

STANDARDS OF EVIDENCE:

AN APPROACH THAT BALANCES THE NEED FOR EVIDENCE WITH INNOVATION

October 2013, Ruth Puttick and Joe Ludlow

Introduction

Nesta's mission is to support innovation by helping bring great ideas to life. Understanding impact is an integral part of this.

This paper provides an overview of the Nesta Standards of Evidence. Our aim is to find alignment with academically recognised levels of rigour, whilst managing to ensure impact measurement is appropriate to the stage of development of a variety of different products, services and programmes. The Standards of Evidence were developed based upon those used in Project Oracle (see text box for further details).

Why evidence is important

Put simply, innovators, commissioners, service users and investors all need evidence to know whether the products or services they develop, buy or invest in make a positive difference.

For us good intentions are not good enough. We know that good intentions don't always lead to good outcomes. Programmes like Scared Straight¹ or DARE,² are a good example of this, having been found to be harmful to the young people they set out to serve.

HOW THE STANDARDS OF EVIDENCE WERE DEVELOPED

It is worth noting that Standards of Evidence are not new. There are numerous 'levels' and 'standards' of evidence³ that have been developed to help structure how evidence is gathered, interpreted and assessed.⁴ Our starting point was the standards of evidence⁵ that underpin the Greater London Authority's Project Oracle,⁶ an innovative, city-wide programme that seeks to build the evidence behind youth programmes in London.⁷ We started with these because they effectively manage to retain rigorous academic standards⁸ whilst ensuring that the evidence requirements are appropriate to the development of services and products.⁹ We have amended and adapted the Oracle standards to fit with the requirements of our innovation programmes.

To ensure we are selecting the most promising, safe and efficient innovations, we need high quality evidence of impact. We don't associate 'evidence' with particular types of data or specific research methods. Instead we are interested in high quality, robust and appropriate evidence which helps identify the most promising innovations, and then to continue to generate relevant types of evidence to ensure they are working.

The Nesta Standards of Evidence

The objective of developing Standards of Evidence is to help us know how confident we can be in the evidence provided to show that an intervention is having a positive impact.



Source: Puttick, R. and Ludlow, J. (2012) 'Standards of Evidence for Impact Investing.' London: Nesta.

As you can see, the Standards of Evidence are on a 1 to 5 scale with Level 1 being the minimum requirement that we would expect to see. Level 1 represents a low threshold, appropriate to very early-stage innovations, which may still be at the idea stage, involving little more than a clear articulation of why the intervention is needed, what it will aim to achieve, and why this is better than what currently happens.

As the levels are progressed, it will be expected that data is collected to isolate the impact to the intervention, that findings are validated externally, and then at Level 5, demonstrable evidence that the product or the service can be delivered at multiple locations and still deliver a strong, positive impact – in other words, the positive impact is scalable. As products and services move up the Standards of Evidence so will our certainty that they will have a positive impact on the intended outcome.¹⁰

Even if a product, service or intervention successfully reaches Level 5 we do not see this as an end point. Evidence may only ever be partial or timebound, and needs to be seen as an ongoing exercise, enabling continual reflection, refinement and improvement.

The table below provides further details on the methods that could be used at each Level.

Nesta Standards of Evidence

Level	Our expectation	How the evidence can be generated
At Level 1	You can give an account of impact. By this we mean providing a logical reason, or set of reasons, for why your intervention could have an impact and why that would be an improvement on the current situation.	You should be able to do this yourself, and draw upon existing data and research from other sources.
At Level 2	You are gathering data that shows some change amongst those receiving or using your intervention.	At this stage, data can begin to show effect but it will not evidence direct causality. You could consider such methods as: pre and post-survey evaluation; cohort/panel study, regular interval surveying.
At Level 3	You can demonstrate that your intervention is causing the impact, by showing less impact amongst those who don't receive the product/service.	We will consider robust methods using a control group (or another well justified method) that begin to isolate the impact of the product/service. Random selection of participants strengthens your evidence at this Level, you need to have a sufficiently large sample at hand (scale is important in this case).
At Level 4	You are able to explain why and how your intervention is having the impact you have observed and evidenced so far. An independent evaluation validates the impact. In addition, the intervention can deliver impact at a reasonable cost, suggesting that it could be replicated and purchased in multiple locations.	At this stage, we are looking for a robust independent evaluation that investigates and validates the nature of the impact. This might include endorsement via commercial standards, industry Kitemarks etc. You will need documented standardisation of delivery and processes. You will need data on costs of production and acceptable price points for your (potential) customers.
At Level 5	You can show that your intervention could be operated up by someone else, somewhere else and scaled up, whilst continuing to have positive and direct impact on the outcome, and whilst remaining a financially viable proposition.	We expect to see use of methods like multiple replication evaluations; future scenario analysis; fidelity evaluation.

At each stage the quality of the evidence will also be assessed by the team to ensure it is robust and of high quality.

