MEASURING UP FOR FUNDERS

GUIDANCE

INSPIRING IMPACT

NCVO

CHAMPIONING VOLUNTARY ACTION

Contents

1. Plan

Careful, realistic planning lays the foundation for good impact practice. Accordingly, 'Plan' is the longest section of Measuring Up. The questions raised are relevant to all funders, whatever their size, shape or ambition in terms of being able to plan, evidence, understand, communicate and learn from their impact.

Accountability is fundamental to a funder's work. You may be accountable to stakeholders that include investors, trustees and governing bodies, the wider public and the end users: the ultimate beneficiaries of your funding. Collecting data to evidence how your funding impacts on people or communities is necessary to demonstrate accountability. Focusing on impact practice will also support learning and improvement, identifying what approaches work and what do not, allowing you to consider how you can make even more of a difference. This will help you to allocate resources and improve your funding.

Good impact practice starts with planning. Planning requires you to reflect on how and why you think your funding can make a difference. You will also need to be clear about the difference you want those you fund to make (if you are funding organisations). All of this will define what funding you give and projects you will support.

The information you and your grantees gather should be collected with a purpose. Setting goals for impact measurement will determine the depth and detail of information that you set out to collect, both internally and from your grantees, as well as how you intend to collect it. We offer advice throughout the guidance on how to collect evidence on impact, focusing on the longer-term view. You will need to take care to apply proportionate and appropriate rigour and resources.

Planning for funders needs to take on board what you collect directly from grantees, what you collect directly from end beneficiaries, what grantees collect from beneficiaries, and what may be collected by consultants either at grantee level or at the level of wider funding programmes. The data collected should be quality controlled to ensure it is robust, particularly if you are one step removed from the end beneficiaries and reliant on the data generated by the organisations that you fund.

Funders who want to influence policy or to explore the efficacy of a new type of programme or initiative will require a higher standard of evidence. The amount and type of information you collect should also reflect the size of the funded organisation, the resources available to it, and the amount of funding itself. We explore this issue of standards of evidence and proportionality throughout the guidance provided.

1.1. We use information on need and on existing resources and other assets to help set our funding priorities

Gathering information about both the needs of beneficiary communities, and also the resources available to them, is an important first step when setting funding priorities. This data gathering can help to identify existing skills, experience and physical assets, such as building and green spaces.

Your beneficiaries may be at a number of levels:

- First-line beneficiaries including: organisations to which you provide unrestricted funding; organisations to which you provide funding for the delivery of specific goods and services; individuals that you fund, for example to carry out research with societal benefits
- End beneficiaries with whom your grantees are working
- A wider community or society benefiting from improved policy and practice, for example, as a result of funded services or programmes

You may already have substantial information on needs in your areas of interest, but new research may be needed on current priorities and developments, or you may be wishing to fund new priorities.

Look at data and relevant statistics and reports to get information on:

- The area or region your funding will cover
- The state of current knowledge, practice, or service provision
- The group you want to benefit and the problems they face
- The type of organisation working to address the issues and models of work

Once you have clarified the need for your funding, you can start defining how you plan to make a difference through your funding, laying the foundations for good impact practice.

This criterion is fully met if:

You can describe the need for your funding and you can evidence that need using available information.

What next?

If you've met this criterion in full, you can improve your practice by:

- Undertaking or commissioning research
- Undertaking your own research into the particular needs of your intended beneficiaries will add more depth to your understanding of the issues they face. You can gather this information by examining existing literature, looking at what other funders are doing on this issue, gathering information from your grantees and evaluating funded projects and programmes.

- Working proactively to target 'harder-to-reach' individuals/groups

You may want your funding support to reach harder-to-reach groups, so it is important that you consider how to include their needs and views in research. You may need to think through how to get information from organisations working with hard-to-reach groups and address accessibility issues in seeking people's views directly.

1.2. We can describe the type of organisation and activities that we will fund, and who will ultimately benefit from our funding

You are likely to have beneficiaries of your funding at a number of levels. In some cases individuals may be funded directly, but more often funding is provided to organisations – your first-line beneficiaries who will make a difference for your intended target group – your end beneficiaries.

Being able to describe your target group – the main group/s in society that you want to make a difference to with your – is an important step in defining your purpose. This means that it's also an important step in focusing on your impact.

Your target group/s could be identified by geographical area, age, gender, sexual orientation, ethnicity, or by health status or disability. You may also want to identify socio-economic groups, such as single parents, children excluded from school or homeless people.

Once you have defined those groups in society who will benefit from your funding, and their needs, you will be in a better position to identify the type of organisation and the type of work you will fund, such as educational, service delivery or campaigning, and appropriate levels of funding.

The question of how much funding a group requires to be able to run a successful intervention requires knowledge of the target group, their needs and then the most effective intervention to meet that need. Only then can you put in adequate resources to achieve the intended impact.

This criterion is fully met if:

You can describe the beneficiaries from your funding, differentiating between first line and end beneficiaries where relevant, the type of organisation you wish to support and the appropriate level of funding for the programme of funding.

What next?

If you've met this criterion in full, you can improve your practice by:

- Describing different sub-groups within your target group

Unpicking the different groups hidden within your target group will help you to focus your funding to appropriate grantees and services. It will also help you to clarify with grantees the difference you want to make and the impact information that you require.

- Identifying other groups and audiences that may benefit indirectly

There may also be others that will benefit indirectly from your funding. This may be grantees' partner organisations, for example, or a wider community or audience if there is broader learning from the funded work or your funding practice. Being clear about this will help you to explicitly fund work that will have this secondary benefit where appropriate.

1.3. We have a clear mission statement and specific aims, setting out our purpose and reflecting our values

Your mission statement outlines your overall purpose, as well as the core values underpinning your work. Setting out your overall purpose as a funder will help you to define more specific aims. This will help you to identify the wide-reaching change that you would like to see from your funding. This is also known as your impact. This can include the effects on funded organisations, on those groups in society affected directly and indirectly by the funded work, and wider change, such as government policy, that can be attributed to the effects of the work.

Defining your overall purpose and the changes that you would like to create begins the discussion about how you will measure the difference your work makes. As well as involving staff and trustees or board in the planning process, it may be useful to involve other funders, organisations that you have funded in the past and other organisations already providing services in your area of interest.

This criterion is fully met if:

Your work is guided by a document which clearly sets out your overall purpose and the core values that underpin your work.

What next?

If you've met this criterion in full, you can improve your practice by:

- Making sure that your mission statement and core values are agreed on and recognised by the whole project or organisation

Involving people in putting your mission statement together, and making sure that the end document is recognisable to everyone within your project or organisation (including staff and your board) will make it a more powerful guiding document.

- Making sure that your mission statement and core values are written into all of your key documents, and that people are clear about how they influence your day-to-day work

Writing your core values and mission statement into your key documents will help to embed them and bring them to life. A clear focus on mission will help you focus on intended impact rather than just on service delivery.

1.4. We can describe the positive outcomes that we want to achieve through our funding and target our funding to achieve this

Outcomes are the changes, benefits, learning or other effects that happen as a result of the work you fund. Your funding programme will potentially produce any number of outcomes for different groups, both positive and negative, planned or unexpected.

Outcomes are not the same as outputs, which refer to the activities, services and products provided by a project or organisation. The outcomes of the funded work describe the difference that your funding makes, and not the work itself.

For example:

A youth group runs sexual health workshops with local young people. The output is the workshop – the service that they deliver. The outcome is what changes for the young people as a result of participating – an increased understanding of how to protect themselves from sexually transmitted diseases.

It is helpful to communicate clearly the outcomes you want to achieve to potential grantees. You will then be in a better position to direct your funding towards activities that will help you achieve your intended outcomes and to work in closer partnership with grantees.

