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Social impact measurement in social housing: A theory-based investigation into the context, mechanisms and outcomes of implementation

Structured abstract

Purpose - English social housing providers are increasingly turning to social impact measurement to assess their social value. This paper aims to understand the contextual factors causing this rise in the practice, specifically within this sector; the mechanisms that enable it to be effectively implemented within an individual organisation, and the outcomes of successful implementation for individual organisations and more widely across the sector and beyond.

Findings – Social housing providers use social impact measurement both internally, to determine their organisational priorities, and externally, to demonstrate their value to local and national governments and cross-sector partners then to shape and influence resource allocation. The practice itself is shown to be an open and active programme, rather than a fixed calculative practice.

Research limitations/implications - The intensive nature of the research means that only a limited number of cases were explored. Further research could test theories developed here against evidence collected from a wider range of cases, e.g., other types of providers, or non-adopters.

Practical implications - The research makes a strong contribution to practice in the form of a re-conceptualisation of how social impact measurement can be shown to be effective, based on deeper understanding of causal mechanisms, how they interact, and the outcomes that result. This is of value to the sector as such information could help other organisations both to understand the value of social impact measurement and to provide practical guidance on how to implement it effectively.

Originality/value – Existing literature is largely limited to technical guides. This paper links theory-based evaluation to practice, contributing to social housing practice.

Keywords:
Social impact measurement; social housing; Realist Evaluation; Theory of Change; theory-based evaluation.

1. Introduction

Contextual changes at global, national, and sector levels have led to the emergence of a social housing sector with ‘a social heart and a business head’ (Smedley, Perry and McGrady, 2013: 7). In this context, the appreciation and use of social impact measurement has risen since the turn of the decade (Moreton, 2014) as a means of bridging the gap between hard measures of performance and financial effectiveness, and softer measures of social progress and well-being.

Much of the existing literature around this topic focuses on the methods and approaches employed in the practice of impact measurement, resulting in a number of technical guides (Nicholls et al., 2012; Russell, 2013; Trotter et al., 2014). However, the broader accounting literature highlights that accounting practices are not merely a technical exercise: they actually shape economic and social relations (Hopwood and Miller, 1994; Miller, 2001; Power, 2004; McKinlay et al., 2010). This raises the question, what happens when the technical guides are implemented in the real-world context for social housing providers? Doing so calls, firstly, for a deeper understanding of the specific contextual conditions driving the observed pattern of an increased use of social impact measurement – why is social impact measurement increasingly being adopted in this context? The next step is to explore the
more practical matter of how it is then implemented successfully at an organisational level. Here, it is necessary to go beyond the technical premises of the methods for social impact measurement in order to understand the key mechanisms that enable it to be enacted at an organisational level. Finally, the effects of doing so must be examined: what are the outcomes, both at an organisational level and a wider sector level and beyond, that result from the implementation of social impact measurement, i.e., how does it shape economic and social relations?

A Realist theory-based approach is applied to the study of a small number of social housing organisations and leaders within the sector to explore the use of social impact measurement. The paper addresses three questions: why is social impact measurement being adopted in this sector? How is it successfully implemented? And what happens (outcomes) when it is successfully implemented? Addressing these questions necessitates deeper insight into the contextual pressures that have brought to the fore social impact measurement within the sector, and the beneficial outcomes the practice provides (or is anticipated to provide) to social housing providers. Achieving insight requires a wider understanding of the two-way relationship between the practice itself and the relevant social systems to which it relates and with which it interacts, within the contingent context (Sayer, 2000). The wider aspect is explored by developing a programme theory for social impact measurement for the social housing sector. Specifically, the methodological approach of Realist Evaluation (Pawson and Tilley, 1997; 2004) is used to structure and analyse the empirical data and findings into a programme theory for social impact measurement. Realist Evaluation provides a programme theory perspective, seeking to answer the question ‘what works, for whom, and in what circumstances?’. In this research, the ‘whom’ refers to English social housing providers, and the circumstances are the contextual conditions experienced by the sector over the last decade. The programme theory aims to set out the links between the contextual drivers for social impact measurement, the mechanisms that bring about its implementation, and the outcomes that occur as a result.

Within this, greater detail on the implementation perspective is provided by developing an implementation theory using a Theory of Change approach (Connell et al., 1995; Fulbright-Anderson et al., 1998). Theory of Change focuses on the implementation theory perspective, mapping the ‘nuts and bolts’ of the implementation process (Blamey and MacKenzie, 2007). The implementation theory is then embedded within the wider programme theory so as to bring the two elements together, thereby creating a refinement of the overall theory for social impact measurement. An overview of how the programme and implementation theories are combined to address the research questions is shown in Figure 1.

Figure 1 about here

The paper contributes to the literature by extending the use of the Realist Evaluation approach into the study of accounting practices, and the resultant learning from this application. The research also makes a strong contribution to practice, in the form of a re-conceptualisation of how social impact measurement can be shown to be effective, based on deeper understanding of causal mechanisms, how they interact, and the outcomes that result. Such information is of value to the sector, as it could help other organisations both to understand the value of social impact measurement, and to provide practical guidance on how to implement it effectively. The benefits of social impact measurement, as experienced by the organisations that participated in this research (who are amongst the pioneers of its implementation in the sector) would thus be more widely experienced across a larger number of housing providers. Therefore, it may also contribute to the strengthening of the social housing sector’s position within an integrated, cross-sectoral policy landscape, with potentially beneficial outcomes in terms of partnership working and resource allocation. Ultimately, the sector’s ability to achieve both its business and its social goals is strengthened.
The structure of the paper is as follows. A brief overview of social impact measurement in relation to the sector is presented. The paper is then framed in the relevant methodological approaches of theory-driven evaluation, to demonstrate its relevance to and fit within the chosen topic and the explanatory power of using such approaches. The research methods are set out, followed by a summary of the empirical findings. It should be noted that due to the methodological approach used (Realist Evaluation), descriptions of the contextual setting for the research are a part of the actual research findings, forming part of the programme theorisation. Therefore, in this paper, descriptions of contextual conditions are to be found within the Research Findings section, in contrast to the more traditional approach of including a preliminary contextual section towards the start of a paper. The findings are discussed with reference to the methodological background, including the contributions to both practice and literature. The paper concludes by acknowledging the limitations of the research and potential for further development.

2. Social impact measurement in the social housing sector

A brief overview of the ‘state of play’ of social impact measurement in the social housing sector is presented initially to set the scope for the paper. The relevant legal and regulatory frameworks for the social housing sector imply a broad and fairly general focus for social impact, in line with the general social impact agenda. For example, The Local Government Act 2000, the Regulatory Framework for Social Housing in England of April 2012, and the Public Services (Social Value) Act 2012 all make reference to housing providers’ obligation to improve ‘the social, economic, and environmental well-being of the area’ (Local Government Act 2000, s.2(1); Great Britain. Social Value Act 2012: 1; Homes and Communities Agency, 2012: 27). There are two core elements to social impact: firstly, a focus on a wider set of objectives commonly referred to as the ‘triple bottom line’ (Elkington, 1997) of social, economic, and environmental impacts; secondly, the concept of well-being (Stiglitz, Sen and Fitoussi, 2009). The rise in social impact measurement within the social housing sector reflects a wider focus within UK public policy from 2008 onwards, on the ability to capture and quantify the value created by the work of social purpose organisations (Hall and Millo, 2018). In an assessment of the meaning of social impact for the social housing sector, Russell (2012: 7-8) states that ‘social impact is concerned with ensuring that we can identify and value all of the benefits that might accrue from our activities. … Social impact is ... associated with the method and approach we use to assess social value and other benefits’.

