

Assessing the impact of multi-purpose community organisations

Final report of a collaborative action research
approach

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In partnership with



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Authorship

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This report draws on other reports produced by members of the research team and participating organisations. These are listed in the references at the end of the document and are indicated as appropriate in the text of this report.

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Foreword

Steve Wyler, Chief Executive, Locality

This is an important moment for community organisations. As a sector and a movement it feels like we have come of age. The government wants those of us working with disadvantaged people across the UK to now play a full role in delivering services and empowering people in neighbourhoods. Full details are not yet clear but we can be certain of one thing: community organisations will be in the front row and need to be ready to take up the challenge.

One implication is that we need to show that we can make a difference to the people and communities we are working with over the long term. It means demonstrating that we are not afraid of looking hard at what we do and how we can do it better. It means being dissatisfied with quick-fix scorecards and simplistic measures. It means asking ourselves how our organisations can assess their impact in ways that are meaningful and relevant to volunteers, staff and boards; to those commissioning our services; but most importantly to the people and communities we were set up to benefit. This report presents the work undertaken by nine community organisations, six of them from bassac and DTA (now Locality), that committed themselves for more than a year to doing that work as part of an action research study.

The findings show the importance of community organisations stepping back from their day-to-day work to examine their practice. It reminds us that these organisations are in this work for the long term. They are rooted in their neighbourhoods and customised to their context. They require bespoke approaches to assessing their impact because they are not off-the-shelf products. In business parlance these are some of their unique selling points. If it were possible to press a single button and get a simple answer to the impact question, these organisations would have done it years ago.

The merger of bassac and DTA in the spring of 2011 to become Locality was an important signal that community organisations can take risks. It shows government and funders that we can be pro-active and that our goals are not for our own narrow organisational interests. We, along with many other community organisations, are serious about improving the wellbeing of all the people we work alongside.

We hope that this report is the start, not the end, of community organisations examining their impact. It is not the only way. It provides no easy paths. Assessing impact properly is hard work. We hope other community organisations can adopt and adapt some of the work described here and learn from what we have done.

We also hope that funders and policymakers can take something from this report. Impact assessment is not an appropriate path for all organisations and particularly not for small groups. There is value in collaborating with others to assess combined impact. On the basis of this research, the report concludes with some principles to consider before embarking on impact assessment work. Above all, it is important that community organisations, funders and policymakers work out why, when and for whom impact needs to be assessed.

Steve Wyler
June 2011

Contents		Page
	Summary	1
	Introduction	3
1	Background	5
2	Our approach	8
3	Findings: characteristics of participating organisations	11
4	Findings: evidence of impact from a relationship mapping perspective	14
5	Findings: evidence of impact from a stakeholder appraisal perspective	18
6	Findings: evidence of impact from a local economic perspective	22
7	Discussion of key findings and principles of impact assessment	25
	References	31

Summary

This report presents the findings of a collaborative action research project about the impact of multi-purpose community organisations. Between summer 2009 and autumn 2010, three research organisations and nine community organisations worked together to develop and then test alternative approaches to impact assessment.

The study had a dual purpose: to generate new insights into the difference that multi-purpose organisations make to the communities where they work; and to develop a shared understanding of what an appropriate, meaningful and proportionate approach to impact assessment might look like.

Background

Multi-purpose community organisations play a pivotal role in communities, straddling the worlds of service delivery and community engagement. With policy expectations at an all-time high and operating, as they do, in a competitive funding environment that demands evidence, there is an urgent need for multi-purpose community organisations to develop useful approaches to impact assessment.

Our approach

This was a collaborative action research project in two phases. In phase one ('inquiry') we explored (through facilitated group and open space sessions) the questions '*How do we assess our impact?*' and '*What are the issues?*' In phase two ('action') we developed and tested out three approaches to impact assessment: relationship mapping, stakeholder appraisal and contribution to the local economy.

Key findings

The difference that multi-purpose community organisations make

- *Tackling deprivation*: study participants said that multi-purpose organisations tackle deprivation and prevent communities from becoming the 'forgotten patch' in the local area. They achieve this through, for example, seeding new community groups and hosting essential health and social care services in locations where people want to access them.
- *Integrating services*: all the organisations were well-practiced in finding ways to '*paper over the cracks*' between different funding programmes, enabling them to sustain their services, activities and facilities over the long term. Study participants also said that multi-purpose organisations work across the public, private and voluntary sectors by, for example, convening thematic and area networks of cross-sector leaders to align policies and practice.
- *Offering stability*: all the communities that the participating organisations support have a history of facing stress and change in relation to social, economic and environmental factors. Participants said that multi-purpose organisations are stable bodies that help communities through difficult times and make large-scale interventions, such as regeneration, work in practice. For example, they allow their services, activities and facilities to evolve according to the needs and wants of local people; and they participate in wider local meetings, forums and strategic partnerships.

- *Building confidence*: study participants said that multi-purpose organisations boost the confidence of local people by increasing local pride and reputation and bringing people together to create stronger, more cohesive communities. For example, they connect diverse groups of people through services, activities and facilities; and they improve the physical appearance of the area through the transfer and improvement of unused properties.

What we have learned about impact assessment

- *We can live with different words and definitions for impact: dialogue matters.* From this study, we suggest that we can live with a lack of a common language about impact by negotiating a shared understanding of terms whenever we work with others who may have different views.
- *We need a variety of approaches: context matters.* Our findings, including our observations about what drove our participants to engage with impact assessment (and the way this changed over time), confirm that the context in which organisations operate is significant. The search for the best approach to impact assessment is unhelpful: there is no single approach that will be appropriate, meaningful or proportionate in every case.
- *We need to reconcile bespoke and off-the-shelf approaches: a role for funders.* Our study found that it is helpful for organisations and their funders to spend time thinking about the purpose of impact assessment. All too often, a preoccupation with selecting an impact assessment tool can lead an organisation to undertake complex work that matches neither their needs nor their circumstances. We suggest a role for funders and infrastructure organisations to sift and explain the available approaches to impact assessment to their members or constituencies.
- *We want to see collaboration at the heart of the impact assessment process: a responsibility for researchers and organisation.* In our study we learned that approaches to impact assessment need to be: rooted in the way an organisation already works; managed and ideally co-designed by the organisation; and calibrated to the scale and capacity of the organisation.
- *We want organisations to be free to tell a 'contribution' not an 'attribution' story.* For organisations (such as those in our study) that are highly collaborative, it might be more appropriate to look at the part that they play in wider social, economic or environmental change in a community, rather than focusing on their individual organisation's impact: *'It may be more helpful to tell a contribution story.'*

Three principles for the design of impact assessment interventions

We propose three principles that may help organisations and their funders to negotiate approaches to impact assessment that are appropriate, meaningful and proportionate.

- i. Impact assessment needs a clear rationale and purpose
- ii. Impact assessment needs to be fit for purpose
- iii. Impact assessment needs to be jointly understood and designed by organisations and their funders.

Introduction

This is the final report of a collaborative action research project about the impact of multi-purpose community organisations in which three research organisations and nine community organisations worked together to develop and then test alternative approaches to impact assessment. The project took place between summer 2009 and autumn 2010

The study had a dual purpose: to generate new insights into the difference that multi-purpose community organisations make to the communities where they work; and to develop a shared understanding of what an appropriate, meaningful and proportionate approach to impact assessment might look like.

