



INTERNATIONAL CONFERENCE

Comparing SIBs and outcomes-based approaches across different countries
and policy sectors: learning from academics & practitioners

6-7 September 2018

Agenda for the day

Day 2 - 7 September 2018

08:30 *Tea and coffee*

08.45 The international Journal of Comparative Social Policy Special Issue:
Reviewer feedback & publication timeline (SR1)

09.15 Session I (parallel sessions)

1. The latest international empirical findings on SIB projects (SR2)
2. Practical learning and reflections (SR3)

10.45 *Coffee break*

11.00 Session II – Bridging the gap between practice and research around SIBs & outcomes-based commissioning (LT1)

12.15 Session III – At the coalface: Practitioner insights into developing and implementing SIBs (LT1)

13.15 *Lunch*

14:00 Session IV – Global perspectives on designing an outcomes fund (LT1)

15.00 *Coffee break*

15.15 Session V – The active ingredients' of a Social Impact Bond: from theory to practice (LT1 & then SR1-4)

16.45 *Coffee break*

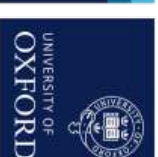
17.00 Marketing Markets in the Welfare System

18.30 *Drinks reception*

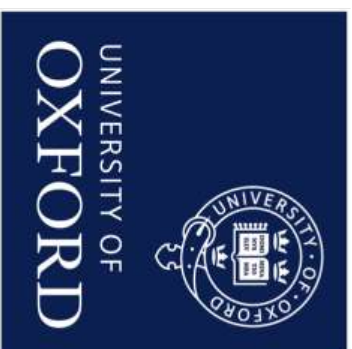
20.00 *Close*



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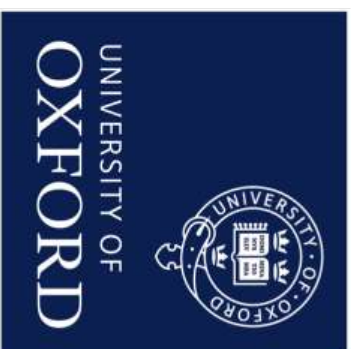
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Tea and coffee





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The International Journal of
Comparative Social Policy
Special Issue: Reviewer
feedback & publication
timeline
Seminar Room 1





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Session I.I The latest empirical findings on SIB projects (Seminar Room 2)

James Ronicle

James Williams

Alison Bukhari

Chair: Christina Economy



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The Educate Girls Development Impact Bond Results and Lessons

Alison Bukhari, September 2018



Enrollment

Attendance

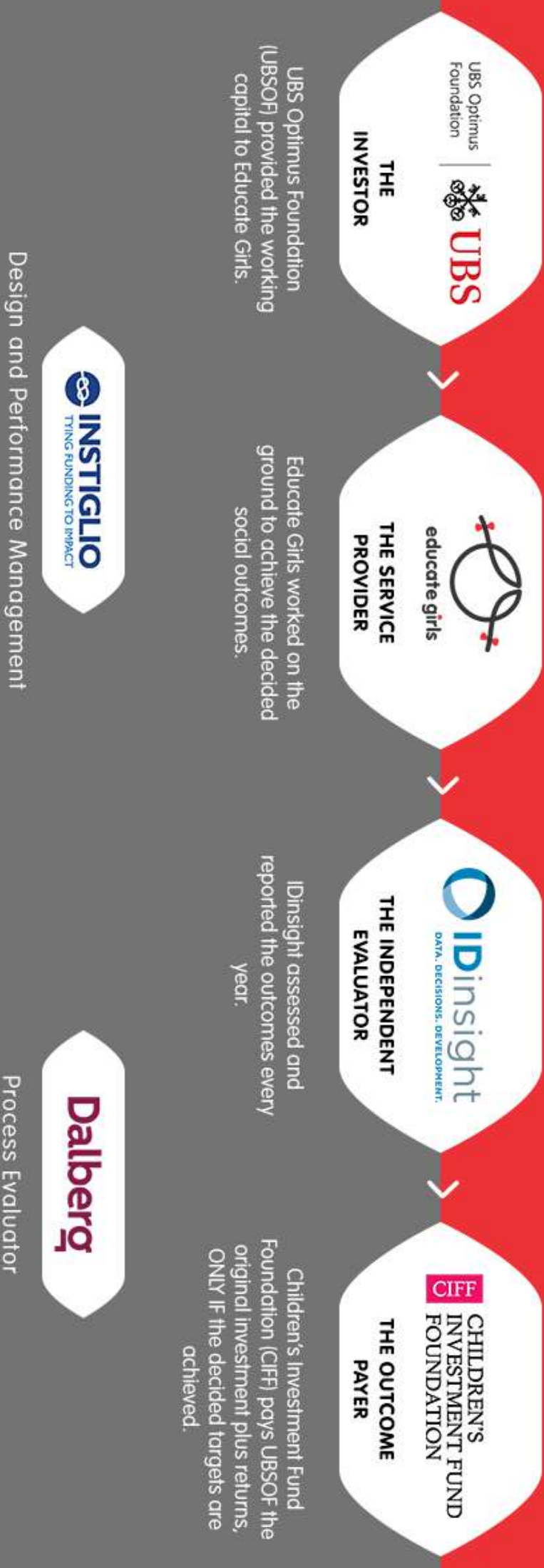
Learning





The Educate Girls Development Impact Bond

3-year proof of concept | 166 schools in 140 villages in Bhilwara, Rajasthan | 20% focus on girl-child enrolment
80% focus on learning level improvements



Educate Girls' Development Impact Bond (DIB)
was launched in June 2014, operational since the
academic year of 2015.

3
year proof of concept



Working with **166 SCHOOLS**
in **140 villages** of Bhilwara,
Rajasthan



80%
focus on achieving learning
gains for children



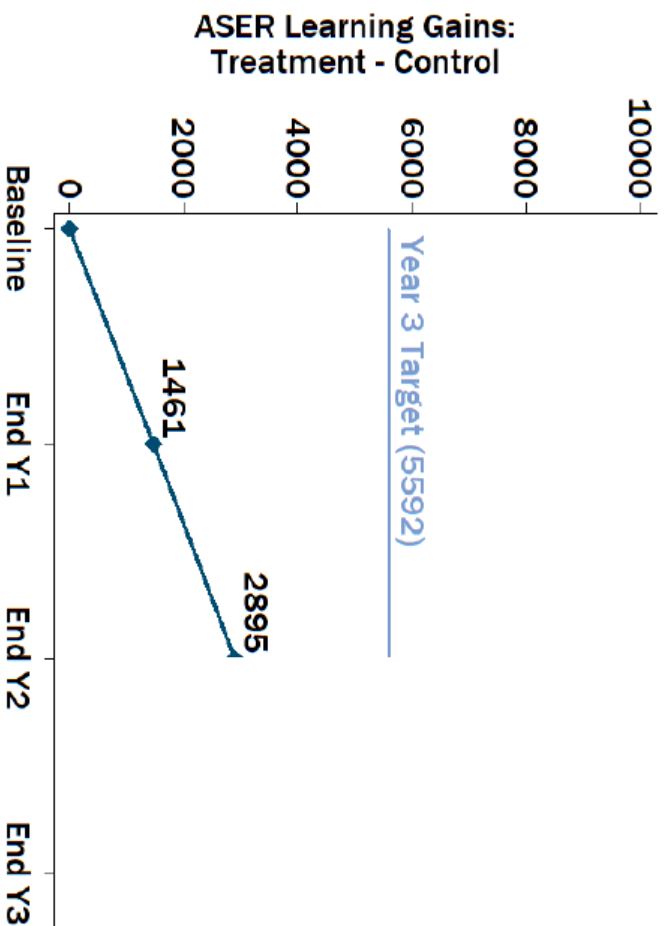
20%
focus on enrolment
of out-of-school girls



