



# **I**NSPIRING **IMPACT****NI**

## **The Code of Good Impact Practice**

June 2013



## Inspiring Impact

The Code of Good Impact Practice has been developed through a sector-wide public consultation and the input of a working group of 17 organisations (see Appendix for a list). It was produced by NCVO as part of Inspiring Impact.

**Inspiring Impact** is a programme that aims to change the way the UK voluntary sector thinks about impact and make high-quality impact measurement the norm for charities and social enterprises by 2022.

Over the next decade we will work towards five key objectives under five themes, answering five key questions for the sector:

- What does good impact practice look like?
- How do we know what we need to measure?
- How do we measure it?
- How can we compare with and learn from others?
- What's the role for funders?

Find out more at [www.inspiringimpact.org](http://www.inspiringimpact.org)

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# The Code of Good Impact Practice

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## Introduction

Impact is the difference you make. By focusing on your impact, you can make more of a difference through your work. This means planning what impact you want to have and how best to achieve it, collecting information about your impact, assessing what impact you're having, communicating this information and learning from it. We call this cycle of activities impact practice. This includes, but is significantly bigger than, the tasks of measuring, monitoring and evaluating impact.

Many terms are used to talk about the difference you make and the work you're doing, including outcomes, activities and outputs. These are all clearly defined in the online Jargon Buster for this topic ([www.jargonbusters.org.uk](http://www.jargonbusters.org.uk)). The most important distinction is between the work you do and the difference it makes: it is all too easy to focus on your day-to-day work, when it is the impact you're having, and how you can have more, that is arguably more important. For simplicity, the following terms are used throughout this Code to talk about the difference you make and the activity of focusing on it:

**Impact:** the broad or longer-term effects of a project or organisation's work (also referred to as the difference it makes). This can include effects on people who are direct users of a project or organisation's work, effects on those who are not direct users, or effects on a wider field such as government policy.

**Impact practice:** the activities that an organisation does to focus on its impact. This can include planning desired impact, planning how to measure it, collecting information about it, making sense of that information, communicating it and learning from it.

Many non-profit organisations\* understand the need for good impact practice and want to get better at it. But they can encounter different definitions, confusing explanations, multiple methods, and sometimes contradictory advice.

The Code of Good Impact Practice provides broad, agreed guidelines for focusing on impact. It sets out a cycle of impact practice and a series of high level principles to follow. Each principle includes a brief description of how your impact practice would look if you were applying the principle, an explanation of why it is important and some ideas about how to implement it.

The cycle and principles that make up this document are valid for all kinds of non-profit organisations. They're also intended to help funders and commissioners have a realistic and appropriate understanding of good impact practice for non-profit organisations.

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\* Charities, social enterprises and other organisations that are non-governmental, 'value-driven' (primarily motivated by the desire to further social, environmental or cultural objectives rather than to make a profit per se) and principally reinvest surpluses to further their social, environmental or cultural objectives.

The Code of Good Impact Practice recommends that everyone in an organisation takes some responsibility for impact. However, some of the principles will apply particularly to people with certain roles in the organisation. When thinking about applying the Code to your own organisation, you may want to allocate responsibility for particular principles to particular people.

The principles in this Code of Good Impact Practice have been agreed amongst impact professionals and have been widely consulted on across the non-profit sector. We hope this gives you confidence to apply the principles at each stage of your work, discuss your impact practice with internal and external stakeholders, and explore and select the most appropriate impact methods for your work.