With our participants, we have generated insights into: the mission, values and characteristics of multi-purpose community organisations; the difference they make to communities; and how such organisations can integrate the tasks associated with impact assessment into their leadership and management functions.

This report sets out the way in which we approached the project, discusses what we learned, and outlines some implications for organisations and their funders.

What are multi-purpose community organisations?

These are organisations, based in a local area, that offer multiple services, activities and facilities to local people. They are engaged in the social, economic and environmental wellbeing of the area, often working alongside other organisations in the public, private and voluntary and community sectors. Typically, they are located in a building which is open to local people and may also host other community groups and organisations.

When we began the research, the term 'community anchor' was popular with policymakers as a way to describe this kind of organisation. However, not all participating organisations recognised themselves as 'anchors' and we found the term limiting because it was too closely linked to government policy. We therefore used the longer, neutral term 'multi-purpose community organisation' instead. For the sake of brevity, we use 'multi-purpose organisation' in this report.

Use of terms in this study and report

In this study, we were interested in the difference that multi-purpose community organisations make to the communities in their **area** (recognising that the 'area' may not be tightly defined). Other specific terms we use in this report include:

- *impact*: the difference the whole organisation (as distinct from its individual programmes) makes to communities over the long term
- *community*: the individuals, groups and organisations in an area
- *assessment* rather than *measurement*, because the former includes all possible approaches to a task, whereas the latter is more commonly associated with numerical, including financial, approaches

- *participants*: all those people who have taken part in the collaborative action research process and whose views have been documented and incorporated into our data
- *participating organisation*: the nine multi-purpose community organisations that took part in the research
- *research team*: the staff of the three research organisations that worked together on this project.

Our approach

In this study we wanted to: draw on the knowledge and expertise of three research and nine community organisations; test our findings with wider audiences when the opportunity presented itself; and pursue multiple lines of inquiry, including taking advantage of unforeseen opportunities. We saw collaborative action research as a suitable framework to manage this process. Once we had recruited our study participants, there were two main phases to the work – inquiry and action.

This report

The first two chapters provide some background to the research in terms of earlier thinking about impact assessment (Chapter One); and the steps in our action research process (Chapter Two).

Chapters Three to Six present our findings about the characteristics of the nine organisations that took part and the evidence of their impact that we uncovered.

The final chapter draws out our key findings about the difference multi-purpose community organisations make and the ways in which their impact is assessed.

Chapter One

Background

'I'd really love to dig down and look at the impact of our services. It feels the right time to do that.'

'I can tell these stories about every service but I've got no way of gathering them all up.'

In this opening chapter we explain the rationale behind this study, discuss the policy context in which it has taken place, and locate our work in the wider research literature about impact assessment.

1.1 Rationale

'Everyone knows it's got to be done [demonstrating impact], and if we don't do it on our own terms, we'll have to do it on someone else's terms.'

Multi-purpose organisations play a pivotal role in communities, straddling the worlds of service delivery and community engagement. While earlier research has demonstrated the breadth and importance of their contribution to local communities, many of these organisations still struggle to capture and articulate the difference that they make. With policy expectations at an all-time high and operating, as they do, in a competitive funding environment that demands evidence, there is an urgent need for multi-purpose organisations to develop an approach to impact that is appropriate, meaningful and proportionate.

This project came about because multi-purpose community organisations and their membership bodies told us that impact assessment for these organisations was especially problematic. Being multi-purpose, the difference they make cannot be fully captured in simple linear patterns of cause and effect, nor can it be captured fully through a series of separate programme evaluations. There was clearly a need to develop a way to assess impact in collaboration with community organisations in order to ensure that it embraces their diverse work. In other words, we wanted to look at the difference that multi-purpose organisations make to the communities in their area (always recognising that 'area' may not be tightly defined).

1.2 Policy context

Policy initiatives in the UK have singled out multi-purpose community organisations, describing them as *'strong, sustainable community-based organisations [that] can provide a crucial focus and support for community development and change in their neighbourhood and community.'*¹ HM Treasury's 2007 third sector strategy argued that a key priority for multi-purpose community organisations is *'to provide advocacy and voice for the community and to stimulate community involvement and activity.'*²

Since the 2010 general election, the coalition government has addressed the voluntary sector as a whole rather than favouring any one particular organisational type. Nevertheless, multi-purpose community organisations are set to be one of the

¹ Home Office (2004) *Firm foundations: the government's framework for community capacity building*, London: Home Office

² HM Treasury (2007) *The future role of the third sector in social and economic regeneration*, London: HM Treasury

important players in delivering current policy objectives. The Localism Bill (2010), for example, has stressed the need to *'empower communities to do things their way – by creating rights for people to get involved with, and direct the development of, their communities.'*³ This builds on the Coalition's programme for government, which sought to drive forward *'decentralisation and democratic engagement'* through *'radical devolution of power and greater financial autonomy to local government and community groups.'*⁴ Ambitious plans *'for every adult in the country to be a member of an active neighbourhood group'*, with a promise to stimulate such groups,⁵ include the national community organisers programme.⁶

The prospect of private and third sector organisations playing a bigger role in the delivery of public services has implications for multi-purpose community organisations and the way in which they assess their work. Detailed arrangements will be set out in the Open Public Services White Paper, due later in 2011. The government has sought input on how commissioning could be modernised *'to ensure the most effective and efficient charities, social enterprises, mutuals and co-operatives have a much greater involvement in the running of public services.'*⁷ It has, however, already set out plans to *'reduce the amount of regulation, monitoring and reporting that is imposed on the sector'* and to encourage *'longer term contracts based on outcomes'*, which would entail, where appropriate, a *'pay by results'* regime.⁸ This may imply a greater use of contracting processes involving Social Impact Bonds, which according to some analysts will necessitate *'agreed baselines and metrics.'*⁹ Meanwhile, the Giving Green Paper supported *'the efforts being made by charities, community groups and social enterprises to identify more effective reporting on social impact'* and acknowledged the complexity in this area.¹⁰ Nevertheless, the subsequent white paper suggested that organisations in the field were looking to *'articulate the benefits of their activities in a clear, comparable, numerically robust way.'*¹¹

³ DCLG (2010) *Decentralisation and the Localism Bill: an essential guide*, London: Department for Communities and Local Government, p.4

⁴ Cabinet Office (2010) *The coalition: our programme for government*, London: HM Government, p.11

⁵ *Ibid*, p.38

⁶ Office for Civil Society (2011) Government names new partners to deliver Community Organisers, 19 February 2011, <http://www.cabinetoffice.gov.uk/news/government-names-new-partner-deliver-community-organisers>; last searched 06/06/11

⁷ Office for Civil Society (2010) *Building a stronger civil society: a strategy for voluntary and community groups, charities and social enterprises*, London: HM Government, p.8

⁸ Maude, F. and Hurd, N. (2010) *Open letter to the voluntary sector*, 19 April 2010, London: Conservative Party, www.conservatives.com/News/News_stories/2010/04/~/_media/Files/Downloadable%20Files/Voluntary_sector_letterpdf.ashx; last searched 31/5/2011

⁹ Young Foundation (2009) *Social impact bonds and social value*, www.youngfoundation.org/social-innovation/tips/social-impact-bonds-and-social-value, Last searched 31/5/2011

