



Reporting on the Impact Management Programme: a retrospective

CURIOS/ITY
SOCIETY

ACCESS
The Foundation for
Social Investment

SUMMARY

The Impact Management Programme (IMP) ran from 2016 to 2018 and offered support for charities and social enterprises seeking to “increase their ability to quantify, report on, increase and ‘get paid for’ their impact.”

Access funded this largely to provide support to those charities and social enterprises seeking to raise investments or contracts and whose impact management capabilities were a barrier to them being able to do so.

It was delivered for Access by a partnership led by New Philanthropy Capital (NPC) and it was co-designed by the sector to ensure it was user friendly and reflected organisations’ needs.

The programme provided tools, resources (including a website that had over 9000 visitors), and events and disbursed a total of £1.8m in grants to 40 charities, social enterprises and community businesses who were seeking investment or contract opportunities and looking for support with impact management. Grantees worked with approved providers to focus on whatever area of impact management they needed the most help with (for up to a year).

The programme delivered some promising outcomes, primarily around helping organisations to embed good practices around impact and increase their confidence in securing social investment and contracts.

Access made the decision not to fund the programme beyond 2018. IMP had deliberately created digital resources that could be used more widely and impact work was better integrated with other capacity building support, as is the case in the Reach Fund. (The Reach Fund is an Access-funded grant programme to which investors can refer charities and social enterprises to help them raise investment.) Based on its learning, Access also concluded that impact management capabilities were less of a barrier to accessing finance than the need to have a viable enterprise model.

¹ Access Foundation Impact Management Invitation to Tender, April 2016

Context of strong interest in the role of impact measurement and management in social investment

TWO HYPOTHESES

①

Gaps in impact management were a barrier to raising money through social investment and contracts

②

Increased demand for and understanding of impact from social investors would be beneficial

Impact Management Programme (IMP), 2016-2019 Capacity building for charities and social enterprises to:



QUANTIFY



REPORT ON



INCREASE



GET PAID FOR

IMPACT

IMP tested different approaches to accomplish this.

1. PATHWAY

Lighter touch support for VCSEs new to impact management, particularly smaller ones. Co-design included over 100 organisations from across England.

- Online resources had 9,100 users April 2018-19. Became part of Inspiring Impact
- Peer learning networks in six regions
- 1:1 support sessions

2. IMPACT FOR GROWTH

Grant funding for VCSEs to improve their impact management, for their time and consultancy. Combined with support, training and peer network.

40 organisations received an average grant of £44k. They were spread across England and worked on different outcome areas.

FUNDED BY:

Access £3.1m  Power to Change £0.2m

IN A SURVEY...



86% said that the programme had helped them improve their impact management to a great extent

100% felt more confident seeking social investment and bidding for contracts and grants

100% felt more confident seeking social investment and bidding for contracts and grants

DELIVERED BY:



WHAT WE LEARNT

- Impact management is valuable to VCSEs. It should be integrated into other work, rather than being a separate stream. (It's seldom the main barrier.)
- Improved understanding and implementation of impact data helps organisations adapt to the unpredictable – particularly true during Covid.
- Different delivery models worked for capacity building. Peer learning worked well both without and without grants to organisations.

WHAT NEXT?

- The programme is complete and digital resources created were passed on to Inspiring Impact
- Organisations seeking social investment can receive support, including on impact, through the Reach Fund, which is ongoing.
- There may be more work to be done with investors on their impact literacy.

PURPOSE OF THE DOCUMENT AND CONTENTS

This document is a data report from the Curiosity Society, Access' learning partner, that provides an overview of the Impact Management Programme (hereafter shortened to IMP) primarily from Access's perspective. It is not an evaluation. Rather, it consolidates findings from existing sources for three purposes:



To support Access's organisational memory about the programme including decisions made and lessons learned;



To enable the lessons learned to inform its current and future programmes;



For the wider interest of funders, investors, VCSEs and those that support them. Stakeholders interested in the role of impact management as it relates to social investment may find the findings and learnings helpful.

Curiosity Society would like to thank NPC and in particular Rachel Tait and Karen Scanlon for their help in providing documents and comments that informed this report.



FOR ACCESS PARTNERS

For those already familiar with and involved in Access-funded programmes:

- Reach Fund Access Points, Enterprise Development Managers at sector partners and Local Access partners are an immediate audience.
- The forthcoming Flexible Finance programme may also include some capacity building elements, so organisations applying or confirmed for this programme may find elements of this report of interest



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1. ABOUT IMP

THE PROGRAMME

The Impact Management Programme aimed to build the capacity of charities and social enterprises to grow their ability to quantify, report on, increase and 'get paid for' their impact.

"Our primary objective for this programme is to initiate, build and embed impact management capacity, capability and practice within organisations seeking to raise investment, contracts and other forms of funding. This is particularly where the gap in impact management capacity is a key barrier to the ability of those organisations to access those investment or contract opportunities."

Access Foundation Impact Management Invitation to Tender,
April 2016

The total budget for the programme was £3.3m, £3.1m from Access (about 5% of Access's endowment at that point in time) and £0.2m from Power to Change.

