Evaluation: practice, added value and impact

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I am going to be addressing the issue of added value and impact in this presentation, which focuses on evaluation. I will also pull out just some of the trends in evaluation practice in the third sector.

I will be drawing on the findings of the research carried out in 2007 and 2008, and which was published last year as CES' *Accountability and Learning* report (Ellis and Gregory 2008). As two strands of that research, we carried out two online surveys – one to 3rd sector organisations which had some 700 responses, and the second to funders and commissioners, which had nearly 90 responses.

Altogether 45 per cent of our third sector survey sample had either had an external evaluation, were currently having one, or planned to have one.

Value

The question of value is one that is central to definitions of evaluation, although evaluation theorists differ in their emphasis. Most definitions have at their heart Scriven's definition that: '*evaluation determines the work, merit or value of something'* (Scriven 1991) and at CES we have suggested:

Evaluation aims to answer agreed questions and to make a judgement against specific criteria. Like other research, for a good evaluation, data must be collected and analysed systematically, and its interpretation considered carefully. Assessing 'value' – or the worth of something – and then taking action makes evaluation distinctive. (Ellis 2005:8)

With the concept of value central to evaluation, evaluation has a particular resonance in the current policy environment. 'Value' is increasingly seen as evidenced in the achievement of targeted outcomes.

Additionally, third sector organisations may be asked to assess their value for money, their distinctive value, their added value and their strategic added value. One difficulty in this is that there is little clarity about what these different concepts mean, how they are related or distinct, and how they can be assessed and demonstrated.

In its 2007 *Hearts and Minds* report, the Audit Commission explained added value concepts in terms of intangible benefits, such as greater flexibility, innovation, knowledge and expertise. However, with the current emphasis on outcomes, those benefits are rarely the focus of evaluative enquiry.

Strategic added value has become an element within evaluation briefs. It has been included in the regional development agencies' impact framework, and a measure of strategic added value is needed to be demonstrated to the DTI and the Department of Environment, Transport and the Regions, making the link into regional and economic strategies. Strategic added value may encompass issues such as strategic influence, partnership working and leverage, but it seems to be poorly articulated as a measure and essentially subjective.

Value for money measures also appear to be inconsistently interpreted and applied and limited by subjective assessment. In general the third sector has had little track record in carrying out value for money evaluation or assessment, with value for money component is often tacked on the end of an evaluation study and carried out independently of other parts of the evaluation. The studies reviewed as part of the research showed that value for money evaluations are not simple exercises. Often evaluators found it a challenge to provide quantifiable value for money assessment, with one of the main difficulties putting a monetary value on social benefits. Yet value for money considerations have now been given a new lease of life as measurement of 'return on investment', and I will pick up on this later.

Benefits of evaluation

I'm going to turn the focus of value back onto evaluation, in terms of asking what added value the process or exercise of evaluation brings to the organisation itself and its users. Patton – another influential evaluation theorist (1997) emphasises the importance of how evaluation is used.

Indeed, much of current 3rd sector guidance on monitoring and evaluation and evaluation training and resources emphasise the importance and value of integrating evaluation into daily work and of monitoring and evaluation for a number of different purposes, including for:

- communicating achievements and celebrating success
- ensuring accountability and transparency
- feeding back into management and performance planning
- learning from failures as well as successes
- generating information that can be used to strengthen advocacy campaigns and influence organisational and public policy.

Among our survey respondents the top eight perceived benefits of monitoring and evaluation reported were, in the following order:

- Being clear about the benefits of their work
- Learning about what is working well/effective practice
- Improving the end result for beneficiaries
- Better services/strategic planning
- Improving the way they worked
- Telling others about the results
- Competing for funding and resources
- Improving reporting to funders.

Of the 70% that reported change introduced as a result of monitoring and evaluation, most reported change in developing organisation activities and services. A related area of change was clarifying organisation purpose and target group.

What many people want to know is how evaluation has improved outcomes for service users – as evidence of the added value of evaluation. But most organisations in the research were unable to demonstrate how improved services have resulted in user outcomes. This does **not** mean that evaluation didn't contribute to user benefits, but that such an assessment would be difficult to make without individual organisation impact assessments. Even with such a study, it would be difficult to establish net effect – directly attributing a level of improved user outcomes to monitoring and evaluation. In this it is similar to the difficulty of assessing the impact of organisational capacity building on user outcomes. Participants sometimes reported that it was difficult to ascribe change directly to evaluation, and sometimes change was in the air. Indeed evaluation could be a demonstration of the desire to change.

Influencing policy

Using evaluation to influence public and organisational policy is one of CES' aims, but we found little evidence of use of evaluation to influence public policy. Indeed the assumption that evaluations can do this subject of debate among evaluators, and the evidence is not encouraging even for large evaluation studies for major government initiatives.

However, there is a growing interest in how evaluation can be used for policy influence, and CES has developed training around this. From our interviews with national organisations, there were a number of constraints on putting evaluation findings into the public arena, including:

- dependence on public funds, donations and good public image
- even a balanced report was sometimes suppressed if there were some unwanted findings
- systems not always established to capture policy change achieved at a local level.

The concept of intelligent funder has also brought an emphasis on the importance of evaluation and learning, and more coherent funding programmes have built learning and evaluation into them from the beginning. A number of funders have started to use evaluation learning. For example the City Bridge Trust started *The Knowledge,* short publications containing key learning points from funding programmes.

Despite this there is limited evidence of monitoring and evaluation being used to increase communication among agencies about approaches. If policy is to be affected and learning to be developed through evaluation, we need to build a cumulative body of knowledge, and there is still a long way to go. Some new developments may help towards this:

- Drug and Alcohol Effectiveness Bank, which highlights research and evaluation studies on interventions
- Journal of Voluntary Sector Research
- Community Campus – new knowledge exchange site for third sector organisations hosted by Northumbria University.