¹⁰ Cabinet Office (2010) *Giving green paper*, London: HM Government, p.12

¹¹ Cabinet Office (2011) *Giving white paper*, London: HM Government, p.55

1.3 Earlier research

We wanted this project to be informed by what others have already said about impact assessment. Our first step was to review previous research and commentary on impact assessment and to produce a discussion paper,¹² which gave us the following pointers for developing an impact assessment process with multi-purpose organisations:

- *Context:* There is no silver bullet, no perfect approach to impact assessment. No one approach will be useful, useable and relevant in every context, nor will it be capable of revealing every facet of an organisation's impact. Researchers have argued, therefore, that approaches to impact assessment must be constructed out of dialogue between practitioners, funders and users.¹³
- *Meanings:* Words like 'impact', 'outcomes' and 'successes' are often used interchangeably to talk about the difference an organisation makes to an individual, a group of individuals or a whole community. Among multi-purpose organisations there is a developing interest in refining the use of the word 'impact' to mean long-term change in the wider community.
- *Contribution:* A discussion on impact needs to be cautious about over-claiming the effect that any one organisation or intervention may have on a complex social problem. Hence, it will be important to consider the effect of other organisations and networks, and to recognise an organisation's contribution to – rather than total responsibility for – positive, negative or indifferent impact.¹⁴

The study recognises that much has already been achieved in the adjacent areas of outcomes and impact assessment. We expand on these areas in a separate discussion paper,¹⁵ which examines the work of other organisations including Locality (formerly bassac and Development Trusts Association), Community Matters and Charities Evaluation Services.

¹² Aiken, M. (2009) *Impact of community anchors: towards a conceptual framework for research: discussion document*, London: IVAR

¹³ See for example, Paton, R. (2003) *Managing and measuring social enterprises*, London: Sage

¹⁴ Pawson, R. and Tilley, N. (1997) *Realistic evaluation*, London: Sage

¹⁵ Aiken, M. (2009) *Impact of community anchors: towards a conceptual framework for research: discussion document*, London: IVAR

Chapter Two

Our approach

The aim of this project was to develop and then test out alternative approaches to impact assessment in multi-purpose organisations. We wanted to be free to explore several lines of inquiry and saw collaborative action research as a suitable framework to manage this process. In this chapter we summarise the steps we took to achieve this aim, explain who took part in the research and outline the data we collected.

2.1 Steps in the process

The two main phases to our project were inquiry and action. Out of this process, we developed a suite of three approaches to impact assessment, each one offering an alternative perspective on the difference that an organisation makes to communities.

Why narratives mattered in this project

Study participants found it very difficult to focus on impact: they found it much easier to talk about *how* they thought multi-purpose organisations were able to make a difference to communities, than to say *what* that difference was. We encouraged participants to tell stories about their organisations; in these stories they could blend their understanding of how organisations make a difference with insights into the actual difference they are making. Discussing and analysing these narratives helped us understand three things: how multi-purpose organisations work; how this enables them to make a difference; and what difference they make to communities.

2.1.1 Phase 1: Inquiry (September 2009 - March 2010)

In September 2009, an 'open space'¹⁶ attended by all the researchers and participants from the nine organisations asked: '*How do we assess our impact?*' and '*What are the issues?*' Our discussions generated themes, which, if explored further, might help us understand more about the impact of multi-purpose community organisations and how to assess it. Participants formed three inquiry groups, according to the theme that they wished to explore in more detail. Each group met twice with facilitators from the research team. The three themes were:

- *being there*: the value of having a physical presence in a community
- *innovation* and what this means for communities
- *doing whatever is needed*: organisations being driven by what communities need and want, rather than by funding opportunities.

¹⁶ Open space technology was invented by Harrison Owen in the late 1980s and is explained by Burns (2007) as follows: '*an open space session invites people to stand up and name a conversation that they would like to have.*' The process is underpinned by two principles: that '*the right people are the people who are there*' – in other words, that the quality of the discussion is not related to who or how many people take part; and the '*law of two feet*' which encourages people to find another conversation to join if they are no longer '*stimulated*' by the one they are in.

This phase concluded in March 2010 with a second 'open space' to reflect on the inquiry groups' conclusions and plan a series of actions where we would try out alternative approaches to impact assessment.

2.1.2 Phase 2: Action (May 2010 - September 2010)

We developed three different approaches to impact assessment: relationship mapping; stakeholder appraisal and local economic analysis. Participants then reformed into three new groups according to the approach they were interested in trialling in their own organisation.

During this phase, participants worked closely with the researchers, but not with one another. Peer research and information exchange were hard to coordinate, possibly because this phase coincided with intensifying pressure on organisations around the time of the general election. For this reason, we arranged a peer learning event for participants to exchange information and views about the three approaches.

2.2 Participating organisations

Nine multi-purpose community organisations took part in this research. We wanted a mixture of multi-purpose models and used organisations' affiliation or non-affiliation to the main membership bodies (bassac, Development Trusts Association¹⁷ and Community Matters) as a proxy. Our cohort comprised, therefore, three development trusts in Bradford; three settlements in London; and three organisations in Exeter, because they offered a semi-rural perspective and/or because they fell outside the membership organisations altogether. The type, number and condition of the buildings the organisations own, manage or use are varied – for example, one organisation described their building as: '*a large rotting hut*'; another occupies a heritage building, the Old Mortuary in Rotherhithe; several are located in converted houses; and just two have modern, purpose-built premises.¹⁸

All nine organisations perceived impact assessment as difficult – some said it was harder than assessing outcomes of particular programmes and possibly not feasible. Nevertheless, they all believed that it was very important to attempt it. Few had introduced any of the currently available tools for impact assessment¹⁹ in their own organisations. They were not convinced that investment in these tools – in the form of staff training and introducing new systems – would produce sufficient benefits to their organisations. All the organisations said that they collected monitoring data and most were assessing outcomes in at least some of their work, if not across the whole organisation.

Members of the research team visited and interviewed all nine organisations during summer 2009 to learn more about their work and to explain the research.

2.3 The data

Over the course of the project, we collected data from:

¹⁷ bassac and the Development Trusts Association have since merged to form Locality.

¹⁸ The Communitybuilders Fund was announced during the course of the research, and some participating organisations embarked on a process of feasibility studies for capital works on their buildings.

¹⁹ Such as Community Matters' VISIBLE framework or the Development Trusts Association's Membership Healthcheck.

- interviews with staff and trustees of the nine participating organisations
- three open space and peer learning events with participating organisations
- six facilitated inquiry groups with participating organisations
- nine impact assessment studies in participating organisations
- proceedings of five researcher and practitioner seminars where we shared and discussed our approach and findings.

We reviewed and discussed all the material we collected at key stages with participating organisations, funders and peer researchers.

