



# INSPIRING IMPACT NI



## Scoping Study

Issues, opportunities and barriers to implementing impact practice within Northern Ireland's statutory sector.

31st March 2015



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## Executive Summary

Inspiring Impact Northern Ireland (IINI) is part of the Inspiring Impact UK initiative which aspires to change the way that Voluntary, Community and Social Enterprise (VCSE) organisations and their funders think about impact, and to embed the benefits of impact assessment and evaluation at the heart of their work. IINI is a Building Change Trust initiative. As the Northern Ireland partner on the UK board the Trust has committed £500,000 matched by a further £188,000 from the Department for Social Development to deliver an initial two year programme of work here in Northern Ireland. The Northern Ireland (NI) programme consists of three principal strands, designed to prepare VCSE organisations and statutory sector funders for impact practice, and to develop an "impact exchange" to ensure that the implementation of IINI is supported by funders, delivery bodies, impact practitioners and decision makers.

In August 2014, Community Evaluation Northern Ireland (CENI) commissioned PwC, and a team of expert advisors including Edgar Jardine, Dr James Magowan and New Philanthropy Capital to:

- undertake a scoping study to explore issues and barriers to implementing impact practice within NI statutory sector; and
- support statutory funders to plan for impact practice via a pilot training scheme.

Impact practice is defined according to the 'Inspiring Impact Code of Good Impact Practice' as, *"the activities that an organisation does to focus on its impact. This can include planning desired impact, planning how to measure it, collecting information about it, making sense of that information, communicating it and learning from it"*.

There are four stages in any cycle of Impact practice as follows:

1. Plan: be clear about the difference you want to make.
2. Do: support grantees in and resource your own organisation for impact practice.
3. Assess: identify the difference made, and assess how and why it was made.
4. Review: share and act on learning and seek to improve impact practice.

To inform the scoping study, and to explore the issues and barriers to implementing impact practice within NI's statutory sector, we undertook a desk-based review of relevant background documentation and good practice references, along with a programme of seventeen one to one stakeholder interviews with strategic representatives across the statutory sector. Our full consultation guide is included in Appendix III of this report. The consultations were based on three key areas of questioning as follows:

- perspectives on impact measurement and impact practice;
- current policy, legislative and regulatory context and implications for impact practice; and
- current and future barriers and opportunities for implementing impact practice.

Key findings from a desk based review and programme of consultation regarding impact measurement, and impact practice in NI, are grouped into three main themes and summarised as follows:

- overarching perspectives on impact measurement and impact practice;
- implications of current policy, legislative and regulatory context for impact practice; and
- current and future opportunities and barriers for implementing impact practice.

## Overarching perspectives on impact measurement and impact practice

Statutory sector consultees were first asked a series of questions regarding their perspectives on impact measurement generally, and on impact practice. The key points emerging from these consultations are summarised as follows:

- Among the statutory sector stakeholders consulted there is a shared **understanding of the rationale and need** for impact measurement. Consultees understood the potential for impact measurement to aid in project planning and decision-making, and recognised a need for greater emphasis on evaluation and impact measurement within the statutory sector going forward.
- Consultees felt that it was widely recognised within parts of the statutory sector **that more effective learning about what works in the long term** would become increasingly important due to increasing pressure on spending.
- There is a need for **greater communication** within the statutory sector to increase understanding of impact measurement and of impact practice; in particular when it comes to **asking the right questions**, i.e., objectives/outcomes need to be aimed at achieving the desired impact.
- Stakeholders perceived that impact practice **requires an additional set of skills and tasks**, over and above the delivery of programmes and allocation of funding.
- Collaboration, shared responsibility, internal accountability and joint decision making are important for impact practice. This emphasises the need for **culture change**.
- Culture change will only be possible if impact practice can be demonstrated as leading to more **robust decision-making**.

## Implications of current policy, legislative and regulatory context for impact practice

A desk-based review of relevant policy and guidance regarding monitoring, evaluation and impact measurement provided a basis for consultation with statutory sector stakeholders, regarding the implications of current policy and guidance, on current statutory sector approaches to impact. The key points raised are summarised as follows:

- There was unanimous recognition of the need for rigour when it comes to financial management and control of public funds; and there was broad agreement that the **existing policy and legislative framework could be improved, in order to allow better evidence of outcomes and impact**.
- Several consultees suggested that at central government level there is, at present, an **emphasis on accountability and compliance, financial propriety and regularity**, and a focus on process above outcomes.
- Statutory stakeholders indicated that the majority of data recorded on programmes focussed on input and activity measures. This was deemed to be partly due to funders **not always having a clear view on intended outcomes**, but also because funders placed a **greater priority on financial propriety and regularity**.
- Within the statutory sector generally, there is a need for a cultural shift from risk aversion and a focus on compliance, outputs and process, towards better planning, appropriate due diligence and a **greater degree of autonomy over outcomes**.
- A number of statutory sector consultees suggested that a **change in focus in the Programme for Government (PfG)** is needed. A change from a lengthy series of “commitments” to a small number of measurable outcomes would help to change the culture which at present is heavily input driven.
- Consultees also felt that increasing **budgetary pressures** means a heightened focus on procurement and reduced grant funding.

## Current and future opportunities and barriers for implementing impact practice

Ultimately statutory sector consultees were asked to provide their views on current and future opportunities, and barriers for implementing impact practice. The key points raised are summarised as follows:

- There was general consensus that while the statutory sector does well on financial monitoring and control, it could do **more to support, as well as to guide**, the measurement of outcomes and impact.
- Measuring the impact of interventions should be **regarded as an investment** to inform future funding and long term policy making.
- A number of consultees pointed to the need for a degree of **decoupling of management of public funds and evidence based policy development**, and acknowledged a lack of proportionality in current policy and practice.
- The existing **process oriented approach**, and associated bureaucracy, has focused organisations on the wrong things, and has contributed to a protectionist culture within the statutory sector.
- While it was acknowledged that more needs to be understood regarding the viability of social impact bonds and payment by results, some consultees felt that **a more diversified funding model** represents one opportunity for heightening focus on impact.
- **Capacity building** in support of impact measurement, and impact practice among staff within statutory bodies, remains a key concern, even more so with the shift in power from central government to councils. Guidance, training and proportionality are critical if impact practice is to gain traction.
- **Investment of time into planning and outcomes/co-design** was identified by many as a critical step.
- There is a need to gradually improve evidence **over time**, and in doing so identify/provide the additional **skills and resource** required to measure impact.
- The Local Government Act and **community planning** present a notable opportunity to bring a step change in emphasis on performance measurement, however the timeframe is short.
- There are synergies between impact practice and **'benefits realisation' approaches** currently adopted by some departments.
- Despite presenting tremendous opportunity, the drive towards greater emphasis on procurement risks, undermine the efforts made by impact practice advocates by **reinforcing the existing compliance heavy culture**.
- **Resource** will be a key issue going forward; when departments are coming under increased budgetary pressure, there is a question about prioritising resource to facilitate impact practice.
- **Political will and investment will be required** to promote good impact practice within the public sector.

