

Doctor of Business Administration

**Measuring and Managing Social,
Economic and Environmental Outcomes
in the English Social Housing Sector**

Document 5: Thesis

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Abstract

The ambitions and activities of social housing providers in the UK today extend beyond those associated with the traditional landlord role. Providers are now aiming to address a range of complex and cross-cutting social issues to improve individual and community wellbeing. A recent advance in practice to support this broader service delivery has been the development and adoption of tools and approaches to measure the social value generated by such activities. This thesis aims to understand, firstly, the contextual drivers for the recent growth of this practice in the sector; and secondly, the most significant dynamics for successful implementation, from both the operational perspective of the individual organisation and the strategic perspective of the wider social housing sector. This is approached through qualitative interviews with programme architects and leading practitioners, drawing on a conceptual framework that combines a programme theory approach (realist evaluation) with an implementation theory formation (Theory of Change), within the analytic framework provided by the 'public value' paradigm. The thesis concludes by specifying a model for the implementation of social impact measurement, which looks beyond the individual methods for impact measurement to assess the wider contextual factors and the specific inner workings of the complete process (including the necessary organisational capabilities) that are required to successfully implement and embed the practice. This then provides a number of insights into the developments needed at an organisational and sector-wide level to fulfil the positive outcomes anticipated from social impact measurement.

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Glossary

Arms Length Management Organisation (ALMO)

A not-for-profit company that provides housing services on behalf of a local authority.

Chartered Institute of Housing (CIH)

A professional body that represents the independent voice of housing and the home of professional standards.

Decent Homes

The Decent Homes Standard is a technical minimum standard for social housing introduced by the UK government in 2000. The Decent Homes programme provided government funding to support social housing providers in implementing the standard.

HACT

A charity, social enterprise and industry-focused think/do tank established by the housing association sector.

Homes and Communities Agency (HCA)

The national housing and regeneration agency for England, with a remit for investment, regulation and enabling in housing, land and regeneration.

HouseMark

A membership organisation (owned by the CIH and NHF), providing services to members to facilitate business intelligence gathering and analysis.

Housing Association

A private, non-profit organisation providing social housing. Also known as Registered Social Landlords or Private Registered Providers of Social Housing.

National Housing Federation (NHF)

An umbrella body that represents independent non-profit housing association members in the UK.

New Economics Foundation (NEF)

A UK think-tank promoting social, economic and environmental justice. Co-authors of the 'Guide to Social Return on Investment'.

Social Return on Investment (SROI)

An analytic tool for measuring and accounting for a much broader concept of value, taking into account social, economic and environmental factors.

SROI Network

An international membership organisation that promotes the use and development of the Social Return on Investment methodology.

Chapter 1. Introduction

"The greatest opportunity open in this country for raising the general standard of living lies in housing."

(Beveridge, 1944)

The above quotation captures the longstanding recognition of the importance of housing in delivering a wide range of social outcomes that contribute to the improvement of personal and social wellbeing. The commitment within social housing to improving individuals' and communities' quality of life is particularly strong, with a recent sector-wide consultation confirming a renewed sense of 'confidence that our work over the next 20 years can make even more of a lasting and significant impact on people's lives than it did over the previous 20 years' (National Housing Federation, 2014a). In making this vision operational, a noticeable development within the sector in recent years has been the proliferation of interest in, and application of, the practice of social impact measurement. A recent report states that 28 per cent of housing associations are currently measuring the social impact of their activities (Moreton, 2014). This thesis is driven by the observation of, and involvement in, the recent development of this practice. The core purpose of the research is to gain a better understanding of this practice and how it can be successfully implemented.

The initial perspective for the research was from one case study social housing organisation, which from 2010 was involved in a project to develop an approach to measuring the social, economic and environmental benefits of its housing investment under the Decent Homes programme. Through a Knowledge Transfer Partnership (KTP) with Nottingham Business School, Nottingham City Homes was able to measure the wider impact of its Decent

Homes programme, and incorporate this information into longer-term prioritisation and planning for future asset investments (Nottingham City Homes, 2012). The earlier parts of this doctoral research focused on this organisation's experience in developing and embedding this practice, to understand the benefits of doing so and the organisational changes required to support this (Document 3). The qualitative research on this case study organisation for Document 3 found that understanding the practice of social impact measurement required wider consideration of contextual factors and operational responses to explain the drivers and inhibitors for successfully implementing the process. In particular it highlighted that the organisational change required to implement the process is gradual, requiring a series of cycles through the transformative stages of 'discourse, decision, practice and impact' (Pollitt, 2001) before the practice becomes widely embedded within the organisation.

This was accompanied by further research to more extensively explore the possible approaches for measuring social impact, by developing and testing quantitative methods for evaluating social impact in the social housing sector (Document 4). This report showed that quantitative analysis is a necessary part of social impact measurement, to evidence how much change has occurred and therefore whether, and to what extent, hypotheses about programme outcomes are valid. Yet the research highlighted that a quantitative approach alone is not sufficient to capture all elements of the programme theory, necessitating a mixed-method approach.

Over the course of the initial KTP project and their subsequent continuation of impact measurement, Nottingham City Homes became an exemplar of the use of this approach within the sector, and increasingly aware of other

housing organisations engaging in the broader development of impact measurement across the sector. The research into this individual case was concurrent with the increasing interest and application of impact measurement within the social housing sector referenced earlier. The earlier research for Documents 3 and 4 also pointed towards an evidence gap for the sector; whilst much of the existing literature focused on the methods for impact evaluation, resulting in a number of technical guides, there was little wider evidence regarding the broader process of implementation within the sector, and consequently limited learning on what could potentially constitute good practice.

As a result, the focus for this thesis is broadened to consider the wider developments in social impact measurement across the social housing sector. The essential questions at the heart of the research are, firstly, what is driving this observable surge in interest and application of the practice, and are these factors likely to sustain the practice into the future? And secondly, what then are the most significant dynamics for successful implementation, from both the individual operational perspective of the organisation and the strategic perspective of the wider social housing sector? In continuation of the methodological approach applied throughout the previous doctoral research, the research questions for the thesis were then developed in line with the tenets and principles of critical realism. The research questions for this thesis are as follows:

1. What are the current contextual factors driving an interest in social impact measurement in the social housing sector, and what are the aims of social impact measurement within this context?

2. What are housing providers' experiences of delivering a social impact measurement project (i.e. what works, for whom and in what circumstances)?
3. What specifications can be made for the social housing sector from this, for developing an appropriate model for social impact measurement?

The aim in addressing these research questions is primarily to contribute to practice, by increasing the housing sector's understanding of the necessary resources and activities, as well as the processes and contexts interacting with these activities, that are required to successfully deliver the changes and benefits that are anticipated from social impact measurement. In doing so, the aim is also to contribute to knowledge by developing and testing a conceptual framework as a lens through which to examine the development of a particular practice within the realm of public policy and service delivery. The aspiration for this conceptualisation is that, by bringing together the conceptual building blocks of realist evaluation, public value and Theory of Change, a clear methodological foundation will be provided, together with an appropriate analytic framework and an effective approach to evaluation. The application of this conceptualisation may have reach beyond the subject to which it is applied here. The thesis develops an approach to evaluation to understand a process that is, in itself, an evaluation practice. Therefore aspects of the learning from developing the evaluation approach for the thesis (such as the insights from realist evaluation and Theory of Change) can also be applied to thinking about the practice of social impact measurement itself, and these insights contribute to the final conclusion.

In introducing this topic, some of the key terms used throughout the research are first defined for clarity. The concept of 'social value' is used to encompass the wider benefits that public policies and service delivery, including through social housing provision, aspire to deliver. In legislation, social value refers simply to 'economic, social and environmental well-being' (Great Britain. *Public Services (Social Value) Act 2012*, c. 3), referring to the 'triple bottom line' that has its origins in both the sustainable development and Corporate Social Responsibility (CSR) agendas (United Nations, 2005; Elkington, 1997). A more detailed definition is provided by the think-tank DEMOS, who state that '... 'social value' refers to wider non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment.' (Wood and Leighton, 2010, p.20). In some contrast, the Centre for Social Justice includes a broader definition of value, separating financial value from social value:

We propose breaking outcomes into three categories: Fiscal value includes the cost of implementing a programme as well as the savings accruing to government departments through improved outcomes; Economic value records all financially measurable costs and savings to individuals as a result of improved outcomes; Social value is an umbrella term to recognise that social outcomes such as improved health, stronger relationships, a better environment (and others) have a value to society.

(Centre for Social Justice, 2011, p.16)

The concept of wellbeing is clearly an important aspect of social value. This, in turn, is summarised by the UK government definition as follows:

Well-being is a positive physical, social and mental state; it is not just the absence of pain, discomfort and incapacity, it requires that basic needs are met, that individuals have a sense of purpose, that they feel able to achieve important personal goals and participate in society.

(Department for Environment, Food and Rural Affairs, 2007)

For the purposes of this research, social value is taken to confer the same meaning as public value, which can simply refer back to 'what the public values', but also considers 'what adds value to the public sphere', encompassing wider public interest, longer-term public good and the needs of generations to come (Benington, 2011, p.43). The definitions set out above may well be included as examples of public value, but because these values are shaped by political and social interaction that changes what the public values over time, the concept is essentially dynamic in nature (Horner and Hutton, 2011, p.126). In summary, social value is used here as an umbrella term to encompass all outcomes that the public values. Some examples of social value that are currently emphasised include individual and collective wellbeing, economic value and environmental outcomes.

Although not a universal definition, the term 'social impact' is used here in line with what can be seen as emerging practice in the sector, to refer to the process of identifying and valuing these social value outcomes. It is therefore 'more associated with the method and approach we use to assess social value' (Russell, 2013, p.8). It is a constituent part of the more general practice of impact evaluation, which is a process of assessing whether an intervention has been successful in achieving its intended outcomes i.e. by testing what changes in outcomes have occurred, and the extent to which this can be attributed to the intervention (H.M. Treasury, 2011b). Similarly, 'social impact

measurement' is also used in reference to the broader set of processes for assessing social value. Although this includes the term 'measurement', this should not be seen to solely refer to methods that quantify these outcomes, but more broadly encompasses the assessment and evaluation of social value using a range of empirical approaches and data.

The outline structure for the thesis is as follows. Firstly, Chapter 2 lays down the theoretical groundwork that provides the foundations for the empirical research, by setting out the conceptual framework. The methodological underpinning for the framework takes the form of critical realism, specifically drawing on the basic generative causal propositions provided by Pawson and Tilley's (1997) realist evaluation approach. This very general abstraction is given more conceptual orientation by fitting it together with the analytic framework provided by 'public value' theory (Benington and Moore, 2011; Moore, 1995). This further grounds the research within a more specific model for public management and the improvement of public services. Together, these elements shape the form of the research, which takes forward the theory-driven approach by aiming to develop a programme theory for social impact measurement, deepening the understanding of the contextual features and processes that shape the outcomes of the practice. This is integrated with the development of an implementation theory, drawing on a Theory of Change approach, which provides a complimentary perspective on how the practice is operationalised.

The research questions and conceptual framework shape the research methods, which are described in Chapter 3. Chapter 4 then presents the analysis of the empirical data collected, drawing on the structure provided by the conceptual framework described above. The analysis is therefore

segmented according to the 'context, mechanism, outcome' formation of realistic evaluation, which provides the structure for the programme theory. Within this, the analysis is further dissected using the 'strategic triangle' specification from the public value literature (see Figure 2), separating the reported processes (or mechanisms) for social impact measurement across the three themes of 'defining social outcomes', 'creating an authorizing environment', and 'building operational capacity' (Benington and Moore, 2011). The latter process is analysed from an implementation theory perspective, using the Theory of Change approach to assess the necessary resources, activities and outputs required to successfully implement social impact measurement at an operational level (Blamey and Mackenzie, 2007).

Finally, the thesis concludes in Chapter 5 by reconceptualising the initial theorisation (including the programme and implementation theory elements), drawing on the insights from the empirical data to specify a more detailed model of social impact measurement. This closes with a brief examination of how this approach can be further developed and tested through additional research.

Chapter 2. Framing the research

This chapter introduces the range of concepts that will be used to frame the research, from the general abstract methodological foundations to the more specified hypotheses for testing through the research. The following diagram is adapted from Pawson and Tilley (1997, p.121), as an organising framework for the theoretical concepts that will be used to make sense of the data from the individual interviewee cases.

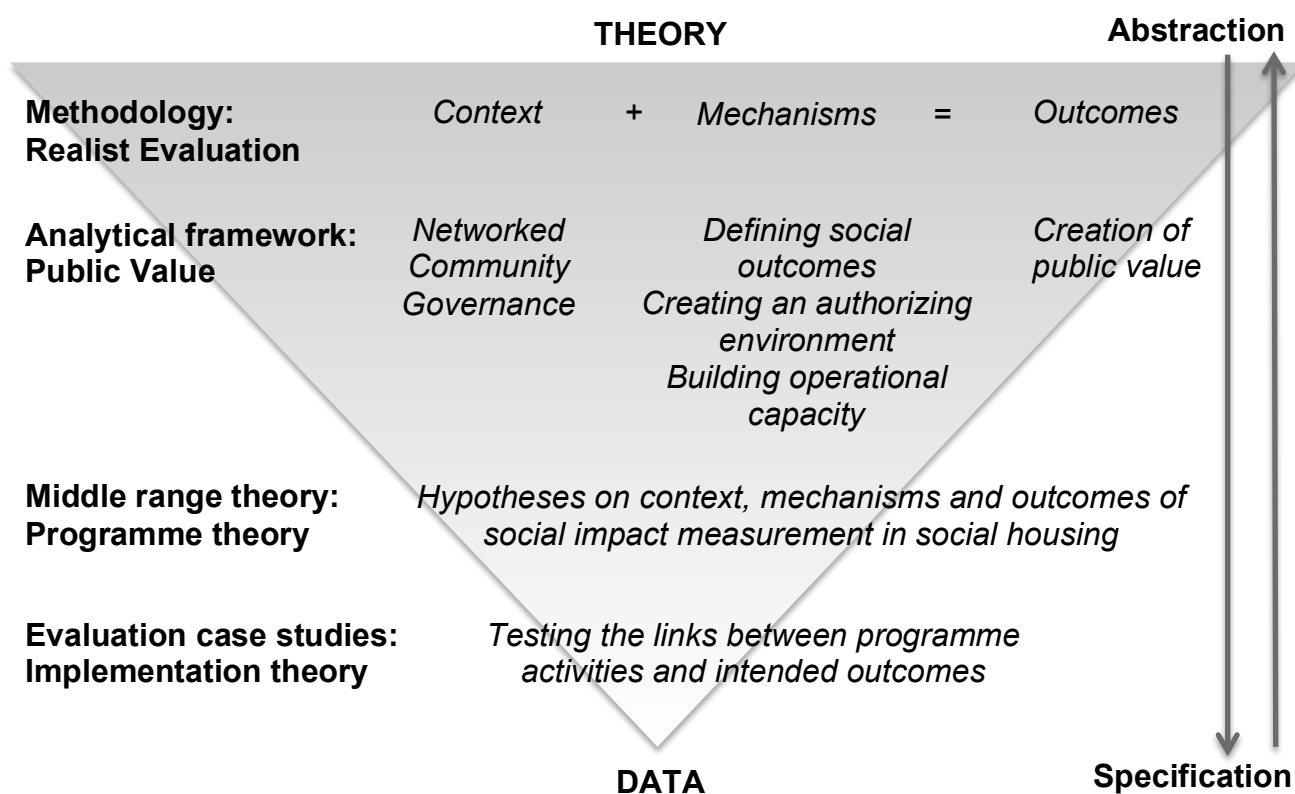


Figure 1: Organising framework for the research

At the highest level of abstraction, the methodological framework adopted is that of critical realism; and more specifically the basic causal proposition from realist evaluation of the 'context, mechanism, outcome' framework. The analytical framework provides the first step towards more concrete specification, providing a schemata or set of ideas to add detail to how social

programmes operate. In this case, the analytical framework used is that supplied by the theory of public value (Benington and Moore, 2011; Moore, 1995). These theories are brought together to provide an organising framework for interrogating the data from the interview cases.

Drawing on the evidence, the aims from the data analysis are, firstly, to form a middle-range theory of how social impact measurement works, for whom and in what circumstances, using specific evidence from the interviews to shape a programme theory for the practice. Secondly, the data will also be used to form an implementation theory, with further details on the operationalisation of the practice such as the resources and activities required to achieve the desired outcomes.

The following sections give further detail on each of these aspects of the conceptual framework, and set out the aims for the data analysis.

2.1 Research methodology: Critical Realism and Realist Evaluation

“I’ve had some long e-mail conversations and they get very philosophical about truth and that’s fine, that has a place in a philosophy lesson maybe.”
(Practitioner K)

The above quotation from one of the interviews for this research encapsulates a view from the practitioners’ perspective on the ontological and epistemological aspects of research methodology. Such discussions can perhaps seem irrelevant to the day-to-day activities of social impact practitioners, where the focus is on delivering research and evaluation rather than discussing the philosophical approaches to it. Yet Bechara and Van de Venn (2007, p.36) remind us that ‘[w]hether explicit or implicit, we rely on a philosophy of science to interpret the meanings, logical relations and

consequences of our observational and theoretical statements'. Therefore the first purpose of defining the methodological approach for this thesis is to make explicit the assumptions made about 'what kinds of knowledge we can have about the effects of social interventions' (Koivisto, 2007, p.528). Secondly, as highlighted by Bechara and Van de Venn above, the choice of methodology then shapes the approach taken for the research, including the tools and methods for data collection and analysis. This section is therefore more than simply a position statement at the outset of the research, but shapes the entirety of the research and thesis. Most importantly, it has a central role in the thesis' contribution to practice by informing the re-conceptualisation of the programme theory for social impact measurement that this thesis offers as its conclusion.

The first step is therefore to position the research within the relevant metatheory, which in this case is critical realism. Both the 'critical' and 'realism' aspects of critical realism are seen as particularly relevant to the topic of social impact measurement. Firstly, the realist perspective provides a middle way which accounts for the effects of the specific social systems in which interventions occur, without completely reducing social science to the interpretation of meaning taken by interpretivists. It also allows for more general explanations of occurrences, without reducing events to the law-finding approach of positivism developed for the natural sciences (Sayer, 2000, p.3). It is an approach that posits a realist ontology, in which 'social phenomena exist not only in the mind but also in the objective world – and that some lawful and reasonably stable relationships are to be found between them' (Miles and Huberman, 1994, p.5). It is therefore possible from this position to be able (to some extent) to make knowledge claims about the

effectiveness of an intervention, rather than reducing it entirely to individuals' interpretation of reality, as entailed by a nominalist ontological stance. There is scope within this approach, therefore, for cautious application of general principles beyond the individual case to start to address the wider research question of how social housing organisations can successfully develop and embed the processes and tools required to establish and monitor progress towards their social, economic and environmental goals.

Yet realism also recognises 'the necessity of interpretive understanding of meaning in social life' (Sayer, 2000, p.3). This acknowledges that social practices, such as the practice of social impact measurement, are different from natural science objects. While the latter are 'naturally produced but socially defined', social objects are instead 'both socially produced and socially defined' (Danermark *et al.*, 2002, p.16). Thus social phenomena depend on their relations to other social systems and objects, and the powers that they can exert are contingent on the context in which they operate. As such, they are more changeable than natural phenomena, because people are able to interpret situations and respond, rather than just being shaped by them (Sayer, 2000, p.13). Social phenomena have the ability to take an active part in defining the concepts that are also the objects of study, and adapt and change themselves as a result of new experiences and knowledge (Danermark *et al.*, 2002, p.16). In this case, this means that individuals and organisations do not just passively receive and apply the practice of social impact measurement in a uniform manner. Instead, individual reactions both shape the practice and are shaped by it as it is implemented.

Secondly, the 'critical' aspect explicitly recognises the normative element of research, in its aim to critique misconceptions identified in the practices that

are the object of its study and to remove 'avoidable suffering' resulting from these (Sayer, 2000, p.156). Under critical realism, a social programme is seen as a 'hypothesis about social betterment' (Pawson and Tilley, 2004, p.2). This aligns well with the practice of social impact measurement, which also starts with normative value judgments of what is seen to represent social improvement, supported by research to understand and challenge programmes and practices aimed at improving social conditions.

A brief outline of the key concepts of critical realism shows how this methodological framework will shape the research process. As stated above, the realist ontological position adopted states that there is an objective reality, but that our knowledge of that reality is conceptually mediated (Danermark *et al.*, 2002, p.15). Whilst the objects of our study are intransitive, our theories and knowledge about reality are transitive, as they change and compete with each other (Bhaskar, 1975). This is because realism sees the world as 'structured, differentiated, stratified and changing' (Danermark *et al.*, 2002, p.5). There are three main layers to reality, according to critical realism (the following description is summarised from Sayer, 2000). Firstly, there is what is 'real', which is whatever exists (whether we know about it or not) and their structures and powers. These powers may be latent or enacted, but imply that the objects are susceptible to change. Secondly, the 'actual' refers to when these changes actually occur, i.e. when objects' powers are activated. Finally, the 'empirical' is what we experience. Our observations may be directly of the real or the actual; but they may also be the observational effects of an unobservable entity i.e. where the observed effect can only be as a result of some hidden structure. The existence of the real and actual is not dependent on our observations of it.

Therefore what is empirically observed depends on the causal powers that are enacted, which in turn are also dependent on the context in which they occur. In contrast to the successionist view of causation adopted in positivism, in which observation of the cause and the effect are enough to determine the relationship between the two, realism adopts a generative view of causation. In this view, the internal liabilities and powers (both potential and enacted) of objects are important in explanation, which comes through understanding of those internal causal factors at work (Pawson and Tilley, 1997). Rather than assuming that the cause or intervention has an internal power that is necessary and sufficient to create the effect (technological determinism), the generative view aims to explore those internal factors; and in addition, assumes that other conditions also have an effect. It is the combination of the causal effects of intervention in interaction with the causal effects of other conditions it encounters that results in the observed effect or event (Koivisto, 2007, p.530).

This has a range of implications for the research approach. Firstly, because of the stratified approach to reality in which objects may exist in the real and actual strata that may be unobservable (i.e. beyond the empirical), theorising is a central part of the research process. It is not enough to state a hypothesis based on an observable event and its outcome, but instead greater depth of theorising is required to conceptualise all the potential inner workings of phenomena or objects, as well as those of the context in which they occur (Pawson and Tilley, 1997). Because the social objects of study are embedded and open to wider social systems, it is not possible to completely isolate each component to examine them, as per the controlled conditions of a natural experiment. Instead, the researcher has to conceptually isolate the various

inner workings of the object of research and its context and consider how they combine (Sayer, 2000, p.19). Once this is achieved, then the researcher can return to the concrete objects of study to test out these theories and hypotheses against the observable evidence. Because our knowledge is limited and theory-dependent, the research process is one of weeding out weaker theories and supplying alternative ones based on stronger theorising and evidence (Pawson and Tilley, 2004, p.17). Because social objects are also continually changing, the realist research process is one of repeated movement between the concrete and the conceptual (Sayer, 2000, p.23).

Secondly, this affects the data that is sought and the conclusions to be drawn from it. The purpose of realist research is not to attempt to control for the social context of an intervention and then identify regularities, but instead to understand the social intervention within its specific context and identify the underlying causal powers and reactions that created an observable change in state (Sayer, 2000; Pawson and Tilley, 1997). Relying on the observation of regularities to understand cause and effect is misleading, because multiple causal effects can result in the same outcome. Thus the aim in this particular research is not to assess wide-scale regularities in social impact measurement across the social housing sector, but to understand how the process works in a limited number of cases, looking for causal explanations of certain outcomes of the process (i.e. an intensive research approach (Sayer, 1992)). The findings of such research cannot be guaranteed to be representative of the wider social housing sector. Some generalisation, however, is possible to other organisations and contexts if the research uncovers causal relations that are necessary to achieving certain outcomes. The research therefore aims to

identify some of the necessary causal relations that drive the outcomes associated with social impact measurement.

There are a number of ways in which the methodological framework of critical realism has been 'translated' into empirical research methods. The approach adopted here is based on Pawson and Tilley's 'realist evaluation' approach (Pawson and Tilley, 2004; 1997). This synthesises the realist conceptualisation of a stratified reality into three main components: contexts, mechanisms and outcomes. Contexts are the wider social structures into which programmes are introduced and operate, defined by Pawson and Tilley (2004, p.7) as 'those features of the conditions in which programmes are introduced that are relevant to the operation the programme mechanisms'. This therefore seemingly corresponds to the 'real' strata of reality, describing objects (both natural and social) that exist in the real world whether we know about them or not. The second part of the realist evaluation model is the 'mechanism', which is 'a *process* of how subjects interpret and act upon the intervention strategy' (Pawson and Tilley, 2004, p.6). This is the reaction when the powers of what is 'real' are enacted and become 'actual'. It is the operation of mechanisms within specific contexts that give rise to outcomes, which are the observable events resulting from the intended and unintended activation of mechanisms within specific contexts. These outcomes are the empirical aspect of the stratified reality proposed by realists.

