

## The importance of outcomes

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### Outcomes

The increased use of business models, the change in language embracing performance, a focus on outcomes, and the pursuit of evidence for effective investment of public money are all increasingly shaping the funding landscape of the Third Sector.

Then came the credit crunch!

The economic melt-down has certainly played a big part in a re-think of the private sector's responsibility with money. The third sector is unlikely to escape unscathed. Inevitable fallout of the recession will be a cut in public services with a greater demand for support. This compounded with a squeeze in budgets make for interesting times. Demonstrating the difference you make convincingly could be critical to winning new support, maintaining existing supporters and keeping funders on side.

What do we mean by outcomes? Within the charity sector, outcomes have taken many interpretations. Outcomes can be seen as an attributable or causal change resulting from the introduction of an input or intervention. Sounds like jargon to me!! A more general use of the term, is the notion of overall well-being, a desired state, with no presumption of a direct cause and effect attributable to a specific action or service. Charities Evaluation Services define outcomes as the changes or other effects that actually occur as a result of your activities. I like to define outcomes as the individual change, be it positive or negative, that occurs as a result of your intervention. For example, by me standing in front of you today, I hope to increase your understanding of the importance of measuring outcomes. But what difference will this make? Perhaps some of you may decide to re-consider how you monitor the work that you do or the services that you deliver. The potential outcome, then, would be revising the method by which you define and measure success of your projects.

The sector has welcomed a move away from the previous 'bean counting' culture that equated success with the achievement of outputs (that is what you do, such as the services offered) towards a focus on benefits for users and the changes that result from what you do.

Outcomes are certainly not a new phenomenon. Health services led the way in an emphasis on outcomes and since the 1990s, there have been increasing moves in the public sector, particularly in the US and other western economies, to address outcomes as a key part of performance measurement. More recently in the UK, government policy documents have urged commissioners of services to put

outcomes for users at the heart of the strategic planning process. The call has been for the achievement of outcomes to be used as a key indicator of success in service delivery. This is equally prevalent in delivery of services for children and young people.

A local Government Association discussion document in 2002 raised concern around the effectiveness of children's services. The document proposed a new model for children's services where planning and delivery was based on the question '**how are our children doing?**' rather than '**how is our service doing?**' - a model that would demand a fundamental shift from service-led to needs-led planning. It was against this background of concern that the Every Child Matters: Change for Children agenda was framed. The every child matters strategy provides a shared focus and understanding for commissioned delivery of services, with a hope of placing the needs of children and young people central to future commissioning of services. As you are aware, the framework consists of outcome areas and indicators for these are what we use to measure against. There is, perhaps, a need to break these areas down to create more manageable outcomes that we can measure.

### **Importance of outcomes**

There are practical reasons for reporting on outcomes. It's a way to communicate with your users, staff and trustees and the wider public about your work and explain the difference you make. Information about outcomes has also become part of regulatory requirements. The Charity Commission's *SORP 2005* accounting framework asks registered charities to report achievements each year, as does the Summary Information Return for larger charities. The Commission's *Hallmarks of an Effective Charity, 2008*, suggests that an effective charity uses its assessment of its outcomes to inform its planning and future direction.

Many foundations and other grant makers are requiring evidence of measurable benefits to clients. The indications are that central and local government and other agencies commissioning services will increasingly request outcomes data. A recent research report by Charities Evaluation Services' senior consultant, Jean Ellis, entitled *Accountability and Learning*, found that funders' requirements for monitoring and evaluation had become more demanding over the last 5 years. Commissioners have been faced with central Government policy guidance urging the achievement of outcomes to be a key indicator of success in service delivery. While a change of Government may lead to a streamlining of contractual monitoring, the focus on outcomes is unlikely to diminish.

The Big Lottery Fund has also been a high profile leader in this, describing itself as an 'outcomes funder', but other significant funders also emphasise outcomes.

There is a concern, however, that value in third sector organisations is being defined simply by an organisation's ability to demonstrate its outcomes. In an environment of increasing competition, and smarter funding application and tendering procedures, many small organisations with insufficient resources, or those unable to frame their benefits in the language of quantifiable outcomes and impacts have become vulnerable.

NAVCA's recent Hopscotch report found that 68% of the voluntary and community sector were experiencing cuts to preventative services for children and young people. The report further suggested that the voluntary and community sector were delivering fewer services for children and young people due to more services being taken in-house by local authorities. This threat to local community-based provision provides greater concern than narrow self-interest. Community organisations have particular knowledge, networks and expertise that give them unique strengths in building community ownership and improving local services.

For third sector organisations, the important question is whether there is any intrinsic value in an outcomes approach, over and above a response to a funder or government demand for information. The purpose of meaningful monitoring and evaluation must go beyond notions of audit and accountability, with a view to have some practical application in the field or workplace. Whilst accountability is essential, there may be a risk of missing learning from the nuances of local approaches.

One way of illustrating this is to consider what goes on at a youth drama workshop. The programme evaluation may want to reflect on the frequency of the workshop, numbers, ethnicity and even age of those attending. But for the project locally, what the drama workshop may represent is not simply 'drama', but the development of a young persons' confidence, discipline, self-esteem, attitude or behaviour. Monitoring outcomes could provide the necessary understanding.