# 1 Introduction and background

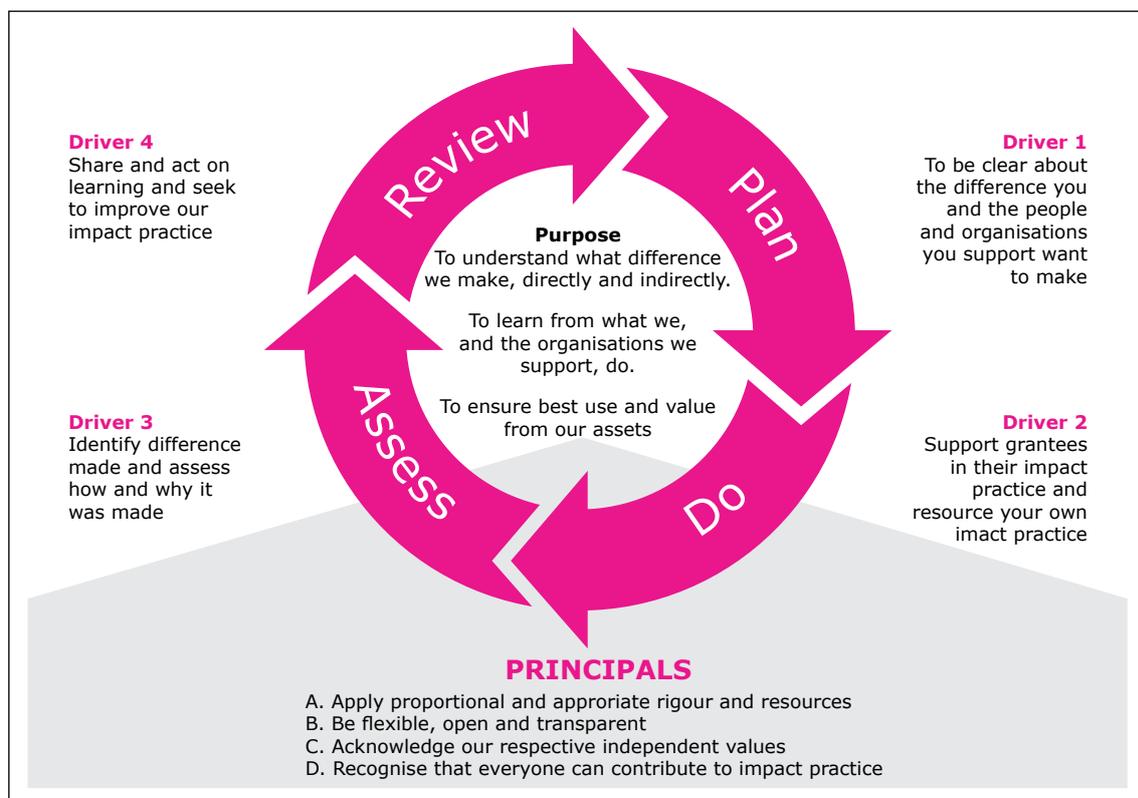
IINI is part of the Inspiring Impact UK initiative, which aspires to change the way that VCSE organisations and their funders think about impact, and to embed the benefits of impact assessment and evaluation at the heart of their work. IINI is a Building Change Trust initiative. As the Northern Ireland partner on the UK board the Trust has committed £500,000 matched by a further £188,000 from the Department for Social Development to deliver an initial two year programme of work here in Northern Ireland. The NI programme consists of three principal strands designed to prepare VCSE organisations and statutory sector funders for impact practice, and to develop an “impact exchange”, to ensure that the implementation of IINI is supported by funders, delivery bodies, impact practitioners and decision makers.

In August 2014, CENI commissioned PwC and expert advisors, Edgar Jardine, Dr James Magowan and New Philanthropy Capital to undertake a scoping study to explore issues and barriers to implementing impact practice within NI’s statutory sector, and to support statutory funders to plan for impact practice via a pilot training initiative.

Impact practice is defined according to the ‘Inspiring Impact Code of Good Impact Practice’ as, *“the activities that an organisation does to focus on its impact. This can include planning desired impact, planning how to measure it, collecting information about it, making sense of that information, communicating it and learning from it”*.

There are four stages in any cycle of impact practice, underpinned by four key principles and a set of four “drivers” as illustrated in the figure below.

**Figure 1.1: Cycle of Impact practice**



Source: ‘Inspiring Impact. Funders’ principles and drivers of impact practice’

## Inspiring Impact Northern Ireland Scoping Study

Research to inform this scoping study has included a desk based review of relevant background documentation and good practice references, and a programme of seventeen one to one interviews, primarily with statutory sector stakeholders from the following organisations:

• Department for Social Development	• Northern Ireland Council for Voluntary Action
• Big Lottery Fund	• Social Enterprise Northern Ireland
• Derry City Council	• Office of the First and Deputy First Minister
• Public Health Agency	• Invest Northern Ireland
• Criminal Justice Inspectorate	• Strategic Investment Board
• Carnegie UK Trust	• Northern Ireland Statistics & Research Agency
• Department of Finance and Personnel	• Education Services Commissioning (GB)
• Cabinet Office	• Social Enterprise West Midlands
• Big Society Capital	

Prior to the commissioning of this specific assignment CENI established a Public Sector Engagement Group (PSEG), to provide guidance in the early stages of the funders' strand. The scoping study is, therefore, also informed by an initial consultative workshop with the IINI PSEG including representation from:

• Department for Social Development	• Department for Regional Development
• Department for Employment & Learning	• Sport Northern Ireland
• Department for Education	• Office of the First and Deputy First Minister
• Department of Justice	

The focus of the funders' strand is firmly on the statutory sector, given that the IINI programme also includes a separate VCSE strand being delivered directly by CENI. The remainder of this scoping study sets out the strategic and policy context regarding impact practice in NI's statutory sector together with key findings from stakeholder interviews.

## 2 Strategic and policy context

Francis Maude at the 'Impact Measurement Conference', London (2012) addressed the increasing difficulties that will face projects as a result of a reduced availability of capital, summed up as "a brave new world...with less money." Four key factors were seen as critical for the effective implementation of impact practice, namely:

- consistency;
- credibility;
- developing a body of knowledge and methodologies; and
- sharing a body of knowledge and methodologies.

The speech also stressed the importance of innovation, for example through Social Impact Bonds, and noted the changing relationship between public funders and charities, emphasising that the traditional model of grants and subsidies will no longer be the norm.

Inspiring Impact is a long term initiative that is working towards high quality impact practice so that by 2022:

- the majority of charities and social enterprises routinely plan, measure, assess and improve their work on the basis of their impact;
- the majority of funders seek to increase their impact by using impact data to allocate resources and improve practices;
- evidence about effective interventions is widely available and regularly used to inform policy and practice; and
- effective interventions are widespread, leading to significant and sustainable improvements in the lives of tens of thousands of vulnerable people.

Throughout the UK the Inspiring Impact programme is being delivered by a collaborative of eight organisations, all key players in the development and support of the voluntary and community sector, with an interest in impact practice. In 2013 the IINI programme was developed by the Building Change Trust (the Trust), and funded by the Trust and the Department for Social Development (DSD) as part of the longer term Inspiring Impact strategy. In NI, CENI has been engaged by the Trust as a strategic partner to support the delivery of the programme in NI. IINI comprises two core strands in NI; one specifically for VCSE organisations, being delivered directly by CENI, and the funders' strand as previously described.

The IINI funders' strand has been informed by a broad review of associated literature regarding the context and policy surrounding impact practice. The literature review provides up to date context, and has also been used to inform the content and direction of a series of five demonstration projects with statutory sector funders in NI. The remainder of this section summarises the review of relevant literature, including central and local government policy and guidance and references, specific to the IINI programme and its inferences for the scoping study. A complete list of literature references can be found in Appendix I.

### 2.1 Central government policy and guidance

There is a broad range of central government policy and guidance available to statutory sector funders to inform the processes and decision making in respect of public expenditure, from planning, through financial control, to evaluation. This section summarises key documents and their implications for impact practice.