In the realist evaluation model, the evaluator seeks to explain the observed outcome patterns by exploring the mechanisms and contexts that gave rise to them. As per the general critical realist model, theorising is a vital part of this. Specifically in realist evaluation, the focus of the theorising is on the multiple potential relationships between contexts, mechanisms and outcome patterns

(Pawson and Tilley, 1997, p.85). This process draws on the experience of sector representatives and practitioners ('programme architects'), as well as programme documents, previous evaluation studies and social science literature, to develop a programme theory with testable hypotheses (Pawson and Tilley, 2004, p.11). The data collection therefore aims to identify the contexts, mechanisms and outcomes that actually occurred, and thereby to add detail and specification to the generalised context/mechanism/outcome formations provided by the analytic framework. When it comes to research methods, Pawson and Tilley (2004; 1997) are emphatic in their position as pluralists, clearly stating that both qualitative and quantitative data, plus a wide range of research approaches, are acceptable and encouraged in order to test the hypotheses.

Previous research for this doctorate has therefore applied both a qualitative approach to realist evaluation (Document 3) and a quantitative approach (Document 4). Pawson and Tilley (1997, p.85) argue that the choice of method should be tailored to the type of hypotheses developed for testing. In addition, the choice of method depends on the stage of the research process and on the particular component of the hypothesis being examined. For example, the hypothesis-formation stage of the process is largely driven by qualitative descriptions of the contexts, mechanisms and outcomes, and their theoretical relationships. This is demonstrated in Pawson and Tilley's (1997, pp.86-114) descriptions of exempla realist evaluation projects, in which the conjectured context-mechanism-outcome configurations are described in (qualitative) detail, to explain the thinking behind the propositions. Once in the data collection phase multiple methods can be used, but the choice may depend on the aspect of the theory being investigated. For example, in

Document 4 it was argued that quantitative data is particularly suited to assessing outcomes, due to their highly empirical nature and the fact that outcomes are measures of change and variation. This means that in many cases outcomes are countable, lending themselves to a quantitative approach. In contrast, the definition of mechanisms as a *process* of interaction and reaction (or descriptions of the inner workings of a programme) means that they are essentially qualitative in nature. As explained by Sayer (2000, p.23) in regards to mechanisms, '[e]xplanation requires mainly interpretive and qualitative research to discover actors' reasoning and circumstances in specific contexts ... Answering quantitative questions about the number of actors and other relevant phenomena with specific attributes may also be of interest but that is rather different from understanding the mechanisms.' The implications of this discussion on the choice of methods used for this research are set out in the following chapter on the research method.

The final stage in the realist evaluation research cycle is to draw conclusions from the testing of the hypotheses against the empirical data. In the positivist methodological framework, the aim of this stage is to draw generalizable conclusions that are relevant to the wider population (Fisher, 2010, p.19). However, the aim of this stage within realist evaluation is to develop a better specification of the programme based on conclusions about what works for whom in these specific circumstances (i.e. where the contexts and mechanisms hold to give similar outcomes). It is a process of 'weeding out alternative theories about how a programme works ... developing and adjudicating between rival explanations' (Pawson and Tilley, 2004, p.16). Because the social systems under study are constantly changing, such conclusions are always provisional. Therefore the aim of realist research,

including this thesis, is not to produce generalizable laws that can be applied to the rest of the sector; but to produce a re-conceptualisation of how the intervention works based on the testing of hypotheses and deeper understanding of causal mechanisms and how they work (Sayer, 2000, p.14).

2.2 Analytic framework: Public Value

The second aspect of the conceptual framework is the theory of 'public value', which is described as '... a comprehensive approach to thinking about public management and about continuous improvement in public services' (Constable, Passmore and Coats, 2008, p.9). Broadly, it is a theory of governance relating to the wider contextual setting of public policy and public service delivery within which the implementation of social impact measurement occurs. As set out in Figure 1, this provides an analytic framework, or 'schemata' to help aid the examination of the data. The analytic framework is still a general representation and simplification of social processes, but provides a step down from the broadest forms of abstraction towards more concrete specification. Building on Moore's (1995) initial conceptualisation of the theory, public value has come to represent both a way of understanding modern governance, and a normative approach to delivering public value to society through the management of public services.

The first purpose for which public value theory is used here is to provide an understanding of the current UK governance model as part of a wider 'history of ideas'. Public value is a development from, and partly in response to, the practices of new public management (NPM) that dominated in the 1980s and 1990s (Horner and Hutton, 2011). NPM was in itself a reaction to the problems of 'old public management', with its centrally controlled

bureaucratic style and perception of excessive professional power. Instead, NPM focused on achieving the most economic, efficient and effective provision of public services, as judged by empowered public service users (Osborne and McLaughlin, 2002, p.9). At the heart of the NPM approach was a push to assimilate characteristics from private sector into the public sector. A more detailed description of NPM has been set out in the literature review in Document 2, including the over-development in some aspects which created a number of problems and eventual crisis for the approach as it entered the 21st century (Dunleavy and Margetts, 2010).

In particular, proponents of public value take issue with the way in which NPM reduced what is valuable to what can be quantified (Horner and Hutton, 2011, p.113). This was driven by a shift towards management at a distance, combined with the demand for accountability to public sector customers. As a result, NPM encouraged the use of managerialist tools, such as accounting and budgetary control, auditing and quality assurance, to enable central control of a wide range of public service delivery organisations (Power, 1994). An example of a critical analysis of this development is Power's 'audit explosion' thesis (Power, 2004; 2003; 1994), which argues that the emphasis in public sector reforms on accounting techniques, output controls and performance measurement created a new definition of performance anchored in financial terms. The primary objectives of organisations therefore became simplified into standardised, auditable measures. In response, this triggered negative behavioural responses such as a decline in organisational trust, elaborate games of compliance, excessive concerns with performance by specialist officers, defensive strategies and

blamism, stifling of organisational innovation and low employee morale (Power, 2003, p.190).

In response, the public value approach re-orientates public managers to think about what constitutes the value of a particular service or policy intervention. It emphasises 'downwards accountability' to users, who are not just recipients of services but also are citizens in a wider collective. In this public value conception, individuals are not reducible to the equivalent of the 'consumer' in the private and corporate spheres, but are also part of a collective that arbitrates the meaning of public value through political and governmental decisions and debate (Horner and Hutton, 2011, p.113).

As well as a response to the failings of previous public management paradigms, Benington and Moore (2011) argue that public value is a response to the current context of profound political, ecological and social change. It provides a way of making sense of the strategic challenges and complex choices faced by public managers. The complex and cross-cutting issues that have resulted from massive social changes (such as the global recession and austerity, climate change, growth in communication networks and globalisation, and an aging and growing population) are described as 'wicked' problems (Stewart, 2001). As such, they require a different response to that provided by previous public administration paradigms; one that takes into account the complex nature of social needs and problems, their diversity rather than homogeneity, and that requires a response that goes beyond a simple technical solution (Benington and Moore, 2011, p.13).

Benington (2011) describes a new paradigm of governance, of 'networked community governance' (NCG), which is the foundation of the public value

approach. In this paradigm, the centre of governance shifts away from state and market (the private and public spheres of activity) towards a third sphere, of civil society. Civil society is the sphere of social interaction, comprised of intimate social connections (such as family), wider associations, social movements and forms of public communication (Cohen and Arato, 1992). Policy initiatives are increasingly shaped through engagement with civil society, and public services are 'co-produced' not just by the state, but also by a range of partners including informal associations, community groups and individual citizens. The role of government in this setting is to develop a shared vision or purpose across these diverse groups and to mobilise coalitions of interest to achieve these shared aims. Coordination is therefore through collaborative networks, rather than the command and control of traditional public administration or competitive markets of NPM (Benington, 2011, pp.34-37).

The public value paradigm provides the capacity to 'understand the interconnections, interdependencies and interactions between complex issues, and across multiple boundaries' (Benington and Moore, 2011, p.15). Examples of the boundaries that are required to be cut across in order to address such complex issues include between different sectors, levels of government, services, professions, leaderships (political, managerial and civic), management (strategic and operational) and frontline delivery, and producers and users of services. Benington and Moore (2011, p.15) argue that to act effectively, links need to be made horizontally (between different sectors, organisations, partners), vertically (from national policy design to delivery and engagement at the front line, and vice-versa) and diagonally (between different decision-making networks). This requires a new approach to policy

development and public management, with a need to create an end-to-end process to deliver greater public value, from policy design through to implementation. As a result, it requires a different form of leadership; one that emphasises negotiating coalitions between stakeholders, creating networks and partnerships, harnessing resources from different sources behind a common purpose, and achieving visible and measurable outcomes for citizens.

As well as an alternative theory of governance, public value also aims to provide a normative theory as to how things ought to be, and a set of concepts and tools to help achieve this. Moore's (1995) normative statement on public value sets out that government has a role to create social value and proactively shape the public sphere. Public managers in turn are seen as stewards of public assets who also proactively seek to create public value, rather than being merely bureaucratic clerks or subjects of their political masters. This perspective on the function and motivation of public managers is in line with the section of literature explored in Document 2, which incorporates a role for public sector motivation (PSM) where public service professionals demonstrate an altruistic outlook and are committed to improving the welfare of the people and communities that they serve (le Grand, 2010; Moynihan, 2010).

As such, public managers require techniques that enable governments to adapt to changing material and social contexts and respond to changing needs. Central to this latter point is Moore's (1995) conception of the 'strategic triangle' (Figure 2).

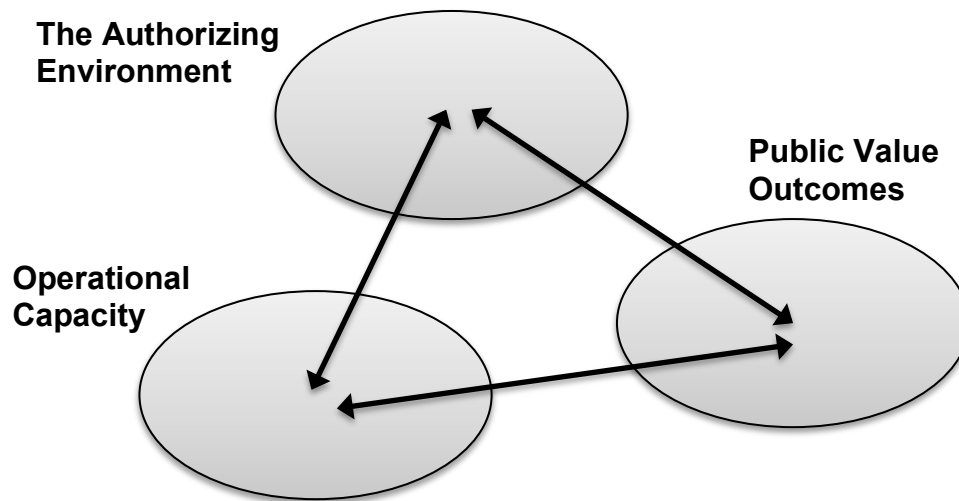


Figure 2: The strategic triangle of public value (Benington and Moore, 2011)

The strategic triangle is 'a framework for aligning three distinct but inter-dependent processes which are seen to be necessary for the creation of public value' (Benington and Moore, 2011, p.4). These are:

- Public value outcomes – defining the strategic goals and public value outcomes that are aimed for;
- Authorizing environment – building and sustaining a coalition of stakeholders from various sectors (public, private and civil) whose support is necessary to sustain the action;
- Operational capacity – harnessing the necessary resources (e.g. finance, staff, skills and technology) from inside and outside the organisation that are necessary to achieve the desired outcomes.

To achieve public value, public value managers have to strive to bring these factors into alignment, including negotiating potential trade-offs between them (Benington and Moore, 2011, p.5).

An additional concept adopted by the public value approach is Porter's (1998) 'value chain' (Figure 3). The purpose of this is to connect the aspirations of the public value approach (as set out in the strategic triangle above) with a more operational perspective on organisational structure and delivery (Williams and Shearer, 2011). The value chain is a conceptualisation of the process by which public value outcomes are produced, and in its presentation is similar to that of the logic model or theory of change (W.K. Kellogg Foundation, 2004).

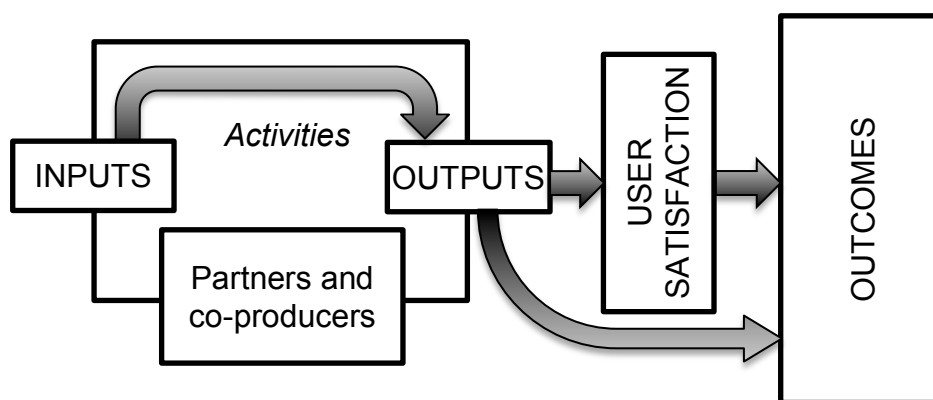


Figure 3: The value chain (adapted from Moore, 2006 and Benington, 2011)

Benington (2011, pp.47-48) highlights that public value creation is an open system in which inputs are converted through activities into outputs and outcomes, and specifically that partner organisations and co-producers are actively involved in this (rather than taking place solely within one organisation). In addition, the user can become a means of producing the outcomes, through their own satisfaction. However, public value outcomes are more than collective user satisfaction, as they are comprised of the economic, social, political and ecological value created within the public sphere, which is sometimes beyond the perspective of the individual service user.

The public value approach also provides some useful and highly relevant insights in regards to measuring successful delivery of public value. The strategic triangle (Figure 2) provides three perspectives on why performance measurement is necessary: firstly, to have accountability to the various stakeholders that constitute the authorizing environment; secondly, to help define in concrete terms the public value outcomes that are the objectives of the intervention; and finally, to develop processes that support the organisation to be able to show and improve the efficiency of use of resources (operational capacity) in achieving those outcomes. For Horner and Hutton (2011), the concept of measurement is so essential to the public value model that they subsume 'operational capacity' within the creation of public value vertex of the triangle, and introduce 'measurement' as a stand-alone element of the triangle. They identify the issue of measurement as critical to the production of public value, particularly in the UK policy context that emphasises performance management and upwards accountability (Horner and Hutton, 2011, p.119).

The principles of public value also inform general principles regarding the form of measurement. As Moore (2006) highlights, as outcomes are the direct measure of the social value that the programme is trying to create, then we need to be able to measure these outcomes to demonstrate the public value being created. Horner and Hutton (2011) argue that as public value is defined collectively by civil society, through social and political interactions, public value measurement should also be authorized by the public. Furthermore, the measures of public value must go beyond the NPM models of value for money and consumer satisfaction, so that they capture the distinctive type of value generated by public-oriented services.

Although advocating the use of social outcome measurement, there remain difficulties and dilemmas in doing so highlighted in the public value literature. For example, as social outcomes occur further down the value chain there can be a delay between the operational activity and the social outcomes that are being measured. For example, sustainable employment in the UK Work Programme is defined and measured as someone staying in work for up to two years after the intervention (Department for Work and Pensions, 2012). The further down the line that social outcomes occur in relation to the intervention, the less influence managers are able to have on that outcome (Centre for Social Justice, 2011; Stiglitz, Sen and Fitoussi, 2009; Moore, 2006).

In addition, measurement of outcomes can be costly and time-consuming. One of the contributing factors to this and a source of further complexity is that many public value outcomes are intangible and not easily measured using traditional economic techniques of valuation i.e. the price mechanism. Horner and Hutton (2011, p.124) also argue that because public value outcomes are defined and re-defined by civil society through on-going interaction, it is not possible or desirable to come up with a single metric (as an alternative to price) to value social outcomes. Therefore, it is recommended that other measures at earlier points in the value chain can also be used to support performance management. Moore (2006) argues that there are strong arguments for assessing activities, processes and procedures, on the basis that if these are designed based on evidence of good practice (i.e. practice that leads to the delivery of the desired results), then evidence on the consistency of activities against such standards can be an effective performance management tool. In addition, the measurement of outputs is also seen as helpful, and more directly related and under the influence of managers'

actions. Ultimately some measure of public value generated is required, suggesting the need for a range of performance measures at all stages of the value chain (Moore, 2006).

2.3 Programme and implementation theories

The conceptual framework for this research brings together the two building blocks of realist evaluation and public value theory. The two elements individually provide useful theoretical foundations and applied tools for understanding the effects of an intervention within a social policy setting. The argument is made here that in combination the two approaches provide a more holistic framework, underpinning the recognised shortcomings of one approach with tools from the other and providing distinctive but complementary perspectives on the effects of interventions, which in this case is the implementation of social impact measurement.

Commentary from authors in both fields suggests that the two approaches are methodologically compatible and mutually supportive. Public value is clearly orientated towards the normative improvement of policy outcomes, and Pawson and Tilley (2004, p.2) state that in realist evaluation social programmes are also seen as 'hypothesis about social betterment'. Both approaches also recognise that policy delivery takes place in a world that is complex, open to other social systems, and where outcomes depend on interconnections, interdependencies and interactions within these multiple social systems (Benington and Moore, 2011; Pawson and Tilley, 1997). Both approaches aim to provide tools that enable the researcher or manager to gain a handle on such complexities, in an attempt to better understand how programmes operate and how they can be improved. A commonality is the

use of theory-driven models of how programmes are intended to operate, with similarities to other theory-driven approaches such as Theory of Change or logic models (Pawson and Tilley, 2004; W.K. Kellogg Foundation, 2004; Fulbright-Anderson *et al.*, 1998; Connell *et al.*, 1995). For realistic evaluation, the theoretical components of the model are generalised to the concepts of context, mechanisms and outcomes (Pawson and Tilley, 1997). For public value, the theory takes a more specific shape in the form of the value chain embedded within the strategic triangle (Figure 2), in the context of networked community governance. The latter has a more specified theoretical model, but can be seen as giving specific examples of contexts, mechanisms and outcomes that the proponents of public value see as necessary to delivering public outcomes.

Bringing the two approaches together also provides a way of supporting a potentially useful analytic framework with a well-developed evaluation approach. One of the critiques of the public value approach is its lack of empirical support. In their review of the public value literature, Williams and Shearer (2011, p.1374) highlight the lack of specifically designed studies to validate the public value theory, and state that 'the risk is that public value fails to develop a secure empirical foundation and loses clarity and distinctiveness as an approach to practice'. Recent contributions from within the public value field therefore reflect the recognition of the need to develop an empirical framework to support the normative propositions and theoretical models of public value. Williams and Shearer's (2011) review highlights a number of cases where the public value framework has been used as an analytic framework for understanding research data (Try and Radnor 2007; Try 2008).

Building on these developments, this conceptual framework identifies the potential benefit of combining both the methodological and empirical approach of realist evaluation with the analytic framework of public value. One of the core purposes of the realist evaluation approach is to provide a *realistic* approach to evaluation. Pawson and Tilley (1997, p.xiii) state that '[t]he whole point is that it is a form of applied research, *not* performed for the benefit of science as such, but pursued in order to inform the thinking of policy makers, practitioners, programme participants and public.' Realist evaluation therefore provides a clear approach to designing and delivering evaluation research, based on the development of context-mechanism-outcome hypotheses and empirical testing.

A further argument for combining the two approaches is developed from Blamey and Mackenzie's (2007) discussion on the similarities and differences between Theories of Change (which, as noted earlier, the value chain is a particular example of this genus of theory-driven approach) and realist evaluation. These authors note that there are in fact two distinct types of theory that are used in theory-based approaches. These are, firstly, 'implementation theory', which relates to the hypothesised links between a programme's activities and its intended outcomes (Blamey and Mackenzie, 2007; Weiss, 1995). This focuses on those aspects of programme delivery that are necessary to achieve the desired outcomes e.g. necessary levels of resources, types of activities and timescales that will achieve a specified threshold of change. Evaluations based on implementation theory result in mapping of the 'nuts and bolts' of the programme (Blamey and Mackenzie, 2007, p.445).

The second type of theory is labelled 'programme theory', which emphasises the causal links between the mechanisms that are triggered by the intervention and the anticipated outcomes (Blamey and Mackenzie, 2007). Programme theory is therefore more concerned with the responses of people to programme interventions (Weiss, 1995). Blamey and Mackenzie (2007) argue that in practice, Theory of Change approaches are more suited and place more emphasis on explaining implementation theory, whilst realist evaluation focuses more on exploring programme theory. Building on this, the authors highlight the potential strengths of combining the two approaches. In doing so, the Theory of Change approach would provide a strategic perspective on the implementation theory (i.e. the synergies between the various aspects of implementation and the overall programme outcomes), whilst the realist evaluation approach would provide more detailed insight into particularly promising parts of the embedded programme theory (i.e. what works for whom in specific cases). Thus, Blamey and Mackenzie (2007, p.451) argue that '[a]n explicit attempt to bring the two approaches together ... might yield powerful policy as well as methodological learning.'

Therefore, a complementary implementation theory will be developed using the Theory of Change approach, as well as the programme theory developed using the realistic evaluation methods. As noted earlier, the public value chain is an example of a Theory of Change type model, as developed by the Aspen Institute and ActKnoweldge (Taplin and Clark, 2012; Fulbright-Anderson *et al.*, 1998; Connell *et al.*, 1995). The basic structure of this approach is to develop and test a pathway of change, starting with setting out the long-term vision for the programme and then 'backwards mapping' through the intermediate outcomes that represent steps towards the final goals, and the

necessary interventions and preconditions (including activities and inputs or resources) that are required to achieve these outcomes. This is achieved through consultation with programme stakeholders, and forms the basis for both programme implementation and evaluation of its effectiveness (Anderson, 2004). The result is a diagrammatic representation of the implementation theory, showing a vertical upwards pathway from the necessary interventions and preconditions, through to the intermediate outcomes, and up to the long-term vision or outcomes. This is accompanied by a narrative explanation of the assumptions that underpin the theory (Taplin and Clark, 2012).

The conceptual framework in Figure 4 below shows how the two building blocks of realist evaluation and public value are brought together to inform the theoretical basis for understanding the empirical data. The programme theory unfolds horizontally from left to right, combining the general realist evaluation framework of 'context + mechanism = outcome' with more specific hypotheses from public value i.e. specifying the context as encapsulated in the networked community governance model and the three elements of the strategic triangle as hypothesised causal mechanisms. The third mechanism, of building operational capacity, is developed using the Theory of Change approach to develop an implementation theory for social impact measurement. The implementation theory therefore unfolds vertically from bottom to top. The two theories are united by their common end point, i.e. the outcomes, or the observed changes resulting from the intervention. The conceptual framework shows how these observable outcomes will be explored from both an implementation theory perspective (i.e. how, in practice, an organisation implements social impact measurement) and the

underlying programme theory perspective (i.e. the causal triggers and responses). This framework is used to structure the data analysis, which in turn aims to further specify these middle-range theories, to develop a specification for social impact measurement that enhances understanding of what works, for whom and in what circumstances.

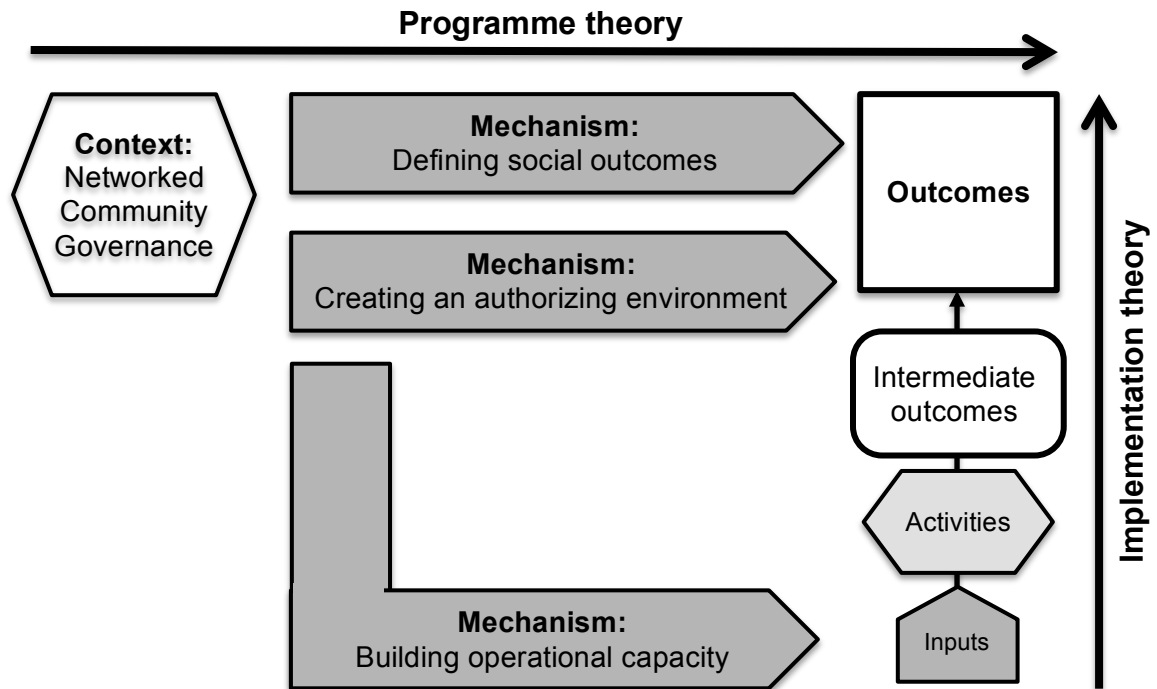


Figure 4: Conceptual framework - programme and implementation theory

Chapter 3. Research methods

The chosen method for this research is primary qualitative research, through semi-structured interviews, supported by secondary qualitative and quantitative data collection from within relevant academic and practitioner literature and databases. The exploration of the roles of different types of methods and data in realist research described earlier helps explain the choice of a qualitative approach for the primary research for this thesis. Firstly, the qualitative approach is appropriate for the initial theorisation of why social impact measurement is taking place in the social housing sector and how it is designed to work (the first research question). This theorisation is a significant part of the thesis. This requires descriptive input from those involved in shaping and driving forward the practice of social impact measurement, to understand the theory behind how and why social impact measurement is designed to work. This is a central factor in the decision to collect qualitative data from organisations that represent the sector and leading practitioners, as 'programme architects'.

