



**GOVERNMENT
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Results & lessons learnt from New Zealand's Reduction in Youth Reoffending SIB

*Engaging with Evidence Session 21
28 February 2024*



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The Government Outcomes Lab (GO Lab)



Department for Culture Media & Sport



A screenshot of the GOV.UK website. The header includes the GOV.UK logo and navigation links like 'Departments', 'Worldwide', and 'How government works'. A search bar is visible. Below the header, there's a section for 'Coronavirus (COVID-19) | Guidance and support'. Further down, there's a section for 'Research and analysis' with the title 'Evaluation Strategy for the Life Chances Fund' and a brief overview of the evaluation approach.



Established in 2016

Partnership between UK Government & University of Oxford

Walking the contractual tightrope: a transaction cost economics perspective on social impact bonds

Clare FitzGerald, Eleanor Carter, Ruth Dixon & Mara Airolidi

To cite this article: Clare FitzGerald, Eleanor Carter, Ruth Dixon & Mara Airolidi (2019) Walking the contractual tightrope: a transaction cost economics perspective on social impact bonds, Public Money & Management, 39:7, 458-467, DOI: 10.1080/09540962.2019.1583889
To link to this article: <https://doi.org/10.1080/09540962.2019.1583889>



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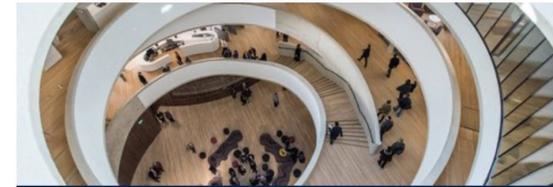
Welcome to our 3rd year of the Engaging with Evidence series

An open platform for policymakers, practitioners and researchers around the world to engage with key findings from the latest research and evaluation work in the field

- Distillation of key research findings
- Practical insights from practitioners across different sectors and fields
- Honest and constructive dialogue



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SPEAKERS



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Former Prime Minister
of New Zealand



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Head of Sustainable
Investment
NZ Super Fund



David Parks
Managing Director
The Skill Mill

In today's session:

Part I: Overview of the findings from the Final Reports of the Reducing Youth Reoffending in South Auckland Social Impact Bond

Part II: Panel discussion on the innovations + wider learnings and relevance of the learnings from the evaluation



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Our audience this morning



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Carl Bakker
Chairman, G-Fund Limited



Dr Glenn Brown
Principal Consultant, Synergia Consulting

**Part I - Overview of the
findings from the Final
Reports of the
Reducing Youth
Reoffending in South
Auckland Social Impact
Bond**

Engaging with Evidence

28 February 2024

Results & lessons learnt from New Zealand's Reduction in Youth Reoffending SIB

Presented by

Carl Bakker, Chair G-Fund and

Dr Glenn Brown, Principal Consultant
Synergia



Overview



What: A social impact bond, to reduce reoffending by young people, through multi-disciplinary services to medium and high-risk offenders; 607 youth aged between 13 and 17 who had already offended

Where: South Auckland, New Zealand

When: 1 September 2017 to 31 August 2023

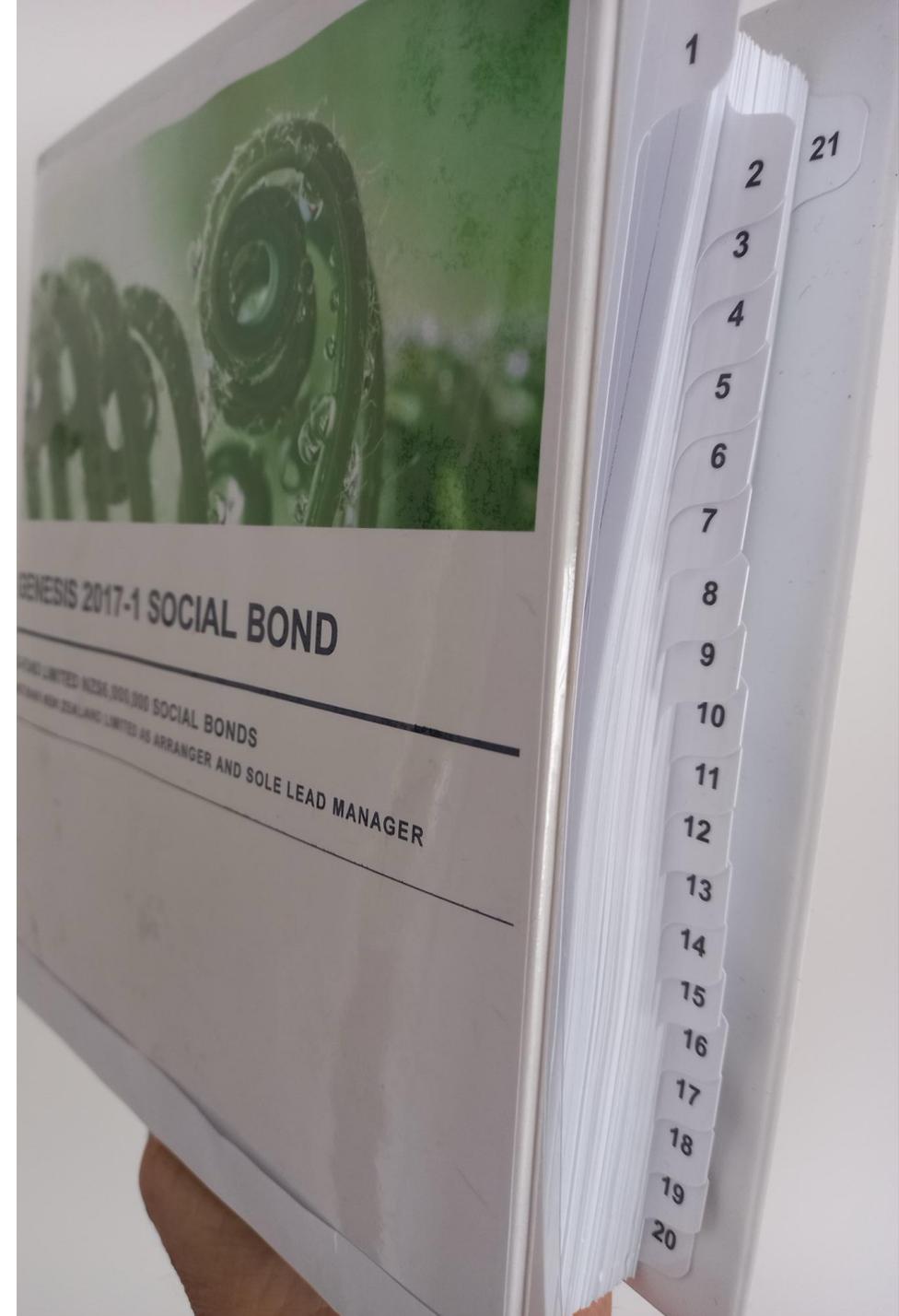
Who: Payment by the NZ Government, through the Ministry for Children, with services provided by the Genesis Youth Trust, a not-for-profit trust. Payments capped to \$24m over the life of the bond.