Progress in implementing social impact measurement across the sector appears to be mixed, with a core group of housing providers leading in developing and implementing the practice. Since 2012, regulatory standards mean that social housing providers are obliged to provide a Value for Money statement, including social as well as financial measures (Homes and Communities Agency, 2012). An assessment of the progress of the social housing sector following the introduction of this standard showed that while 28 per cent of housing providers were measuring their social value, a significant number of housing providers were issued with warnings in relation to not meeting this standard (Moreton, 2014). Similarly, a survey in 2016 found that just over a third of housing providers surveyed now considered social value outcomes during the procurement process, in response to the Social Value Act (Opoku and Guthrie, 2017). The initial focus for social impact measurement within the sector was on what are often termed ‘community investment’ activities, such as employment and training schemes, financial inclusion services, investing in neighbourhoods and communities, or specific groups such as young people or older people (Wilkes and Mullins, 2012; Russell, 2013). This has expanded to other areas of the landlord role and ability to influence wider community outcomes, including asset management, energy efficiency, and community health and wellbeing (Thomson et al., 2006; Jones, Valero-Silva and Lucas, 2016; Opoku and Guthrie, 2017; HACT and Fujiwara, 2018).

A number of organisations that support or represent the social housing sector have supported the development of social impact measurement for their members. For example, both the National
Housing Federation and the Chartered Institute of Housing signpost information and resources around social impact and its measurement (Smedley, Perry and McGrady, 2013; National Housing Federation, 2020). The most important development in the sector has been led by HACT, a housing think-tank which, together with a leading econometrician, has developed a social value methodology specifically for the social housing sector. This is based on a wellbeing valuation approach, and has provided the sector with a ‘social value bank’ and associated approach to measure a wide range of social outcomes associated with the housing sector (Trotter et al., 2014; HACT and Fujiwara, 2018).

Across the sector, a wide range of approaches and methods are used for social impact measurement. A survey in 2012 found that housing providers measuring their impact were using eleven different externally developed tools, as well as 12 tools developed internally by the organisation (Wilkes and Mullins, 2012). The HACT Wellbeing Valuation approach was launched in 2014, and has risen in popularity across the sector. Over 50 housing providers were involved in the initial development of the resource and the toolkit has now been downloaded over 18,000 times (HACT, 2020). Despite this, there is still much variation in the approaches used to measure social impact. A survey of housing providers in 2016 (Opoku and Guthrie, 2017) showed that the most common approach used was Social Return on Investment (Nicholls et al., 2012), followed by ‘community impact analysis’, and the Local Multiplier 3 approach (Sacks, 2002). There is recognition within the sector that not one sole measurement tool is applicable to all activities or can measure all of the required dimensions of social value across all housing organisations (Wilkes and Mullins, 2012).

The implications of such a conclusion for this paper are therefore as follows. Within the sector there is a core group of actively engaged housing providers implementing social impact measurement, supported by the sector’s strategic or representative leadership bodies. However, implementation across the wider sector remains limited. Therefore, this identifies a need to understand in greater depth the value of the practice to the sector for those who are implementing it, and indications as to how it can be more widely implemented across those housing providers yet to adopt it.

3. Theoretical framework

Within the accounting literature considerable attention has been paid to the effects of the ‘calculative practices’ of accounting. It is argued that calculative practices such as accounting are not merely a technical exercise that accurately reflects an underlying economic reality; they actually shape economic and social relations and constitute (rather than reflect) managerial action (Hopwood and Miller, 1994; Miller, 2001; McKinlay et al., 2010). More recently, these principles and concerns have been extended to the field of social impact measurement. There is recognition that social impact measurement is not a value-neutral practice. Rather, it reflects embedded power structures and dominant modes of thought in government and public policy. For example, Hall, Millo and Barman (2015) describe how the implementation of Social Return on Investment (SROI) in the US and the UK have resulted in two variants of the original method, stemming from variations in respective managers’ epistemic beliefs and in implementing organisations’ material conditions across the two nations. Hall and Millo (2018) also track the rise to prominence of SROI in the UK, over and above other social accounting methods, as a result of deliberate sponsorship and promotion by the Labour government from 2008 onwards. Cooper, Graham and Himick (2015) highlight potentially harmful effects, setting out how the workings of Social Impact Bonds used in the UK reflect the dominance of neo-liberal thinking, with the result that ‘the accounting metrics underpinning the [Social Impact Bond] seem to efface the concern for human dignity and happiness’ (2015: 24).

Such concerns demonstrate the importance for any study of accounting practice to establish a methodological approach that considers the effects of context, existing social systems, and individual responses to intervention stratagems in order fully to understand how it operates. In this paper, a methodological approach is provided through adopting a Realist Evaluation approach.
3.1. Using Realist Evaluation and the Theory of Change to develop a programme and implementation theory

An article in *Evaluation* by Blamey and MacKenzie (2007) raised the interesting prospect of combining two types of theory-based evaluation, Realist Evaluation (Pawson and Tilley, 1997) and the Theory of Change (Connell *et al.*, 1995; Fulbright-Anderson *et al.*, 1998). The authors compared and contrasted the two approaches and concluded that ‘[a]n explicit attempt to bring the two approaches together ... might yield powerful policy as well as methodological learning’ (2007: 451). The middle-range theories produced by Realist Evaluation are categorised by Weiss (1995) as a ‘programme theory’, referring to the thinking about ‘the responses on the people to programme activities’. This is differentiated from an ‘implementation theory’, which Weiss (1995) describes as the hypothesised links between a programme’s activities and its anticipated outcomes, i.e., ‘what is required to translate objectives into ongoing service delivery and programme operation’ (Weiss, 1995: 58). This latter type of theory-driven evaluation can be seen in the Aspen Institute’s Theories of Change framework (Connell *et al.*, 1995; Fulbright-Anderson *et al.*, 1998) or the Logic Model approach (W.K. Kellogg Foundation, 2004).

Blamey and MacKenzie argue that there is a benefit for Theory of Change and Realist Evaluation to ‘coexist within the one programme evaluation, with the former providing broad strategic learning about implementation theory and the latter bearing down on smaller and more promising elements of embedded programme.’ (2007: 451). The Theory of Change emphasises the implementation theory of how a programme is designed to work: concentrating on the necessary inputs and activities required to reach a threshold of change that leads to programme outcomes, resulting in mapping the ‘nuts and bolts’ of the programme. In contrast, a programme theory-led approach, such as Realist Evaluation, is more closely concerned with psychological and motivational responses leading to behaviour change, i.e., how the programme works when it is inserted into the open social systems that comprise the context in which it operates.