Secondly, the research questions identified a gap in the current practice-based literature on understanding how and why a social impact project works or not i.e. the underlying mechanisms (including implementation approach) and context that create the observed outcomes. Much of the existing sector-led literature provides either a method guide on the technical approaches to social impact measurement, or an assessment of the outcomes across the sector in terms of use of social impact tools (Russell, 2013; Wilkes and Mullins, 2012). The gap in understanding is therefore regarding the details of how the practice works in reality, when the processes set out in the technical guides come into contact with the complexities of implementation in an open social

system, in which the reaction of individuals, organisations and wider policy or political influences play a role in the final outcome. This focus on building both a programme theory, including a deeper understanding of the mechanisms, and exploration of the implementation theory drives a qualitative approach to the research.

It should be acknowledged that in using only a qualitative approach to the thesis, this might result in some knowledge gaps or missing evidence that could only be provided quantitatively. Bonell *et al.* (2012, p.2301) provide examples of cases where rich qualitative data is collected that show the barriers and facilitators to effective intervention, but argue that '[i]n the absence of using quantitative methods to test such qualitatively-driven hypotheses, however, it is hard to establish causal connections between intervention context, processes, and outcomes.' For example, using the qualitative approach adopted here it will not be possible to assess the extent to which social impact measurement has been adopted across the sector, as would be shown by a quantitative survey of the number of organisations using the approach. Although primary quantitative data collection is not part of this research, the gap can in part be remedied by using existing evidence and literature that is able to provide quantitative evidence for use in understanding aspects of both the sector context and programme outcomes.

The main aim of the research analysis is further specification of the theory on the basis of the evidence gathered from interviewees, as 'programme architects' and from the literature (Chapter 4). Following the advice in Sayer (2000, p.24), the interviewees are situated within causal groups rather than taxonomic groups. In other words, rather than using functional distinctions between the organisations which interviewees represent – such as Housing

Associations, private companies, government bodies and regulators, and sector representative/membership bodies – the interviewees were grouped according to their causal groups. The main causal groups identified were ‘sector representatives’ i.e. those involved in influencing the strategic shape and direction of social impact measurement, and ‘practitioners’ i.e. those focused on the day-to-day delivery of social impact measurement. The programme theory is primarily shaped by the literature and sector representative interviewees. The implementation theory is developed from the empirical data mainly from the practitioner interviews.

The sampling process for the interviews was one of purposeful selection based on these causal groups. Firstly, organisations within each of these groups were identified using previous research (e.g. organisations publishing relevant materials referred to in Documents 1 to 4) and through professional knowledge of the sector. Secondly, individuals within those organisations with knowledge of, or responsibility for, social value or impact were identified through further research into roles and responsibilities within each organisation and through professional networks. In some cases, further interviewees were sourced as a result of snowball sampling through earlier interviews. In line with the methodological framework, the validity of the research depends not on the number of interviews and their representativeness of the population, but on the explanatory penetration of the causal explanations provided by those interviewed. In total, 12 interviews (in addition to an initial pilot interview) were completed, with six of the interviewees classified as sector representatives and six as practitioners (see Table 1 for a summary of the interviews). A further three individuals were contacted who did not respond to the request to take part in the research. The

number of interviews reflects both the intensive approach the research with an emphasis on understanding the details from a smaller number of cases (Sayer, 2000), the purposive nature of the sampling, and the natural saturation point at which further data collection was perceived not to add any further value to this stage of the research.

Interviewee code and organisation type	Interview method
Sector representatives	
Sector representative A, housing sector economist	Telephone interview
Sector representatives B and C, housing membership body	Face-to-face interview, two interviewees
Sector representative D, housing trade body	Telephone interview
Sector representative E, housing membership body	Face-to-face interview
Sector representative F, housing trade body	Telephone interview
Sector representative G, housing think-tank	Telephone interview
Practitioners	
Practitioner H, housing association	Telephone interview
Practitioner I, housing association	Face-to-face interview
Practitioner J, housing association	Telephone interview
Practitioner K, housing association	Telephone interview
Practitioners L and M, housing association	Face-to-face interview, two interviewees
Practitioner N, construction contractor	Face-to-face interview

Table 1: Interview participants and organisation type, and interview method

The interviews were semi-structured, using an interview guide that set out a number of open-ended questions across a range of themes that were determined by the research questions (see appendices). Flexibility was

maintained during the interviews to follow the conversational avenues opened up by the interviewees. Bryman and Bell (2007, p.475) state that within a semi-structured approach 'the emphasis must be on how the interviewee frames and understands issues and events – that is, what the interviewee views as important in explaining and understanding events, patterns and forms of behaviour'. As such, the approach is highly relevant to the objective of the interview, to explore participants' views on the underlying mechanisms.

Two versions of the interview guide were developed to reflect the two main causal groups identified. The guide for sector representatives focused on the sector context, organisational drivers and general mechanisms, and some questions about delivery methods. The guide for practitioners included a section to explore the background to their project (e.g. organisational drivers and sector context), but focused more on experiences of and approaches to delivery, i.e. implementation. All but two of the interviews were conducted one-to-one (with a single representative of the organisation), and the remaining two were with two individuals from the same organisation and team being interviewed jointly. Five of the interviews were conducted face-to-face, and the remaining seven were carried out via telephone. The preference was for face-to-face interviews (due to the increased richness of communication e.g. drawing on facial expressions and body language to guide the interview), but telephone interviews were arranged where it was not feasible to meet in person due to the range of geographical areas where interviewees were based. The interviews lasted between 30 minutes to an hour.

The audio from the interviews was digitally recorded (with the interviewees' knowledge and permission) and then full written verbatim transcriptions of the interview were produced. In line with the realist approach, the emphasis from the interviews was on the content, i.e. what Gubrium and Holstein (1998) refer to as the 'whats' of the interview, rather than taking a more interpretive stance and attempting to assess the 'hows' of the narrative, i.e. the way in which the interviewee reveals and relates the story. Because of this, some of the verbatim elements of the transcription that might have been analysed if using an interpretive approach such as discourse analysis (such as pauses, hesitations, verbal tics/idiosyncrasies and regional pronunciations) were edited (marked by an ellipsis or square brackets) in the final transcription extracts quoted in the analysis, for ease of reading. This maintains the emphasis on the content of the quote, rather than the delivery style.

A pilot interview was carried out with a senior manager from the case study organisation that was the focus of Documents 3 and 4. The person selected for the interview was not directly involved in the implementation of the social impact measurement project at that organisation or in previous research, but had a strategic overview of the organisation as a whole and the wider social housing context. The purpose of the pilot interview was to test the interview guide by assessing the flow of the questions and responses during the interview, and asking the interviewee for feedback following the interview. The pilot interview resulted in some changes to the interview guide. Firstly, a more general introductory question ('tell me about your role') was introduced to ease the participant into the interview with a simple recall and descriptive question, before entering into the more specific content of the interview.

Secondly, the pilot interview also emphasised the need for two separate guides for sector representatives and practitioners. For example, it became clear that some of the more detailed questions on delivery were not relevant to those in a strategic, rather than operational role. The data from the pilot interview was not included in the analysis.

In addition, the development of the hypotheses (both the implementation and programme theories) is supported by additional information from both academic literature (across the fields of public policy and management, evaluation design and practice, and housing studies), and practitioner literature (from both the social housing sector and impact/evaluation professionals, including published reports, articles and commentaries).

Although the approach to the research is labelled as theory development (of programme and implementation theories), the process draws strongly on the empirical material from the interviews to provide real observations that provide more detailed specification of the theory, towards the concrete. The interview data were interrogated by re-listening to the recording of the interview and reading the transcript, and then coding the transcript data. The first coding step was to identify the realist evaluation components i.e. separating sections referring to contextual factors, those relating to programme mechanisms, and descriptions of programme outcomes. Within these three broad concepts, further codes were developed for themes identified from the public value framework e.g. for contextual references to the wider governance and public service context, examples of defined social outcomes from the project and references to the authorizing environment and organisational capacity. Finally, more detailed sub-themes were identified from the material itself i.e. where interviewees mentioned similar topics, but

noting both similarities and differences in their responses within these topics. These sub-themes are also in line with the stages within the implementation theory. The coding was carried out using a spreadsheet database. Sections of the transcripts were directly copied into the database, which was organised by the themes and subthemes by row and with individual respondents (classified by causal group) in each column.

The final stage in the research method is to return once more to abstract level and summarise the most promising middle-range theories for the practice of social impact measurement (Chapter 5). The aim is to reconceptualise the theory of social impact measurement based on clearer understanding of the underlying contexts and mechanisms that determines what works for whom and in what circumstances.

Chapter 4. Data analysis: Specifying the programme and implementation theories

This chapter uses the empirical data to specify and add detail to the structure provided by the conceptual framework. Information from relevant literature and the interviews is analysed to build a more detailed specification of both the programme and implementation theories for social impact measurement. The section is primarily structured according to the major theoretical elements of realist evaluation i.e. context, mechanisms and outcomes. Within the 'mechanisms' section, this is further sectioned according to the three elements of public value's strategic triangle i.e. defining social outcomes, creating an authorizing environment and building operational capacity (Figure 2). The latter mechanism is explored using the Theory of Change approach, to develop the implementation theory.

4.1 Context

The contextual picture is drawn from the interviews and supported by the literature, and aims to hypothesise about how contextual factors shape the interest and practice of social impact measurement. This is a middle-range presentation of the contextual factors, i.e. drawing on empirical materials and specific cases, but retaining a more general specification for the sector (and therefore, to some extent a simplification), rather than a detailed exploration of the different contexts that apply to each individual case.

An overview of the main contextual elements to be explored further below is as follows. Firstly, the longer-term context of a shift in governance towards thinking about outcomes, social value and wellbeing has reinforced social housing providers' thinking about their role in these terms, with a clear social purpose as contributors to community betterment and wellbeing. In contrast,

changes introduced within the social housing sector under the banner of NPM reforms over the last two decades have driven the sector to be more business-like, which has only been reinforced by the more recent context of global recession and austerity. The rapid changes as a result of austerity and wide-reaching reforms to the public sector have resulted in a period of uncertainty (both financial and strategic, due to increased flexibility under localism and deregulation) and introspection for housing providers, as they consider how they are best placed to deliver their social purpose within a the constraints of limited resources and stretched public services. This has resulted in individual organisations taking different decisions on their core role and functions. A recent housing sector publication summarised that these contrasting pressures have led to the creation of a housing sector with ‘a social heart and a business head’ (Smedley, Perry and McGrady, 2013, p.7).

4.1.1 Contextual factors shaping housing providers’ social purpose

The public value paradigm that forms part of the conceptual proposition for this research assumes a wider governance and policy context in which the purpose of the public sector is to pursue social outcomes, operating within a model of networked community governance. This section explores how developments in public policy context, such as outcomes-led governance and wellbeing approaches, can be understood through the lens of public value, and how this context has shaped social housing providers’ perception of their social purpose.

As exhibited in the conceptual framework earlier, there is a growing emphasis in both public policy and the evaluation of it on identifying and achieving *outcomes*, which are defined as the changes or benefits occurring as a result of intervention activities (Nicholls *et al.*, 2012). This is a reflection of a widely

recognised trend in global public administration over the last decade, in which governance has increasingly focused on outcome-oriented policy making and performance measurement. The World Bank states that 'countries around the world have undertaken reforms with the aim of improving the relevance and effectiveness of public services and the quality of public sector management. A key aspect of most reform processes is a focus on results and, in particular, on outcomes' (Perrin, 2006, p.20). The evidence gathered by the World Bank suggests that although the exact rationale for this shift is specific to each country, generally this is due to a political imperative to be able to produce and demonstrate results of importance (i.e. the benefits of public sector expenditure and activities) to the political leadership and citizenry (Perrin, 2006, p.20). Although this may not necessarily reflect an explicit commitment of these countries to a public value approach, the reference to the importance of outcomes and of citizens in shaping political priorities is in line with the public value paradigm.

In the UK, there has been some explicit commitment to and development of a public value approach in some areas of government. As per the wider global trend, much of the focus of this has been through the implementation of outcomes-led policy design and performance measurement (Wimbush, 2011). The first steps towards implementing the approach were taken under New Labour between 1998 and 2010. This was driven by the Cabinet Office Strategy Unit (COSU), which recommended its own version of public value for UK public policy makers (Kelly *et al.*, 2004; Kelly and Muers, 2002). The COSU's strategy document reflects the vision of the function of government set out in the NCG model, stating that the role of government is as an activist

in the generation of public value, but not necessarily or primarily as the direct provider (Kelly *et al.*, 2004, p.6).

There is a significant emphasis on the application of public value as ‘a yardstick for assessing activities produced or supported by government’ with a focus on outcomes as a broader measure of public performance (Kelly *et al.*, 2004, p.3). The subsequent move towards outcome-oriented policy delivery and performance management, such as the Best Value regime, Public Sector Agreements (PSAs) and Local Area Agreements (LAAs), can be seen as a development of the public value approach (Wimbush, 2011). As noted in the earlier section on public value, the process of defining the social outcomes of policy is one of the three core elements of the strategic triangle of public value (Figure 2). Furthermore, the need to have outcomes-based measurement of performance is then a requisite component of this development (Horner and Hutton, 2011).

The earlier literature review in Document 2 describes the development of an outcomes-based performance system through the introduction of the PSA framework. Progress towards a fully outcomes-oriented system has been mixed (Centre for Social Justice, 2011), but whilst progress towards an outcome-based approach has been varied, there are clear examples of where this has been implemented in the UK. Significantly, the NHS has adopted an outcomes focused approach and produced an overarching Outcomes Framework (Department of Health, 2010a; Department of Health, 2010b). More recently, the Public Health sector has also followed suit and produced its own Outcomes Framework for 2013 to 2016 (Department of Health, 2013). This is of particular relevance to the social housing sector, as the responsibility for public health moves out of the NHS and into local

authorities. This is part of an explicit recognition that public health is determined by a range of wider factors, and therefore requires integration in the planning and delivery of other services, including housing (Department of Health, 2013, p.4). Housing providers are therefore recognised as part of a wider network of public service delivery organisations that will contribute to the achievement of public health goals.

Another example of progress in this area is the application of the 'outcomes-based approach' (Friedman, 2005) in underpinning the Department for Education's policy and the 2004 Children Act (Pugh, 2008) as well as being rolled out to over 120 local authorities by the Improvement and Development Agency for local government (IDeA, 2009).

The move towards an outcomes-based approach over the last decade has filtered into the social housing sector, as one of the interviewees reflected:

"We started talking about outcomes nine years ago... Outcomes, outcomes, because it was all processes wasn't it? And they [housing providers] have kind of got their heads round that now and then we're taking them one step further. ... It's not about processes, it's about outcomes and it's about impact now." (Sector representative B)

There has been some uncertainty around policy direction following the change of government in 2010 from a long period of Labour leadership to the current Conservative-Liberal Democrat coalition government. Talbot (2011, p.27) argued that in the early stages of the coalition, '[t]he policies of the new coalition government in Britain on 'performance' remain in a state of flux. Some aspects of New Labour's 'targets' have been dispensed with, but other, modified, forms of performance reporting seem destined to survive. It is as

yet unclear if public value will figure at all in their thinking.’ Whether the ‘Big Society’ agenda represents public value thinking or not is open to debate. The concept was a major focus for the Conservative’s social agenda, and in some ways reflects public value thinking in the vision to shift responsibility for social change away from the state to include a bigger role for communities and individual citizens (The Conservative Party, 2010). However, the policy was criticised for its vagueness and lack of direction on how this was to be achieved, as well as being perceived as a cover for the efforts to shrink the state (Rees, 2013, p.50). One of the interviewees reflected on the potential links between Big Society thinking, outcomes-based approaches and impact measurement, but confirmed the lack of clarity following from the agenda:

“people are starting to get interested in [social impact measurement]... particularly any government policies turning towards social impact, as well. That probably started with the Big Society agenda, which has gone a bit quiet”
(Practitioner I, housing association)

More recently there has been some evidence of the survival of aspects of policy that reflect an outcomes-based approach. The concept of ‘commissioning for outcomes’ has been continued by the coalition government, largely in the form of Payment by Results (PbR) and Social Impact Bonds (Rees, 2013). Under PbR, contractual payments are conditional on achieving specified outcomes. The contracts are open to delivery by a range of providers, including those from the private, third and public sectors. In the UK, the primary focus for implementation of PbR has been in employment services, namely the Conservative’s flagship Work Programme (Rees *et al.*, 2013). More recently, the Government’s Troubled Families

programme is also delivered under PbR contracts, based on successful interventions that increase school attendance, reduce youth crime and anti-social behaviour (ASB) and move adults into employment (Department for Communities and Local Government, 2012).

Social Impact Bonds are also a form of outcomes-based contracting, in which public sector commissioners pay service providers for the achievement of improvement in social outcomes. The investment is raised through private investors, and the return is paid by the public sector based on evidence of improved social outcomes (therefore theoretically funded out of future savings to the public purse). Social Impact Bonds were piloted in the UK in the Criminal Justice System, and have since been rolled out to a number of children's services, unemployment and rough-sleeping programmes (Social Finance UK, no date). A number of the interviewees were aware that this model of public service contracting will increasingly affect the housing sector and therefore the need for impact measurement, although with some level of uncertainty:

"I think we've got Payment by Results as a model - Payments by Results, Social Impact Bonds - they all rely on impact evaluations. So actually that's going to be here to stay potentially, although ... there'll be a pause, I think, because we're all waiting to see whether the Social Impact Bonds and the Payment by Results deliver better outcomes" (Practitioner K)

Related to this broad public policy trend towards thinking about outcomes is a further development in academic and policy circles relating to 'measuring what matters' (Abdallah *et al.*, 2010). The central argument is that if policy is to pursue a set of wider social outcomes as its objective, then a wider set of

measures are needed to understand and measure our progress towards achieving this (Blanchard and Oswald, 2011; Stiglitz, Sen and Fitoussi, 2009; Kahneman and Krueger, 2006). This can be seen as part of a reaction against what was perceived as a growing reliance on statistical indicators of economic or financial performance. A further issue identified is that if these measures are flawed, decisions and inferences on what is best will be distorted (Stiglitz, Sen and Fitoussi, 2009).

These arguments have grown from evidence that economic indicators alone are not a good indicator of our overall wellbeing. For example, analysis of global long-term data shows that increasing income and material prosperity does not necessarily lead to an increase in overall happiness (Easterlin *et al.*, 2010; Easterlin, 1974). The debate has gathered pace since the global economic crisis, which for some was evidence of the dangers of over-reliance on economic growth and financial indicators of progress (Abdallah *et al.*, 2009; Stiglitz, Sen and Fitoussi, 2009). In addition, a growing awareness of sustainability issues and climate change has also entered the mainstream, as a result of mounting evidence of the impact of human activities on the environment and its ability to sustain the population in the future (Stern, 2006; Matthews, 1997). In line with the public value paradigm, increased awareness and value placed on social and environmental issues amongst the collective citizenship, as well as economic ones, has resulted in a policy focus on these areas.

The focus for thinking about how to capture progress towards our wider social, economic and environmental goals has settled on the topic of 'wellbeing'. The concept is used to encapsulate that which is seen as fundamentally important to individuals and society, the capacity for 'feeling

good and functioning well' (Aked, Marks and Cordon, 2008, p.1). As set out in the introduction, the definition of wellbeing produced by the UK government is that:

Well-being is a positive physical, social and mental state; it is not just the absence of pain, discomfort and incapacity, it requires that basic needs are met, that individuals have a sense of purpose, that they feel able to achieve important personal goals and participate in society. (Department for Environment, Food and Rural Affairs, 2007, p.106)

The proposition is that if wellbeing is the 'ultimate goal for human endeavour' then government policies should be aimed at delivering this (Michaelson *et al.*, 2009, p.9). In order to do so, there must also be a way of measuring wellbeing, to establish a baseline and demonstrate progress. There are two aspects to wellbeing and how it is measured; these are subjective and objective wellbeing. A full description of these concepts and recent developments in regards to their measurement is included in Document 2. A widely accepted conclusion from the literature is that an overall measure of wellbeing requires both subjective and objective indicators (Abdallah *et al.*, 2010; Stiglitz, Sen and Fitoussi, 2009).

The thinking around wellbeing is reflected in practice in the UK through a number of commitments to wellbeing as a policy aim and efforts to implement an approach to measure it. The Local Government Act 2000 introduced the responsibility for local authorities to 'do anything' that they consider is likely to achieve the promotion of the social, economic and environmental wellbeing of the area (Local Government Act 2000, s.2(1)). This has trickled down to social housing provision, for example with the revised

regulatory standards stating that '[r]egistered providers shall co-operate with relevant partners to help promote social, environmental and economic wellbeing in the areas where they own properties' (Homes and Communities Agency, 2012, p.27). In addition, since 2010 the Office for National Statistics (ONS) has been charged with developing an approach for measuring subjective wellbeing in the UK, as part of a concerted effort towards designing and evaluating policies based on the way in which they impact on wellbeing (Beaumont, 2011). In an explicit commitment to this approach, the Prime Minister, David Cameron, stated that 'we'll start measuring our progress as a country, not just by how our economy is growing, but by how our lives are improving; not just by our standard of living, but by our quality of life' (Cameron, 2010).

Most recently, this has been reinvigorated by the passing of the Public Services (Social Value) Act 2012 (Great Britain. *Social Value Act 2012*). The Bill was in fact introduced not as part of Government policy, but through a Private Members' Bill. What has come to be known as the Social Value Act (SVA) was passed by both Houses of Parliament and received Royal Assent in March 2012. This introduces, for the first time, a requirement for 'public authorities to have regard to economic, social and environmental well-being in connection with public services contracts' (Great Britain. *Social Value Act 2012*, p.1). The SVA states that authorities must consider:

(a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and

(b) how, in conducting the process of procurement, it might act with a view to securing that improvement. (Great Britain. Social Value Act 2012, p.2).

The SVA applies to all public service bodies including housing associations. The Act applies only to service contracts and not to supply contracts, and is complementary to existing procurement law (such as EU law) rather than replacing it (Social Enterprise UK, 2012). A Government review of the SVA one year on highlights a number of case studies in which the Act has been used innovatively to increase social value through procurement. However, it also acknowledges that some commissioners are yet to be inspired by the vision of the Act and are uncertain as to what they can and can't do under the law (H.M. Government, 2014). From the interviews, it is clear that the SVA is the predominant way in which the wellbeing agenda has directly affected the sector, acting as a driver of interest in social value and impact measurement. 11 out of the 12 interviewees referred to the impact of the SVA. For example:

"...there's been a lot of conferences and events around the launching of the Social Value Act, so I think there's definitely that legislation which has got people worried a little bit that they need to be on top of it." (Sector representative G)

"...a good driver is that we've got the Social Value Act, that there's a need there that will help it and I think we'll need to keep re-enforcing that message about asking people how they are currently measuring the social impact, etc." (Sector representative C)

In contrast, one interviewee highlighted the legislative weakness of the Act and was more cautious about its impact:

"But fundamentally it can be boiled down... it doesn't really change the game, it's exhortative rather than mandatory. ... there are huge swathes of legislation have been introduced say since Blair got in in 1997, to no effect whatsoever, or tiny, tiny effects. So just because there is an Act about something doesn't mean to say it's going to happen." (Sector representative E)

This increased focus on outcomes, wellbeing and social value has at the same time raised the profile of the debate on how to measure these wider public values. At a national level, the ONS has initiated a programme of Measuring National Wellbeing, the aim of which is to ‘develop and publish an accepted and trusted set of National Statistics which help people to monitor national well-being’ (Office for National Statistics, 2014). The ONS has started collecting 41 measures of national wellbeing (including objective and subjective measures) through a range of national surveys such as the ‘Understanding Society: UK Household Longitudinal Study’ as well as the specifically commissioned ‘Personal Well-being Annual Population Survey’ (Office for National Statistics, 2014). At a policy level, guidance for policy appraisal and evaluation is set out in the Green Book (H.M. Treasury, 2011a), with additional guidance for evaluation in the Magenta Book (H.M. Treasury, 2011b). The Green Book ‘emphasises the need to take account of the wider social costs and benefits of proposals’ by ‘[p]erforming an assessment of the costs and benefits for relevant options’ (H.M. Treasury, 2011a, p.1). Sector representative A, a housing sector economist, explained how this represents a shift over recent years away from cost-effectiveness appraisals that simply assessed the cost per unit of output:

“When I started this process everything was about cost ... cost per job, cost per housing unit and you would generate that and then you would compare it against a benchmark. But that’s probably been the general shift in the last two or three years. All our appraisals now are cost-benefit analysis (CBA), rather than cost-effectiveness.” (Sector representative A)

At an organisational level, there are a range of tools and methods available for assessing social impact. Some approaches focus at an overall organisational

level, such as Social Accounting and Audit (SAA), providing an overview of the progress of the organisation against its social objectives (Kay, 2011). Others are more concentrated at the impact of a specific programme or project. The method that is perhaps the most well known is Social Return on Investment (SROI), an approach developed in the UK by the New Economics Foundation (NEF) and sponsored by the Cabinet Office (Nicholls *et al.*, 2012). A number of interviewees noted that awareness of and interest in approaches to measuring social impact has been growing within the housing sector in recent years. This includes through sector networking and events, such as the annual social housing conference held by the Chartered Institute of Housing, which in 2013 included a specific theme for social impact. References to the importance of social impact measurement were made in the keynote State of the Nation presentation (Chartered Institute of Housing, 2013). Comments from the interviewees included:

“everybody was talking about Social Return on Investment and it was gaining quite a bit of currency and I think it was a kind of a buzz word” (Sector representative A)

“SROI is getting a lot of press” (Practitioner K)

Another medium through which awareness of social impact measurement has filtered into the housing sector is through a number of high-profile studies or reports that have been of relevance to the services that organisations are providing. For example, two interviewees noted that they first became aware of social impact measurement as a result of a report prepared by Capgemini on behalf of the Department for Communities and Local Government, on the cost-benefit return of the Supporting People programme (Ashton and

Hempenstall, 2009). Another high-profile example of social impact measurement was a report commissioned by the National Housing Federation that showed that poor housing costs the NHS £2.5 billion a year (Friedman, 2010).