Chapter Three

Findings: characteristics of participating organisations

We did not expect to write a chapter on organisations' characteristics. But in the course of the study, we found that every conversation about impact began with a discussion about what is special about an organisation – for example, *'they've been around for 100 years'* or *'the building is a special place for everyone that lives here'*. Only after exploring these characteristics did our participants begin to describe the actual difference the organisation makes. For example, a conversation might run as follows:

'They've been around a long time, so local people and public bodies trust them, so they have been able to negotiate local improvements or a new service.' Study participants might then go on to say: *'The area now has a clinic in a deprived neighbourhood, so baby immunisations have risen.'* At this point, they might qualify their answers by saying: *'Clearly, one community organisation cannot take credit for this change, but they have been instrumental in the change.'* Finally, they might say that the community organisation *'has been instrumental in making the change work: they knew where to locate and run it so that it would attract the mothers who were not previously getting their babies immunised.'*

In this chapter, we attempt to reflect what participants told us about the characteristics of multi-purpose organisations and then relate these to their ability to make a difference to communities.

3.1 Mission and values

Study participants said that the participating organisations pursue their mission and enact their values in their day-to-day work by asserting their independence, treating all people well and using innovation and enterprise to help them stick to their mission and values.

Participants stressed the potential for a mutual exchange between their organisations and local people: *'Our service users are often acting as volunteers. There is a mutuality there.'* Getting involved with a local community organisation through using services and helping out could be beneficial: *'It's a place where people who feel like they're not useful come and feel useful.'* They also said that it was important that people are treated well, whatever their reason for walking through the door: *'We will never turn anyone away.'* For this reason, organisations were conscious of the value of having someone on reception at all times, although this was hard for all organisations and indeed was impossible for some.

Through Bede House's Inside/Outside Project, volunteers who have learning disabilities visit, with the help of a Bede Support Worker, local housebound and frail elderly people to do odd jobs that the householder cannot do. Both parties benefit and contribute. The volunteer learns skills and has the satisfaction of making a genuine contribution to their community; the householder knows they are helping a very disabled person get on in life, and gains a similar satisfaction from being useful and helping others. This is volunteering for mutual benefit between groups of people who often feel they haven't a useful role to play in society.

3.2 Rooted in the area

These organisations are rooted in communities; they have the trust of local residents and the confidence of elected officials and professionals because they are perceived as committed to the community in the long term, and *'not just [in it] for a photo opportunity.'* Each organisation's presence in the local area was not merely physical; rather, it was woven into the social fabric of the area. For example, older organisations told of several generations of the same family volunteering, working and participating in an organisation, while a newer organisation told us that they are based in an old school house, which local people remember with fondness and where weddings have been celebrated in the past.

Participants considered that this history meant local people trusted the organisation and perceived it as knowledgeable about what the area needs and the best way to meet these needs. Specifically, study participants said that organisations' insights into local social, economic and environmental needs enabled them to spot what is needed and address it either directly or through influencing others:

'It was run by women, all women. Two mums had set it up 16 years ago. There was a feeling of "doing something", which I liked. I've inherited 17 years of history.'

3.3 Identity

All the organisations suggested that their strong identity helped them make a difference to the community. A strong identity means different things to different people: while some might know an organisation by the building it occupies, others might know its name or nickname, and still others might just know the particular part of the organisation that they use, such as a club or drop-in facility. Participants said that this mattered less than the community's perception that an organisation is *'a place where good things happen.'* This was reflected in the fact that participants indicated that, regardless of the kind of property they occupied, all the organisations paid close attention to *'the feel of the place'*, to ensure it provided a welcoming environment. In some cases, this had led to public sector services – for example, job centre, probation and health services – being delivered in community settings in order to destigmatise them or make them more accessible.

3.4 Capacity

Participants talked about having capacity in the form of: finance and core administrative staff; multiple services and arrangements to fund these; and/or capacity to participate in strategic debates taking place outside the organisation that affect the community. Participating organisations said that this capacity was part of what enabled them to continue to meet people's needs – especially severe and entrenched needs such as women seeking to leave a violent home – when funded programmes come to an end:

'Multi-purpose community organisations can look at the spaces between their services.'

'If we don't do it, nobody else will, and the community will suffer.'

3.5 Community development and innovation or enterprise

Participants agreed that innovation was underpinned by the following two sets of principles:

- community development: *'What is needed locally and how can we find ways around current constraints to achieve this?'*
- community empowerment: *'How can we convince local people that change is possible?'*

In the context of multi-purpose organisations, this is what innovation meant: *'one person's innovation is another person's common sense'*.

3.6 Relationships

'Lots of organisations offer services to people facing hardship and carry out community-building activities. What characterises the [community organisation] is that we overlap the two.'

Multi-purpose organisations develop and sustain relationships with and between people, groups and organisations in the community that coalesce around social, economic and environmental problems and that cut across sectoral, organisational and cultural boundaries.

Participants said that strong networks of relationships are helping community organisations to pursue their mission, because these links open doors to new partnerships and opportunities that can keep them on track.

A multi-purpose organisation in Bradford found that other organisations were more constrained by regulation than them when it came to kick-starting community-led initiatives. They learned that they played a significant role in developing and championing ideas for change with the community, while also working in partnership with public sector bodies to facilitate their involvement in ways that did not contravene local or national policy.

Chapter Four

Findings: evidence of impact from a relationship mapping perspective

This chapter focuses on an approach to impact assessment that uses visual maps of organisations' relationships and narratives to uncover the ways in which they make a difference to communities.

Three of the participating organisations chose to test the relationship mapping approach to impact assessment. They wanted to investigate whether there is a connection between their ability to create and sustain links with local people, groups and organisations on the one hand and their contribution to the implementation of successful welfare programmes on the other.

In this chapter, we explain our approach, present our findings and discuss the strengths and challenges of this approach.

4.1 Our approach

4.1.1 Step 1

Researchers facilitate a participatory workshop with staff, trustees and volunteers to: develop a shared understanding of the purpose of the study; share ideas about the difference the organisation makes to communities now and its future strategic direction; and agree a focus for the study – for example, the organisation's work with children and families, or its contribution to an area's regeneration.

Next, the group creates a giant visual map of its relationships with local people, groups and organisations, and populates the map with reflections on the impact it can achieve through these different relationships. Out of the discussions and the maps, the group evolves a series of ideas and questions that will be tested in fieldwork with local people, groups and organisations outside the study organisation.

4.1.2 Step 2

Researchers interview a sample of local people, groups and organisations about their links with the organisation being studied and the difference the organisation makes. The sample may include public and voluntary and community sector (VCS) organisations as well as local businesses.

Staff, trustees and volunteers select one or more events to listen to the views of the people who use their services, activities and facilities. Some training may be necessary.

4.1.3 Step 3

The researchers anonymise the material and produce a rough synthesis. Then they facilitate a participatory workshop to review and discuss all the material that has been collected and to plan the study report. A final report is either written by the researchers or co-written by the researchers and the organisation.

4.2 Findings

4.2.1 Links with people, groups and organisations across all sectors

We learned that multi-purpose community organisations:

- work across organisational, sectoral and professional boundaries – for example, relationships with the public sector are a prominent feature
- forge links with local individuals, such as activists and councillors, who show commitment to the community and have influence in and outside the community
- develop relationships around themes that are important to local people, such as policing, health, work and family support
- form links with local networks and partnerships over the long term.

