

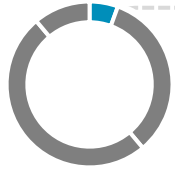
Outcomes Measurement for Social Enterprises & For Purpose Organisations

*Prepared for RISE Program Workshop Series
(19 March 2021)*



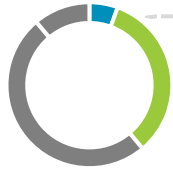
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Office of Social Impact Investment (OSII)

Agenda



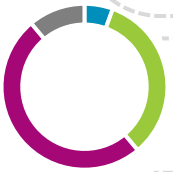
05 mins | Introduction

- Difference between ‘output’, ‘outcome’ and ‘impact’
- Why is outcomes measurement important?

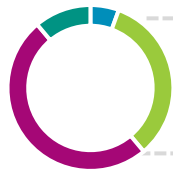


30 mins | The “Theory”:

- How to develop a program logic
- Designing outcome metrics
- How does outcomes measurement relate to social impact investment?
- Questions?

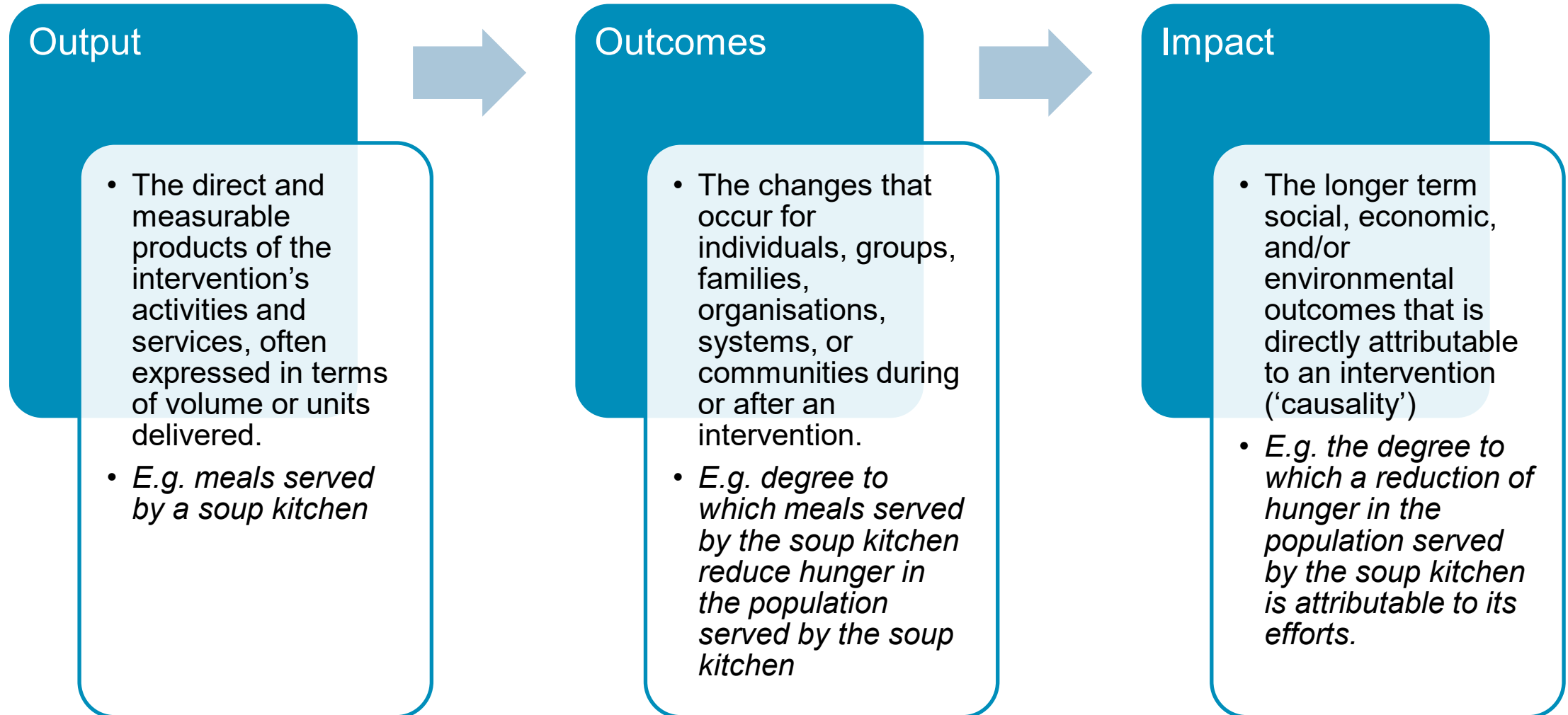


45 mins | Case study – applying the “theory”



10 mins | Questions and Wrap up

Outputs, outcomes and impact



Why is outcomes measurement important?



