

# FOCUSING ON IMPACT: WHAT DO TRUSTEES NEED TO KNOW?



## NPC briefing, November 2015

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On 29 September 2015, NPC and the Clothworkers' Company held a seminar exploring how trustees can develop and support a focus on impact within their charities. This report highlights the main themes discussed, summarises advice from our speakers, and draws on the experiences of those in attendance.

The seminar was chaired by **Tris Lumley**, Director of Development at NPC.

The panellists, listed below, shared perspectives on how trustees could support charities to measure their impact and use it to improve their services.

- **David Carrington** (Chair, [Inspiring Impact](#)) discussed the importance of charities engaging with the [impact cycle](#). This process—Plan, Do, Assess and Review—enables organisations to think about every stage of their organisation's impact journey.
- **Juli Beattie, Natasha Forrest and Susie Pickering** (Founder Director, Operations Manager, and Communications, [The Art Room](#)) focussed on the importance of measuring impact in a way that complements a programme's model and approach.
- **Susan Fey and Tony Bloomfield** (Vice Chair, and Director of Communications and Income Generation, [Tapestry](#)) explained how the movement of their organisation away from a federated organisation towards a social enterprise model changed their approach to impact.
- **Anood Al-Samerai and Fiona Spellman** (Director, and Trustee, [TalentED](#)) described how they had come to approach impact measurement as a growing, but small charity.

## Introduction

Trustees of charities have many and varied roles. They are expected to understand the finances of their charity, to think about legal compliance, to ensure accountability, to support the CEO, and to develop and monitor the implementation of the charity's strategy. Amongst these competing roles, therefore, a trustee's responsibility to understand and increase their organisation's impact is often forgotten.

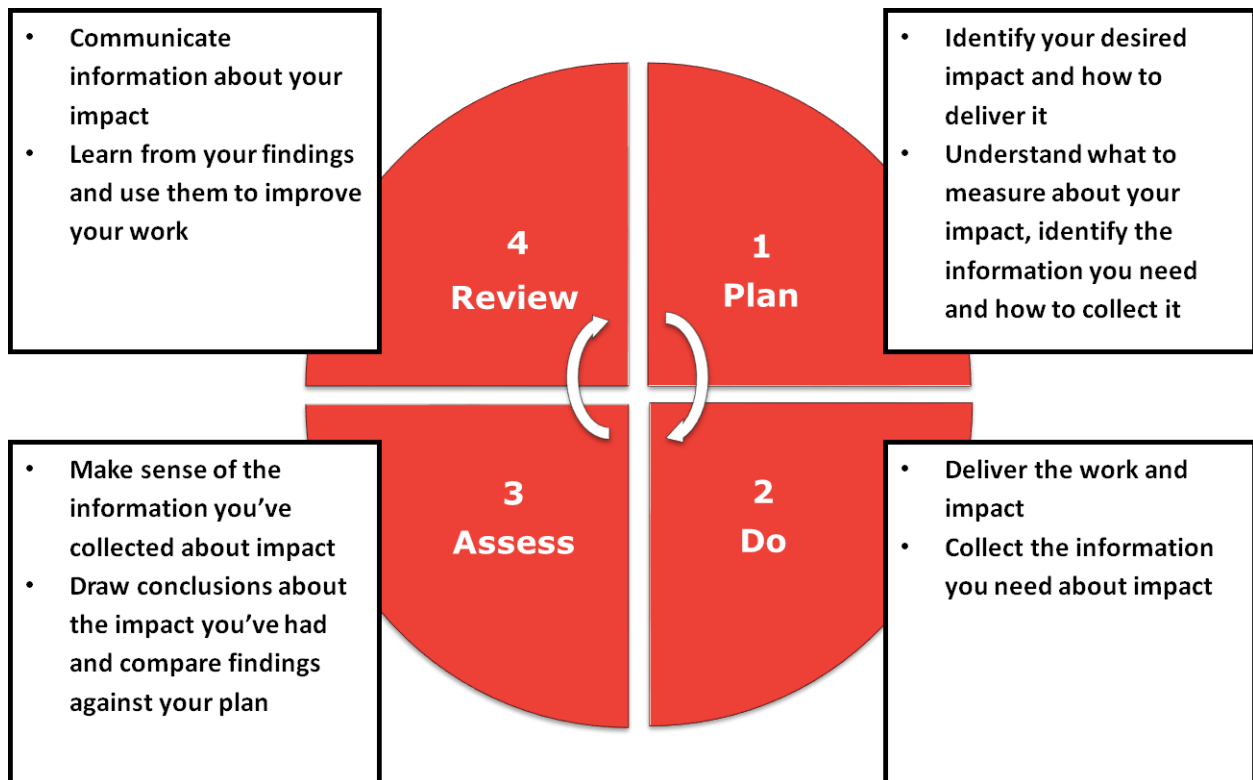
Impact is the difference a charity makes. At NPC, we believe that impact is the most important determinant of a charity's success, and we are keen to support charities on a journey to greater impact. The discussion held at this event explored how trustees can support their charities to measure and evaluate their impact on beneficiaries.

