

Using

an outcomes approach

in the voluntary & community sector

a briefing on the independent evaluation of the first National Outcomes Programme



OU Business School



National Outcomes Programme 2003-2006

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Having an outcomes approach means that the organisation is focused on whether its activities are really making a difference.

An outcomes approach is intended to help voluntary and community organisations (VCOs) to identify what works well in their service delivery and campaigning, and what they could change or improve. It can also make reporting on results to funders and public bodies less cumbersome and more meaningful. We hope that our research makes a real contribution to helping VCOs make their work even more effective and achieve a real dialogue with funders and public bodies.

This briefing is based on the findings of a three-year independent evaluation by the Open University Business School of Charities Evaluation Services' **National Outcomes Programme, 2003-06**.

It has been prepared for practitioners, managers and trustees in the voluntary and community sector.

The briefing:

- gives a brief outline of what is meant by an 'outcomes approach'
- explains how an outcomes approach can benefit all those working in VCOs – including trustees, senior staff and managers – and also outlines the benefits for funders and commissioners
- describes some of the challenges involved in introducing an outcomes approach in VCOs.

The full evaluation report is available from Charities Evaluation Services (CES) or as a PDF on the CES and OUBS websites (see contact details below).

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Contents

Key messages	2
Introduction	3
About the National Outcomes Programme: how it worked and what it achieved	3
The place of an outcomes approach within the policy context	4
What are the benefits of the outcomes approach for VCOs?	4
What are the benefits for users?	5
What are the benefits for funders and commissioners?	5
Getting going with an outcomes focus	5
Challenges of implementing an outcomes approach	6
Conclusion	7
For more information and training	7

Key messages

- Outcomes are the changes, benefits or other effects that happen as a result of an organisation's activities. Adopting an outcomes approach means planning and managing the work so as to bring about particular outcomes – and then finding out what outcomes, intended and unintended, you are actually achieving.
- The National Outcomes Programme reached 700 VCOs across the country and demonstrated that the approach could be successfully adopted in a wide range of settings.
- Adopting an outcomes approach can help everyone involved in the organisation – trustees, managers, staff, volunteers, funders and donors. An outcomes approach also has the potential to simplify the reporting requirements for VCOs.
- The potential benefits of the outcomes approach increase when funders and commissioners of VCOs also adopt outcomes thinking – by giving more weight to outcomes in grant making, in contracting, and in reporting requirements.
- Outcomes thinking is here to stay. It runs through recent policy and regulatory developments – including the increasing role that the voluntary sector is playing in delivering public services and the general acceptance of the need for a radical simplification of funding relationships.

Introduction

Adopting and implementing an outcomes approach helps:

- trustees/management committee members who are guiding the organisation
- managers who are making decisions
- staff and volunteers who need the motivation of knowing their efforts make a difference
- commissioners to focus on the intended results for beneficiaries of public service contracts
- funders and donors who want to know that their funds are positively affecting communities and individuals.

Service users are also likely to benefit from more effective service delivery.

About the National Outcomes Programme: how it worked and what it achieved

The aim of the National Outcomes Programme (NOP) was to explain and spread outcomes thinking and practice among VCOs across England. It was developed and run by CES with funding from the Big Lottery Fund. A national steering panel of interested funders and key national umbrella bodies guided the programme.

A complex and ambitious programme, the NOP involved expressing the outcomes approach in clear and relevant terms, presenting it in a set of training resources and activities, and then rolling it out through a large scale training ‘cascade’ as follows:

CES recruited into the programme 76 development workers based within a variety of generalist and more specialist infrastructure VCOs from all nine English regions. CES trained and supported them in becoming ‘Outcomes Champions’, people who could deliver the outcomes approach to other VCOs.

These Outcomes Champions then trained a total of 1,141 people from 703 frontline VCOs based within the Champions’ geographical areas or specialist networks.