Most recently, the work undertaken by economist Daniel Fujiwara and the social enterprise HACT has significantly raised the profile of the wellbeing agenda within the social housing field (Trotter *et al.*, 2014; Fujiwara, 2013). This provides the missing link identified previously by commentators (Allin, 2007), between the conceptualisation of wellbeing as a primary means of valuing our progress, as outlined in the literature described above, and the development of applied approaches for measuring social impact. The wellbeing valuation approach is an alternative way (for example, compared to stated and revealed preference techniques) of valuing a wellbeing outcome on a monetary scale. The approach is based on subjective life satisfaction measures, and the effects of non-market goods on individuals' assessment of their life satisfaction. This is converted to a monetary value by also comparing the effect of income on life satisfaction (Fujiwara and Campbell, 2011). The approach is now recognised in the most recent update of the Green Book (H.M. Treasury, 2011a).

Fujiwara and HACT (Trotter *et al.*, 2014; Fujiwara, 2013) have applied the approach to outcomes applicable to social housing, by valuing the wellbeing impact of addressing poor housing issues (such as neighbour noise, damp, poor lighting, a lack of garden, condensation, vandalism and rot) and of community investment activities (such as employment and training, neighbourhood regeneration and sport and leisure activities). The values are derived through statistical analysis of the British Household Panel Survey,

which includes questions both on housing related issues and on life satisfaction. For example, this shows that neighbour noise and damp are the two housing issues with the biggest wellbeing impact, valued at £1,068 for every person experiencing this issue. The monetary valuation of each outcome should be interpreted as the amount of income (or compensation) people would need to receive for a given housing problem to keep their life satisfaction at the same level as if they did not experience the problem (Fujiwara, 2013, p.22).

The work by Fujiwara and HACT has received considerable profile within the sector, and was brought up in nine out of the 12 interviews. Those interviewees were very supportive of the wellbeing approach in general, firstly, because it provides evidence of the wider impact of housing providers that demonstrates their impact on outcomes with cross-sector relevance; and secondly, because it provides a consistent approach to valuing outcomes across the sector:

“I think that wellbeing stuff will help in the health side, as well ... being able to demonstrate what housing can do for the health agenda and on their CCGs and their Health and Wellbeing Boards.” (Sector representative B)

“I think that the work that HACT are doing in measuring wellbeing is very useful. And there seems to be quite a groundswell of positive opinion behind the work that they’re doing, which might develop into a sector-wide way of looking at things.” (Sector representative D)

“It really excites me when I see that, because that means that something is more standardised, and whilst I don’t want to be in a culture of everything is standardised, I do think it’ll bring consistency around measuring one thing against the other” (Practitioner M)

Yet there were some mixed feelings about how this would be understood and applied within the sector in practice, because of the complexity of the approach:

“I went to a few of the HACT events and saw what they were producing. And I had some qualms... basically it’s too complicated. ... the fact is if your intellectual proposition is too complicated then people can’t understand it, and I think that’s problem with the HACT report.” (Sector representative E)

In summary, the social housing sector has been affected by wider long-term trends in governance in the UK, primarily by the move towards outcomes-based policy making and performance assessment. Although the progress of this approach has been mixed, with stronger advances made in some sectors compared to others and a period of confusion surrounding the coalition Government’s approach in early years, the commitment to an outcomes-led approach has been confirmed through the continued application of commissioning for outcomes and Payment by Results (Rees, 2013). Alongside these developments has been a growing awareness and interest in social impact measurement. This has been heightened most recently by the increased emphasis on social value and wellbeing raised by the passing of the Social Value Act and the development of wellbeing valuation for social housing outcomes.

The above developments fit within the wider paradigm provided by networked community governance (NCG). In this model public services are produced by a range of public, private and third sector organisations. The aim is to provide a more joined-up approach across different service delivery agencies through a ‘people-centred’ approach that focuses on community

wellbeing and satisfaction. A key part of this is 'co-production' of services between public service providers and their clients and communities (Benington, 2011, p.33). One of the recognisable features of this form of governance is the provision of services that cut across traditional boundaries, such as between different sectors and different services.

The features of NCG are clearly identifiable in the housing sector. Policy-led changes to the sector over the last decade have focused on making social housing services more accountable to their tenants, including closer involvement of tenants in prioritising and scrutinising services (Tenant Services Authority, 2009; Cave, 2007). This closer customer engagement, as well as re-thinking the wider role of housing providers at a policy level (for example, as in the Hills Review (2007)), have resulted in housing providers focusing on a wider array of issues and service provision to meet the range of needs of their tenants. Smedley (2014, p.9) describes how social housing providers are now accountable to a range of stakeholders – including tenants and potential tenants (those on the waiting list), the local authority, other public service providers, the local community and national government – and consequently that '[i]t is the legitimate needs and expectations of these stakeholders that shape the value produced and therefore the purpose of individual organisations'.

As a result, housing providers now deliver a range of services that cut across traditional service boundaries. Interviewees referred to examples of housing providers delivering services relating to a variety of other services in addition to their core 'bricks and mortar' role. These included adult social care such as 'extra care' residential schemes, community involvement and cohesion activities, tackling anti-social behaviour, education services, employment and

training initiatives, supporting social enterprises and SMEs, as well as general life skills including financial literacy and money management. The cross-cutting nature of current housing service provision was noted by a number of interviewees:

“housing associations deliver a huge range of community investment projects in their neighbourhoods. They are involved in their communities in a much more in-depth way than just being straightforward landlords.” (Sector representative D)

“the housing sector’s not really the housing sector any more, is it? We’re doing health, wellbeing, financial inclusion...” (Practitioner M)

“we exist to improve the communities that we work in. ... So, providing and repairing and building housing for people in need is a part of that, but it’s not the only way we can do it. As an organisation we are looking at running schools, we’re looking at variety of social enterprise type activities and a whole range of things that we’re looking at, which are outside the traditional housing management approach.” (Practitioner H)

“it’s no longer just a housing service. It might have been 10 or 15 years ago, it’s been pulled and pushed and prodded into taking so many different facets of neighbourhood community activity, whether it be employment and skills, social care, neighbourhood enforcement. It’s such a wide myriad now”

(Practitioner K)

Social housing providers therefore clearly operate in a context that is consistent with the NCG model, in which the delivery of services cuts across sector and service boundaries such that social housing providers work in partnership with a range of stakeholders to deliver a wide variety of services to their tenants.

4.1.2 Contextual factors shaping housing providers' 'business heads'

The social housing sector has been transformed over the last 25 years, in line with the wider changes to public policy introduced under NPM, including increasing competition, market orientation and performance monitoring and regulation. Legislative and funding changes in the late 1980s under the Thatcher government resulted in large-scale stock transfer from local authority to Housing Association ownership (Pawson, 2005). Further reforms in 2000 introduced Arms Length Management Organisations (ALMOs) as an alternative delivery model, in which council homes remain under local authority ownership but are managed by a separate management organisation (Department for the Environment, Transport and the Regions, 2000). This has increased competition in the sector by broadening the number and type of providers in the sector (Victory and Malpass, 2011). In addition, a quasi-market for social housing consumers was introduced through the Choice-Based Lettings (CBL) system in 2002, which enabled consumers to be able to compare and bid for all local social housing properties, no matter the provider, in the same system (Oxley *et al.*, 2010). These longer-term contextual developments mean that '[a]cross the board, today's social landlords are a more hard-headed, more commercially aware, breed than their 1980 forbears' (Pawson, 2005, p.781).

This has been reinforced by the more recent context of the global financial crisis and the current UK coalition government's approach to austerity measures and public sector reform. The primary focus of the coalition government's policies has been on reducing the budget deficit, achieved through a reduction in public spending and restructuring of the public sector to reduce demands for future spending (Taylor-Gooby and Stoker, 2011). As

well as a response to austerity, the Conservative-led government's policies can be seen as part of a broader neo-liberal approach to reduce the role of the state, including in housing (Murie, 2012). The restructuring includes a further shift away from delivery by the public sector towards private providers and communities, with one commentator arguing that '[m]arket principles will permeate social life to a greater extent than at any time since the inception of the modern welfare state.' (Taylor-Gooby, 2012, p.62).

A central plank of the government's austerity measures has been major reform of the welfare system. Under these reforms, social housing providers will be directly affected by changes to Housing Benefit introduced in 2013/14. Firstly, Housing Benefit will in some cases be limited where there is considered to be under-occupancy of the property, based on the number of bedrooms and the size and age of the household (Great Britain. *Welfare Reform Act 2012*). The policy is popularly referred to as the 'bedroom tax', and it is estimated that it will affect around 31 per cent of working-age social housing occupants, reducing the average benefit by £14 a week (Bird, 2013). A recent survey by the National Housing Federation found that two-thirds of residents affected by the bedroom tax are now in rent arrears, and 15 per cent are at risk of eviction (National Housing Federation, 2014b). This has had financial implications for housing providers, including additional outlay to help mitigate the effects of the bedroom tax, increased rent arrears, and therefore an overall decrease in annual income (Ipsos MORI, 2014).

Secondly, housing providers are affected by the overall cap on benefits also introduced in April 2013. This is targeted at out-of-work households, and limits total benefits to the median net earnings of a working household. Around 44 per cent of the social rented sector is expected to be affected, and

the Department for Work and Pensions estimate that affected households will lose on average £83 a week (Bell, 2012). The affects of the Benefit Cap on social housing providers are much less significant than those of the bedroom tax; however, a recent survey estimates that one in six housing associations report an increased difficulty in rent collection and resulting rent arrears as a result of the Benefit Cap (Ipsos MORI, 2014).

A further significant change to welfare payments will be the move to a single 'Universal Credit' payment, which will subsume a range of current welfare payments (including Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance) into a single payment. For housing providers, the most significant change resulting from this will be the direct payment of Housing Benefit to tenants, rather than directly to the landlord. Housing providers have raised concerns that this will further increase arrears as tenants struggle to manage their own budgets, and will increase recovery costs and staff management time (Ramsden, 2012). The switch to the Universal Credit system has recently been delayed by problems with the development of the IT system, and its full rollout deadline has been pushed back to 2017 (Malik, 2014).

Interviewees recognised welfare reform as one of the most significant policy changes affecting social housing now and into the future. Responses when asked about the most significant challenges for the sector included:

"I'd have to say the welfare reform agenda because so much is changing so quickly and in different areas, that's having an impact depending on the housing stock or the profile of communities" (Sector representative F)

“... the biggest threat us as businesses is of course the impact of welfare reform”
(Sector representative E)

“...welfare reform. There’s going be squeeze in 2015 onwards with certain housing providers if they have low rents, or if they’re very much geared up in terms of debt from external funders and loans.” (Practitioner I)

A further aspect of the reforms introduced by the coalition government has been the promotion of ‘localism’, which aims to devolve more decision making powers from central government back into the hands of individuals, communities and councils (Great Britain. *Localism Act, 2011*). In the social housing sector, this has meant the removal of previous policy and legislative frameworks that set some of the key parameters for the sector. For example, up until 2010 a considerable amount of power still resided centrally through a centralised performance and resource allocation system. The Tenant Services Authority (TSA) and Homes and Communities Agency (HCA) were responsible for enforcing a core set of regulatory standards across the sector (Tenant Services Authority, 2010). In addition, significant resources for social housing investment (under the Decent Homes programme) were only available to those organisations that met the Audit Commission’s ‘two-star’ standard following rigorous inspections (Department for the Environment, Transport and the Regions, 2000). This established a strong culture of convergence to centrally set standards for decent housing and how a ‘well-governed’ housing provider should behave (Manochin *et al.*, 2011). Under the Labour government, there was also a policy to converge rent levels towards those determined by a national formula, and a cap on local rent increases. All rent was collected from individual housing providers into a central fund and redistributed via subsidies back to providers under the Housing Revenue

Account (Wilson, 2013). One interviewee noted that *'our sector's been put through mill a lot, because they've had to be put through a quality process for general needs housing ... It's been very regimented, very, very tightly monitored for many, many years'* (Sector representative B).

Reflecting the localism agenda, housing policy under the Conservative-led coalition government has resulted in considerable dismantlement of several of these centralised aspects. This includes a deliberate move towards deregulation of the sector (Murie, 2012). The TSA was disbanded in 2010 as part of plans to *'refocus regulation on the areas where it is really needed – proactive economic regulation and responding to serious service failures'* (Department for Communities and Local Government, 2010, p.10). A reduced scope for regulation was moved to sit within the HCA. Another example of deregulation was the closure of the Audit Commission, meaning that housing providers would no longer be inspected against the previously set *'star-rating'* system. Following the October 2010 spending review and a consultation of allocation of funding for investment under the Decent Homes programme, landlords were no longer required to attain the Audit Commission's two-star standard to access Decent Homes funding (Hardman, 2010).

Other reforms to social housing introduced under the banner of localism included more flexibility in rent levels and security of tenure. For example, an *'affordable rent'* level was introduced as a mid-point between the sub-market rates set by social housing rent and the local market rental rate. The affordable rent level was set at 80 per cent of the market rate, to enable housing providers to use the income generated to increase new provision and reduce subsidy support from central government (Murie, 2012). In addition, the

Localism Act 2011 changed legislation to allow local authorities to decide for themselves how to prioritise access to social housing. This included more flexibility in the longevity of tenancies, with an option to introduce two-year tenancy security instead of the lifetime security offered under previous legislation (Department for Communities and Local Government, 2010).

The Localism Act 2011 also legislated for the abolition of the centralised Housing Revenue Account from April 2012, to be replaced by a new system of self-financing in which ‘councils can keep their rental income and use it locally to maintain homes for current and future tenants’ (Department for Communities and Local Government, 2010). For social housing providers, this means a *‘...movement away from top down regulations, and increasing autonomy that housing providers are faced with’* (Sector representative G). This has implications on how housing providers shape and evaluate their own priorities and assessment of performance:

“I think some businesses ... have built a business model on that regulatory regime and Audit Commission inspection regime. As that has now stopped and there is freedom, I think housing associations are finding their own paths and different paths.” (Practitioner K)

“one of the things that has helped in their thinking is the relaxation of the more strict regulation that we had with the Housing Corporation and then the TSA... Now that we’ve got the freedom to measure our service against what we want to measure it against, and it’s allowing us to look at these wider community benefits” (Practitioner H)

The impact of these changes, including both the reduction in public funding and re-structuring of public services delivery, was noted by interviewees as a significant force in shaping the current direction of social housing. Firstly,

direct funding for housing provision has been reduced, making financial pressures and considerations more prominent than previously:

“Gone are the days where this agency used to just give out grants... we just haven’t got the money, as a country, as an agency” (Sector representative A)

“It’s a more complicated world out there for housing associations to operate in. There’s less money around in general and therefore for neighbourhood investment” (Sector representative D)

In addition, a number of the interviewees felt that cutbacks in other (particularly local authority) services means that there is *“a bigger need in the communities”* (Sector representative D):

“...the state is retreating and, in some areas, housing associations are becoming the main provider of services previously delivered by the local authority in that area. The private sector doesn’t necessarily fill the gaps in previously public sector service provision.” (Sector representative D)

“the whole economic downturn and lack of resources meaning that local authority services are being cut, and housing providers are being looked to to fill that gap as well. So, I know in terms of care and support and stuff like that, the housing providers are often stepping up as a business that has valuable assets and is relatively stable compared to other organisations in a similar space, like the local authorities.” (Sector representative G)

The current context that social housing providers are therefore faced with is one of reduced resources, alongside increasing need in the communities as other services are withdrawn. This presents some opportunities to use their assets to expand service delivery into new areas, but with increased pressure to ensure that such business development ventures are financially viable.

4.2 Mechanisms

Pawson and Tilley (2004, p.6) explain that '[m]echanisms describe what it is about programmes and interventions that bring about any effects. ... This process of how subjects interpret and act upon the intervention stratagem is known as the programme 'mechanism' and it is the pivot around which realist research revolves.' In the conceptual framework, the hypothesis proposed is that the three vertices of the strategic triangle can be interpreted as a set of generalised mechanisms required to implement a public programme. This section draws on the empirical data to test the explanatory capacity of the strategic triangle (Figure 2) and to further specify these mechanisms to more specific propositions for the case of social impact measurement.

4.2.1 Defining social outcomes

This process is defined in the public value framework as 'clarifying and specifying the strategic goals and public value outcomes which are aimed for in a given situation' (Benington and Moore, 2011, p.4). The latter part of the definition makes it clear that the context in which this process occurs is an essential part in that decision-making process, in line with the realist evaluation model in which the key explanatory ingredient is the interaction between processes enacted (mechanisms) within their specific context. The previous section's description of the contextual setting for the sector is therefore integral to understanding this mechanism, and sets the parameters within which organisations carry out the process of defining the specific social outcomes that they set as their goals. More specifically, this includes understanding how social impact measurement is used as part of this mechanism, to help define social outcomes by gauging whether the

organisations' activities are valuable and therefore inform this decision-making process (Benington, 2011, p.124).

Evidence from the interviews and from sector literature clearly points to the fact that social housing providers are currently undergoing this process of clarifying their strategic goals and the public value outcomes that they aim to deliver, as a response to current contextual circumstances. It was noted that the current context has led to *"a period of introspection for housing associations"* (Sector representative D) as they consider what their primary purpose and business goals are. The general contextual shift in public policy towards an outcomes-led approach is reflected in the way that housing providers think about their purpose in terms of social outcomes. A number of recent sector publications setting out the current vision for the sector emphasise the central place of social outcomes in shaping organisations' future direction (National Housing Federation, 2014a; Smedley, Perry and McGrady, 2013). For example, the result of the National Housing Federation's recent consultation on the 20-year vision for housing associations states that 'we have such a strong social purpose. ... We create profit for a purpose and re-invest that for social good.' (National Housing Federation, 2014a, p.3). This also emerged from the interviews:

"...the interns here are calling up 100 housing providers that have engaged with us for some reason and interviewing them to find out about their priorities and interests. And social impact does come out often as top of their list." (Sector representative G)

"I've been going round talking to ALMO Chief Execs [about the] USP [unique selling point] of ALMOs ... And they said, '... actually now, it's about demonstrating social value, particularly to local authorities'." (Sector representative E)

There were also examples given by the practitioners of where their own organisation had undergone such a process of re-defining their purpose and social goals, as a result of the longer-term shift towards outcomes-led thinking:

“Approximately six years ago the team was made to look at what we wanted to do as a housing provider. Do we want to just do more for rents and make the repairs, or do we want to have a bit more impact in terms of our neighbourhoods?” (Practitioner I)

“The community investment subsidiary of our Group came into being in 2007, the same time as the Group re-branded. It was at this point that we examined an outcomes based approach to what we were delivering, and as part of the process established a specific strategic aim for the community investment subsidiary – to inspire and empower enriched ways of living. ... So, we got together and thought ‘what do we do? How do you know we’re doing it – if we’re achieving what we actually want to achieve?’” (Practitioner L)

The contextual conditions have driven housing providers to develop more robust decision-making tools to help determine their core purpose and activities. As described in the context section earlier, over the last few years housing providers have expanded their delivery into a range of service areas. More recently, increasing financial pressures as a result of austerity have driven a requirement for organisations to justify, and sometimes streamline, their service priorities. This has put more attention on decision-making processes, as *“certainly up now, I think it’s been sort of, ‘Yes, we’ve just done this and we haven’t really thought about it. ... [now] maybe we should see whether we should continue to do it.’”* (Sector representative F). Now the focus is

increasingly on creating value for money, using a broader definition of 'value' that includes achieving social outcomes (Smedley, Perry and McGrady, 2014; Smedley, 2013). For several of the organisations interviewed, this has highlighted that the fact that they were not able to demonstrate in a meaningful way whether they were delivering against the social outcomes that they set as their goals. For example:

"I think the business generally we do a lot of CSR type of activity ... What we've not been great at is measuring and monitoring what we do" (Practitioner N)

"when I started ... the old CEO, this was six years ago, sat down and said, 'We do loads of regeneration activity' ... 'We should really know the impact of this' so they set off and I think commissioned a consultancy firm ... to basically write a book on how an impact tool might work." (Practitioner K)

"we decided we needed to know outcomes, ... and what we found was we didn't have any evidence at all to prove what we were doing" (Practitioner L)

As a result of this, the use of social impact measurement has become as part of the mechanism of defining the social outcomes of organisations. Its value has become increasingly recognised as part of a package of internal decision-making tools to help determine what organisations should focus on according to the impact that they can have:

"...it's around trying to establish where they should be spending their money and what's going to give them the best social outcome of that for any given pound. ... I think the social impact research tool, added to your more traditional value for money assessment, can give you that added dimension in terms of being able to choose which way you might do a project or which project you might focus on first, because you'll have a better understanding around what the social impact is, which is ... their core purpose." (Sector representative F)

“...there was a place for us to say, we can actually help you to make decisions, and make decisions that are informed by evidence, rather than anecdotal or gut feeling or whatever, to make sure that your investment can have the greatest impact for your communities and make the greatest difference in your neighbourhoods.” (Sector representative G)

Whilst social housing providers are clearly focused on their social purpose, the specification of which social outcomes they choose to concentrate on has been far from uniform. The interviews reflect the representation of the sector’s view in the HouseMark-sponsored publication (Smedley, Perry and McGrady, 2013, p.10), that ‘[t]he kind of social value the association produces is determined by the board and executive over time, as a response to a set of specific issues associated with people, place and situation’:

“... some are very much thinking about what the opportunities are for them in the market. Some are becoming more focused on market housing developers and some have re-branded themselves as community enablers, or regeneration agencies. And some are a bit of both. They’re all in a very different place, individually, with regard to considering who they are as organisations and what their core values and priorities are.” (Sector representative D)

“I think if you’re talking about trends this may be the most significant trend that’s going on at the moment, which is the drawing back or the bending of activity. ... some other associations are getting in to the education field and, ... some people are moving in to areas ... effectively as a commercial operation that generates cash. And other people are doing it because community wellbeing plays back to you in terms of happier tenants, less family breakdowns and less transfers, ... less ASB, all that sort of stuff... So you know, people are doing it for different reasons” (Sector representative E)

The hypothesised mechanism is therefore that organisations are responding to changing contextual circumstances by redefining their social purpose and

clarifying which public value outcomes they are aiming to deliver. Social impact measurement has been used as part of this process, to provide evidence on which activities are currently providing the most social value for money within a context of increasingly limited resources.

4.2.2 Creating an authorizing environment

The second mechanism within the public value strategic triangle is 'authorization' – the building and sustaining of a coalition of stakeholders from across all sectors whose support is needed to sustain the necessary actions to achieve social value outcomes (Benington and Moore, 2011, p.4). In line with Horner and Hutton's (2011) perspective on public value, the measurement of social outcomes is seen as a necessary part of the actions required to create social value. Thus the focus taken here includes the authorization of the practice of social impact measurement itself, within the context of authorizing a broader set of activities delivered by social housing providers to create social value. Benington and Moore (2011, p.6) go on to explain that the authorizing environment is built partially on formal mandates, such as legislation or policy specifications or from officially appointed roles or job descriptions. Yet these formal mandates may not be sufficient to achieve the desired outcomes, and so there is also a need to create a network of stakeholders and negotiate a coalition of these various interests and agencies that mobilises the necessary authorization to achieve the outcomes. The following section sets out the types of networks that social housing providers are required to make to deliver on their objectives, to deliver and measure their social value.

The NCG model underlying the public value framework suggests that the authorizing environment for delivering public services is one of

interdependences and interactions across multiple boundaries, and links need to be made horizontally, vertically and diagonally (Benington and Moore, 2011, p.15). These differentiations help to examine the authorizing environment that social housing providers face in implementing and measuring their wider social remit. Looking firstly at the vertical links, from national policy design down to front-line delivery, there is some formal mandate for housing providers to deliver wider social outcomes but very limited mandate from policy makers to measure their social impact. The formal mandate for aiming to have a wider social impact is quite broad and generalised to the whole public sector, rather than specifically focusing on social housing provision. The main sources of formal mandate are legislation (specifically the Social Value Act) and policy initiatives that focus on outcomes (such as Payment by Results).