This criterion is fully met if:

You have defined positive outcomes that you hope to achieve for different groups and support your grantees to understand and contribute towards these outcomes, as appropriate.

What next?

If you've met this criterion in full, you can improve your practice by:

- Developing outcomes for specific pieces of funded work in partnership with grantees

Working in partnership with grantees to agree outcomes for specific funded work will help to ensure that they are informed by their knowledge and experience of the difference that their products and services can make. It will help you to define outcomes that are realistic and relevant to the end beneficiaries and will give you a basis for developing agreed and shared measures of impact with the grantees.

1.5. We can describe how and why our funding makes a difference to beneficiaries (our 'theory of change')

By describing the link between the work that you resource (the outputs of your funding) and the changes that it creates for individuals (the outcomes of your funding) and the wider change or benefits (the impact of your funding), you are setting out how and why you plan to make a difference. This is also known as developing your theory of change – creating a story or narrative about the changes that you want to create through your funding.

As well as spelling out how you think your funding creates changes for beneficiaries, your theory of change document will guide your decisions about what information you might need to collect in order to evidence the extent to which this narrative is correct. It is also an excellent starting point for strategic planning and for marketing and communications.

Theories of change are often, but not always, presented as visual maps with accompanying narratives. However you choose to present your theory of change, it should be:

- Credible –based on previous experience and insight from different stakeholders, or from research.
- Achievable – do you have the necessary resources to make the differences you describe?
- Testable – your theory of change document will need to be linked in to your plans for collecting evidence.
- Supported – have you involved all the right stakeholders in the process, and do they all agree with the way your work is described?

This criterion is fully met if:

You have a document which describes or maps out the connection between your funding, the work that it resources and the difference that you plan to make for immediate beneficiaries and in the longer and broader term. This document should be credible, achievable, supported, and linked in to your plans for collecting evidence.

What next?

If you've met this criterion in full, you can improve your practice by:

- Including details of the timeframe in which you expect changes to happen

Mapping timescales for when you expect beneficiaries to experience outcomes and at what stages they receive outputs will give you a more detailed understanding of when and how your funding could make a difference through a range of organisations. It can also help you to understand the 'journey' that beneficiaries experience when using those organisations' services.

- Including details of the resources you will need, the type of organisations and work you will fund, and the partners you will need at each stage
- Including information about the resources you will need (your inputs) and the partners that you will need to collaborate with for your funding to achieve its expected impact. This will help you to produce a theory of change document that is realistic and a useful tool for strategic planning.

1.6. We consider the activities of other funders and partners with similar aims to ours, in order to achieve better outcomes for beneficiaries

Neither funders nor their grantees operate in a vacuum, and the work of other agencies and services will have an effect on the impact that you and your grantees achieve. As a funder you might consider how your funding might complement or strengthen other resource inputs both into specific interventions and across an area of work; very often services within an organisation are funded from a variety of sources. You might wish to engage in more formal joint funding to achieve greater impact in a particular field, to campaign more effectively, or to ensure greater collaboration, coverage and effectiveness at the level of service provision and delivery.

This collaboration is likely to increase your shared impact. It will also make it more difficult to attribute change to your specific funding (see 3.6). Encourage grantees to describe how their expected outcomes overlap with those of other organisations. It may be helpful to look for possibilities for shared outcomes and shared indicators of change, and ways of measuring overall impact, and to assess the contribution your funding has made to the whole.

It will be important also to encourage grantees to describe and consider how other organisations are working towards similar outcomes for their beneficiaries, or might affect the outcomes. For example, local services working with vulnerable people are likely to support some of the same people simultaneously.

This criterion is fully met if:

Your funding takes account of how your funding priorities might overlap with those of other funders and uses this information to fund work that is collaborative or complementary, so as to increase your ability to make a difference. You will also support your grantees to consider who else is doing similar work and how they intend to work with them.

What next?

If you have met this criterion in full, you can improve your practice by:

- Targeting your funding in ways that will explicitly strengthen other resource inputs and encouraging your grantees to work collaboratively to achieve outcomes for beneficiaries, including the use of third party information from partner agencies
- Recognising the importance of respective contributions to outcomes will allow you to increase your shared impact and help you to measure the specific contribution your funding makes at the level of specific interventions and at the level of your wider funding programme.
- Encouraging your grantees to develop shared measurement frameworks or plans to measure change over the longer term with partner agencies

Supporting your grantees to develop a plan for impact measurement together with partner agencies will help them to gather information that evidences the role of each agency in achieving outcomes. This will also help them to measure the more broad-reaching, longer-term changes that come out of their work together – helping them to evidence their contribution to their collective impact.

1.7. We are clear about the information that we need both for reporting at a board level and for internal learning

Before you begin collecting evidence from your grantees or elsewhere, it is important to be clear about which information you need in order to be able to meet your reporting requirements to your trustees, board or other governing entity in order to focus and report on the impact of your funding. It will also help you to make sure that you have all the information that you need internally to learn and improve your funding programme. Clarifying this at the planning stage will help you to avoid collecting information that you don't need, or missing out something vital.

It will also help you to set priorities about the information you most need to collect – this is fundamentally important for building a plan for collecting evidence that matches your available resources. It may not be realistic to measure everything and impact measurement should not take up a disproportionate amount of time and money. Focusing on measuring a prioritised number of things well, rather than trying to measure everything, is often a more straightforward and robust approach and will be less burdensome for your grantees if you're asking them to conduct measurement. You will also need to encourage your grantees to only collect the data that you and they most need for reporting and learning.

This data collection on impact is distinct from, though related to, grant monitoring of expenditure and activities, and it requires a different focus.

This criterion is fully met if:
You have defined which information you need to collect in order to be able to report to your trustees or governing entity, and for learning and improving your programme.

What next?
If you have met this criterion in full, you can improve your practice by:

- Regularly reviewing what information you need to be able to learn from your funding programme and make management decisions

As your work changes and develops over time, you may decide that you need different information in order to learn about and improve your impact. Regularly reviewing your information needs will make sure that you have the right information to help you continuously improve what you do.

1.8. We know what information to collect from grantees to show progress towards our intended aims, and how to collect it

In order to assess how well you are progressing towards the aims of your funding, you will need to collect a mixture of output and outcomes data from your grantees. Many funders have traditionally focused on collecting output data but by expanding this to collect information on the changes as a result of your funding, you will be able to have a clearer understanding of the full effects of your funding.

Support your grantees to set output indicators and outcome indicators – well-defined, easily measurable information about the outputs and outcomes of their work. Output indicators are usually quantitative – that is, they collect numbers and statistics. For example, if an organisation provided a helpline, their output indicators might be:

- Number of calls received
- Number of individual callers
- Length of calls

You may wish to support your grantees to collect some qualitative information as well – that is, more descriptive information. For example, the helpline could collect descriptive information about the issues that were raised by callers.

You will also need to encourage your grantees to set indicators for the type of people accessing their services (for example, ethnic group, sexuality, gender, and age). This will help them to understand whether or not they are reaching their target groups, and whether or not their services are fully accessible. Try to use standard categories for things like ethnicity so you can compare your grantees' results with those from other organisations and with national statistics.

Outcome indicators are the signs that the outcome has happened, or that progress is being made towards it. They can be quantitative (measuring the number of changes that happened) and qualitative (describing people's perceptions and experiences).

There will be a number of possible indicators with each outcome. As with outcomes themselves, you and your grantees should identify and use only the most relevant ones, to keep evidence collection proportionate and streamlined.

For front-line work, the outcome indicators will usually reflect change in the end beneficiaries. For example, indicators in an employment project could include:

- Number who have progressed into volunteering, training or employment
- Level of confidence reported by beneficiaries

Support grantees to map these out in a framework; this will help ensure that nothing important is left out of the data collection plan. At a minimum, the framework should include outputs, outcomes, indicators, tools (see 1.9 below for further advice on tools) to be used and who will collect the data. An example can be seen below for a programme to increase youth employment.