#### Managing Public Money NI

Managing Public Money NI (MPMNI) provides guidance within the public sector on a wide range of issues relating to the proper handling and reporting of public money. MPMNI sets out extensive procedural and administrative processes for guiding the management of public finances. MPMNI details responsibilities of public representatives, the Assembly, government departments, the Comptroller and Auditor General for NI and the NI Ombudsman. It outlines the process through which central government expenditure is authorised and accounted for, including approaches to delegated authorities, and certain transactions that require specific Department for Finance and Personnel (DfP) consent. MPMNI also describes the role, appointment and responsibilities of Accounting Officers, and the role and responsibility of the Public Accounts Committee (PAC), and sets out detailed internal management guidance including funding, fees charges and levies, and detailed guidance on engaging with partners. There are a total of forty-three annexes to MPMNI, ranging from the 'Seven Principles of Public Life' to further detail on DfP approval of legislation and expenditure, and further guidance on procurement, asset management, and state aid, as well as checklists for setting up new services and setting up arms-length bodies.

#### Implications for impact practice

MPMNI is understandably and necessarily detailed. However, it is primarily concerned with the management of public money. While appropriate management of public money may form part of an evaluation, or impact assessment, the accountability measures within MPMNI do not provide for the application of impact practice or shared learning.

#### The Majenta Book

The Majenta Book is the recommended central government guidance on evaluation that sets out best practice for government departments to follow when conducting or commissioning evaluations. It is designed to be used by policy makers and analysts, including those in the voluntary sector. The Majenta Book presents standards of good practice in conducting evaluations, and seeks to provide an understanding of the issues faced when undertaking evaluations of projects, policies and programmes, and the delivery of services.

#### Implications for impact practice

The Majenta Book provides advice on how evaluations should be designed and managed, considers the range of options when planning an evaluation, and shows how evaluation can improve policy making. It acts as a good point of reference to guide the practical undertaking of evaluation, and represents an important resource for statutory funders within the 'Do' segment of the impact practice cycle.

### NI Public Procurement Policy

The latest version of NI Public Procurement Policy (2012) highlights significant increases in the value of public procurement; up to £2.7bn in the ten years to 2011. The context for the policy document reflected increasing pressure on government finances and the consequent need to maximise the return on public expenditure. While 98% of procurement spend in NI in 2011 was subject to the professional influence of Centres of Procurement Excellence (CoPEs), the NI Public Procurement Policy document indicated that there was much still to do to implement best practice, and to challenge procurement professionals, and suppliers, to achieve best value for money. The document made two references to outcomes; the first in the foreword to suggest that public procurement expenditure should be leveraged to maximise outcomes for the people of NI, and the second to suggest that public bodies ensure there is appropriate consultation with members of the public who will be directly affected by the outcome of procurement, and also with the wider community and other stakeholders in the procurement system.

#### Implications for impact practice

NI Public Procurement Policy acknowledged that through partnership working, the leverage provided by public procurement expenditure could be used to maximise outcomes for the people of NI. The explicit reference to maximising outcomes is a helpful reference that supports the imperative for impact practice. However, the definition of 'Best Value for Money' – deemed to concern cost, quality and sustainability to meet customer requirements – and reference to consultation with the public, specifically in respect of the outcome of procurement, both suggest that the primary focus is on process, and that any definition of outcomes or beneficiaries (as opposed to customers) remains relatively narrow. NI Public Procurement Policy also makes reference to MPMNI and the need to increase monitoring, and to check that operations are in compliance with changes to MPMNI.

### Addressing bureaucracy

Disproportionate bureaucracy in grant administration, which has grown up over time, has been identified as a cross cutting issue for government for some time. The publication in 2010 of the NI Audit Office (NIAO) Report; 'Creating Effective Partnerships between Government and the Voluntary and Community Sector' and the subsequent PAC's report by the same name, as well as the work of the Joint Government/Voluntary and Community Sector Forum (the Joint Forum), created a fresh impetus to tackle this issue.

The NIAO report 'Creating Effective Partnerships between Government and the Voluntary and Community Sector' (2010) noted that the NI Executive values the input made by the voluntary and community sector, in contributing to the bettering of society in NI, and to delivering the goals and priorities of the PfG. The report noted the considerable improvements made in GB around government engagement with the VCSE, and that lessons from GB should be used in NI for developing "a positive structure for the relationship in a local context". The report also noted that progress was being made, but that there was an urgent need for the principles put forward by the DSD to be embraced across the public sector. Whilst there were examples of good working practices between government and the VCSE, they needed to be applied more widely and consistently. The report noted that this would require both a clearer understanding of government strategy for working with the VCSE, and improved co-ordination across public bodies.

The NIAO report also suggested that lead sector organisations should look to play a role in developing and furthering relationships with government. DSD proposed a new 'Concordat for relationships between Government and the Voluntary and Community Sector' (Concordat), intended for practical application across public bodies, with reference to helping avoid unnecessary bureaucracy; improve communications, and focus more on outcomes. The Concordat was signed by all government departments and representatives from the Joint Forum.

This subsequent report by the PAC expanded on the 2010 NIAO report. The report noted that there had been a need to change the relationship between VCSE organisations and public bodies, but none of the good practice guides and statement of principles in previous years had been consistently applied. The new Concordat between government and the VCSE sector represented an opportunity to change that situation. The report also noted the important

## Inspiring Impact Northern Ireland Scoping Study

role of DSD in working with VCSE organisations, and welcomed the proposed arrangement to annually review the Concordat to drive forward change. The Committee made eleven recommendations in the report, including most notably:

- *"Greater emphasis is given to evaluating and demonstrating the outcomes being delivered by the Sector and the sustainability of Sector organisations providing services".* This should help funders and VCSE organisations alike to assess the quality and value of work being delivered by VCSE organisations, and ensure best use of resources. In doing so, public bodies and VCSE organisations should work together in developing output and outcome measures.
- *"All public sector bodies should move towards the adoption of long term funding arrangements".*
- The DfP, along with DSD, should ensure that *"the principles and good practice guidelines that have been established... are embedded in all departments and public bodies".*

In response to these reports and the work of the Concordat Joint Forum, and respective Commitment Action Team, DSD established a cross departmental 'Addressing Bureaucracy Project' in March 2012, with a key objective, *"to identify improvements that can be made in public sector funding to VCSE organisations, which will deliver greater proportionality of administration, reduce duplication of effort or deliver better value for money"*. This project led to the publication of a report in 2013 'Addressing Bureaucracy: A report on tackling Bureaucracy in Government funding to the Voluntary and Community Sector', which offered nineteen recommendations for actions to be taken forward by government in cooperation with the VCSE sector. The report concluded that: *"While it is vital that departments retain accountability for their own funds, it must be recognised that the failure to work together effectively is, in and of itself, inefficient. A change in approach is required, at every level of central Government, to move towards better sharing of information, greater coordination of effort, and – subject to assessment of risk – increased willingness to take assurance from other departmental funders"*.

On the back of this report, a second phase of the project was launched to focus on implementing the recommendations. A decision was taken by the Steering Group to develop a Code of Practice to address the recommendations. The new Code adopts a common risk based approach to the administration of revenue grant funding, to help streamline and align funders' procedures, achieve greater consistency, and reduce duplication of effort. Work on developing the Code of Practice, which will be applicable to all central government funders, is at a very advanced stage and it is hoped to formally launch it in March 2015.