*'The mission that trustees are there to achieve is all about impact.'*

Tris Lumley, NPC

## The Impact Cycle: Plan, Do, Assess, Review

David Carrington, Chair of Inspiring Impact, introduced the seminar to Inspiring Impact's Impact Cycle. The cycle sets out a process for measuring a charity's impact, then using what is learned from this to improve its services. It functions as a continuous feedback loop of evaluation and improvement:



Inspiring Impact's *Impact Cycle*

Through its Impact Cycle, Inspiring Impact acknowledges that non-profit organisations function in complex ways and it is unlikely that impact journeys will follow a strict step-by-step process. However, this cycle illustrates the four main areas of activity trustees should undertake at some point to start focusing on their charity's impact.<sup>1</sup>

*'Focusing on impact is a basic necessity of good management.'*

David Carrington, Inspiring Impact

Inspiring Impact is a UK-wide collaborative programme which helps equip organisations with the tools and information they need to measure their impact. The initiative provides free resources, aimed at organisations of any size, and hopes to promote good impact practice across the charity sector. Inspiring Impact sees the leadership that trustees provide as central to promoting an awareness of impact measurement.

<sup>1</sup> Inspiring Impact (2013) *The Code of Good Impact Practice*, p. 6

## Plan

Planning is central to an organisation identifying what it has to measure to understand its impact, and how it will do this measuring. This stage often involves a [theory of change](#) or logic model. These tools help enable organisations to think about the goal of their programmes, the approach they want to take, and important milestones on the way to achieving these goals. In order to measure a programme's effectiveness, charities should record their performance against the most important of these milestones.

Trustees' responsibility for designing an organisation's strategy means that they have a vital role to play in planning for greater impact. Developing a theory of change is shared process involving staff members, service users, and trustees. This helps secure buy-in from the entire organisation, which in turn enables trustees to better refine their strategy, ensure decision-making is consistent, and highlight important outcomes to measure.

### Case study

*Tapestry is a former Age Concern organisation providing services which enable older people to live positive and fulfilling lives through provision of care, support, and prevention services.*

**Drivers for change:** In 2012, following the merger of Age Concern England with Help the Aged to form Age UK, the trustees of Tapestry—originally Age Concern Havering—made the decision not to join Age UK. Instead, the charity underwent a wide-ranging organisational review, during which the trustees concluded that there was a need for a fundamental change in how the charity worked. Additional drivers came from changes in local authority social care funding, NHS organisation, Care Quality Commission standards, and increasing competition from the private sector. All of this resulted in Tapestry making the decision to move towards a social enterprise model. As a component of this development, the trustees were keen to create a new culture of impact measurement within the organisation.