Yet there is very little formal requirement to measure social impact or specification as to how this should be achieved within these formal mandates, which fits within the context of wider deregulation of the sector. This reflects a deliberate intention by the government (for example justifying their 'light touch' approach to specifying how social value should be considered as part of the Social Value Act) to avoid 'prescriptive guidance or instruction from Whitehall – partly because that would be inconsistent with our belief in decentralisation, and partly because we do not believe it would work' (H.M. Government, 2014, p.6). Similarly, the revised regulatory standard for social housing providers allows individual providers to determine their own definition of value for money and implement their own assessment of whether this has been achieved. The standard does state that the assessment should cover of all aspects of value for money performance, 'including, for

example financial, social and environmental returns' (Homes and Communities Agency, 2012, p.14), but does not specify how this should be assessed.

Interviewees noted that the reduced regulatory framework set by the HCA gave them increased freedom to measure things that mattered to them, such as social impact, but that *"there's no pressure saying you must show social impact"* (Practitioner I) and that *"they'll say, 'You should know the social value of your work'. ... but any association could get that box ticked and it not necessarily be in a meaningful way."* (Practitioner K). This lack of formal vertical mandate for measuring social impact was noted as a hindrance in one of the interviews, compared to previous quality regulations that *"were mandatory by central government about measuring the quality, putting a performance tool in place, which we haven't got now. ... It's probably a bit of a barrier to us, not having regulatory drivers ... because, where you've got the good authorities, the good providers will always do it, whether or not you've got regulation there. It will always be the ones that are on the cusp that fall below the barrier and then, how do we really know that it's delivering poor services to vulnerable people..."* (Sector representative C).

As per the public value model, interviewees highlighted that because there is a lack of formal mandate for measuring social impact there is a need to build a coalition of stakeholders to sustain the necessary action to take this forward. Several of the interviewees from sector representative organisations felt that part of their remit was to raise awareness of social housing providers' wider roles and social impact at government and policy level, to build the vertical links necessary to authorize their role in delivering wider public value outcomes:

“we spent quite a long time working with government departments, showcasing what housing associations do and telling their story as a demonstration of what housing associations deliver, other than providing homes, and trying to articulate a value on that provision to communities, neighbourhoods and the economy.” (Sector representative D)

“The second issue is persuading the Government that the housing association spend that’s not dedicated to building new homes is still immensely valuable to society” (Sector representative E)

Part of this process of building authorization of housing providers’ role in delivering social value includes the use of evidence from social impact measurement to support the case. This in turn can be seen to be also building authorization for the approach itself, as stakeholders within the vertical networks become aware of the value of such approaches. For example, referring to a particular report produced by Nottingham City Homes on the wider social impact of their Decent Homes programme (Nottingham City Homes, 2012), one interviewee noted:

“[it] has been incredibly useful in terms of our discussions with HCA and CLG, and Treasury around being able to show the wider impact of that work and what they might be able to save ... it certainly has been fed back to me through HCA and CLG in terms of how useful that information has been in their assessment of spending programmes and whether to continue it or how much money to continue to put toward that kind of stuff.” (Sector representative F)

This highlights how the vertical authorization is particularly necessary when it comes to the top-down allocation of public resources. The incentive for housing providers in authorizing their wider social remit is therefore *“in the case of housing associations, trying to stop the Government raiding their reserves, if they can”* (Sector representative E).

Local government also forms part of the vertical links from policy through to implementation. Two of the interviewees emphasised the importance of this relationship in particular for ALMOs, for whom the local authority is a key stakeholder as the funding organisation and owner of the housing stock. ALMOs are therefore incentivised to show that they are helping meet local authorities' wider objectives, particularly at a time when many ALMOs are being dismantled and taken back within the council (Housing Excellence, 2013). Again, evidence of the wider impact of housing providers to the local authority is part of the process of building these coalitions of interest:

"... what matters to the local authority? Community wellbeing, all of that stuff they've picked up on social value and the social impact stuff, so they're saying this is the agenda, we need the tools to demonstrate that we're meeting the local authority's objectives and stretching them." (Sector representative E)

This is clearly an area in which differences in local context, i.e. between the various individual local authorities, affects the way and extent to which authorization is built. This is especially the case in the context of localism and deregulation, with the result that in key areas, such as implementing the Social Value Act, 'people are doing things differently' and in some cases '[s]ome commissioners are yet to be inspired as to the potential of embedding social value in the work that they do' (H.M. Government, 2014, pp.7-9). This is supported by some of the reflections of the interviewees, which suggest there is perhaps mixed success in building an authorizing environment for impact measurement with the local authority:

"even the council, although we've provided them with evidence around impact and outcomes, it's not that they're not interested, I just don't think they really understand." (Practitioner M)

"I've seen [social value] mentioned in a couple of tenders that have come through from local authorities, but nothing too prescriptive yet. ... I think it has been very gradual. ... it could be up to the council if they include it or not."
(Practitioner I)

Turning to horizontal links within the authorizing environment, i.e. between organisations both within and across different sectors, it is clear from the NCG context described earlier that housing providers need to form a range of links. The NHF's vision for the sector refers to a range of networks and partnerships that will need to be built and strengthened to deliver on the sector's goals, including with the NHS and GP commissioners, local authorities, the employment and skills sector, education providers and offender management and rehabilitation (National Housing Federation, 2014a). Cunningham (2012) argues that housing associations are well placed to act as the bridge between individuals, neighbourhoods and local government by working in partnership with local authorities, Health and Wellbeing Boards, Clinical Commissioning Groups, new police commissioners, education authorities, social enterprises and charities. The need for support and partnership working across sector and professional boundaries was referred to in the interviews, as well as the use of evidence of social housing providers' impact on outcomes relevant to these wider partners in forming these links:

"a lot of the bigger ALMOs who have finished Decent Homes and now are looking to make a wider contribution in their area now because they're at that point where they can. They'll be talking to health and they'll be talking to the police, they'll be talking to education" (Sector representative F)

“...housing associations are getting to grips with how they quantify their activities. ... what was it that they could say they delivered, when they were dealing with some of the new local structures, such as Local Enterprise Partnerships, the city deals, health partnerships or to their local authorities, or to demonstrate what housing associations deliver on a national basis.” (Sector representative D)

In addition, the building of cross-organisation and sector links can be supported through the process of social impact evaluation itself. For example, the first principle of the SROI approach is to ‘involve stakeholders’ (Nicholls *et al.*, 2012, p.9). Two of the practitioners referred to local stakeholder engagement or consultation as part of the process of completing an SROI evaluation. In addition, another practitioner explained how they had used the annual assurance process for their social accounts to build interest and links across the sector, by inviting stakeholders with whom they were trying to build authorizing networks with to sit on the assurance panel.

In terms of the links within the sector, the interviewees recognised that there is a great deal of variation across individual providers in terms of the social outcomes they are focusing on and their journey towards being able to measure that impact. To some extent, this variation was seen as a barrier to engagement across the sector:

“one of the difficulties is that it’s hard to conduct any peer learning, because you have to keep going back to the first principles approach because the specifics don’t compare and there is no consistent approach to outcome measurement across the sector. There are financial savings to be made with a consistent approach to valuing outcomes as there wouldn’t be a need for a constant re-inventing of the wheel.” (Sector representative D)

Despite a growing amount of interest in social impact measurement, several of the interviewees felt that the message about social impact hadn’t caught

hold across the whole of the rest of the sector and that as a result the horizontal authorizing environment is currently fairly weak:

“the majority of the sector is not really engaging with it particularly, because they’re worried about welfare reform, they’re worried about development finance and so there’s quite a lot going on within the sector. So, it’s not something that’s universally grabbed people’s attention” (Practitioner H)

“in terms of ... support from the sector... There’s very rarely any mention of social impact measurement from the sector.” (Practitioner M)

As a result, there was general agreement on the need to build an authorizing environment for social impact measurement across the sector. Several of the interviewees had been contacted by other housing organisations with requests to share information about their approach to social impact measurement. For example, Practitioner J found that *“it seems that there have been a number of organisations that have looked at SROI but have never gone through from beginning to end. ... So, a lot of organisations are very interested how we’d had the tenacity to see it through.”* Russell (2013, p.12) argues that *‘[d]eveloping a strategic approach and presenting a unified voice across the sector is one area where coming together as a collective is going to be better than organisations working separately in silos.’* Similarly, one of the interviewees commented that:

“it might be useful if the sector could come together and agree what the general core, important things are and how they’re measured so that people can start comparing across sectors and the local authorities.” (Sector representative F)

Yet the interviews highlighted some potential mismatches in expectations as to whose role it is to develop these horizontal authorization networks. A limited number of practitioners stated that they were proactively undertaking this as part of their role, with only two examples of this:

“I think the other challenge we’ve got is influencing externally about the importance and the value of this. Although it was more of a challenge a couple of years ago, but it’s still a real evident challenge, I think, for us now. ... we give up a lot of our time to advocate it, because, I think, it’s really important.”
(Practitioner M)

“The fourth work stream is get involved in sector-wide initiatives, so a bit of me says when does [our organisation] need to do this on our own, when do we work with the NHF, HouseMark, CIH. They’re all trying to crack this nut and we will contribute to that because actually if we’re talking about the value of social housing, well why would [our organisation] try and answer that and then ... all the other housing associations that are out there - let’s just pool that collective effort” (Practitioner K).

From the practitioner perspective, most interviewees felt that there was a clear role for national sector representative organisations to take a lead in coordinating this. Examples of such organisations given by the interviewees included the National Housing Federation, the Chartered Institute of Housing and HouseMark. For example:

“I think it’d be wonderful if organisations, even such as the National Housing Federation, could lead on some of this work. Because they’ve got that reach.”
(Practitioner J)

“I think the Nat Fed is really important in this. Often the sector will say, ‘Well maybe we should wait until somebody agrees one system.’ ... And so, that puts people off, because they’re waiting for ... what is going to be the standard approach.” (Practitioner H)

In contrast, some of the sector representative organisations interviewed felt that there were difficulties in leading this process of authorization from their side. For example, one interviewee felt that their role is limited to advising and signposting, rather than definitively supporting a particular approach:

“we certainly can’t endorse a particular methodology, or approach. But, what is said, if you want to look at the social value of your activities then we can signpost resources that are available” (Sector representative D)

An additional barrier to this that was recognised by several interviewees is that increased competitive pressure means that housing providers are in some cases more reluctant to openly share their processes, as *“it’s a competitive market out there for housing associations. They don’t always want to discuss very openly some aspects of their business operations with each other, perhaps where costs of contracts are involved or where they have been able to make savings in their supply chains”* (Sector representative D). Thus, there are potentially a number of confounding mechanisms currently working against the implementation of social impact measurement, such as a lack of remit for leadership within the sector and reluctance to share information on practices that potentially give organisations a competitive edge.

Several organisations have also turned to the social impact sector for support in authorizing their approach to social impact measurement. Interviewees mentioned that they had been in contact and had support from, for example, NEF, the SROI Network and Business in the Community. One housing association was particularly proactive in building a horizontal authorizing environment within the social impact sector:

“We try and influence, we’ve set up our North East Impact Measurement Network, and we’ll go to the SROI Network, we’ll go to the Social Audit Network, and we’re properly involved ... all three networks” (Practitioner L)

Therefore the evidence suggests that there is a clear need to build a horizontal authorizing environment for social impact measurement, both within the

housing sector and across partnerships with other sectors. Nonetheless, to date there has been limited success in coordinating the building of this coalition of interests, and varied expectations as to who should take the lead on this. Interviewees recognized that failure to build an authorizing environment within the sector would have implications for the future of the practice:

“how do you imbed it into the sector? And I don’t think people are convinced yet. I’m not sure how real people think it is, or whether it’s just a fad, this year’s sort of trendy thing you talk about and then it’s gone and next year there’ll be something else. ...obviously, I’m hoping it’s not the case, because I think we should be looking at the wider value of what we do, but who knows”
(Practitioner H)

“I think there will be that reaction of it’s not as easy as we hoped and they’ll be some organisations that will turn their back on it. ... I suspect they’ll be a bit of hiatus for the next couple of years, people just waiting, consolidate before maybe two years time until it goes big again.” (Practitioner K)

Finally, the NCG model states that diagonal links across decision-making networks, that link leaders and managers with frontline delivery staff and users, are also important. A number of practitioner guides to social value and impact refer to the importance of developing these diagonal links. A key principle for several of the major approaches for measuring social impact (such as SROI and SAA) is stakeholder involvement, particularly focusing on engagement with staff and those affected by the intervention on the ground (Nicholls *et al.*, 2012; Kay, 2011). In particular, a recent housing sector practitioner guide to social impact published by Midland Heart and HouseMark emphasises that ‘you need the buy-in and support of a wider

group of staff' to successfully deliver and measure social impact (Russell, 2013, p.16).

The importance of building diagonal links between strategic leads/management through to front-line staff received limited discussion in the sector representative interviewees, but was a significant focus for practitioner interviewees. The clearest emphasis, which was common across all of the practitioner interviews, was the need for support at a senior management level for taking forward social value and impact measurement. For the four organisations that have already successfully implemented some form of social impact measurement, each identified the support and leadership of a particular senior manager (such as the Chief Executive, Deputy Chief Executive or Director) as essential in authorizing the approach so far. Practitioner L argued that *"if you haven't got that you can't achieve anything, I don't think."* The interviewees highlighted that this strategic authorization is needed to sustain the necessary action, firstly, to initiate a social impact measurement project by sanctioning the use of resources for this purpose (such as remits within staff roles that allow for time to dedicate to impact measurement, and other outlay such as training and accreditation costs):

"...my chief executive was very supportive. Obviously, the managers of my colleagues were obviously allowing us the time and space to do a lot of this work" (Practitioner J)

"It's been really driven by our director. ... People accept it now, they know it is part of that role. ... If it's seen as just another part of the day job, then ... it'll get shelved and moved onto something else very quickly. ... it's having that champion there. So if the Deputy Chief Executive's interested in this, you better take notice. It's not going to go away." (Practitioner I)

The secondary importance of authorization from a senior management level is to then be able to roll out the approach more widely, and embed it within the corporate vision and day-to-day activities:

“it almost needs to have that senior kind of champion, ambassador figure. Because otherwise, ... it’s great and people are really interested but then it’s about how do you actually move on from that learning and how do you apply it on a wider scale, how do you get others involved in terms of developing their skills and knowledge?” (Practitioner J)

“I think if boards and directors and management teams buy into it, then it will happen.” (Practitioner I)

Building this wider authorization across the organisation has been the focus of a number of interviewees, for example:

“we’ve managed to get social impact as one of our corporate objectives for the year as a kind of stand alone thing giving it a real focus at exec level.” (Practitioner K)

“we’ve also had HACT come to our leadership group, which is about the fifty most senior people in the organisation, to give a talk on their approach to sort of warm people up to a way of measuring it.” (Practitioner H)

In line with Benington and Moore’s description of the various sources of authorization (Benington and Moore, 2011, p.6), a number of interviewees felt that there was some authorization resulting from their individual job titles or role, or that of the team within which they operate. For example, having someone employed as a specialist in social impact measurement was felt to imply considerable authorization of the approach. However, they still felt the need to build a wider coalition of support from across the organisation, including other corporate areas such as finance, procurement, customer

insight, business development and sustainability and regeneration. As well as cross-organisational links to other operational managers, interviewees also emphasised the importance of diagonal links to staff involved in the front-line delivery of services. The engagement of these staff was seen as important, as their support is necessary to complete the actions needed to successfully undertake impact measurement:

“I think the other thing obviously is getting the site teams to understand the value of this. We’re working with contracts managers, projects managers, site managers, who their priority is to carry out the work to the best of their ability, in time, the quality has got to be there and within budget – and getting them to understand the social value element is equally important as that” (Practitioner N)

“for me, it’s about building it into the work and the services that you do ... And that’s been around educating and training all staff and making them realise how important it is, and again you need the backup of your directors and your senior management team to get that done.” (Practitioner M)

For several interviewees, their aim is to build sufficient authorization to be able to measure impact across the organisation, expanding beyond the traditional focus for impact measurement on community investment activities to evaluate some of the more core activities that also generate social value. This requires the building of sufficient authorization to be able to continue to widen the scope of impact measurement across the range of services that the housing providers deliver. In the three organisations where this is already occurring, the interviewees explicitly referred to the link between the continuation and widening of the scope of their impact work and the authorization that they had from within the company. For example:

“I think another challenge, and we’ve been really lucky, is getting ‘upstairs’ to embrace the methodologies. We’re really lucky that our directors, our deputy directors, and now it’s getting more across the group – it’s being recognised that everybody needs to do it” (Practitioner L)

For another interviewee, the lack of this wider authorization was then recognised as a barrier to further rolling out social impact measurement beyond their initial pilot project:

“We didn’t necessarily have a champion within the group. ... And when I’ve again come across other organisations, it’s quite interesting that this has been championed by finance directors and it seems to me it works better ... If you wanted to roll this out... it’s a difficult one to get, really. And that’s where you need your senior ambassador” (Practitioner J)

The practitioner perspective makes it clear that building a diagonal authorizing environment within the organization, including strategic leaders and front-line staff, is essential to initiating and further developing the practice of social impact measurement.

4.2.3 Building operational capacity: Implementation theory

The final vertex of the public value strategic triangle is the mechanism of building operational capacity. This involves harnessing and mobilising operational resources, including staff, skills, technology and finance, in order to achieve the public value outcomes (Benington and Moore, 2011, p.4). This is explored here through the development of the implementation theory, using the evidence to develop the operational links between the resources, activities, outputs and intermediate outcomes that are necessary to achieve the changes that will deliver the programme’s long-term vision (Fulbright-Anderson *et al.*, 1998; Connell *et al.*, 1995). The Theory of Change approach suggests a backwards-mapping method, starting with identifying long-term

outcomes and working back to the isolate the intermediate outcomes, the interventions that will bring these about, and the resources and preconditions necessary to achieve this pathway of change. This also encompasses describing how and why change happens in a particular way (Anderson, 2004), here using evidence from the interviews.

In order to utilise the backwards-mapping approach recommended by the Theory of Change, this section jumps ahead to summarise the intermediate and long-term outcomes for impact measurement. These are more fully explored in the subsequent section on 'outcomes' (returning to the outline structure set by the realistic evaluation programme theory). In summary, the main outcome is that social housing organisations are able to effectively measure their social impact across the range of services that they deliver, and assess the impact of their activities against their social goals. Intermediate outcomes that form part of the pathway of change towards this outcome include: conducting a pilot/focused impact evaluation on one specific part of service delivery; expanding impact evaluation across a range of service areas on a project-by-project basis; and widening the scope of impact evaluation to assess the overall social-value added of the organisation at a corporate level.

The following sub-sections therefore set out the preconditions and activities that are perceived by practitioners as necessary for the above intermediate and long-term outcomes to take place.

Activity: Developing an evaluation method

The uppermost question in the field of social impact measurement at this time is which of the many available methods should be used to assess a programme or organisation's impact. A survey sponsored by HACT found that across the 34 housing organisations that were purposively sampled due to their interest in impact measurement, there were 22 different approaches being used (including 11 externally developed tools and 12 internally developed approaches). The report concludes that 'measurement in its broadest sense is extremely diverse across the sector, reflecting the inherent differences within the sector and the difficulty of the task.' (Wilkes and Mullins, 2012, p.39). This issue was also raised by a number of the interviewees, with comments such as *"there seems to be a plethora of different tools out there"* (Sector representative F) and *"once we started to look at what housing associations were doing... we uncovered... a huge variety of different models that were being used. Some models were housing related, some were charity related, and some were more private sector based. Some were bespoke models that had been devised for them to reflect specific projects and programmes."* (Sector representative D). As a result of this, *"within the sector there's a lot of discussion now as to which one should we use"* (Sector representative F). Of the practitioner organisations interviewed, three had adopted the SROI methodology for measuring impact, of which one used SROI within the broader framework of Social Accounting; two organisations had developed their own in-house approaches, drawing on a combination of the principles and practices from other approaches such as SROI and cost-benefit analysis (CBA); whilst the final organisation had yet to select a method for measuring impact.

The scope of this research is not to delve into the details on individual methods and tools that are available, as this has been covered by previous research and reviews (Charities Evaluation Services, 2013; Wilkes and Mullins, 2012; New Economics Foundation, 2009). Instead, some of the generally agreed principles and steps within social impact evaluation methods are explored to demonstrate some of the more generalizable activities within the process of social impact measurement. This principles-led approach is also supported by interviewees, several of whom argued that rather than trying to develop or opt for a single method, *“... there should be some core parts of this and an understanding that there is a good way of doing this”* (Sector representative F) and that rather than focusing on the *“Holy Grail of social impact measurement for the sector ... perhaps more importantly than that, was that everybody was working to a broad and similar set of principles”* (Sector representative D). From the practitioner perspective, as one interviewee stated:

“...for a practitioner on the ground it’s just ... there are some common steps: develop a theory of change, how are you going to value it, how are you going to measure them, is it an outcome, is it an output, how are you going to show causality.” (Practitioner K)

Stepping back from the detail of the individual methods allows some of the more fundamental and necessary preconditions for developing a method for social impact evaluation to emerge.

The most basic and central principle of impact evaluation is to be able to assess whether the intervention achieved the outcomes it was intended to, which in the case of social impact evaluation are generally framed in terms of wider social, economic and environmental (non-market) impacts (H.M.

Treasury, 2011b). Several of the main approaches to social impact measurement are underpinned by a theory-based methodology, including in particular the use of a theory of change or logic model. A number of guidance documents for impact evaluation, and specifically social impact evaluation, note the importance of developing a theoretical model of the implementation theory for the policy or intervention. For example, the government's official guide to evaluation, the Magenta Book, states that '[u]sing the policy "logic model", which explains how the policy is intended to achieve its objectives, is always recommended for any evaluation' (H.M Government, 2011b, p.39). The development of a theory of change is a requisite step in the SROI approach (resulting in an impact map for the programme), and the SROI guide also notes that the use of a theory of change is common to a number of outcome-approaches to evaluation (Nicholls *et al.*, 2012, p.96). Several interviewees also highlighted this as a central part of their approach, for example:

"I always start from the premise of the theory of change and the outcomes and what is it we are trying to achieve. And what's it going to mean for our stakeholders, the direct beneficiaries." (Practitioner J)

"the theory of change is all about 'what activities have you undertaken and how has that linked to the outcomes that you've claimed?' So, it's going back to the stories about what people have said and when they say things like 'because of the support service I feel now that I get on a lot better with my family'." (Practitioner M)

Once the outcomes of an intervention are scoped out using the theory of change, the next key issue for social impact measurement is how to measure and determine the value of such outcomes. Commonly these outcomes are not

covered by traditional market-based valuation methods, and so much attention focused on how 'soft' outcomes can be quantified and measured (Wood and Leighton, 2010). As stated in one interview, *"it's how to quantify, sometimes, the unquantifiable, and make that tangible"* (Sector representative D). In the context of a growing emphasis on evidence-based policy making, there is considerable importance placed on the rigour of the approach and the evidence generated (H.M. Treasury, 2011a). A further precondition in determining a method is therefore selecting an approach to measure how much change has occurred in selected outcomes.

Practitioners use a range of methods for measuring change in outcomes. As Practitioner K argued, the choice of technique can depend on the nature of the outcome being measured:

"For me it's just about saying 'for this evaluation what is the most robust way we can evidence impact?' ... There are some statistical techniques that are linked to being more robust than asking somebody: 'Did you make an impact?'. For some of those it won't be appropriate because the data is not available or it's taking a sledgehammer to crack a nut" (Practitioner K)

In the discussions on methods used for impact evaluation, the interviewees reflected on the need for both quantitative, numerical data and more subjective, qualitative information. It was recognised that:

"The sector I think is very KPI driven in terms of numbers, so how many apprentices have you taken on? How many jobs have you created? How many qualifications have you achieved? How much waste and landfill, and all of those kind of figures." (Practitioner N)

"everybody finds numbers much easier to deal with. ... So, it's how to quantify, sometimes, the unquantifiable, and make that tangible. And really, sometimes, you can only tell a story... when it's about people's life chances, or about their journey into work, it's very hard to quantify, but it has a very definite outcome."

... You can start to put numbers to it, but you need to tell a story alongside that and put the two aspects together" (Sector representative D)

Collecting data from the individuals affected by services was one of the core elements of most organisations' outcome measurement. This included using specifically designed service user surveys, as well as embedding outcome questions into existing questionnaires such as customer satisfaction surveys or needs assessments/support plans. Being able to understand the subjective elements of the individual journey through more in-depth qualitative measures was seen as an important part of impact evaluation. Several organisations also used focus groups, including in one case *"highly visual participatory techniques... to facilitate some of these workshop sessions"* (Practitioner J). These enable practitioners to capture the softer outcomes, for example:

"we can look at the motivational side, attitudinal change and how people have changed other aspects now ... particularly about an apprentice programme we've done, looking at some of them, what they thought of it before and where they are afterwards." (Practitioner I)

There was also recognition of the need to provide more quantified and representative assessments of outcomes. A comment from Practitioner K captures this perspective, stating that *"often we ... pull out a case study for Ethel, you know, who's had a great intervention, but how reflective is that?"*. As a result, several organisations were focusing on how they could develop more robust ways of measuring subjective outcomes. For example, one organisation was working with a specialist research unit within a university to apply a toolkit that uses a range of validated numerical scales to measure individuals' social

care related quality of life. Similarly, Practitioner M explained how they were also turning to the use of recognised tools to provide quantified measures of subjective outcomes:

“sometimes there’s inconsistencies in the data that you’re getting back ... I think because of that we’ve learned that we maybe need to start looking at more recognised tools. ... So, we’re using rating scales, so baseline, ‘on a scale of zero to ten, how do you feel about this?’ and then on exit we’re doing the same. Whereas before we didn’t really have that approach. So, we’ve learned”
(Practitioner M)

Overall, a range of techniques are used by organisations to measure changes in outcomes, which emphasise the need to understand subjective evaluations whilst delivering a robust measure of change.