4.2.2 Strong relationships within the community

Multi-purpose organisations undertake multiple activities, which create and strengthen relationships across the community. They do this by bringing together:

- like groups – such as parents of children with learning disabilities or people with learning disabilities – to reduce isolation, raise confidence and begin to link them to services, activities or facilities that may interest or help them
- diverse groups of people through cross-cutting activities like volunteering or intergenerational projects, that engage people of different backgrounds and life experiences – for example, those who are in work with those who are not; people from different ethnic backgrounds
- people who have nowhere to gather, because they live in small homes and there are few affordable places to go – one organisation said that providing space for children's parties was important because, *'You can't have a party in a small flat. This makes people feel isolated.'*

A London organisation uses volunteer pathways for local people as a way of bringing diverse groups together. For example, a group of women who attended the organisation's English for speakers of other languages (ESOL) group have become volunteers in the organisation's elderly people befriending scheme. This initiative achieves a mix of generations and ethnicities while giving the befrienders a chance to practice their language skills and providing a boost to the number of befrienders.

Another London-based community organisation used its links with primary schools to tackle a local problem. Staff were aware that many elderly people were becoming isolated and lonely because their children and grandchildren had moved away due to a shortage of affordable housing locally. As one trustee and volunteer put it: *'You'd be surprised at the number of older people who love knitting but have no one to knit for.'* Now, local elderly people come together to knit seasonal toys such as Easter chicks and Santas for sale at the local primary school fairs. This initiative brings together older people and children and uses the local school as a focus for the activity.

4.2.3 Community-led provision of services, activities and facilities

Organisations lead or participate in activities that ensure that local services, activities and facilities are shaped by the needs and wants of local people. This function includes convening:

- networks of community groups around themes of interest
- networks of practitioners, including public sector workers, around a particular theme – such as family support workers or VCS children’s centres
- or contributing to networks of tenants’ and residents’ associations on mixed tenure estates where the existence of multiple social landlords means it can be hard even to *‘get the lamp post fixed’*.

4.2.4 Securing local investment

Securing local investment in services, homes or infrastructure is a complex process involving many different organisations, making it very difficult to isolate the contribution of any one organisation. Our study found evidence that participating organisations use their knowledge and relationships to influence what changes are made to the physical environment and how they are made. Participants said that multi-purpose organisations:

- secure the interest and commitment of influential individuals, including elected members and activists, to ensure that the community does not remain a *‘forgotten patch’*
- ensure that decision makers are well informed about the needs and interests of local people: *‘We sat around the table making decisions on relatively live intelligence: taking [deprivation] indices and pinning them down to streets’*
- ensure that housing, infrastructure and public space are all developed in ways that are sensitive to the feelings of communities about the prospect of change: *‘... It has happened partly because of the time that [organisation] has put into the partnership work and the conversations that [organisation] has had with residents. They’ve told the local authority what is acceptable and what the limits are ... [They are] making sure that people aren’t panicked by them’*
- ensure that public bodies are held to account over the long term and do not forget any commitments they make to the community about what will be developed and how this will be achieved.

In South London, a multi-purpose community organisation is a partner in a local neighbourhood renewal programme. Other partners in the programme said that the organisation had been able to provide ‘live’ intelligence about what the community wanted and needed from the regeneration process. In particular, they pointed out that the community organisation had the capacity to run a major consultation process. They also noted that, while staff in the other partner organisations had changed over the course of the programme, the community organisation had remained involved throughout, and was seen as a powerful conduit between the community and the regeneration partners, reminding officials of the commitments made to the community following consultation and advising other partners on how to make the programme work.

4.2.5 Facilitating access to services, activities and facilities

We found evidence that organisations ensure that communities can access the services, activities and facilities they need by:

- integrating their VCS services with those delivered in the public sector – for example, by adopting common assessment frameworks
- hosting services in their own buildings that may be stigmatised or intimidating when delivered elsewhere
- building confidence and aspirations among local people who have not accessed services in the past.

In South London, a community organisation was able to use links with local partnerships to persuade the police to stop rotating police sergeants between neighbourhoods and allow each neighbourhood to retain officers over the long term.

4.3 What we learned about impact assessment

This relationship mapping approach made impact accessible to participants by using visual images and narratives as a way into the subject. The process was able to dovetail with participating organisations' wider strategic development processes and could build on existing opportunities to introduce impact assessment exercises. Participants thought this approach could be documented and used by other organisations fairly easily.

Our main challenge was identifying suitable participants for Step 2 of the process, where we were looking for people, groups and organisations to interview in order to build a picture of the organisation's impact from many different perspectives. Some interviews yielded very little useful material, because participants found it so hard to focus on impact even with the use of visual imagery and narrative devices.

Chapter Five

Findings: evidence of impact from a stakeholder appraisal perspective

In this chapter, we describe an approach to impact assessment that develops and tests stakeholders' views about the difference an organisation makes. Below, we describe our approach, our findings and what we learned about the strengths and challenges of this approach. Three organisations undertook some form of stakeholder appraisal.

5.1 Our approach

We worked with participating organisations to ensure that the tasks involved in a stakeholder appraisal were organised around existing relationships, networks and events or other opportunities where stakeholders already meet. This means that the process varied in each organisation. Here we identify the main steps that we took.

5.1.1 Step 1

Staff and trustees join a participatory workshop facilitated by the researchers. In small group exercises and using visual techniques, participants articulate their own perceptions of the organisation's impact and identify stakeholders outside the organisation to take part in the research. These stakeholders may include local people, groups and organisations from the voluntary and community, public and private sectors. They also identify existing relationships, networks and events where stakeholders may gather and where some of the work may be carried out.

5.1.2 Step 2

In a combination of interviews and facilitated discussions, the researchers (and staff) develop and test stakeholder perceptions of the difference the organisation makes. This takes place, as far as possible, within existing networks, events and other opportunities – for example, during a board away day or training day, a community event or a network meeting of local community groups.

5.1.3 Step 3

Researchers facilitate a second participatory workshop at which staff and trustees, who have developed their understanding of impact assessment through participation in the earlier workshop, review all the collected material and plan how to report the findings.

One of our participating organisations was threatened with closure due to a lack of funding. More than 600 letters of protest were sent to the statutory authority with responsibility for funding decisions. Anonymised copies of the letters, written by local residents and professionals, were obtained and analysed.



Members of a board of trustees plot their views about the difference their organisation makes onto a map of the geographical area that they cover.

5.2 Findings

5.2.1 Strong community infrastructure

Participants said that their organisations support other organisations and initiatives by providing: physical space; financial support; networking or partnership opportunities; in-kind support; start-up and development support. They also share risks, lend reputation or track record to a partnership and bring in potential clients.

'Multi-purpose organisations can do more through supporting groups.'

'One of the roles of the [organisation] is to act as an enabler and to maybe draw down resources for the whole area that the smaller organisations couldn't access on their own.'

Examples of this kind of support include:

- waiving or reducing rent for community organisations
- accessing funding for community initiatives
- entering into partnerships with smaller organisations
- providing insurance or asbestos surveys for organisations that cannot afford them
- supporting organisations through crises such as arson attacks.

According to participants, these forms of support are the key to ensuring that local people have an appropriate, diverse and responsive range of services. For example, one participant said that *'Staff have worked hard over the years to provide our community with vital services.'* Participants also said that the local services and initiatives produced by such support bring benefits to local people, such as: crime

reduction; better health outcomes for families; higher aspirations; and training and volunteering opportunities, which lead to better economic prospects.

5.2.2 Healthy, confident, resilient communities

'People have an opportunity to experience fulfilment of their physical, emotional and mental health needs, all of which are available at the one centre.'