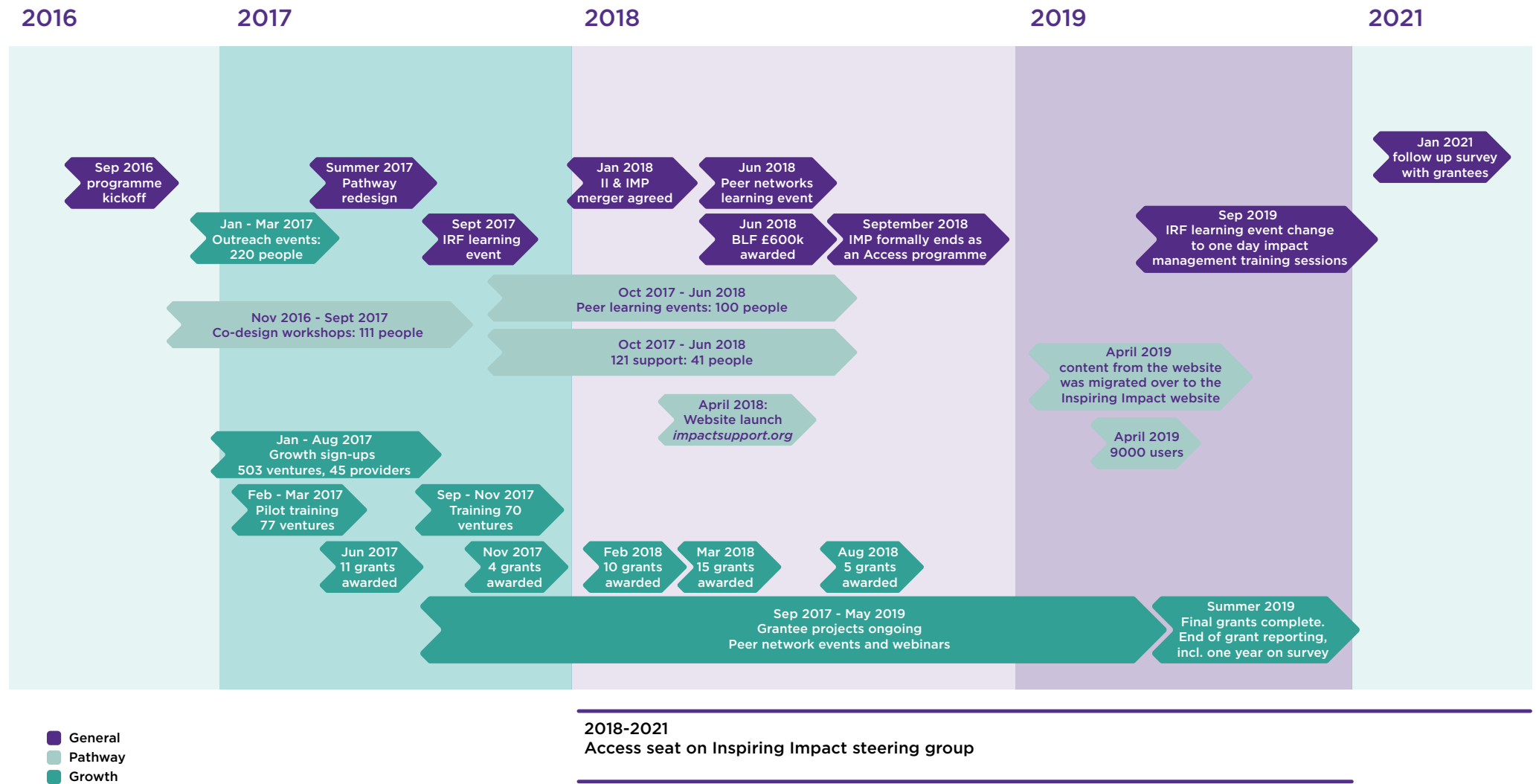
STRUCTURE

The Impact Management Programme included two strands: Pathway and Impact for Growth.

- **Pathway** combined several types of lighter touch support to guide charities and social enterprises new to impact management. Online resources would help them get started and develop a basic impact management framework; peer learning networks were run in six regions of England; and 1:1 support sessions were available. The tender imagined a minimum of 90 charities and social enterprises and 20 community businesses benefitting, due to Power to Change's involvement and funding. Organisations benefitting from the Pathway strand were likely to be smaller, with the assumption that organisations taking on social investment would be seeking less than £150k.
- **Impact for Growth** was for charities and social enterprises looking to improve their impact management in order to raise investment or win contracts. Grant funding was provided to help organisations develop the impact management systems they required to respond to investors' or commissioners' needs. It also included support and training, as well as the creation of a peer network. The target population was assumed to be more established than the Pathway strand and ideally would be looking to secure social investment or significant contracts for the first time.

IMP was one of Access's first capacity building programmes, starting in parallel with the Reach Fund, which opened for grants in October 2016.

TIMELINE



THE PARTNERS

IMP was commissioned by Access with funding from Access and Power to Change in May 2016. Following a call for proposals, the following partners were selected: NPC was the lead organisation for the programme and partners.



During the course of the programme, additional partners came on board:

- An independent chair, Sally Higham, was appointed for the programme.
- For Impact for Growth, 31 organisations joined an approved list of providers, of whom 20 worked with the grantees. There was also a grants panel.

THE PARTICIPANTS

The Pathway service was created using a co-design approach, described by NPC as “an iterative process of prototyping, testing and refining.” The programme worked with over 100 organisations around the country on co-design.

In one year, from April 2018 to 2019, the website had:

- 9,100 users
- 45,600 page views
- 885 people who completed the Data Diagnostic

Impact for Growth divided £1.8m of grant amongst 40 organisations. They could use some of the funding within their organisation but the majority went to approved providers. The focus was to identify and address an area of improvement for impact management project.