In the present paper, Realist Evaluation is used as the primary theoretical framework, and also as a corresponding methodology through which to explore the topic of social impact measurement in the social housing sector. Realist Evaluation is a form of theory-based evaluation, specifically developed by Pawson and Tilley (1997) for the evaluation of public policies and programmes. In this form, evaluation seeks to go beyond asking ‘Does this programme work?’; instead, it asks ‘What works for whom in what circumstances and in what respects, and how?’ (Pawson and Tilley, 1997; 2004). This is driven by its ontological stance as a third way, opposed to both the positivist and constructivist traditions in evaluation (Stame, 2012). Realist Evaluation retains the realist ontology of positivism, meaning that some lawful and reasonably stable relationships exist between social phenomena and the real world (Miles and Huberman, 1994), while it rejects the empiricist idea that only that which can be observed can be known. In line with the constructivists, Realist Evaluation acknowledges that social practices depend on their relations to other social systems and objects, and are contingent on the context in which they operate (Sayer, 2000). However, this is not taken to the extent of the nominalist tradition: that everything is contingent and therefore excludes the possibility of any regularities (Guba and Lincoln, 1989). Realist Evaluation has its roots in the social enquiry evaluation tradition, using systematic studies to ask why groups of individuals in certain settings act as they do (Alkin, 2012). It stems from the work of Campbell in aiming to test the effectiveness of reforms within their real-world setting, acknowledging the impracticability and undesirability of controlling experimental factors in a social policy setting (Campbell and Stanley, 1966; Tilley, 2000).

Realist Evaluation is based on the concept of generative causality, that ‘one can study the development of underlying processes by uncovering the hidden mechanisms that make it work’ (Stame, 2012: 362). In the Realist Evaluation framework, the subject of an evaluation is a ‘programme’, a set of hypotheses developed by ‘programme architects’ suggesting how to bring about social
betterment. Realist Evaluation aims to understand how a particular intervention brings about change by understanding and probing the apparatus of change (Pawson and Tilley, 2004). The core assumptions of Realist Evaluation are summarised by Pawson and Tilley (2004) as follows: Programmes are *theories*, developed by programme architects to change and improve current circumstances, and are inserted into social systems that are thought to account for current problems. Programmes are *embedded* in social systems, and all layers of those social systems need to be taken into account – including individual capacities, interpersonal relations, institutional settings, and wider infra-structural systems. Programmes are *active*, producing results only when individuals touched by the programme activity engage with it and react to it; thus, understanding the interpretation of those participants is integral to evaluating the programme. Finally, programmes are *open systems*, meaning that they are both affected by the current context and also interact with that context to change the current circumstances into which the programme is introduced.

Pawson and Tilley’s intention was to design a ‘realistic’ evaluation approach to translate this theoretical perspective into evaluation practice (Pawson and Tilley, 1997). The above assumptions are summarised in an equation demonstrating that a programme works when the hidden mechanisms (M) (the process of how subjects interpret and act upon the intervention stratagem) interact with the context (C) (the features of the conditions into which programmes are introduced that are relevant to the operation of the programme mechanisms), and are able to produce an outcome (O). This is summarised in the formula C + M = O (also referred to as CMO configurations) (Pawson and Tilley, 2004; Stame, 2012). The evaluator first develops hypotheses of the potential context, mechanism, and outcome patterns, then tests these against empirical data. The aim of a Realist Evaluation is to test and weed out competing theories, and to reconceptualise the initial CMO theories based on evidence. The result is a middle-range theory of what works, for whom, and in what circumstances (Pawson and Tilley, 1997).

The link to the Theory of Change approach arises as a result of the assumption in Realist Evaluation that ‘[p]rogrammes are theories incarnate. They begin in the heads of policy architects, pass into the hands of practitioners and, sometimes, into the hearts and minds of programme subjects’ (Pawson and Tilley, 2004: 3). Theory of Change is a process used to map out such a theory of how the programme operates. For this paper, therefore, the Theory of Change is applied in order to map out the theory of how the programme (social impact measurement) operates, taking into account the views of both programme architects and practitioners. Doing so provides an implementation theory that defines the ‘programme’, which becomes the consideration of the Realist Evaluation element of the research. It goes on to explore the outcomes that occur when this programme is embedded in an open social system, exploring individuals’ responses to the intervention (mechanisms) within the contextual setting.

The method for developing a Theory of Change is to consult with programme stakeholders in order to develop and test a pathway of change. The process starts with setting out the long-term vision for the programme; ‘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) required to achieve these outcomes. Necessarily, this is achieved through consultation with programme stakeholders, and forms the basis for both programme implementation and the evaluation of its effectiveness (Anderson, 2004). The result is a diagrammatic representation of the implementation theory, showing a pathway from the necessary interventions and preconditions, through the intermediate outcomes, and to the long-term vision or outcomes. All steps are accompanied by a narrative explanation of the assumptions that underpin the theory (Taplin and Clark, 2012).

The two approaches of Realistic Evaluation and the Theory of Change are applied together to extract the optimum from the research. The implementation theory developed through the Theory of Change
provides a clear contribution to practice, by demonstrating the chain of events required to accomplish the organisation’s vision for social impact measurement, offering a wider perspective on the process than is currently provided in the sector literature. The Realist Evaluation approach supplements it by considering this implementation within the wider social systems in which social impact measurement is taking place, considering not only the effects of those systems on the practice, but also the effects of the practice on the wider context.

3.2. Applying the theory-based approach to the topic: social impact measurement within the social housing sector

Here, the programme under consideration is the implementation of methods for measuring social impact, within the context of the English social housing sector. For the purposes of this research, social impact measurement is defined broadly as any accounting and reporting method aimed at capturing the broader social, economic or environmental impact of a programme or organisation. As set out earlier, a wide array of methods for social impact measurement exist within the UK, the most prominent of which include Social Return on Investment (SROI) (Nicholls et al., 2012), social accounting approaches such as Social Audit and Accounting (Kay, 2011), and a considerable number of other methods (Charities Evaluation Services, 2013; Wilkes and Mullins, 2012; New Economics Foundation, 2009). Some specific approaches have been developed within the English social housing sector, such as HACT’s Social Value Calculator (HACT and Fujiwara, 2018).

It is noted that social impact measurement does not represent a single, unified approach. Each of these approaches has differing methodological foundations and approaches, and is itself an individual programme that is changed and influenced by interactions with programme participants and their respective contexts. Thus, at present there is no unified approach to social impact measurement, and the practice is not without its concerns. Each case of social impact measurement is potentially an individual programme for evaluation. However, the aim of Realist Evaluation is to be able to develop certain mid-range theories to explain observed patterns in outcomes by exploring the mechanisms and contexts that gave rise to them. The outcome pattern in question is the quantified surge in the use of a variety of social impact measurement approaches across the social housing sector, with 28 per cent of housing associations measuring the social impact of their activities (Moreton, 2014). Although not unified, there is indeed a collective effort to develop the practice within the social housing sector, led by representative organisations such as the National Housing Federation, the Chartered Institute of Housing, and the housing think-tank HACT (Smedley, Perry and McGrady, 2014; Russell, 2013; Trotter et al., 2014). These sector leaders, alongside organisations within the impact measurement sector, represent the ‘programme architects’ (Pawson and Tilley, 1997) who develop the programme theory of impact measurement for the sector. Programme practitioners are the individual social housing organisations that implement a social impact measurement approach, where mechanisms and contexts interact in order to generate outcomes.

The paper draws on the general Realist Evaluator’s quest to uncover ‘what works, for whom, and in what circumstances’ to address the specific research questions. In Realistic Evaluation terms, it must be asked which outcomes, delivered by social impact measurement when it ‘works’, are important to social housing providers. This takes into account the circumstances and mechanisms experienced by those providers for whom social impact measurement has been effective, testing what combination of mechanisms and contexts trigger social impact measurement, and what outcomes occur when social impact measurement ‘works’. Secondary to this is the more specific question of ‘what works’ from an implementation perspective, i.e., by mapping the combination of inputs, activities, outputs, and outcomes which work to enable an organisation to measure its social impact; this specifies the resources and conditions necessary for an organisation to implement social impact accounting or reporting. This is mapping of the ‘nuts and bolts’ provided by the Theory of Change.
4. Research methods

For both Realist Evaluation and the Theory of Change, a key aspect of the method is consultation with stakeholders involved in the programme. In both cases, stakeholders are consulted in order to develop the prior theorisation of the programme, and to test these theories in practice. Both approaches advocate a multi-method approach across the evaluation process (Connell et al., 1995; Fulbright-Anderson et al., 1998; Pawson and Tilley, 1997), yet the initial theorisation process particularly appears to lend itself to qualitative research with stakeholders.