- ✓ Support **impact measurements** – for funders & stakeholders
- ✓ Inform **decision-making & innovation** – whether to ‘do more’, iterate & innovate
- ✓ Build an **evidence base** – contribute to broader **systems change & best practices**

First develop a program logic...

Synonyms: theory of change, program theory, logic model, causal model, outcomes hierarchy, results chain, and intervention logic.



- **Program Logic** is the causal relationship between the program inputs and activities and the expected outcomes and impacts
- It **tells the story** of how an intervention works and why
- It is **a tool to bring rigour and focus** on the key aspects of intervention and measuring its impacts

Key principles of constructing a program logic



Define the **purpose** and **objective** of the intervention



Bring together the **existing evidence: how & why** it is expected to work



Consider **how** the intervention in the proposed setting will have an **impact**

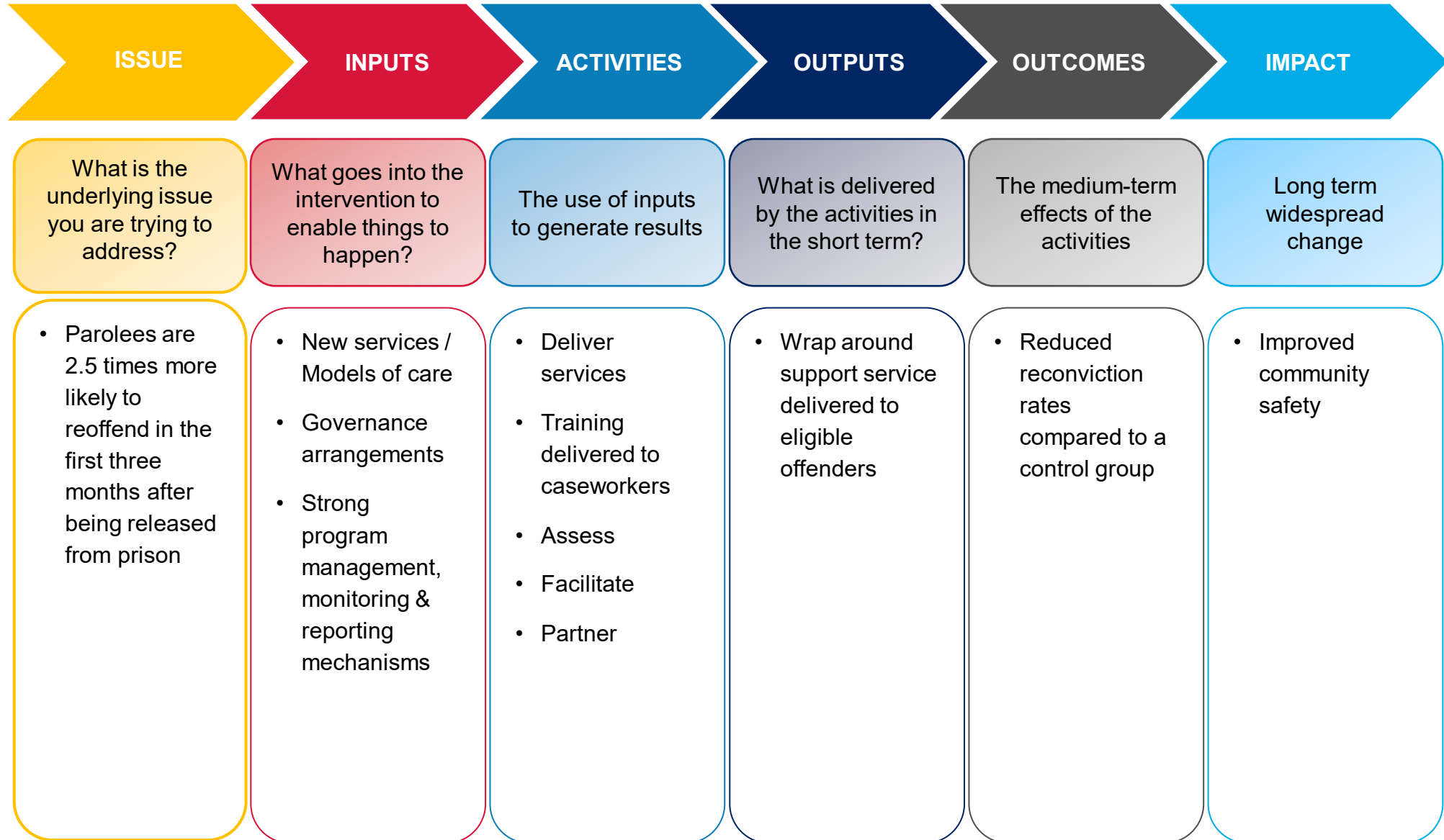


Identify what **should be measured** and provide **evidence**



Identify **measurable indicators**

Program logic examples



NSW examples

Resolve

Comprehensive, recovery-oriented mental health support over 2 years



Inputs:

Case coordination
Residential support
Qualified staff
Non-clinical outreach



Outputs:

