



INSPIRING IMPACT

How funders in Scotland measure their own impact

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es Evaluation
Support
Scotland



Inspiring Impact

Inspiring Impact is a programme that aims to change the way the UK voluntary sector thinks about impact and make high quality impact measurement the norm for charities and social enterprises by 2022.

Over the next decade we will work towards five key objectives under five themes, answering the key questions for the sector:

- What does good impact measurement look like?
- How do we know what we need to measure?
- How do we measure it?
- How can we compare with and learn from others?
- What's the role for funders?

Find out more at www.inspiringimpact.org

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Introduction

Inspiring Impact's work with funders aims to help them think about how they measure their own impact and how they can help grantees to do so. Funders have a critical role to play in shaping behaviour around impact practice. Their approach and support strongly influences practice among their grantees.

Inspiring Impact's [Funders' principles and drivers of good impact practice](#) is a framework to encourage good impact practice and offer practical and useful guidance for funders, and to help them promote good impact practice amongst the organisations and people they support. The Principles set out why impact matters to funders and the benefits of funders evaluating their own impact, including helping them, and the people, charities and social enterprises they support, to:

- plan how their work will make a difference, and determine how much difference they are making;
- understand what does and doesn't work and why, and detect unintended consequences;
- build an evidence base to share with others, thus influencing and informing debate, and increasing the sector's body of knowledge;
- challenge themselves and others by looking critically at their work in order to improve, to replicate good work, or to innovate and develop new processes, products, and services;
- inspire and motivate staff, trustees and stakeholders (including volunteers, beneficiaries, service users, policy informers or makers, other practitioners, and funders or investors);
- build relationships with others;
- communicate added value, and raise the profile of their work; and
- secure or leverage resources.

You can download the principles and show your support on the [Inspiring Impact website](#). This also has other impact resources including the Code of Good Impact Practice.

The purpose of this paper

This paper looks in more detail at one part of the framework: how funders measure their own impact. It explains the different approaches funders can take to measure their impact, and explores the advantages and drawbacks of each.

The paper draws from [Evaluation Support Scotland](#) (ESS)'s 8 years' experience working with funders on impact. ESS also shared a draft of this paper with members of the [Scotland Funders Forum](#) in late 2013, and discussed with a group of Scotland funders in March 2014.

It suggests specific points for individual funders to consider when thinking through each approach, as well as highlighting broader issues for funders in Scotland to explore together. This is only a start; we will continue to publish case studies and learning.

1. Simple approaches

Some funders measure and report on:

- Amount of money given
- Number of likely beneficiaries (adding up what applicants say in their application forms)
- Planned outcomes or intended impact (based on what grantees say they will achieve)

Other slightly more complex but still fairly simple measures include:

- Number of projects and/or people achieving **any** positive outcomes (count from grantees' end of year reports)
- Number of projects/people achieving hard outcomes (for example, jobs created or carbon saved)

Advantages:

- This approach is straightforward, and might be sufficient for funding schemes giving out small sums of money (for example £100 to £5,000) for simple activities.

Drawbacks:

The focus on intended impact does not tell you what actually happens. Applicants may promise more than they deliver or you may miss hearing about unplanned successes.

- You cannot know whether outcomes were achieved or not and how.
- You may not identify learning from the implementation of programmes and projects.
- It is more difficult to get case studies of impact.

You might want to think about:

- Whether a simple approach to measuring funder impact is good enough for you. It might be if, for example, your grants are small or you fund simple interventions that are known to be effective.

Funders in Scotland will continue to explore:

- The gap between intended impact (at application stage) and actual impact.
- Simple and meaningful ways to measure the impact of small grants.

Example

[Faiths in Scotland Community Action Fund](#) (FiSCAF) publishes a report that breaks down its funding by each of its own funder outcomes (for example, 31% of its funding goes to reducing isolation), and by geographical area (for example, 33% of its funding goes to communities in Glasgow). Short video clips from grantees provide examples of the FiSCAF's funding in action.

2. External evaluation

Many funders commission external evaluations of a funding programme or of a suite of funded projects.

Advantages:

If commissioned well, an external evaluation can bring strong added value and tell the story of the impact of a programme or suite of projects. Funders often feel that external evaluators bring independent analysis and critical thought. They might offer broader expertise of the type of work the funder is funding, or have experience in analysing data that neither the funders nor the funded organisations have themselves. They might also be able to make independent judgements about whether the impact achieved is 'good enough' for the funding invested.