As well as understanding how much change has occurred, there is a need to demonstrate how the change occurred as a result of the intervention. Two concepts are commonly referred to (including in the interviews) that relate to this need to understand the inner workings of the programme; these are causality and additionality. Causality is concerned with ensuring that the intervention was responsible for the outcomes; *“it’s saying, ‘And how much is the service responsible for that?’ ... Because it could be totally nothing to do with the service”* (Sector representative C). Secondly, *“the concept of additionality... What we’re trying to do is try and demonstrate that there’s some additionality in our intervention and we’re not just claiming for outputs that would in part, or full, have happened anyway”* (Sector representative A). This is linked to the concept of the counterfactual, which is what would have happened anyway in the absence of the intervention (H.M. Treasury, 2011b). As was noted in Document 4, many of the applied examples in the literature of housing-related social impact evaluations rely on a positivist method of accounting for the effects of

an intervention. The use of control groups to attempt to isolate the effects of an intervention is commonly recommended for impact evaluation (Ezemenari, Rudqvist and Subbarao 1999). According to the H.M. Treasury's guidance for impact evaluation, '[t]his is because good impact evaluations attempt to control for all the other factors which could generate an observed outcome (that is, they attempt to estimate the counterfactual)' (H.M Treasury, 2011a, p.21). Midland Heart and HouseMark's practitioner guide to social impact measurement in the housing sector also places considerable emphasis on the use of control groups, and highlights that '[t]he identification of an appropriate control group is an area that is often neglected in impact assessments.' (Russell, 2013, p.23). Document 4 also concluded that comparison against similar groups is necessary to avoid misattributing outcome changes to the intervention, when in fact they may be as a result of simultaneously occurring wider contextual factors.

As well as statistical techniques for establishing causality and additionality, there are also more descriptive methods. In Document 4, it was noted that statistical methods by themselves fall short of being able to describe the inner causal workings of the programme that create the observed change. The conclusion from the review of housing-related impact evaluation literature noted that reliance on statistical measures of change risks creating a 'black box', which fails to cast light on the how change occurs as a result of the intervention – including attributes such as causality and additionality. The widely used SROI approach advocates the use of stakeholder consultation and judgement to assess how much change the intervention is responsible for (accountability) and what might have happened anyway (deadweight and displacement) (Nicholls *et al.*, 2012). Some of the interviewees also noted the

value of a more judgement-based (essentially qualitative) approach to understanding how a programme works:

“for example if we run a recruitment event and we’ve taken 10 people on into employment, five of those would probably have gone into employment anyway. I think what we’ve looked at is the support that we’ve provided leading up to that recruitment and then place the percentages of attribution based on that.”

(Practitioner N)

What is common to both these approaches is the acknowledged need to be able to evidence how the intervention created value, over and above what would have occurred without that intervention.

Within the activity of developing an approach to impact measurement, the issue of monetisation is one that has received considerable attention and debate. Some of the main approaches, such as CBA and SROI, are explicitly concerned with valuing the outcomes achieved in monetary terms, to compare it to the costs of delivering that intervention and determine whether the value created exceeds the investment costs (H.M. Treasury, 2011a; Nicholls *et al.*, 2012). The benefit of such approaches is that both benefits and costs can be measured in a common unit (money) and therefore compared in the same terms. In addition, this also raises the profile of social benefits to counter the traditional emphasis on financial measures of progress. As justified by Lawlor, Nicholls and Neitzert (2009, p.3) ‘[i]t is only by making social and environmental outcomes visible and assessing them on the same terms as traditional costs and benefits that we can ensure that they are not squeezed out.’ From the interviewees’ perspective, the ability to compare a range of outcomes in the same (monetary) terms was seen beneficial in some cases. This is particularly the case when it comes to comparing services in

relation to their social outcomes, in order to make decisions. Arguments in favour of this included:

“I think it’s essential, because at some point with anything you have to be able to make a case why to invest money and time into X rather than Y”
(Practitioner H)

“I can’t see how [social impact measurement] can have legs, in terms of commissioners or whoever unless you can put some monetary figures in it.”
(Sector representative B)

“if you put a value against that it suddenly makes it a lot more powerful and again very attractive to clients in terms of reporting ... return on their spend.”
(Practitioner N)

On a cautionary note, proponents of such approaches emphasise the need to recognise that such monetary valuations are simply a representation of value, rather than representing an actual trading value of that good. The SROI Guide notes that social impact ‘is about value, rather than money. Money is simply a common unit and as such is a useful and widely accepted way of conveying value’ (Nicholls *et al.*, 2012, p.8). Similarly, in regards to the wellbeing valuation approach, the authors are keen to emphasise that the monetary valuations provided ‘do not represent real money, cashable savings or actual financial return’ (Trotter *et al.*, 2014, p.25). This note of caution was reflected in a number of the interviews, for example:

“I think it’s really useful, as long as people approach it in the right way. It’s a way of weighting isn’t it, but it’s just the fact that there’s a pounds sign in front that people get over-excited. ... So, I think as long as you’re understanding that you’re applying the pound sign so that you can compare things in a common currency, rather than suggesting that it means actual cashable savings, then I think it’s really, really useful.” (Sector representative G)

“SROI promotes the story of changes; ... the money just helps you put some kind of value on it, and even then the emphasis has been on value, not really money; but people are interested in money – how much it costs, unit per head, costs per head, bums on seats...” (Practitioner M)

“The problem with Social Return on Investment is that people focus on the pounds at the bottom, they don’t look at the actual evaluation in the strengths and the weaknesses.” (Practitioner I)

Whilst the value of monetising outcomes is recognised, the more challenging issue is finding suitable and robust financial proxies. This is difficult because the core purpose of social impact measurement is to assess aspects that are not traded in a market, and so there is no established economic system for valuing them. Interviewees recognised this as one of the key areas in which subjectivity and inconsistency are likely to arise within the approach for valuing social impact:

“I do think there’s lots to be done in terms of the rigour attached to what’s acceptable as a proxy... because I think the processes around involving stakeholders and the quantities and the not double-counting and the chain of events – I think all that is really rigorously followed – I think it’s just sometimes you can just change a proxy, and if you change it [you get a very different valuation]” (Practitioner M)

“it’s making sure it’s robust enough to be able to make a decision with confidence, in terms of the proxies.” (Practitioner I)

“it’s very much inputs critical. You know, if I’m valuing jobs at £20,000 and some guy down the road is valuing it at £40,000, that’s going to be quite a difference between who values jobs the most and which of us can actually get job schemes approved.” (Sector representative A)

As a result, recent developments in providing consistent monetary valuations through the wellbeing valuation approach (Trotter *et al.*, 2014; 2013) were welcomed by several of the interviewees:

“it’s really, really robust, and the values come out of an approved econometric approach, so they’re not finger in the air, which the proxies for SROIs can sometimes be accused of.” (Sector representative G)

“I think we’re working towards that with the Daniel Fujiwara stuff, particularly in the housing sector, and if we could get those standardised valuations it would put a halt to the actual complexity around proxies and what can be used and what can you get away with, and that kind of thing. ... It really excites me when I see that, because that means that something is more standardised ... I do think it’ll bring consistency around measuring one thing against the other.” (Practitioner L)

In summary, the core elements within the overall activity of developing an approach to social impact measurement are: determining the scope through developing the programme theory; selecting and implementing an approach to measuring outcomes, including understanding how the change happened (i.e. accounting for causality and attribution); and deciding whether to monetize the outcomes and if so, what proxies to use.

Input: Staff capacity for social impact (job role/remit)

Wilkes and Mullin’s (2012) survey found that only two organisations had created specific posts for impact measurement, while the majority had integrated the process into existing job roles. Reviewing the current state of the sector, this was recognised this as a potential issue, as *“we think [there’s] very, very little capacity, because there’s hardly any time and things get pushed and budgets are squeezed”* (Sector representative B). This was reflected across the practitioners interviewed, of whom only two (from the same organisation)

had a role that was solely focused on social impact, whilst the other three practitioners actively implementing impact measurement were doing so as part of their existing roles. Having a remit for social impact measurement (and therefore the required time and resource to dedicate to it) was recognised as a necessary input, but also a considerable challenge by several interviewees:

“It’s much harder to do in your existing day job. We’ve not carved off the resource to do social return investments. It’s not externally supported, it’s within our existing day to day activities that we’re trying to build it in.” (Practitioner I)

“Main challenges? I suppose it’s, obviously, the actual amount of time it takes. The fact that it isn’t our core role and we’ve got day jobs.” (Practitioner J)

“it’s a massive amount of work with a tiny resource. We’re lucky we’ve got ... a dedicated resource” (Practitioner L)

“I think a lot of people don’t. [In the] impact measurement forums, ... they will say that they’re really grappling with it because they’re trying to do their day job as well.” (Practitioner M)

The challenge of finding time and resource for staff to undertake impact measurement was seen as a significant potential impediment in rolling out the practice across the sector, particularly to smaller housing organisations and other social enterprises:

“Will it just be the gift of the rich? ... I don’t think social impact is any different to any of the other things where there are some advantages to being a large housing association, but maybe there’s some support we can provide to smaller providers.” (Practitioner K)

“how do we help those small organisations who cannot afford a consultant but need to establish their impact? ... Small social enterprises, I fear for them” (Practitioner M)

Input: Evaluation training and skills development

Wilkes and Mullin's (2012) survey of 34 housing providers measuring their community impact reported that there is 'lack of analytical skills amongst people using the tools' (Wilkes and Mullins, 2012, p.12). In response to the lack of internal capacity and skills, the interviewees highlighted that several organisations had instead commissioned impact measurement projects externally. There was limited approbation for this approach, for a number of reasons. Firstly, it was felt that having the process delivered externally resulted in a lack of ownership and understanding of the results within the commissioning organisation:

"Certainly we've heard from some local authorities and providers that, even though they've bought in some systems, they don't understand them. ... And they might pull the reports up, but they'll need the consultant to come back and explain to them what it's actually saying." (Sector representative C)

"...it's a bit of a black box. ... Unless somebody looks at the actual spreadsheet model behind, you can churn out, pretty much, whatever you like." (Sector representative A)

Secondly, this also raises concerns about the quality of the evidence being produced. For example, one interviewee noted *"people who are selling products, ... who knows how properly and consistently they're applying say SROI principles, because it's so easy to get accredited. And nobody is checking across the sector."* (Sector representative E). As a result, another interviewee felt that some consultancies were overcharging for poor quality evaluations, and that this was occurring across both the housing and third sector.

The alternative, and preferred, approach is to support the development of in-house skills and expertise within organisations across the sector. Russell

(2012, p.16) advocates that organisations ‘show staff how to catch a fish’, i.e. where there is commitment to measuring impact then a range of staff need to be skilled-up to help deliver on this ambition. To help enable this, the National Housing Federation have created an online ‘knowledge hub’ for the sector. The aim is to help interested organisations navigate the latest work and thinking on the topic, setting out general principles for understanding and measuring social impact as well as signposting to specific tools available in the market (National Housing Federation, no date).

From the practitioner perspective, there was considerable recognition of the need to develop the skills and experience of staff in being able to understand and deliver social impact measurement. In the five organisations that had begun to measure their social impact, the work has been led by an individual or core group of staff who have undergone specialist training to deliver this aspect of their role. For example, three of the interviewees had attended formal SROI training courses delivered by NEF or the SROI Network. This was seen as a necessary commitment in the earliest stages, in order to implement the activity of impact measurement: *“it is a lot of up-skilling at the start of it, to try and embed that... give us that knowledge capacity within the organisation”* (Practitioner I). This gave these individuals the skills and experience necessary to lead on social impact measurement, who are then intensively involved in the process; for example, describing themselves as *“passionate geeks”* (Practitioner M) and that they *“live it and breathe it”* (Practitioner J). The benefit of having this core group of trained experts was recognised, for example:

“I think it’s down to confidence. I think you need to do an evaluation as well, to fully appreciate the nuances of it.” (Practitioner I)

“I think we almost need a pool of champions that perhaps have gone through the more intensive programme, ... it would be this core cohort that would drive things across the organisation” (Practitioner J)

Interviewees also clearly recognised that in order to develop this practice more widely across the organisation, this requires further training and education of a broader set of staff. This is required so that the concept of social value and the importance of its measurement are understood across all aspects of operational delivery, and so that other staff can contribute to collecting and building outcome data. This also avoids the risks of isolating the practice within a small group of individuals, such that the practice can continue without depending on the continued presence of those staff:

“The thing that I’m conscious of is making sure that this continues. ... it’s dependent I guess on individuals because those individuals have got the knowledge and if they leave, that knowledge goes with that member of staff.” (Practitioner J)

In recognising this as a necessary precondition to achieving wider measurement of organisational outcomes, several interviewee organisations had already begun to roll out internal training sessions to their staff:

“So we’re going to train some staff – whether it’s [regeneration] staff, asset management staff, housing officers that deliver interventions – to get into the mind-set of what is an evaluation, what should I do. ... up-skilling staff to be able to feel much more confident to do their own evaluations, to gather the right data at the outset, because often I get asked to come in and evaluate it and it’s too late because the programme has been run.” (Practitioner K)

“for me, it’s about building it in to the work and the services that you do, as with the activities of capturing it ... And that’s been around educating and training all staff and making them realise how important it is, and again you

need the backup of your directors and your senior management team to get that done.” (Practitioner M)

This was not without its challenges, as commented on by one particular practitioner whose organisation had recently attempted to widen the responsibility for impact measurement across various teams, instead of concentrating it just within business support services. They found that:

“each team’s been given a bit more responsibility to try and work out their own impact, which didn’t quite work, because they’re not dealing with it day in and day out they’ve not necessarily got that confidence to be able to do it themselves” (Practitioner I)

Therefore a necessary precondition and input to achieve social impact measurement is investing in training and up-skilling of, firstly, a core set of expert staff with a responsibility for leading on impact measurement, and secondly, of wider staff to support the practice.

Activity/input: Data collection

Data collection is one element within the overall process of designing and delivering an impact evaluation, but is highlighted here due to the emphasis placed on this in the interviews with practitioners. From the practitioner perspective, data collection is emphasised as a significant aspect of the overall project largely because of the resource-intensiveness of this activity. Hence, data collection is recognised as both an activity and an input.

Several interviewees reported that one of the first challenges they encountered when initially implementing impact measurement was a lack of existing information on outcomes and established processes for gathering this information. For example, one practitioner reported that at the start of the process *“what we found was we didn’t have any evidence at all to prove what we*

were doing... we had to do a consultation exercise and speak to about a thousand people, which was an absolute nightmare!" (Practitioner L). Practitioner K identified data collection as *"the most intensive [part of the process] data collection and getting data in to the right format is where you spend 90 per cent of your time."* When asked about the most significant challenges in delivering social impact measurement, responses from other practitioners included:

"Knowing what our outcomes were... and going out and gathering data to evidence it." (Practitioner L)

"Information, evidence ... each time do a new service it's a bit of a test. You're stepping into the unknown, what information's out there? What can we collect? Is it worthwhile collecting?" (Practitioner I)

It was clear from a number of practitioners that part of the learning process from their initial pilot evaluation was that data collection needed to be embedded in day-to-day activities, rather than a separate exercise:

"now we've obviously changed the way we work to capture data constantly. ... we build that into existing procedures already, so it doesn't seem so onerous. ... we've got [staff] collecting data for us without it being an extra duty" (Practitioner L)

"the service improvement officers did some training... The benefit was they were able to embed those processes in terms of the data collection and it made it really quite robust. ... That's built into their support programme and their evaluation as well. ...that's in their day to day data they're collecting on a regular basis." (Practitioner I)

"It's getting into the evaluation at the right stage of the project. And you're talking about people that don't understand data and they're not there to collect it, so making that as simple as possible." (Practitioner K)

These comments make it clear that data collection is currently a resource-intensive process, due to the existing evidence gap and the practicalities of

contacting and tracking service users to monitor their outcomes. This requires a considerable commitment of time on the part of both those whose role it is to lead on impact evaluation, and on other front-line staff who assist with data collection in addition to their regular job role. A number of interviewees recognised that developments in technology could assist with making this process more efficient, for example:

“But we’re looking, now, to be using iPads on the street. So that showed, with the new system, someone can go out, sit with a customer who may be vulnerable, chat through, and that just goes straight in the database; so there’s no sitting inputting either.” (Practitioner L)

“we became aware of a personal, digital logbook and it’s about how tenants can have their own online space and access information ... I’m thinking, ‘how do we interplay this in here, in terms of how this tool could this to allow us to capture that kind of data, for us to understand the customer journey?’ ... And I see great value and potential in that” (Practitioner J)

“I think lots of data can sit more in the background and not have to bombard staff to collect it. We can collect it in smarter ways. ... So I think self-service, smart phones and the internet it seems ... so they’re giving data without having to physically type or ask for it, that’s where ... I think we will get a lot of value” (Practitioner K)

Three of the sector representative organisations and two of the practitioners interviewed had been involved in developing various tools to assist in data collection, processing and analysis for social impact measurement in the housing sector. Interviewees acknowledge that part of the role of these tools would be to assist with data collection and surveying, for example using web-based applications that allow for data collection and direct entry at the front line.

Whilst there is a clear recognition of the role for technology in assisting with smarter data collection and storage, one interviewee noted a final word of caution in regards to the scope of such products in supporting social impact measurement:

“my view ... is that many things can be fixed by I.T., but this isn't one, although it can help. ... It's bits of the process it can help with; presenting, holding data, storing data, some data manipulation ... The next step of interpretation and impact is a human judgment and it requires human interaction ... I think the idea you can measure impact through a tool is just fundamentally flawed and again, the last time I looked, we had an accounting system but we also included a team of accountants - and social impact should be viewed the same.” (Practitioner K)

The themes emerging from the interviews regarding information and data reflect those experienced by the case study organisation in Documents 3 and 4, which was also the subject of an ‘information audit’ (Jones, Mutch and Valero-Silva, 2013). In exploring the data and information needed to measure social outcomes in that organisation, it became clear that there is a requirement for a broader ‘information policy’ that identifies business objectives and the information resources that are therefore required to meet these objectives (Orna, 1990; 2005; Buchanan and Gibbs, 1997, 2007, 2008a, 2008b). Through this process, information gaps (as well as existing information sources and duplication) are identified and collection can be more efficiently embedded into prevailing business practices for data collection. Furthermore, this needs to avoid conflating information with information technology, which can result in a lack of awareness of the information that organisations create and inhibits the development of a shared meaning or definition for that information (Orna, 1990). A key conclusion from this associated research is that successful business practices

rely on successful information practices (Jones, Mutch and Valero-Silva, 2013, p.292).

Input: Financial resources

Interviewees recognised that *“the expense can be a bit of an inhibitor”* (Sector representative G) and that *“it all costs money, doesn’t it? ... Some smaller housing associations don’t have the money or the capacity and expertise to measure the impact of their activities.”* (Sector representative D). Resource is therefore acknowledged as a key factor in generating operational capacity for social impact measurement.

Interviewees acknowledged that both procuring impact measurement from external sources and developing the capacity internally had associated cost implications. As per earlier discussions, there is a range of tools and consultancies in the market through which social impact measurement can be procured externally; however, interviewees felt that this expense could be prohibitively high for some organisations:

“I think the expense can be a bit of an inhibitor, if you just...NEF or some of the people that do SROIs they can be quite expensive, so people might be put off by that.” (Sector representative G)

“I think it’s very expensive to purchase this tool and to buy in the help and support that’s needed to really embed it within the business effectively.” (Practitioner N)

Interviewees were also clear that developing the capacity internally also has resource implications including, for example, staff overheads for those leading and helping implement impact measurement, training costs, and other associated costs such as external accreditation of evaluation reports or social accounts. These inputs require on-going investment in order to

continue the practice, and so continued commitment of these resources is required. When considering future threats to impact measurement, Practitioner L responded that:

“I think, in terms of impact measurement and diverse changes in the business, it’s resource. Will the senior management team decide ‘oh, it’s not worth it, we do what we do anyway’? ... As I say, we’re the only part of the business that probably doesn’t bring any income in and we have to justify ourselves.”
(Practitioner L)

Summary of the implementation theory

The implementation theory developed to demonstrate the operational capacity required to deliver social impact measurement within an organisation is summarised in the following diagram. This shows, at an organisational level, the inputs, activities and intermediate outcomes that lead to the long-term vision of the organisation being able to measure and compare the social outcomes of its activities. The elements of the process for implementing an impact evaluation project are summarised within the dotted circle. This process has to be repeated between each step; for example, after completing an initial pilot impact evaluation, the process would have to be repeated each time in order to complete further project evaluations (and also in developing a corporate approach to social impact).

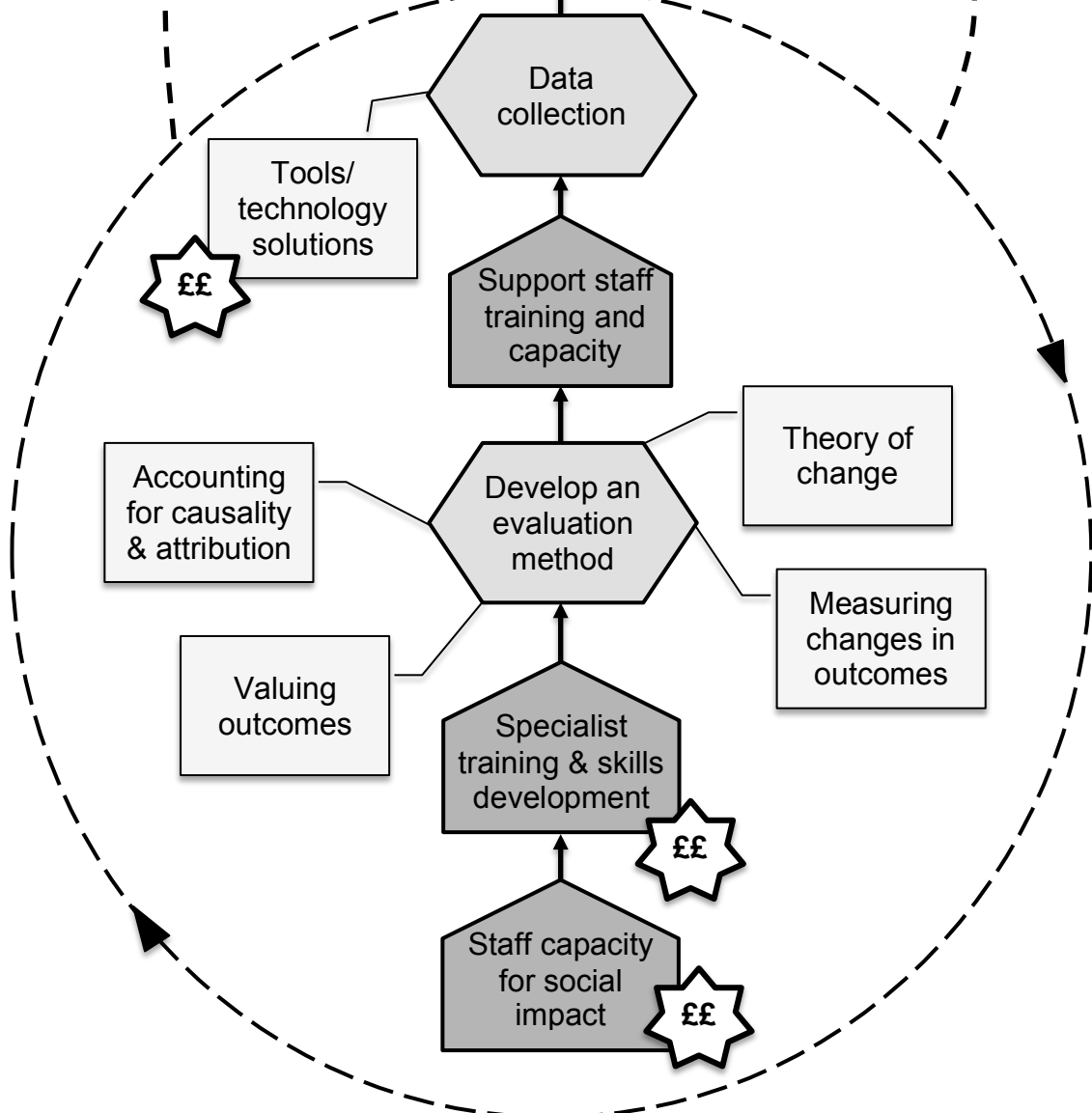
Organisational vision:

Social housing organisations are able to effectively measure their social impact across the range of services that they deliver, and assess the impact of their activities against their social goals.