Contract managed by G-Fund, a financial intermediary that was part of Genesis but independent. Chaired by Carl Bakker

Initial bond funding of NZD\$6m, raised from five private sector funds

Key contractual terms: Payments primarily dependent on outcomes that were better than historic counterfactuals, based on reoffending rates and severity. Measurement relied on NZ Police's offending data. Some additional payments via intermediate outcomes, reductions in assessed criminogenic risk

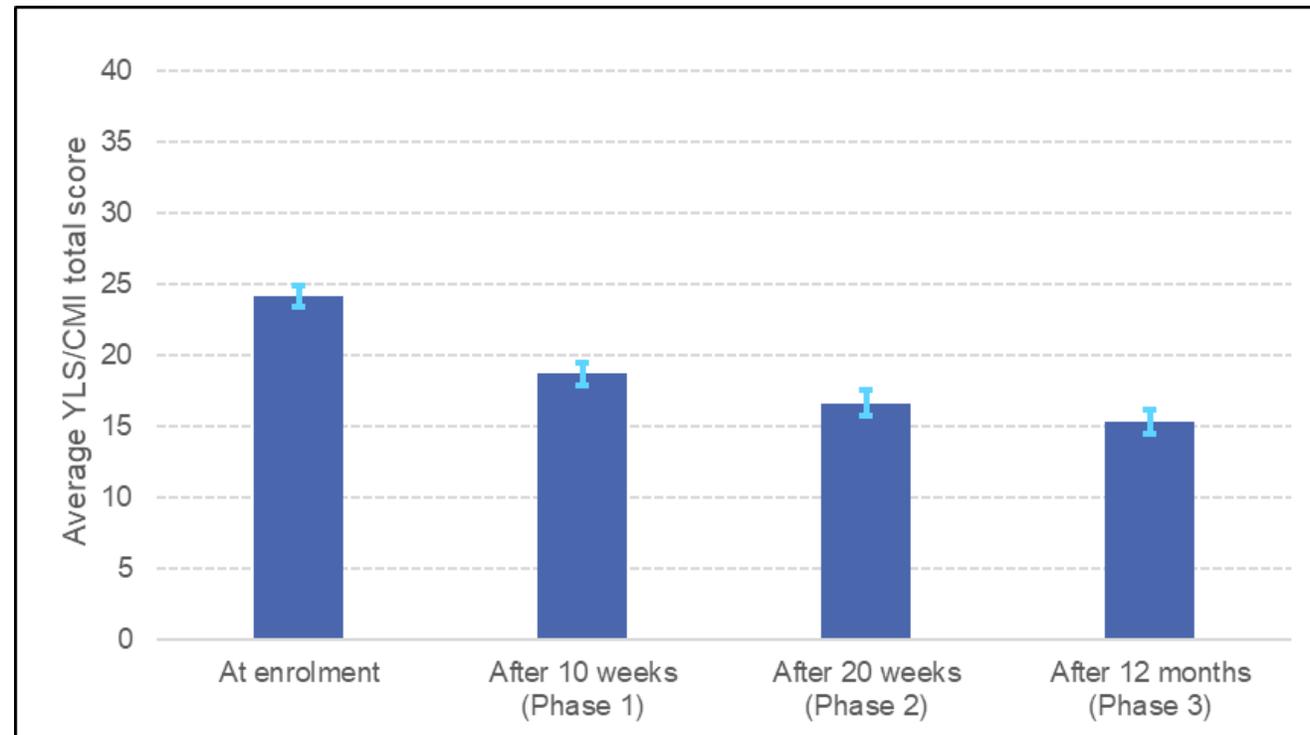
Design
challenges-
did it have to
be this
complicated?