Drawbacks:

Funders are sometimes disappointed when external evaluations do not tell them enough about the impact of the funding or generate clear lessons for what they should do next. This can be because:

- The purpose of the external evaluation was too broad or not clear.
- The intended outcomes of the programme were not clear so it was hard for the external evaluator to judge to what extent the programme was successful.
- The external evaluation captured a point in time: too late and the projects had finished and key staff left; too soon and the outcomes had not yet occurred.
- The external evaluator needed to make use of a project's own data, but that data did not fit with the external evaluator's requirements or was incomplete.
- The external evaluation focused on process (for example, the quality of the application form). This can be useful, but it does not tell you about impact or might only explain what you already know and have since changed.
- The external evaluation was skewed to showcase success. So, for example, the evaluation uses your best case studies rather than typical ones, or downplays the challenges. This makes for good PR but misses the opportunity for learning.

You might want to think about:

- How you will use an external evaluation and the particular expertise it will require.

Funders in Scotland will continue to explore:

- Learning about successful commissioning and management of evaluation.

3. Funder-led systems

One of the challenges funders face when measuring their impact is that grantees may set different outcomes or measure and report in different ways. Funders can address this by asking all grantees to use standard measurement tools so that data can be easily aggregated across the funder's activities or a single programme.

There are increasing numbers of shared measurement tools (such as NPC's [Well-being Measure](#)) that are easy-to-use and generate data that can be shared across funders. Inspiring Impact's report [Blueprint for shared measurement](#) defines what we understand shared measurement to be, and identifies the benefits and challenges associated with it.

Advantages:

- You collect data in the same format so you can add it together and use it to compare interventions.
- You can even ask projects to use the same database (for example, online) so that the data is gathered in one central place.
- You might, in the process, build the capacity and quality of projects' own monitoring and evaluation.

Drawbacks:

- You need to be confident you have picked the right measurement tool in the first place – otherwise you have everyone measuring the wrong things in the wrong way!
- Standardisation can sometimes lead to a focus on measuring things that can be easily added together (outputs or, at best, hard outcomes), so you risk losing the soft outcomes or an understanding about the story of change.
- Grantees (or staff within projects) can be resistant, telling service users, "we have to fill this in for the funder, sorry". This might in turn generate inaccurate data and not create learning for the grantee.
- You are likely to be imposing a new system on part of the organisation for a short period of time. This adds burdens on the organisation and detracts from charity-led impact measurement where they have long-term impact measurement systems that work for them and their clients.

You might want to think about:

- The challenges you might face if you require grantees to measure the same outcomes in the same way, and the steps you need to take to get them on board if you do.
- Working with other funders on a system to reduce duplication in reporting for different funders, and build an evidence base for what works.

Funders in Scotland will continue to explore:

- Learning about how to maximise data quality and consistency, and ensure learning and stories are captured.

4. Meta-analysis

This approach involves the funder drawing evidence from the reports of funded projects, and classifying and analysing this evidence against an outcomes framework the funder itself has set. Grantees set, measure and report on their own outcomes in a way that makes sense and generates learning for them. But when the report comes in, the funder classifies and analyses the evidence provided by the project against its own framework.

Advantages:

- You have an approach or a system you can use to report on your impact in real time.
- You can show grantees that you use their reports. This encourages them to provide better reports.
- You can have a mix of quantitative, qualitative and case study data.

Drawbacks:

- It takes time and trial and error to get it right.
- You have to support and train staff to assess reports.
- It relies heavily on grantees' own evaluation and reporting being of a sufficient quality and clarity. Most funders have to support improvements in project evaluation and reporting.
- The approach only works when grantees are doing similar things, are working to a similar suite of outcomes and report in the same way.

You might want to think about:

- How you can encourage and support high quality outcome reporting from grantees.

Funders in Scotland will continue to explore:

- Classification frameworks and systems for assessing grantees reports and for using evidence about interventions to inform funding decisions.

Example

The Lloyds TSB Foundation for Scotland's [*Partnership Drugs Initiative*](#) uses this approach. It developed a funder level framework that describes the types of intervention and the common outcomes. They have an overall logic model and specific thematic reports focusing on particular types of intervention (such as family support). They are able to:

- Populate numbers of people achieving outcomes across projects.
- Distinguish between reach (we worked with X people) and outcome (we made a difference to Y people – Y being less than X).
- See what types of approaches work, how long they take and cost.