**Plan:** Staff and trustees decided that they needed expert support to plan how to measure the impact of their work. This led Tapestry to partner with NPC through an Impact Readiness Fund grant provided through Social Investment Business. With NPC, Tapestry developed a theory of change for the organisation and for each of its services. It was important to Tapestry that the theory of change was meticulously planned, suited the needs of the charity, and would underpin a culture of continuous improvement. In that context, impact measurement would always be a work in progress.

The trustees are responsible for overseeing the implementation of the theory of change and ensuring that there are reporting mechanisms and systems in place to provide assurance that the objectives are being met. The change process itself serves as a form of in-depth training for trustees, and helps to develop their understanding of the organisational and developmental processes are required to achieve success.

*'This journey has re-energised our organisation and re-energised our trustees.'*

**Susan Fey, Vice Chair, Tapestry**

## Do

The second part of the impact cycle relates to running the service or programme which has been designed to produce impact. This is the practical part of service delivery which must involve quality and efficiency, while often requiring monitoring and data collection as well. Examples of ongoing monitoring could be: collecting 'before' and 'after' surveys from service users; gathering data on a charity's outcomes; or conducting interviews for qualitative analysis. This tends to take place whilst or after your service has been delivered in order to reflect on its success. It is important that, as far as possible, this data is collected in a fair and unbiased way, drawing on a range of service users, not just the most successful user of a programme.

In large organisations, trustees are highly unlikely to be involved in data collection for impact measurement. However, they can play a significant leadership role by encouraging staff members to take part, and instilling the importance of impact data amongst the rest of the charity. In smaller organisations with very limited resources, trustees might be interested in supporting some of this data collection by, for example, taking part in qualitative interviews for case studies.

### Case study

*The Art Room is an Oxford based charity offering art sessions as therapy to children and young people experiencing emotional and behavioural difficulties.*

**Do:** The Art Room's unique model posed particular challenges for impact measurement due to the subtle and nuanced nature of its programme. The staff and trustees at the charity were keen to prove their impact both quantitatively and qualitatively, but The Art Room was wary of overwhelming the programme with an excessive number of tests and interviews.

The Art Room used a validated survey, the Goodman Strengths and Difficulties Questionnaire, a standard tool which is widely respected. The Art Room found this tool very helpful, enabling them to develop a baseline to measure against. It also helped them to understand the reasons for a child's referral to their services.

The Art Room found that staff contributions to this tool also engaged their employees in the impact process; giving them access to instant feedback from the students, whilst simultaneously making their own assessments of the students' progress.

*'We worked hard to ensure that our measurement tools did not interfere with The Art Room's programme'.*

**Natasha Forrest, Operations Manager**

### Assess

Once organisations have planned how to measure their impact, delivered their services, and collected the data they need to measure this impact, they must then analyse this data. This analysis should aim to answer a number of questions:

- What does the data show about the outcomes the organisation is aiming to achieve?
- Are the results improving over time?
- Does the service work the same way in different places or with different service users?
- What else may be influencing outcomes for service users?

Trustees need to be able to answer these questions as they are central to a charity's strategy development. They must then seek to answer broader questions such as:

- Does the data gathered reflect well on the charity's approach?
- Should the charity be rethinking its methods of helping service users?

Rigorous data analysis means that trustees can better scrutinise the activities of an organisation and understand ways in which it can improve. Here, trustees with skills in data management or analysis can provide much needed help to organisations that might struggle with a shortage of resources.

## Review

Reviewing or learning from your data is the final and most important stage in the impact cycle. It is vital that organisations that collect impact data use this information to systematically review their services. This is key to maintaining or improving the standard of their work, and ensuring they continue to create impact for service users.

Another important part of reviewing an organisation's impact is communicating with others about your impact. This must take place with key stakeholders, such as service users, trustees, or funders, but we also believe charities should promote this more widely. Transparent communication through annual reports, impact reports or a charity's website means that the organisation can be honest about their successes and failures, share their learning, and aspire to improve in the future.

