

## Response to NI Programme for Government framework consultation July 2016

Inspiring Impact Northern Ireland (IINI) is part of a UK wide movement to support the third sector and their funders become more strategically focused on the impact of their work and investments. Resourced by the Building Change Trust, and through its network of partners across the voluntary, community and social enterprise (VCSE) sector, IINI has supported hundreds of VCSE organisations and a range of funders to transform their practice and shift their focus from counting activities to demonstrating their impact.

IINI believes that an outcomes-based system of government, if properly implemented can bring considerable advantages in terms of improving decision making, collaboration, resource allocation and demonstrating public benefit. Rather than focus on individual outcomes and indicators proposed in the Programme for Government (PfG) framework, which is a role for thematic sectors, our response is focussed more on their practical application, particularly within programmes directed at the VCSE sector.

While we fully support an outcomes approach in the Programme for Government, we have concerns on two levels:

1. How these outcomes might be **operationalised at a programme and project level** particularly with regard to facilitating partnership working between different departments and the collaboration required with the VCSE sector to co-design outcomes.
2. The **singularity of approach** through which these outcomes and their related indicators will be monitored and measured. The exclusive focus on **OBA™ as the only means to measure** these outcomes will lead to over simplifying some complex social problems and so risk excluding the valuable contribution made by locally based community organisations to the PfG outcomes.

Therefore it will be important to incorporate a range of **complementary evaluation methods** to reflect and protect the important impact of VCSE organisations on individuals and communities.

We would be happy to further discuss our response and share how we are supporting components of Government to better prepare people and systems to deliver an outcomes approach in funding programmes.

### 1. Operationalising at Programme and Project level

Research<sup>1</sup> commissioned by Inspiring Impact Northern Ireland, found that many public sector funders were unclear about what an outcomes approach would mean in practice, in particular, how current programme design, appraisal and monitoring systems would adapt to an outcomes focused approach given the prevailing emphasis on financial regulation and compliance. Implementing an outcomes-based approach is challenging particularly if the landscape into which it is being

introduced remains governed by instruments of guidance that have hitherto been used for very different purposes. A number of considerations will need to be further thought through if an outcomes approach is to be effective in its delivery:

- **Resourcing outcomes-based programmes** - New forms of partnership working and interdepartmental budget agreements will be required across government to deliver PfG outcomes that are not departmental-specific. In addition, new collaborative arrangements between public, private and VCSE sectors will need to be supported to co-design and co-deliver outcomes-based programmes.
- **Capacity for outcomes** - The public and VCSE sectors will need to develop a shared understanding of outcomes and of their respective roles in delivering outcomes-based government and funding programmes. This will require more than just training in the technicalities of OBA™ - it means preparing the people and systems that will be required to design and deliver outcomes through developing broader understanding and a range of skills.
- **Funding assessment and compliance** - the operation of existing systems for assessment and appraisal coupled with the requirement for SMART targets could act as a barrier to planning outcomes through co-design and other approaches.
- **Barriers to innovation** - the need to develop programmes that are designed around outcomes fit into compliance boxes designed around activities and finance, could inhibit the very innovation that the PfG seeks to introduce.
- **Procurement** - There are questions about how the rules for public procurement and commissioning incorporate the desire for more collaborative co-design processes and address issues of full cost recovery.

We would welcome a mechanism which would enable better connect between government and the VCSE sector around these issues.

There have been a number of recent developments and initiatives which could help to inform thinking about how some of these challenges may be addressed as the new Programme for Government is taken forward; in particular:

- There is an extensive range of Community Evaluation NI (CENI) and Inspiring Impact resources which enable funders and VCSEs to plan for outcomes, including the recently launched 'Measuring Up for Funders'
- There is transferable learning from a number of impact demonstration projects supported by Inspiring Impact, which explored how outcomes-focused approaches could be implemented within statutory funding bodies

## 2. Singularity of Approach

The approach taken in this Framework draws on the techniques set out by Mark Friedman in his book 'Trying Hard is Not Good Enough'. Our primary concern is that while OBA™ may be of value in some circumstances, it is not a universal solution to the range of complex and difficult to measure spheres.

The reliance on a singular methodology, OBA™, to generate and measure outcomes data has been shown to be problematic, particularly with respect to capturing the complexity and diversity of the social issues being addressed by VCSE programmes.

### **Quantities over Qualities - Numbers over Nature**

Studies of OBA™ in practice illustrate the dangers of relying on a model that prioritises quantities over qualities.<sup>ii</sup> These dangers become real risks at the Performance Accountability level where public services are delivered through financial support to the VCSE sector.

Under OBA™, VCSE service providers will be required to report their contribution to PfG outcomes using ‘Performance Measures’. These are numeric; ‘How much did we do?’ and ‘How well did we do it?’ the first being reported as an integer and the latter as a percentage. It is this primacy of numbers over nature, especially when associated with Payment by Results, that creates distortions and risks.<sup>iii</sup>

There is a growing evidence base from practice research (see references below) that clearly demonstrates how ‘chasing the numbers’ diverts organisational energy away from understanding the complex dynamics and nature of people served; the quality of their practice; and actual outcomes as experienced by individuals. There is evidence of gamesmanship and ‘milking the middle’, practices which exclude the hard-to-reach and embed inequality.

Thus the long term risk is that the VCSE sector ceases to be independent and innovative in responding to need and becomes driven and restrained by ‘feeding the numbers’.

If the space and support to develop practice, reach new people, innovate and evaluate independently is not protected from erosion by numbers, then front line services, sector skills and infrastructure, equality, effectiveness and efficiency will be exposed to risk.

Additional qualitative information and data about what practices work for hard to reach or small, intensive-support-needs groups are essential, both in their own right and as contextual knowledge for achieving PfG outcomes and future ‘Performance Measures’.

### **Recommendation**

We recommend a pluralistic approach to evaluation where a range of methods suited to particular needs and contexts are adopted in order to reflect contributions and impacts of locally-based community organisations on individuals and communities.

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<sup>i</sup> Inspiring Impact NI (2016) Embracing Change: Public sector readiness for outcomes-based funding. <https://inspiringimpactni.files.wordpress.com/2016/04/embracing-change-iini-scoping-study-june-2016.pdf>

<sup>ii</sup> Lowe, T. and Wilson, R. (2015) Playing the Game of Outcomes-based Performance Management. Is Gaemsmanship Inevitable? Evidence from Theory and Practice. *Social Policy & Administration*. Newcastle. KITE. DOI: 10.1111/spol.12205

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<sup>iii</sup> National Audit Office, (2015) *Outcome-based payment schemes: government's use of payment by results*. London. NAO <https://www.nao.org.uk/wp-content/uploads/2015/06/Outcome-based-payment-schemes-governments-use-of-payment-by-results.pdf>