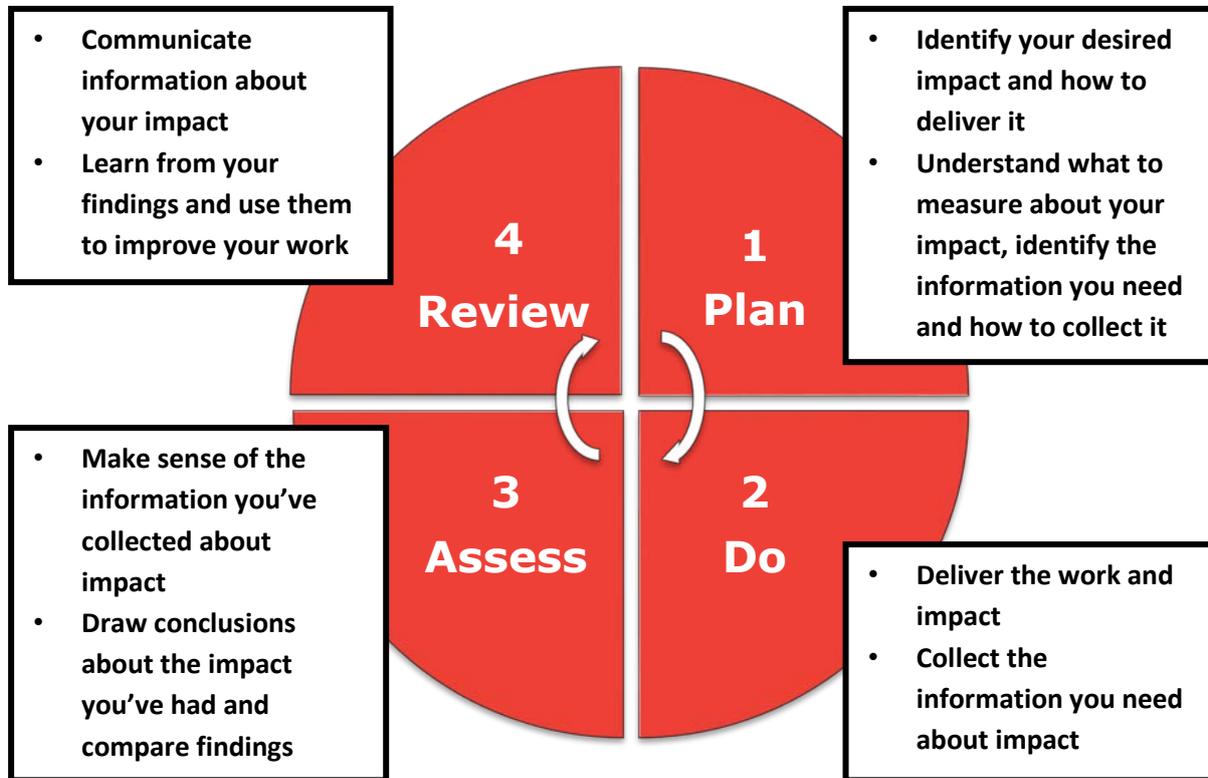
The Code of Good Impact Practice forms part of Inspiring Impact's *Impact Leadership* strand of work, which includes *Are You Leading for Impact?* The cycle and principles in the Code also complement the Funders' Principles and Drivers of Good Impact Practice, and are underpinned by the step-by-step self-assessment tool, *Measuring Up*, which has been developed under the *Coordinating Support* strand of Inspiring Impact. *Measuring Up* looks in detail at how an organisation can practically and effectively apply the principles at each stage of impact practice, and by working through each stage of the tool, you can identify where your impact practice is going well and where there might be areas for improvement. For those interested in the possibilities of shared measurement, the Code can also be read in conjunction with *The Blueprint for Shared Measurement*.

Inspiring Impact will continue to produce products that support impact practice. You can stay in touch with the development of these, and the programme, via [inspiringimpact.org](https://inspiringimpact.org).

## The code of good impact practice: A summary

### The cycle of impact practice

There are four main areas of activity that make up impact practice:



We acknowledge that non-profit organisations function in a complex way and it's unlikely that you will strictly follow a step-by-step process, but this cycle illustrates the four main areas of activity you should undertake at some point to focus on your impact.

### Doing it well

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

1. Take responsibility for impact and encourage others to do so too.
2. Focus on purpose.
3. Involve others in your impact practice.
4. Apply proportionate and appropriate methods and resources.
5. Consider the full range of the difference you actually make.
6. Be honest and open.
7. Be willing to change and act on what you find.
8. Actively share your impact plans, methods, findings and learning.