Two recommendations are of particular relevance to this scoping study.

- **Recommendation 15:** An impact-based (outcomes-focused) approach should be piloted to examine how effective it can be in terms of reducing bureaucracy and increasing the focus on delivery of project objectives.
- **Recommendation 16:** Once complete, the lessons learned from the work of the Concordat Action Team on "outcomes" should be communicated widely across public sector funders to allow for potential further reductions in bureaucracy.

As a result of this decision, DSD resourced a pilot initiative, in collaboration with the Trust (and its delivery agent CENI), to determine how effective an impact-based, outcome-focused pilot approach (based on Inspiring Impact) can be, in terms of reducing bureaucracy and increasing the focus on delivery of project objectives.

### Implications for impact practice

The Addressing Bureaucracy report emphasised the importance of being outcome focused and presented a basis for bringing about proportionality in respect of bureaucracy in grant administration, without compromising governance and control. It sought to identify the rationale for an impact-based approach to operations, and suggested carrying out a pilot first, in order to identify the most effective approach.

## 2.2 Local government policy and guidance

### Local Government Act NI 2014

A number of scoping study interviewees suggested that the Local Government Act presented an opportunity to re-shape policy and implementation regarding impact practice. There are several indirect linkages to impact practice within the Act, from issues of governance which encourages decision making that will lead to greater: (1) improvement (2) efficiency (3) transparency and (4) accountability.

Of particular relevance to impact practice, is the detail within the Act regarding community planning. Local Councils have an obligation to initiate, maintain, facilitate and participate in community planning. Community planning is defined as the process through which the council and its community planning partners (largely community, voluntary and social enterprise organisations) identify long term objectives for improving the social, economic and environmental wellbeing of council districts.

Community plans are required to be monitored in conjunction with community plan partners, and reviewed every four years, in order to measure progress against objectives. As part of the monitoring process, councils are required to produce a statement every two years which describes actions taken, progress made, and outcomes achieved in meeting objectives.

The Local Government Act also requires that councils and their partners seek community involvement in planning, production, and review of community plans, with "community" described as including residents, representatives from voluntary bodies, businesses and registered housing associations.

The Local Government Act also describes council's general duty to ensure a process of continuous improvement, in particular by addressing areas such as: (1) strategic effectiveness, (2) service quality, (3) fairness, (4) sustainability, (5) efficiency and (6) innovation. Councils are required to create and abide by self-governed performance standards, and indicators, and information collected from any initiatives will be used to compare against previous financial years and compared against activities of other councils in order to assess their impact.

#### Implications for impact practice

The Local Government Act NI 2014 contains language and processes that support the imperative for impact practice. In particular, reference to bi-annual progress statements that would detail actions and outcomes achieved in making progress to objectives is closely aligned with the rationale for impact practice. The requirement for community involvement at every stage of community planning, including design and review, encourages participative approaches to monitoring and impact practice. Reference to ensuring continuous improvement and comparison against prior year's performance and activities of other councils also suggests greater emphasis on demonstrating impact over and above process and activity.

## 2.3 Specific Inspiring Impact context

Inspiring Impact emerged as a VCSE sector response to the challenges the sector faced in being outcomes focused and demonstrating its impact. A 2012 survey by New Philanthropy Capital (NPC), 'Making an impact', examined the state of impact measurement across the UK charity sector. It showed that over 50% of charities are measuring impact for all or nearly all of their activities but almost 25% did not measure impact at all. For the VCSE sector there are advantages in measuring their impact, the most cited being improved service. For VCSE organisations the most common barriers to measuring impact are a lack of funding and resources, along with a perceived lack of skills; not knowing what to measure, and not knowing how to measure. Inspiring Impact aims to overcome these barriers by looking at five key themes:

- 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?

The Trust supports the VCSE sector in NI through the development, the delivery of, and the learning from a range of programmes including commissioned work, awards programmes, and other interventions.

The Trust's resources will be used to support the community and voluntary sector "to achieve more and better collaboration, increased sustainability and to be a learning and influential sector". The Trust's work is being carried out across five overarching thematic areas: collaboration, social finance, social innovation, inspiring impact, and creative space for civic thinking.

The Trust has capitalised on the opportunity presented by the UK wide Inspiring Impact programme to look at developing a parallel programme for NI. The subsequent NI programme was informed by CENI's 'Measuring Up' report.

### **CENI: Measuring up: a review of evaluation practice in the VCSE**

CENI's 2010 'Measuring Up' report, commissioned by the Trust, provided the early challenge to the VCSE sector and statutory sector regarding the effectiveness of impact measurement and reporting. While it identified differing views on the purpose and usefulness of evaluation as currently practised, it noted that there have been many positive developments, and practice has advanced considerably over the last decade.

The report also considered implications of the tighter fiscal environment, at that stage looming, and now fully realised, which presented VCSE organisations and policy makers alike with stark choices.

The report showed that both funders and voluntary and community organisations recognised both the need, and potential, for further progress towards more effective impact measurement and reporting, but that that would require a shift in priorities, to widen the scope for monitoring and evaluation, and a corresponding commitment of time and resources.

Alongside CENI's 'Measuring Up' report, the following reports have also shaped the current context for impact measurement and impact practice:

1. The Building Change Trust (2013). 'Monitoring, Evaluation, Impact Measurement and Reporting within the Northern Ireland Community and Voluntary Sector. Future challenges, issues and opportunities'.
2. Inspiring Impact. (2013). 'The Code of Good Impact Practice' (and the online 'Measuring Up!' tool, which can be found on the Inspiring Impact website).
3. NPC (2012). 'Making An Impact: Impact measurement among charities and social enterprises in the UK'.
4. Inspiring Impact (2013). 'Blueprint for shared measurement'.

### Implications for impact practice

Collectively, these documents identify and explore a range of key issues that influence successful impact practice, and identify steps to secure its continued success. These documents are the specific basis upon which IINI, and the funders' strand, are built.

## 2.4 Summary of findings

This review of relevant policy derives the following key findings:

- There is a broad range of central government policy and guidance available to inform the processes, and decision making, in respect of public expenditure, from planning, through financial control, to evaluation.
- At central government level, there appears to be an emphasis on accountability and compliance and, therefore, a focus on process above outcomes.
- While MPMNI and procurement policy are obviously vital for ensuring appropriate controls over public finances, they pay limited attention to the outcomes emerging from funded interventions.
- The 'Majenta Book' provides advice on how evaluations should be designed and managed; considers the range of options when planning an evaluation, and shows how evaluation can improve policy making. It acts as a good point of reference to guide the practical undertaking of evaluation, and represents an important resource for statutory funders, within the 'Do' segment of the impact practice cycle.
- The 'Addressing Bureaucracy' report emphasises the importance of being outcome focussed and presents a basis for bringing about proportionality, in respect of bureaucracy in grant administration, without compromising governance and control. It sought to identify the rationale for an impact-based approach to operations and suggested carrying out a pilot first, in order to identify the most effective approach. It represents the specific context and direction for the IINI funders' strand.
- There may be scope to re-balance central government policy towards impact practice, in line with the 'Addressing Bureaucracy' report, and the findings emerging from this IINI pilot.
- Any move towards impact practice will be required to strike an appropriate balance between transparency and accountability, and evidencing impact and learning. There is scope to introduce an impact practice framework, which complements existing accountability mechanisms in the short to medium term, so that appropriate time and resource can be invested in defining the requirements of the existing framework against any new framework that focuses on impact practice.
- At local government level, the Local Government Act provides scope to increase the emphasis on outcomes and impact. In particular, the community planning element of the Local Government Act provides an opportunity to embed impact practice within a statutory framework.