Intensive residential care
Linkages to support services
Peer support



Outcomes:

Improved mental health and reduction in hospital care



Impact:

Better well-being and life trajectories for people with mental health illness

Newpin

Intensive 18-month therapeutic program for families with at least one child aged five years or less



Inputs:

Skilled staff
Strong program monitoring and management
Referrals



Outputs:

Therapeutic support
Partner's Parenting Group
Home visits



Outcomes:

Improved restoration rate of children from out-of-home care to their families compared to a control group



Impact:

Breaking the destructive cycle of family relationships that lead to abuse and neglect

Outcomes and metrics



An **outcome** is a measurable and observable change in individuals, groups, communities and organisations



A **metric** is the specific measure that is used to demonstrate the outcome



Interim outcomes show whether progress is being made toward an outcome

Outcome metrics should be...

R

Relevant

- Is your metric directly related to the outcome?

O

Objective

- Does your metric allow for uniform interpretation, be repeatable and independent of the observer?

C

Collectable

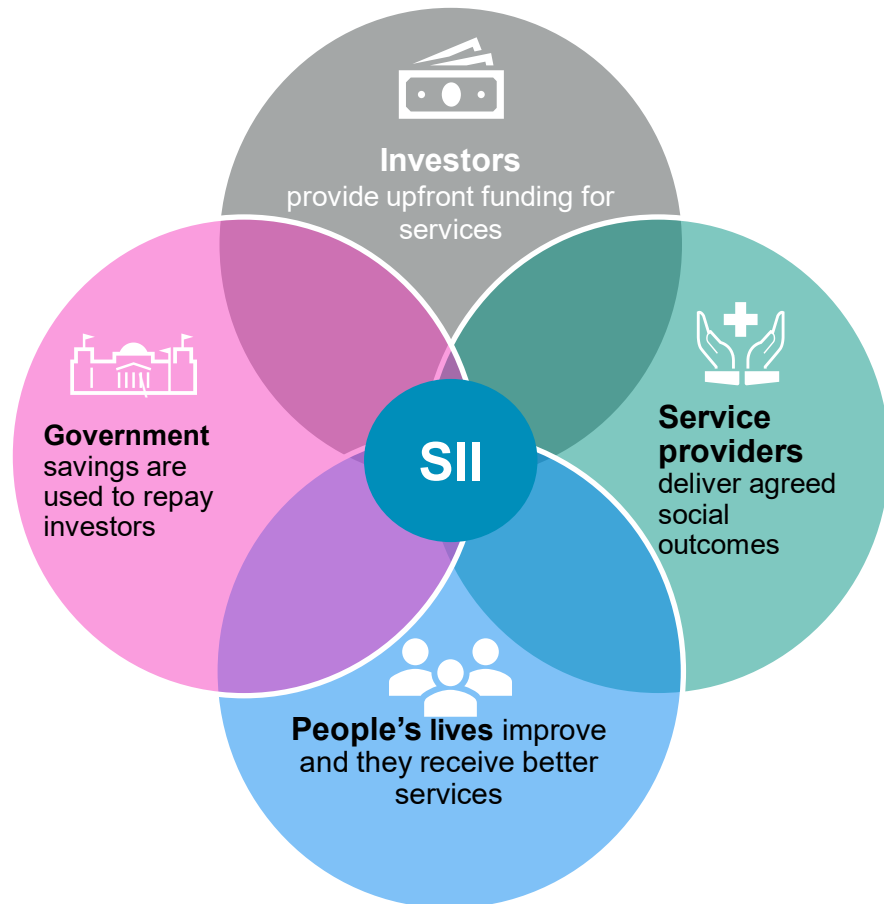
- Can data be routinely collected and readily available to evidence achievement of the outcome?