Intermediate outcome:
Further project evaluations

Intermediate outcome:
Corporate approach to social impact

Intermediate outcome:
Pilot impact evaluation



4.3 Outcomes

The final component of both the realistic evaluation framework and the implementation theory is to consider what the outcomes are in relation to social impact measurement. These outcomes capture what has or is anticipated to change as a result of the combination of mechanisms operating within the context depicted in previous sections. The outcomes, or observable changes, are described at both an organisational level and at a sector-wide level. Drawing on the insight from the Theory of Change approach, it is helpful to view the outcomes themselves as part of the pathway of change, incorporating a range of intermediate outcomes that form the necessary steps towards the overall long-term vision for social impact measurement and social housing. Because the practice of social impact measurement is at early stages of development within the sector, we are yet to observe the full causal pathway to unfold and only have limited observations of some intermediate outcomes that have occurred to date. Nonetheless, it is possible to build a theorisation of the longer-term pathway and final outcomes from the evidence and views of programme architects, in pursuit of the research objective to build a mid-range programme theory for social impact measurement.

4.3.1 Intermediate outcomes

Interestingly, there is considerable commonality within the pathway of change across the cases that inform this research, in terms of achieving an intermediate outcome of delivering a pilot or focused case study on social impact measurement. Four of the six practitioner organisations included this as an intermediate outcome in their journey towards a more organisation-

wide approach to impact measurement. In addition, all four organisations selected projects relating to employment and skills schemes as the subject for this pilot. Exploring the reasons why this particular area was chosen it appears, firstly, that employment and skills issues were identified as a growing need within the community which housing providers prioritised as one of their social outcomes. For example, Practitioner I's housing association had carried out a needs assessment of their neighbourhoods, which concluded that worklessness (and its increasingly intergenerational nature) was a priority issue within their neighbourhoods. In addition, entering the employment and skills field was a new business development for several providers who had only recently expanded their services into this delivery area. This then made it necessary to justify this business decision to expand into a new field:

"we had an apprenticeship scheme following the riots and the disturbances of three years ago now, ... and we set up our apprenticeship scheme and one of the board members said, 'We're putting a lot of money in here, what's the impact?'"
(Practitioner K)

[a training provider] *"joined the group in 2009 about working on looking at providing that opportunity [employment and apprenticeships] for young people within our neighbourhoods. ... I think the problem to our board and probably to our funders... why did we make that investment in that training company for six years, trying to prove what the reasons were? And part of that has been that social impact."* (Practitioner I)

"there was quite a lot of housing associations that were doing a lot of work [in employment and skills], but there was only a small percentage that could actually demonstrate the impact ... of those services that they were providing. So, we thought it makes sense because we've got an employment and skills service within [the organisation]. It had just been running for a year. It... could be a pilot area" (Practitioner J)

Finally, the nature of such programmes meant that they were particularly suited to a social impact type approach, because of the explicit focus on tracking the change for the individual. The individual-centred approach to the service also meant that this was a reasonably data-rich environment with potential to develop this data to support impact measurement.

The result from this intermediate outcome is that organisations are able to show the impact of individual services, i.e. be better at *“understanding the value that we bring as an organisation to the communities where we work”* (Practitioner H). In some cases, this revealed how social value has been created in different ways to those anticipated. For example, one of the pilot evaluations of an employment and skills service found that although some value was created in getting clients into work, the main source of added social value that the service provided was the pre-employment work with those who were the furthest away from the labour market:

“that features quite heavily in terms of the feedback about how they’ve moved on from being very low in confidence to the point where they actually were considering going for jobs. ... I think that’s really important when we were having conversations with... more senior members... of the group - the fact that ultimately, we have had successes getting people into jobs but ultimately this is about the pre-employability ... this is where our service made a difference to them and it wasn’t something that they could access from the job centre or other agencies out there.” (Practitioner J)

The intermediate outcome of a pilot evaluation therefore helps refine housing providers’ definition of their social outcome, by highlighting where they are able to add most value in ways that may be different to anticipated. It also feeds back into building operational capacity for impact measurement, as a result of learning through implementation. Finally, it contributes to

continuing to develop the authorizing environment for impact measurement, by demonstrating to stakeholders the value of the approach, by introducing *“the idea that we can communicate and understand the impact in a more objective way... they all respond positively.”* (Practitioner K)

Two of the organisations interviewed had reached the point of completing a pilot evaluation and were yet to progress beyond this. Several other organisations had begun to develop a more extensive or strategic approach to measuring the impact of a wider range of services. For example, two of the organisations are continuing to carry out project-specific impact evaluations, identifying projects to evaluate where there is *“a clear audience and purpose for doing it”* (Practitioner K) or in line with contract renewal timescales for certain projects. Two organisations had suggestions or plans to extend the scope to cover a much wider range of service areas across the group. One has already initiated a three-year plan to aim to assess all group activities using the SROI approach. The interviewees from the other organisation commented on the scale of this task:

“it’s been suggested that we do it for the whole of the group.”

“It’s a mammoth task!”

“We’re such a diverse organisation” (Practitioners L and M)

A further outcome, which is seen as either complementary or as an alternative to the project-by-project approach above, is to try to evaluate the social value added of the organisation as a whole at a corporate level. For example, three of the above organisations have used their individual SROI findings as evidence within a wider reporting framework, such as Social Accounting, which provides an outline of overall social impact across the whole organisation. Another organisation (although not one of the ones to

have carried out a pilot impact measurement project) was deliberately trying to move away from the project-by-project approach, towards something more holistic:

“we’re trying to move away from this, it’s something you look at on a specific project which is about generating some sort of community benefit to say, ‘We are an organisation which is about community benefit as a whole.’ So, let’s try it and look at the organisation as a whole” (Practitioner H)

Therefore, the further intermediate outcomes identified were, firstly, to extend the practice of impact measurement beyond the pilot project to a number of other specific programmes or service delivery areas. Subjects for evaluation are selected either on a priority basis, or as part of a medium-term plan to extend coverage across a range of business areas. A second intermediate outcome is to develop a company-wide framework or approach for capturing the social value added at an organisational level. So far, the pathways of change observed from the practitioner interviews have involved organisations moving towards one or the other of these intermediate outcomes, or both; i.e. demonstrating a range of potential pathways towards the long-term vision. Throughout this pathway, the intermediate outcomes both require the three central mechanisms to make them occur in the first place (i.e. a definition of the social outcomes, an authorizing environment and operational capacity), but they also then input into these mechanisms to support further outcomes along the pathway.

4.3.3 Theorisation of further outcomes and long-term vision

Because of the timing of this research, which is concurrent with the development and progression of impact measurement in the housing sector, participants had limited observations of the actual achievement of the final outcomes to date. Nevertheless, the programme architects were keen to theorise as to what they expected to happen as a result of the maturation of the practice in the future. The visions for the future were not always consistent across the interviewees and, as would be expected in attempting to predict the future, were also subject to a certain amount of uncertainty. As Sector representative G explained, *“I think using the results is the interesting bit, because I haven’t seen anyone do that yet, so I don’t know how people are going to approach that, that will be the interesting next stage”*.

In the more immediate future, interviewees expected to continue to see changes and developments in the practice of social impact measurement. For example, Sector representative E stated that *“this is my central thesis I think, that the measurement of social impact is a moveable feast. We’re learning more about ... how not to do it than to do it... Nobody has cracked it”*. The current status, with a range of models and approaches being used across the sector, is seen as a potential inhibiting factor for some other organisations. This means that *“until as a profession, it’s been shaped a bit more, it’s going to be quite hard for those outside”* (Practitioner K) and *“that’s quite common in the sector is to say, “Well, let’s not bother until there’s one system that a success’...”* (Practitioner I). There was a range of views across the interviewees as to whether a consistent sector-wide approach is a desirable, or feasible aim. The arguments in favour of a consistent approach were largely on the basis of then being able to compare

across a range of services; either for internal decision-making processes or for benchmarking or commissioning purposes. For example:

“having set indicators would allow you to benchmark. At the moment, who’s to say that my fuel poverty programmes are far better than [other housing providers]? Housing loves to benchmark. They do want to compare with each other, they like league tables.” (Practitioner I)

“So, housing associations might be using one tool and an ALMO might be using another tool and actually, locally, the council or the health board might want to say, ‘Well, who should we use as a partner?’ or, ‘Which project should we put money into?’ and they’ve used different tools to evaluate so it’s not very easy to compare.’ (Sector representative F)

An additional argument in favour of consistency is that this also allows the sector to scale up the evidence of its collective impact, by collating the results from individual social evaluations. The benefit of this is that then *“we can start to demonstrate at Central Government level ... if local authorities and other providers allow us to use their data, we’ve got something to show at the next spending review about what housing related support can do.” (Sector representative C).*

The counter argument is that organisations need to retain the flexibility to be able to apply social impact measurement in a way that meets their organisations’ needs and the specific terms in which they have defined their primary social objectives:

“do you need consistency? We are, as a trade body, certainly not looking for consistency in approaches to problems or in delivery of solutions across our members, because each of them are individual and independent businesses, who operate in the way that they and their boards see fit in their individual markets. However there are common themes and opportunities to learn from the success and challenges of others’ experience.” (Sector representative D)

“I wouldn’t say that we have to have one product, and comparing Newcastle to Cornwall isn’t particularly useful because they are such different places with different issues” (Sector representative F)

A proposed alternative to agreeing a specific approach to impact measurement across the sector is instead to develop more consistency and rigour within certain aspects of the practice. One of the specific developments that is anticipated or hoped for is the development of more consistent valuations of social outcomes, based on practitioners’ experience of the variance and subjectivity that occurs in valuing social outcomes. For example, Sector representative A expressed the view that *“Something that would be quite useful is to [have] recognised values across government ... I think they, perhaps, should have a unit within Treasury that specialises in this stuff that has a suite, a menu of monetized figures that we should all use.”* There is some anticipation that the wellbeing values produced by HACT would be able to provide this consistency, in valuing a range of outcomes relevant to the housing sector (Trotter *et al.*, 2014; Fujiwara, 2013). A further proposed method for achieving some level of consistency would be to have a set of standardised headline outcome indicators, which would then be comparable:

“For me it would be standardised measures for particular sectors – whether that’d be work, employment, whether it’d be housing, whether it’d be health. ... I just think that we’d make people’s evaluations more credible” (Practitioner L)

In terms of internal organisational changes, the main change anticipated by programme architects is an increase in the use of social impact measurement as an internal decision-making tool, i.e. *“how they might use it as almost a business planning tool, to decide what to continue with, what to start, what to stop*

and so it gives them a better idea in terms of the impact of any project and it's not just about the pounds spent upfront" (Sector representative F). A number of interviewees expressed an expectation or ambition that social impact measurement would become *"part of the common language", "... and then it just becomes something that people need to do as part of their service provision"* (Sector representatives B and C). The vision of the programme architects is that it will become part of the internal decision-making process:

"over the next three or four years, it could become commonplace and that's just one part of the things that you just generally do to make sure you're showing whether this thing is a good thing to spend money on or not and whether we should be focusing in certain areas or not". (Sector representative F)

"we want to get to a system where we can say, 'Well in area X this is a particular issue, it has a problem and this is the investment that we've got, how can we best deal with that? What approaches can we take which will make real difference?' And how quickly we can move to a predictive tool in that way, I'm not sure" (Practitioner H)

The visible evidence of this outcome occurring will be indicated by alterations in organisational priorities as a result of evidence of social impact, which is yet to be observed:

"at some point, if someone's constantly going on an upwards curve of impact, they're going to start shouting at their manager, 'I want more budget to resource this, look at the impact I'm having.' And that will start a conversation somewhere, about the impact that's having elsewhere. So say, if service A is doing it and service B's not actually producing social impact, you know, what are we investing in? It's going to happen at some point" (Practitioner I)

"I think over time it will be 'has it changed a decision?', 'has a SROI study made you do something differently or social impact tool?' - then test ten initiatives and you could say, 'Well that delivers the biggest cash or saving but the impact on the well-being of our customers was high with this one and

therefore we're going to roll out with that intervention on evidence'. That's what I'd like to see it get to, but that's maybe three or five years away" (Practitioner K)

Social impact measurement is also expected to change relationships within the wider authorizing environment, in terms of the housing sector's relationship and partnership work with other parts of the public sector. The outcome is expected to occur as a result of being able to demonstrate the impact that housing providers can have on wider social goals. Sector representative B argued that *"once people start to realise and understand what their services really deliver and they can then tell other people actually what we do is really good and our outcomes are good and I think then people want to continue to do that"*. Different types of housing providers may have slightly different reasons for wanting to demonstrate their effectiveness to external audiences. As stated earlier, for ALMOs such evidence supports the case for their continued existence and can be used for *"persuading the local authority to keep having the ALMO. ... the more and more that you can as an ALMO do that will help the local authority meet it's objectives, whether it is high quality services, whether it is improved wellbeing, ... Whether it is acting as a joiner-up of actors in the local... ecosystem. ... so that's the driver for now. So this makes social impact... I don't think this is going to go away"* (Sector representative E).

In the context of austerity and increased business pressures, an outcome that is closely associated with this ambition to build a wider authorizing environment is that social impact measurement will allow organisations to both access and shape alternative funding sources. Practitioners have already begun to use a social value approach and evidence of their social impact to

write funding bids, which in two cases were reported as being successful in winning that funding. For example, Practitioner I described a case where *“the Social Return on Investment analysis ... has led them to fund it for another 12 months. It was only supposed to be a 12-month process. It’s the first time that we’ve seen that side”*. Practitioners have also observed changes which mean that being able to evidence social value is increasingly become a requisite part of the bidding process:

“... in terms of the tenders and bids that we were going for, there was more questioning coming through about how could we qualify our impact.”
(Practitioner J)

“I would probably say in the last three or four months ...more than anything else when, for example, when there’s a tender going in and some of the clients will have events ahead of that for contractors and they’ve been talking to us about the Social Value Act and how that impacts them.” (Practitioner N)

As well as accessing funding, the ambition is that evidence of social impact will also be able to shape funding in the future. A few practitioners are already working with commissioners, largely using the momentum created by the Social Value Act, to encourage them to build in social value considerations into the tenders that they are producing:

“So when we get involved in contract negotiations that have a Payment by Results, we can influence that contract, so we’ve been quite confident with local authority commissioners saying, ‘Well you might want to do it this way’ and they’ve come to us a little bit.” (Practitioner K)

“[x] City Council were going to release... quite a large retrofit tender. And the question was asked, are you going to have social inclusion weighting, because we’ve got a training provider, we can provide apprentices for installers to fulfil their social inclusion requirement” (Practitioner I)

In the longer term, the vision is that evidence of the social impact of housing providers on a wide range of cross-sector outcomes would then shape the nature of future funding sources. For example, Sector representative F referred to the *“possibilities of joining up budgets between health and police and education or whatever ... I think that there’s certainly a future for more of that to be done just to be able to make the case locally around which partners might want to come together to help finance the project because of where the benefits are going to go to.”* This in turn may encourage wider take-up of social impact measurement across the sector, *“as more people realise how that’s helping in local discussions around funding or projects and what they want to deliver, I think more and more people will start to do that”* (Sector representative F). As well as local funding decisions, Sector representative F also described how the evidence of the social impact of housing providers is being used to lobby government agencies, to improve access to funding based on the wider beneficial impact that could then be achieved:

“we’d like to see that kind of approach taken by the HCA and so it wasn’t just about pounds, grants, made to each organisation, it’s about what is actually delivered in terms of the social impact on the ground ... At the moment, it’s very much just driven by the ... the immediate pound, rather than the wider and long-term effects.” (Sector representative F)

In summary, the evidence suggests that the vision for the social housing sector is to be enabled to effectively deliver a variety of services that holistically support their tenants and residents to be able to improve their individual and community wellbeing. For example, the National Housing Federation 20 year vision states that:

...it won't just be about bricks and mortar – housing associations will be at the heart of their communities, empowering our tenants and residents to create thriving resilient communities and collectively delivering a wide range of services for an increasingly diverse customer base. (National Housing Federation, 2014a, p.4)

An accompanying aspect of this vision is to be able to measure social impact, so as to be able to assess the social impact of these activities and invest resources in an efficient manner that delivers the maximum social value. As Smedley, Perry and McGrady (2013, p.15) state, 'the delivery of its social objectives in the most cost-effective way possible ... requires ... evaluating success – checking that the right outcomes have been delivered, what has been learnt and reinvesting gains to achieve more social value.'

At an organisational level, the main outcome that is necessary to achieving this vision is that social housing organisations are able to effectively measure their social impact across the range of services that they deliver, and assess the impact of their activities against their social goals. Impact measurement is therefore necessary to *"help you to make decisions, and make decisions that are informed by evidence, rather than anecdotal or gut feeling ... to make sure that your investment can have the greatest impact for your communities and make the greatest difference in your neighbourhoods."* (Sector representative G).

As with all hypotheses about the future, interviewees recognised that a certain amount of uncertainty surrounds the future of social impact measurement. Changes in context, authorizing environments and operational capacity were all seen as potential threats or barriers to the continued development of the practice:

“what’s gonna happen with the next government? Will all this just disappear? ... That’s a threat” (Practitioner M)

“how do you imbed it into the sector? And I don’t think people are convinced yet. I’m not sure how real people think it is, or whether it’s just a fad, this year’s sort of trendy thing you talk about and then it’s gone and next year there’ll be something else. ...obviously, I’m hoping it’s not the case, because I think we should be looking at the wider value of what we do, but who knows” (Practitioner H)

“I think there will be that reaction of it’s not as easy as we hoped and they’ll be some organisations that will turn their back on it. ... I suspect they’ll be a bit of hiatus for the next couple of years, people just waiting, consolidate before maybe two years time until it goes big again.” (Practitioner K)

“I think they’re just at the moment going along with the flow, because this is seen as something you have to do to get your hands on the funding and, as long as that continues, people are generally going to be okay about it; but if there are a few hiccups and people start getting projects turned down because they’re not getting a good [social return ratio], then people might look into the material or the whole methodology a bit more and think, ‘Hmm, not sure I’m happy with this.’” (Sector representative A)

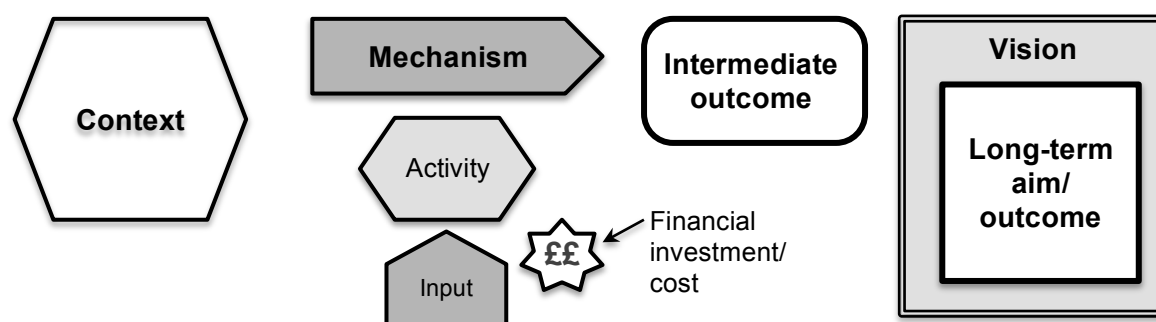
This chapter has presented the detailed evidence from sector representatives and practitioners to support, enhance or refute the initial hypotheses presented by the programme and implementation theories. The following chapter draws on this evidence to inform a revised conceptualisation of the theory for social impact measurement.

Chapter 5. Reconceptualisation of the theory for impact measurement

5.1 Conclusions from the research: A model of social impact measurement

The first stage of the conclusion for this thesis is to re-conceptualise the theory for social impact measurement, drawing on the evidence to more closely specify the theory in terms of the evidence of what works, for whom and in what circumstances; whilst also abstracting slightly from the detail of individual cases to present a more generalised model of impact measurement for the sector. The purpose of developing this model is to draw on the insights of theory and practice to provide a model that can be used by the rest of the sector to understand the vision for social impact measurement captured by the programme architects, and the key processes and factors that are required to successfully achieve this.

The model is presented in diagrammatic form, summarising the findings from the previous chapters. This brings together both the programme theory, drawing on the realist evaluation framework, and the implementation theory derived from the Theory of Change approach. It therefore presents a summary of the context, mechanisms and outcomes for social impact measurement, whilst also showing what are considered to be the most necessary inputs and activities required to achieve this. The key to the diagram is shown below:



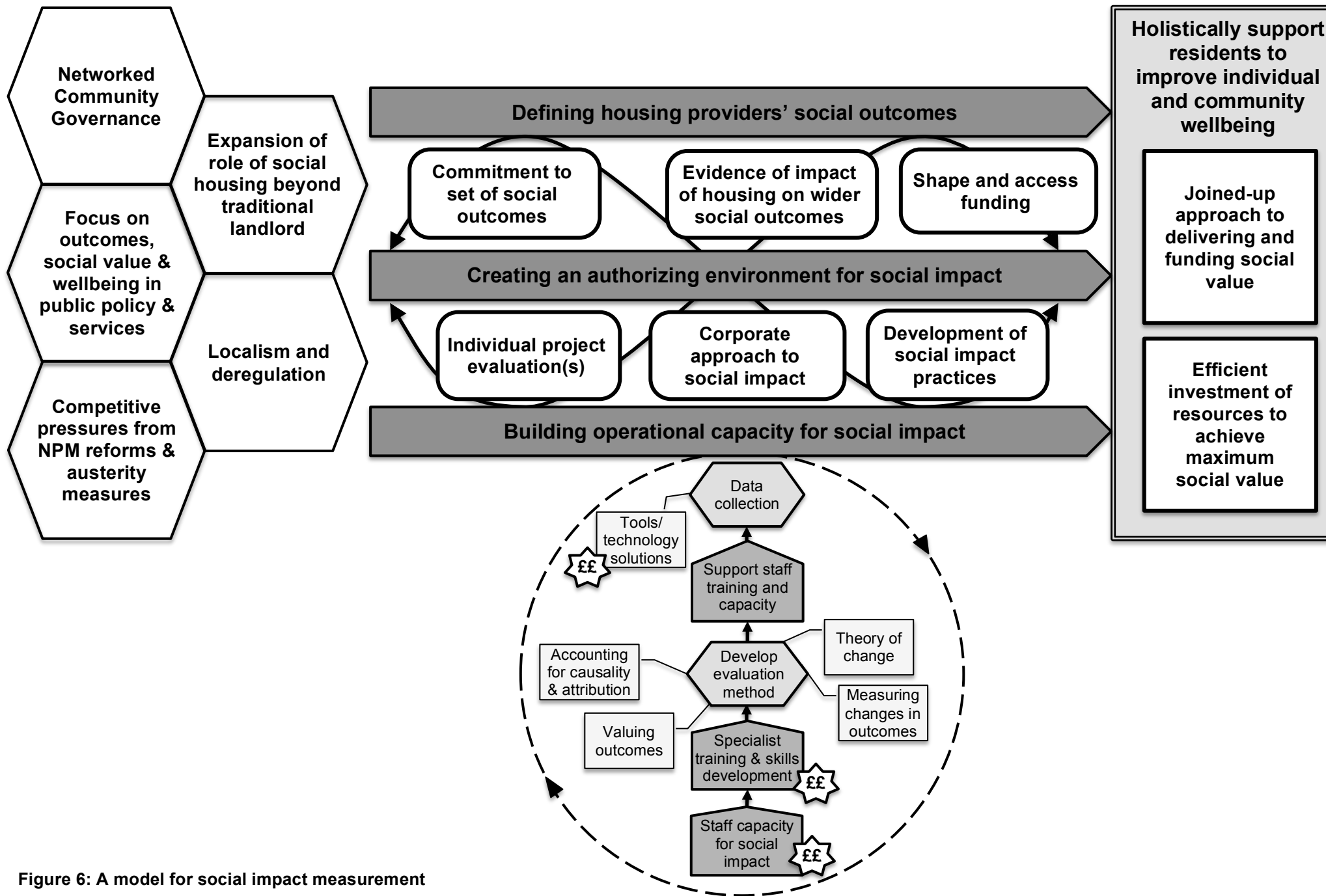


Figure 6: A model for social impact measurement

The model aims to capture a number of insights from the research findings. Firstly, it shows how the basic principles captured in the conceptual framework are supported by empirical evidence from leading organisations and practitioners in the field. It supports the concept that housing organisations need to consider both the details of the ‘nuts and bolts’ of instigating social impact measurement shown in the implementation theory, but also the broader considerations introduced through the realistic evaluation framework i.e. taking into account the contexts and mechanisms that will lead to the achievement of their outcomes. A particular insight from the research is that the implementation and programme theories are closely integrated and co-dependent throughout the pathway of change, rather than just coming together at the point of the final outcomes. This is therefore a modification to the initial conceptual framework. This provides the basis for the conclusions that contribute to the development of the practice of social impact measurement in the sector, which are set out in more detail in the following paragraphs.

Firstly, the implementation theory highlights the necessary inputs and activities that are required to build operational capacity. This is a vital mechanism in achieving the desired outcomes for social impact measurement, and so has received much attention both in the existing literature and in the interviews. Much of the existing literature focuses specifically on one element of the implementation theory, i.e. the activity of the developing an approach to impact measurement. This research demonstrates that this is only one part of implementation theory, and other aspects such as the requirement for staff capacity, the necessity of skills development and training, and the need for data collection as part of a wider approach to information, are equally

necessary for successful implementation. These elements are all interlinked in the pathway of change.