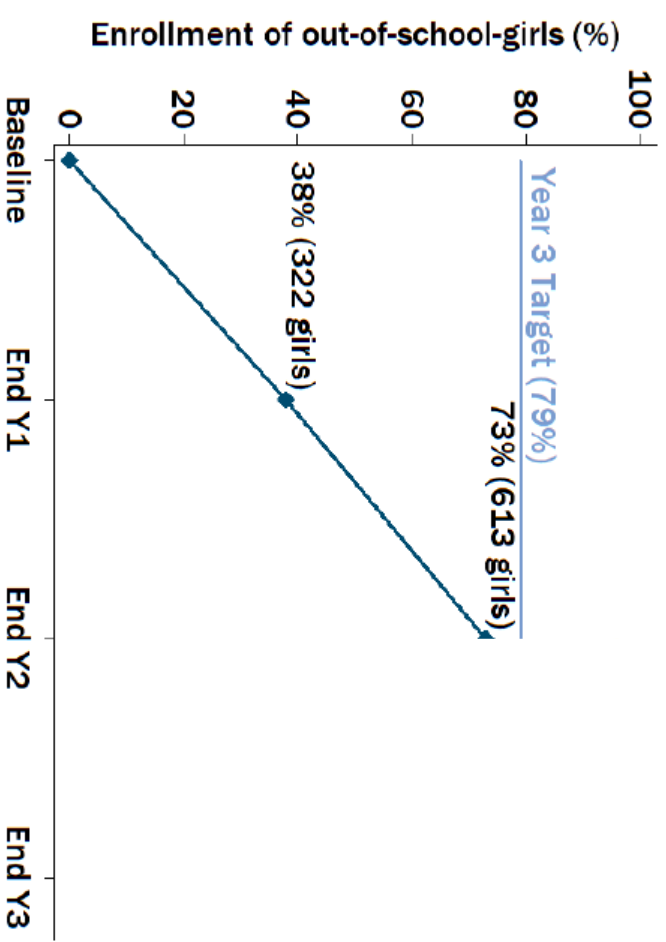
Year two results were still lagging behind



Learning Gains (Treatment-Control)



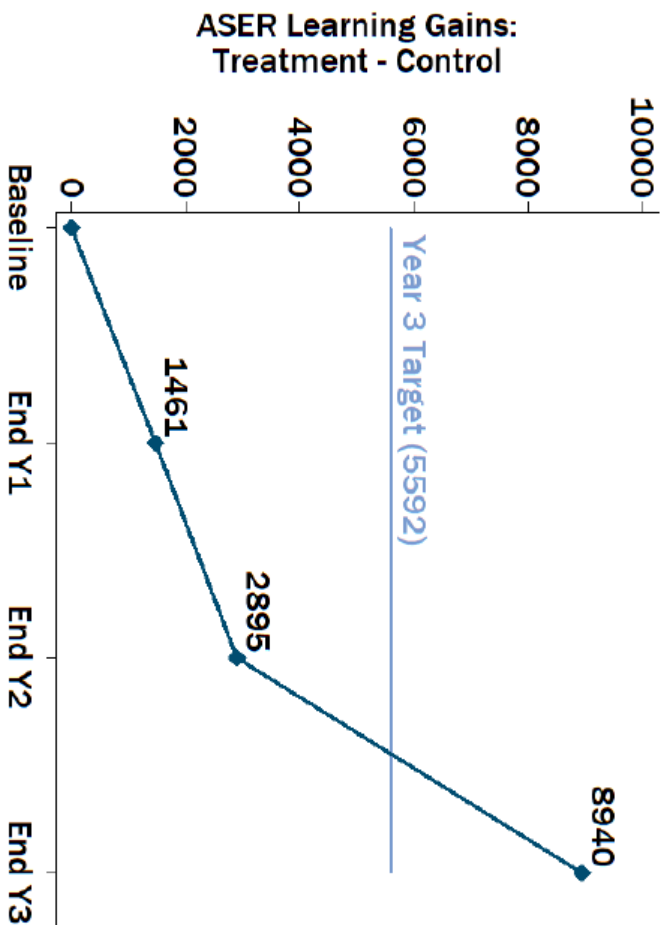
Enrollment of Out-of-School Girls (Treatment)



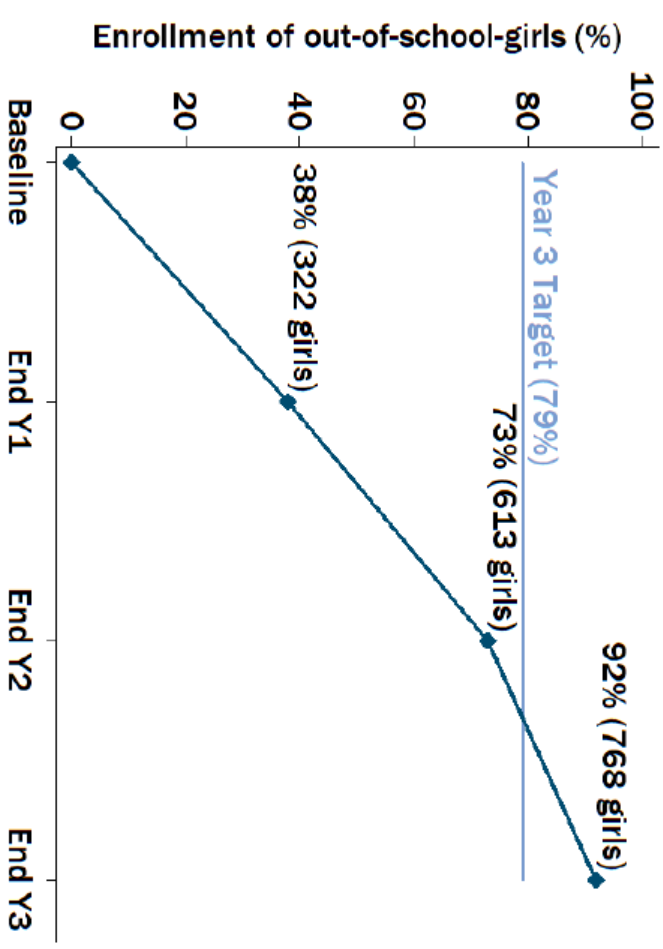
Year three we dramatically exceeded



Learning Gains (Treatment-Control)



Enrollment of Out-of-School Girls (Treatment)





UBS Optimus
Foundation



CIFF
CHILDREN'S
INVESTMENT FUND
FOUNDATION

IDinsight
DATA. DECISIONS. ENVIRONMENT.