Challenges

- Acting as a trail blazer
- Selecting robust and independent outcome data, and setting benchmarks
- Avoiding cherry picking
- Managing and apportioning risk
- Establishing financial metrics that worked for all parties- the provider, the purchaser and bond holders
- Providing certainty while allowing some adaptability

What was achieved: Reductions in criminogenic risk, as measured by YLS/CMI



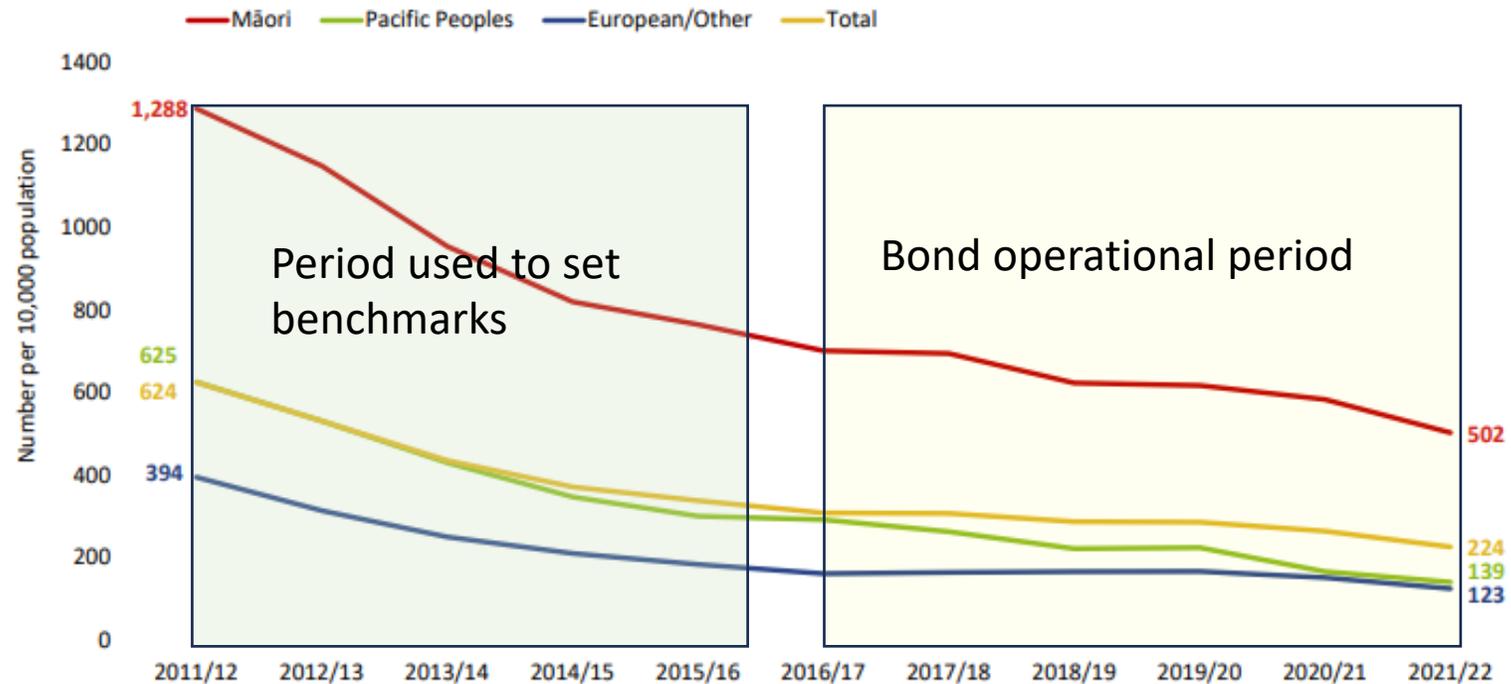
Source: Oranga Tamariki: Reducing Youth Reoffending in South Auckland Social Bond Pilot, Qualitative outcomes evaluation, September 2023