S

Simple

- Can your metric be easily communicated and understood by those who need to act on it?

How does outcomes measurement relate to social impact investment (SII)?



SII seeks to generate **social impact** alongside **financial return**. They bring together the public, private and non-government sectors to solve social challenges.

Outcome measurement is important to SII stakeholders:

- **Investors**: to make informed investment decisions & assess the intended & ongoing impact of their investment portfolios
- **Service providers**: to determine progress & drive service iterations to improve impact
- **Government**: achieving outcomes is the basis for making outcome payments

Could the program my organisation is running be suitable for SII?

01

Defining the problem

- Social issue
- Target cohort

02

Providing a solution

- Proposed service
- Target outcomes
- Measurement
- Evidence

03

Addressing feasibility

- Organisational capacity and skills
- Financial assessment



Could the program my organisation is running be suitable for SII?

01

Defining the problem

- Social issue
- Target cohort

Key questions for consideration:

- Is your program seeking to address a pressing social issue that government and non-government sectors cannot solve alone?
- Is there a gap in current services?
- Is there a growing social need affecting many people
- Are there opportunities to innovate?
- How will your target cohort be identified and defined?
- How many people will be in the intervention group?



Could the program my organisation is running be suitable for SII?

02

Providing a solution

- Proposed service
- Target outcomes
- Measurement
- Evidence

Key questions for consideration:

- How does your program works and why? *[Develop your program logic]*
- What are your targeted outcomes, how do you measure and evidence them? *[Develop your outcomes metrics]*



Could the program my organisation is running be suitable for SII?

03

Addressing feasibility

- Organisational capacity and skills
- Financial assessment

Key questions for consideration:

- What skills are available in house and are there gaps?
- Should these be filled in-house or buying in expertise?
- What partnership/s are required?
- Have these services been factored into the costing?
- Have you considered all of your service delivery costs?
- What is your expected payment profile?
- Is your program financially viable?



Remember...

- ✓ **Social problems are complex** – your approach to outcomes measurement may need several iterations before you get it ‘right’
- ✓ Your approach to outcomes measurement should be reflective of **your specific goals, objectives and capabilities**
- ✓ **Be practical** – e.g. start small when beginning your outcomes measurement journey