INSTIGLIO
TYING FUNDING TO IMPACT

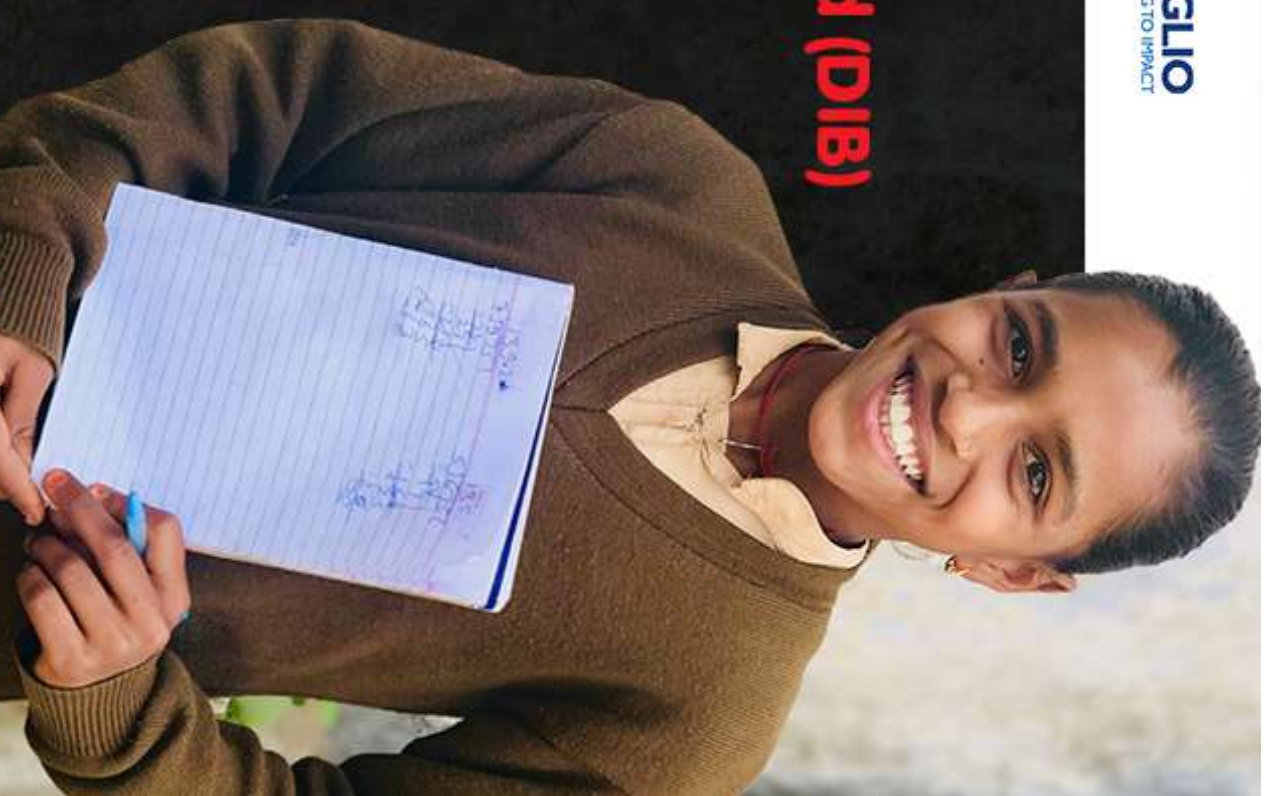
On its completion in 2018,
Educate Girls' Development Impact Bond (DIB)
successfully achieved



116% of the total
enrolment target and



160% of the total
learning target



Outcome Payment to Investor

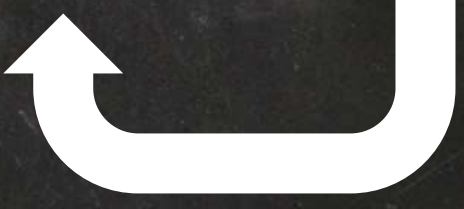


UBS Optimus Foundation gets
a 15% IRR and 52% return
on their investment

32% of the return goes to
Educate Girls as a bonus

\$267,000

\$422,000



What does this mean for the girls?

- 768 girls who would have missed an education now enrolled in school
- 60% of these girls were over 10 years old
- 28% better than control – in year 3 - 79%
- 0.31 standard deviation

How we did it

- Decentralized decision making
- Activities to outcomes – shift in DNA of the organization
- Flexibility to innovate with process and delivery
 - New child centric curriculum & training
 - Classroom observations & rapid feedback
 - Multiple testing and error analysis
- Analysed data to make decisions
- Focus on ‘last child’ – most need

What would we do differently?

- Year zero and longer time frame for outcomes
- Better data for target setting and outcome valuation
- Build into the budget an 'innovation or adaptation premium'
- Larger scale = better VFM
- Involve government as an outcome funder

What next for us?



- Take learning to over:
26,000 schools for enrollment & retention
6,000 schools for learning
- Use results to reach 16 million children by 2024
- Pursue outcomes focused blended finance, but with more government participation
- Contribute to impact bond learning and research

What do we not yet know?

Attribution

Replicability

Value for money

Scale





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Session I.II Practical learning and reflections (Seminar Room 3)

Tomas Bokström

Ian Marr

Susan de Witt

Chair: Andreea Anastasiu



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Reframing the narrative of Social Impact Investment

Ian Marr, The Growth Partnership

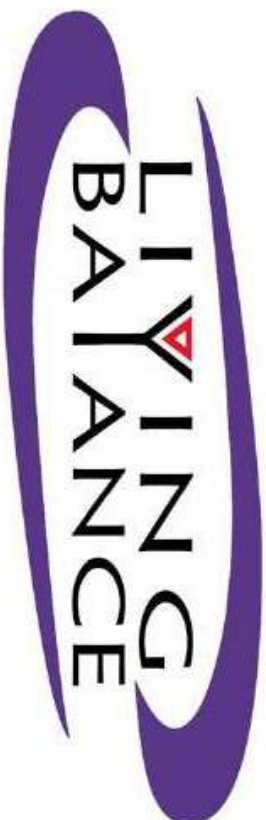


To encourage the soul to
soar!

How we:

- Conceive
- Understand
- Practice

Social Impact Investment



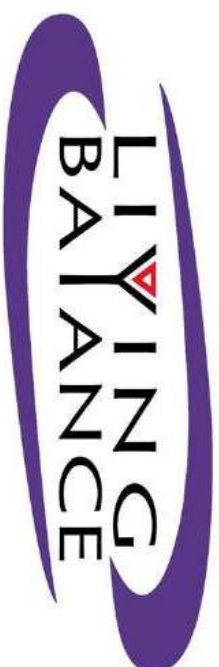
Support unemployed / disengaged young people aged 16 – 25

100 young people per annum

60 achieve positive outcome

- secure and sustain, employment, further education or training





£300,000 of annual working capital

13 Investors



11 of the 13 lived locally –
invested between £5,000 and £50,000

"I could have invested £10,000 in Apple in the 1990's and it would have been worth millions by now,