What was achieved: Reductions in reoffending

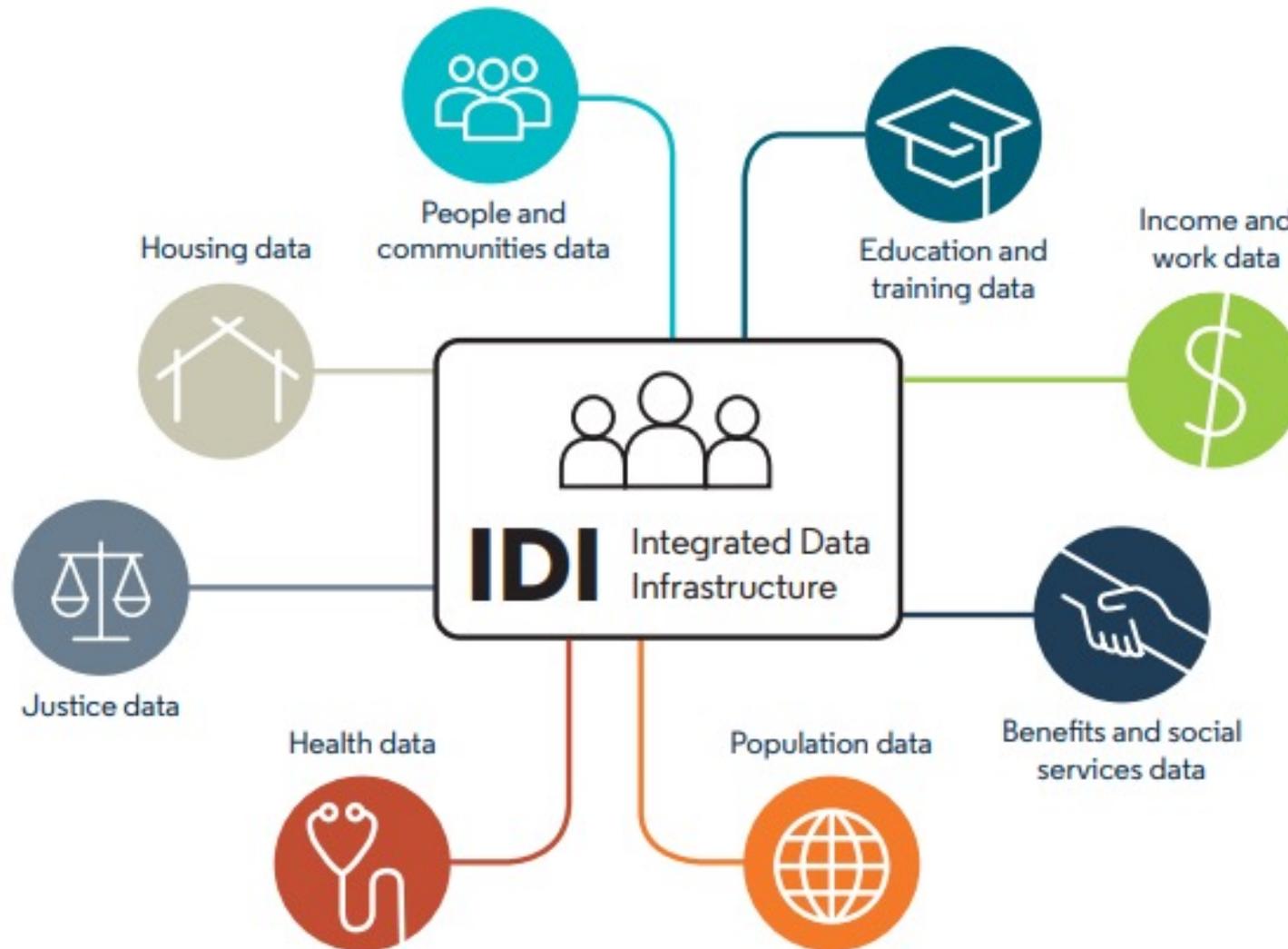
Significant reductions achieved in rates of reoffending compared to the past



A changing context: Offending rates per 10,000 population for young people aged 14 to 16 (14 to 17 from 1 July 2019)