SIB analysed that the split of £1.8m was as follows:

	VALUE (£)	VALUE (%)	AVERAGE DAY RATE
Providers (approved list)	£926,847	52%	£629.39
VCSE	£683,258	38%	£178.15
Specialist Provider (subcontractors with specialist skills)	£182,330	10%	£737.09

CHARACTERISTICS OF GRANTEES

	VALUE	RANGE (MIN-MAX)
Turnover (median)	£700,000	£105,000 - £25,757,000
Employees (median)	16.5	5 - 598
Years in operation (median)	19	3 - 147
Total average grant received (providers & VCSE)	£44,600	£19,200 - £50,000

Curiosity Society calculations based on SIB data

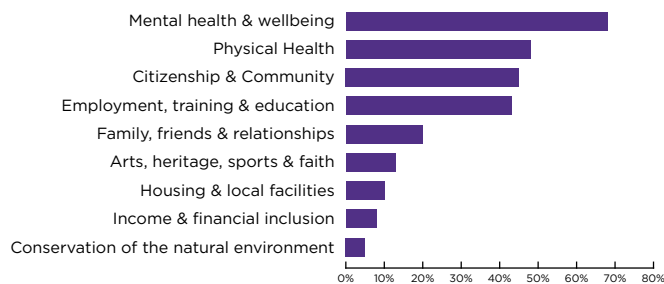
The precise turnover of organisations accessing Pathway is unknown, but some data is available in bands. One third turned over under £100k per annum, so this would be likely to bring the figures down for the whole programme.

40 Different VCSEs received funding of **£1.8m** to undertake a one year impact management project to improve their impact management practices, with learning of those projects to be evaluated and disseminated over the following months.

WHAT OUTCOME AREAS DO ORGANISATIONS WORK IN?

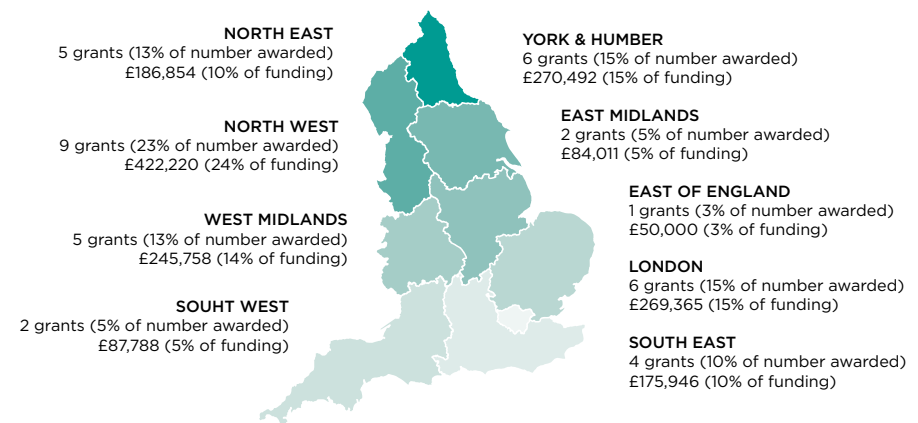
Organisations operated in a wide range of outcome areas - vmost contributing to more than one - with mental health and wellbeing the most common outcome area overall.

NUMBER OF GRANTEES BY OUTCOME AREA



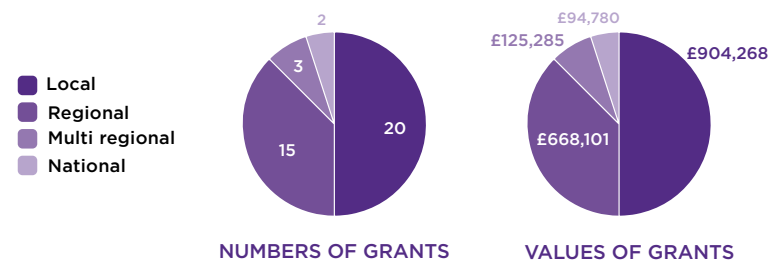
NB: many organisations work in more than one outcome area, so percentages exceed 100%

WHERE ARE ORGANISATIONS BASED?



Grants were spread quite evenly across different regions, however the South-West, East Midlands and East of England were comparatively under-represented.

WHERE DO THE ORGANISATIONS OPERATE?



Most of the supported organisations are working in just their locality or within their region

2. MOTIVATION - WHY IMP?

CONTEXT

There was strong interest in the role of impact measurement and management in social investment prior to IMP:

- As part of the G8's Social Impact Investing Taskforce, 2013 saw the creation of an Impact Measurement Working Group, co-chaired by NPC.
- The Cabinet Office's Impact Readiness Fund, launched in 2014, had been over-subscribed. Access and BSC worked with the Cabinet Office to produce a report, although this was not available at the time of commissioning IMP. (The [report](#) was released in July 2017.)
- Research was being undertaken into the role of impact measurement and management in social investment, for instance, the [Oranges and Lemons report by Investing for Good](#) in 2015.
- The National Lottery Community Fund was already funding impact work, including through NPC, who were providing resources through Inspiring Impact.
- Big Society Capital had developed its Outcomes Matrix, to help investors and VCSEs think about their impact. This was suggested as a basis for the Pathway strand.
- Power to Change, with its focus on community businesses, was thinking about how they improved impact practices.

WHY ACCESS CREATED AND FUNDED IMP

Within this wider context, Access's [own consultation into capacity building](#) had identified two themes that were particularly relevant to IMP, i.e. impact management and systems and use of data as things that VCSEs needed to enable them to take on social investment or win contracts.

IMP was building on and, to some extent, bringing together some of these elements, including working with Power to Change directly. The decision to collaborate made sense given that impact management was important to both but, arguably, not central to either organisation. Overall, a lack of impact data was seen as a fundamental barrier to investment. The hypothesis was that strengthening this could help organisations access contracts and social investment.

The second part of this hypothesis was that good practices in impact management should not just be available to larger organisations seeking higher amounts of social investment. This was best expressed in the Pathway strand, where the experiment was to try different approaches that were not packaged as projects reliant on consultants; peer support, light touch coaching and online self-help were being tested as cheaper alternatives.

