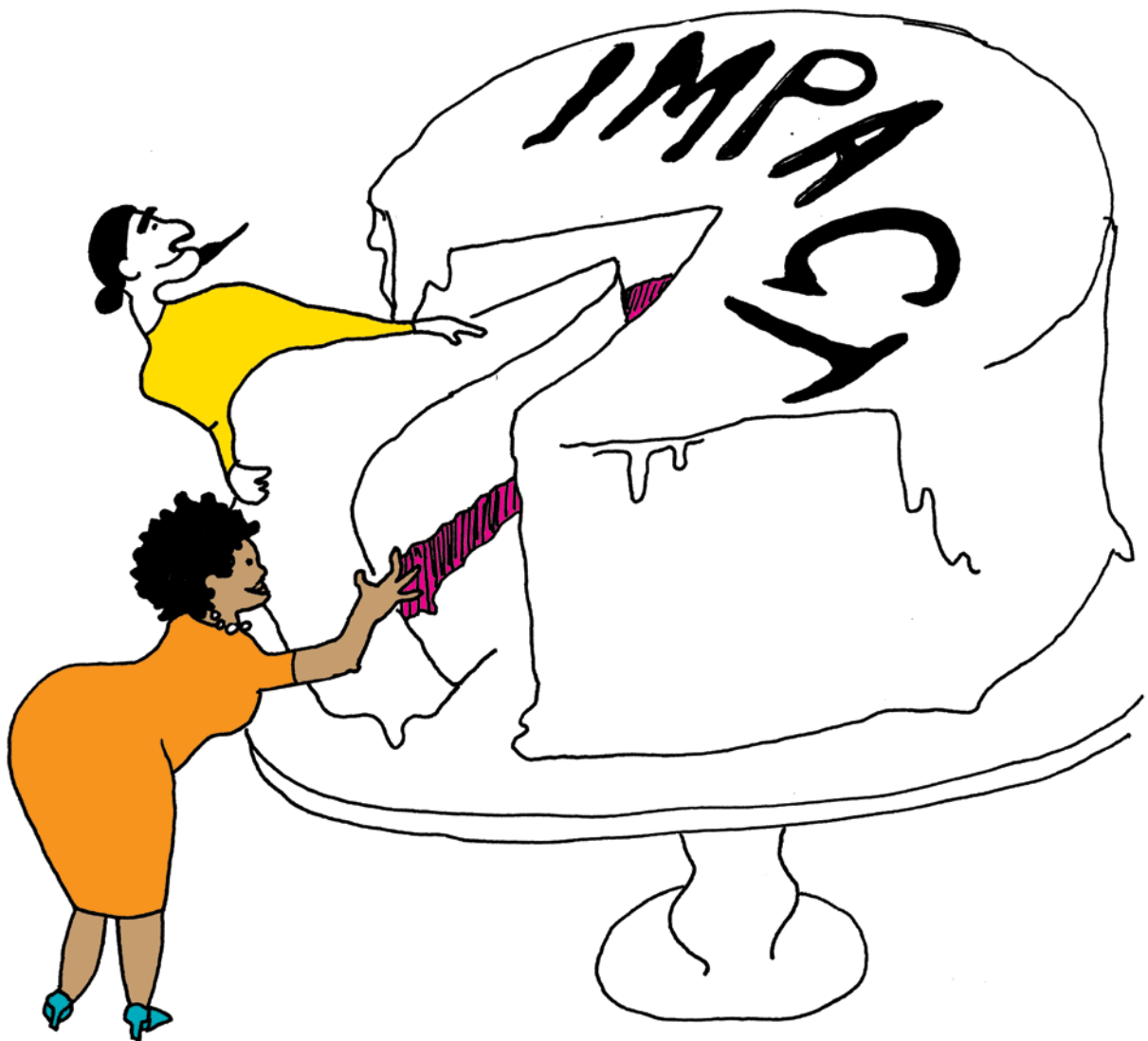


# Stage 4: Establishing Impact

Stage 4



This section provides a number of ways of assessing whether the outcomes you have analysed result from your activities. These methods provide a way of estimating how much of the outcome would have happened anyway and what proportion of the outcome can be isolated as being added by your activities. This is what we mean when we use the term impact.

Establishing impact is important as it reduces the risk of over-claiming and means that your story will be more credible. It is only by measuring and accounting for all of these factors that a sense of the impact that the activity is having can be gained. Otherwise there is the risk of investing in initiatives that don't work, or don't work as well as intended. As you will see, establishing impact may also help you identify any important stakeholders that you have missed.