When setting their charity's strategy, trustees can have an important role to play in thinking about areas in which the organisation can improve, and embedding impact reporting processes within the organisation. Building in opportunities for learning through away days or meetings with service users are ways in which trustees can understand the impact of their organisation and encourage it to strengthen the services it provides. Some boards may have skills in the fields of communications and marketing, so reporting can be an area where trustees can provide much needed help.

### Case study

*TalentED offer high-ability Year 10 students a year-long programme of weekly, small-group, personalised support delivered by retired teachers and university student role models.*

As a small start-up charity with only three staff members, the staff and trustees of TalentEd were conscious of their limited resources. In order to make the most of these resources, TalentEd was determined to consider its social impact from the outset. One of TalentEd's trustees, Fiona Spellman, took the lead on focusing on impact. She supported the TalentEd staff to think about how the organisation could measure their impact and work to continually improve their services.

**Plan:** The first two years of the organisation saw TalentEd's data collection grow enormously—from gathering case studies at first, to collecting a large number of social and academic metrics later. This left TalentEd with a huge amount of paper work and with more information than it could handle. As such, the organisation decided to review its impact measurement techniques and set out on an evaluation planning process by developing a theory of change. As a Young Foundation incubated organisation, TalentED worked with NPC to develop a theory of change. The aim was to better understand the impact it wanted to achieve and how it wished to measure this impact.

**Do:** Planning their impact measurement process enabled TalentEd's staff to 'keep it simple' and only collect data on five of the most significant outcomes of their programme. Furthermore, by thinking about where else it could collect data from, TalentEd is now able to use data which is sourced from outside their programmes, such as the exam results of its students.

**Assess and Review:** Since TalentEd has developed this measurement process, it has also set in place an annual review day with staff and trustees. This day allows them to discuss what has been measured, what the charity can learn from this, and whether this new information means they need to review their theory of change.

*'Developing a theory of change gave us a shared sense of what we are there for... focusing us on what data we wanted to collect and why.'*

**Anood Al-Samerai, Director**

## Final thoughts

There is little doubt that trustees have a vital role to play when helping a charity focus on its impact. This process, however, is rarely straightforward and questions raised at the event referred to the challenges trustees may face when it comes to understanding their impact:

- **Contribution versus attribution:** If, having used your service, beneficiaries have made great steps, it is important to think about whether this success can be attributed to your organisation alone. Could other factors have a role? If so, perhaps it would be better to talk about your contribution to an outcome or goal, rather than attribute this result solely to your organisation.
- **Governance structures:** Should charities rethink their governance structures in order to better address the question of impact? TalentEd found it very helpful to give a single trustee overall responsibility for thinking about impact. Susan Fey of Tapestry was also keen to emphasise that the shape of a charity's governance strongly reflects the values that permeate the entire organisation.
- **Impact journey:** It is important that charities continue to reassess their impact, because the shifting context in which a charity works means that its impact can change over time. Furthermore, measuring your impact is a work in progress; a theory of change can change over time, as can the outcomes that are measured. This is an important part of an organisation understanding that it is involved in an ongoing cycle of improvement.

Whether through leadership and scrutiny in larger organisations, or through practical implementation in smaller charities, trustees can help make great leaps in measuring and improving their charity's impact. The support that trustees offer needs to be both strategic and practical. Trustees must consider how impact measurement can help their organisation achieve its goals, as well as making sure information that is collected continues to be relevant.

Trustees can be involved throughout the impact process: carefully planning how impact should be measured; helping to collect and understand data; and, perhaps most crucially, feeding lessons learned back into the charity's strategy in a meaningful way that benefits service users. The relationship between trustees and an organisation's beneficiaries may often seem remote, but focusing on impact is an essential way that trustees can bridge that gap.