## 3 Findings from statutory sector engagement

### 3.1 Public Sector Engagement Group

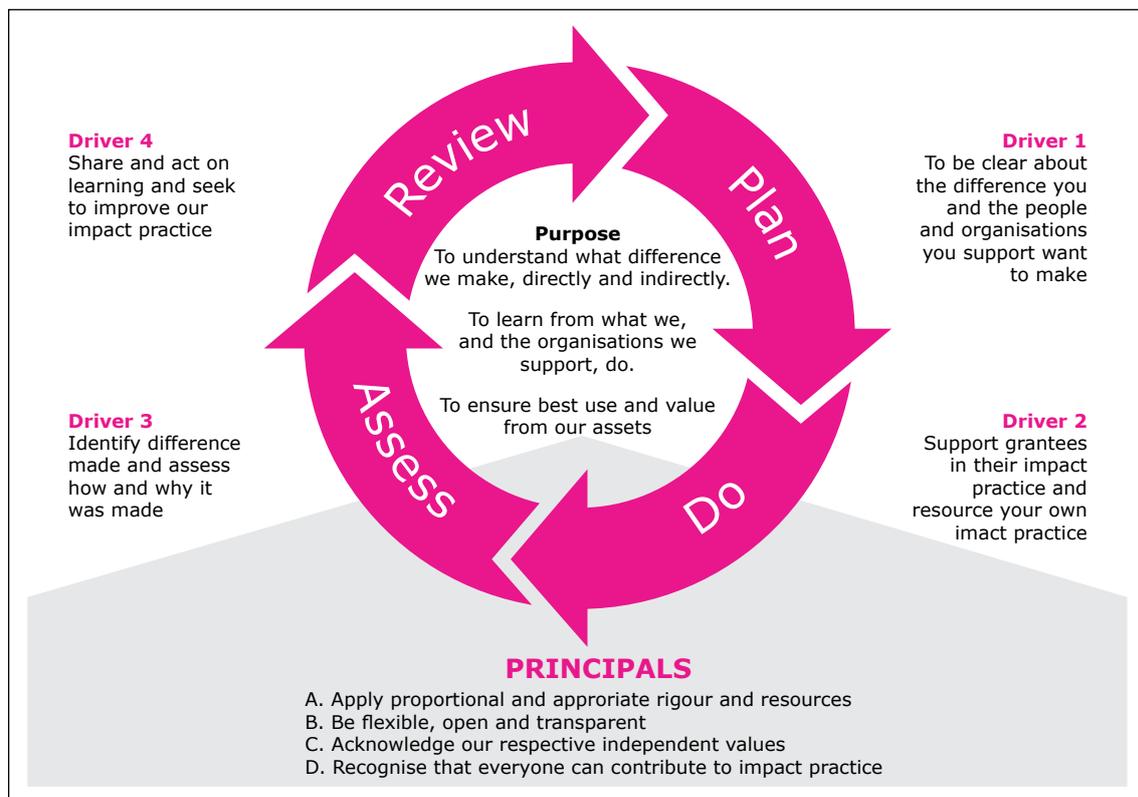
Prior to CENI’s launching of the IINI programme, Inspiring Impact UK had developed a framework for impact practice for funders, outlining a set of principles and drivers, as set out below. The framework is underpinned by four key principles:

- apply proportionate and appropriate rigour and resources;
- be flexible, open and transparent;
- acknowledge our respective independent values; and
- recognise that everyone can contribute to impact practice.

The impact practice cycle (as set out in the figure below) highlights the four stages that an organisation should undertake in order to focus on their impact. A key driver of activity was identified within each stage of the impact practice cycle:

- Plan: be clear about the difference you want to make;
- Do: support grantees in Impact practice and resource your own impact practice;
- Assess: identify difference made and assess how and why it was made; and
- Review: share and act on learning and seek to improve impact practice.

**Figure 3.1: Cycle of impact practice**



Source: 'Inspiring Impact. Funders' principles and drivers of impact practice'

As a first step in establishing the potential for statutory sector funders to be supported to prepare for implementing impact practice, CENI engaged representatives from across seven statutory sector bodies in a consultative workshop, to explore the utility of existing Inspiring Impact materials in a NI public sector setting. The preliminary consultation exercise, undertaken in April 2014, comprised representation from six government departments, and a departmental agency, as outlined in the table below.

**Table 3.1: Representation in preliminary consultation**

• Department for Social Development	• Department for Regional Development
• Department for Employment & Learning	• Sport Northern Ireland
• Department for Education	• Office of the First and Deputy First Minister
• Department of Justice	

This preliminary consultation exercise suggested that while the practical actions relating to the drivers were being undertaken, there were more fundamental issues relating to the purpose and underpinning funders' principles. The current focus within the public sector is on financial accountability, and providing evidence of value for money. As a result, the principles of proportionality and flexibility were felt to be challenging, in an environment in which the primary purpose is accountability. Ultimately, four fundamental dilemmas were identified:

1. The imperative of government accounting requirements, with focus on achieving value for money, versus a commitment to reducing bureaucracy, and desire to shift to outcomes based approaches.
2. A focus on grant cycles and reporting, in respect of that investment, versus broader and longer term impact assessment.
3. The desire for a consistent systematic approach, versus the need for flexibility.
4. Utilising a breadth of skills and knowledge that exist within government, versus the cost/availability of this capacity.

Government departments were deemed to approach impact assessment primarily to meet DfP requirements, through making a business case prior to investment, and/or through post programme/project evaluation, post investment. In both instances, the focus is on justification of expenditure, and the scope relates to the programme or project deliverables (rather than consideration of what difference was made and how). It was felt that there was, therefore, no, or very limited, consideration of the counter-factual, the unintended consequences, or analysis of the cause of the effect, i.e. what difference was made and why.

Preliminary consultees also raised the need for differentiation between reporting on financial expenditure, and impact assessment. They questioned the extent to which a desire for consistency of approach, and a solution that offers credible evidence, could be achieved with due regard to proportionality. The principle of proportionality was felt to be fundamental, and in particular consideration of proportionality, in terms of the purpose, nature and scale of the learning (rather than simply the size of the investment).

It was also noted that there are particular additional pressures associated with public sector funding, including political influence and financial constraints, both in relation to expenditure, which was further concentrating effort on achieving value for money, and capacity within government departments to undertake evaluation. There was, therefore, felt to be increasing pressure on departments to find ways of gathering evidence from funded projects that demonstrates value for money.

It was acknowledged that flexibility within government systems is difficult (particularly where there is an upward financial reporting requirement and defined protocols). Despite this, some departments have designed and delivered programmes (for example, DEL) where grantees set their objectives and determine their own outcomes; the same flexibility does not exist with other forms of procurement.

## 3.2 Findings from scoping study interviews

To complete this scoping study, the PwC Inspiring Impact team completed a programme of seventeen one to one stakeholder interviews with statutory sector representatives. The interviews were agreed in advance with CENI, and intended primarily to inform the remainder of the IINI funder strand demonstration projects; they are not, therefore, considered exhaustive. The list of interviewed stakeholders can be found in Section 1.

The interview programme sought to garner the opinion of representatives from across the statutory sector, on their awareness and understanding of impact measurement and impact practice, as well as current, and potential future opportunities and challenges, for embedding impact practice.