Case Study

A worked example to apply theory into practice

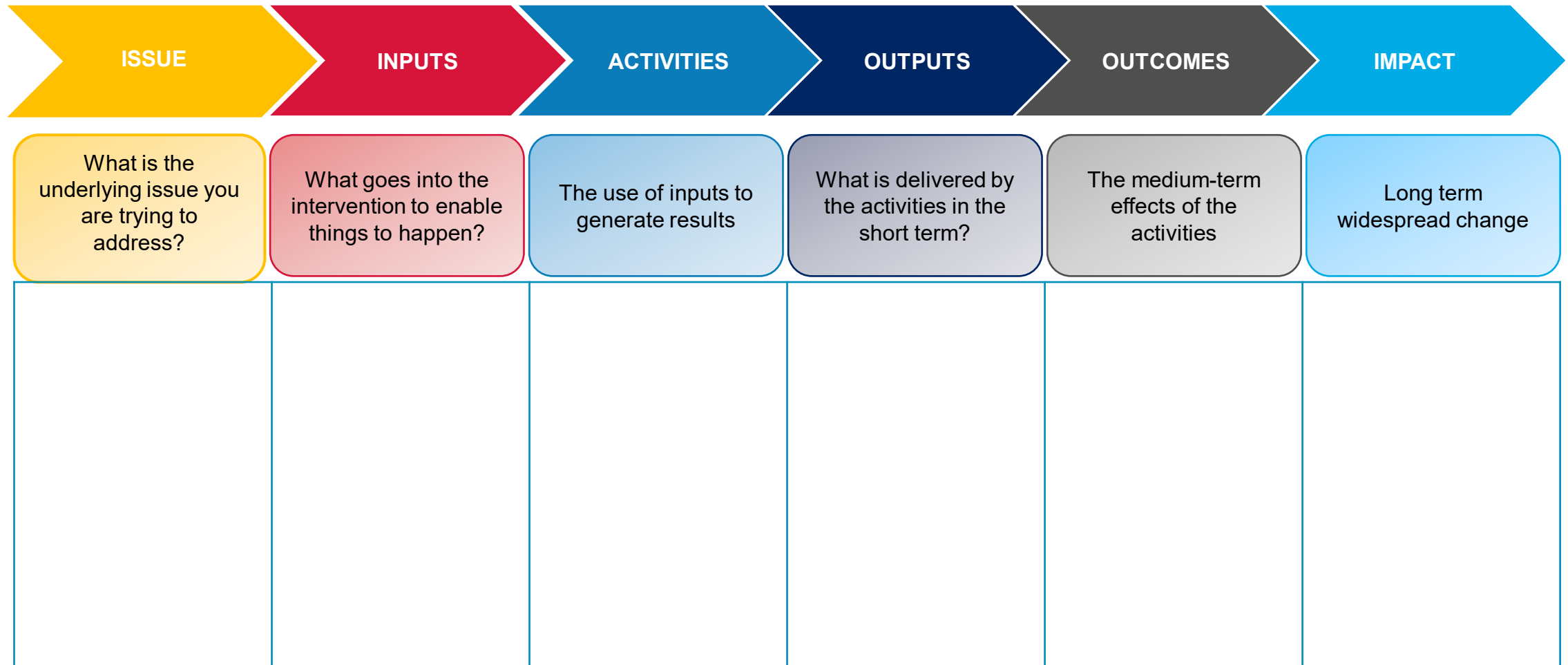

(45 mins)