Evaluation of the NOP has shown that the long-term impact of the programme is likely to be considerable:

- The majority of the Outcomes Champions started to implement the outcomes approach in their own organisations.
- The majority of frontline VCOs receiving training through the programme are seeking to shift towards, develop or improve an outcomes focus in their organisation.

What is an ‘outcomes approach’?

Outcomes are the changes, benefits or other effects that happen as a result of an organisation’s activities. Adopting an outcomes approach (or learning about its outcomes) allows an organisation – and its funders – to find out the effects the organisation is having and whether it is successful in achieving its aims. The CES Planning Triangle below illustrates how outcomes relate to the aims of an organisation.

CES Planning Triangle



For more information on the outcomes approach, see www.outcomesonline.org.uk.

- There are signs that those trained over a year ago are maintaining and integrating ideas from the programme into their ways of working.
- Most of the Outcomes Champions intend to continue delivering outcomes training, or have built this into their role.

Further training and support are needed in order to spread outcomes thinking throughout the sector.

The potential benefits of the outcomes approach will be much greater if funders and commissioners also adopt outcomes thinking – giving more weight to outcomes in grant making, in contracting, and in reporting requirements. This is also likely to help create a productive dialogue between funders and VCOs.

Second phase of the National Outcomes Programme

CES is mounting a second phase of the National Outcomes Programme, to run in 2007-09. For more information on this, see www.outcomesonline.org.uk or contact Jane Kay at CES (jane@ces-vol.org.uk)

The place of an outcomes approach within the policy context

A combination of several recent policy developments means that a unique opportunity now exists to introduce outcomes thinking in VCOs and to put relationships between funders, commissioners and VCOs on a much clearer footing.

1 The voluntary sector is playing an increasing role in delivering public services

and the Local Government White Paper promises further devolution to civic level. Both are likely to give rise to changes in procurement structures and practices, with significant effects for funding relationships at a local level for VCOs.

2 The need for a radical simplification of funding relationships now seems widely accepted

at a senior level in Government and within the voluntary sector. This seems clear both from interviews carried out as part of the NOP evaluation and from published reports.

3 Local developments are taking place with promises to strengthen local Compacts. Also, some voluntary organisations are taking on an intermediary funding role at a sub-regional level (Councils for Voluntary Service, local strategic partnerships etc). The benefits of these arrangements are:

- closer local funding relationships and a reduced monitoring burden on VCOs
- joined-up funding to match service requirements
- more 'clout' on the part of the lead funder in negotiating realistic monitoring regimes within public sector bodies.

4 Regulators such as the Charity Commission have also identified the need for VCOs to be able to track and report on their outcomes.

Given all these developments, the relevance of outcomes thinking can only increase.

What are the benefits of the outcomes approach for VCOs?

Adopting an outcomes approach has the following benefits for VCOs:

- **An outcomes approach helps achieve clarity of purpose and ensures that trustees, staff and volunteers are all pulling in the same direction.**

Adopting an outcomes approach can help trustees, management, staff and volunteers to be clear about the aims of the VCO, or a particular service, as it can be used as a way of reflecting upon and agreeing what the organisation is trying to achieve through its work. It also helps organisations to think through the information it needs to collect to make judgements about whether it is succeeding, and helps motivate staff and trustees.

■ It often provides a simple way of explaining what organisations are already achieving.

The outcomes approach is logical and easy to understand. Most trainees attending the NOP training found that the Planning Triangle (shown on page 3) was very helpful in putting a conceptual framework around what they were aiming to achieve, although a minority did find it difficult to apply the learning to their own organisation.

■ Information on outcomes can help VCOs make their work more effective.

It can help them to identify what works well and what they could change or improve. If an organisation does not achieve the outcomes it expected, it may need to think about changing its services or methods, or about modifying what the outcomes of the organisation or project should be.

■ It makes it easier for VCOs to talk to funders about their work and to report on results.

It can help them to develop a dialogue with funders about reporting requirements, and with other stakeholders on how well their project is doing.