The qualitative research design reflects the dual purpose of the research: firstly, to create a theorisation of how the programme is intended to operate and, secondly, to test how this operates in the real world. For programme theorisation, a group of individuals perceived to be ‘programme architects’ was purposively sampled for interviews. These individuals are labelled as ‘sector representatives’, i.e., individuals within sector-wide organisations (such as membership bodies) who have a remit to promote or interest in promoting social impact measurement within the social housing sector. The second group of interviewees consisted of ‘practitioners’, i.e., individuals from within social housing organisations who are responsible for implementing social impact measurement within their respective organisation. This group was selected based on their practical experience of using social impact measurement methods, in order both to formulate the implementation theory (how the process had been carried out within their organisation) and to test their own experience of the programme theory (the wider contexts and mechanisms triggered as a result of implementation).

Purposeful sampling was undertaken to select interviewees from both groups, identifying organisations and relevant individuals within them who had knowledge of or responsibility for social impact measurement. This was achieved using previous publications by organisations, professional networks, and in some cases snowball sampling from other interviewees. In total, 12 interviews were completed, with six individuals from each group (sector representatives and practitioners).

The interviews were semi-structured, using an interview guide that set out a number of open-ended questions. Following testing, separate interview guides were developed for sector representatives and practitioners. As ‘programme architects’, the sector representatives were asked about the wider context, including the drivers of interest in social impact measurement, how representatives envisioned its being implemented by organisations, and what outcomes they had observed or anticipated, at both the individual organisation and the wider sector levels. The second interview guide for practitioners also asked about their contexts, mechanisms for implementing, and the outcomes they had experienced as a result of measuring their impact. However, there was greater focus on the implementation aspects, on how the programme had been delivered within their organisations.

Flexibility was maintained during the interviews to follow the conversational avenues opened up by interviewees, with an emphasis on how each interviewee frames and understands issues and events and what they view as important in explaining and understanding events, patterns and behaviour (Bryman and Bell, 2007). The interviews were completed either face-to-face or via the telephone. The audio from the interviews was digitally recorded (with interviewees’ consent) then full written verbatim transcriptions of the interviews were produced.

The qualitative interview data were encoded, using the structure determined by the methodological approaches. The initial examination of the data was performed to separate it into the Realist Evaluation components, i.e., references to context, mechanisms or programme outcomes. Further analysis was undertaken to map the constituent elements of the Theory of Change’s Logic Model, i.e., the organisational vision for impact measurement, and the requisite inputs, activities, outputs, and interim outcomes that led to this being achieved. Within each of these methodological frameworks,
sub-themes were identified from the qualitative material itself, noting both similar and different responses to each sub-theme.

Following the Realist Evaluation model, the development of the hypotheses (both the implementation and programme theories) is also supported by additional information from 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).

The first output from the qualitative analysis was to bring together the qualitative and documentary data to form a detailed description of the programme and implementation theory. The setting for these is a description of the contextual conditions that give rise to the need for social impact measurement in a specific sector. The programme theory included the vision of the ‘programme architects’ combined with the experience of practitioners in the delivery of the programme, thus allowing the identification of where practice differed from theory. The implementation theory set out the necessary elements to achieve the delivery of a social impact account/report, and any difficulties encountered in doing so. The descriptions included the similarities and differences in the views and experiences of those interviewed.

The final stage of the analysis was to summarise the most promising middle-range theories for the practice of social impact measurement (Pawson and Tilley, 1997). The aim is to reconceptualise the theory of social impact measurement based on clearer understanding of the underlying contexts and mechanisms that determine what works, for whom, and in what circumstances.

5. Research findings

Within the scope of this paper, a full description of the implementation and programme theories developed from the research will not be attempted. Instead, the elements most relevant to answering the research questions are presented below. Firstly, a brief summary of the contextual conditions is given, as this provides the setting for the implementation and programme theory. As noted earlier, within this methodological approach the description of the contextual setting (both from the perspective of the interviewees and the wider literature) is a part of the research findings in setting out the CMO (context-mechanism-outcome) configurations of the programme theory. Secondly, the implementation theory is summarised, to describe the details of the social impact measurement process. Finally, the most promising elements of the programme theory are described, providing CMO configurations that were evidenced by the empirical data.

5.1. Contextual conditions giving rise to the need for social impact measurement

A significant conclusion from the interviews and supporting literature is that an interlocking combination of particular contextual factors occurring around the turn of the decade coincided to create a supportive context for social impact measurement within the social housing sector. These contextual changes at global, national, and sector levels have led to the emergence of a social housing sector with ‘a social heart and a business head’ (Smedley, Perry and McGrady, 2013: 7). This context gives rise to the need for social impact measurement, as a means of bridging the gap between hard measures of performance and financial effectiveness, and softer measures of social progress and well-being.

A long-term trend in public administration is an increase in focus on outcome-orientated policy making and performance management, including in the UK an initiative to develop a suite of outcome indicators to measure progress in personal and societal well-being (Perrin, 2006; Office for National Statistics, 2014). The context of a longer-term shift in governance towards thinking about outcomes, social value, and well-being has reinforced social housing providers’ thinking about their role in such
terms. The legal landscape for housing providers also reflects this, such as the Local Government Act 2000, which introduced the responsibility for local authorities to ‘do anything’ that they consider is likely to achieve the promotion of the social, economic, and environmental well-being of the area (Local Government Act 2000, s.2(1)); and the Public Services (Social Value) Act 2012 (SVA), which introduced 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: 1). Regulatory standards for housing providers at the time were revised; they stated that ‘[r]egistered providers shall co-operate with relevant partners to help promote social, environmental and economic well-being in the areas where they own properties’ (Homes and Communities Agency, 2012: 27). From the interviews, it is clear that the SVA constitutes the predominant way in which the well-being agenda has directly affected the sector, acting as a driver of interest in social value and impact measurement. Eleven out of the 12 interviewees referred to the impact of the SVA by saying, for example, ‘…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’ (Sector representative C).

Within this context, social housing providers were also shifting towards delivering a range of services that cut across traditional service boundaries, in addition to their core ‘bricks and mortar’ role. Policy-led changes to the sector in the first decade of this century have focused on making social housing services more accountable to their tenants, including the closer involvement of tenants in prioritising and scrutinising services (Tenant Services Authority, 2009; Cave, 2007). Such closer customer engagement, as well as leading to the rethinking of the wider role of housing providers at a policy level (for example, as in the Hills Review (2007)), has resulted in housing providers focusing on a wider array of issues and service provision to meet the range of needs of their tenants. These include adult social care such as Extra Care residential schemes, community involvement and cohesion activities, tackling anti-social behaviour, education services, employment and training initiatives, and 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, for example: “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).