There are four parts to this section:

- 4.1 Deadweight and displacement
- 4.2 Attribution
- 4.3 Drop-off
- 4.4 Calculating your impact

## 4.1 Deadweight and displacement

**Deadweight** is a measure of the amount of outcome that would have happened even if the activity had not taken place. It is calculated as a percentage. For example, an evaluation of a regeneration programme found that there has been a 7% increase in economic activity in the area since the programme began. However, the national economy grew by 5% during this time. Researchers would need to investigate how much of the local economic growth was due to wider economic changes and how much to the specific intervention being analysed.

To calculate deadweight, reference is made to comparison groups or benchmarks.<sup>1</sup> The perfect comparison would be the same group of people that you have affected, but seeing what happened to them if they had not benefited from the intervention.

Therefore, measuring deadweight will always be an estimate since a perfect comparison is not possible. Instead, you need to seek out information that is as close to your population as possible. The more similar the comparison group, the better the estimate will be.



### Ask stakeholders about their services

In an evaluative SROI analysis, information on deadweight can be gathered during the data collection phase. For example, you may be able to ask stakeholders what other services they access and how helpful they find them. Or they may be able to tell you if they could have accessed another similar facility in the area anyway.

However, you will often have to go elsewhere for the kind of information you need. Data on some indicators will be available from government sources, both from individual departments and from organisations like the Office for National Statistics. Other information is sometimes available from infrastructure, member, trade or sector groups that represent the interests of particular stakeholders.

The simplest way to assess deadweight would be to look at the trend in the indicator over time to see if there is a difference between the trend before the activity started and the trend after the activity started. Any increase in the trend after the activity started provides an indication of how much of the outcome was the result of the activity.

There is a risk that the same change in the trend is happening elsewhere in a wider population of which your stakeholder group is a part. It is therefore better to also compare the trend in the indicator with trends in the wider population.

There is still a risk that whilst there is a change in the indicator relative to the wider population, the change happened to similar groups elsewhere, relative to their wider populations, where a similar intervention or activity was not available. The solution to this risk would be to calculate and compare the relative changes for both your stakeholder group and a similar group elsewhere.

<sup>1</sup> Sometimes referred to as the counterfactual.

Here are some examples of data you could use to calculate deadweight for different kinds of outcome.

Outcome	Benchmark indicator
Reduction in reoffending rates among young ex-offenders (16-24 yrs) taking part in a rehabilitation programme	National average reoffending rate among 16-24-year-olds
Improvement in educational outcomes for young people in high-quality residential care homes	Educational outcomes for children in the residential care population as a whole
Increase in number of long-term unemployed gaining a job after participating in an employment training programme	Average rate at which the long-term unemployed come off benefits in the same region
Decreased crime in a borough after a borough-wide initiative increasing the number of police on the streets	Change in crime rate in a borough with similar socio-economic profile, but not subject to a specific crime-reduction initiative

Whether you want to understand your impact, or be more credible in your discussions with stakeholders, one advantage of calculating deadweight is that it weights the social value towards outcomes for stakeholders where deadweight is low. For what are sometimes called 'hard to reach' groups, deadweight is likely to be lower than for other groups. For example, the likelihood of someone who has been long-term homeless moving into employment without support is low; the likelihood is that much, if not all, of the change is due to the support received. This means that if the two groups experienced similar outcomes the impact would be higher for the harder to reach group.

As deadweight increases, your contribution to the outcome declines. When deadweight is high this may mean that the outcome is no longer material to your analysis.

Deadweight will be measured as a percentage and then that percentage of the outcome is deducted from the total quantity of the outcome.

**Displacement** is another component of impact and is an assessment of how much of the outcome displaced other outcomes. This does not apply in every SROI analysis but it is important to be aware of the possibility. Two examples show where displacement is most relevant:

1. An evaluation of a state-funded street lighting programme in one borough found a reduction in crime; however, the neighbouring borough reported an increase in crime during the same period. It is possible that the reduced crime was simply displaced.

2. A project supporting ex-offenders into employment counted the contribution to economic output, decreased benefit payments and increased taxes in its analysis. From the point of view of the state these benefits would have a high displacement rate as these are most likely jobs that are now denied to someone else that could have made similar contributions. This is irrespective of any other economic benefits to the individual or community that this project might produce.