Outcome	Indicators	Information collection tools	Who and when
Improved job search skills	Numbers with a CV Ability to identify suitable jobs Ability to complete application form Whether they present themselves appropriately	Case file Self-assessment form Staff observation grid	Case worker At assessment/ review sessions

By aggregating this detailed data from grantees across your funded programmes, you can assess achievement of your own planned outcomes and examine the impact of your funding.

This criterion is fully met if:

You have supported your grantees to design a framework or mapping document which sets out what information is going to be collected on their outputs and outcomes, who grantees are working with and how and when this data will be collected.

What next?

If you have met this criterion in full, you can improve your practice by:

- Encouraging your grantees to consult their stakeholders about outcomes and indicators

Robust and measureable indicators are important for convincing measurement, so it will be helpful for key outcome indicators to be agreed from the outset. Where grantees can consult with their beneficiaries this will help to identify indicators that are meaningful.

- Encouraging grantees to include a description of how the information will be used

Adding this information to the framework will provide an additional check to make sure that no one is collecting anything unnecessary, and that all of the priority outputs and outcomes are included.

1.9. We choose data collection tools that meet our information needs, suit our context and we support our grantees to do the same

The type of tools and methods you and your grantees use to collect data should be in proportion to your information needs. For example, if you are testing a new type of project, or if you want to gather evidence that is robust enough to influence policy change, you may encourage grantees to use a validated tool – that is, one that has been developed and tested by academics or impact measurement specialists. You may decide to introduce a validated tool across a whole funded programme. However, if you are collecting information on unrestricted grants directly from grantees, or your information about end beneficiaries is more straightforward, custom-designed data collection tools are likely to be adequate.

Common methods include questionnaires, focus groups and interviews. In order to collect good quality evidence, data collection tools should be appropriate to how grantees and you as a funder will use the information provided.

Support your grantees to consider tools that will work best in the context of their particular work and for their users, and that will provide data that can be easily collected. For example, care needs to be taken in using formal questionnaires with young people in a youth work setting, as they may find it dull or difficult to understand, resulting in poor data.

The amount of time and skills available in grantee organisations should also be considered when choosing tools. In order to avoid grantees collecting a large amount of information which they are unable to use, it is also important to consider their capacity to store and analyse it. As a funder you should consider whether you wish to make resources available for external expertise, or to build skills, such as in IT.

This criterion is fully met if:

You have selected, or supported your grantees to select, data collection tools that can capture all of the information you and they need. Tools should make data collection easy for your beneficiaries, and suit the time and skill level of those people responsible for collecting and analysing the data.

What next?

If you have met this criterion in full, you can improve your practice by:

- Including a validated tool in the range of data collection tools where appropriate

Introducing a validated tool into your plan for data collection can sometimes improve the standard of evidence that you collect. If many other organisations are using the same validated tool, it may also allow you to compare your outcomes against other people who are doing the same sort of work (benchmarking). However, validated tools only collect good quality data if they are used in a relevant and appropriate setting and in the right way, so you will still need to think carefully about whether or not they are right in the particular context.

- Developing or agreeing a shared data collection tool

Having a shared data collection tool where appropriate across a funded programme will make it easier to collate information.

- Supporting your grantees through capacity building

In order to improve grantees' ability to manage data collection, funders may need to provide additional resources and support through training, technical assistance (for example from your grant officers) or funding.

1.10. We agree with our grantees realistic targets that set out expectations of what will be achieved

Checking the grantee's progress in relation to targets for both outputs and outcomes can help both you and your grantee to track whether your funding is being used as planned.

It is important that you consult with your grantees to set realistic targets that are time-specific and clearly set out what success looks like. The initial targets should be agreed before a project starts. If when delivering the project it becomes clear that the targets were over or under ambitious, a degree of flexibility may be required by the funder to allow grantees to re-set the targets to a realistic level. They should not add up to more than your grantees' capacity.

When thinking about setting reasonable targets, consider:

- The funding provided and grantee resources more widely
- What grantees have achieved before
- What similar interventions have achieved

When agreeing targets you should be clear of the extent to which you are funding the whole of the work or part of the work. It should be clear whether targets relate to the whole of the funded services (which may receive resources from multiple sources) and the outcomes that they achieve, or part of it. If your funding is part of a complex funding input from other sources, it may be difficult or unrealistic to identify that portion of the work that you have funded.

This criterion is fully met if:

You agree with grantees realistic targets for priority outputs and outcomes that clearly describe what they plan to achieve. Targets should relate to the impact that you wish to have as a funder.

What next?

If you have met this criterion in full, you can further improve your practice by:

- Agreeing targets around the quality of the work delivered, as well as the quantity and outcomes

Including client satisfaction targets will help paint a clear picture of what success should look like in this area.

- Consulting with grantees about progress towards meeting targets and adjusting them as appropriate in the light of evidence of what is achievable

Regular progress reports should help you to assess whether initial targets set were realistic and achievable within the timescale and the resources available. Encouraging information from grantees and honest discussion will help you to understand whether services are being delivered as planned, and whether there are internal or external factors that act as enablers or constraints. Using this information, a decision can be made about adjusting targets and learning from the experience.

1.11. We look at the resources we have for focusing on impact, and those we give to grantees

Good impact practice requires a number of different resources – including staff time, IT, skills development, and money, (especially if you decide that you need external support from a consultant or specialist). Committing the right amount of resources to impact practice is crucial to doing it well. The expectations you have relating to the quality and quantity of evidence about impact should also be consistent with the resources available for data collection, analysis and reporting.

Assessing the resources, you can make available for measuring impact will help you to build a realistic plan for collecting and making sense of evidence to show your impact. It will also give you a more informed picture of the costs involved, which will help you to agree with trustees or board how much of your funding budget can be allocated to collecting, collating and analysing information and how much funding you will provide to grantees to ensure that they have the capacity to collect good quality information. You will need to encourage them to plan for, cost and resource impact practice. You may need to allow funding to be ring-fenced for this in any bid.

If you require cost-benefit information on specific pieces of funded work, or need a high level of evidence of proof that the funded intervention has caused by the outcomes (proof of 'attribution'), this is likely to require specific technical evaluation expertise and an adequate allocated budget.

This criterion is fully met if:

You have a clear picture of the resources needed and available, including IT, money, staff time, and skills. You are able to identify where the resource gaps are and to explain how these could be met.

What next?

If you have met this criterion in full, you can further develop your practice by:

- Building a clear plan for how to develop the resources available for impact practice

An identification of resource gaps may indicate a number of different potential responses. These may include building your own capacity, for example through improved IT systems, recruiting staff with specialist skills or more administrative staff, or engaging external consultancy.

Improving the information you receive from grantees may suggest improving capacity in data collection through training and technical assistance, increasing the budget for monitoring and evaluation, or allocating specific funds for an external evaluation.

If you have identified resource gaps that make it difficult for you to focus on impact in the way that meets needs, you may need to address this in how you allocate resources. You need to be mindful of the particular context of your funding and that of your grantees.

1.12. Resources for this section

Principles of good evaluation practice	Does Your Money Make a Difference? is an NCVO Charities Evaluation Services guide for funders and commissioners that explores principles and provides practical examples. It includes resources and tools to improve monitoring and evaluation and ultimately the effectiveness of funding. Harmonising Reporting is a report by the Scotland Funders' Forum with support from Evaluation Support Scotland to set out the principles of good practice in reporting. It includes the Evaluation Declaration which sets out five key tenets of good practice on why monitoring, evaluation and reporting are important and what they should achieve and practical resources to support funders to implement reporting systems.
Using research to provide evidence of the need for your work	Neighbourhood Statistics is an online government portal that allows you to search 2011 census data and other government data sets. Enter your postcode to find statistics on demographic profile, crime rate, education, health, housing, deprivation, lifestyles, work and environment. In Wales, you can access additional regional data on the StatsCymru website. Scotland has a devolved body, The National Records of Scotland, which is the central location for government data. Northern Ireland has the Northern Ireland Statistics and Research Agency which also holds government data and other social research.