## Principle 1

# Take responsibility for impact and encourage others to do so too

Leaders of your organisation, particularly the board of trustees and the chief executive, see delivering impact as their primary responsibility and duty. You define your organisation’s intended impact; it is not led by your funders.

Impact is embedded in the culture of your organisation. All staff and volunteers see it as their responsibility to create impact through their work, to play their part in showing how their work makes a difference and sharing what they learn from it with others.

Focusing on impact through impact practice is an ongoing activity and not a one-off initiative or an afterthought.

### Why?

- The impact you have is the reason that your organisation exists and should be prioritised above everything else.
- Focusing on the impact staff and volunteers create can motivate them to create more impact.
- If everyone understands their role in the organisation’s impact, they can work better together and ensure focusing on impact is not relegated to one particular role or team.

### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Have impact at the heart of your organisational plans, strategy and decisions.</li> <li>• Help staff to understand how their own work can contribute to the organisation’s intended impact.</li> <li>• Invest in improving staff and volunteers’ skills in impact practice and allocate support and resources for this (e.g. provide training on assessing impact).</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Include impact (planned and achieved) in organisational processes such as appraisals, job descriptions, inductions, leaving speeches, away days, team meetings, trustee board meetings and all staff meetings.</li> <li>• Involve a range of staff and volunteers in collecting information about impact in a way that is built into day-to-day work (e.g. if you deliver participative group work, collect information about impact through this participative group work).</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Encourage all staff and volunteers to ask themselves ‘what difference am I making?’</li> <li>• Ensure leaders of the organisation are involved in considering what information about impact is telling them. It shouldn’t be the job of one person.</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Celebrate achieved impact.</li> <li>• Encourage staff and volunteers to share stories of impact.</li> </ul>

## Principle 2

### Focus on purpose

You're clear about your purpose as an organisation: the difference that you exist to make. You're able to explain your expected impact in meeting this purpose. You can describe how you will create this impact, plainly and in ways that everyone can understand (including staff, volunteers, beneficiaries, funders and other stakeholders).

#### Why?

- So that everyone knows what the organisation wants to achieve and can contribute to it.
- To give staff and volunteers a better understanding of organisational priorities, and the reasons for them, so they are better able to make decisions about which work to focus on to have the biggest impact.
- To make it easier to assess and review the impact you have, as you have a plan to judge it against.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Plan the impact you want to have, not just the work you will do. You should decide your intended impact first, informed by knowledge of the current needs of your intended beneficiaries. Then you can consider work you could undertake to achieve that impact.</li> <li>• Devise a clear way of explaining how the work you do will create your intended impact, so that you can communicate your plans easily.</li> <li>• Think about who needs information about your impact, what they need to know and in what format. Then plan to collect information that will meet those needs.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Have impact in mind when carrying out your day-to-day work.</li> <li>• Only collect information about your impact that is relevant and necessary; avoid collecting information 'just in case'.</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Compare your findings about the impact you're having with your plans to see how well you have achieved them. You will also want to consider whether you had an impact that you didn't plan (see principle 5).</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Take action to improve your work so that in future you can be closer to achieving your planned impact.</li> <li>• Use the learning from your findings about the impact you've achieved to consider whether you need to change the impact that you plan to have in future.</li> </ul>

## Principle 3

### Involve others in your impact practice

At all stages of impact practice you look for appropriate opportunities to involve others. As a minimum this includes involving those with direct experience of the organisation’s activities (including beneficiaries, staff, volunteers and project partners). It could also include other organisations doing similar work or funders.