Source: Youth Justice Indicators Summary April 2023

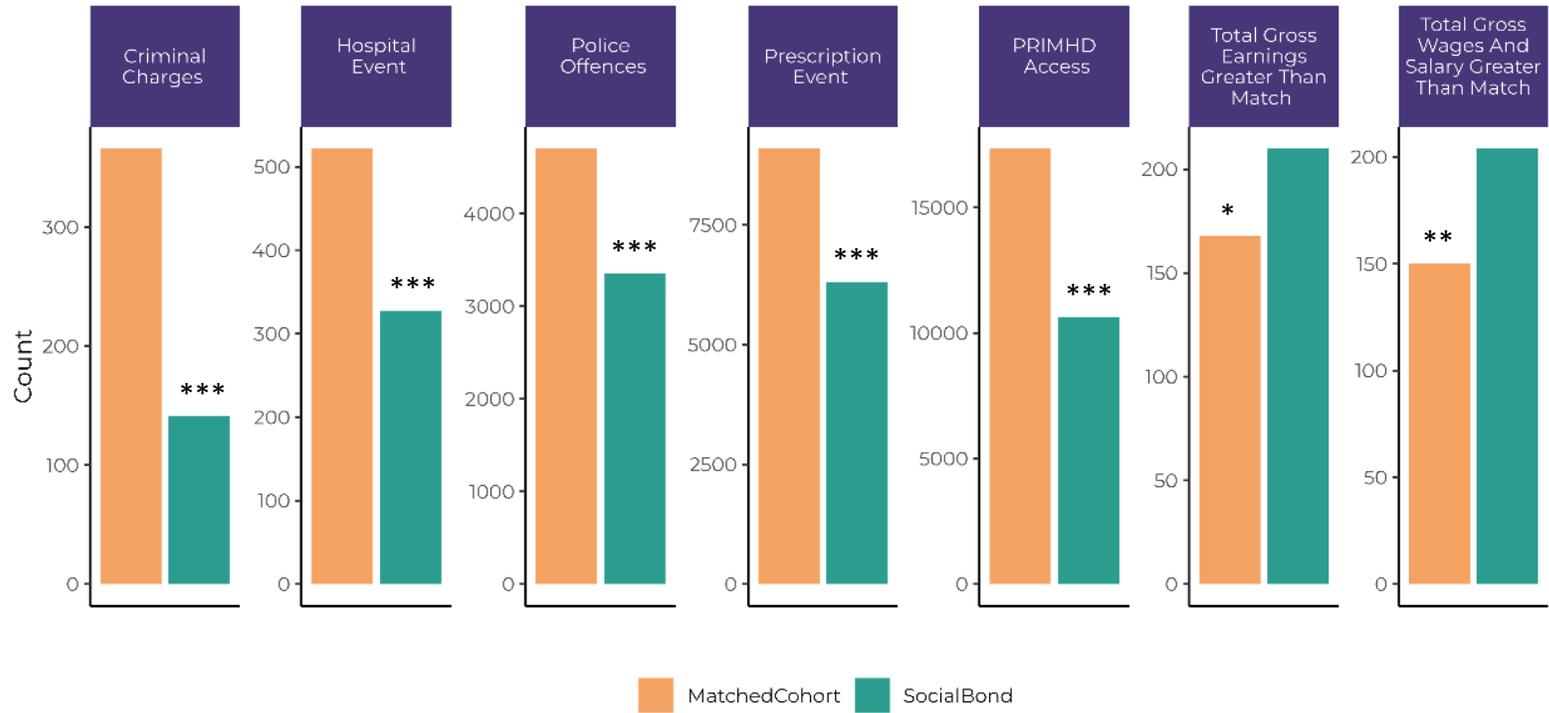


<https://www.stats.govt.nz/integrated-data/integrated-data-infrastructure/data-in-the-idi/>

Comparing to a Matched Cohort

- Locate social bond participants in IDI
- Match each of them with someone else in the IDI with the same or similar:
 - Risk (based on YORST)
 - Age
 - Age at YORST completion
 - Ethnic group
 - Sex/gender
 - Police District

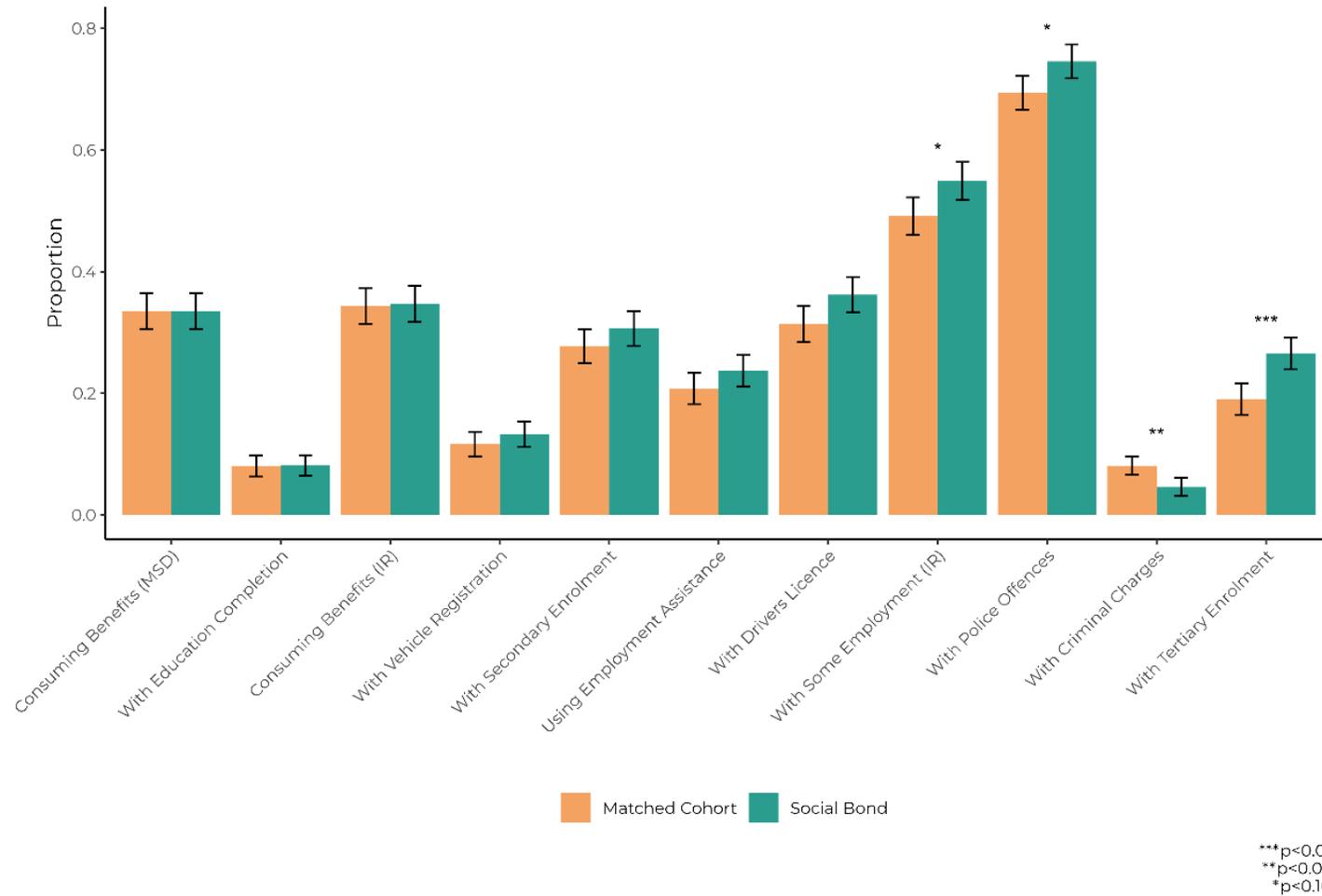
Matched Cohort vs. Social Bond: Event Counts