	The Joseph Rowntree Foundation has a repository for indicators of poverty including unemployment, housing benefit and educational attainment.
Learn more about the difference between outputs, outcomes and impact	Next Steps: Monitoring and evaluation on a shoestring is a guide from NCVO Charities Evaluation Services for projects or organisations that wish to learn how to show the difference they make and improve their performance. Building Your Measurement Framework: NPC's four pillars approach is a document detailing New Philanthropy Capital's (NPC) four-pillar approach, which provides practical guidance on developing an impact measurement framework. Evaluation Support Scotland Support Guide 1.1: Clarifying your Aims, Outcomes and Activities is a guide from Evaluation Support Scotland (ESS) that will help projects or organisations to work out what their outcomes are and how to write them. It clarifies the connection between what you do (your services and activities) and the impact you are trying to make (your outcomes).
Knowing what information to collect	Keeping on Track: A guide to setting and using indicators is an NCVO Charities Evaluation Services booklet that provides a step-by-step guide to setting and using indicators. The guidance is illustrated by good-practice case studies, and takes account of what funders and commissioners regard as good quality indicators. It also offers practical guidance on how to set and use indicators that will help you to monitor your work effectively.
Mapping the description of how and why your work makes a difference (your theory of change)	Making Connections: Using a theory of change to develop planning and evaluation is an NCVO Charities Evaluation Services document that provides an overview of the theory of change approach and explains more about how the approach is used. It goes on to provide a greater detail through the several steps of developing a theory of change and discuss what you will need to include to make it most useful. Theory of Change: The beginning of making a difference is a short NPC paper that introduces theory of change, explains the origins of

	the technique, and discusses how it can be used by charities to improve their work.
Developing a plan	Describe the Difference Your Work Makes is a guide designed to help projects or organisations plan for evaluation more effectively using a monitoring and evaluation framework. The foundations of the framework are built through using the NCVO Charities Evaluation Services Planning Triangle – a simple tool that helps you to reflect on, and clarify, the connections between the work you deliver and the changes that you create. Sample evaluation frameworks can be downloaded from the NCVO Charities Evaluation Services website
General impact support for funders	NCVO Charities Evaluation Services blog and article on why funders should take an impact-driven approach to their funding describes the benefits of taking an impact-driven approach to funding, with a specific focus on how and why funders are looking at the outcomes of projects they fund. Inspiring Impact Hub is a one-stop shop for impact resources and tools. It pulls together the widest possible range of resources relevant to improving impact practice, and enables users to search and filter results according to their needs.

2. Do

If Plan is about describing the changes that you want to create through your work, and deciding what information to collect, 'Do' is about data collection – the process of gathering evidence for how and why your work makes a difference.

This section of Measuring Up! asks you to think about how to collect data, or support others to collect data, in a way that is ethical and robust enough to demonstrate a convincing connection between the goods and services that you provide and the changes that beneficiaries experience as a result of your funding programme.

Do also covers the issue of beneficiary participation. When done properly, involving beneficiaries in collecting data can be empowering for the people involved, and can produce good quality evidence.

It will also be helpful for you to be clear with grantees about the value that you attach to the involvement of end beneficiaries in data collection. At the same time, you will recognise that opportunities for beneficiary engagement will vary according to the resources available, the type of information that is needed, the sort of beneficiaries involved and the benefits and risks to increasing involvement in any particular context.

The guidance in this section includes information on approaches to data collection that is proportionate to your impact measurement goals, your context and the resources you allocate to your own impact practice and that to your grantees.

2.1. We have clear leadership on impact practice, and our grantees and wider stakeholders understand the value we attach to it

This criterion looks at whether or not you as a funder see planning, measuring and making sense of your impact as valuable and important, and integral to your work.

It also concerns how you communicate to a wider audience, including grantees and other funders, the value you attach to impact practice, through the information that you share and make available. Taking a lead in impact practice will have different elements. At several points in your funding cycle you will need to provide information to your grantees on your desired impact. You will also need to provide information on aspects of impact practice that will help grantees to focus on their own impact and to collect good quality data.

Your grantees' effectiveness in measuring their outputs and outcomes will depend in large part on the enthusiasm and commitment of the people collecting and using it (their staff and volunteers). Agreeing outputs, outcomes and targets collaboratively and being realistic about their capacity for data collection will help to ensure that this commitment is maintained. Providing feedback on data that is provided and demonstrating how data is used will also help.

Providing good impact information to your trustees or governing entity based on sound evidence from your grantees can help to keep impact practice a central commitment in your work.

This criterion is fully met if:

People within your project or organisation are clear about their responsibilities for focusing on impact. They communicate the importance of impact measurement to grantees and provide sufficient guidance to grantees to enable them to collect adequate data.

What next?

If you've met this criterion in full, you could improve your practice by:

- Making sure that information about funding programmes, criteria in grant applications and guidance in monitoring meetings all reflect the importance of thinking about and measuring impact

Embedding impact practice throughout the grant-making process will lead to a shift in thinking about the value of impact measurement by grantees.

- Building your own and grantee capacity through increasing knowledge, skills and financial resourcing

The extent to which you can increase the financial resources for impact practice will depend on your own size and capacity as a funder. Even with modest allocated resources, your own shared understanding and skills can be developed. Good practice information shared with grantees can substantially help develop the standard of evidence they produce.

2.2. We have processes in place to follow up when grantees haven't provided us with adequate information

Whether you are providing unrestricted funding or project and service-specific funding, your monitoring processes should include ways of following up when grantees have not provided you with the necessary and agreed information. This follow up should be timely and allow your grantees to put in place systems to capture information if they are not doing this appropriately. Good communication and collaboration with grantees will help action to be taken to make sure that gaps are not discovered when it is too late.

Information should relate to agreed key outputs and outcomes. Grantees should be encouraged to share decisions about changing planned outputs and also learning about the timescale required to deliver plans and achieve outcomes and targets.

Processes should also check the quality of the information provided. Grantee information should be consistent and delivered on time. Your checking processes should also allow you to assess whether grantees have collected data from beneficiaries in a way that is robust. Providing capacity building in data collection may help your grantees improve the participation of beneficiaries in evaluation and response rates. Your processes should also identify the extent to which data reflects different perspectives and experiences.

Where you are providing small grants or short-term funding you could supplement data collected by your grantees by your own data collection from beneficiaries. This could be done by a beneficiary survey, focus groups or case studies.

This criterion is fully met if:

You check monitoring reports to ensure that information provides good quality evidence of key outputs and outcomes as agreed and there are processes to follow up with grantees on gaps and inconsistencies.

What next?

If you've met this criterion in full, you could improve your practice by:

- Checking that your own data collection and that of your grantees reaches hard-to-reach groups and individuals

Including hard-to-reach groups and individuals in your data collection will ensure that your findings reflect a diversity of views. It also means you and your grantees will be able to take steps to make sure that wherever possible groups and people have an equal opportunity to participate, for example by meeting accessibility needs.

2.3. People are supported to collect data accurately and consistently

The information that you collect directly from grantees and the information that you receive from them in monitoring and evaluation reports should be of a good standard. This is necessary in order to provide you with reliable information about the outcomes of specific funded interventions and your wider impact. Data collection tools should be used consistently and appropriately by the people responsible for collecting the data in order to give you the quality and quantity of information that you need.

Ensuring the accuracy of data collected by grantees may present difficulties as you will be one step removed. However, if you provide training, information resources and ad hoc support around data collection to people in your own project or organisation you will be in a better position to offer guidance and support to grantees. Wherever possible and appropriate you may provide additional capacity-building support to your grantees so that their staff and volunteers understand how to collect data properly.