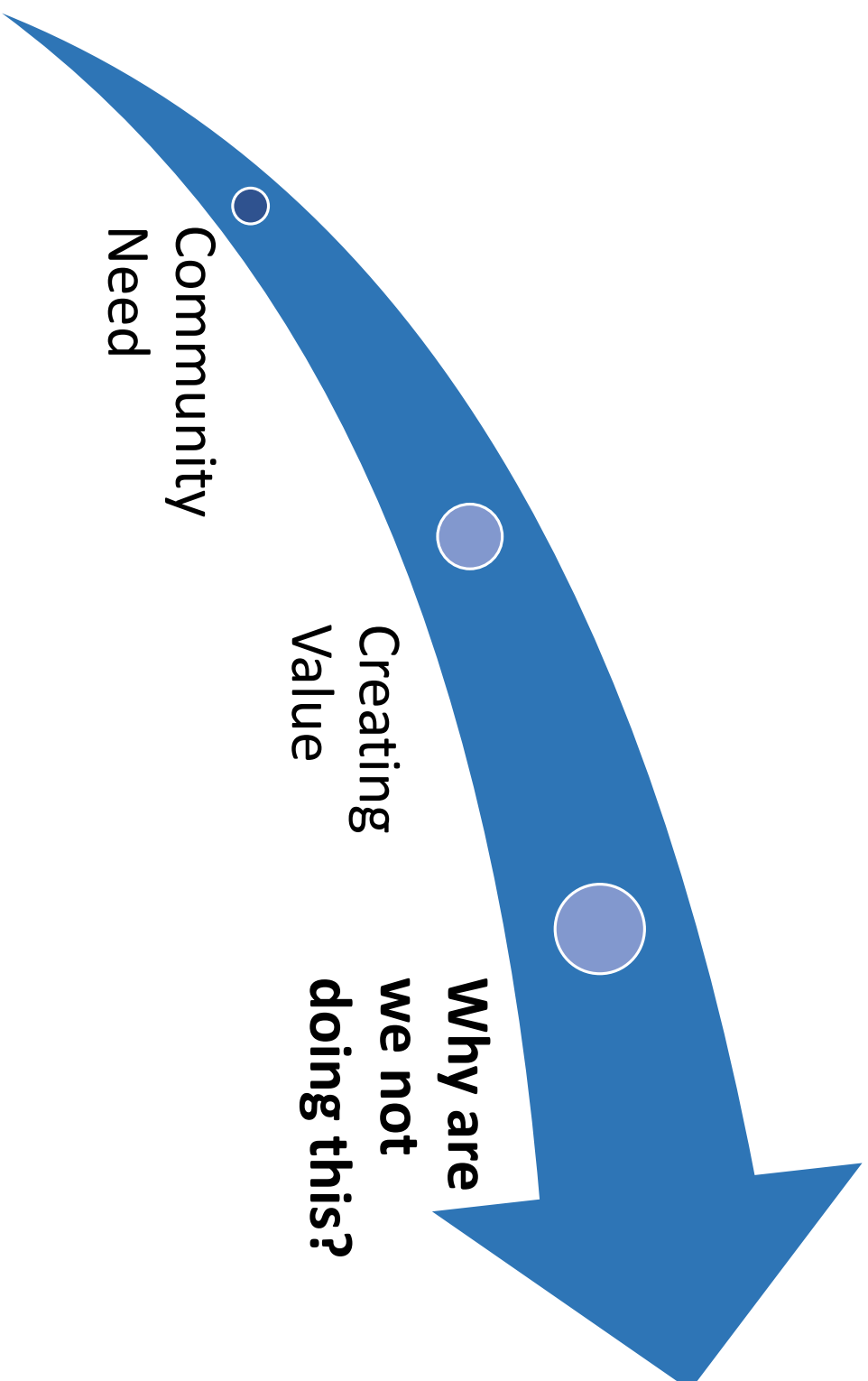
But I invested £10,000 in Living Balance and maybe it brought a young person back from seriously considering suicide."

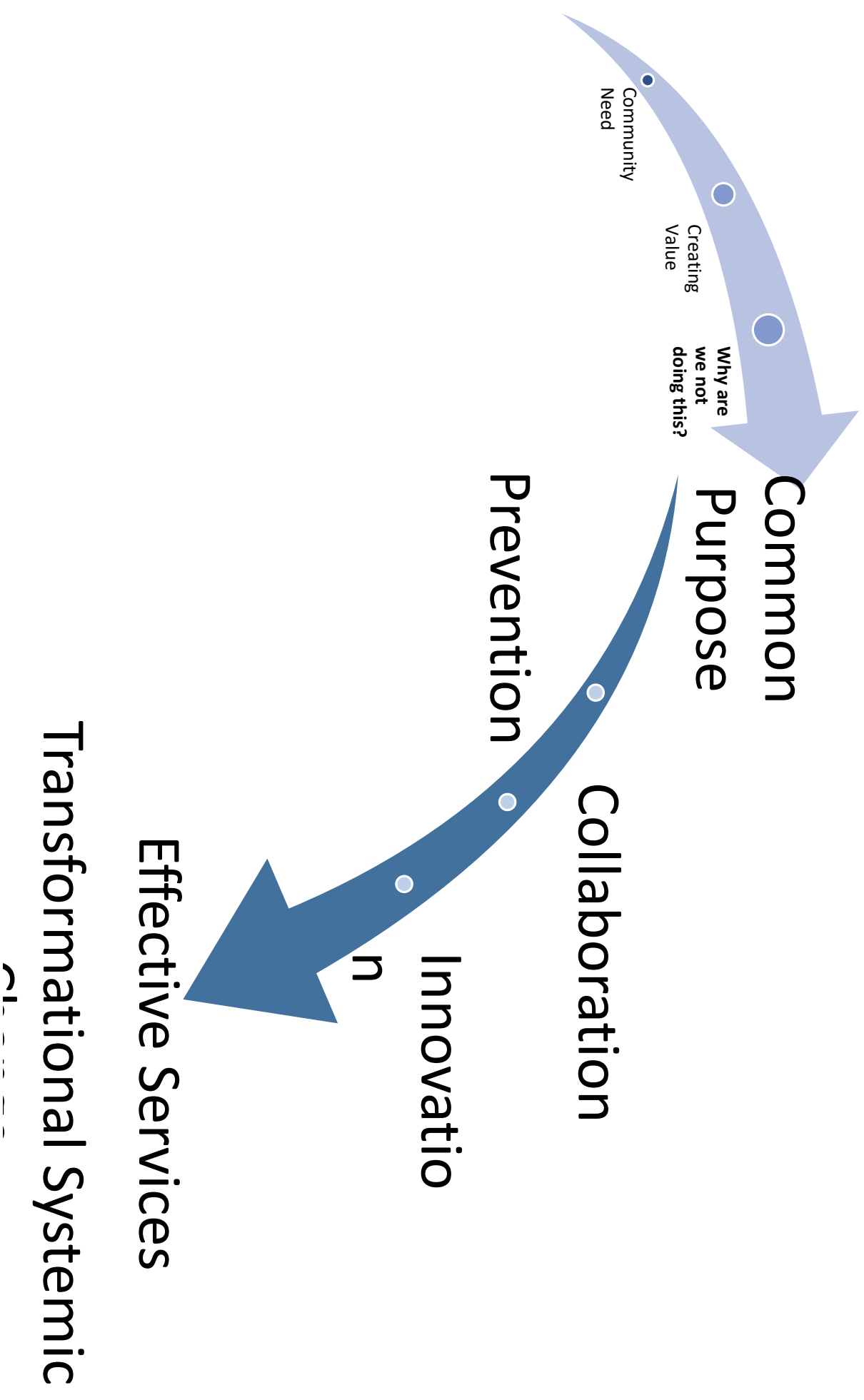


Saving Money

Creating Value







Do the Right
Thing



Creating Value transforms difficulties



Attribution



Counterfactuals



Professional Working Group



Common
Language



Mutual
Understanding

Fund of Funds for Social Impact Investment to Create Value for the people, organisations and communities where the investment is placed.

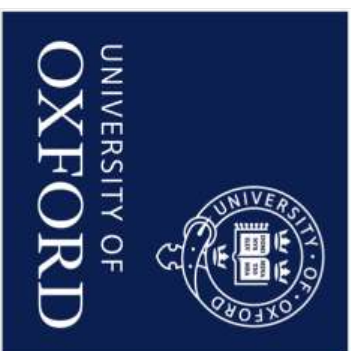


Ian Marr

The Growth Partnership

ian@thegrowthpartnershipsii.com

07841 018 884



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Coffee break





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Session II Bridging the gap between practice and research around SIBs & outcomes based commissioning

Mara Airolti

Eleanor Carter

Alec Fraser

Stefanie Tan

Chair: Nigel Ball

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GO Lab evidence report on SIBs



Framing SIBs as alternative tool for public service delivery;
SIBs as *one instrument among several* at the disposal of public service commissioners;