■ It can be used in a variety of ways.

The outcomes approach can be used for evaluation purposes and as a foundation for project planning and management. Also, the approach can be applied not only to the whole organisation but also for individual projects within an organisation.

■ It can be adapted for use in many different types of VCO.

The NOP evaluation found that the outcomes approach could be successfully adopted by a wide range of VCOs including community development organisations, rural development infrastructure organisations and black and minority ethnic (BME) organisations. VCOs and commissioners can therefore adapt the approach appropriately and use it in many different settings.

What are the benefits for commissioners and funders?

- **A way of assessing how well an organisation, project or service is doing.**
Funders and commissioners want to know that their funds are positively affecting the communities they serve and commissioners want to focus on the intended results for beneficiaries of public service contracts. If funders, commissioners and VCOs adopt an outcomes approach it makes it easier to gauge whether the organisation (or the project or a contracted service) is achieving its aims. Outcomes can therefore provide a common language, bridging the notoriously separate worlds of public policy, administration and accountability on the one hand, and of urgent needs, social commitment and community action on the other.
- **Reduced bureaucracy and better regulation.**
Interviews with statutory bodies, funders, commissioners and donors carried out during the NOP evaluation indicate that many are aware of the excessive bureaucracy and cumbersome nature of the regulation and reporting requirements for VCOs. Many agree that using outcomes could help reduce that bureaucracy, and that outcomes thinking, of the sort captured in the NOP, could make a big contribution.

What are the benefits for users?

As the evaluation of the National Outcomes Programme was limited to the duration of the programme itself, it was not able to investigate the benefits for users. However, advocates of the approach would say that service users benefit from effective service delivery, which is more likely to occur where the service provider is clear about the aims of the service and the intended outcomes.

Getting going with an outcomes approach

- 1 **As with any organisational change, it helps if senior management and board members are committed** to an outcomes approach and involved in its implementation.

The majority of the Outcomes Champions who have been successful in introducing outcomes thinking in their own organisations did this by ensuring that senior management and board members were actively involved. Methods for doing this included: planning or review away days; building the process into staff meetings; modifying or changing the business plan or strategic plan; or inserting it into other quality improvement processes.
- 2 **If funders and VCOs are talking the same outcomes language then it makes adopting and sustaining the approach much easier.**
For the outcomes approach to reap the greatest benefit it needs to be adopted by both the VCO and funders and commissioners. Funding organisations may therefore need to offer their staff training in the outcomes approach. They may also wish to promote learning about the outcomes approach in the VCOs that they fund, including a shared and consistent understanding of the language and terms that are used. Training sessions attended by both funding bodies and the VCOs they support can be an ideal way to foster improved dialogue between the two concerning the aims of a particular programme or funding stream.

Capacity building in the voluntary sector

The National Outcomes Programme was strongly focussed on making and sustaining changes at a local level. It involved a substantial initial investment, the use of new forms of practice-based training and support, and the development of re-usable resources and networks. In doing so it demonstrated some of the advantages of a large-scale strategic approach to capacity building in the voluntary sector. Funders, voluntary sector leaders and policy makers concerned with the role and contribution of VCOs may wish to use a similar approach for capacity building related to other topics.

3 Be realistic about what is involved.

The NOP evaluation found that the outcomes approach was most readily adopted in organisations which:

- are clear about the aims of their organisation
- are already doing work on evaluation and monitoring
- are working in areas where it is easier to identify measurable outcomes
- already have good management structures in place. It is important to ensure ownership of outcomes thinking through organisational processes.

It also worked in other settings – but took longer and required greater effort.

4 High-quality resources and support are already available.

As a result of the NOP, outcomes training has been developed and training resources have been produced. The training resources contain a clear statement of what it means to use outcomes in planning and reviewing activities, and evaluation has found the resources to be very accessible. Expertise exists both within CES and now also in the form of the 76 Outcomes Champions who have already been trained to train others, and who have experience of working to introduce outcomes in their own organisations. The NOP evaluation found that many of them intend to continue delivering outcomes training to frontline VCOs.