This criterion is fully met if:

Grantees are supported to understand how to apply data collection tools in order to collect information accurately and consistently. People know where to go or who to ask for further support.

What next?

If you have already met this criterion in full, you could improve your practice by:

- Encouraging those collecting data within your own and your grantee organisations to review data collected for accuracy and consistency, and taking action if necessary

Checking that the information gathered is complete and of a sufficient level of quality will help to identify gaps and if this is done within a suitable time frame, it will allow your staff and/or your grantees to implement changes to rectify any data collection issues.

2.4. We encourage the collection of before and after evidence from beneficiaries to see if our funding has made a difference

This criterion looks at the way in which you, your grantees and external evaluators gather information to provide evidence of the changes that result from your funding.

The type and amount of funding you provide, the purpose of the funding and the use that you will make of impact information will affect the standards of evidence that you require. Your priority may be to measure impact in order to learn and reflect on your funded work, to improve your funding programmes and to be accountable to your trustees and other stakeholders for the efficiency and effectiveness of your funding. In this case, it is usually enough to collect 'before and after' data which *suggests*, rather than *proves*, a logical connection between your funding and the outcomes that beneficiaries experience.

However, if you are funding groups in order to influence policy change or to find out if their way of working/intervention could be replicated successfully by other projects or organisations, the standard of evidence you will need from them will normally be higher. This will involve going to greater lengths to prove and describe the link between the outcomes grantees achieved and the work that they delivered. To gather this sort of information, you will need to encourage the use of more sophisticated ways of collecting data, such as the methods described in the 'what next?' tips for practice development below.

In order to understand the extent to which a project or organisation has created change for beneficiaries, there is a need to establish a clear picture of what things were like before and after the intervention. This is usually done by collecting baseline data – data which shows what things were like before the intervention – and then collecting the same information at a later point to show evidence of change. This could be done through a one-off follow up, or a repeated review (to get a more detailed sense of the pace and direction of change). Collecting data in this way is also sometimes referred to as establishing 'distance travelled', since asking the same questions at least twice will show you the amount and type of change that beneficiaries have experienced.

How and when 'before and after' data is collected will depend on the chosen tools and an understanding of when beneficiaries achieve different outcomes (see 'Plan'). If you and your grantees are unable to collect data both before and after the work (for example through a baseline and 'after' questionnaire), you can sometimes collect 'before' data retrospectively by asking beneficiaries to reflect on how much change they have achieved. However, because this method is more reliant on reflection and memory, it is not always a straightforward way of collecting accurate data.

This criterion is fully met if:

You encourage the collection of evidence that allows the 'before' and 'after' picture for beneficiaries to be compared and for conclusions to be drawn about the extent to which your funding has created change.

What next?

If you have achieved this criterion in full, you can improve your practice by:

- Drawing on existing research to compare the changes beneficiaries experience with groups who did not receive such support

Comparing outcome data with research on outcomes for similar groups who did not receive support will give you a more informed picture of the amount of change that is likely to be due to the funded work, and the amount of change that would probably have happened anyway. This will help make a more credible case for the difference the funded work makes.

For example: government research shows that just 35 per cent of homeless young people aged between 16 and 24 maintain a new tenancy when no additional support is provided. However, outcome data could show that for the homeless young people supported by the funded organisation, 65 per cent maintain their tenancy. Using existing data to draw this comparison adds weight to the case that the changes young people experience are down to the funded services.

- Collecting information from a control group

Funding a control group study will provide the most robust evidence that the outcomes beneficiaries achieve are down to the funded work. This will compare data from your beneficiaries with a group that is the same as your beneficiaries in every way, other than the fact that they have not received support from the funded intervention. This comparison data will give you a detailed, informed sense of the extent to which your work makes a difference.

2.5. We make sure that everyone understands why we are collecting information and how data will be used

This criterion focuses on the processes that you and your grantees have in place for making sure that data is collected ethically. Obtaining informed consent means making sure that beneficiaries have all of the information they need in order to be able to make an informed choice about whether or not to participate.

You will need to make sure that anyone collecting information on your behalf ensures that beneficiaries understand:

- Why you are collecting information from them
- How their information will be kept safe and confidential
- How the information they give you will be used

This will involve explaining to beneficiaries how the findings will be reported and used, so that they can make a choice about whether or not they would like to see what is written about them, or whether they would like to remain anonymous.

This criterion is fully met if:

You and your grantees have processes in place to make sure that everyone who participates understands why information is being collected from them and how the information they share will be used and presented.

What next?

If you have already met this criterion in full, you can improve your practice by:

- Supporting your grantees to think through any longer-term risks for people participating in impact measurement and providing appropriate support

Obtaining informed consent will help those taking part in the evaluation to think through any immediate risks involved in participating (for example, being identified as someone who uses particular goods and services). However, if your grantees are working with vulnerable people or collecting data on sensitive topics, they will need to think carefully about whether data collection activities might carry a longer-term risk for participants, such as emotional distress. In these cases, they will need to provide information about, or access to, further support in order to meet ethical obligations.

2.6. Resources for this section

Choosing data collection tools	Information collection methods: choosing tools for assessing impact is a practical NCVO Charities Evaluation Services handbook aimed at helping to identify and develop ways to collect information on the outcomes of one's work. It provides a guide through planning the outcome monitoring, selecting appropriate methods, developing tools, preparing and collection of the outcomes information.
Collecting data ethically	Ethical guidelines is a set of published guidelines from Social Research Association that set out what ethical practice looks like in research and evaluation.
Storing data respectfully and legally	The Information Commissioner's Office is a website from the Information Commissioner's Office, the UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals. This website contains useful guidance about how to keep personal data in line with the Data Protection Act.
Useful websites	Inspiring Impact's Impact Hub has a large number of impact and outcome measurement tools and scales. Evaluation Support Scotland has a series of tools available from their website to support those interested in undertaking self-evaluation. The Association of Research in the Voluntary and Community Sector (ARVAC) has a handbook on community research that has guidelines and templates to support any community group that wishes to undertake research/evaluation.

3. Assess

This section covers data analysis – the process of bringing together the evidence that has been collected, and making sense of it in order to understand how much change has happened, for whom, and why. This collation and analysis will be carried out at two levels:

- By grantees or evaluators working directly with them and reporting data and findings to you
- By you as a funder collating and analysing the data you collect directly from grantees or beneficiaries and in collating and analysing the data reported to you by grantees across your funded programmes

In addition to covering key steps in analysis, such as comparing groups and making sense of change, this section also explains the questions that will need to be asked in order to get an objective picture of overall impact. This includes thinking about the other factors that could have contributed to outcomes and impact, as well as considering how long changes last for, and how much change might have happened independently of the work you have funded. It also involves considering whether bias by those collecting data or the way data was collected could have influenced results.

For funders there are specific difficulties in getting proof that it is their funding that is causing changes and therefore in 'attributing' impact. Firstly, most funders are dependent on the standard of evidence provided by their grantees. 'Before and after' data that strongly suggests a link between the work carried out and the changes that beneficiaries experience may be sufficient evidence.

However, if you need to demonstrate the link between the funded work and changes observed, for example in order to influence policy change or to demonstrate successful models of practice to other projects or organisations, you may need higher standards of evidence and to fund grantees to engage more technical methods.

Secondly, it may be difficult to distinguish the precise type and quantity of outcomes that can be attributed to your specific funding in a situation where your grantee may be receiving resources from a number of different sources, either as part of core funding or for specific services.

3.1. We store and use people's data safely, respectfully and legally and encourage our grantees to do the same

As part of collecting evidence, you may handle sensitive personal information about individuals and your grantees are even more likely to. This personal data must be managed in accordance with the Data Protection Act if you or your grantees are to fulfill legal responsibilities in terms of keeping data safe and using data appropriately.