Participants said that, for community health and confidence, it was important to be able to access education, training and health services without the inconvenience of travelling outside the area. They said that having health services *'on their doorstep'* reduces anxiety and leads to better attendance rates. One participant summed up the impact of having local community-based health services as: *'Increased wellbeing generally through reducing the disconnect between community and health; a subliminal sense of wellbeing with services being delivered locally.'*

Having a range of services delivered locally, in some cases from new, purpose-built community premises, also has an impact on an area's reputation and community pride: *'Patients come in from out of district ... to use services and are impressed with the service, and change their views of the area – it raises the prestige to have something here that is better than what is in [name of nearby city]!'*

For some communities, study participants said, the multi-purpose community organisation was the sole or main provider of services, activities and facilities. Participants in those communities commented that the removal of such an organisation would have a significant negative impact: *'A town with so few social resources can hardly stand to lose one, especially one as useful as the centre.'*

Stakeholders talked about the difference they had seen over time in communities – whether that was about heightened aspirations of local residents, or an enhanced ability to cope with difficult times. A common theme was supporting communities through tough times and developing new opportunities.

5.2.3 Connected and cohesive communities

Participating organisations were described by study participants as diverse and non-judgemental. They all provide services of many kinds and operate in a connected way, enabling people to meet and support each other. These attributes were considered by participants to be particularly important in supporting intergenerational contact and helping to keep families together.

Another key activity in this process is matching provision to need. The cross-fertilisation of ideas and sharing of information leads to the articulation of community need and the way in which services, groups and initiatives are able to respond to that need and reduce duplication.

Because these multi-purpose organisations are embedded in their communities, they are able to act as a source of local information: staff know what is happening, where and when, and are able to make links across to other services for clients.

All three organisations work across the sectors: a community centre run by one of our participating organisations plays host to three charities, two public sector providers and two businesses. Although each sector has its own networks and sources of information and funding to exchange and spark off ideas, sharing ideas

and information breaks down barriers and challenges perceptions. Other sectors seem more approachable and real by existing in the same space, or being connected by the one organisation.

Study participants described all three organisations as contributing to community cohesion through:

- gathering people together from different backgrounds and organisations onto the Board of the community association: *'Organisations in the area used to be insular and parochial, and [organisation] has helped to get rid of a lot of that'*
- enabling new residents to settle into a new community: *'... [residents] have found our local community centre a lifeline in terms of settling in, meeting people and really becoming part of the community.'*

At the Newlands Community Association's (NCA) Thorpe Edge site there were problems with an area of land at the end of a track that is used for illegal activities on evenings and weekends, causing a nuisance to local neighbours. The NCA decided to close this road and therefore get rid of the problem area without having to pay up to £5,000 for an application to the Highways Department. However, the NCA consequently discovered that the neighbouring Rockwell Community Centre wanted to extend its car park onto this land, and that an application to extend the car park would cost only £500. Crucially, it would also mean that the road would have to be permanently closed, leaving the NCA with an area of green land that is inaccessible to cars.

The NCA consulted a local environmental service, BEEs (Bradford Environmental Education Service), who suggested converting the area into a forest garden, providing local residents with fresh fruit and vegetables, an attractive area for walks and space to learn about horticulture. Local schools also became interested in the idea of the forest garden and asked to be involved. The plans are now being progressed and the NCA has been approached by a local housing association that wishes to work with them to create some eco-housing in the area and develop the green space. Many other stakeholders have also become interested. This has all developed from wanting to close a troublesome road.

5.3 What we learned about impact assessment

This approach begins by developing the board of trustees' understanding about impact assessment, making them better placed to review and act on the findings when the whole process is complete. Linked to this, the approach can be embedded in an organisation's wider governance and management processes. It can be seen as an incremental approach to impact assessment that is undertaken in stages and over time. The visual techniques we developed help to make impact assessment accessible to all participants.

This approach gathers stakeholders' perceptions. One result was the discovery that some organisations have a problem of recognition – a tenant organisation, for example, may not always be aware of its host organisation's role. A discussion with funders suggested that our findings might be reviewed against local social, economic and environmental data to shed light on the contribution of multi-purpose organisations.

Chapter Six

Findings: evidence of impact from a local economic perspective

This chapter looks at the relationship between multi-purpose organisations and the local economy. We begin by describing our experience of applying an approach developed by the new economics foundation to this context. Then we explain what we learned about the difference multi-purpose organisations make to the local economy. Finally, we analyse the reasons why this approach, while highly productive in some contexts, may not have been appropriate to this study.

Three of the participating organisations chose this approach. Each had a different approach to income-generation, participating in the local economy and engaging with business and social enterprise. This made the task of developing the approach quite challenging and meant that we learned less than was possible with the two approaches described in Chapters Four and Five.

6.1 Our approach

This approach was very different from the ones described in Chapters Four and Five, which were co-designed with the participating organisations. Here, we used the new economics foundation's 'local multiplier 3' (LM3) approach, which was designed for organisations wishing to examine their contribution to the local economy. LM3 begins by looking at the money an organisation has coming in; focuses on the amount it spends within the local economy; and finally considers how and whether that money is re-spent locally.²⁰ The approach was supplemented by some additional information gathered from participating organisations and the local people, groups and organisations that they work with.

6.1.1 Step 1

In a participatory session, the organisations shared and discussed their perceptions of where they were affecting the local economy; they also learned more about the LM3 approach. Critically, they had to determine what, for the purposes of the LM3, they would call their 'local' area.

6.1.2 Step 2

Participating organisations identified their income source (Round 1); broke down their spending within the local area (Round 2); and then surveyed staff and businesses to find out how they spent their incomes locally (Round 3).

6.1.3 Step 3

Participating organisations assessed the evidence they had collected and considered what gaps remained. They collected additional information about unrealised income in the form of below-market (and occasionally waived) rents for venues, facilities and

²⁰ If you add up the money spent in each of the three rounds and then divide by the amount of money from Round 1 then you get a 'local multiplier'. The local multiplier is between 1 (no money spent locally) and 3 (all money spent locally). In reality, due to spending on taxes and utilities the maximum local multiplier an organisation could expect is 2.2. More information on the LM3 approach can be found at www.nef-consulting.co.uk

office support charged to community groups and organisations that provide services for local people.

6.2 Findings

Although many of the programmes run by the participating organisations address the causes and symptoms of poverty, their impact on poverty often extends further – for example, they can act as a significant employer of local people, as well as a purchaser of goods and services in the community.

6.2.1 Contributing to the local economy by spending locally

All the organisations saw sourcing goods and services locally as an explicit part of their mission. This meant they always made the effort to spend and hire staff locally where they could:

'We are an anti-poverty charity and you can't do that without an awareness of economics and understanding the local economy.'

The ability to spend locally comes from detailed local knowledge of what is going on in the area. One organisation, that spent 67 per cent of all its supplier costs locally, commented: *'I find local suppliers generally through word of mouth, a process of osmosis.'*

Employees' local knowledge also means that they spend a lot of their salary in the local area, even if they don't live locally. For all the organisations, local spending increased the local multiplier significantly. In one organisation, 40 per cent of the salaries paid to local staff was re-spent in the local area.

