Key Components of a Theory of Change for a VCSE:

Context and problem statement
What social, economic or environmental issue is the organisation addressing? Who is affected and how?

Vison and long-term goals
What is the desired impact or change in the community or society?

Inputs and resources
What resources (funding, staff, partnerships) are available?

Activities and interventions
What programmes, services, or actions will the organisation deliver?

Assumptions and risk
What assumptions are being made about how change happens? What external factors could influence success?

Impact
What long-term transformation is anticipated (e.g. reduced poverty, greater community resilience)?

Outputs
What are the immediate, tangible results of these activities (e.g. number of workshops held, people reached)?

Measurement and evaluation
How will progress and impact be tracked and assessed?

Outcomes
What short- and medium-term changes are expected (e.g. increased skills, improved wellbeing)?

Theory of Change factsheet

What is a Theory of Change?

A Theory of Change (ToC) for Voluntary, Community, and Social Enterprise (VCSE) organisations is a strategic framework that explains how and why the organisation aims to create positive change. It maps out the pathway from the organisation's activities to its long-term goals, showing the logical connections between inputs, outputs, outcomes, and impact.

Why undertake a Theory of Change?

Creating a ToC is more than just a planning tool—it serves as a strategic roadmap that helps VCSE organisations explain how their work results in meaningful change within the communities they serve. It supports understanding their impact and communicating their purpose effectively.

Benefits of developing a Theory of Change

Clarifies Purpose and Strategy
Define your organisation's goals and the steps needed to achieve them, aligning your team and stakeholders around a shared vision.

Improves Planning and Decision-Making
Offers a structured way to think through your activities and their intended outcomes, helping you allocate resources efficiently and adapt to change.

Strengthens Funding Applications
Funders want to see a clear connection between your work and the impact you aim to create. A ToC demonstrates that your organisation is strategic and focused on outcomes.

Supports Monitoring and Evaluation
It enables you to track progress, measure success, and learn from your work, making it easier to refine your approach over time.

Engages Stakeholders
It's a communication tool that helps partners, funders, and beneficiaries understand how your organisation creates change.

Builds Credibility and Transparency
By making your assumptions and logic visible, the ToC demonstrates that your organisation is thoughtful, evidence-based, and committed to learning.

What are the steps to create a Theory of Change?

Creating a ToC involves a structured process that helps your organisation map out how your activities lead to your intended impact. Here are the key steps:

1. Define the long-term goal
Clearly articulating the ultimate change or impact your organisation wants to achieve. This should be specific, measurable, and aligned with your mission.

2. Understand the context and identify the problem
Describe the issue being addressed, who is affected, and what are the root causes.

3. Map backwards from the goal
Start with your long-term goal and work backwards to identify the outcomes (short-term, medium-term, and long-term) that need to occur along the way. This creates a logical pathway of change.

4. Identify activities and interventions
List the specific programmes, services, or actions your organisation will undertake to contribute to these outcomes. These are your inputs and outputs.

5. Clearly communicate your assumptions
Make explicit the assumptions behind your logic—why you believe your activities will produce the desired outcomes.

6. Develop indicators for measurement
Define how progress will be measured for each outcome. This supports monitoring, evaluation, and learning.

7. Create a visual map or narrative
Transform your ToC into a diagram or narrative that clearly demonstrates the links between activities, outcomes, and impact. This makes it easier to communicate with stakeholders.

8. Test and Refine
Review your ToC with your team, partners, and beneficiaries. Gather feedback, test assumptions, and refine the model as needed.
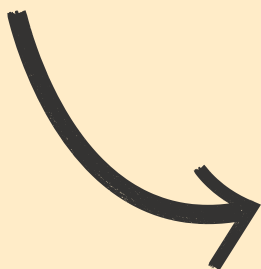
Resources

There are a number of different ways to undertake a Theory of Change, and here are some toolkits to guide you, which are free to access:

Nesta – Theory of Change Toolkit

A practical toolkit with a downloadable worksheet and guidance on identifying impact, risks, and success measures.

- Simple, practical guide suitable for beginners
- Step-by-step instructions for defining outcomes, activities, and assumptions
- Includes a downloadable worksheet
- Focuses on innovation and social impact
- Ideal for small to medium-sized VCSEs or early-stage projects

🔗 Nesta Toolkit

West Yorkshire Combined Authority – Theory of Change Toolkit (PDF)

A structured guide with diagrams and step-by-step instructions, tailored for community safety and violence reduction projects.

- Comprehensive PDF guide developed with Ecorys
- Includes visual diagrams and logic models
- Guidance on stakeholder engagement, assumptions, and risks
- Adaptable for various project types

🔗 Download PDF Toolkit

TASO – Core Theory of Change Templates

Templates and real examples for organisations working in education, outreach, or equality.

- Editable templates in Word and Excel formats
- Includes real-world examples
- Designed for education, access, and equality
- Emphasises evidence-based planning and evaluation
- Useful for demonstrating impact to funders or regulators

🔗 TASO Templates

Belong Network & StreetGames - Power of Sport Toolkit

This is a step-by-step online guide that assists sport organisations in designing inclusive, impactful programmes that promote social cohesion.

- Step-by-step guide to creating a Theory of Change.
- Interactive exercises, case study videos, and external resources.
- Tailored for organisations working with diverse or marginalised communities.
- Takes about 60 minutes to complete.

🔗 Power of Sport Toolkit

Figurative – Theory of Change Guide and Template

This toolkit is designed specifically for arts and cultural organisations to help them articulate and evidence their impact.

- Clear explanation of how to build a logic model.
- Guidance on identifying inputs, outputs, outcomes, and assumptions.
- Emphasis on using evidence to support causal links.
- Includes a downloadable toolkit and template.

🔗 Figurative Toolkit