There is a large amount of useful guidance available on how should handle personal data in a way that meets the Data Protection Act. Briefly, the main points of the Act state that personal data should be:

- Kept accurate and up to date
- Used only for the purpose for which it was originally collected
- Not transferred outside the European Economic Area without adequate protection
- Kept for only as long as is necessary
- Only gathered if strictly needed
- Kept safe from loss, damage and unauthorised access

This criterion is met in full if:
The way you store and use the data you collect for impact measurement meets the legal requirements of the Data Protection Act in full. Your grantees are aware of their obligation to meet the same legal requirements and supported to do so if collecting information on your behalf.

What next?
If you've met this criterion in full, you could improve your practice by:

- Developing a written policy on data protection and its relevance to impact measurement

Developing and sharing a written policy on data protection will create a helpful resource for making sure that everyone in your project or organisation understands the procedures in place around the legal storage and use of personal data. You could encourage your grantees to the same.

- Routinely sharing your data protection policy with the people you collect information from

Explaining your policy to individuals will help them to understand your responsibilities towards them as the data handler, as well as their own data rights as impact measurement participants.

3.2. We have IT systems in place that allow us to input, collate and analyse the data we require quickly and easily

Making sure that data about your funding, your grantees, the work they are doing and the difference it makes to beneficiaries, can be analysed and reported quickly and easily is a crucial part of ensuring impact measurement is supported by staff across the project or organisation. This is particularly important for funders who deliver a range of projects and programmes. You will need strong IT systems for your own work; as a funder, you can support your grantees to have appropriate IT systems in place to manage the information that they are collecting as well.

There are a growing number of project management systems and outcome reporting platforms that have been developed to support projects or organisations to help manage and measure the impact of their work. These include bespoke databases and IT systems that have been developed for specific types of project or organisation and online platforms that integrate with third party data collection, management and reporting tools. Funders should decide which is most appropriate for them and ensure staff are supported to use them to manage their work so that data is readily available for the wider purposes of demonstrating impact and contributing to service improvement.

Charities and social enterprises delivering frontline services should be prepared to invest at least one per cent of their operational budgets in their monitoring and evaluation infrastructure (IT and database development and management). This will ensure that they have the best chance of becoming proficient in managing data, reflecting on it and using it to inform their practice. You can consider this cost in any applications for funding from your grantees.

This criterion is fully met if:

Your own data entry is quick and easy, secure and can be aggregated and analysed to demonstrate impact and inform service improvement. Grantees are encouraged and supported to put appropriate IT systems in place to store and analyse information in the same way.

What next?

If you've met this criterion in full, you can improve your practice by:

- Storing your data in a way that makes checking for missing or incorrect data quick and easy.

Checking for missing or incomplete data is far easier to do once your data is all collated in one place. This will help you to understand and improve your data quality.

- Storing your data in a way that means you can automatically generate reports

There are obvious time savings involved with automatic reporting. Automatic reporting will help you to prepare the information for analysis and to work with your data much more easily.

3.3. Different types of information are compared to make sense of how and why changes occur

This criterion focuses on the way in which evidence is brought together during analysis to explain how and why your funding makes a difference. This is important for the data analysis that takes place at the level of your grantees and any data analysis that you carry out yourself of collated data that is provided to you or any data you collect directly.

Explaining why changes occur is vital to understanding your impact and you should encourage your grantees to present this sort of analysis where possible, as well as looking for such explanations in your understanding of your broader impact. Using data to explain change requires two steps to analysis. Firstly, each type of data should be analysed separately to make sense of it. Secondly, different pieces of information should be brought together during analysis to try and explain why changes happen.

This might involve bringing together different types of data about the same beneficiaries. For example, you could encourage your grantees to compare quantitative data about how many people experienced a particular outcome with qualitative data from interviews where the same people provided in-depth information about how they experienced different outcomes and why they thought those outcomes were achieved. If you are carrying out impact measurement across a funded programme, a similar analysis would apply and data could be compared from different grantees working with the same beneficiary group.

You may also want to compare different perspectives on change to try and understand why outcomes occur. For example, if you were funding young people, you might ask for data to be collected from the young people themselves about outcomes, and from their parents and carers as well. Examining the way in which the two groups give different or similar explanations for change will help you to get a more in-depth picture of why outcomes occur.

This criterion is fully met if:

Different types and sources of data are compared and contrasted in a way that helps you to understand why beneficiaries experience outcomes as a result of your funding.

What next?

If you've met this criterion in full, you can improve your practice by:

- Encouraging grantees and those collecting data for you directly to assess the strength or weakness of their findings by making explicit which different data sources support or contradict each other

Reviewing the way in which different sources of information support or contradict each other will give a sense of which findings are strongest. It will also help to identify where data is still inconclusive and where more information might be needed.

- Encouraging grantees and those collecting data for you directly to explore initial findings with key stakeholders during analysis

Exploring contradictory or inconclusive data with stakeholders at different levels of data collection will help to fill in any gaps and develop analysis and interpretation. When you are analysing and interpreting your overall impact, discussion with your staff, grantees, partners and experts can be useful to improve your understanding. This process of presenting and discussing your findings to build meaning during analysis is called iteration and is a useful tool for adding quality and depth to your findings.

3.4. We check to see if different groups of beneficiaries experience different amounts or different types of change as a result of our funding

This criterion looks at the way outcome data for different groups of beneficiaries is compared and contrasted during analysis, to find out whether different groups experience different changes as a result of your funding.

Trends and patterns in outcome data for the whole of your beneficiary groups may hide important differences between different groups, so it will be helpful to encourage grantees and others collecting data for you directly to make any differences explicit. Separating out data for different groups in order to compare and contrast the amount and type of change that they experience – also described as disaggregation – is an important step in analysis, since it is crucial to understanding whether or not your work is reaching everyone in the target group.

Disaggregation will often throw up important questions and learning points. For example, if particular ethnic groups or age bands are achieving better outcomes from the funded work, does this indicate learning about the work itself, highlighting a particular strength, or a weakness? Services may not be relevant or appropriate for everyone in the target group.

This criterion is fully met if:

Outcome data for different types of beneficiary is compared and contrasted in order to assess whether different groups experience different amounts or types of change.

What next?

If you've met this criterion in full, you can improve your practice by:

- Encouraging grantees and others collecting data directly for you to draw in different sources of information and different perspectives to explain any differences between groups

Including disaggregation in the way you and your grantees analyse data to understand change (see 3.3) will add depth to the way you understand your impact.

- Discussing findings about the differences in outcomes experienced by groups with staff, grantees, partners and experts

Taking unexplained differences in outcomes achieved back to those who have experience of working with the target group will help you to collect additional perspectives and information to explore and explain how and why groups experience different outcomes.

3.5. Negative and unexpected outcomes, as well as positive outcomes, are carefully considered

Considering findings objectively is a tricky but fundamental part of data analysis. This criterion focuses on whether or not analysis gives equal weight to positive and less positive findings.
The danger is that, without objectivity, the data can end up reflecting a rosy picture of what you and your grantees hoped to find, rather than an accurate picture of how things really are. This can mean that any negative or unplanned outcomes are ignored during analysis. Grantees may be reluctant to share difficulties, setbacks and disappointing results with the funder as they might feel it could adversely affect the relationship. Challenging this assumption involves creating an atmosphere of trust and encouraging honesty in reporting.

The most important learning may rest with negative or unplanned outcomes that are discovered. It is important that these outcomes are given due weight during analysis, so treat negative or unexplained outcomes with the same amount of care and attention as positive outcome data. This means spending the same amount of time on analysis, and asking the same key questions about why changes occur, who or what else is involved in creating change, and how experiences differ between groups. This applies whether you are measuring the impact of capacity-building funding to community groups, for example, where you may be collecting outcomes data directly, or whether your grantees are doing this analysis in relation to their end beneficiaries. Specifically asking your grantees to report on this can begin to build this fuller understanding.

