



Social Value
Engine

Theory of Change

Creating a Theory of Change (ToC) for your project is considered best practice. It helps you think through and demonstrate your project's potential impact.

A ToC summarises how change (impact) is expected due to the activities your project will deliver. It includes the problem you are trying to address, the changes you want to make, what you plan to do (your activities) and the changes that will be created.

You will find a template for your ToC here:

https://assets.publishing.service.gov.uk/media/6582e6a223b70a000d234d00/Theory_of_change_model_template_December_2023.docx



Defining the Problem

Clarify Your Goals

First, it's important to clarify what you want to achieve—specifically, what problems you aim to solve.

Consider the Risks

If you don't take the time to think about the issues you're addressing from the beginning, there's a greater risk that your efforts won't make a difference or, worse, could have a negative impact.



Identifying Stakeholders



Map Your Stakeholders

Stakeholders are individuals, groups, or organizations with an interest in or influence over your project's outcome.



Team Exercise

Stakeholder mapping is a collaborative process best done as a team, taking time to thoroughly consider all potential stakeholders.



Key Questions

- Who must deliver your activity?
- Who will be directly affected?
- Who might be indirectly impacted?
- Who could experience negative outcomes?



Stakeholder Groupings



Community



Business



Older People



Younger People



Funders



Partnerships



Employees



Students



Volunteers



**Community Centre
Users**



Local Government

Creating a Problem Tree

1

Prepare

To create a problem tree, you will need a large sheet of paper. The top part is reserved for the effects the problem causes, and the bottom is for the underlying causes.

2

Core Problem

Put the core problem at the tree's centre (and the page centre).

3

Identify Causes

Consider the direct causes of the problem and place them below the core problem. Here, each cause needs to be written in negative terms. Then, other secondary causes linked to direct causes should be considered and placed under each relevant direct cause.

4

Identify Effects

Place the direct effects above the core problem and consider the effects of the secondary causes; place them above each relevant direct effect.

Problem Tree Example

Here is an excellent example of a Problem Tree.



Reference - "Know Your Impact: Social Impact Management Tools for Young Social Entrepreneurs" by Estonian Social Enterprise Network, Koç University Social Impact Forum, Mikado Sustainable Development Consulting and Social Value UK

Defining Problems and Activities

Problems to Resolve

After defining the problems you aim to resolve, summarise these for inclusion in your ToC. For instance:

Six-week mentoring programme for young people in employability skills. Deliver a community grants scheme to support village halls. Train volunteers in running a warm space.

Project Activities

The next section of the ToC defines the activities to be delivered in your project—this outlines what you will do to address the problem and create change. Summarise these for inclusion in your ToC. For instance:

Measure	Number
# young people attend employability training	
# grants given to village halls	
# volunteers attending warm hubs training	

Outcomes and Impact



Intended Outcomes

Next, you will add the outcomes. These are the intended and unintended changes stakeholders experience due to your project's activities. They are crucial indicators of the success and impact of a project. Please add your intended outcomes in the box below for inclusion in your ToC. Different outcomes may apply to different stakeholders. For instance:

Young people feel more confident about starting work. Village hall trustees report that their halls are now in a better condition. Volunteers report they feel more confident in welcoming visitors to warm spaces.

Longer-term Impact

Next, you will add the longer-term impact of your project. These are the impact goals you want to achieve. Please add your intended longer-term impact in the box below for inclusion in your ToC. For instance:

Young people have secured employment and are making informed decisions about their own futures. Village halls have transformed and reduced their carbon outputs through better energy use. Warm spaces are sustained into the future and sit at the heart of their communities.

Theory of Change Template

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