*** $p < 0.001$
** $p < 0.01$
* $p < 0.05$

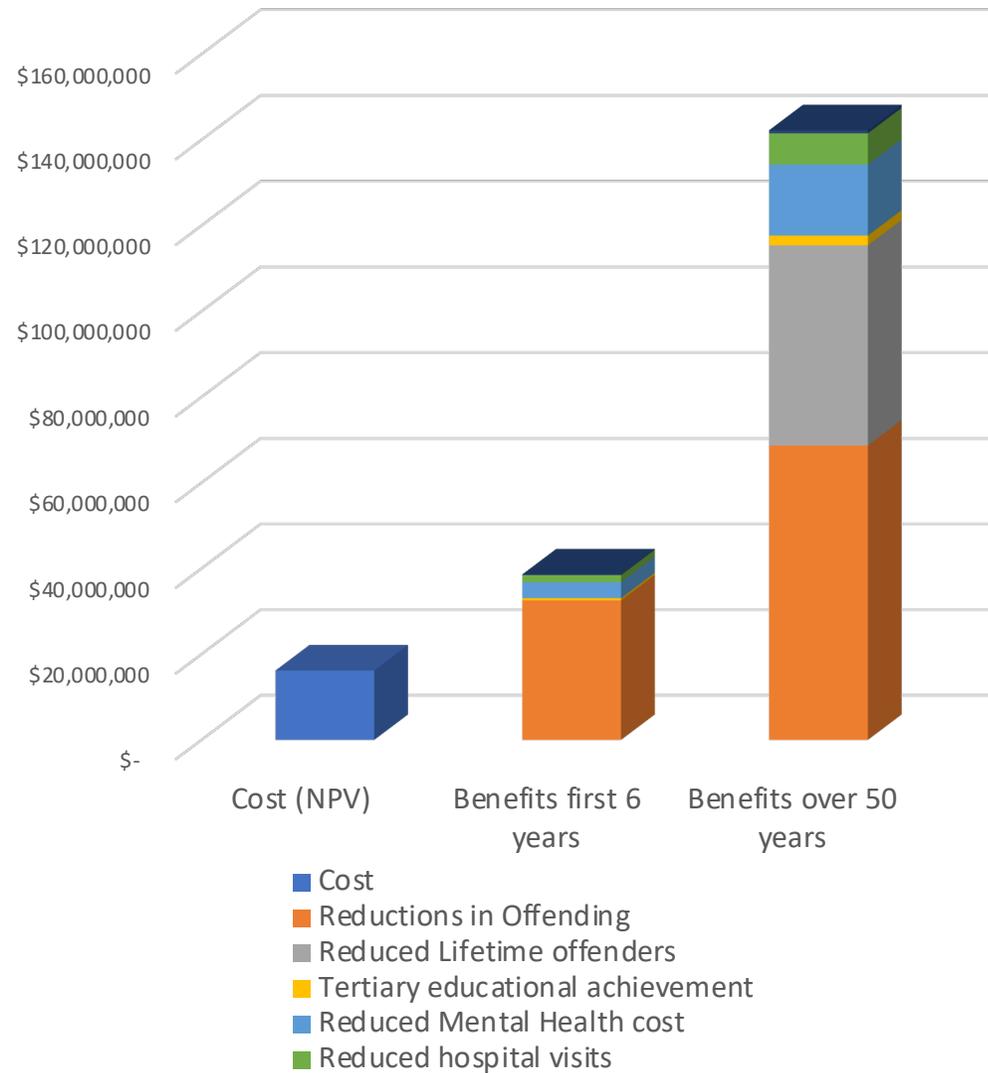
Source: Synergia 2023

Matched Cohort vs. Social Bond: Proportions of People



Source: Synergia 2023

Social value created



Financial returns

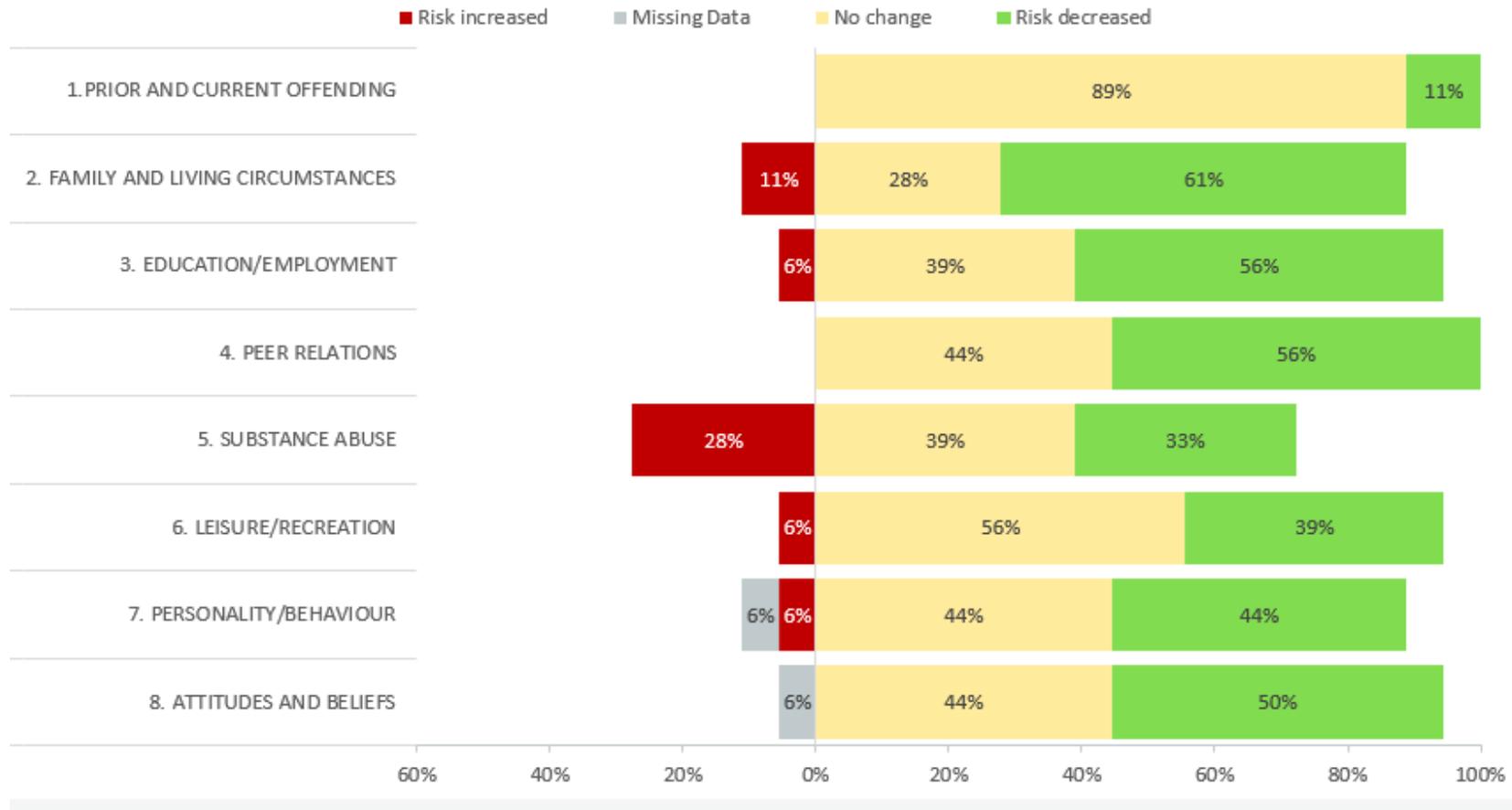
Class A bond holders were paid 11%, and Class B 20%

Lessons and Insights

