

Funding support and advice.

Introduction to outcome funding

Progressive grant making is no longer interested in only short-term outputs: funders are increasingly interested in the impact of their funding rather than just the outputs.

Coupled with a growth in opportunities in public service delivery, voluntary and community organisations are exploring ways of measuring impact like never before

What do we mean by outcome funding?

Outcome funding refers to the process whereby funders fund for change brought about by particular activities – or outputs – not simply the delivery of outputs themselves. It is sometimes referred to as the 'investor approach'.

What do we mean by outcome assessment?

Outcome assessment is a way of focusing not so much on what we do as what we achieve.

Why is an outcomes approach important?

Together, outcome funding and assessment provide a discipline and framework for doing things better.

Very simply it is deciding what you want to achieve, recording how well you achieve it, and then using this information to help you achieve more.

How to measure and assess your outcomes?

Very simply outcomes assessment is deciding what you want to achieve, recording how well you achieve it, and then using this information to help you achieve more.

Fictional case study

The story of Riley Readers

Aims

A group of people got together to set up a project called 'Riley Readers'. Their aim was to increase literacy among teenagers in the London borough of Riley.

They hoped that the impact of their work would be a long-term change in literacy levels among teenagers in the area.

They conducted research with the teenagers of Riley, who were to be the beneficiaries of the project, and with other organisations in the area to find out what the present situation was, and what needed to be done to improve it.

During this process of outcome identification, they discovered that they needed to achieve two specific outcomes in pursuit of their aim:

- *The first was that teenagers had the desire to read more, which could be described as a soft outcome.*
- *The second was that they had access to more books, which could be described as a hard outcome.*

The Project

To achieve these outcomes the group provided two facilities, or outputs: a free library and a reading club. -

To do this they put certain inputs into the project, including staff, expertise, a venue, and money, and to undertake certain activities such as running the library, and facilitating the reading club.

When they were planning their project, they wanted to ensure that they always knew how far they were achieving what they had set out to. So they set up an outcome assessment system that allowed them to record how successful they were in encouraging reading, and providing access to books.

To see how many books they provided to the teenagers, they collected quantitative data about how many books the library had available at any one time. While the outcome indicators of how far they had encouraged teenage reading were; how many teenagers borrowed their library books, and how many attended the book club.

To judge the distance travelled towards their outcomes they regularly compared these figures to the base-line data they collected in their initial research. They compared the number of books available to teenagers in Riley before the project started, to how many were available at various stages of the project. They also recorded the number of people who attended each book club, so they could compare it to the number of attendees at the first.

They realised that the best way to measure the distance travelled was not just to measure the start and end points, but also to record important achievements, or milestones along the way. For example an intermediary outcome along the way to teenagers wanting to read and therefore joining the club, was teenagers at least enquiring about joining, so they recorded this information as well.

They also collected qualitative data about how far they had encouraged reading, through interviews with the attendees of the reading club, asking questions such as 'how has coming here affected your reading?'

Evaluation

During their outcome evaluation work, the group made a list of all the verbal responses and recorded the number of people who made each one. This easily translated into statistics such as the fact that 20% said they read more since attending the club, and 40% said they still didn't read but they had made lots of friends. The group was able to conclude that they were being pulled away from their mission, by focusing too much on the social aspect of the club, and not enough on the reading, and used this information to assist their future planning and decision making.

The group also included output evaluation questions in their surveys because they realised that if they were to achieve their desired outcomes, they would need to continually develop and improve the quality of their outputs. Therefore, they asked specific questions about their service, such as 'do we provide enough non-fiction books?' or 'how do you rate the club meeting room?'. The results all helped them to improve their service.

The group's outcome evaluation work enabled them to raise funding for when their first three year grant ran out. They applied to a grant-maker who was committed to a programme of outcome funding, as many such as the Big Lottery Fund now are, and were successful.

Glossary of Terms

Activities - These are what the group or organisation does in the production of its outputs, such as counsel young people if the output is a children's helpline

Aim - This is your overall ambition, your mission statement. What are you trying to achieve

Base-line data - This is information that reflects the situation at the start of the project, or task. It is the starting point against which any progress is compared, so should be measured and recorded in the same way as all subsequent outcome monitoring data to allow for ease of comparison, and further analysis later on

Beneficiaries - These are the people, organisations, or communities who will use, or benefit from the service you provide. They are your service users

Distance travelled - This is how far you have got toward your desired outcome. It helps to quantify how much has been achieved. For example, if your desired outcome is to help people to stop an addiction, it is helpful to know what level of addiction that they have to start with, so you can work out how much they have improved. Also if they leave your project and are still addicted, you can see how far they have come. You cannot say you have completely failed because they are not free of the addiction, if they have improved health and self esteem

Hard outcomes - These are sometimes described as outcomes that are tangible and easy to translate into targets. They are quantifiable, and easily assessed, such as an adoption agency placing 100 children with families. However, distinguishing between soft and hard outcomes, is often unhelpful because the language wrongly implies that 'soft' outcomes are less important, and cannot be monitored. We only distinguish here in order to define the term

Impact - The long term effects of your work. This relates to your aim, but also includes any positive or negative repercussions, or unplanned effects

Inputs - These are the resources that you put into your activity or output. They can include tangible things such as money, but also include intangible such as intellectual property or time

Intermediary outcome - This is an outcome, which is a step in the right direction. It could be a stage in a journey towards a fixed end point, or final outcome, such as people attending training courses, where the main outcome is then returning to work. Alternatively, it could be a stand alone success that, when combined with others, leads to the key outcome, such as older people volunteering where the desired outcome is multi-generational community volunteering

Outcomes - These are the results of your work. They are often changes, such as in attitude or health, but they can also involve keeping things the same, or preventing a certain event taking place, such as stopping children taking up smoking

Outcome evaluation - This is the process by which all the collected information is processed, analysed and reported on in a format that can be easily used and shared, such as a written report

Outcome funding - This is an increasingly popular type of funding arrangement where the funder will require evidence of the outcome of a certain output rather than just the fact it took place. For example where previously a funder would have awarded money on condition that it was spent on a computer training course, and careers advice service, now they will award money on condition that a certain number of people return to work

Outcome identification - This is the process of translating aims and objectives into desired outcomes. It should be integral to the project, or output design, and include consultation with key stakeholders

Outcome indicators - These are what you can measure to show how far you have achieved your desired outcome, such as the number of people in permanent housing for a homeless project, or the amount of publicity achieved for a policy campaign

Outcome assessment - This is the process of monitoring, or gathering data which, when analysed reveals how effective you are at achieving your desired outcomes

Outputs - These are the direct products of your activities. The services you deliver, or objects you produce to help you achieve your desired outcomes. They could include training courses, publications, or online networks

Output evaluation - This is the process by which information collected about the quality of an output is assessed, so that it can be used for continual improvement. It may take the form of a questionnaire after a training event and may ask questions about the format of the handouts, or the suitability of the venue

Quantitative data - This is data that is presented as number

Qualitative data - This is data that is descriptive, and presented in words

Soft outcomes - These are outcomes that are often about changing relatively intangible things such as ideas, attitudes or perceptions. For example, a campaign for gay rights could have a soft outcome of reducing homophobia, but a hard outcome of reducing the number of court cases involving discrimination. Distinguishing between soft and hard is often unhelpful because the language wrongly implies that 'soft' outcomes are less important, and cannot be monitored. We only distinguish here in order to define the term