition to the documents listed in Appendix A, a number of sources were draw on to compile the information in this document, principally:

New Philanthropy Capital
Charities Evaluation Services
The Guild
New Economics Foundation