Our study identified the following barriers to local spending:

- Some statutory funders specify that refurbishments or other services must be carried out by a named contractor, thus preventing community organisations from using their local knowledge to source locally.
- If a service requires highly specialised skills, such as advocacy, then it may not be possible to find those skills locally and so the organisation will have to hire outside the local area.

6.2.2 Attracting and retaining community groups and organisations

Participating organisations subsidise the rents of their tenants by charging less than market value. This 'unrealised income' means that certain tenants are then able to deliver cheaper services or, in some cases, stay afloat financially.

An Exeter-based organisation has long had a policy of explicitly supporting start-up businesses and small community groups that will never earn enough to pay competitive rents. It subsidised its tenants by a total of £4,430 last year. One small business owner for whom the subsidy constituted nearly 20 per cent of her turnover commented: *'It is a deprived area and people don't have a lot of money. The subsidy ... allowed me to continue to do classes and get people in who could pay.'*

6.2.3 Attracting and retaining local business

Organisations that run several services or have several tenants bring a critical mass of business to one place. This means that local people start to view that organisation as a centre for doing business and finding out what is going on in the community.

'The Ockment Centre is very much a community thing. You don't feel intimidated. It's the place to find out what's going on.'

Bringing in business and employees from outside of the local area also benefits the local community by breaking down the stigma about a particular area.

'Other people are scared to walk through Peckham at night, but I know the kids who are with their hoods up so I don't feel intimidated.'

For-profit and public sector organisations are encouraged to bring their businesses to community organisations because they feel that they share their values.

'We would rather put the money into a community enterprise. Serving the community is really important, helping communities to sustain themselves.'

When Action for Business Ltd (ABL) in Bradford was set up in 1992, there was very little business activity in the area. ABL started hiring out its rooms as a party venue and was extremely popular, as there was nothing else like it in the area and they were able to offer good rates. As people came to see the area as a place for events, more businesses offering venue hire started to open. ABL now has a hard time getting all its space booked, but as their chief executive notes, *'It's great to have some competition, it means what we're doing is working.'*

6.3 What we learned about impact assessment

The process of discussing, carrying out and reviewing our approach produced insights into the way multi-purpose organisations interact with the local economy. But the information generated from the LM3 exercise itself was of limited benefit to the organisations. We believe this is because the context in which we applied LM3 was not suitable. In addition, it can be challenging to ask people for information on how they spend their money. In particular, private companies were often not interested in the process and did not want to give financial information.

Nevertheless, through a process of facilitated discussion and review, this approach gave the organisations a chance to think about their mission to tackle poverty from a new angle. By assessing the gaps left by the LM3 exercise, we identified a need to calculate unrealised income from tenant organisations and other local groups or organisations that they support.

Chapter Seven

Discussion of key findings and principles of impact assessment

In this chapter, we summarise four key findings about the difference that multi-purpose community organisations make and five key findings about what we have learned about assessing the difference that they make.

The chapter, and our report, concludes with three principles for helping to ensure that impact assessment can be appropriate, meaningful and proportionate to the requirements of organisations, their funders and other stakeholders.

7.1 The difference that multi-purpose community organisations make

Our study uncovered evidence of participating organisations making a difference in the communities and areas where they work. The findings that we present below are drawn from multiple lines of inquiry and multiple participating organisations.

Our main focus was on the *positive* things that organisations do to make a difference; we did not focus on their perceived weaknesses. However, through the various strands of our inquiry we were able to identify some recurring challenges for participating organisations – for example, the fact that their desire for locally based services run by, with and for local people could be hindered by the necessity to compete for contracts covering a wider geographical area and the dwindling financial support for community development work; or the fact that their commitment to making services accessible and available to the wider community could be hindered by a lack of core funding to employ reception staff.

We identified four ways in which multi-purpose organisations make a difference. These are discussed in the sections below.

7.1.1 Tackling deprivation

Implicit in the mission of all the participating organisations was the desire to tackle deprivation and to prevent communities from becoming the '*forgotten patch*' in the local area. Study participants said that their organisations:

- champion the needs of their community through strong links with prominent local people, including activists and councillors, and participation in wider investment initiatives such as regeneration partnerships
- seed new community groups, for-profit and not-for-profit businesses
- facilitate the delivery of health, social care, employment and justice services in locations where people can afford and want to access them – this was especially important for stigmatised services (such as domestic violence) and essential healthcare (such as immunisations)
- recruit staff and source suppliers locally when they can.

Nevertheless, their efforts can be hindered. As the voluntary sector becomes increasingly professionalised, some organisations find it hard to recruit suitably qualified staff locally, although some have developed volunteer pathways to at least partially address this situation. In addition, some funders have specific criteria for suppliers, which rule out local businesses and social enterprises.

7.1.2 Integrating services

All the organisations were well practiced in finding ways to '*paper over the cracks*' between different funding programmes, enabling them to sustain their services, activities and facilities in the long term. Participants also said that their organisations:

- work across the public, private and voluntary and community sectors
- convene thematic networks of cross-sector frontline staff – for example, to compare approaches to early years provision or parenting support
- convene thematic and area networks of cross-sector leaders
- exchange policies and procedures across sectors – for example, to align client assessment processes
- host services and activities delivered by people, groups and organisations from the public, private, voluntary and community sectors
- use their own governance structures to facilitate cross-sector exchange through their boards of trustees.

Research participants said that these measures helped to ensure continuous services for people with very acute needs, and enabled coordination of activity in areas where several organisations operate, such as estates with more than one social landlord.

7.1.3 Offering stability

All the communities that the participating organisations support have a history of facing stress and change in relation to social, economic and environmental factors. Participants said that multi-purpose organisations are stable bodies that help communities through difficult times and make large-scale interventions, such as regeneration, work in practice. Participants said that organisations achieve this by:

- anticipating and tracking the effects of social, economic and environmental change on communities
- facilitating community consultation processes and ensuring that community views and commitments are not forgotten – for example, one organisation had been asked to lead a major community consultation about regeneration
- allowing their services, activities and facilities to evolve according to the needs and wants of local people, and in response to external social, economic and environmental change – for example, one organisation had strengthened its links with employment services in anticipation of local redundancies; another had responded to their ESOL students' desire for more community involvement by inviting them to become volunteer befrienders
- supporting VCS groups and organisations through collaborative arrangements including: sharing back office functions; risk-sharing initiatives such as providing insurance; or supporting organisations during short term crises
- participating in wider meetings, forums and strategic partnerships
- communicating the views and experiences of local people to public bodies
- working with decision makers to develop ways to address local views or issues
- sustaining a commitment and interest in processes over the long term.

7.1.4 Building confidence

Study participants said that multi-purpose organisations boost the confidence of local people by increasing local pride and reputation and bringing people together to create stronger, more cohesive communities. In particular, participants said that organisations:

- bring together diverse groups of people through services, activities and facilities as well as interventions such as volunteering and intergenerational opportunities
- offer services that are non-judgemental and stigma-free so that local people can get the help – for example, from probation, domestic violence and employment services – that they need without embarrassment
- create opportunities for people to have fun together by offering party venues and arranging community events
- facilitate the delivery of good quality services and, in some cases, attract people from other areas who wish to access services that they see as superior to their own
- improve the physical appearance of the area through the transfer and improvement of unused properties.

7.2 What we have learned about impact assessment

In this section we present our findings about the process of impact assessment. Our discussion is rooted in: earlier research and writing about impact; the data that we collected during this study; and contemporary policy and economic contexts where impact assessment remains a prominent issue.