For another example of this approach, see the Paul Hamlyn Foundation's [*Assessing Impact*](#).

5. Co-design

Some funders work with grantees to create a common measurement approach.

Advantages:

- A common approach is created but does not feel imposed on grantees because they co-created it.
- The framework can be used not just for evaluation but also for explaining what this subsector is about and the kinds of outcomes it should be achieving.
- The framework provides a ready-made approach with which to explain, measure and prove impact.

Drawbacks:

- It takes time to develop the framework, and you may have to fund your grantees before it is ready. You can still produce some sort of evaluation by asking them to focus on inputs and activities or allowing them to do their own thing at first. Once you have the framework you can use it for the next round of grantees.
- Needs grantees to be working in a similar field, so large scale funders may need to pick one stream or subset of their funding.
- This approach tends to start by agreeing common outcomes and indicators – rather than the method of evaluation – so you might need to generate common methods from the framework to avoid receiving data in different formats and of varying quality.

You might want to think about:

- This approach might be better in 'new' subject areas (where organisations are more open to creating an outcomes framework) than older ones (where charities may already have several – perhaps competing - frameworks).

Funders in Scotland will continue to explore:

- Ways to build relationships with grantees. Engaging grantees allows you to capture emerging learning and agree more prescriptive reporting.

Example

Inspiring Scotland worked with grantees (and Evaluation Support Scotland) to create the [Go Play outcomes and evaluation framework](#). This led to the possibility of a 'funder-imposed' framework for the Go2Play programme because funded organisations recognised themselves in a framework their peers had created. [Go2Play](#) projects agreed a subset of outcomes in the framework that they will all report against. There are not (yet) common methods for evaluating the outcomes.

The Scottish Government Self-Directed Support team is using an outcomes framework ([Support in the Right Direction](#)) generated by independent support organisations as their reporting tool.

6. Other types of impact

A. Influencing policy:

So far this paper has assumed that impact is about the difference made through funding projects. But there are other types of impact funders might want to achieve and therefore measure.

Funders are increasingly interested in using learning from their funding to influence policy.

Example

Carnegie UK Trust's [Changing Minds](#) framework uses funding specifically designed to make a difference to policy and practice, and has an evaluation framework to track that impact.

[The Robertson Trust](#) development programme logic framework allows them to record the activities and outcomes of influencing work such as publications, government meetings and events.

B. Influencing practice or capacity:

Funders often believe they are building the capacity of grantees to run themselves better or to improve the effectiveness of their interventions. This is often described as non-financial impact. The evidence for whether and to what extent this actually happens is limited but there are some examples in [Beyond Money](#), written by the Institute for Voluntary Action Research in 2011.

Some funders might do their own assessment of the strengths of an organisation before and after funder support.

You might want to think about:

- Do you want to have an impact on policy and practice, or support grantees to do so? If so why?

Funders in Scotland will continue to explore:

- Learning about the ways to assess and evaluate their impact on policy and practice.

General lessons and conclusion

When discussing a draft of this paper, funders in Scotland concluded that an important first question to ask is:

Why do you want to measure your impact as a funder?

Evaluating impact requires both time and money, so it is important that a funder's approach does not create excessive or unnecessary reporting for funders or those they support. It needs to be proportionate and useful, and should help funders to learn and improve what they do.

As a first step, funders should adopt the funders' principles. Each of these needs to be considered in the funder's own environment and context, and applied appropriately. Scotland funders might also refer to *Harmonising Reporting*, which complements the principles and provides specific good practice on making reporting more useful and less burdensome for funders and grantees.

Funders in Scotland will continue to explore the approaches in this paper. Evaluation Support Scotland will continue to publish case studies and other learning on our website: www.evaluationsupportscotland.

Two other recent papers on the same topic:

- Learning about the ways to assess and evaluate their impact on policy or practice: *The Secrets of Success: How Charitable funders use and share evidence in practice* by Charlotte Ravenscroft – the Alliance for Useful Evidence, July 2013
- *Funding impact: Impact measurement practices among funders in the UK* by Angela Kail, Alex van Vliet and Lena Baumgartner – NPC, November 2013