At the point of commissioning, the Invitation to Tender also noted that a *"lack of capacity for impact management may not always be the primary barrier to raising that investment. However over our ten year life Access would like to increase the demand for impact management from social investors. Our second, and longer term, objective is that over time social impact will become more of a currency in that part of the market, as it is for larger social investments and contracting opportunities."*

ACCESS'S THEORY OF CHANGE

At the time of commissioning IMP, Access's theory of change saw capacity building as grant activity funding support for charities and social enterprises to access investment opportunities. The immediate outcome was improved knowledge, systems, processes, skills and governance. IMP's design fitted well with the first four of these. The strategic outcomes were that charities and social enterprises would be "better equipped to diversify their incomes, trade more successfully, and take advantage of investment opportunities." Again, it is evident that IMP shared this intention, with a strong expectation that improving impact management could lead to these strategic outcomes.

APPROACH

- The **co-design** of the programme with VCSEs
- The **digital element** of Pathway and an implicit assumption of greater reach at lower cost to VCSEs that might be too early and/or too small to benefit from an impact-specific grant.
- **1:1** support from consultants as part of Pathway
- The value of **peer learning** as a means of organisations improving their practice
- The sense of a **journey or progression to social investment** – whereas the [Growth Fund](#)² was social investment and the [Reach Fund](#) was for those close to it³, there is a sense of organisations starting smaller on Pathway and then impact management helping them to crossover to investment in Impact for Growth.

² Repayable finance, combining grants and loans, for charities and social enterprises, provided in partnership by Access, Big Society Capital and the National Lottery Community Fund.

³ Grant support for charities and social enterprises close to taking on social investment. Applicants are referred by social investors registered with the Fund.

3. FINDINGS

WHAT WENT WELL?

A. UNDERSTANDING OF CHALLENGES IN IMPACT MEASUREMENT AND MANAGEMENT INFORMED THE CREATION OF ONLINE RESOURCES

According to NPC, the co-design and peer learning events indicated that:

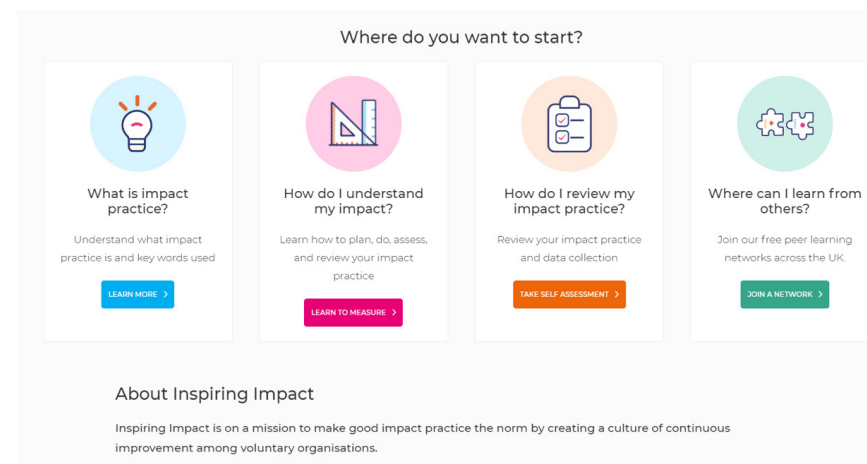
- Many organisations were already collecting some data internally to make choices on what could improve impact in some measure.
- Smaller organisations saw impact measurement “primarily as a process to ‘**prove**’ **impact** to funders and it is often seen as a chore.”
- Organisations found outcomes data the hardest to collect and needed more support in collecting and analysing it.
- People wanted “clear next steps and small takeaways from resources and tools”

This shaped the resources created, specifically:

- The Access Impact Management Support website with tools and guidance on planning for impact, collecting, analysing and using data, and creating a culture of impact management (Plan, Do, Assess, Review);
- A diagnostic tool, “[Measuring up](#)”, that tailored recommendations for what data to collect and how to use it;
- Thematic/sector specific tools, linked to the outcomes a charity or social enterprise was seeking to measure, that they could use to design their own impact framework.
- User testing in 2018 provided positive feedback:
 - -‘*The website is friendly, inviting and structured*’
 - -‘*It is well-written and provides the guidance and understanding on the subject which people need.*’
 - -‘*The website maybe a little simplistic but still very helpful!*’

As shown in the timeline above, the website was accessed by over 9,000 users and received positive feedback. Data on the completion of the online diagnostic tool shows a deeper level of engagement from a smaller proportion of users.

These online resources outlasted IMP, giving it a longer tail. NPC’s pre-existing Inspiring Impact website became the home: this increased the breadth of what was there at the same time as bringing similar materials together in one place for VCSEs to access (see diagram below). The rationale for this decision was that effectively, Access was a smaller player that added value to an existing, larger and longer programme.



Home page of [Inspiring Impact](#) incorporating resources developed through IMP

B. USE OF PEER NETWORKS

The peer networks (6 regional groups in Pathway and 4 cohorts for Growth grantees) appear to have been a successful part of the programme. This is based on attendance figures, an NCVO and NPC event that reviewed peer learning with 23 of the participants in it, and NPC's collection of participant feedback and observations.

96 VCSEs participated in Pathway and 27 out of 40 grantees attended one or more of the Growth peer network events. Peer learning combined face to face meetings with more frequent webinars, responding to concerns about time and travel costs. Although it was organised and facilitated by NPC, network members suggested topics and voted on which ones they wanted to discuss. Network members were encouraged to log what they were learning by email or a Google form; they were also asked to provide a Learning and Reflection report quarterly. These sources were reviewed by NPC and themes were shared back with the peer network and used more widely in the programme.

Feedback from participants in peer learning noted the sense of a confidence boost from sharing work in progress with peers. The value of discussion but also gaining a sense of perspective were also positive aspects noted by participants: "Discussion helps to clarify thinking, picked up ideas from others. [We] Learnt about the data collection tools used by others."; the "Opportunity to stand back and focus on key aspects of impact management" was the most useful.

Lessons from this peer learning network that could be of interest to others looking to run similar activities were identified in an interim learning report. (See box, to the right.)