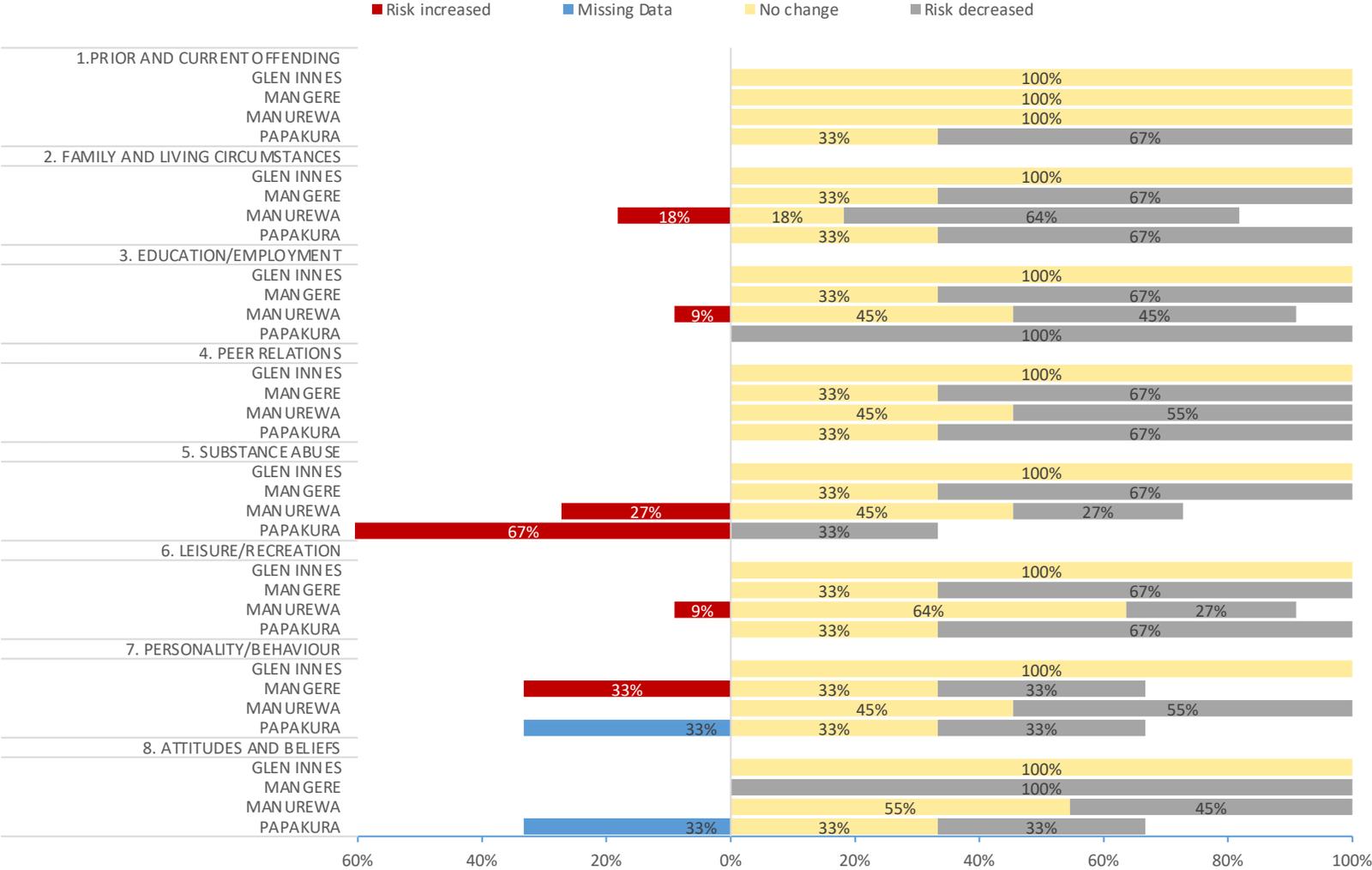
- Did the bond contract just unleash the superheroes who'd been waiting a chance to shine?
- What were the crucial ingredients that supported innovation and ongoing strong outcome achievement?
- What ongoing innovation emerged and has it been captured and shared?
- What were some unexpected outcomes? What didn't work as expected?