Perspectives on the extent to which existing statutory sector policy and practice supported or encouraged a focus on outcomes and impact practice varied extensively. Broadly speaking, when it comes to financial monitoring and control, statutory sector interviewees suggested that existing policy and practice is necessary and largely fit for purpose.

The remainder of this section summarises the key findings from the interview programme under three key areas of questioning, as follows:

- perspectives on impact measurement and impact practice;
- current policy, legislative and regulatory context and implications for impact practice; and
- current and future barriers and opportunities for implementing impact practice.

Links to good practice examples can be found in Appendix II. Interview topic guides and supporting interview materials can be found in Appendix III.

## 3.3 Perspectives on impact measurement and impact practice

Interviewees were asked about the extent to which NI's statutory sector supports funded VCSE organisations to measure their impact. The evidence is mixed. While interviewees pointed to a formal requirement for Post Project Evaluations, it was acknowledged that there is little evidence to suggest that impact measurement, or a cycle of impact practice, play a significant role in influencing future policy.

While the strength of feeling conveyed varied across interviewees, there was a general consensus that the statutory sector could do more to support, as well as to guide, the measurement of outcomes and impact. In addition, those interviewed felt that statutory funders are not always clear or explicit about the difference they want to make. Intended outcomes can, therefore, sometimes be poorly defined, which means that impact measurement, and hence impact practice, can be difficult to apply.

A minority of statutory sector interviewees expressed some concern regarding "new jargon" and couched the interview in terms of more effective performance management and collection of credible qualitative and quantitative evidence.

From the VCSE sector perspective, interviewees felt that while there is a suggestion that NI is beginning to focus more on measuring outcomes, and supporting VCSE organisations to do so, in reality this is more theoretical, and/or aspirational, than practical. Ultimately funding remains short term, and compliance focussed (on outputs). In a minority of cases, interviewees felt that clarity regarding impact was "severely lacking" and felt there needed to be a significant shift within the statutory sector from process to outcomes.

A number of statutory sector organisations highlighted a need to challenge the risk-averse nature of the statutory sector, so that effective learning, which inevitably includes learning from mistakes, can be facilitated. It was suggested that appropriate due diligence at the

outset of funded programmes can allow greater autonomy for funded organisations in achieving agreed outcomes. Practically, this would mean changing the focus from, for example, the number of applications you receive, to the fit with outcomes you want to see delivered; asking questions upfront, and implementing an encouraging rather than compliance oriented framework.

In particular, one statutory sector interviewee argued that space could be created by moving to risk-based monitoring, and encouraging a culture of evaluation. While there is downward pressure on research and evaluation, as austerity bites, measuring the impact of interventions should be regarded as an investment to inform future funding and long term policy making.

It was widely recognised that more effective learning about what works in the longer term would become increasingly important, in the face of "incredible pressure on spending in the next five years". Encouragingly, the majority of interviewees recognised the will within much of the statutory sector to be positive and pragmatic when it comes to advancing evidence, and measuring impact.

*"There are two key aspects when it comes to the NI statutory sector's focus on impact measurement ) it needs to be forced to look at outcomes rather than process which is something of an obsession and ii) there needs to be partnership working to encourage effective, proportionate measurement".*

### **3.4 Current policy, legislative and regulatory context and implications for impact practice**

Several interviewees suggested that current policy and practice was process heavy. While there was unanimous recognition of the need for rigour, when it comes to financial management and control of public finances, there was also broad agreement that the existing policy and legislative framework could be improved, when it comes to evidencing progress towards outcomes and impact.

There is a need for a degree of decoupling of the management of public finances and evidence based policy development. A lack of proportionality within current statutory sector policy and practice was a key issue raised by the vast majority of consultees.

One interviewee suggested that "NI has wound itself up in a legacy cycle of process and compliance, which has to be broken", suggesting that accountability, compliance and evidence requirements should all be commensurate with the scale and scope of funding. The existing process orientated approach, and associated bureaucracy, has focused organisations on the wrong things, and has contributed to a protectionist culture within the statutory sector.

It was suggested that, to date, most of the data recorded on programmes they reviewed focussed on input and activity measures. This was deemed to be partly due to funders not always having a clear strategic vision about the outcomes which were required of the programme, but also because funders placed a greater priority on financial propriety and regularity. Where research had been undertaken, the methodologies were not always robust, or the results reliable.

The 'Green Book' provides some guidance on assessing impact, although more specific advice is available in the lesser known 'Magenta Book' which contains Treasury guidance on programme evaluation. However, the guidance is not particularly outcome focussed. By comparison, much more detailed guidance is available on procurement and financial management.

Some interviewees provided very tangible examples of the pressures placed on the statutory sector within the current system, with one interviewee suggesting that their organisation had "not had a major focus on impact practice to date, as energies have been concentrated

on getting procurement right". Similarly, interviewees expected that procurement of service delivery will become of utmost importance, and that VCSE organisations will, therefore, be required to prepare for procurement.

Conversely, one interviewee was of the view that procurement was an important "enabler" and that a move from grant funding to commissioning would encourage innovation in the approach to impact practice.

Interviewees did also point to several signs of encouragement, recognising a higher level of priority within central government on specifying and measuring outputs and outcomes, particularly in the children and young people space, using the Friedman Accountability model.

Interviewees described, "isolated examples of good practice, which tended not to be mainstreamed". These included early enthusiasm by DSD for 'Social Return on Investment', and the 'Voluntary Community Unit' pilot, with Locus Management for the East Belfast Community Development Association, which sought to look at the distribution of resources within projects.

One interviewee pointed out that, "while one piece of legislation has not been a key driver, collectively the changes have helped the momentum, so that authorities are at least considering, if not necessarily measuring, impacts i.e. 'Social Value Act', 'Local Government Transparency', 'EU Legislation', 'Right to Challenge' and 'Right to Earn'".

Interviewees also identified an increasing interest in evidence based programmes, pointing to work driven by Atlantic Philanthropies to introduce Randomised Controlled Trials (RCTs). However, this particular example came with a clear note of caution, since continued funding was not forthcoming, despite positive results. In turn, it was suggested that the example caused damage to the credibility of evidence based policy.

*"The principal impact of policy, legislation and regulation is on compliance, particularly with respect to procurement. The increasingly litigious environment and the changing and more challenging nature of procurement have skewed focus and effort to this end of the process".*

### 3.5 Current and future barriers and opportunities for implementing impact practice

Interviewees pointed to a series of opportunities for implementing impact practice. The most commonly cited opportunity was the new Local Government Act, and community planning requirements. Some councils are seen to be taking impact practice more seriously, considering how outcomes can be more effectively reviewed in collaboration with delivery partners. As one interviewee noted, "the planning side is the most important; you can't skimp on the set-up and the contract. This sets the tone for what will be done throughout the commissioning cycle".

This opportunity certainly wasn't viewed as being without its challenges, as one interviewee highlighted that transfer to local councils will present key issues, notably the level of priority that is given to outcomes measurement, given local council's wide range of responsibilities, and the capacity and skills that exist within local councils to translate and sustain current departmental focus on outcomes.

Transfer of powers to local councils will also mean that while DSD will remain keen to advance impact practice, as part of the modernisation agenda, it will adopt a more strategic role post-transfer.

One interviewee also cited the positioning of Housing Associations as an important opportunity. There is deemed to be a greater role for Housing Associations to play in delivering services, given the level of access they have to vulnerable people. In turn, they could become influential organisations and should be able to provide relevant metrics for planning and implementing impact practice.