Methodologies and approaches

In the second part of this presentation I am going to look briefly at some methodologies and approaches.

With learning a key purpose of evaluation, CES has always promoted self-evaluation as a reflective process, which should be an integral part of organisational management. The key issue has been promoting internal skills to carry this out with a degree of rigour and credibility. One development which meets this issue is the increasing use of external evaluators to help internal evaluators formulate evaluation questions and methods and to supplement self-evaluation in a number of ways.

Our research found that self-evaluation had increased in currency and legitimacy. A majority of funders in our sample reported that they required self-evaluation reports and nearly half of the third sector survey sample said that they completed self-evaluation reports, as distinct from monitoring reports. However, many funders reported that what they received was monitoring reports, not self-evaluation.

Indeed, many of our third sector sample indicated no real distinction being made between monitoring and evaluation. And often concerns were raised about the quality of data derived from internal information systems.

However, this dissatisfaction was not limited to self-evaluation. 42% of funders found less than half of externally commissioned evaluations useful. The chief problem lay in the quality of the evaluation specification and research methodologies. Also important was the adequacy of the evidence. Funders described evaluations as often being unclear about intended audience, too wordy, not sufficiently analytical and not addressing key questions.

A number of key elements emerged as being important to different stakeholder groups commissioning evaluation:

- Having clarity about the key purposes of and audiences for the evaluation and the appropriate formats for presenting information and where and how it is needed
- Developing a better grasp of the programme and committing sufficient time at the brief and design stage
- Having a theory of change, so that variables likely to affect the performance of the project or programme can be identified and assessed
- Moving away from 'good news' stories and delivering what people want to hear and developing more critical analysis and learning

- Ensuring that the evaluator's own personal research or other agendas do not impinge.

CES' own experience is that often evaluation commissioners don't adequately specify the work to be done and may have unrealistic expectations of what can be done with available resources. An examination of what works in what circumstances will require sufficient funds to look at the context and process information and to support the relevant analysis – rather than just providing outcomes data.

And if an evaluation is to have a learning function, evaluation proposals and designs need to establish frameworks that can receive and process feedback.

Contrasting approaches and pulls

The current focus on outcomes has shifted attention away from evaluation of process. Often an assessment of the achievement or not of expected benefits is limited in its value because it is not contextualised with data that would explain implementation issues and learning points about how and in what circumstances outcomes are achieved.

Against the context of an overall importance attached to outcomes, there are two trends – which have their roots in different evaluation approaches (scientific and realistic evaluation). One looks towards quantified methods, and the other at approaches such as storytelling and case study – as capable of more powerfully demonstrating outcomes than quantifiable linear methods and more able to understand specific contexts.

Many international NGOs in particular are struggling to promote a co-existence of participatory, community-based approaches and more formal monitoring approaches and performance frameworks influenced by new managerial techniques. A greater importance attached to contextualisation has for some led away from aggregation. To some extent this has also led to a de-emphasis on formal evaluation and a greater emphasis on integrating evaluation into programme management.

Funders and commissioners may also be caught in a similar dilemma, requiring quantified information in order to report against targets, while recognising the attraction of more qualitative information.

This dichotomy is reflected to a certain extent in funders' views and concerns expressed about current practice – on the one hand concern about an inherent encouragement to third sector organisations to claim outcomes without real evidence, and on the other a trend towards a more pseudo-scientific approach to measuring outcomes. In general, those expecting rigorous designs are often looking for a cause-effect relationship, rather than a 'good enough' picture to put value on an intervention, while others consider attempts at pinning down causal effects as a waste of time.

Assessing impact

I want to turn finally to impact. 3rd sector organisations are increasingly asked to demonstrate their contribution towards economic priorities and their investment value or return, and organisations often agree a level of impact not realistic or feasible to measure.

CES' experience and the assessment of some funders in this research was that impact evaluations are frequently asked for when it is not realistic. Organisations are often too small or don't work with sufficient numbers to be able to demonstrate the changes indicated by funders.

In both the public and third sectors, evaluations are carried out over the short term and real impact, even with large programmes, may not be seen for several years. In CES' experience, before/after comparison studies are the most common quasi-experimental approaches in third sector evaluation, and these still present difficulties of disentangling the effects of interventions from other fundamental changes, such as central government or local authority interventions.

Social return on investment

I can't leave this discussion without touching on a methodology which has an increasing profile, following the government's drive to find standardised processes to measure the impact and value of investment in the third sector. The theory of state funding that government is increasingly applying to public services and to third sector service delivery is that of 'investing to save;' with its logic of better returns for reduced costs. Identifying the social 'return' they are getting also matches well with the notion of funder as investor, and there is currently a lot of interest in the social return on investment methodology (SROI) from public and independent funders, as well as from third sector organisations.

SROI was originally developed for social enterprises, and developed from traditional cost-benefit analysis. SROI methodology attempts to put a monetary value on the social and environmental benefits of an organisation relative to a given amount of investment. The process involves an analysis of inputs, outputs, outcomes and impacts leading to the calculation of a ratio of total benefits to total investments. For example, an organisation might have a ratio of £4 of social value created for every £1 spent on its activities.

The government has invested £350,000 over three years in its Measuring Social Value project, to develop a standard for measuring SROI. CES has been involved in developing a new guide to SROI as part of a consortium led by the SROI network (www.sroi.org.uk)

One of the purported strengths of the SROI methodology is that it will make a good case for providing certain types of services. However, those leading this work are clear that it would be unwise for the ratio alone to guide funding decisions, or to use the ratio to compare different organisations. The SROI network recognises that the methodology may not be suitable or appropriate for some organisations, and the level of effort may not be necessarily justified.

References

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