### Focusing on impact: Top tips for trustees

- **Learn the terms:** Do you know your outputs from your outcomes? If not, now is the time to start: <http://www.jargonbusters.org.uk/alphabetical-summary-of-terms/>
- **Plan carefully:** What is your organisation's end goal? Be clear on what you want to achieve before you start measuring.
- **Prioritise your outcomes:** Select a fairly small number of outcomes which you believe are important, and only measure those.
- **Think about how you can implement change:** Make sure that your approach to impact is practical and involves clear steps for staff and trustees.
- **Be proportionate:** Think about the size of your organisation and the available resources, and be sure not to overstretch those resources by focusing excessively on measurement rather than project delivery.
- **Ask for help:** Impact measurement can be a confusing and bewildering process. Do not be reluctant to ask for help in order to better understand how to approach it within your organisation.
- **Share learning:** Focusing on impact measurement can often bring about big changes and associated learning opportunities within an organisation. Make sure to share this learning internally and externally.

## Further resources

Inspiring Impact (2013) *The Code of Good Impact Practice*

Yeowart, C., Thomas, J. (2010) *Talking to Trustees*. New Philanthropy Capital.

Kazimirski, A., Pritchard, D. (2014) *Building your measurement framework: NPC's Four Pillar Approach*. New Philanthropy Capital.

Kail, A., Lumley, T. (2012) *Theory of change: The beginning of making a difference*. New Philanthropy Capital.

NCVO (2015) *Good Trustee Guide*.

## Appendix 1. The Principles of Good Impact Practice

There are eight general principles that define good practice throughout the cycle:

1. **Take responsibility for impact and encourage others to do so too.** We think that each charity through its chief executive and board of trustees should take the lead on measuring the impact of its work. This leadership will enable charities to have a more honest discussion with funders about what is expected of them, as well as motivate others in the organisation to engage with measuring the effectiveness of the organisation.
2. **Focus on purpose.** As trustees it is important to be clear about the purpose of your organisation, by thinking about this you will be able to better explain your impact to those around you. This too should make the purpose of your data collection clear and logical and make it easy for staff and volunteers to meet these demands.
3. **Involve others in your impact practice.** We think all parts of an organisation should be involved in good impact practice, this can extend to funders, project partners and other organisations in the sector. This builds momentum within and outside an organisation enabling a more coordinated approach to impact measurement in a sector.
4. **Apply proportionate and appropriate methods and resources.** It's important that organisations are realistic and practical in their implementation of impact measurement. Trustees must be conscious of the resources available to your organisation and how they can be best used. For example, it is better to collect a small number of very important metrics which you can easily analyse than a large quantity of data which you don't have the opportunity to learn from.
5. **Consider the full range of the difference you actually make.** In order to effectively reflect on your impact, it is important to think about wider impacts or unintended consequences of the programmes you are running. This will enable everyone in your organisation to learn from the work that has been done and tailor programmes accordingly.
6. **Be honest and open.** Organisations should promote a culture of honesty and openness existing at all levels; this enables internal learning to take place most effectively and allows organisations to assess their impact in a transparent way. Trustees can lead this process by having an honest dialogue with staff and volunteer teams.
7. **Be willing to change and act on what you find.** Much of the importance of impact measurement lies in an organisation's willingness to learn and act on what it discovers. This flexibility allows organisation to increase it's impact at every stage and improve
8. **Actively share your impact plans, methods, findings and learning.** This encourages a culture of sharing what you're trying to achieve and your successes and failures, helping organisations with common interests to learn from each other and contribute more effectively to shared impact. Furthermore, this can raise the profile of your organisation—potentially reaching new audiences, and by doing so, contributing to our wider knowledge of what does and doesn't work and strengthening the voice of the voluntary sector.<sup>2</sup>

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<sup>2</sup> Inspiring Impact (2013) *The Code of Good Impact Practice*. pp. 7–14.



## TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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