## Inspiring Impact Northern Ireland Scoping Study

Changes in EU procurement law were also deemed to represent an opportunity for understanding how social outcomes, and full life cycle costing, can be incorporated into procurement. Related research entitled, 'Fostering Innovation Through Public Procurement' has recently been undertaken by NICVA's Centre for Economic Empowerment (CEE). A final report from that research, published in March 2015, calls for greater communication between commissioners, buyers and suppliers. This scoping study suggests that one focus of that improved communication should be on identifying and agreeing desired outcomes through procurement.

A more diversified funding model was identified as one opportunity for heightening focus on impact. Alternative funding options, such as innovation vouchers and a small business loan fund, would bring a new dynamic to impact practice. There is currently, however, difficulty for the sector in sourcing finances to promote innovation. As one interviewee put it, "much more important is the need to grow the social finance market place and intermediaries to support service delivery and growth of social enterprises". A number of stakeholders, both locally and in GB, were of the opinion that, "this sector is one in which mixed funding works well, and cited use of grants and traditional investment, to support growth", (to this end the consultee had invested in the NESTA fund to do this recently).

Other opportunities to build on recent existing work were also identified. One interviewee identified ways in which the VCSE sector and a central department could collaborate more effectively, to enhance the public sector's contribution to the VCSE sector. Specifically these included:

- defining the VCSE sector's potential contribution, and identifying departmental agencies/bodies to lead on specific funding relationships;
- sectoral funders should standardise their approach to funding, using a commissioning model; and
- central departments, and their agencies, should pilot a risk-based approach to financial and practice monitoring.

Several interviewees suggested the need for a cultural shift from risk aversion and a focus on compliance, outputs and process, towards better planning, appropriate due diligence and a greater degree of autonomy over outcomes.

In very practical terms, one interviewee said that internal accountability frameworks would need to be created to support outcomes based accountability models, so that performance management and decision making could start to align to outcomes measurement.

Some statutory sector interviewees identified political barriers, for example: reviews of performance are met with resistance from some larger scale VCSE organisations, that have an expectation of on-going support and can leverage political support via lobbying; and funding environments are highly politicised, and this presents a barrier to the application of purely objective performance measurement.

Resource will be a key issue going forward, as when departments are coming under such strong budgetary pressure, there is a question about the level of resource that can be invested in impact practice.

There is a degree of innate resistance within some VCSE organisations, and a general sense that funding is owed rather than earned, based on evidence of performance. In a situation of over-supply and duplication within the VCSE sector, "now a bloated industry", tough decisions will have to be made, and so it makes sense to encourage the provision of better evidence of impact.

Locally sensitive purchasing was identified as a recent and "tricky" issue, which has come increasingly to the fore, with the trend towards larger contracts for which small, local organisations are less able to compete. This has generated political lobbying in disadvantaged areas, where supporting local people and projects tends to take precedence over concerns with the evidence base.

## Inspiring Impact Northern Ireland Scoping Study

Other barriers cited by interviewees included: a perceived gap between high level aims and articulating meaningful objectives for programmes; a lack of agreed targets across government departments, and overly ambitious timescales set by statutory sector funders for demonstrating change.

Interviewees were asked about the practical steps that need to be taken in support of a move towards impact practice. Investment of time into planning and outcomes/co-design was identified by many as a critical step. Currently, funding cycles drive short cuts in planning, which can't work under outcomes based models. Similarly, investment of resource is seen as a key issue, including evaluation in costing, and making it commensurate with the level of funding and requirement for evidence would raise the focus on impact practice.

Availability and application of appropriate skills was also highlighted as a practical requirement. Impact practice is mistakenly understood to be seen as requiring an additional set of skills and tasks, over and above the delivery of programmes and allocation of funding.

*"There is wariness about candid impact measurement. There are currently no bonus points for demonstrating poor performance".*

Interviewees were of the view that key stakeholders within the statutory sector, specifically the Central Procurement Directorate, needed to be engaged in this debate more fully, and at an early stage. In a similar vein, one interviewee suggested that the PAC should be used in a more effective way, so that people are accountable to outcomes achieved.

Competition for scarcer resources should lead to greater interest in assessing the difference that programmes make, but this cannot be assured. A change in focus in the PfG, from a lengthy series of "commitments", to a small number of measurable outcomes, would help to change the culture, which remains heavily input driven.

As one GB stakeholder suggested, there is an opportunity to, "use agreed proxy values through, for example, the Cabinet Office, the Social Value Bank and Psiams (<http://psiams.org.uk/>), in order to provide a 'level playing field' against which can be used agreed values to measure, monitor, manage and evaluate".

There is a need for support from a demonstration perspective, so that current culture can be challenged, based on evidence and practical examples of good practice. This needs to be independent.

More consistency would be helpful to NDPBs and VCSE organisations. Impact practice work is technically demanding, and support both for statutory funders and VCSE organisations would be welcome.

While larger VCSE organisations are better equipped to engage with impact practice, there are significant skills deficits within the VCSE sector. However, a sense of proportionality needs to be retained, as outcomes for community projects can be hard to measure.

### 3.6 A sample of good practice references

In terms of good impact practice, a number of interviewees pointed to DEL as having a strong record of promoting evaluation of its programmes. DSD's initial work to evaluate the impact of urban regeneration funding, by constructing statistical baselines for their Neighbourhood Renewal Masterplans (NRMs), was also cited as an example of good practice, albeit one that fell down because NRMs were not implemented as planned.

## Inspiring Impact Northern Ireland Scoping Study

Invest NI has clear quantitative targets for those receiving financial support through their enterprise programmes. These are being complemented by the social outcomes, measured through the application of a social value framework. The 'Delivering Social Change' programme, for example, is encouraging the use of Friedman's 'Outcomes Based Accountability' (OBA) model, which focuses on three questions: (1) How much did we do? (2) How well did we perform? and (3) What difference did we make?

One consultee highlighted the 'STAR' model, for example health and wellbeing, as one of the most effective tools they had used recently, however funded programmes should be provided with a choice regarding how they measure their impact, and the selection of measurement should be proportionate.

The Department for Culture, Arts and Leisure's (DCAL) benefits realisation approach was deemed to have been somewhat successful in placing tangible community outcomes within the existing 'Northern Ireland Guidance on Expenditure Appraisal and Evaluation Framework' (NIGEAE framework). While support from outside the statutory sector had to be secured to support benefits realisation interviewees, it pointed to "a wealth of data" being collected to inform the post project evaluation.

'Delivering Social Change', by Belfast City Council, was also identified as an example of good practice.

One interviewee referred, in particular, to the Scottish model which has gone some distance to embedding social clauses into procurement contracts. EU Directives are having an increasingly important influence in this area, and there is opportunity to learn from the work undertaken in Scotland, especially through 'Scotland Performs'. The 'Carnegie Wellbeing Initiative' has also recently drawn similar findings. The recent "Towards a Wellbeing Framework" report (Carnegie UK Trust, 2015) provides clear read across to IINI and the findings contained in this study. For example, the report comments that "the current focus on inputs and targets is, in some cases, detracting from outcomes and working against the improvements people seek" p8; and comments that the "forthcoming Programme for Government and succeeding PFGs should be informed by, and reflect the Wellbeing Framework and its collaborative approach".

Derry City Council has produced a 'Good Practice Guide to Social Clauses', which provides helpful and relevant management information.

Department of Enterprise Trade and Investment (DETI) is currently developing a new innovation strategy, one key component of which will be social innovation. This will be another opportunity to embed impact practice both with funders and the sector.