Innovation Ingredients 2: YLS/CMI criminogenic risk data

YLS Domain reduction by YORST group, 1 March 2023 to 31 August 2023 as at 26 May 2023

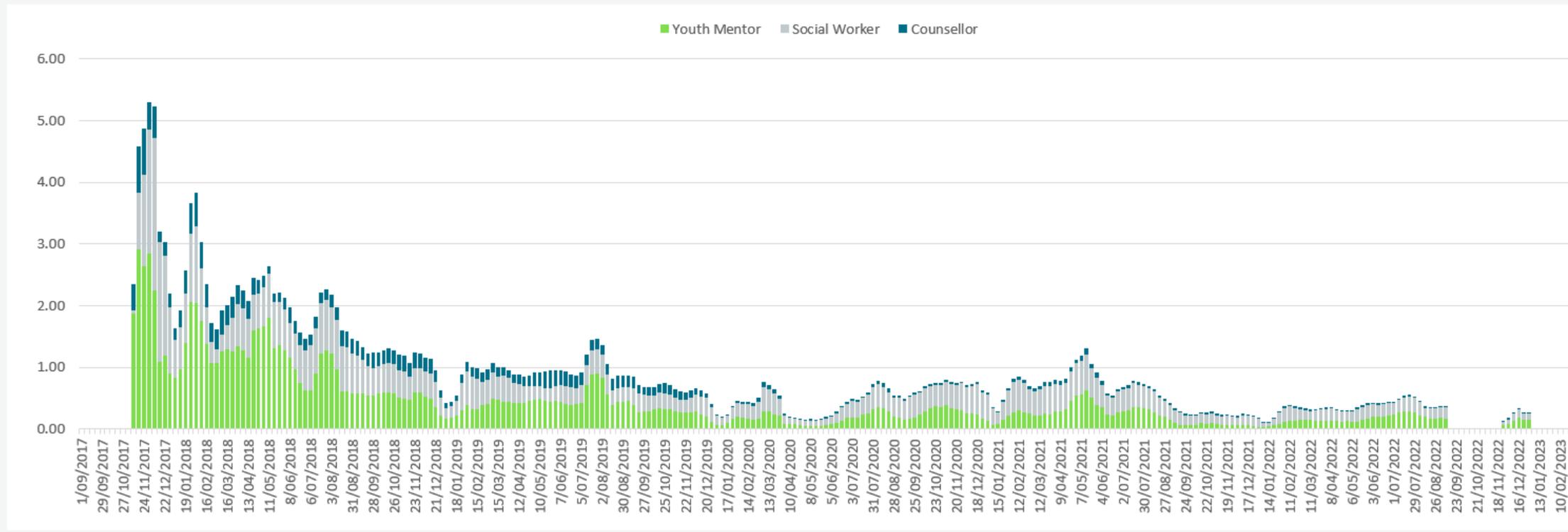


Innovation Ingredients 3: Risk data by domain and team site



Innovation Ingredients 4: Resource application and use

Four week rolling average - weekly hours per enrolled client



Questions and further information

- A full evaluation report on this social bond can be found at:
<http://www.acuo.co.nz/wp-content/uploads/2023/12/Acuo-Report-Dec-2023-revised-final.pdf>
- The full Synergia data evaluation can be found at:
http://www.acuo.co.nz/wp-content/uploads/2023/11/Synergia-Genesis_final_report_2023.pdf
- Any further questions and comments can be sent to me at carl@acuo.co.nz

Panel Discussion



Dr Glenn Brown
Principal Consultant
Synergia



Rob Woodley
General Manager
Blues Charitable Trust



Anne-Maree O'Connor
Head of Sustainable
Investment
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Chairman
G-Fund Limited

Part II: Panel discussion on the innovations + wider learnings and relevance of the learnings from the evaluation

- Designing for innovation
- Enacting innovation
- The supporting & authorising environment for innovation

Stay tuned for upcoming sessions...



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