This cross-sector operating environment places an additional requirement on social housing providers: they must be able to demonstrate their impact on outcomes that are not traditionally measured within housing-based performance models. Other sectors, such as the National Health Service (NHS) and Public Health, have adopted an Outcomes Framework based on a model of the wider social determinants of health, in which there is an explicit role for housing in promoting good health (Dahlgren and Whitehead, 1991; Department of Health, 2013). Thus, in order to operate within this wider cross-sector context, housing providers are increasingly required to provide evidence of their impact on social outcomes such as health, necessitating the use of impact measurement: “… 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 health partnerships” (Sector representative F).

At the same time as the shift towards an emphasis on social value, changes introduced around the turn of the century within the social housing sector under the banner of New Public Management (NPM) reforms have driven the sector to be more business-like. Social housing provision has been fragmented and is now provided by a range of different types of providers, including councils, Housing Associations and Arm’s-length Management Organisations (ALMOs). Such changes have increased

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1 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 Arm’s-Length Management Organisations (ALMOs) as an alternative delivery model, in which council
competition by broadening the number and type of providers in the sector (Victory and Malpass, 2011). Competition for customers (new tenants) was introduced via the Choice-based Lettings system, enabling potential tenants to compare and bid for properties across a range of local providers (Oxley et al., 2010). These longer-term contextual developments mean that ‘[a]cross the board, today’s social landlords are a harder-headed, more commercially aware, breed than their 1980 forbears’ (Pawson, 2005: 781).

This has further been reinforced by the more recent context of global recession and austerity. Housing providers are significantly impacted by UK welfare reforms, including the under-occupancy charge (commonly known as the ‘bedroom tax’), the overall cap on benefits, and the move to a single Universal Credit payment (Great Britain. Welfare Reform Act 2012). The current context that social housing providers therefore face is one of reduced resources, alongside increasing need in the communities as other services are withdrawn: “... 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). At the same time, the social housing sector has also seen significant deregulation under the banner of localism (Great Britain. Localism Act, 2011). Under these reforms the sector has increased regulatory freedoms thus has gained greater flexibility to determine its priorities and how success is measured. Opportunities have increased for them to use their assets to expand service delivery into new areas, although with a concomitant increase in pressure to ensure that such business development ventures are financially viable.

In this context, financial pressures and considerations are more prominent than they had been. There is further pressure to ensure that all organisational activities provide value for money, within the broader context considered earlier in which there is a wider definition of value, which now includes social outcomes. As described by one interviewee, “suddenly the pressures of austerity have said, ‘we need to make sure we’re doing the right things ... we need to know that it makes a difference’ and then naturally social impact comes to the fore” (Practitioner K). The result is a need for alternative decision-making tools to evidence which activities create the greatest social value, in order to support social housing providers with justifiable strategic goal setting and investment decisions.

5.2. Implementation theory: How social impact measurement works at an organisational level

Analysis of the qualitative material using the Theory of Change approach results in an implementation theory for the practice of social impact measurement. Analysis of the interviews was articulated into a Logic Model (W.K. Kellogg Foundation, 2004), a visual representation of the results of the Theory of Change approach and resulting implementation theory. The chain is articulated using the backwards-mapping approach, starting with stakeholders setting out their long-term vision for the programme (impact), even if this vision has not yet occurred. The elements of the Logic Model are then unfolded from this, showing the intermediate outcomes that represent steps towards the long-term impact, and the activities, inputs and resources that are in turn required to achieve these outcomes. Figure 2 firstly shows the basic Logic Model, which is then specified in Figure 3 to show the Logic Model (implementation theory) for social impact measurement. Table 1 gives a more detailed description of each of the elements in Figure 3.

Figure 2 and Figure 3 about here

homes remain under local authority ownership, but are managed by a separate management organisation (Department for the Environment, Transport and the Regions, 2000).
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<td><strong>Having staff capacity for a social impact role:</strong> the need to have staff members with a remit for social impact measurement (and therefore the required time and resources to dedicate to it) was recognised as a necessary input.</td>
<td>Develop an evaluation method: although a huge range of impact measurement approaches and tools is available, a number of core principles were derived. These are to develop a Theory of Change for the programme being measured, to be able to measure changes in outcomes, to value these outcomes, and to account for causality and attribution. <strong>Data collection:</strong> organisations embarking on impact measurement for the first time found they lacked existing information on outcomes and established processes for gathering this information. Therefore, new data collection methods are often required. Interviewees emphasised this as a significant aspect of the overall impact measurement project because of the resource-intensiveness of this activity.</td>
<td><strong>Short term:</strong> Social impact account/report on a particular area of the business: Organisations embarking on social impact measurement for the first time commonly started with a pilot study on a specific programme within the organisations. <strong>Medium term:</strong> Development of a corporate approach to impact measurement: either on a project-by-project basis, or at an organisational level.</td>
<td><strong>Short term:</strong> Evidence of the impact of a range of services and activities. <strong>Medium term:</strong> Use of social accounts/reports to help make business decisions: e.g. where to focus resources to the greatest benefit of tenants and communities. <strong>Refining housing providers’ priorities,</strong> by highlighting where they add most social value.</td>
<td>Social housing organisations are able effectively to measure their social impact across a range of services they deliver, and assess the impact of their activities against their social goals.</td>
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<td><strong>Evaluation training and skills development:</strong> interviewees gave considerable recognition to the need to develop the skills and experience of staff in being able to understand and deliver social impact measurement. They indicated a preference for supporting the development of in-house skills and expertise within organisations across the sector.</td>
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<td><strong>Support staff training and capacity:</strong> to develop impact measurement more widely across the organisation requires the further engagement and training of a broader set of staff. This is required, firstly, so that the concept and importance of social impact are understood across all aspects of operational delivery, and secondly, so that other staff can contribute to the collecting and building of outcome data.</td>
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<td><strong>Tools/technology solutions:</strong> Data collection may be supported by the purchase and/or implementation of specific data collection tools or technology solutions, with the additional implication of financial investment required.</td>
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At an organisational level, an assessment of interviewees’ statements indicates that the long-term vision for social impact measurement is to be able effectively to measure their social impact across a range of services they deliver and to assess the impact of their activities against their social goals. Several stakeholders acknowledged that this long-term impact was yet to be achieved within their organisation, stating that they were on a journey towards this end goal.

To start this journey, most practitioners interviewed started with a pilot impact evaluation, focusing on one service or area of the business. The initial investment to get this underway is considerable, as most organisations did not have the requisite skills, capacity, and data for social impact measurement. Therefore, investment in staff capacity and in their training and skills development were needed in order for them to carry out social impact measurement. Staff capacity and training enable them to develop a method for the evaluation of social impact for the organisation. In articulating the implementation theory, much of the debate among practitioners centred around the choice of social impact measurement method. This has been the focus for much of the existing research and literature in the sector. However, using a Theory of Change approach allowed a broader focus on the necessary activities within the process, and identified four common elements across the range of evaluation methods used by participating organisations: using Theory of Change to identify the logic model for the programme under consideration; choosing an approach to measure changes in outcomes; selecting a method for valuing those changes, and; accounting for attribution and causality, so as not to overcount.

Data collection and analysis were identified as particularly resource-intensive activities, requiring support and capacity from a wider range of front-line staff and potential investment in supporting tools or technology solutions.

In the short term, this resulted in the output of a report on the social impact of the one pilot area of the business, demonstrating the social impact of that service – but also potentially demonstrating the value of the process itself in measuring social value. For those that progressed beyond the short-term outcome, it was clear that practitioners saw the implementation theory not as a linear process, but as a circular one. Having completed the pilot report and demonstrated its value to organisational leadership or wider stakeholders, this enabled them to decide to invest further resources into their social impact measurement. The medium-term outputs and outcomes from doing so included a wider scope for social impact evaluation across different areas of the business, thus the potential to develop a corporate approach to social impact measurement. It is this wider corporate approach to social impact measurement that enables organisations to be able to evidence the social impact of a range of activities, use this information to make business decisions based on social impact, and potentially redefine their organisational priorities based on this.