This criterion is fully met if:

Negative and/or unexpected outcomes are analysed just as carefully as positive and planned ones and your grantees are asked to report on this.

What next?

If you’ve met this criterion in full, you can improve your practice by:

- Encouraging careful thought about how methods of data collection can influence findings

Reviewing the way information was collected will help objective judgements to be made about how important the findings (negative or positive) really are. This includes considering any technical problems during data collection or issues with missing data, as well as reflecting on how the bias of those collecting the data might have influenced the way data was interpreted.

3.6. We recognise that there are other factors that might have influenced the outcomes that beneficiaries experience

In order to fully understand your impact, your analysis, and that of your grantees, you will need to consider the question of attribution – that is, make an assessment of how much change was down to the funded work, and how much was down to other factors, including the services provided by others. This may be difficult to do; practical considerations and available resources will be important in decisions about using experimental methods, such as randomised control trials. Many funders may look for strong evidence of a link between funded activities and outcomes rather than evidence of direct cause and effect.

Change is complex: in the context of your funding, there will be a number of other agents involved in creating outcomes, including other organisations, other professionals and even beneficiaries' families and friends. Your funding may also be only part of a complex resourcing of a piece of work or inter-related services. This makes it difficult to come up with a precise figure or percentage of the change that is due to funding alone. However, being able to recognise and describe the role that others play in achieving outcomes for beneficiaries is an important part of data analysis. Considering which other players were involved in creating change will allow you to estimate your contribution to overall impact.

It is possible that some of the changes that beneficiaries experience would have occurred 'naturally', that is, independently of the funded work. The amount of change that would have happened without the intervention is also known as deadweight. Understanding how much change would have occurred anyway will get a more accurate picture of the contribution to change made by the intervention. This analysis can be done more realistically at the level of individual examples of funded work, rather than across a funded programme.

This criterion is fully met if:

You encourage grantees to use what they know about the involvement of others in creating change in order to draw sensible conclusions about what other variables have affected their outcomes. You also encourage them to consider what might have happened anyway, without their intervention. When you draw together information on your funding you consider the contribution you make to positive impact.

What next?

If you've met this criterion in full, you can improve your practice by:

- Encouraging your grantees to collect detailed information from beneficiaries about how other people or factors support or work against positive change; when your grantees are your direct beneficiaries, you ask similar questions.

Asking beneficiaries about what proportion of the changes that they experienced was down to the specific services, compared to the influence of other people or factors, will help to develop a more in-depth understanding of attribution. You and your grantees might be able to use this information in the future to develop partnership working and design of funding the development of services.

- Considering the way in which broader socio-economic factors support and hold back change

Considering wider socio-economic factors which are out of your control – for example, widespread unemployment or climate change – will help you to understand your impact in its wider context.

- Providing the resources to compare your outcome data with a control group.

Collecting data from a control group for specific funded work will help you to establish a more accurate picture about how much change would occur without the intervention that you have funded, and to gather a higher quality of evidence to demonstrate the impact of the work.

3.7. We can describe how outcomes from our funding relate to economic, social and environmental issues (for example, climate change or unemployment)

Depending on the type and amount of your funding, it may be important for you to demonstrate to your trustees and other stakeholders that you get good value from your funding. In some cases you may want explicit evidence of the return in social outcomes of the funding 'investment' made.

You may wish to encourage and support grantees to make the connection between the outcomes achieved for groups of beneficiaries as a result of your funding, and the resulting offset to 'costly' societal problems, for example unemployment, environmental damage or offending. If grantees present outcome data in this way it will help demonstrate how the funded work could save money for taxpayers and the government. This can be a powerful tool for explaining the value of the funded work and your funding itself to your board but also to government, partners, and the public.

Economic evaluation is not a new idea and there are many different approaches to choose from, some of which are more complex and time-consuming than others. Simply considering potential cost savings during data analysis and describing how and where funded work impacts on costly economic, social and environmental issues – rather than coming up with a specific number for costs saved or avoided – will add depth and value to findings on impact.

For example, if the outcomes from funded work include reduction in landfill waste, you could describe the cost of landfill and highlight how these outcomes have contributed to reducing this cost. Similarly, if your funding contributes to reduced reoffending or a reduction in serious offences, findings on impact could include a summary of the costs involved in court proceedings and custodial prison sentences, and a description of how the funded work can result in some of these costs being avoided.

However, if you wish to measure all of your impact – including social, environmental and economic changes – in financial terms, or you want information about the potential savings that result from your funding, you will need to consider resourcing a more sophisticated methodology – for example, cost effectiveness analysis or Social Return on Investment (SROI).

This criterion is fully met if:

You are able to describe how the work you fund relates to economic, social and environmental issues, and where the outcomes you achieve for beneficiaries could potentially contribute to cost savings.

What next?

If you've met this criterion in full, you could improve your practice by:

- Describing the value of individual examples of funded work or discrete projects in financial terms by using monetisation

Monetisation involves setting a proxy financial value for each outcome area achieved – whether economic, environmental or social – in order to be able to describe overall impact in financial terms. This analysis can be done more realistically at the level of individual examples of funded work rather than across a funded programme. This methodology is used in SROI.

4. Review

In order to get the best return on the time, effort and resources you invest in planning, evidencing and making sense of your impact, you will need to use your findings to help you and your grantees to improve the impact of your investment in future. 'Review' looks at how you use your findings to get better at the way you plan, describe and deliver your work, as well as the way in which you embed your learning in order to get better at measuring the difference you make.

Whether or not you prepare a written report, you will need to think carefully about how you communicate your findings to spread your learning to the widest possible audience. This includes thinking about how you present your impact to your governing entity, donors, grantees, the public and partners, as well as feeding back to the people who were involved in the impact measurement process. It also means thinking through how to communicate your findings clearly, honestly and transparently and encouraging your grantees to do the same.

4.1. We feed back our collated findings internally and externally

This criterion looks at the way you share your findings with key people outside of your project or organisation, including other funders/commissioners, partner organisations and the public. It also looks at the way you feed back your findings to the people involved in measuring your impact – including your grantees and staff.

Having gathered and analysed your evidence, you will be ready to tell people about the difference that your funding makes. Whether or not you choose to prepare a formal report, make sure that you include key internal and external audiences in your plan for communicating your impact.

Externally, presenting your findings will keep you accountable to your trustees and any other stakeholders, and help to increase their understanding of how and why your funding makes a difference. Communicating your findings to partner organisations and to the general public will also help to raise your profile and promote the work you have funded.

Internally, it is also important to feed back to the people involved in measuring your impact: your staff, and if possible your grantees. Sharing your findings internally allows people to see the results of funding programmes and the benefits of measuring impact. Presenting evidence of the difference the funding has made can be rewarding and motivating. If you are able to feed back to grantees, this can be a way of thanking people for their contribution to your impact measurement process, and a way of demonstrating that the information they shared has been carefully considered and put to good use.

This criterion is fully met if:
You share your findings with key internal and external stakeholders and with people involved in gathering evidence of your impact.

What next?
If you've met this criterion in full, you can improve your practice by:

- Including evidence of your impact in all your key marketing and publicity documents

You can communicate the impact of your work to a wider audience by encouraging grantees to disseminate their findings and by communicating your overall impact and specific examples of the difference you make in your own promotional materials.

- Sharing findings with local and national networks

Encouraging your grantees to share findings on impact with local and national networks, and disseminating your broader impact measurement will allow you to reach an even wider audience, and to share learning across the sector.

4.2. We provide information about how our evidence was collected when we report our findings and we ask our grantees to do the same

Including details of how data was gathered – the methodology – is an important part of communicating findings in a way that is clear, transparent, and allows the audience to make judgements about the strength of your conclusions.