Building on existing networks also emerged as an important factor; shared sector interests and existing geographical connections made it easier for people to gather and relate.

Peer learning has continued to be an important part of the Inspiring Impact programme's approach to improving impact practice in the sector from 2018-2021, and its model, according to NPC, was informed by the experience of IMP. Access has also chosen to make peer learning a more significant part of other programmes, such as its Enterprise Development capacity building programme.

LESSONS FROM INTERIM LEARNING REPORT - EXTRACT

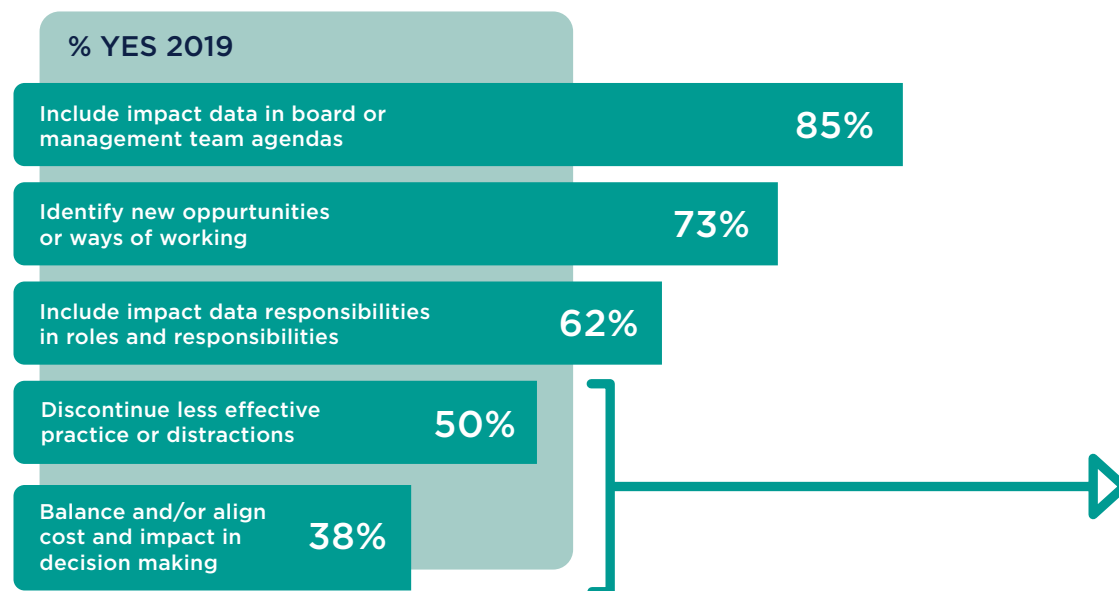
- There is a need to **balance structure and freedom** for participants to set the agenda based on the issues that are important to them
- The involvement of guest 'expert' speakers should be balanced with members sharing and learning from each others' experiences
- Building and **maintaining trust** is crucial as admitting failures is not easy and participants should be able to ask questions and share new ideas without fear of judgment. A clear code of conduct and skilled facilitation can help to build psychological safety
- Inconsistent participation can be a problem for morale, and could warrant introducing fixed membership or introducing new members on a rolling basis
- Facilitating **frequent but low-effort communication** between sessions builds relationships and incentivises continued participation.
- Having members with varying levels of experience can provide inspiration and learning, or boredom or confusion depending on how a network is facilitated.
- **Skilled facilitation** can make the most of different levels of experience and newer members. A dedicated facilitator/leader maintains continuity especially when membership fluctuates
- One of the biggest challenges of a peer network is how insights from the network can be translated to changes within organisations

C. STRONG SIGNS OF EMBEDDING IMPACT IN PRACTICE

Impact for Growth grants and support helped organisations to improve their impact practice. 24 out of 28 organisations (86%) responded to the first survey saying that the programme had helped them improve their impact management “to a great extent”. The remaining 4 out of 28 said it had helped “somewhat”. There were no neutral or negative responses.

Grantee organisations reported an improved ability to identify new opportunities and ways of working; they increasingly included impact data in roles and responsibilities and in board and management team agendas. They attributed these changes to their involvement in IMP.

Have you made any changes to the way your organisation uses impact data in decision-making, since participating on the access impact management programme?



Source: NPC survey, 28 respondents out of 40 grantees

This data also shows what organisations found harder, i.e. discontinuing ineffective practice and aligning impact and money in decision making. Evidence from the [interim review of the Enterprise Development Programme \(EDP\)](#) is interesting to compare here. EDP asked similar questions of participating organisations, drawn from the youth and homelessness sectors, that were chosen because they wanted to become more enterprising, by developing new enterprise models or growing existing ones – a different focus to IMP. For EDP, the quality of decision making around not pursuing unsuitable income generating ideas improved for about 50% of participants, similar to the 50% discontinuing less effective practices in IMP. In contrast, aligning enterprise activity with intended impact improved for over 60% of EDP participants, perhaps suggesting that starting from the point of enterprise made it easier to make the connections between impact and resources, rather than the impact first approach of IMP, with 38% balancing cost and impact.

D. QUALITATIVE RESPONSES SHOWED POSITIVE FEEDBACK IN THREE MAIN AREAS:

1. USE WITH FUNDERS AND COMMISSIONERS
2. INTERNAL SYSTEMS
3. SERVICE IMPROVEMENTS

“WE HAVE HAD MUCH GREATER SUCCESS IN SECURING FUNDING”

“We have negotiated agreement with a commissioner to remove some minor output reporting requirements from our contract, allowing us to concentrate on those areas which are more important to our service users, e.g. reporting on quality of life indicators.”

“Our impact measurement and management now forms a fundamental part of project and contract performance. Our language with delivery staff now includes ‘Impact’ and other related terms and this is understood by staffing teams who are able to adjust delivery methods to respond to challenge that Impact data illustrates.”