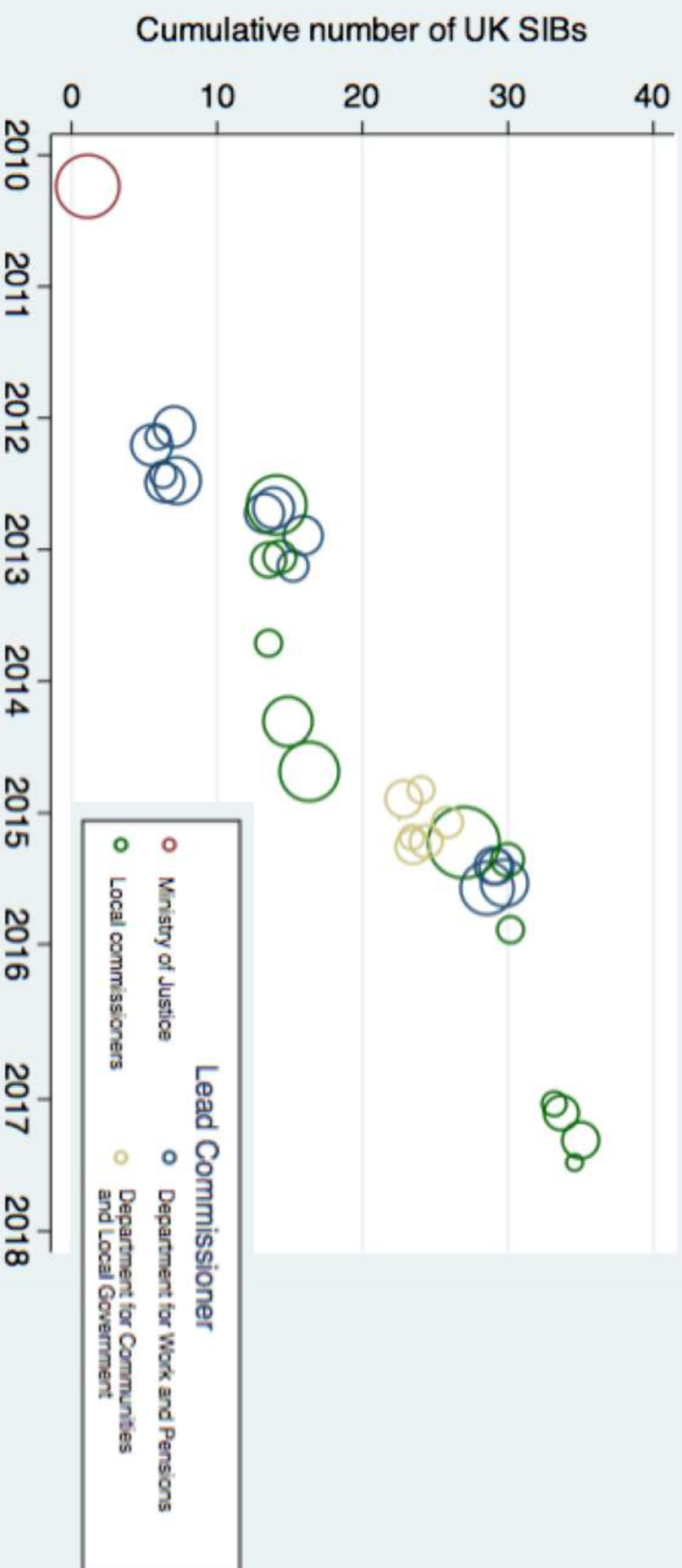
Key findings and recommendations

- Not yet possible – or even appropriate – to answer whether SIBs ‘work’
- A series of ‘logics’ or theories of change for SIBs?
- There needs to be more transparency across the sector, and lessons learned from pilots need to be published whether they were successful or failed
- Download the report: <https://golab.bsg.ox.ac.uk/our-projects/about-evidence-report-2018/>



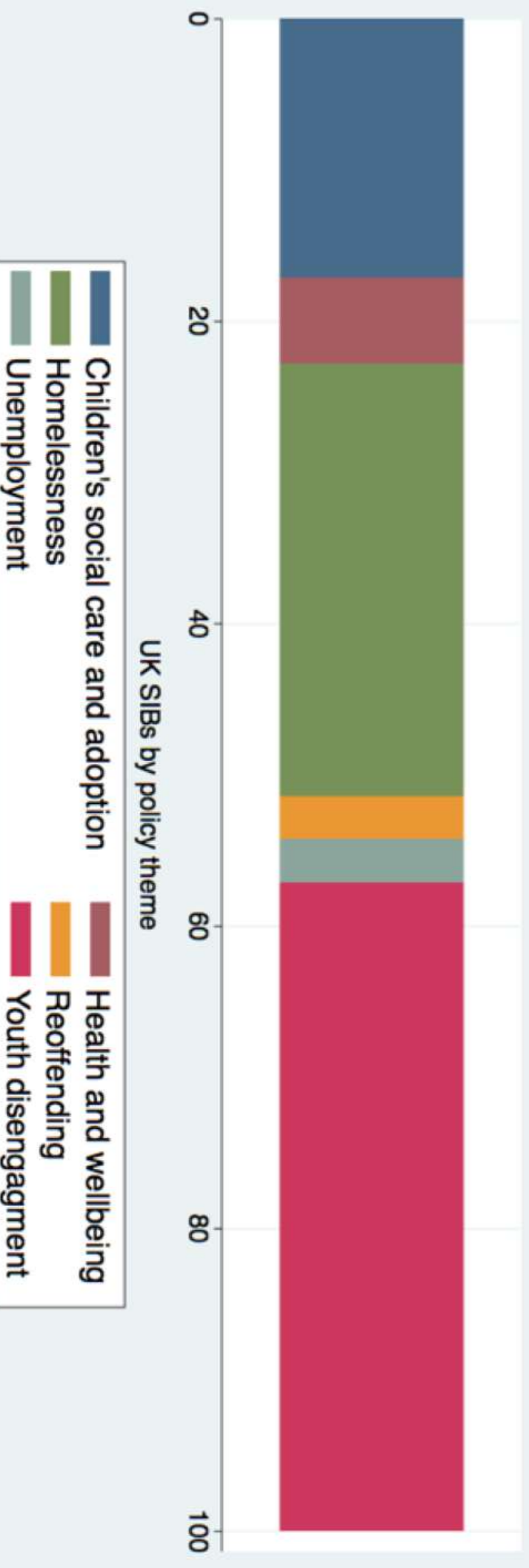
SIBs in the UK

Figure 1: Number of UK SIBs over time, by lead commissioner and scaled according to contract value (£)



SIBs in the UK

Figure 2: Proportion of UK SIBs by policy theme



Why use SIBs?

Public Service
Challenge

Implications
for services

Implications
for citizens

SIBs' potential
for public
service reform

Fragmented delivery and
budgets

Fragmented public
services: duplications,
gaps, inadequate
communication

Fragmented, reactive, stagnant services which fail to respond to the needs of vulnerable individuals.

COLLABORATION

Enable collaboration
across multiple
commissioners & within
provider networks.
Service activities 'wrap
around' service users.

Short-term focus
(political & financial)

Reactive public services
responding to crises

PREVENTION

Enable 'invest-to-save'.
Dual-running of services
with (social) investors
funding 'upstream'
interventions.

Difficulty creating
change

Poor performing services
go unchanged

ROOM TO INNOVATE

Risk transfer enables
innovation.
New interventions.
Enhanced performance
management.
Systematic learning.