Operational capacity for social impact measurement, along with wider acceptance and authorisation of the process, is therefore expanded through a cycle of implementation, short-term outcomes, learning, and repetition – although modified – to further implementation and potential progression to the medium-term outcomes and long-term impact. Not all organisations were able to progress this far. The underlying import of such a cycle of implementation, learning, and modification is that it is highly necessary to ensure that the process as a whole constantly becomes more efficient. A common challenge experienced by practitioners was that implementing social impact evaluation, particularly for the first time, had been a heavily resource-intensive process. In order for this process to be repeated and broadened so as to include other areas of the business, efficiencies need to be made to streamline both the time and resources that it demands.

The research highlighted a number of points of inefficiencies or weaknesses in the implementation pathway, and some suggested remedies for these. For example, interviewees pointed to a shortage of skills within the sector, relating not only 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 lags behind that of the private sector, where a number of organisations have successfully built their businesses on the basis of an improved understanding of their customers and their ability to use data to this effect. There is strong potential for sector-based organisations to lead or support in this development, such as the Chartered Institute of Housing, which already has an existing remit and experience in leading in 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 within a more sophisticated use of its information. The housing think-tank HACT has been proactive in promoting the development and use of more sophisticated data across the housing sector (HACT and OSCRE, 2018).

The aspect of information skills and resources is closely linked to technology, another area where broader development within the sector would potentially enhance the implementation of social impact measurement. Interviewees stated that data collection is a significant challenge to 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 a certain level of analysis were highlighted as a valuable contribution to making the whole process of impact evaluation more efficient.

5.3. Insights from the most promising parts of the programme theory

This section sets out a selection of the most promising CMO configurations evidenced by the empirical data. It describes some of the key mechanisms (the process of how subjects interpret and act upon the programme of social impact measurement set out above), and how they operate (within the contextual conditions as described in Section 5.1) to produce outcomes.

Evidence from the interviews and from sector literature clearly points to the fact that social housing providers are currently undergoing a process of clarifying their strategic goals and the public value outcomes they aim to deliver, as a response to the current contextual circumstances described above. It was noted that the current context has led to “a period of introspection for housing associations” (Sector representative D) as they consider exactly what constitutes their primary purpose and business goals. The process has led social housing organisations to consider “[w]hat do we do? How do you know we’re doing it – if we’re achieving what we actually want to achieve?” (Practitioner L).

As a result, the use of social impact measurement has become part of the mechanism of defining the social outcomes of organisations. Its value is increasingly widely recognised as part of a package of internal decision-making tools to help determine the activities upon which organisations should focus according to the impact they hope to be able to achieve: “... 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).

While social housing providers are clearly focused on their social purpose, the specification of which social outcomes on which they choose to concentrate has been far from uniform: “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). The interviews reflect the representation of the sector’s view in the HouseMark-sponsored publication (Smedley, Perry and McGrady, 2013: 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’.
Both programme architects and practitioners recognised that a key mechanism in the programme of social impact measurement is what can be described as ‘authorisation’. An authorising environment is achieved by building and sustaining a coalition of stakeholders whose support is necessary to sustaining the action (Benington and Moore, 2011). This applies both within an organisation, and across the wider networks within the social housing sector as well as other sectors.

Within an organisation, in order to build the operational capacity necessary to implement social value measurement (as described by the implementation theory above), it is necessary to gain authorisation from strategic leads and managers, and to ensure this information reaches operational managers and frontline staff. Internal authorisation is required to release the resources needed for implementation, the necessary inputs into the chain of events. In turn, the successful implementation and achievement of intermediate outcomes, such as an initial pilot project evaluation, then supports stakeholders in strengthening the authorisation of the practice by demonstrating the value to the organisation of a social impact account/report. This is necessary for the further continuation, expansion, and embedding of impact measurement across the organisation. At the organisational level, practitioners identified this authorisation from senior leaders as one of the most important factors in being able successfully to deliver impact measurement.

The evidence shows that social housing providers are not simply the passive recipients of social impact measurement: they are also shaping and developing the practice via their implementation and use of social accounting/reporting. The uppermost question amongst interviewees concerns which of the many available methods should be used to assess the impact of a programme or organisation. Housing providers use a diverse range of social impact measurement approaches, such 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: 39). The central concern among practitioners is the potential for inconsistency and lack of rigour in approaches to measuring social impact, with the further potential for reputational damage for the practice as a whole. As a result of some of these concerns, developments in social impact measurement methodology have been made in the social housing sector, and these have been influential in the wider field of public policy evaluation. As noted earlier, the economist Daniel Fujiwara and the social enterprise HACT have developed a well-being valuation approach as an alternative way (for example, compared to stated and revealed preference techniques) of valuing a well-being outcome on a monetary scale (Trotter et al., 2014; Fujiwara, 2013). Fujiwara and HACT have applied the approach to outcomes applicable to social housing, by valuing the well-being impact of housing-related activities. Their work has resulted in a Social Value Bank, which is freely available and provides 122 well-being valuations for a range of outcomes, from moving to secure accommodation, living in a good neighbourhood, and being part of a residents group (HACT and Fujiwara, 2018). The approach is now recognised in the most recent update of the Green Book (H.M. Treasury, 2011a); also, a Cabinet Office report concluded that Wellbeing Valuation and HACT’s associated tools are among the few examples of a robust approach including financial proxies to measure wellbeing (Cabinet Office, 2015).

In terms of outcomes, organisations are using their social accounts/reports to build external, cross-sector authorisation for their wider social value role. The National Housing Federation’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, 2014). In this context, “… housing associations are getting to grips with how they quantify their activities. … [W]hat 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, social housing providers are using social impact measurement to make the case for their social value to both national and local governments (Jones, Valero-Silva and Lucas, 2016), particularly in the context of reduced public resources. Interviewees emphasised the importance of evidence from social impact measurement in demonstrating the value of investing in social housing, both to national policy makers and to their local authorities. As one interviewee stated: “we need the tools to demonstrate that we’re meeting the local authority’s objectives ... what matters to the local authority? Community well-being, social value and social impact” (Sector representative D).

A further outcome is that by using the evidence developed by social impact measurement, practitioners and programme architects aim to access and to shape alternative funding sources. Practitioners have already begun to apply a social value approach and evidence of their social impact to writing 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’s the first time that we’ve seen that side”. Practitioners have also observed changes, which means that being able to evidence social value has increasingly become a requisite element of the bidding process. As well as accessing funding, the ambition is that evidence of social impact will also be able to influence 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 incorporate social value considerations into the tenders they are producing. 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, etc. ... I think that there’s certainly a future for more of that to be done [based on evidence 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.”

A number of hypotheses were also put forward about the long-term outcomes for social impact measurement, which are yet to be fully experienced given the relative infancy of the practice within the sector. Interviewees had a vision that, at an organisational level, social housing organisations would be able effectively to measure their social impact across the range of services they deliver, and to assess the impact of their activities against their social goals. Social impact measurement allows organisations to invest resources in an efficient manner that delivers the maximum social value, 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). This culminates in a long-term vision for the social housing sector, one enabled effectively to deliver a variety of services that holistically support their tenants and residents such that they are able to improve their individual and community wellbeing.