Scenario



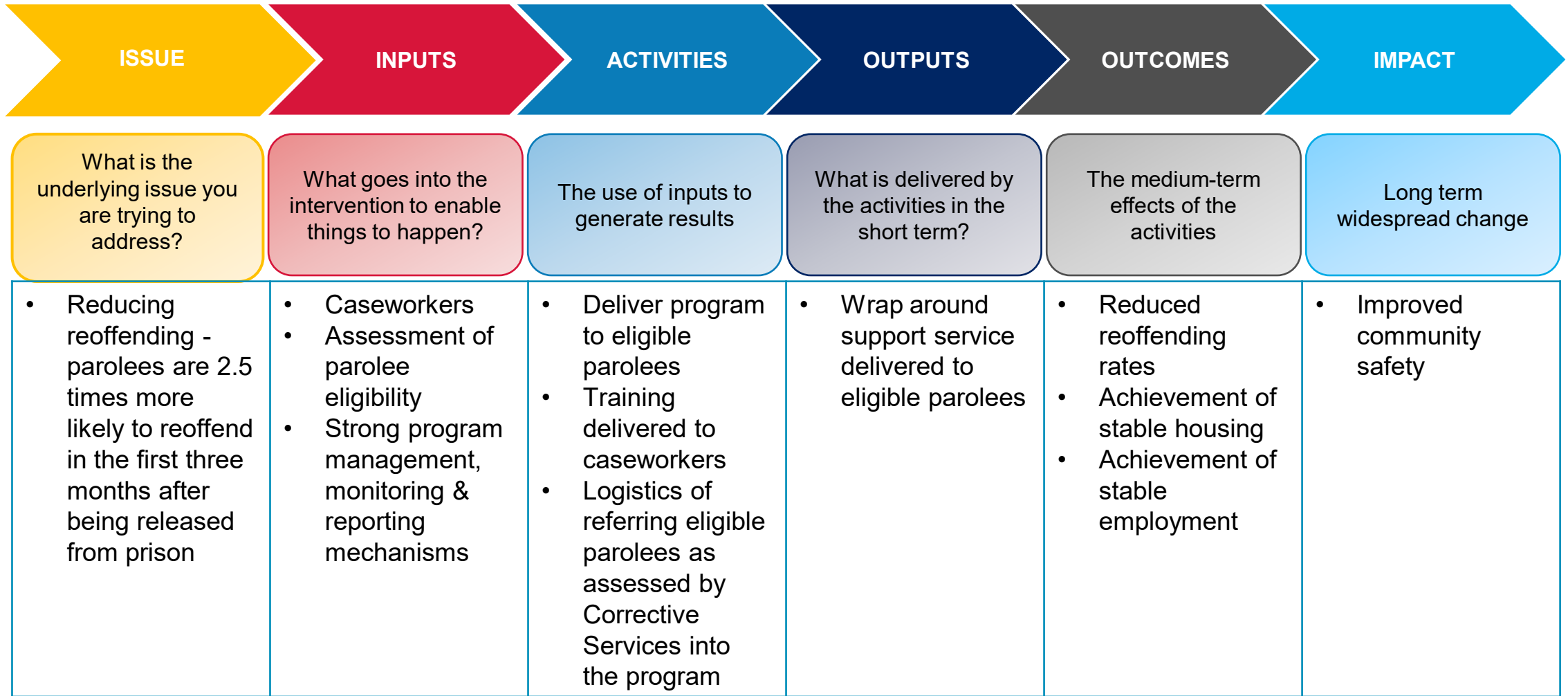
- Breaking the Cycle (BTC) is a not-for-profit organisation.
- BTC aims to work with parolees who are of medium-high and high risk of reoffending (as assessed by Corrective Services) because research has shown they are 2.5 times more likely to reoffend in the first three months after being released from prison.
- BTC has designed a two-year wrap-around program where caseworkers will support parolees reintegrate into the community, including: counselling, access to housing, employment and other support services and referrals as necessary.
- BTC believes its program can reduce reoffending by 5% compared with a historical baseline (based on data collected by Corrective Services on reoffending rates over the past 5 years), thereby improving community safety.

Exercise 1: BTC's program logic (15 mins)



Disclaimer: this scenario is a hypothetical and intended for education purposes only.

Exercise 1: BTC's program logic (*answer guide*)



Disclaimer: this scenario is a hypothetical and intended for education purposes only.

Exercise 2: BTC's outcomes measurement (15 mins)

#	What outcomes do BTC seek to achieve?	Steps to define the relevant outcome metric:				What are the outcome metrics?
		<i>How is the metric directly relevant to the outcome?</i> R	<i>Why is the metric considered objective?</i> O	<i>How & when will data be collected?</i> C	<i>Is the metric simple to communicate & understand?</i> S	
1	Reduction in re-offending	Re-incarceration is directly related to interactions with the justice system	Court finalised orders are determined independently by judges	Corrective Services collects administrative data on reoffending rates every 12 months	Yes	Not re-incarcerated for a court finalised new offence 12 months following release from custody compared to a historical baseline
2	Achievement of stable housing					
3	Achievement of stable employment					

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Exercise 2: BTC's outcomes measurement *(answer guide)*

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1	Reduction in re-offending	Re-incarceration is directly related to interactions with the justice system	Court finalised orders are determined independently by judges	Corrective Services collects administrative data on reoffending rates every 12 months	Yes	Not re-incarcerated for a court finalised new offence 12 months following release from custody compared to a historical baseline
2	Achievement of stable housing	An individual being in social housing or private leases for a sustained 12 months period is directly related to stable housing	Social housing and private leases allow for uniform interpretation	Lease agreement (upon signing), registered bill every quarter.	Yes	12 months sustained accommodation, including tenancies under social housing, private leases
3	Achievement of stable employment	An individual working for 14 hours per week for a sustained period of 3, 6, 12 months is directly relevant to stable employment	Average hours per week over a set period of time are repeatable and independent of the observer	Payslips, timesheets from employer every quarter.	Yes	Working, on average, at least 14 more hours per week for a sustained period of 3, 6, 12 months

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Questions?


(10 mins)

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Email: communications@treasury.nsw.gov.au

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