If you think that displacement is relevant and your activities are displacing outcomes, you may find that there is now another stakeholder being affected by the displacement. You could go back and introduce the new stakeholder into the impact map or you could estimate the percentage of your outcomes that are double counted because there is some displacement, calculate the amount using this percentage and deduct it from the total.



**Top Tip: Set yourself a limit on how much time you spend gathering data to establish impact**

Do not spend too much time searching for information that you think should be available. You might consider setting a time limit on this stage. Always remember: the purpose of establishing impact is to help your organisation manage change. Avoid spending too long chasing false accuracy. This means you should be comfortable with estimates that are based on the best available information.


**The worked example – deadweight and displacement**

Look at the Impact Map for Wheels-to-Meals on page 104: the yellow section shows you how the column for deadweight has been completed.

For example, for the outcome of 'healthier volunteers', although the luncheon club had a demonstrable effect on the amount of physical activity reported by all volunteers, it was considered that if they hadn't been volunteering for Wheels-to-Meals they might have been volunteering somewhere else or doing other things with this time (such as going for a walk) that would have led to the same outcome. However, as part of the volunteer annual assessment the volunteers identified that the luncheon club involved more physical exercise than they might have otherwise sought. Volunteers were asked to estimate how much more. The average was around 45% more. So if the benchmark is 100%, because all of them would have done some other exercise anyway, the increase is therefore 145%. The estimate of deadweight is  $100\%/145\%$  or 70%. This was used as the estimate for the activity that would have happened anyway.

For the outcome of 'residents having nutritious meals', the nutritious meals, and resulting health improvements, were identified as the change that the council expected. However, this change would have happened anyway: if Wheels-to-Meals were not delivering this contract, the council would have another provider deliver it, as a meals-on-wheels service, to a similar standard of nutrition (specified in the

contract). So deadweight is 100%. This will result in no impact on our impact map for this row. However, we will still show the row as it is a part of the story of change.

 In this example, displacement has not been considered.



### **Over to you: Deadweight and displacement**



You can now complete the section on the Impact Map relating to deadweight and displacement. Although there is no space to record the rationale and the sources, you need to keep a record of these so that they can be included in your report.

## 4.2 Attribution

Attribution is an assessment of how much of the outcome was caused by the contribution of other organisations or people. Attribution is calculated as a percentage (ie the proportion of the outcome that is attributable to your organisation). It shows the part of deadweight for which you have better information and where you can attribute outcome to other people or organisations.

For example, alongside a new cycling initiative there is a decrease in carbon emissions in a borough. However, at the same time, a congestion charge and an environmental awareness programme began. While the cycling initiative knows that it has contributed because of the number of motorists that have switched to cycling, it will need to determine what share of the reduced emissions it can claim and how much is down to the other initiatives.

It will never be possible to get a completely accurate assessment of attribution. This stage is more about being aware that your activity may not be the only one contributing to the change observed than getting an exact calculation. It is about checking that you have included all the relevant stakeholders.

### **Reassess your stakeholders**



The first question is whether there are any organisations or people that contribute to the outcomes that you haven't included – these are missing stakeholders.

It is also possible that the contributions made by organisations and people in the past should be taken into account. For example, a person seeking work may gain that job because of your support in training as well as another organisation's support with preparing CVs and helping with interview techniques.

Where different stakeholders had other support in the past it may be useful to consider them as different groups of stakeholders. For example, children in care may have different journeys through the system depending on their experiences prior to coming into care.

As a result you may want to reconsider your stakeholders and split them into groups that had different experiences before their involvement with your activity. If you don't go back and include the new stakeholder and the inputs that they make then you will need to estimate the attribution. Either you will increase the overall inputs included in the Impact Map or you will have to reduce the outcome attributed to the existing inputs.

There are three main approaches to estimating attribution. You may want to use a combination of these methods to make your estimate as robust as possible:

1. Base your estimate on your experience. For example, you have been working with other organisations for a number of years and have a good idea of how you each contribute to the outcomes.
2. **Ask stakeholders** – both existing ones and any new ones you have identified – what percentage of the outcome is the result of your activity. In an evaluative SROI analysis this could be conducted during the data collection phase, through surveys, focus groups or interview.
3. Consult with the other organisations to which you think there is attribution. You could find out how much they all spend towards meeting the objective and attribute according to the amount they spend on a unit of outcome. Of course, this assumes that all expenditure is equally effective. Alternatively, you could have conversations with these organisations (even a joint meeting) to understand how they all contribute to the client's journey and then work out percentages that they can claim credit for on that basis.