Evaluation of the Social Impact Bond Trailblazers in Health and Social Care Final report

Alec Fraser, Stefanie Tan, Kristy Kruthof, Megan Sim,
Emma Disley, Chris Giacomantonio, Mylene Legarde
and Nicholas Mays



PIRU Publication
2018-23

Social Impact Bonds in Health and Social Care

Alec Fraser, Stefanie Tan & Nicholas Mays

Policy Innovation Research Unit (PIRU), LSHTM

The Health & Social Care SIB Trailblazer Evaluation

Objectives

- Develop a conceptual framework to help understand the potential role and effects of SIBs
- Describe and assess the development of the nine SIB trailblazers
- Describe and characterise the signed SIB contracts
- Assess whether and how SIB contracts achieve better outcomes than alternative funding mechanisms

Methods

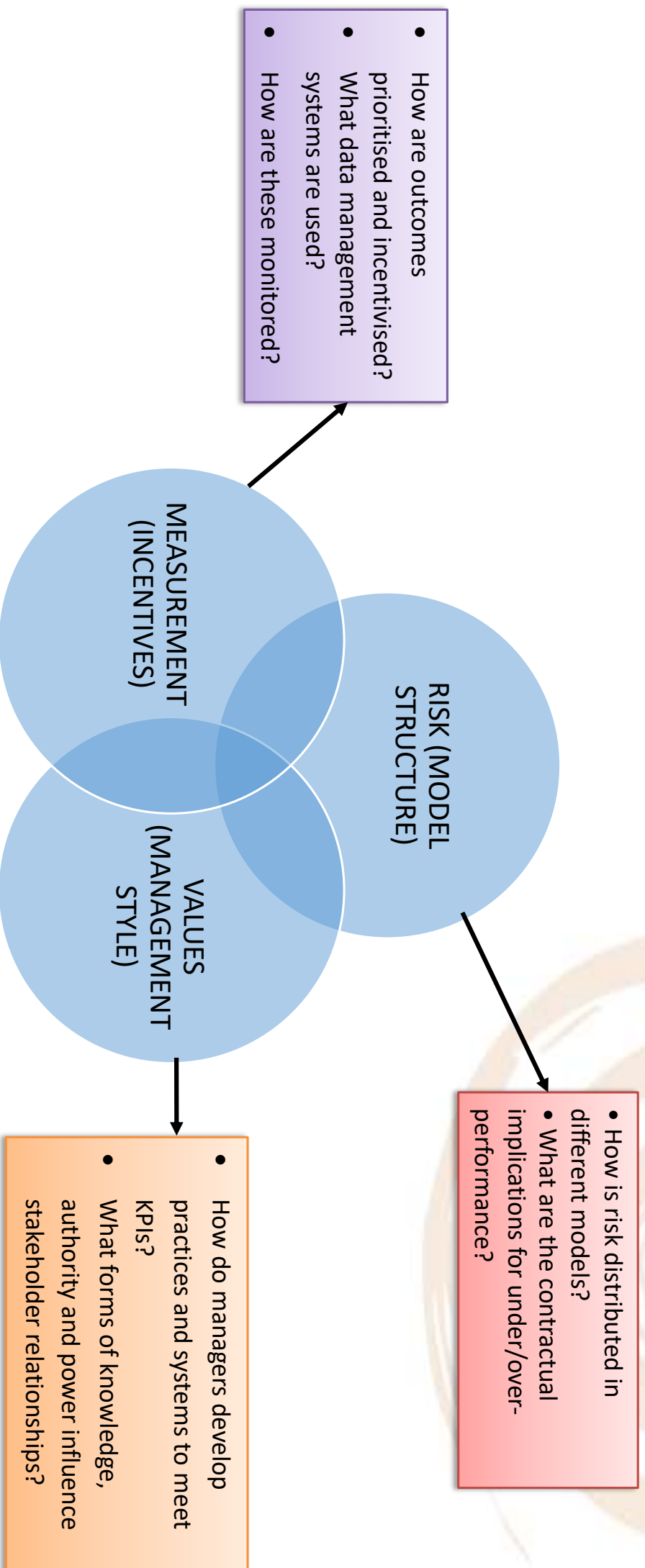
- 177 semi-structured interviews with 199 informants overall across 9 sites between June 2014 and May 2017
- Documentary and contract analyses to explore legal relationships, risk sharing and management structures
- 5 'non-SIB' comparator sites identified and qualitatively researched
- Unable to access and analyse quantitative data on performance, attribution or costs

The SIB Trailblazers in health and social care*

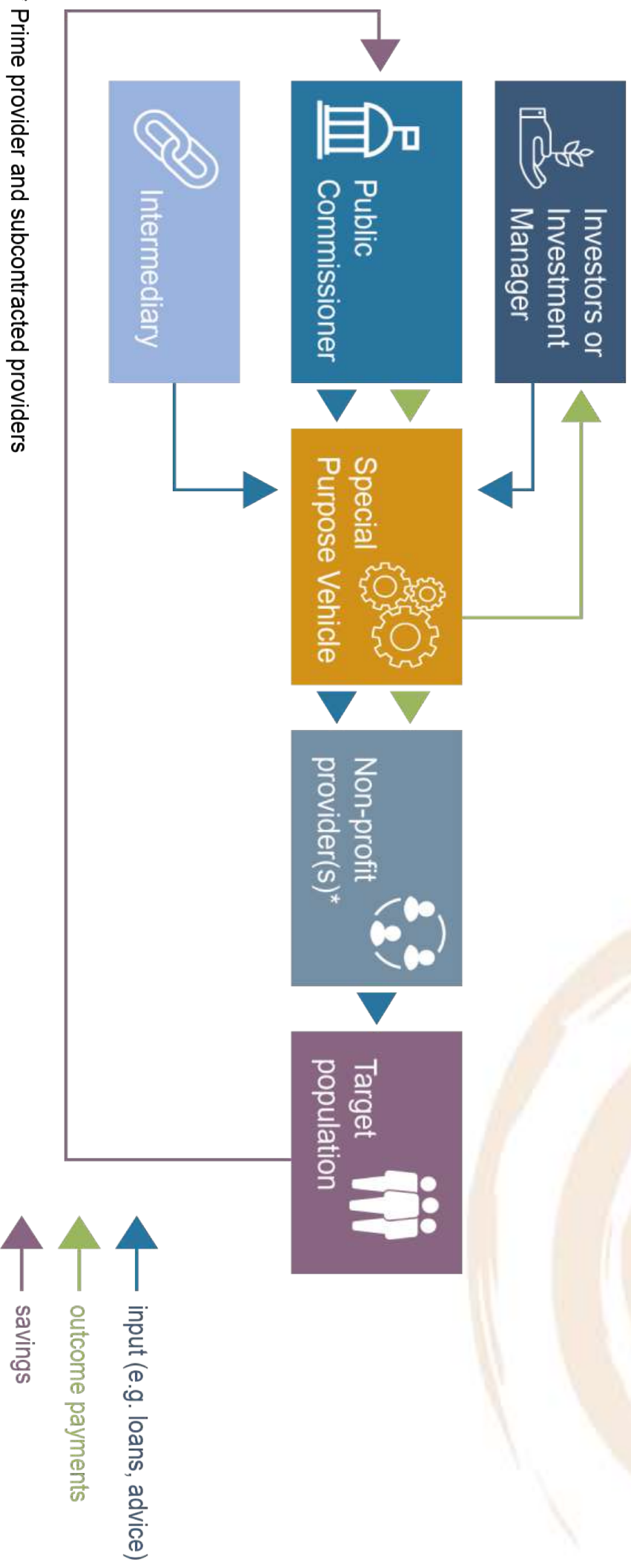
Focus	Aim
Chronic homelessness	Personalised service pathway for entrenched homeless population
Adolescent foster care	‘Evidence based’ foster care for adolescents providing behavioural interventions for children aged 11 to 14 years
Social prescribing	Non-medical interventions in the local community to foster sustained healthy behaviours)
Adult foster care	An alternative to care homes for people in need of long term support
Social isolation	To reduce social isolation among older people through befriending services and social activities.