#### Why?

- To help you understand more about how your work affects, and is affected by, others.
- To help you build more credible plans that include different perspectives. There may be different views on the value of different kinds of impact.
- To ensure that impact assessment and analysis is robust, and not biased or one-sided.
- To generate interest in your work and impact, and to allow many people to learn from it.
- To highlight opportunities to collaborate, which may result in even greater impact.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Involve others in defining the impact you plan to have to gain a range of views (e.g. consider beneficiaries’ perceptions of what is most important in case this is different from the organisation’s view).</li> <li>• When planning your impact measurement, agree with others (e.g. trustees, funders) what you’re trying to learn and how findings will be used to improve.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Make it as easy as possible for people to be involved in collecting information about your impact (e.g. enable them to collect information in a way they feel comfortable, such as on paper, using video or through social media).</li> <li>• If appropriate, involve beneficiaries in collecting information about your impact, or in assuring the quality of the way you’re doing it.</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• If appropriate, involve beneficiaries in reviewing and evaluating information and helping you to understand what it means. As well as bringing you new perspectives, this can help to build their skills.</li> <li>• Invite stakeholders (e.g. other organisations) to help you to test assumptions made about the impact that has been created, for instance by asking them ‘what do you think made the difference?’</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Give feedback on your findings to all those you’ve involved in your impact practice. The learning can also be of benefit to them.</li> <li>• Share impact information from other organisations and ask them to share yours (see Principle 8).</li> </ul>

## Principle 4

### Apply proportionate and appropriate methods and resources

You're realistic in your impact practice—you apply time, effort and methods that are proportionate and appropriate to the scale and scope of the work. If complexity or resources are a concern then you keep things simple and do what you can to focus on your impact.

You choose your impact planning, assessment and review methods depending on the kind of work you do and the extent of the risk or possible harm of the work. These methods fit with the values and ethos of your organisation. You're also clear about the purpose of collecting impact information, who will use it and for what.

#### Why?

- To focus your precious time and resources where they are most needed.
- To ensure you don't set yourself unachievable targets for impact practice or be put off from doing anything at all.
- To help you think carefully about the methods and resources you use so that you can explain why they were appropriate and they stand up to scrutiny.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Match the time and effort that you spend in planning your intended impact to the risk and scale of your work.</li> <li>• When planning, find out what level, type and format of information you and other stakeholders (e.g. funders) expect and need, and why. Discuss whether information is really necessary; stakeholders may be open to accepting it in a different format.</li> <li>• Consider what information or evidence already exists and whether you really need to collect or generate more. Also consider that the benefit of having information must outweigh the costs of gathering it. Using simple, often free, data gathering tools may be appropriate and can provide helpful information.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Remember that not everything needs to be assessed all of the time. You can use or build on previous findings or collect information about impact from a sample.</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Reasonable evidence of impact is enough; don't expect to find absolute proof.</li> <li>• Consider whether you require external support to add value to your findings or whether you can draw robust conclusions using your own skills and knowledge.</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Communicate a level of detail about your impact that is proportionate to the size, scope and risk of the work.</li> <li>• Make impact communications an appropriate length and format for the audience.</li> <li>• Give both numbers and stories. Numbers explain the context of the stories, and stories bring your impact communications to life.</li> </ul>

## Principle 5

### Consider the full range of the difference you actually make

Your work might be having a longer term and wider impact than you or others had anticipated, and you seek to understand the extent of this. Equally, you're conscious that the changes you see may have occurred without your involvement, may be short term, or may be the result of the work of others.

You know that you don't need to plan for and assess absolutely everything, but you keep in mind that you might have an impact beyond your intended beneficiaries, a negative as well as a positive impact, or impact that you hadn't planned to have. Although you aim to reduce it, sometimes negative impact is unavoidable. You acknowledge that in some cases you have to balance positive impact on your beneficiaries with negative impact on others.

#### Why?

- To learn from your work and to show the full impact you're having without overstating this. Using this understanding to adjust your work accordingly to make more of the impact you intend to have.
- To reveal where you achieved more (or different) positive impact than expected, meaning you, and others, are better able to appreciate the full value of your work.
- To reveal where you have an unintended negative impact on people, organisations or the environment and need to act to avoid, reduce or balance such impact in future.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Think widely about different beneficiaries that you might have an impact on through your work (e.g. staff, other organisations, other social groups, your local environment) when planning your impact. At this stage you should consider the risks of having a negative impact and whether you need to adjust your work to reduce or avoid it.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Track and reflect on any unexpected positive feedback or complaints that you receive as you're carrying out your work.</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Consider what has changed, what has contributed to that change, and your role in this. Always consider alternative explanations for patterns in your impact information and don't discard information that is negative or doesn't fit with your planned impacts.</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Communicate information about any wider impact than that you had planned. Include findings about negative impact and what is being done to reduce it or how and why it is balanced with positive impact.</li> <li>• Use the information you have on your full impact to adjust your work in order to make more of the impact you intend to have in future.</li> </ul>

## Principle 6

### Be honest and open

You're honest and open about the impact you plan to have and about your findings on the difference you have or haven't made, as well as what you have learnt from these findings and how you will act on these lessons.