CES is mounting a second phase of the programme to run in 2007-09, and aims to expand the number and spread of Outcomes Champions. For more information see www.outcomesonline.org.uk, or contact Jane Kay at CES jane@ces-vol.org.uk.

Timescale

It takes time to carry through an outcomes approach, and longer to be able to judge how well a particular set of arrangements is working. This is especially true of systems for outcomes monitoring or measurement which may involve extended timescales. (The timescale of the NOP evaluation, which was tied to the duration of the programme itself, meant that the long-term outcomes of the programme – such as the effect of VCOs implementing the approach – could not be investigated.)

Challenges of implementing an outcomes approach

The evaluation of the NOP found good signs that the outcomes approach has been successfully adopted in several types of VCOs, but there are still challenges, and further development of the approach will be needed to ensure its success. This section outlines some of those challenges.

How easy is it to measure outcomes?

Assessing outcomes may be easier for some VCOs than for others. In general it is easier to assess outcomes for individuals – for example, the number of people with mental health problems moving to independent living. It is more difficult to assess less tangible outcomes – such as outcomes concerning community cohesion.

There is evidence for the value of outcomes **thinking** as a management tool for organisational and project planning, team-building, review and reporting, and dialogue with funders. However, it would be useful to do more work on finding ways of ensuring that outcomes measurement in VCO contexts is as practical and worthwhile as possible.

Is an outcomes approach suitable for all organisations?

More work needs to be done on deciding where the limits are for an outcomes approach – for example, whether it is fully suitable for volunteer-only groups or for very small or newly formed organisations. Evaluation of the NOP showed that it was easier to introduce the outcomes approach in medium and large organisations. The operational context may also be relevant: VCOs in some operational areas face more challenges than others.

Can funders adopt an outcomes approach?

As part of the NOP evaluation, various policy makers were interviewed about Government thinking on outcomes and relationships with VCOs. The findings here were encouraging. For example, funders recognised that often their own processes were in need of reform.

Concerning statutory funders, in general it was felt that while senior staff understood the approach, frontline officers did not always enact this in practice. The value of the outcomes approach is already recognised, but it is also important that grant and contract administrators working at the front line should be trained in the new approaches and supported in translating them into leaner, simpler procedures and processes.

Making sure that data collection is not too cumbersome

Finally, it is important to strike a balance between the need to demonstrate achievement convincingly and the need to keep information gathering as simple and unobtrusive as possible. Many VCOs have concerns about the amount of work and time involved.

Statutory sources recognise that reporting mechanisms needed to be proportionate and not impose undue burdens. This is important since gathering outcomes information can be a substantial undertaking, especially if measurements are expected. The challenge is to implement outcomes thinking while ensuring that data collection is not too cumbersome and that it becomes a main focus for planning, management and evaluation rather than just another layer of funding requirements.

Conclusion

Thanks to a combination of recent policy developments, it may be possible gradually over the next few years to put funding relationships between VCOs and statutory bodies on a more focussed and less cumbersome basis. Especially if they can work together, perhaps through local strategic partnerships and local Compact arrangements, this could be a good opportunity both for funders to review their planning procedures and reporting requirements, and for VCOs to adopt and implement an outcomes approach which will help them ensure they are achieving their aims.

For more information and training

For more information about the first phase of the National Outcomes Programme 2003-06, and the second phase in 2007-09 (including recruitment of new Outcomes Champions), contact Jane Kay at Charities Evaluation Services jane@ces-vol.org.uk, or visit www.outcomesonline.org.uk

For information about CES training, consultancy support and printed resources on monitoring and evaluation and quality systems, visit www.ces-vol.org.uk or call 020 7713 5722.

For information about a range of performance improvement approaches, visit the ChangeUp National Performance Hub www.performancehub.org.uk

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