* This table only includes 5 of the original 9 SIB trailblazers that proceeded to become a signed SIB contract

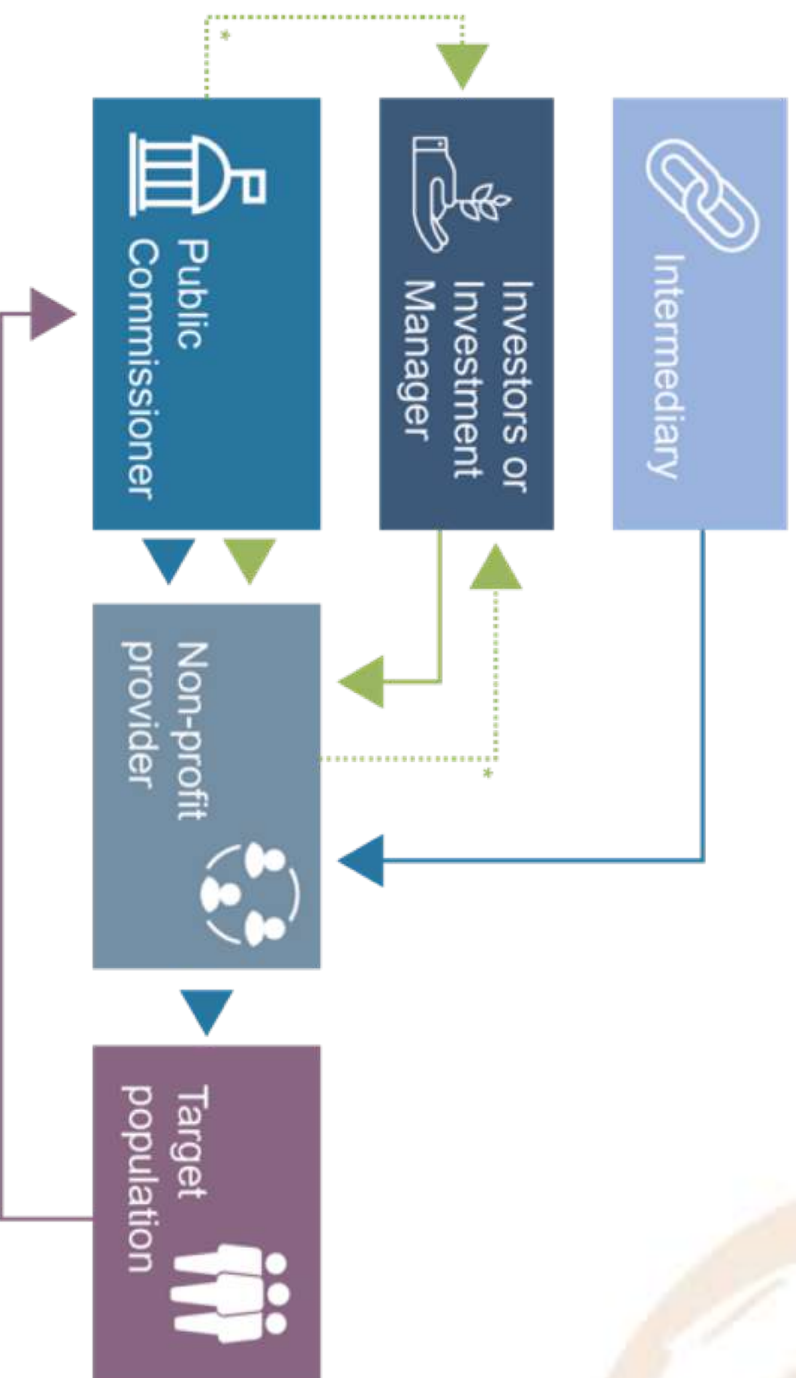
Conceptual framework



SIB with SPV model



'Direct provider' model SIB



* Dotted green lines represent mutually exclusive payments to the investors or investment manager

Policy implications: Potential for improved outcomes?

- SIBs enabled more managerial attention to, and greater flexibility in, service delivery than in non-SIB comparator services.
- New actors challenged institutional norms and enabled new methods and models of delivery.
- The Trailblazers also offer longer-term planning and relative financial stability for provider organisations
- SIBs appear to encourage greater provider focus on demonstrating results and more rigorous collection of performance data.

Policy implications:

Hurdles to better outcomes?

- Outcomes-based approach can clash with the professional values of providers
- Issues related to the allocation of risk between actors: access to finance and implications of underperformance
- Anecdotal evidence suggests increased managerial pressure on staff may result in unintended behaviours
- Transparency issues about the costs from intermediaries and investment managers involved in contracting and delivering a SIB.
- The absence of outcome and costs data at this point in time limits the extent to which they can be independently evaluated.

Evaluation of SIBs in UK Health and Social Care

Alec Fraser¹, Nicholas Mays¹, Emma Disley², Megan Sim², Kristy Kruthof³,
Mylene Lagarde⁴, Chris Giacomantonio⁵

¹ Policy Innovation Research Unit, London School of Hygiene and Tropical Medicine

² RAND Europe ³ UK Home Office ⁴ LSE Health ⁵ Halifax Police

Evaluation report available at:

http://www.piru.ac.uk/assets/files/SIBS_Evaluation_final_report.pdf



Acknowledgements

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Evaluation of the Social Impact Bond Trailblazers in Health and Social Care Final report

Alec Fraser, Stefanie Tan, Kristy Kruthof, Megan Sim,
Emma Disley, Chris Giacomantonio, Mylene Lagarde
and Nicholas Mays



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Session III At the coalface: Practitioner insights into developing and implementing SLBs

Tara Case

Karen Gibson

Tanya Gillett

Chair: Chih Hoong Sin

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Panellists

- Tara Case, *Ways to Wellness*
- Tanya Gillett, *Essex County Council*
- Karen Gibson, *Norfolk County Council*

Chair: Chih Hoong Sin, *Traverse*



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Discussion

- Is there an inherent tension between **target-driven performance management of outcomes-based contracts** and **collaborative innovation**?
- How do we ensure that the **strategic aspirations** of SLB commissioners and other stakeholders take into account that **operational reality of service delivery**?
- Is the focus on **short term cashable savings** stifling innovation?



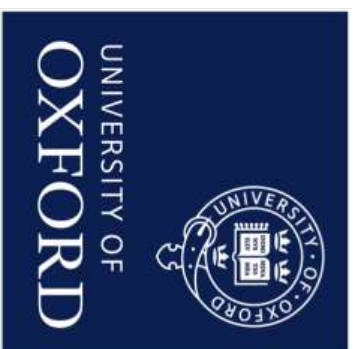
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Discussion

- Responding to changes in alignment of key stakeholders
- Re-negotiating contract terms mid-stream
- Developing a collaborative approach between investors and LAs to support conversation with government
- Building better transparency about outcomes and costs of SLBs to enable informed decision making
- Risk transfer concepts
- Lack of research into the capacity of local authorities to take on board innovative alternative funding streams



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Lunch break





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Session IV Global perspectives on designing an outcomes fund

Val Keen

Mika Pykkö

Jessica Cartwright

Georgia Efremova

Sue de Witt

Chair: Mara Airoidi

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Panellists

- Val Keen, *Centre for Social Impact Bonds, Government Inclusive Economy Unit, DCMs*
- Mika Pyykkö, *Sitra*
- Jessica Cartwright, *DFID*
- Georgia Efremova, *European Commission*
- Susan De Witt, *Bertha Centre for Social Innovation & Entrepreneurship*

Chair: Mara Airoidi, GO Lab





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Session V.I The 'active ingredients' of a Social Impact Bond

Eleanor Carter

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The 'active ingredients' of a Social Impact Bond: from theory to practice



Most often said...

“We take an agnostic view on SIBs”

In seeking to understand...

A basic question:

What is a SIB?

In seeking to understand...

A basic question:

What is a SIB?

i.e. what are the distinguishing features that mark this approach apart from other public service arrangements?