Indeed, there have been a series of reports suggesting that the quantitative measurement of outcomes may provide additional benefits to winning funding. A study by the US Advisory Board Foundation emphasised other gains including developing clarity of mission and goals, greater focus on the results in the clients' lives and valuable information leading to improvement amongst others. In the UK, research into the benefits of an outcomes approach has been more limited. One survey of nearly 700 third sector organisations found that although reporting to funders was a main driver in outcomes-based monitoring and evaluation, potential internal benefits were far greater. The report suggested that monitoring outcomes may bring a greater clarity about the benefits of an organisation's work whilst improving the end result for beneficiaries and improving the organisation's ability to compete for funding and resources.

Three quarters of third sector survey respondents in the research Accountability and Learning described seeing benefits from monitoring and evaluations, but wider evidence suggests that there is still a predominant belief that monitoring and evaluation is done mainly for the benefit of funders and regulators.

Several major UK charities have embraced a focus on outcomes and impact, while there may still be some distance to be travelled in obtaining a distinction between outputs and outcomes and putting appropriate systems in place for assessing them. For many the approach links well with a user focus. Save the Children, for example, say that

being aware that they will have to answer the impact question has the effect of helping staff realise that they need to be clear from the beginning about the kinds of changes they hope to see, and be sure that the activities they plan will lead to these changes

There is an increasing emphasis on using outcomes information not only internally, for service improvement and developing strategy, but for external policy influence. Evidence from the Dundee Families Project, for example, which supported families facing eviction, persuaded a number of local authorities to adopt its approach. Findings were subsequently taken up by the government's Respect Agenda.

### **Best Practice**

Outcomes measurement tools need to be simple, creative and for children and young people appear to be unstructured. Using 'a sledgehammer to crack a nut' may not be the most appropriate approach. Whilst some outcomes are difficult to measure numerically, they can all be assessed in some way.

Before we are able to measure how successful we are, we must define what success looks like. It is essential to make the outcomes you want to achieve, part of the starting point. Developing a bank of indicators to measure outcomes against could be helpful in assessing the effects your services are having. Only then can you find suitable data collection methods and tools, not the other way round. The evaluation process needs to start when the planning of the service starts.

Measuring outcomes can be challenging. Multi-agency services involve many different types of input, which means it can be difficult to isolate which aspects of the service are responsible for which outcomes. A move towards collaborative working can further complicate the situation, outlining the need for a robust monitoring framework.

Many organisations are successfully working together with consultants over a period of time to improve the quality of their outcomes and impact data. This can be a

relatively cost-effective way of improving data collection. It is important, however, to ensure that the brief provided to a consultant, is clear, unambiguous and defines exactly what the organisation wants to achieve from the work.

Peer-led outcomes measures can be a useful tool to consider. Barnardo's 'Rightful Powerful Voices' project gives the users the opportunity to decide what outcomes they want to achieve, acting as their own driver. Whilst consideration must be given to ensuring the outcomes fit within the overall context of the every child matters framework, this may be a key tool in empowering young people.

Outcome tools are most in evidence in the housing and social care sectors. There are current developments in other sectors and most tools have the potential to be used more widely. The Outcomes Star is one such example. The Outcomes Star was originally developed by Triangle Consulting for St Mungo's, however, the tool is widely being developed for other service areas. Another example is Soul Records who we will be hearing from shortly. Soul Records have developed an evaluation tool to help provide evidence of soft outcomes to complement hard data. The tool is centred around the Every Child Matters outcomes framework.

A new buzz in the sector seems to be Social Return on Investment or SROI. SROI is an outcomes approach that puts monetary value on social, economic and environmental benefits relative to a given amount of investment. For example, an organisation might have a ratio of £4 of social value created for every £1 spent on its activities.

Whilst SROI may not be appropriate for many organisations, the methodology could help make a good case for providing certain types of services and is especially useful if an organisation's funders require outcomes information in financial terms.

A new breed of software has emerged designed specifically for recording and measuring outcomes. There are an increasing number of system providers in the sector providing software that can help an organisation collect, manage and present its outcomes data. But before being tempted by the lure of new technology, it is important to establish a strong outcomes measurement framework first. Once you are clear about your needs, you can research the available systems and match them against your own requirements.

## **Summary**

Demonstrating the difference you make is about much more than accountability and winning support, important though they are. It should also be used to reflect on your work and to make changes and develop.

Moving towards an outcome focused agenda demands a shift away from the service-led approach to the needs-led approach. This requires an engagement with service

users. The Every Child Matters framework on its own is unlikely to do anything to improve outcomes for children and young people. It is implementation of the framework and a fundamental shift in practice that is required. Delivering services based on outcomes is not simply about describing things differently.

Outcomes data should be used to identify where results are going well, where not so well, and why. This is what leads to continuous organisational learning and improvement. The data you collect may also provide crucial evidence to influence public policy and thereby achieve more widespread and enduring benefits for your own client group and others like them.

David Brindle, the Guardian's public services editor has commented:

While the politicians sharpen their knives for the inevitable radical surgery, those managing and delivering services must make the best possible case... the losers will be those unable to demonstrate clear value for money. God help any service without proven outcomes...

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