

# WHY CONSIDER DEVELOPING A THEORY OF CHANGE?

## What is the context?

From the work that Local Partnerships has been undertaking with various social enterprises and public sector programmes, we have seen the widespread value in developing a Theory of Change. This value can be seen both by the leadership of an organisation or programme as well as frontline staff. A Theory of Change can also be used with good effect in conversation with partner organisations, funders, commissioners and/or customers.

Some may argue that Theory of Change is an academic concept or too technical a piece of terminology. Our clients express how much they have valued taking the time to analyse why they exist and how their work can be measured and communicated to a wide set of stakeholders. We believe there are a variety of reasons why one would invest time to develop a robust Theory of Change. They can be summarised as the desire to:

- ▶ Understand and clearly communicate the purpose of your activity
- ▶ Align staff and activities around values
- ▶ Focus staff and activities on results not just actions
- ▶ Evaluate services and/or products and ensure they are providing the end result you want
- ▶ Ensure you correctly measure and report on impact and outcomes along with appropriate outputs
- ▶ Develop a robust evidence base for the achievements of the organisation or programme.

## Developing a Theory of Change

We believe there can be more than only one way to develop a Theory of Change. We also believe there are key questions that must be considered:

1. Why do you do what you do? What is the problem that you seek to address?
2. How do you know you have been successful?
3. What are the short-term or intermediate outcomes you need to achieve?
4. What are the long-term outcomes you hope to achieve?
5. What do you do? Which of your activities lead to the outcomes?
6. What outcome or output indicators do you currently record? What else do you need to do?



Theory of Change is focused on the outcomes you achieve and as such it can help move individuals and organisations away from output focused measurement. Outputs are what is quantifiably delivered by a project or intervention for example the number of people trained or seen by a doctor. Clearly outputs are important to measure and can show progress towards an outcome. Outcomes are the consequences, changes, benefits, learning or other effects that happen as a result of a project or intervention. These can often be hard to count or prove, may be wanted or unwanted, expected or unexpected, for example improve confidence, resilience or life-chances.

However, as the public sector faces serious budget constraints, everyone needs to focus more and more on the outcomes they achieve. A Theory of Change can demonstrate this clearly, taking into consideration short-term and medium-term outputs and outcomes. We recognise that many public sector contracts are still output focused and it will take time to move towards outcomes based commissioning but we also know that is a desire of many within the sector.

Theory of Change can only help as organisations and programmes are able to clearly show what they achieve from an outcome perspective. As outcome communication increases, funders and commissioners will continue to shift their thinking and we should see end-user outcomes becoming more of a goal.

In developing your Theory of Change, we believe it is very important to involve a range of different stakeholders. Working sessions can be helpful to engage people and capture various points of view and thoughts. We have found that consensus can build naturally as you work your way through the six key questions for consideration.

We have debated with clients whether one should develop an over-arching Theory of Change for an organisation or a Theory of Change for each programme or project within an organisation. There may not be a right or wrong answer to this question. We support our clients, starting at whatever level they feel appropriate, and see how things develop. Usually an over-arching Theory of Change is the end result though some of our clients have multiple theories.

## The result

We have found that a good Theory of Change is a diagram with supporting narrative. It can be used in marketing documents, on websites, in tenders, etc. It should be dynamic and used to support service and / or product improvement as well as the business planning cycle. It may change over time as you develop further services and / or products. It should be embedded into the organisation in order to have a lasting effect. It needs to make sense and should lead to clear areas for measurement. It should lead to better communication of why you do what you do which should result in you doing more and achieving better outcomes for those you support, as well as demonstrating it. In this respect, it is a key tool to support the business planning process.

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