### **Common mistakes with attribution**

There are three common mistakes that people make with attribution:

1. Remember that the purpose of the estimate of attribution is to help your organisation manage change – but it will be an estimate. So don't spend too long on this, but do explain how you have reached your estimate.
2. Take care not to attribute outcomes to organisations or people that are being paid out of the inputs (investment) that you recorded in Stage 2, as the investment takes account of their contribution.
3. As attribution may have been included as part of your estimate of deadweight, take care not to take off more than you should from your outcomes. This will depend on the quality of the benchmark used.

### **The worked example – attribution**

Look at the Impact Map for Wheels-to-Meals on page 104; the yellow section shows you how the column for attribution has been completed.

For example: for the attribution of 'more socialising' outcome, Wheels-to-Meals used a questionnaire to ask residents if they had joined clubs and groups as a result



of the luncheon club. Because it is difficult to justify that this is entirely down to Wheels-to-Meals the questionnaire also asked if other friends and organisations had recommended or promoted clubs and groups, and, if so, how important this had been to the decision to join. Based on the results in the questionnaire it was possible to estimate that 35% of the outcome was the result of the contributions of others.



#### **Over to you: Attribution**

You can now complete the section on the Impact Map relating to attribution by putting in a percentage. Although there is no space to record the rationale for your attribution and its source you need to keep a record of this somewhere so that it can be included in your report.

You should record a description of any organisations or people relating to attribution and a description of the relationship to your work. This will form part of your report.

## 4.3 Drop-off

In Stage 3.3 we considered how long the outcomes lasted. In future years, the amount of outcome is likely to be less or, if the same, will be more likely to be influenced by other factors, so attribution to your organisation is lower. Drop-off is used to account for this and is only calculated for outcomes that last more than one year.

For example, an initiative to improve the energy efficiency of social housing has great short-term success in reducing energy bills and carbon emissions. However, as time passes, the systems wear out and get replaced with cheaper but less efficient systems. Unless you have built up some historical data on the extent to which the outcome reduces over time, you will need to estimate the amount of drop-off, and we recommend a standard approach in the absence of other information. You can inform this estimate with research, such as academic sources, or by talking to people who have been involved in similar activities in the past.

Drop-off is usually calculated by deducting a fixed percentage from the remaining level of outcome at the end of each year. For example, an outcome of 100 that lasts for three years but drops off by 10% per annum would be 100 in the first year, 90 in the second (100 less 10%) and 81 in the third (90 less 10%).

Over the longer term you will need to have a management system that allows you to measure this ongoing value more accurately. However, it is likely that you will need to track your participants as part of your data collection anyway, so questions to evidence drop-off can be included.



#### **Over to you: Drop-off**

You can now complete the section on the Impact Map relating to drop-off by putting in a percentage. Although there is no space to record the rationale for your drop-off and its source, you need to keep a record of this so that it can be included in your report. You won't make use of this until Stage 5, Calculating your SROI.



## 4.4 Calculating your impact

All of these aspects of impact are normally expressed as percentages. Unless you have more accurate information it is acceptable to round estimates to the nearest 10%. In some cases you might consider that there is an increase in the value rather than a reduction. However, we do not recommend that you increase your impact as a result of considering these issues. In this situation you would simply not make a deduction. Your Impact Map should now have percentages filled in for deadweight, attribution, drop-off and (if applicable) displacement. You can calculate your impact for each outcome as follows:

- Financial proxy multiplied by the quantity of the outcome gives you a total value. From this total you deduct any percentages for deadweight or attribution.
- Repeat this for each outcome (to arrive at the impact for each)
- Add up the total (to arrive at the overall impact of the outcomes you have included)

### The worked example – calculating impact

This is how Wheels-to-Meals staff calculated the impact for one of the indicators, 'clubs and groups joined'.

First, they took the quantity of each outcome and multiplied by the financial proxy. This gives the total value of the outcome.

Total outcomes	16 x £48.25	= £772.00
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Then they deducted the deadweight, or what would have happened anyway.

Less deadweight	£772 - 10% (or 90% of £772)	
	90% of £772	
	0.9 x £772	= £694.80

Next they accounted for attribution, or how much of the change was down to others.

Less attribution	£694.80 - 35%	
	£694.80 x 0.65	= £451.62

For that row, this is the value of the impact created during the period of the scope – the year of the luncheon club being analysed.

Look at the Impact Map for Wheels-to-Meals on page 104; the yellow section shows you how these columns have been completed.

### Over to you: Impact

You can now complete the section on the Impact Map relating to impact.