5.4. Conclusions from the empirical findings

The insights from the dual, yet interconnected, perspectives of the programme and implementation theories come together to address the paper’s research questions. Firstly, examination of the CMO configurations show why social housing organisations are adopting the practice of social impact measurement. Exploring the contextual conditions over the last decade shows how social housing providers are under pressure to be able to justify their strategic goals and investment decisions in terms of maximising social value. Alongside this, they are increasingly required to provide evidence of their social value to a range of stakeholders: internally (for example, to their own boards and tenants), among local and national policy leaders, and to external cross-sector partners. Those interviewed for
this research, as early adopting practitioners or programme architects, are able to articulate the long-
term vision for social impact measurement as the solution to this need. They see social impact
measurement as enabling them to deliver a variety of services that holistically support their tenants
and residents, thus improve individual and community wellbeing. This places social impact
measurement at the heart of social housing providers’ core social mission.

With this clarification of the need for social impact measurement, both the implementation and
programme theories increase our understanding of what is required to implement it successfully.
From an implementation perspective, the practice works when staff are given the capacity to examine
social impact, are given specialist training and skills development, are able to choose a suitable
evaluation method, then are supported by a wider set of staff trained to assist in data collection. A
cycle of repeated implementation and learning streamlines this process, and also builds towards the
ultimate goal of being able effectively both to measure their social impact across a range of services
that they deliver and to assess the impact of their activities against their social goals. From a
programme theory perspective, social impact measurement provides a mechanism (combined with
the context described above) to help define providers’ specific social mission and focus their activities
on achieving this mission. Another vital mechanism for successful implementation is authorisation.
Internal authorisation is needed to harness the resources necessary to implementing a programme of
social impact measurement; in turn, the use of the practice reinforces the authorising environment.

The outcomes experienced by this group of early adopters demonstrate that not only are they
experiencing some of the benefits articulated in their vision for social impact measurement, they are
also shaping and being shaped by the practice. Some social housing providers are using their social
accounts/reports to specify their social goals and activities according to where these will have the
greatest impact. Externally, social housing organisations use the evidence generated through social
impact measurement to demonstrate their impact on wider social outcomes to a cross-sector
audience. Additionally, it is used to prove the value of social housing to local and national
stakeholders, as a means of generating resources for the sector. Social housing providers are, therefor,
individually and collectively, using social impact measurement to access and also to shape
funding sources. As a result of the learning within the sector from the implementation cycle described
above, weaknesses in the current methods of social impact measurement as applied in the social
housing sector were identified. This has led to developments in the practice, which started within the
social housing sector yet have wider implications for the field of policy evaluation.

6. Discussion

According to the Realist Evaluation research cycle (Pawson and Tilley, 2004: 24), after testing comes a
process of theory refinement. In this section we bring to the fore the insight generated into the
programme of social impact measurement, in terms of our increased understanding of the nature of
this programme, given that programmes are theories, embedded, active, and open systems.

One of the issues identified by Blamey and MacKenzie was that a lack of programme clarity would
result in implementation failure, and would therefore prevent programmes from reaching the stage
where mechanisms of change can be tested (2007: 451). There is a clear potential for a lack of clarity
on what constitutes the programme of social impact measurement, because of the variations in
methods and practices of social impact measurement within the sector, as described previously. The
‘programme’ of social impact measurement is not designed or implemented by a single, coherent
programme architect; instead, it is promoted by a range of organisations from within the housing and
social impact measurement sectors. However, the Theory of Change approach allows for multiple
stakeholder views in building up an overall picture of how a programme is implemented (Connell and
Kubisch, 1998). Applying this approach enabled the identification of the common elements across the range of experiences of implementing social impact measurement, with lessons for both practitioners and programme architects.

Drawing out the range of stakeholder experiences to form the implementation theory leads to the advocacy of a principles-led approach to the development of social impact measurement, rather than specifying the need for a single, consistent approach for the sector. Interestingly, this has highlighted the propensity towards theory-driven evaluation, specifically drawing on the concepts of Theory of Change or Logic Models, within the approaches used for social impact measurement. A theory of change mapping exercise is central to SROI, and a number of outcome-approaches to evaluation (Nicholls et al., 2012: 96) and is advocated in the Magenta Book (H.M. Government, 2011b: 39). Applying a theory-driven approach that focuses on the outcomes specific to each intervention’s being assessed allows for social value to be defined in different ways, such that they are specific and relevant to each organisation. The empirical evidence from stakeholders in this research supports the conclusion of others: that what is considered as ‘social value’ is constantly being defined and redefined through political and social interaction, and so agreement on a generic set of social outcomes to be measured will not occur (Horner and Hutton, 2011; Mulgan, 2011). The experience of social impact measurement within the social housing sector reflects that elsewhere – for example, in regard to sustainability reporting, Dumay, Guthrie and Farneti (2010: 542) found that ‘organizations need to develop their own sustainability narratives in an informed way, rather than try to develop a set of measures, numbers or indicators based on generic guidelines that may be difficult to understand or have no relevance to people within the organization and to others’.

From a practitioner’s perspective, this view may help reassure those who are new to the field and are faced with the apparent complexity and diversity of approaches. The message to practitioners is thus two-fold: firstly, that underlying the apparent complexity are a number of common principles (to have a clear theorisation of how an intervention is intended to work, to measure its outcomes, account for causality and attribution, and value outcomes); and secondly, that diversity in approaches allows organisations to tailor their social impact measurement approach to their specific needs and context.

A further insight from the development of the implementation theory is the importance of fully articulating the vision for social impact measurement, and connecting the prior steps of the Theory of Change to achieving it. Interviewees reflected the narrative of core proponents of social impact measurement, in that it enables organisations use the information to maximise a more holistic concept of value rather than merely focusing on financial cost considerations (Lawlor, Nicholls and Neitzert, 2009). However, the connection between this vision and the day-to-day practices of social impact measurement had to be drawn out and made explicit from the interviews, rather than interviewees’ presenting this as a fully formulated theory. This reflects the ‘assisted sensemaking’ role of the evaluator in Realist Evaluation (Pawson and Tilley, 1997: 153), in which the evaluator clarifies the theories under test conditions so that the respondents can summon relevant responses about the theory under consideration. The result was the clarification of how the activities and outputs of social impact measurement connect to the vision: specifically, that social impact accounts/reports allow for the efficient investment of resources to achieve maximum social value, enable a joined-up approach for delivering and funding social value, and ultimately enable social housing organisations holistically to support residents in improving individual and community wellbeing.

The Realist Evaluation approach takes into account that programmes are active, relying on the active engagement and interpretation of participants. As discussed earlier, previous literature raised concerns around the effects of calculative practices, suggesting that the expansion of accounting practices across many spheres of social life means that while it has constitutive effect on a wide range
of social relations, by establishing accounting categories and measuring them with accounting ratios, it simultaneously has a transformative effect by triggering managerial interventions and developing power and knowledge relationships (McKinlay et al., 2010). A Realist Evaluation approach provides a means to explore this using the concept of mechanisms, filling the gap identified by McKinlay et al. (2010) that governmentality has largely ignored empirical research, and have not investigated the impact on the organisation and its subjects.