You're also honest and open about the scope of your impact practice, so that others are aware of any exclusions or limitations on what and how information has been collected, and how it has been assessed and reported.

You and your funders discuss honestly and openly what hasn't gone so well and learn from it, despite any concerns you may have about divulging the limitations or learning points.

#### Why?

- To support genuine learning about what works, for staff within your organisation and for funders, which can lead to improved services for beneficiaries.
- To encourage a culture of openness, learning and dialogue for improvement, rather than blame (within and between organisations).
- To demonstrate that your organisation is transparent, increasing trust.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Be honest and open about the extent of the difference you aim to make, including what hasn't worked before.</li> <li>• Explain the basis of your planned impact measurement approach and methods. This will help them to stand up to scrutiny and be more credible, within and outside your organisation.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Tell staff, volunteers and beneficiaries why you're collecting information about impact and what you will do with it (e.g. amend a service).</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Be honest when considering the contributions made by others to the actual impact achieved; don't over- or under-claim. It's more realistic to talk about the contribution you've made rather than to try to attribute impact to your work alone.</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Communicate both the areas where you've had a positive impact and areas where your impact has been less successful, negative or non-existent. This is equally important for internal audiences (such as staff, volunteers, beneficiaries) and external audiences (such as funders, stakeholders, other organisations).</li> <li>• Focus on learning as a result of finding out what impact you have or have not had rather than blame.</li> </ul>

## Principle 7

### Be willing to change and act on what you find

You're ready to change as a result of finding out what impact you are or are not having, and you're willing to accept that you may not be having the impact you intended.

You commit to learning from the findings of your impact assessment and you actively use them to inform planning and action within the organisation.

Your funders also have a willingness to learn and change, and to work together to reflect, refine and learn.

#### Why?

- To improve services and impact for beneficiaries with the resources that are available.
- So that the information you collect about impact will be used to inform decisions, and action and time is not wasted.
- To reinforce staff and volunteer commitment to impact practice, as they can see that action is taken and things change as a result.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Identify decisions that need to be made and plan to collect information about impact that can help to inform those decisions.</li> <li>• Ensure the information you collect about impact is timely so that it can inform budgeting, planning and decisions before the service or initiative happens again.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Give staff responsibility for spotting small-scale successes and failures and for making rapid improvements on the ground.</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Be ready to draw challenging conclusions from the findings about your impact. Be aware of vested interests, especially staff or volunteers who have delivered a particular service in a particular way for a long time or beneficiaries who have been used to receiving a particular product or service.</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Embrace and enable change if your impact assessment shows something does not work as well as you thought it did.</li> <li>• Communicate findings, plans for change and the reasons for them. You may need to negotiate these further with funders.</li> <li>• Review the information you're collecting about your impact, to see whether you're actually using it to inform decisions and action.</li> </ul>

## Principle 8

### Actively share your impact plans, methods, findings and learning

You communicate your impact plans, methods, findings and learning to ensure others know what you're trying to achieve and to contribute to a wider view of what does or doesn't work. You share appropriate information within the organisation (with staff, trustees, volunteers and beneficiaries) and also outside the organisation (with funders and other organisations doing similar work, where possible and suitable).

You acknowledge and describe the limitations of your findings, such as the effects of people, place and timing, on how transferable or replicable the lessons are.

#### Why?

- To create an environment of sharing what you're trying to achieve and your successes and failures, which can help organisations with common interests to learn from each other and contribute more effectively to shared impact.
- To raise the profile of your organisation and cause and potentially reach 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.
- To provide funders with added value. Funders can achieve more from their investment if grantees share their impact findings to help others doing similar work to improve.