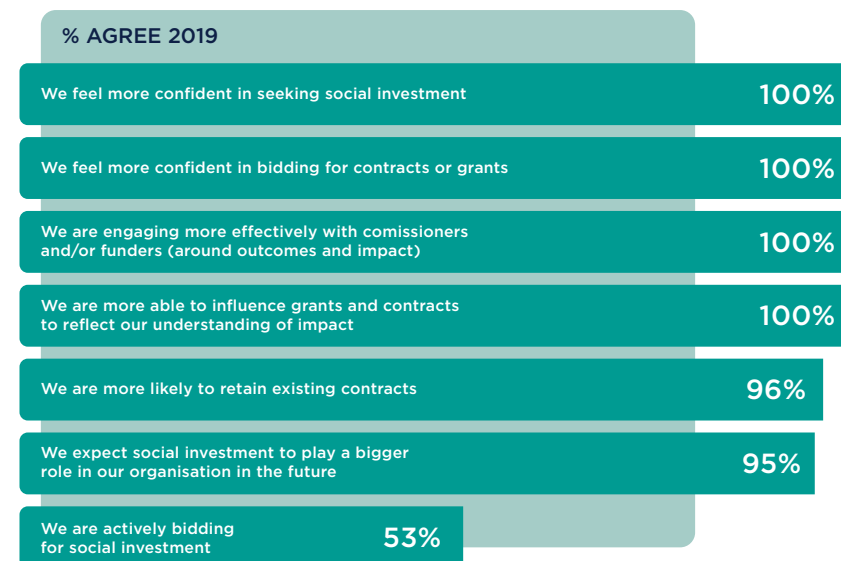
“We changed the way we provided information in our annual trustee report showing examples of impact in our different services. We also utilise a new database for some of our services and are building new capabilities onto this including how we manage safeguarding across all of our staff group.”

“WE NOW HAVE AN IMPACT TEAM WHO HAVE RESPONSIBILITY FOR DATA AND SYSTEMS ACROSS THE ORGANISATION.”

“ENABLED US TO UNDERSTAND THE IMPACT THAT HAVING FOOD SUPPORT HAD ON OUR FAMILIES AND HAVE INSTIGATED A COMMUNITY PANTRY AS A RESULT”

E. MOST ORGANISATIONS INCREASED THEIR CONFIDENCE AROUND SECURING SOCIAL INVESTMENT AND CONTRACTS

This is shown in the graph below, where people were surveyed one year on from the end of the grant.



It can be seen from the above chart that, whilst there is confidence around social investment, the lower score is for those actively bidding for it. The signs around contracts and grants are stronger, although this may be due to the immediacy of those contracts and grants compared to the lead in time for attracting social investment.

It is interesting in this data that it is not just about acquiring the resources for VCSEs to continue or extend their mission; it is also about the engagement and conversation around impact. All respondents said that this is more effective now, i.e. it is something that they were putting into practice as a result of IMP.

It should be noted that these numbers were not as high two years on, although the line of sight to the programme was much weaker and the context of Covid means people were answering in a very different context.

WHAT DIDN'T GO SO WELL?

A. WEAKER LINK THAN HOPED WITH GENERATING INVESTMENT

The end of grant survey (by NPC, August 2018 to March 2019) and the January 2021 survey (by the Curiosity Society) provided evidence of the views of IMP grantees. Both asked if, in the last year, organisations had sought social investment. This shows some, but also a somewhat weak, translation of that confidence around social investment into actually securing it.

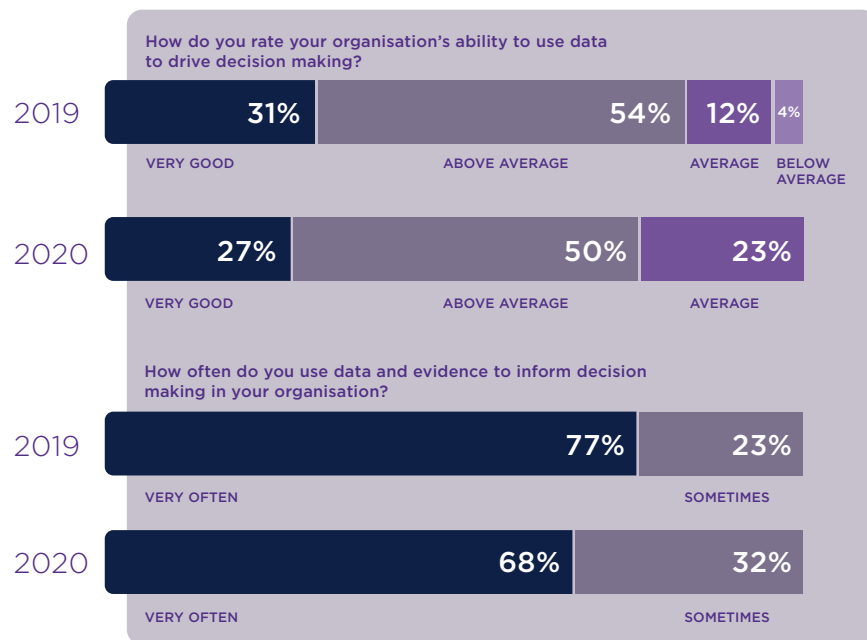
In the first year, 3 (out of 28, i.e. 11%) said that they had been successful, one unsuccessful, and 7 that they were pursuing an opportunity. In the second year, 3 again (out of 22, i.e. 14%) said that they had been successful and 4 that they were pursuing an opportunity. Given the gap between the surveys was greater than a year, these are unlikely to be double counts. Whilst it is possible that the same organisation responded both times and had obtained a second round of social investment, it may well be the case that 6/40 grantees, i.e. 15% of grantees, secured social investment.