The 'magic dust'?

A SIB's 'active ingredients'

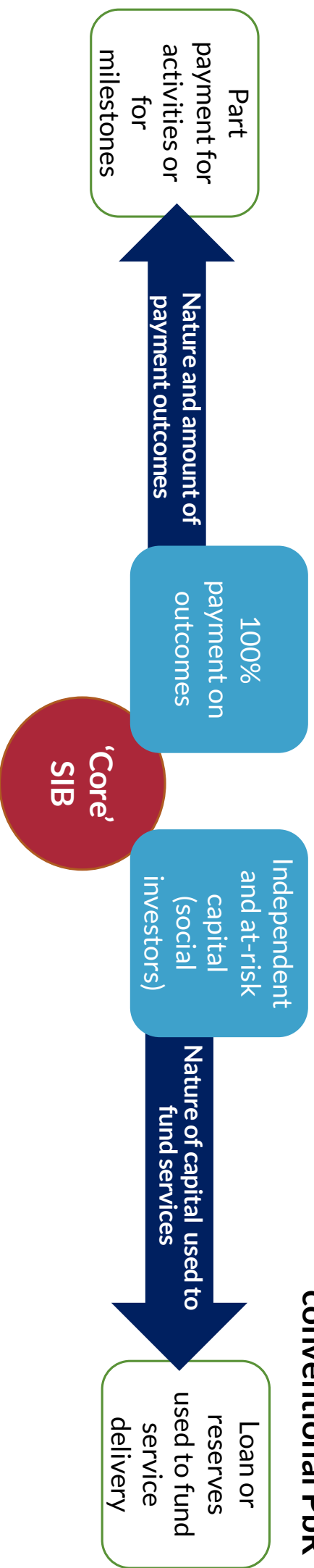
**More like grants/
Fee-for-Service**



A SIB's 'active ingredients'

More like grants/
Fee-for-Service

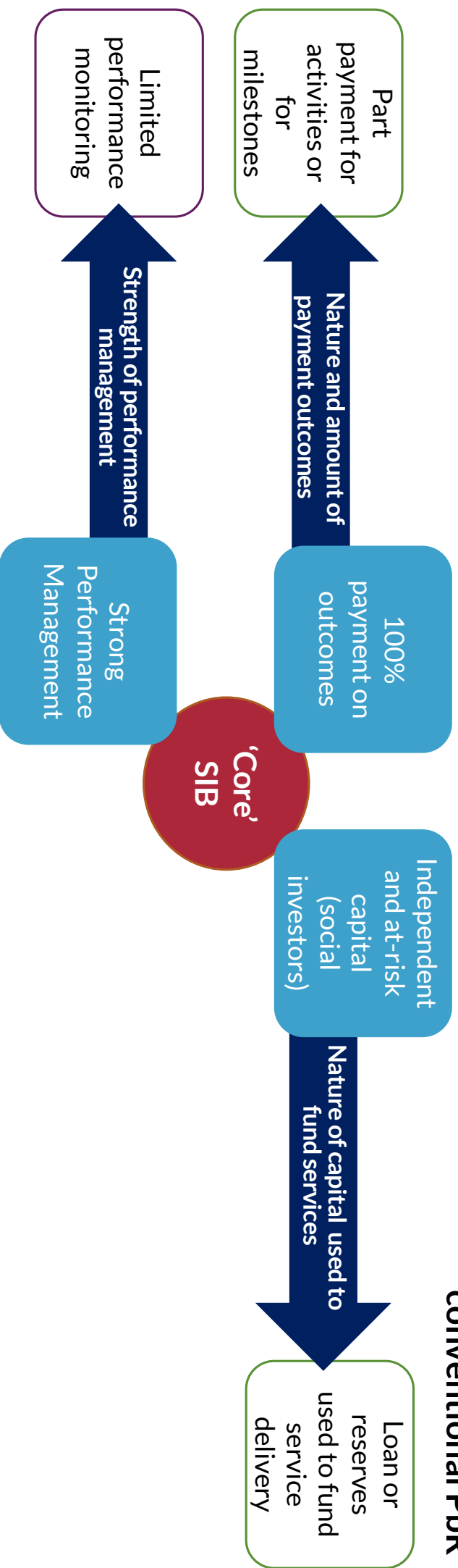
More like
conventional Pbr



A SIB's 'active ingredients'

More like grants/
Fee-for-Service

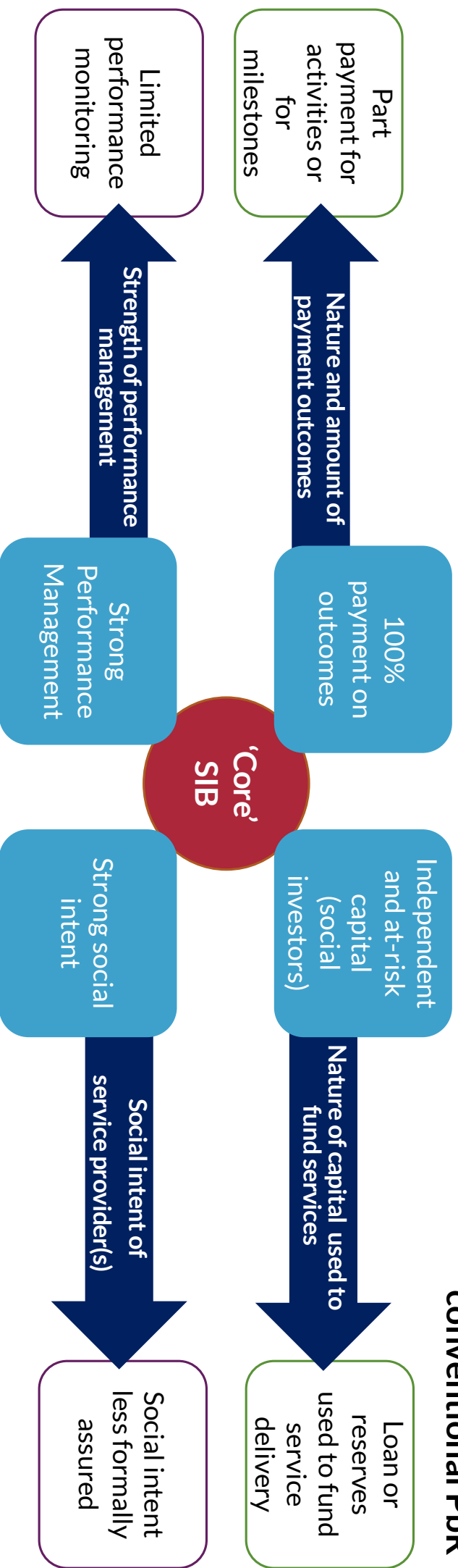
More like
conventional Pbr



A SIB's 'active ingredients'

More like grants/
Fee-for-Service

More like
conventional Pbr





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Session V.II The active ingredients of a SIB

Nature and amount of payment outcomes

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Session V.II The active ingredients of a SIB

Nature of capital used to fund services

SEMINAR ROOM 2



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Session V.II The active ingredients of a SIB

Social intent of service providers

SEMINAR ROOM 3



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Session V.II The active ingredients of a SIB

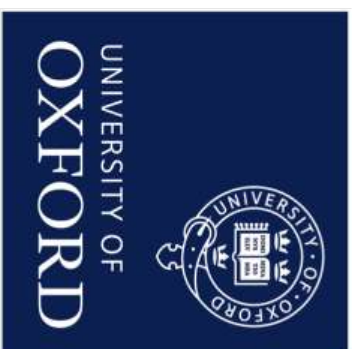
Strength of performance management

SEMINAR ROOM 4



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Coffee break



Head to head debate: **Making Markets in the Welfare System**



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