In addition, the implementation theory developed shows that this is not a one-off process, but that this pathway is repeated in between each intermediate outcome on the journey towards full implementation and achievement of long-term outcomes. Practitioners were particularly clear that operational capacity is built through a cycle of implementation, interim outcomes, learning, and then repeated – but modified – further implementation. The process of initial implementation resulting in a pilot or case study evaluation, and learning from that process to feed into further implementation of the approach was one that was commonly experienced and advocated by practitioners. Across the interviews, several references were made to the organisation being on a ‘journey’, emphasising the long-term pathway of change and the cycle of learning throughout the process.

The underlying message in regards to this cycle of implementation, learning and modification is that this is highly necessary to make the process more efficient as a whole. A common challenge experienced by practitioners was that implementing social impact evaluation, particularly for the first time, had been a heavily resource-intensive process. Therefore, in order for this process to be repeated and broadened to other areas of the business, efficiencies need to be made to streamline both the time and resources that it requires. This is particularly relevant given the context described, in which housing providers’ resources are increasingly stretched to meet a wider set of needs with reduced financial support. In this context, it is necessary that the implementation of social impact measurement is as efficient as possible and is shown to add value in order for it to continue to be authorized.

The research highlighted a number of points of inefficiencies or weaknesses in the implementation pathway, and some suggested remedies for these. For example, interviewees highlighted a shortage of skills within the sector, not only relating to impact measurement, but more broadly to skillsets relating to customer insight and data analysis. There was some suggestion that the development of such skills within the housing sector is behind that of the private sector, where a number of organisations have successfully built their business on the basis of a better understanding of their customers and ability to use data to this effect. A standout example of this in the private sector is Tesco, and its use of customer data collected through loyalty cards (Humby, Hunt and Phillips, 2003). In an era of 'big data', there is a recognised need to develop such skills within the sector and to use data innovation to build the information base used to inform and improve service delivery (Leach, 2014). There is strong potential for sector-based organisations to lead or support on this development, such as the Chartered Institute of Housing which already has an existing remit and experience in leading on skills development within the sector. Developing skills in data innovation and analysis would support the implementation of social impact measurement, as part of the sector's wider development in more sophisticated use of its information. This also encompasses the need for consideration from a strategic organisational perspective as to what information resources are needed to successfully achieve the business' objectives, as part of a wider organisational information policy.

The issue of information skills and resources is closely linked to technology, which is another area where broader development within the sector would potentially enhance the implementation of social impact measurement.

Interviewees highlighted that data collection is a significant challenge and area of resource consumption, and that there is a clear potential for technological developments to support this part of the implementation chain. Technological advances to support data collection, entry, storage and some level of analysis were highlighted as a valuable part of making the whole process of impact evaluation more efficient. However, the advance of technology needs to be perceived as only a single supportive element of the implementation theory, rather than the ultimate goal. Interviewees were clear that there is still a clear need for human judgment and insight to understand the data, and so this development should go hand-in-hand with the previous discussion regarding skills development. As with data and information skills, the decisions around information technology need to be considered within a broader framework of an organisation-wide approach to information resources, such as an information policy.

The issue of developing a suitable method for social impact measurement remains of considerable concern and debate within the sector. There was recognition of the need for the social impact profession to *“get its house in order”* (Sector representative A) and develop an accepted approach to impact measurement. The comparison was made to the accounting practice, which has developed over a number of years to the point where *“there is now general acceptance of how you deliver a set of accounts”* (Practitioner K). In the meantime, there still remain some fundamental issues that continue to cause debate and disagreement amongst the programme architects that relate to the underlying principles and objectives of impact measurement. Although not framed in methodological terms, the interviewees implicitly recognised the push and pull of generalisation versus specification that also frequently polarises the

methodological debate. The interviews reveal that there is significant appeal in the positivist position, in which it is possible to develop some generalised 'covering laws' for impact measurement across the sector; whilst also recognising the attractiveness of the interpretivist perspective that knowledge gain is generated through understanding the particularities of each individual situation (Fisher, 2010). This can be seen in the debate amongst programme architects as to whether measures of impact can be generalised across programmes, organisations and the wider sector (for benchmarking, commissioning and collective evidence building), whilst also noting that social value is defined in different ways according to context and that organisations need to retain the flexibility to measure impact in a way that shows why the intervention works in each particular case.

Interviewees acknowledged the difficulties of attempting to develop a 'scientific' approach to assessing the impact of social programmes, with the danger of creating a "*pseudo scientific*" approach (Practitioner H) that disguises the complexities of implementing social programmes in complex, open social systems. The danger of reducing complex social relations to a simple, measurable figure (such as a return on investment ratio) has been recognised in the wider literature regarding public management practices; for example, Power (2004, p.769) argues that this requires an abstraction from the original qualities of diverse phenomena, which over time is forgotten and the specific qualities and complexities are ignored. This results in the 'fake precisionism' that was also acknowledged by several interviewees in regards to SROI ratios. Miller (2001) adds that such figures can be perceived as being indisputable and above political interests, but in fact are not always up to the task of solving the specific problem to which it supposedly relates. Relating to

this, Mulgan (2011, p.223) argues that whilst the idea that different values can be compared by using a price mechanism is appealing to busy bureaucrats and ministers, in fact value is not 'one-dimensional, commensurate, quantifiable and comparable' but requires understanding of its specific context and character.

The debate surrounding the use of monetary valuations of social value is similarly affected by the discussions above relating to the difficulties in equating different types of social value. A useful discussion can be found in Mulgan (2011), in which he argues that because social value is, firstly, difficult to measure (because it results from complex social interventions and effects) and secondly, is constantly changing (because the public are divided over what they value), economic models for valuing public goods are inadequate for informing real choices and out of sync with public attitudes. Mulgan (2011, p. 218) goes on to state that the benefit of monetising social outcomes is therefore limited in scope, and its main purpose should be to support 'social market makers' whose role it is to guide negotiations between those who are willing to pay for a service or outcome ('effective demand') and those who have the capacity to supply that service or outcome ('effective supply'). This works best at a disaggregated level, i.e. where the specific services or outcomes required can be specified, rather than at an aggregated, general level of specification of public value. Applying this argument to the case at hand, this suggests that monetary valuation of social outcomes could be helpful in informing discussions and negotiations at a suitably local level (for example within a social housing provider organisation or across services delivered by a local authority), to enable service providers and commissioners to negotiate a successful delivery package. Attempting to aggregate social

value at a broader level, for example in attempting to collate sector-wide evidence or for cross-sector benchmarking, risks destroying relevant information rather than helping decision-makers (Mulgan, 2011, p.216).

A potential way forward is offered here, that is informed by the critical realist stance. This is presented as a favourable option because of its mid-point perspective that captures some of the benefits from both methodological extremes. The proposal is that an effective method for social impact evaluation needs to account for both the complexities of delivering within specific contextual situations and understand the inner workings of implementation within those settings, whilst also being able to add to more general understanding through better specification of the way in which the programme operates. This advocates a principles-led approach to the development of social impact measurement approaches, rather than specifying the need for a single, consistent approach for the sector. Further support for this argument is provided by the public value approach, specifically as presented by Horner and Hutton (2011, pp.123-124). This highlights, firstly, that public value is constantly defined and redefined through political and social interaction, and so agreement on a generic set of social outcomes to be measured will not occur. For this reason, it is both impossible and undesirable to create a new currency or system of metrics for social value. Nonetheless, there remains a need for public managers to gauge whether their activities are creating social value, in a legitimate way that captures more than single interests or individual views of organisational success. There is therefore value in using recognised methods to inform decision-making. Horner and Hutton (2011, p.124) conclude that '[p]ublic value points to certain principles for performance measurement. It does not

cast aside existing performance management frameworks simply because they cannot find a holy grail of an absolute measure for all social outcomes.'

There are therefore a number of insights from the conceptual approach taken for this research that also inform approaches to impact measurement itself. The first insight offered from the theory is one that the impact evaluation sector appears to have very much taken on board already; namely, the importance of prior theoretical conceptualisation of the programme to be evaluated as a basis for empirical testing. As noted in earlier sections, the practice of using a Theory of Change approach or logic model to inform the evaluation is one that is explicitly incorporated into many of the most common social impact evaluation methods. The use of Theory of Change type approaches therefore emphasises the implementation theory aspect of the intervention. This encourages practitioners to focus on the actual or intended outcomes of the programme, and the steps within the pathway of change that lead to this change. The contribution of this thesis is that the addition of a realistic evaluation type conceptualisation, that focuses on the mechanisms operating within the specific context of that intervention, can add value and insight into understanding how an intervention works, for whom and in what circumstances. More specifically, the analytical framework provided by public value can help frame practitioners' evaluation of the programme mechanisms, by considering what the defined social outcomes are, how the programme is authorized, and whether there is sufficient operational capacity to deliver the outcomes.

As set out in the section on methodology, the methodological framework then shapes the choice of research methods. The focus here is on how research methods can help understand how the intervention led to the observed

outcomes. The social impact evaluation methods that are more closely linked with economic models of evaluation, such as cost-benefit analysis, have a clear influence from a positivist perspective. In these approaches, an experimental approach is advocated, such as the use of randomised control trials or quasi or natural experiments (for example, in the Magenta Book (H.M. Government, 2011b)). The critique applied to such approaches from the critical realist perspective is that this fails to explore the inner workings of the intervention and 'brackets out' the contextual features that are considered essential to explanation in the realist approach (Pawson and Tilley, 1997). Instead, a generative view of causation is sought, through better understanding of the inner workings of the programme, rather than treating this as a 'black box'.

As discussed in the methodology section, this therefore necessitates the need for a mixed approach to data collection, including both qualitative and quantitative measures. This enhances understanding both of what change has occurred (often through quantitative measures of change) whilst also allowing for stakeholders to explain how this change has occurred. This does not necessarily exclude some of the economic approaches to measurement described above. As Bonell *et al.* (2012) argue, there is a case to be made for 'realist RCTs' which emphasise the need for prior theorisation of the causal mechanisms and data collection (including quantitative and qualitative) on all aspects of the causal chain, whilst using traditionally positivist approaches such as control groups and counterfactuals to understand the interaction between the intervention and context. The critical realist perspective therefore provides some guiding principles for both how outcomes should be measured, and how causality and accountability can be understood.

Therefore an intermediate outcome is shown in the model for further 'development of social impact measurement practices'. This recognises that the practice will continue to develop and be refined in line with the public's on-going shaping of public value and associated social outcomes, as well as more specific developments of the practice as it matures. Given the above discussion, the model deliberately excludes the outcome proposed by some, of a single, consistent method for social impact evaluation for the sector. Instead, it is considered more appropriate and realistic to aim for continual specification and refinement of the practice on the basis of empirical evidence and practice, rather than generalisation to a single approach or method.

The research has also shown that implementation theory (encapsulated here by the mechanism of building operational capacity) is closely and inextricably linked to the mechanism of creating an authorizing environment. The relationship between the mechanisms is multi-directional and interactive (as indicated by the curved arrows in the diagram). For example, practitioners were very clear that it is difficult to build and maintain any operational capacity to deliver social impact measurement without internal (diagonal) authorization from strategic leads and managers through to operational managers and frontline staff. This internal authorization is required to release the resources that are necessary inputs into the implementation chain of events. In turn, the successful implementation and achievement of intermediate outcomes, such as an initial project evaluation, then supports stakeholders in strengthening the authorization of the practice, which is necessary for further continuation, expansion and embedding of impact measurement across the organisation. At the organisational level, practitioners identified this diagonal authorization from senior leaders as one

of the most important factors in being able to successfully deliver impact measurement.

The links between authorization and operational capacity extend to a sector-wide level also. Strategic leaders within an organisation in turn need the external support and authorization horizontally (from across other housing organisations, the wider housing sector and other sectors) as well as vertically. A number of the interviews noted that the authorization they received from within their organisation was as a result of these senior leads or strategic managers receiving support for impact measurement from the wider network they engage with. The research highlights that at present, there is growing but still somewhat limited horizontal and vertical authorization for social value and impact measurement. For the practice to continue to be implemented within the sector, this authorization needs to be consciously developed by both leading practitioner organisations and sector representative bodies. The approach supported by the research is to use the limited formal mandate, for example provided by the Social Value Act, outcomes-based commissioning such as Payment by Results, and social housing regulatory standards for Value for Money, as the foundation for winning further support from other stakeholders to build a broader authorization base. This broader authorization is in turn dependent on having sufficient operational capacity within the sector to implement social impact measurement, should political, local or organisational leaders choose to do so. At a sector level, suggestions made above for the development of a skills base and technological support for better use and understanding of information (including data and information on social impact) are a key part of building further operational capacity within the sector.

Similarly, the mechanism of defining social outcomes can also be seen as linked and dependent on the other mechanisms. The commitment of both the sector and the individual organisation to delivering a set of social outcomes that extends beyond those achieved through traditional landlord roles can be seen as the starting point for authorizing the practice of measuring those outcomes. It also necessitates the need to build operational capacity to be able to measure these outcomes as part of a broader perspective on performance and success. In turn, the wider authorization for impact measurement combined with increased operational capacity to do so provides evidence of the ways in which the housing sector impacts on a wider set of outcomes. This can then help organisations shape the way in which they continue to define their social outcomes, based on evidence of what works. Interviewees also noted how this evidence is also being used to strengthen the wider authorizing environment, particularly across sector networks, as housing organisations are able to demonstrate their contribution to achieving objectives that are shared by other stakeholders (such as the health service). A further interim outcome from the combination and interaction between these mechanisms is therefore the shaping and access to alternative funding sources.

The model also represents the premise that all of these outcomes are dependent on context, and isolates the specific contextual conditions that are perceived to be creating a supporting backdrop for social impact measurement at this time. A further modification to the initial conceptual framework that results from the empirical evidence is that it is the interlocking combination of these contextual factors occurring at the same time that creates the overall context within which social impact measurement

is enacted. The presentations of the realistic evaluation framework in the literature commonly show the programme broken down into individual combinations of a specific context interacting with a single mechanism to produce an outcome, for example as presented in Pawson and Tilley (1997, p.121):

$$\boxed{C_1 + M_1 = O_1} \quad \boxed{C_2 + M_2 = O_2}$$

In applying the framework to this real-world example it became clear that the outcomes were derived from the interaction and combination of the contexts and mechanisms operating simultaneously. An attempt to separate the programme theory into individual strands as per the above specification appeared to create in practice an artificial divide and over-simplification, which failed to capture the importance of the interaction between elements of the theory.

As an example, the longer-term shift towards outcomes, social value and wellbeing observed in public policy making and service delivery in itself provides a context that is supportive of an accompanying shift towards measuring performance and progress against a similar set of wider outcomes and impact. However, interviewees highlighted that it is the specific combination of this background combined with the more immediate context of austerity and welfare reform that has sparked a more intense focus on impact measurement in the last few years. As summarized by Practitioner K, *“I think it’s timing... it needed probably the impetus externally ... suddenly the pressures of austerity have said, ‘We need to make sure we’re doing the right things ... and if we’re making a loss or spending money just on the environment or*

community we need to know that that makes a difference'... and then naturally social impact comes to the fore". Therefore it is the combination of certain contextual factors coming together at the same time that forms the specific context that is currently driving an interest in social impact measurement.

Just as the current level of interest is driven by these contextual factors, so future developments will be dependent on the future context. The critical realist perspective taken here, that social processes are both socially produced and socially defined, means that the open social systems that form this context will be subject to continual change. This research therefore provides a snapshot of the current understanding of how the practice of social impact measurement occurs within the UK social housing sector at this time. It is based on a refinement of the theory built from the evidence provided by programme architects, and its aim is to contribute to practice by sharing these insights with the sector. It also provides a set of hypotheses that can be further tested and refined by future research, and represents only a temporary touch point for our understanding of this practice.

5.2 Further applications and research

The intensive nature of the research means that only a limited number of cases were explored to develop and refine the programme and implementation theories. Participants were selected based on knowledge of their involvement in the practice, and their position as leading practitioners or programme architects at this time. In order to meet the aim of realist research to further specify the programme theory based on empirical testing, it would be relevant to test the theories developed here against evidence collected from a wider range of cases. There may, for example, be some value in testing cases

from other taxonomic groups from within the housing sector. The current sample of practitioners includes only housing associations and one commercial contractor; other groups of interest would potentially include housing departments that are still run from within the council, as well as ALMOs. As noted earlier in the research, the context and mechanisms may differ for these various types of housing providers; for example, as a result of differing regulatory regimes, funding sources and relationships with other stakeholders.

A further causal (rather than taxonomic) group whose views would add significant value to this area of research would be housing providers that are currently non-implementers of social impact measurement. This would provide an alternative perspective on the contextual factors and mechanisms working against the successful implementation of impact measurement. This would counteract some of the likely bias that may have entered this research as a result of interviewing only those organisations that are committed and invested in social impact measurement, and therefore more likely to come from a perspective that on balance sees the development as a positive one.

Finally, another perspective that would add value to this area of research is that of other sectors that interact with housing provision (and therefore provide part of the authorizing environment). As noted earlier, the health and public health sectors are also considerably invested and developed in an outcomes-led approach. In addition, many of the wider social outcomes that housing providers are currently focused on delivering – including, for example, provision of care and support to the elderly, alleviation of cold-related ill health through energy efficiency schemes and addressing wider community issues of deprivation and poverty – have significant links to

outcomes specified within the health service's policy and delivery frameworks. There is considerable scope for building a shared understanding and definition of social outcomes, and some benefits to developing an integrated approach to impact measurement between these partners. This would facilitate a common language relating to the outcomes that are shared across housing and health, the need for which is increasingly being acknowledged and addressed at this time (e.g. Northern Housing Consortium, 2011). Some level of commonality in approaches for assessing impact would also mean that information is consistently and comparably measured across these sectors.

5.3 Conclusion

This research takes place at a time when the practice of social impact measurement is rapidly advancing and developing across the social housing sector. To date, much of the literature and practitioner experience has focused on developing an appropriate method for evaluating social impact, which in itself is a complex process that remains a source of debate and non-conformity across the sector. It is considered a timely contribution that this thesis widens the discussion beyond this one aspect of the process, to consider more broadly what works, for whom and in what circumstances. This provides clarity, firstly, on the sector's vision for social impact measurement, explicitly defining the actual and anticipated benefits that this delivers to the individual provider and the sector as a whole. This clarification of the vision is considered valuable in itself, at a time when many organisations are deliberating whether this is a useful and beneficial process to undertake or continue, in the face of the apparent complexity and confusion over the many

methods for impact measurement and within the constraints of limited resources.

Secondly, the research also then contributes to understanding the many other factors that are requisite to achieving the goals of social impact measurement, which are considered to have been underemphasised thus far. The proposed model supports organisations who are considering (and even those already implementing) the practice to see the method for impact measurement as only one part of a wider implementation theory, and understand the broader need to build operational capacity that requires staff capacity, the development of specialist skills and an assessment of data requirements within a wider organisational strategy on information needs. Further to this, the model shows that in addition to operational capacity, individual organisations and the sector as a whole need to consider whether they have adequately defined their social outcomes and created sufficient authorization to see the process through to successful implementation.

Appendix 1: Interview guide (sector representatives)

Introduction/context

I'm currently researching for my doctorate thesis with Nottingham Business School, looking at the practice of social impact measurement in the social housing sector. The questions I'm hoping to answer are, firstly, what is the interest and capacity within the sector for this; and secondly, what are professional's experiences of using certain tools and approaches. My aim is to develop a framework for understanding how social impact measurement can be successfully delivered in the housing sector.

Is it ok if I record our conversation? This is so I can keep an accurate record of what we talk about. If it's ok with you, I'd like to use quotes from this in my research, keeping yourself anonymous but stating which organisation you represent- would that be ok?

1. Firstly, can you tell me a bit about your role, and your involvement with social value/impact measurement?

Organisational drivers

2. What are your organisations aims and objectives in this area?
 - What factors sparked your interest in the area?
3. What activities are you currently working on in this area?
 - What factors have helped drive it through from idea to delivery?
4. What support and/or difficulties did you encounter in establishing the project?
 - a. How easy was it to gain buy-in from organisational stakeholders?

Social housing sector context

Interest

5. Do you think there has been an increase in interest and activity in regards to recognising wider social value in recent years?
 - a. What are the features of this?
 - What kind of activities taking place? Are these at sector level or organisation level?
 - What features of social value are of interest?
 - What tools or approaches are being used/recognised to measure social value?

6. What do you think are the driving factors for this?
 - a. What do you feel have been the most significant forces for change in the social housing sector in recent years?
 - E.g. national political context, economic context, regulation, funding
 - b. Are the driving sectors different for different types of providers e.g. councils, ALMOs and RPs?
 - c. Are these factors specific to social housing, or public sector more broadly?
 - d. Is this a positive development for the sector?
 - Long-term trend or more of a phase?
7. How do you think 'social value' is being defined in a social housing context?
 - a. What are the main aspects or features of this?
 - b. Do you think it's possible and/or meaningful to try and measure social value?

Capacity

8. What capacity does the housing sector have for evidencing its social value?
 - a. Do you feel it is the responsibility of individual providers or broader sector organisations to undertake/support this?
 - b. Do you feel that demonstrating social value is a core part of housing providers' role?
9. What factors do you feel currently inhibit the practice of measuring social value?
 - a. At a sector level?
 - b. At an organisational level?
 - E.g. Skills, resources, suitable tools
10. Do you think anything more needs to be done to promote this practice within the sector?
 - Incentives?
 - Practical help/tools?

Experience and approaches

Approaches

11. Can you tell me about your organisation's experience with measuring social impact?
 - What tools and approaches have you used?

13. What are the:

- a. Strengths
- b. Weaknesses
- c. Opportunities
- d. Threats

of the approach(es) you have used?

- Both in the design and delivery of the approach

14. Would you recommend a particular approach as it stands?

Delivery

15. How did you deliver your [social impact measurement] work?

- In house or externally delivered?

 - a. What capacity building did it require?
 - E.g. training, personnel, software
 - b. How was it resourced?
 - c. What support did you find was available?
 - Where did support come from e.g. sector organisations, other providers, consultancies/trainers

16. Did you run into any particular problems in delivering this work?

17. How does measuring social value / impact fit with other business processes?

- a. What area of the business do you see this aligning with?
 - e.g. business improvement e.g. performance reporting; business development e.g. funding bids, new opportunities
- b. How does this fit with other tools you use as a business to measure outcomes?
 - E.g. customer surveys, performance reporting

Impact

18. How have you used the results of your [social impact measurement] work?

- What has the response been?
- Who are the main audiences for it?

19. What impact has the work had on the organisation?
 - a. Do you consider it to have been a worthwhile investment of your resource?
20. To wrap up, what do you see as the main challenges for social impact measurement in the social housing sector?
 - a. What further developments to social impact measurement are required?
 - b. What are the gaps?

Appendix 2: Interview guide (practitioners)

Introduction as per above

Organisational drivers

1. What are your organisation's aims and objectives in this area?
 - What factors sparked your interest in the area?
2. What do you think are the driving factors for this?
 - a. What do you feel have been the most significant forces for change in the social housing sector in recent years?
 - E.g. national political context, economic context, regulation, funding
 - b. Are the driving sectors different for different types of providers e.g. councils, ALMOs and RPs?
 - c. Are these factors specific to social housing, or public sector more broadly?
 - d. Is this a positive development for the sector?

Social housing sector context

3. Have you come across other examples of this from other providers or sector organisations?
 - What kind of activities taking place? Are these at sector level or organisation level?
 - What features of social value are of interest?
 - What tools or approaches are being used/recognised to measure social value?
4. How do you think 'social value' is being defined in a social housing context?
 - a. What are the main aspects or features of this?
 - b. Do you think it's possible and/or meaningful to try and measure social value?

Experience and approaches

Approaches

5. Can you tell me about your organisation's experience with measuring social impact?
 - What tools and approaches have you used?
6. What are the:
 - a. Strengths
 - b. Weaknesses
 - c. Opportunities
 - d. Threats
 of the approach(es) you have used?
 - Both in the design and delivery of the approach
7. Would you recommend a particular approach as it stands?

Delivery

8. How did you deliver your [social impact measurement] work?
 - a. In house or externally delivered?
 - b. What capacity building did it require?
 - E.g. training, personnel, software
 - b. How was it resourced?
 - c. What support did you find was available?
 - Where did support come from e.g. sector organisations, other providers, consultancies/trainers
9. Did you run into any particular problems in delivering this work?
10. What capacity does the housing sector have for evidencing its social value?
 - a. Do you feel it is the responsibility of individual providers or broader sector organisations to undertake/support this?
 - b. Do you feel that demonstrating social value is a core part of housing providers' role?
11. What support and/or difficulties did you encounter in establishing the project?
 - a. How easy was it to gain buy-in from organisational stakeholders
12. How does measuring social value/impact fit with other business processes?

- a. What area of the business do you see this aligning with?
 - e.g. business improvement e.g. performance reporting; business development e.g. funding bids, new opportunities
- b. How does this fit with other tools you use as a business to measure outcomes?
 - E.g. customer surveys, performance reporting

Impact

13. How have you used the results of your [social impact measurement] work?
 - What has the response been?
 - Who are the main audiences for it?
14. What impact has the work had on the organisation?
 - a. Do you consider it to have been a worthwhile investment of your resource?
15. To wrap up, what do you see as the main challenges for social impact measurement in the social housing sector?
 - a. At a sector level?
 - b. At an organisational level?
 - E.g. Skills, resources, suitable tools
 - c. What further developments to social impact measurement are required?
 - What are the gaps?

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