A further 7 (25%) in year one and 4 (18%) in year two said they were pursuing an opportunity, with the implication that they were preparing for social investment. However, it is also the case that the more than half of respondents in both years had neither sought social investment nor were they pursuing an opportunity.

It seems that whilst confidence and competence around impact increased, the link to securing social investment was not strong. This was an aim of the programme, albeit not as strong a part of the brief as for Reach Fund or Growth Fund. Contributory factors here may be

- (i) the selection criteria emphasising an impact management need, rather than an investment one; and
- (ii) interest in obtaining contracts as well as investment - comparable data in terms of actually obtaining contracts is not available.

Anecdotally, from Access's later involvement in the steering group of Inspiring Impact, impact measurement and management seem to matter more for grant makers than in securing social investment or contracts. Increasingly, from other sources and during IMP, Access' strategic reflection was that its focus needed to be much more around the enterprise model than impact: if there was a sound revenue model then an organisation was not going to be refused investment because their impact practice was weaker.



B. SOME TAIL OFF IN HOW IMPACT PRACTICE WAS SUSTAINED

The positive survey responses taper in the second year, with scores being slightly lower.

It should be noted that:

- There was some overlap but also some differences in which organisations responded.
- It is not possible to tell whether the survey at the end of the programme and the survey at the end of the grant were completed by the same people within organisations each time. It is possible that different members of staff participated, with differing levels of involvement and experience of their organisations or the programme.
- The population is small, with 40 grantee organisations out of which 28 responded to survey 1 and 22 responded to survey 2. Percentage changes should be treated with caution, as a few changes in how people responded can make a significant percentage point difference between the years.

A possible explanation of this drop off is that IMP provided impetus for this area of work but two years on this was not as strong. It is reasonable to expect that organisations will need to refresh staff training and budgets for impact work, and feasible that they were either not in a position to do this or chose not to. A second possibility is that organisation's expectations and self awareness had changed. In any case, the reductions are low.

C. COMPLEXITY OF PROGRAMME AND PARTNERSHIP

IMP tried to do a lot: with high complexity and a relatively large partnership, there were some experiences of friction and tension in delivery. This is based on notes from meetings that include Access' board and review meetings by IMP partners, combined with observations by the Curiosity Society. For instance:

- It took time for the partnership to develop, particularly around the digital offer;
- Pathway and Impact for Growth launched at different times, making movement between them difficult;
- Pathway included co-design and so the process was emergent. It may have been less comfortable for some of the IMP partners to manage this, in the absence of clear deliverables. There were perhaps more challenges, and potentially tension, in this part of the programme than others;
- The grants panel found it difficult to balance the very different sizes of organisations applying and judge who needed the grant compared to the target populations. It seems that there were, understandably, higher expectations of larger organisations to be contributing their resources and demonstrating how and why this work would make a difference to contracts and investments. It was also observed that there is a need for scale in sectors to respond to certain types of contract: one of the highest turnover organisations, at £25m, was not that big in its sector of children's services and foster care;
- There were signs of two different logics at work in the grants panel: those with commissioning experience wanted to see the market opportunity for the sustainability and growth prospects of the organisation applying; those with grants experience were more inclined to look at the good the grant could help the organisation do – perhaps a clue as to the different ways impact work can be seen?
- There was also a tension (to some extent inherent in Access' theory of change and tender documents) between understanding impact being a good and necessary skill for VCSEs and the hope that this would translate into investment and contracts. Similarly, the secondary objective of investors becoming more impact aware arguably pulled in a different direction; the question of the audience for impact was perhaps uncovered rather than addressed;
- There is some feedback from IMP that Access understeered at some points in the process and oversteered at others. There are other points in Access' experience where this has been noted. Rather than being specific to IMP, it seems that this is an inherent dilemma for funders with the power that comes from resources aspiring to network leadership.

4. LEARNING

WHAT HAS ACCESS LEARNED?

A. THE VALUE OF IMPACT MANAGEMENT SHOULD BE INTEGRATED INTO OTHER WORK

The overall positive feedback from participants showed that impact management support designed for and from the needs of VCSEs is valued by them, and there were signs of behaviour change in VCSEs' practices stemming from it. This was true of the different delivery methods that IMP used (i.e. peer learning, website resources & data diagnostic tools and grant). This is encouraging for other programmes, at Access or elsewhere, that might be looking to use these methods.

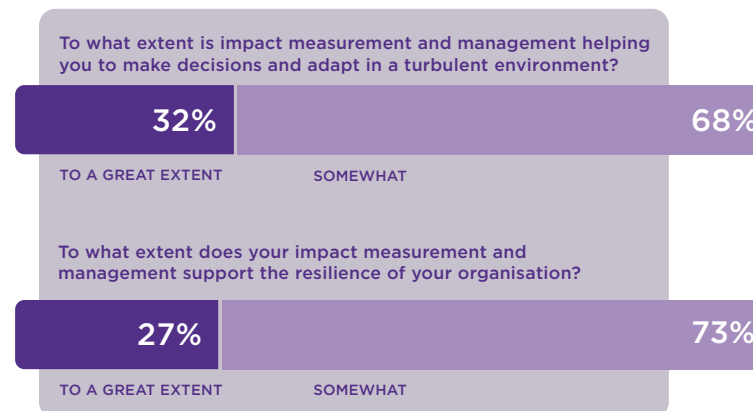
However, it is also the case that starting with addressing and improving an organisation's impact does not necessarily lead to new opportunities for funding. Although VCSEs felt they could engage and influence their funders better around impact, there are wider factors at play, including the context and markets in which they operate, and how well VCSEs can position themselves within this. Capacity building work can integrate impact alongside other types of support. This is in keeping with Access' direction of travel, including in the Reach Fund.