Why we have developed Standards of Evidence

One of the key strengths of the Standards of Evidence is that they can enable innovation and evidence to co-exist. They provide a framework that brings products and services in line with academically recognised levels of evidence, but at a pace and approach which is appropriate to their individual development. This means we don't demand particular methods, but instead enable organisations to select an evaluation approach appropriate to them and to move up the Standards of Evidence at a pace that will not hinder their work or innovative development.

How we will use the Nesta Standards of Evidence

We are using Standards of Evidence across a range of Nesta's practical work.

The area where we originally applied and embedded the Standards of Evidence is Nesta Impact Investments. In October 2011 we launched Nesta Impact Investments to support innovative products and services that could help tackle some of the major social and environmental challenges we currently face, including an ageing population, the changing nature of education, and the need for more sustainable communities. As with the rest of Nesta's practical programmes, we wanted to ensure we take appropriate risks to fund the most promising innovations, that we capture their impact, and that we are able to focus our resources on those innovations that continue to show positive impact as they grow.

There are overlapping applications of the Standards of Evidence in **Nesta Impact Investments**:

1. **To inform screening of investments for potential impact:** prior to making an investment we will assess the evidence behind products and services to see where they are currently placed on the Standards of Evidence, enabling us to understand how confident we can be in their claims.
2. **To develop an impact plan:** if we decide to make an investment, we will use the Standards of Evidence to help structure the evaluation strategy.
3. **To determine future funding decisions:** we will be measuring the impact of all the products and services we fund, helping us understand if and how they are working, and whether we should continue to invest

The Standards of Evidence are also being used more widely across Nesta. For example, **The Centre for Social Action Innovation Fund** has adopted Nesta's Standards of Evidence as the basis for understanding and assessing the evidence of impact for a specific intervention or service. Innovations that are considered for support from the Innovation Fund will be assessed against the Standards of Evidence and would need to have achieved at least Level 1 to receive support. A requirement of support from the Innovation Fund is the agreement of a plan to support the innovation to move up the Levels in the Standards of Evidence.

We are also applying the Standards of Evidence framework to other areas of Nesta's work, such as our **Living Map of Ageing Innovators**¹¹ and **Living Map of Jobs Innovators**.¹² In both of these areas the Standards of Evidence enable us to understand the level of evidence behind different products and services, whilst acting as a prompt to us all in the sector that we need to get better at explaining our innovation's theory of change and, where possible, demonstrating causality.

In each of these different applications of the Standards of Evidence, we may alter the requirements slightly, or possibly use the standards of evidence differently in the assessment process to suit the objectives of the funding programme, yet across all Nesta's practical work the philosophy is the same. We want to ensure that we collect evidence in a structured way to provide a common language for communicating impacts, where the evidence requirements are realistic and proportionate, to generate useful evidence to ensure we are making a positive difference.

Conclusion

Standards of evidence are not new. There are numerous examples used in academia, such as the Maryland Scientific Methods Scale, or the Project Oracle Standards of Evidence used in youth services, which were the starting point for our own Standards. Yet, as far as we can tell, this is the first time standards of evidence have been used in an investment fund context, and also represent a new approach to grant funding. This means our Standards of Evidence are something of an experiment, a new innovation in the field to assess impact performance. We therefore welcome feedback to help us reflect on the Standards of Evidence, recognising that we may need to adapt and change over time, all helping contribute towards ensuring that we back innovations that have the biggest impact possible.

Where can I find out more?

If you have any questions or comments please do get in touch with Ruth Puttick, ruth.puttick@nesta.org.uk

ENDNOTES

1. <http://www.reclaimingfutures.org/blog/juvenile-justice-reform-Scared-Straight-Facts-vs-Hype>
2. <http://www2.potsdam.edu/hansondj/YouthIssues/20081008112145.html>
3. <http://www.gradeworkinggroup.org/index.htm>
4. <https://www.ncjrs.gov/pdffiles/171676.PDF>
5. <http://www.london.gov.uk/project-oracle/what-project-oracle-about>
6. <http://www.project-oracle.com/faq>
7. http://www.nesta.org.uk/library/documents/DevProjectOracle_v8.pdf
8. <http://www.nesta.org.uk/library/documents/EssayBookWeb.pdf>
9. <http://www.nesta.org.uk/library/documents/TenStepsBlog.pdf>
10. Further details about the Standards of Evidence are available in our recent paper, Puttick, R. and Ludlow, J. (2012) 'Standards of Evidence for Impact Investing.' London: Nesta.
11. <http://ageinginnovators.org/search-by-evidence/>
12. <http://jobsinnovators.org/search-by-evidence/>

About Nesta

Nesta is the UK's innovation foundation. An independent charity, we help people and organisations bring great ideas to life. We do this by providing investments and grants and mobilising research, networks and skills.

Nesta

1 Plough Place

London EC4A 1DE

research@nesta.org.uk

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