7.2.1 Assumptions and the evidence

We began this study with two assumptions. The first was that multi-purpose organisations want to capture and describe the difference that they make; we called this ‘impact assessment’. Our evidence confirms that the challenge for practitioners is not *whether* this is a worthwhile exercise, but *how* they can do it in ways that fit their mission and values. Our second assumption was that multi-purpose organisations agree with funders and policy decision makers that accountability is important. Our evidence suggests that organisations want to assess the difference they make in order to be *accountable* to funders and beneficiaries: *‘It’s good that we are questioning ourselves. If we want to continue doing what we’re doing, we need to be accountable.’* They also want to *learn* about their work to inform strategy.

7.2.2 Key findings about impact assessment

We can highlight five key findings about assessing impact in this context.

i. We can live with different definitions: dialogue matters

At the beginning of this study, we made some decisions about how, for the purposes of this study, we would use the word ‘impact’. Nevertheless, throughout this study, we have been tripped up by terms and their definition, especially ‘outcomes’, ‘impact’ and ‘effectiveness’, because organisations and individuals use them in different ways. Furthermore, influenced by the language used by the participating

organisations, we have become drawn to phrases like 'valuing what matters' and 'making a difference'.

From this study, we suggest that, while it is problematic that we lack a shared understanding of terms, we can live with this by negotiating a shared understanding of terms whenever we work with others who may have different views.

Underlying this (surmountable) problem, however, is a deeper issue which funders and practitioners might explore together: *What is the question to which we believe impact assessment is an appropriate response?*

ii. We need a variety of approaches: context matters

In our collaborative action research process, we developed three alternative approaches to impact assessment, each offering practitioners and their stakeholders an alternative perspective on the difference an organisation makes. At the beginning of this study, we did not know what or how many approaches to impact assessment we would produce. But we did know that each participating organisation faced a different set of internal and external challenges, pressures and constraints which shaped the kind of impact assessment that they thought would help them to maintain and develop their work. In addition, the wider policy and economic context in which participants worked changed massively during the course of the research, affecting their own capacity and bringing urgent new problems to the fore.

Our reading of earlier research, our observations about what was driving our participants to engage with impact assessment (and the way this changed over time) and our discussions with funders about our findings all confirm that the context in which organisations operate is significant. As has been argued elsewhere, the transfer of measurement tools across different operating contexts is problematic and the notion of searching for best practice needs to be contested.²¹ Related to this, the notion of best practice in organisational effectiveness (to be applied in a standardised way across many different organisations) has been disputed.²² This existing research indicates that there is a need for a variety of approaches that can be developed and adapted to the needs of different organisations and their stakeholders.

The findings from our study confirm that the search for the *best* approach to impact assessment is unhelpful: there is no single approach that will be appropriate, meaningful or proportionate in every case. Instead, we suggest that practitioners and their funders ask themselves and one another the following question: *'In the current context, from what perspective (or angle) might we most usefully examine the difference we make?'*

iii. We need to reconcile bespoke and off-the-shelf approaches: a role for funders

We have argued that a search for a single metric is unhelpful, because it is not possible to produce an approach to impact assessment that is universally appropriate, meaningful and proportionate.

²¹ Paton, R. (2003) *Managing and measuring social enterprises*, London: Sage

²² Herman, R.I., and Renz, D.O. (2008) 'Advancing Nonprofit Organizational Effectiveness Research and Theory: Nine Theses', *Nonprofit Management and Leadership*, vol 18, no 4, pp 399–415.

Our study found that it is helpful, however, for organisations and funders to spend time thinking about impact and why impact assessment is on their radar – in other words, they should consider the purpose of the impact assessment exercise. All too often, a preoccupation with selecting an impact assessment *tool* can lead an organisation to undertake complex impact assessment that matches neither their needs nor their circumstances.

Furthermore, it is very time consuming for community organisations and even second-tier infrastructure organisations to pick through the multiplicity of approaches, marketing and promotional material about outcomes and impact assessment. We perceive a continuing role, therefore, for major funders as well as third-tier voluntary sector and local government infrastructure organisations to sift and explain the available approaches to impact assessment to their members or constituencies.

iv. *We want to see collaboration at the heart of the impact assessment process: a responsibility for researchers and organisations*

In our study we learned about three important conditions that we thought were linked to embedding impact assessment processes in the way organisations work. First, approaches to impact assessment need to be rooted in the way an organisation already works if they are to be manageable and meaningful. Second, organisations learn best when they manage and ideally co-design the process of thinking about what they do and how to look at it. Third, the scale of impact assessment work needs to vary according to an organisation's capacity to carry out the work and act on its findings.

'The process has been very useful; it's motivated us to think about other aspects of our work. We wouldn't have stayed in it otherwise.'

We did not think that any of these conditions could be satisfied unless those involved in carrying out research were working in close collaboration with the organisation. This is what we mean by 'embedding'. We identified two issues of particular importance:

- *Embedding in organisational leadership and governance:* Strong leadership and governance can make an impact assessment worthwhile, because the process will have strategic direction and support and because its findings are more likely to be heard, debated and acted upon. Weakness in these areas can undermine the feasibility and usefulness of impact assessment.
- *Embedding in organisational relationships with funders:* To encourage a shared approach to impact assessment, organisations and their funders might consider two key questions: *'Why and for whom is impact assessment being undertaken?'* and *'What are the necessary conditions before an organisation undertakes impact assessment?'*

v. *We want organisations to be free to tell a 'contribution' not an 'attribution' story*

Despite all the practically useful findings about impact assessment generated by our study, is it really possible or even worth attempting to tease out the impact of one organisation on a community when we know that change is rarely brought about by one person, one organisation, one action? For organisations (such as those in our

study) that are highly collaborative, it might be more appropriate to look at the part that they play in wider social, economic or environmental change in a community, rather than focusing on their individual organisation's impact. As one funder put it: '*It may be more helpful to tell a contribution story.*'

7.3 Principles for the design of impact assessment interventions

We conclude this chapter and our report with a set of principles for the design of impact assessment interventions, which, if followed, might overcome some of the problems that we have raised above. These principles are rooted in our study and in our reading of earlier research in this field. If applied, we think that they will guide organisations and their funders to assessing the difference they make in ways that are appropriate, meaningful and proportionate. The principles enable us to find a pragmatic way to reconcile the desirability of bespoke design of impact assessment and the financial realities that make this impossible to achieve in every case.

We propose three principles that may help organisations and their funders to negotiate approaches to impact assessment that are appropriate, meaningful and proportionate.

i. Impact assessment needs a clear rationale and purpose

This principle can guide organisations and their funders towards a decision about whether impact assessment is *appropriate*.

ii. Impact assessment needs to be fit for purpose

This principle can guide organisations and their funders towards decisions about whether impact assessment is *proportionate* to the needs and capacities of the organisation.

iii. Impact assessment needs to be jointly understood and designed by organisations and their funders

This principle can guide organisations and funders to ways of working together that will produce *meaningful* results for the organisation to act upon at the same time as meeting accountability requirements to the funder.

References

We reviewed a wide variety of documents about impact assessment before starting this project. Those documents are all referenced in Aiken (2009), which is listed below and is available at www.ivar.org.uk

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