B. IMPROVED UNDERSTANDING AND IMPLEMENTATION OF IMPACT DATA HELPS ORGANISATIONS ADAPT TO THE UNPREDICTABLE

Covid 19 has undisputedly put pressure on most if not all VCSE organisations. The questions posed to those that participated (with the multiple-choice options ranging from 'not at all' to 'a great extent') were:

- *To what extent is impact measurement and management helping you to make decisions and adapt in a turbulent environment?*
- *To what extent does your impact measurement and management support the resilience of your organisation?*

All of the organisations responded positively to both questions with 65-70% responding to both with 'somewhat' and 25-35% with 'to a great extent'. There were no neutral or negative responses.



It seems, then, that improved understanding and implementation of effective impact measurement and impact management practices better equips organisations to adapt to and weather unpredictable changes. This is not to make a claim for any programme effects from IMP (it could also be a selection bias) but it is encouraging that grantees found impact measurement and management to be a valuable component that strengthened their organisational resilience.

C. IMPACT MANAGEMENT: ENCOURAGING VCSEs, OR PERSUADING COMMISSIONERS AND INVESTORS?

There were observations from grant panel members that VCSEs need a market to sell their services into. Without this, applicants could demonstrate that they were going to do good impact work, but not how it would benefit them in terms of contracts or growing their business. This seems to be particularly true for markets that are created by public sector commissioners, where competitive processes are usually weighing price against metrics for activity and outcomes. Additional impact measures may add some value, but this is likely to be a relatively small element and thus a weak determinant compared to other factors. There was also anecdotal feedback from project partners that some larger grantee organisations had not grasped impact management as well. It could be that not only did larger organisations face cultural challenges but that they had presumably grown larger without this kind of impact practice - perhaps a reflection of the markets in which they were operating.

Overall, impact management varies in how influential it is on the ability of an organisation to grow its market or attract investment. This comes not just from IMP but from Access' broader observations about the role of impact in social investment, where it is seldom seen as a key barrier to organisations seeking investment.

5. WHERE NEXT?

A COMPLETED PROGRAMME

The programme was not scheduled to continue beyond 2018. Access felt that this was the right decision for its funding based on several factors:

- IMP had deliberately created digital resources that could be used more widely. At the end of the programme, Access supported the transition of IMP tools, resources and networks to become part of the Inspiring Impact programme, funded by the National Lottery Community Fund. In 2018, the Access Board approved £100k to support the development of the new Inspiring Impact website and integration of the Access digital resources within this new website.
- Access judged that impact management capabilities were not as fundamental a barrier to raising investment as first thought, and that impact management and measurement needs were better dealt with as an integrated rather than a separate part of capacity building.
- Support for impact management for those seeking to raise investment, and where it is a significant barrier to being able to do so, is now available through other channels such as the Reach Fund.

OUTSTANDING QUESTIONS - WHAT STILL PUZZLES US?

This review raises some interesting questions that are shared here for future reflection. The thoughts that follow are those of the Curiosity Society, as Access's learning partner.

A. WAS IMPACT THE BARRIER THAT ACCESS THOUGHT IT WAS?

Insofar as increasing the investment of repayable finance into VCSEs was the aim, Access' view that impact is not the primary barrier seems reasonable. Instead, it seems likely that one or both of the following are true:

- Impact matters, but for investors it is typically secondary to a viable business model that supports repayment;
- There is an "impact threshold" for investors, where they want to see some evidence of impact, and/or have confidence in the capacity of the investee to measure and manage for impact.

There is, however, a simple but strong argument for investing in impact as part of capacity building efforts, based on clear evidence from IMP that work on impact is valuable to VCSEs, who report that it makes them more effective. Access has taken this approach through other programmes, notably the Reach Fund, with its emphasis on working with investors to get VCSEs “over the line” so they are ready for investment. However, the experience on Reach Fund seems to confirm the position that impact is secondary when it is linked to investment: when the average grant amount came down, work on impact was more likely to be cut. The argument that IMP made, particularly through the Pathway strand, was that impact was a necessary skill for VCSEs that should be part of their organisational culture. It would be a shame if this intrinsic value were forgotten because weaker impact practice disadvantages VCSEs and those they serve.

Finally, what IMP did not explicitly address was the secondary objective around the impact literacy of investors. One might expect that if this were higher, those expectations would be communicated to VCSEs and the practice of impact management would be more widespread. VCSEs may invest in this themselves but smaller organisations are likely to need support. Arguably the greater barrier is in persuading investors that they share responsibility with VCSEs for the quality of impact because they direct the resources that enable it.

B. WHAT IMPACT MANAGEMENT SUPPORT WILL BE AVAILABLE FOR SMALL CHARITIES AND SOCIAL ENTERPRISES IN THE FUTURE?

Whilst Access has decided not to focus more resources on IMP or the Inspiring Impact since 2018, they remain supportive of its objectives. Access is pleased that IMP played a part in strengthening what the Inspiring Impact programme could offer, for instance in creating online resources that have had a greater reach, and in terms of some of the peer-to-peer methods tested in IMP becoming a key delivery approach of the Inspiring Impact programme.

The need for impact management support among small charities and social enterprises has, if anything, increased during Covid. Data collected in the second IMP survey indicates the value that VCSEs attach to impact data. NPC have pointed out that impact measurement and management, in terms of the ability to understand and respond, are more valuable than evaluations in a crisis. During the Covid pandemic, the Inspiring Impact programme and its four peer network partners experienced a significant increase in small-medium size charities and social enterprises engaging in peer learning events.

Over time, it seems likely that the Inspiring Impact programme has helped to both raise awareness of the value of impact work and helped to meet this demand in a more accessible way. It is a well-tested and developed resource and it seems preferable that it continues in some form (whether its current one or relocated with other partners). It feels like this is a piece of infrastructure that has shared collective value but where it is hard to find funders for whom it is sufficiently integral to secure ongoing funding.

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CONTACT

If you would like to discuss this document,
please feel free to get in touch:
info@access-si.org.uk