IBM 'Smart Cities' report is designed to address the complex challenge of deprivation in Belfast. The report covers the opportunities associated with stakeholders; community collaboration in practice; the case for evidence based models, and the role of technology in improving outcomes measurement.

'Measuring Change' is a methodology developed by CENI, that provides a practical solution for capturing "hard to measure" qualitative change, often typical of voluntary and community programmes. The approach, which involves developing an overarching framework of high level outcomes, to enable projects to baseline and measure change, has been piloted in Rural Development, Neighbourhood Renewal and in the Big Lottery's 'Live and Learn' and 'Safe and Well' programmes.

<sup>1</sup>Carnegie UK Trust, (2015). Towards a Wellbeing Framework. [online] Dunfermline: Carnegie UK Trust. Available at: [www.carnegieuktrust.org.uk](http://www.carnegieuktrust.org.uk) [Accessed 30 Mar. 2015].

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# Appendix III: Consultation guide

## NI Statutory sector consultation guide

### Introduction & background

- As you will hopefully be aware from our e-mail correspondence we have been asked to undertake a scoping study into the issues and opportunities facing the statutory sector in Northern Ireland when it comes to measuring the impact of funded VCSE programmes.
- The scoping study is part of a broader piece of work that seeks to engage statutory sector funders in a pilot programme that seeks to support them in preparing for Impact practice.
- The Inspiring Impact NI Programme was launched in March 2014 and has three main delivery pillars:
  - **Engagement with funders:** to support with understanding of Impact practice, how it can work for them, and how they can support their funded projects to implement better Impact practice.
  - **Support to the VCSE sector:** to use a range of products developed by Inspiring Impact UK to address the sector's impact needs and identify a range of 'impact leaders' who will act as champions and enablers of Impact practice for the sector.
  - **Establishing an Inspiring Impact Exchange:** a range of seminars to ensure that the implementation of the programme will be understood and supported by key stakeholders across all sectors.
- This initial scoping study will inform the Inspiring Impact programme generally and will also specifically inform a pilot programme of training among up to 5 statutory sector agencies to assist in preparing for Impact practice.
- The topic guide we're about to run through contains 6 sections focussing on
  - a) The relationship between your organisation and the VCSE sector.
  - b) The Inspiring Impact programme and the Funders Principles (two page document sent prior to discussion).
  - c) Current and future policy and practice governing evaluation and Impact practice.
  - d) Key barriers and opportunities for Impact practice within Northern Ireland's statutory sector.
  - e) Future support for evaluation and Impact practice.
  - f) Any other key issues and next steps.
- The interview should take a maximum of 45 minutes to complete and before we start you should be aware that PwC and our team for this assignment are independent and will operate under the Market Research Society (MRS) code of practice guidelines. Your views and comments will be treated as confidential and will not be attributed to you or your organisation personally unless you give specific consent to do so.
- If you're content to do so we will make a start.

Interviewee's name: [complete prior to interview]

Interviewee's role: [complete prior to interview]

Statutory sector organisation details: [complete prior to interview]

### **1. Relationship with the VCSE sector**

*Objective: to understand how your organisation relates to the VCSE sector and the implications for impact practice as a basis for the remainder of the interview.*

1. Can you describe briefly how your organisation relates to the voluntary and community sector?
  - (If a funder) what is the nature and extent of your annual commitment to the sector?
  - What funding models do you use? For example would you typically provide support through grants or do you put projects out to tender?
  - What information would you normally ask at application stage of voluntary and community organisations who seek funding from you?
  - And for those who are successful what ongoing monitoring (financial and delivery) do you put in place?
  - Do you have verification procedures to ensure that these organisations maintain proper financial and other records?
  - Do you use the Government Funding Database to record the organisations you are funding?
  - Do you currently fund or are you involved in arrangements which provide funding via Social Impact Bonds or Payment by Results approaches?

### **2. Inspiring Impact and the Funders Principles**

*Objective: to understand your perspective of 'impact', and the current context for Impact practice within the statutory sector.*

2. How aware are you of the term 'Impact practice', and what do you understand it to mean in relation to your funding of the VCSE sector?
3. To what extent does Northern Ireland's statutory sector support funded VCSE organisations in measuring their impact? How could it be better?
4. How clearly does Northern Ireland's statutory sector evidence the impact of funded programmes? How could it be better?
5. To what extent does Northern Ireland's statutory sector share learning from and seek to improve upon the impact it has via VCSE sector funding programmes? How could it be better?
6. Are you aware of any particularly examples of good Impact practice when it comes to statutory sector funding of the VCSE sector, either in Northern Ireland or further afield?
7. To what extent is Northern Ireland's statutory sector clear about the difference it wants to make through its funding of the VCSE sector? How could it be better?

### 3. Policy, legislative and regulatory context

*Objective: to understand your view on the extent to which the current policy and regulatory environment affects (supports or hinders) Impact practice.*

8. What are the key statutory sector policies, guidelines and/or legislation that your organisation is required to follow when it comes to measuring impact?
  - Probe based on response – what are the practical implications and out-workings of this context – what does impact measurement look like in practice?
9. Given what we've discussed regarding your perspectives on impact and Impact practice, to what extent do these policies and guidelines support Impact practice?
10. Are there other approaches and/or tools that shape your approach to Impact practice, and if so what are they? e.g. measuring up
11. In your view what impact will the transfer of responsibilities to new local councils have on Impact practice within the statutory section in Northern Ireland?
12. Are there particular procurement regulations, either current or proposed, that you believe will have a significant effect on impact practice in Northern Ireland e.g. Payment by Results and/or Social Impact Bonds?
  - Probe to understand precisely how these procurement regulations are expected to affect impact practice/extent to which these are considered likely to gain traction.

### 4. Key barriers and opportunities facing Impact practice

*Objective: to understand the most significant barriers and opportunities facing Impact practice in Northern Ireland.*

13. What would you point to as being the top 3 most significant barriers facing Northern Ireland's statutory sector when it comes to measuring the impact of the programmes it funds? e.g. level of priority, resources, budget, procurement etc.
  - Probe based on each response – why are these most significant?
14. What would you prescribe as the practical steps required to overcome these barriers?
  - Probe based on each response – clear understanding of practical implications.
15. Beyond addressing the barriers we've just discussed, what would you point to as the most significant, practical opportunity(ies) for:
  - Raising awareness of Impact practice within the statutory sector?
  - Advancing the policy, legislative and central services context with respect to Impact practice?
  - Improving the effectiveness of Impact practice within funded programmes?

### **5. Looking forward**

*Objective: to understand the extent to which there is a need for investment within the statutory sector to assist in preparing for Impact practice, and what that support should look like.*

16. What are the current and future focusses of your funding within the VCSE sector?
- Probe – in an environment of such scarce resources how will you prioritise funding commitments and what, if any, impact will that have on Impact practice?
17. To what extent do you believe there is a need for support (funding and other resources) to help prepare for better Impact practice within the statutory sector and its funding of the VCSE sector? 18. What are the key issues that any such support should be cognisant of e.g. culture, processes, structures, resource, budgets?

### **6. Summary and any other key issues**

*Objective: to discuss any other pertinent issues regarding Impact practice and explain next steps within the Inspiring Impact programme.*

19. In your view how best can Impact practice be improved within Northern Ireland's statutory sector?
20. Is there anything else you believe is important to mention regarding the context, barriers or opportunities for Impact practice within your organisation/across government more generally?
21. Next steps
- Summary of findings from scoping study will be used to inform design of pilot to support up to 5 statutory organisations prepare for Impact practice, pilot then to be rolled out in late 2014 and early 2015.

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