Exploring these mechanisms in the research showed that participants were not simply acted on by accounting practices, but were aware of and responsive to the potential effects of calculative practices. In particular, participants were aware of both the intended benefits and potential dangers of reducing a range of social outcomes to a simple set of accounts of social value. 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 their activities and their value. They also confirmed the potential for ‘fake precisionism’ when it comes to aspects of reporting, such as SROI ratios, similarly to the argument put forward by Power (2004) in the context of performance management tools: that doing so requires an abstraction from the original qualities of diverse phenomena, which over time are forgotten and their specific qualities and complexities ignored. However, the empirical evidence suggests that participants have resisted, rather than complied with, the reductionist element of social impact measurement. The use of theory-based approaches within social impact measurement has very much been a part of this, with theorisation to tell the story of change, and mixed-method approaches to social impact measurement, including qualitative elements that retained the story of change of the intervention and the personal impact on individuals affected by their activities. There was little evidence in this case to suggest that some of the negative features of using accounting practices, identified in other literature, had occurred. For example, there was no evidence of a reductionism of practitioners to a ‘rational calculating self’ (McKinlay et al., 2010; Carter, McKinlay and Rowlinson, 2002; Miller, 2001) or the loss of their ‘ability to evaluate critically its own activities from a human and policy perspective’ (Cooper and Graham, 2015).

Instead, the research highlights the ability of participants to exert external influence, through the active and open nature of the programme of social impact measurement. The programme is active as the interaction and reaction of participants in turn modifies and shapes the programme itself. The empirical findings show that social impact measurement contributes to a diversification of social goals and organisational focus across social housing providers. Further to this, the practice of social impact measurement is also then being re-shaped more accurately to measure the social outcomes of interest to the social housing sector, as demonstrated in the developments of well-being valuation led by HACT (HACT and Fujiwara, 2018).

The present study also demonstrates the self-transformational aspect of programmes operating in an open system, i.e., where ‘successful interventions can change the conditions that made them work in the first place’ (Pawson and Tilley, 2004: 5). This is demonstrated in how social housing providers, individually and collectively, are using social impact measurement to change their operating context. The empirical findings have highlighted how the sector is using social impact measurement to make cross-sector linkages to emphasise their positive impact on outcomes of interest to other sectors, such as health and education. The evidence is also used to influence relations with local authorities, and with national government bodies and departments. Housing providers are therefore using social impact measurement to promote the role of social housing as a partner in improving community outcomes, and ultimately to access and shape funding to support their organisational success.
7. Conclusion

This paper takes forward the idea presented in Blamey and MacKenzie (2007) to combine the insights of Realist Evaluation and Theory of Change so as to create a complementary understanding of an intervention from implementation theory and programme theory perspectives. The original presentation by Blamey and MacKenzie was that the Theory of Change would provide the broadest perspective on the programme, while Realist Evaluation would take a more detailed look at elements of the programme. In this paper the positions of two theoretical approaches have been reversed somewhat: Theory of Change was used to understand the mechanisms of programme implementation, set within a wider Realist Evaluation view of context and other, interconnected mechanisms that lead to wider outcomes for social impact measurement across the sector. Despite the difference, this appears still to conform with the intentions set out in the original paper, i.e., to use implementation theory to ensure programme clarity which will then be tested within the wider context.

We conclude with a brief discussion of the research limitations and potential directions for future research. In terms of limitations, 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 particular, this meant that a superficial version of a Theory of Change process could be carried out. The confirmations would otherwise involve extensive consultation with a wider range of stakeholders. In addition, to meet the aim of realist research further to 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. The practitioners interviewed here were from housing associations; including views from other categories of providers (e.g., council-run housing departments or ALMOs) would extend the scope of the research, taking into account their differing contexts in terms of regulatory regimes, funding sources, and relationships with other stakeholders.

A further causal group whose views would add significant value to this area of research would be housing providers that do not currently implement social impact measurement. Examining their priorities would provide an alternative perspective on the contextual factors and mechanisms working against the successful implementation of impact measurement. Additionally, understanding other rationales would counteract some of the likely bias that may have entered this research as a result of interviewing only those organisations that are committed to and invested in social impact measurement and are, therefore, more likely to hold a perspective that on balance sees the development as a positive one.

As well as providing a theoretic framework, the methodological tools of Realist Evaluation were next applied to the field research. The experience of using Realist Evaluation as a research method harvested insights into its use in practice. In the original formulation of the Realist Evaluation enquiry, the evaluator is tasked to separate individual context-mechanism-outcome configurations for testing, e.g., \( C_1 + M_1 = O_1; C_2 + M_2 = O_2 \) (Pawson and Tilley, 1997: 121). However, 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 according to the above specification appeared to create in practice an artificial divide and over-simplification, one that failed to capture the importance of the interaction among elements of the theory. Thus, the findings were presented with an overarching description of the various contextual conditions affecting programme implementation, followed by...
descriptions of mechanisms and resulting outcomes. The conclusion of this paper is that the observed outcomes are as a result of an interlocking set of contextual conditions and multiple mechanisms operating simultaneously.

The paper also feeds back into the discussions in accounting literature about the effects of social impact measurement as a mode of ‘calculative practice’. Existing literature argues that the particular forms taken by calculative practices are not perceived as being stable; rather, they depend on the way individuals are targeted by disciplines and react to them (McKinlay et al., 2010). Realist Evaluation provides both a theoretical and methodological approach to understanding this, applied here to the case of social impact measurement. The theoretical perspective articulates that calculative practices are embedded in social systems, they are active and rely on the engagement and reactions of those they touch, and they are open systems that both respond to and in turn affect their operating context (Pawson and Tilley, 2004). The methodological approach provides a tool for exploring cases in practice, to illuminate underlying causal mechanisms, including reactions and behavioural responses to calculative practices, as a means of explaining observed outcomes.

Just as the surge in uptake of social impact measurement in the sector was driven by the contextual conditions of the time, so will future developments be dependent on the future context. According to the Realist Evaluation philosophy, this research therefore provides a snapshot of the current understanding of how the practice of social impact measurement occurs within the English social housing sector. 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 junction for our understanding of this practice.

However, it is considered to be a timely piece of research in a period 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. This paper widens the discussion beyond this one aspect of the process, to consider firstly why the practice being adopted, and secondly to provide a broader perspective on how it can be implemented successfully and what happens when this occurs. It provides clarity on the programme of social impact measurement in itself, setting out what this involves for an organisation implementing social impact measurement, and the necessary steps required to achieve an organisation’s vision. Furthermore, it gives wider consideration to other factors requisite to achieving the goals of social impact measurement, which are considered to have been underemphasised thus far. It also considers the outcomes of implementing such a programme, extrapolating from the lessons from existing accounting literature: that calculative practices are not stable, but change and develop as they are implemented and provoke responses within a specific context.
References


Figure 1: How programme theory and implementation theory are combined to address the research questions.

<table>
<thead>
<tr>
<th>Programme theory:</th>
<th>Context</th>
<th>Mechanisms</th>
<th>Outcomes</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Implementation theory</td>
<td></td>
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</table>

Figure 2: The basic Logic Model.

Resources/inputs → Activities → Outputs → Outcomes → Impact

Your planned work → Your intended results


Figure 3: The Logic Model (implementation theory) for social impact measurement.

<table>
<thead>
<tr>
<th>Resources/inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
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<tbody>
<tr>
<td>Short-term cycle</td>
<td>Medium-term cycle</td>
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Staff capacity for social impact measurement → Specialist training & skills development → Support staff training and capacity → Tools/technology solutions

Develop evaluation method:
- Theory of Change
- Measuring changes in outcomes
- Valuing outcomes
- Accounting for causality and attribution

Data collection → Data analysis

Service social impact report → Evidence of impact of service(s)

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

Redefining organisational priorities → Evidence-based business decisions