- This involves talking about:
- The tools used to collect data, and how and when they were applied
- How it was decided which groups should be included in the sample
- The number and type of groups that you collected data from
- How you asked people to participate

It is not unusual in social research for things to turn out differently from how they were planned. It is helpful for you and your grantees to be open about any difficulties experienced in collecting data, or about changes to plans. This will be helpful for you and for others in learning about impact measurement.

This criterion is fully met if:
Findings include details about how evidence was collected, and who it was collected from, so that judgements can be made about the strength of the findings.

What next?

If you've met this criterion in full, you can improve your practice by:

- Highlighting areas where more data is needed or where it's not possible to draw a clear conclusion

If you and your grantees are open and clear about where there is not enough data to draw a solid conclusion about impact, it will help you to understand which findings are most robust and communicate this to others. It will also help you to learn from experience and improve future impact measurement.

4.3. We use our findings to help us review, and to re-set realistic and achievable targets

Collecting evidence about your impact will give you the detailed information you need to assess whether or not you are on track with your strategic plan. Reviewing your findings against your output targets (what you hoped to deliver, and to whom) and your outcome targets (the difference that you wanted to make for beneficiaries) will help you to understand the extent to which you have been successful in creating the changes that you planned. In the same way, you can use findings to help grantees review their own achievements against their targets.

Once you understand the current level of achievement against agreed targets, you will be better placed to set realistic targets for future work. Your understanding of how and why your funding makes a difference, and the pace at which outcomes are achieved for beneficiaries, will also help you to set achievable targets.

This criterion is fully met if:

You use your findings to review the extent to which output and outcome targets were met, and to set targets for future funding that are realistic and achievable.

What next?

If you've met this criterion in full, you could improve your funding practice by:

- Using your findings to develop a clearer picture of the strengths and weaknesses of the strategy, approach and delivery of your funding programmes

Using your evidence to inform an assessment of the strengths and weaknesses of your funding can help you to build a strategy for change or think through where best to target your resources.

- Using your findings to improve your funding programmes, including identifying potential new or additional funding

Reviewing evidence on impact can help you reconsider your overall funding strategy and review your approaches and the effectiveness of your delivery. It may also suggest where new or additional funding can be targeted.

4.4. We use our findings to make sure that our theory of change (the description of how and why our work makes a difference) is accurate and realistic

Your theory of change describes the links between outputs, outcomes and impact, and sets out how and why your funding makes a difference. Having collected evidence of the difference your funding is making, you should now be able to assess whether or not this description is accurate and realistic.

This means reviewing whether or not your funding creates change in the way that you imagined, as well as considering whether or not the scale of change that you hoped to create was realistic and achievable. Reviewing your theory of change document against the findings will help you to make changes, if necessary, to the way you describe the difference your work makes.

This process is not about reducing your ambition, or lowering the bar of what you want to achieve. It is a process of making sure that you give a true picture of the difference your work makes, or can potentially make, and that the goals you are working towards are realistic and feasible given the type of change your funding creates, and the resources you have available.

This criterion is fully met if:

You use the findings to check that your theory of change document is accurate and realistic. You make amends as necessary, based on the evidence of how and why your funding makes a difference.

What next?

If you've met this criterion in full, you can improve your practice by:

- Reviewing the time frames within which you expect changes to happen

Collecting evidence will have given you information about the timescales in which your grantees achieve different changes. You can use this evidence to review funding timescales or expectations about achievement of outcomes, and to make your theory of change more accurate and realistic.

- Reviewing the resources needed to create change

Using the evidence gathered, you can also review your original assumptions about the resources necessary for creating change, and refine this area of your theory of change document.

4.5. We use our findings to improve our funding programme and practice

Funders are accountable to investors, to trustees and governing bodies, to the wider public and to beneficiaries themselves, and want to obtain the best possible outcomes. Making even more of a difference through your funding, and improving the way you work with and support your grantees, is the ultimate goal of focusing on your impact. This could involve using your findings to make straightforward changes, such as changes to your reporting requirements; or more complex ones, such as changing the focus of your funding programme.

Without reflecting and acting on what your findings mean for the way you deliver your work, you will leave the impact cycle unfinished.

This criterion is fully met if:

You make changes to the way you deliver your funding programme based on your findings.

What next?

If you've met this criterion in full, you can improve your practice by:

- Using your findings to reallocate resources to different aspects of the management and delivery of your funding programme, and to your impact practice

Understanding the strengths and weaknesses of the management and delivery of your funding programme may lead you to reallocate resources to develop and improve what you do.

Evidence of impact will also help you make strategic decisions about how and what you fund to make the most difference to beneficiaries.

- Using your findings to set standards for the way you deliver your funding programme

Measuring your impact will give you an evidence base for deciding which processes and ways of working are most effective at creating change for your beneficiaries. Developing standards for how you deliver your services or how your grantees deliver theirs, based on this evidence, will help to make sure that everyone in your project or organisation is working to the framework that is most likely to generate results.

4.6. We review the way we measure our impact and make changes as necessary

Once you have completed a full cycle of planning, evidencing, understanding, communicating and learning about your impact, there will almost always be things that you would do differently the next time around. Taking the time to reflect on how you work with grantees to measure impact, and how they work with their beneficiaries and other stakeholders, will help you improve the quality and value of the data you collect.

This reflection should include how you clarify and communicate the difference you want to make as a funder, how you communicate with grantees and support them to clarify their own outputs and outcomes and agree realistic targets. It will also include how you support grantees, including financially, to collect data from beneficiaries in order to provide the appropriate standards of evidence and to report findings effectively.

Your review will include not only how you measure impact but also how your grantees use impact evidence to learn and improve, in order to make the most difference to immediate beneficiaries and to a wider community.

This criterion is fully met if:

You take the time to reflect on how your tools and processes could be improved at the end of each cycle, and make changes if necessary.

What next?

If you've met this criterion in full, you can improve your practice by:

- Including your board, staff and grantees in a review of your impact practice

Gathering input from the people who collect the data and the people who provide information (where possible), will help you to make informed changes to any data collection tools and processes.

- Using your learning to help identify any new or expanded resources needed to improve your impact practice, or that of your grantees

You can also use your learning to inform your understanding of any resource needs you might have around measuring and making sense of your impact, and to feed into your short- and long-term plans to meet these needs.

4.7. We communicate our findings honestly, including information about failures as well as successes and encourage our grantees to do the same

Collecting evidence of your impact has the potential to increase your own understanding of how and why your funding is effective in creating change. It can also contribute to a wider understanding around which types of intervention are most successful, and which approaches are worth promoting and replicating.

A crucial feature of understanding 'what works' is being able to identify what does not work. As well as providing evidence of success, measuring your impact will also tell you when funding does not have expected outcomes and does not provide good value, and why. Encouraging your grantees to communicate honestly and openly about failure, as well as success, and in turn including this evidence in your wider impact reporting, will spread the benefit of this learning. It will send a clear message both to your governing entity and to grantees about your commitment to evidencing and increasing impact.

This criterion is fully met if:

The way you present your findings acknowledges and explains any negative or unplanned outcomes that you discovered through your own impact measurement and that of your grantees.

What next?

If you've met this criterion in full, you can improve your practice by:

- Acknowledging alternative explanations for positive outcomes

In addition to reporting on negative and unexpected outcomes, acknowledging alternative explanations for positive outcomes will provide a more balanced and useful account of your impact and that of your grantees, which can make a more useful contribution to understanding about 'what works'.

- Commenting on the extent to which your findings reflect existing research into 'what works'

If there is existing research into work that is similar to the specific funded interventions or your model of funding, commenting on the way in which your findings tie in with this body of evidence will add useful depth to the way you communicate your impact.