#### Suggestions for applying it:

<b>PLAN</b>	<ul style="list-style-type: none"> <li>• Promote your plans for the impact you intend to have to similar organisations, to help them see where their work may align with yours. Some sub-sectors might want to explore developing shared impact measurement approaches.</li> <li>• Share your plans for collecting information about your impact, where appropriate. This may be within your organisation, with funders, or with other similar organisations.</li> </ul>
<b>DO</b>	<ul style="list-style-type: none"> <li>• Share information about what you're doing to focus on your impact.</li> </ul>
<b>ASSESS</b>	<ul style="list-style-type: none"> <li>• Highlight the methods that you use to collect and assess information about your impact, and their strengths and weaknesses. There may be confidential information or licensing concerns that limit this sharing, but you shouldn't automatically assume this.</li> </ul>
<b>REVIEW</b>	<ul style="list-style-type: none"> <li>• Communicate your impact findings, including any learning, successes and areas for improvement. This could be in the form of a report, a leaflet, a video, a webpage, at an event, in conversation or in another format. An umbrella or support organisation can be an excellent forum for sharing learning.</li> </ul>

# Appendix: About the Code of Good Impact Practice

## Where the Code of Good Impact Practice came from

In September 2011, 30 leaders in the field of social impact came together for an Impact Summit, hosted by NESTA. The participants discussed how leadership and collaboration could embed impact practice in the daily work of the hundreds of thousands of charities, social enterprises, funders, commissioners and investors that make up the UK non-profit sector.

Following this meeting, Inspiring Impact ([inspiringimpact.org](http://inspiringimpact.org)) was set up, led by New Philanthropy Capital (NPC), working with seven partners. To ensure the programme is owned by the sector, Inspiring Impact brings together membership bodies ACEVO, NCVO and ACF. To ensure it reflects best impact measurement practice, it includes measurement specialists Substance, Charities Evaluation Services and NPC. To ensure the programme is UK-wide, it includes Evaluation Support Scotland and Northern Ireland's Building Change Trust.

Leaders in the non-profit sector have a critical role to play to embed impact practice in their organisations. The Code of Good Impact Practice is a key product of Inspiring Impact's work to help leaders to do this better by defining what good impact practice is.

This Code of Good Impact Practice takes inspiration from the success of Good Governance: A Code for the Voluntary and Community Sector in setting out and helping non-profit organisations to understand the principles of good practice in governance. It also builds on existing guidance created for specific areas of impact practice, including The Principles of Good Impact Reporting.<sup>†</sup>

Underlying all the principles is the additional principle of equality—ensuring representation, voice and equality of treatment for all sections of the community. We believe that this is fundamental to all eight principles, as it is to the non-profit sector generally.

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<sup>†</sup> *The Principles of Good Impact Reporting*, March 2012, Produced by: ACEVO; Charity Finance Group; Institute of Fundraising; NCVO; New Philanthropy Capital; Small Charities Coalition; Social Enterprise UK; and SROI Network.

## How the Code of Good Impact Practice was developed

A working group was set up in 2012 to develop the content of the Code of Good Impact Practice. The group was made up of people from a wide range of non-profit organisations including infrastructure bodies, impact professionals and delivery organisations. The organisations include:

- The Charity Commission
- Charities Evaluation Services (CES)
- Community Evaluation Northern Ireland (CENI)
- Dartington Social Research Unit
- Evaluation Support Scotland (ESS)
- Macmillan Cancer Support (Laura Jenkins)
- National Association for Voluntary and Community Action (NAVCA)
- National Council for Voluntary Organisations (NCVO)
- New Philanthropy Capital (NPC)
- The new economics foundation (nef)
- Prostate Cancer UK
- Social Audit Network
- Social Enterprise UK
- SROI network
- Small Charities Coalition
- Social Impact Analysts Association
- Wales Council for Voluntary Action (WCVA)

The following are thanked for their comments on the early draft of the Code of Good Impact Practice:

- Charity Finance Group (CFG)
- Pro Bono Economics
- Roald Dahl's Marvellous Children's Charity
- Surrey Community Action
- Third Sector Research Centre
- Triangle Consulting

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