

# Social Impact Bond Provider Toolkit - Delivery



## WHO IS THE SIB TOOLKIT FOR?

Maybe you're responding to a call put out by a commissioner or an approach from an intermediary, or perhaps you're working with an investor to initiate a SIB yourselves. Whatever the story, there could be complex concepts and delicate negotiations ahead.

This toolkit is the first of its kind aimed at helping providers, rather than commissioners, to develop a SIB. Wherever the idea first came from – provider, commissioner or intermediary – the toolkit can help providers navigate complex concepts and delicate negotiations, to develop a SIB with the best chance of success.

## CONTENTS: 'DELIVERY' STEP BY STEP GUIDE

*Stage-by-stage tips, tools and resources for successfully delivering a SIB*

### Overview of SIB Delivery

#### Phase 4 – Deliver

- 4.1 *Gather data and evidence*
- 4.2 *Design a performance management system*
- 4.3 *Use information to manage performance*
- 4.4 *Work with your board to address problems*

#### Phase 5 – Learn

- 5.1 *Evaluations*
- 5.2 *After a SIB*
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The inspiration for this toolkit, and the material within it, comes from ThinkForward.

ThinkForward were one of the first organisations to complete a Social Impact Bond (SIB) in the UK. Since then, they have noticed a need for practical advice specific to delivery organisations (charities and social enterprises) developing or delivering a SIB. They have gathered together their experience with that of others to develop a set of tips, tools and resources for the next generation of potential SIB providers.

## Glossary

Term	Definition
<b>Beneficiary</b>	The person that needs or benefits from the services being provided
<b>Commissioner</b>	An individual or organisation prepared to pay if specific outcomes are achieved; historically, this is typically a government body, but it could be any type of funder
<b>Delivery Model</b>	The way in which the service is delivered: by whom and on what basis. For example, 'outsourcing' is one delivery model
<b>Delivery Organisation</b>	An organisation delivering a programme which aims to achieve positive social outcomes; typically, a charity or social enterprise (also known as "service provider")
<b>Investor</b>	An individual or organisation providing up-front financing to the delivery organisation to cover operating costs; typically, a social investment firm, trust, foundation or bank
<b>Operating Margin</b>	The amount of money left over once the cost of delivery is subtracted from the (contractual) income
<b>Outcome</b>	The measurable changes or benefits that happen as a result of an organisation's or project's services
<b>Output</b>	The products, services or facilities that a project or organisation provides through its activities
<b>Payment by results</b>	A system of commissioning where payments are contingent upon pre-defined and independently verified results or outcomes
<b>Rate</b>	Often used to refer to the amount of money agreed as payment for each outcome achieved. Outcome payers can publish 'Rate Cards' with pre-defined amounts
<b>Return</b>	The profit achieved on the investment
<b>Social Impact Bond</b>	A financing arrangement where an investor contributes up-front capital, and is paid back by a commissioner as the delivery of a charitable or social project achieves its outcomes
<b>Special Purpose Vehicle</b>	A Special Purpose Vehicle, or SPV, is in this case a legal entity (a company) created to hold the contract, receive investment and pay the service provider

## FIVE GUIDING PRINCIPLES

It might feel at times as if there is so much detail that the big picture gets lost. These five guiding principles, based on the common experiences of SIB providers, offer the perspective we often need along the journey.



### 1. STAY TRUE

The service, and the outcomes it delivers, must be aligned to our mission and strategy. If the SIB is not aligned with our other work, performance management will be difficult and it can be easy to neglect monitoring outcomes that matter to us and to other funders. The SIB is not the answer or the goal that leads the conversation. It is only a tool to help unlock opportunities and enable the biggest impact.



### 2. LEARN FROM OUR PARTNERS

Commissioners, investors, and other partners are there to help, not make the process more difficult. They have experience and expertise that we might not – involving them early and often is an opportunity to develop. Learn from experienced participants and don't reinvent the wheel alone.



### 3. EMPOWER THROUGH DATA

One of the greatest challenges, and opportunities, of delivering a SIB is the level of discipline it imposes around data and performance management. This can be a catalyst to empower our organisations and embed data-driven practice into our culture. The aim is that we all see data as a means to continually learn and improve practice, rather than a reason to punish.



### 4. BE PRAGMATIC

The most common issue faced by delivery organisations is over-estimating and under-delivering on our outcomes. We need to invest the time before signing the contract to pressure-test all our assumptions about the beneficiary flow and resources in delivering the intervention. Be pragmatic and realistic. Much better to exercise caution than to breach contract!



### 5. COMMISSIONERS' REQUIREMENTS ARE KEY

Recognise that since the commissioner is paying for results, the commissioners' perspective and requirements are key to the SIB. At the beginning of SIB development, it helps to take time to understand the commissioners' needs before investing in detailed technical modelling.

## Overview of SIB delivery

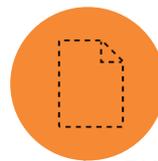


SIBs tend to be multi-year arrangements with little or no break provision. While this – and the need to provide an investor return – adds pressure, it also gives providers the time to really fine-tune their programme and their impact.



### PHASE 4: DELIVER

1. Create processes for gathering data, evidencing outcomes and tracking performance
2. Reflect on performance and allow results to inform changes to delivery
3. Engage your board early to tackle challenges



### PHASE 5: LEARN

4. Settle the finances and wind up the SIB structures
5. Undergo independent evaluation(s)
6. Communicate with partners and stakeholders
7. Take the opportunity for a full organisational review

In delivering a SIB, some providers relished the opportunities to:

- Collaborate in ways they have never done before, and learn from their partners and intermediaries
- Hugely expand their reach and impact
- Prove their credentials as a high performance organisation

Some struggled with the need to:

- Support staff through increased administrative burdens
- Answer to third parties, reporting more regularly and intensively to intermediaries and funders
- Keep a close eye on tough success criteria and narrow financial margins

### Is it worth it?

Delivering a SIB can be stretching for a small organisation or a new programme. We asked two providers whether they felt the hard work had been worth it:

#### YES:

“The benefits have outweighed the negatives. It gives you the opportunity to deliver at scale. It helps you professionalise and improve your delivery at a pace you just wouldn't be able to do otherwise. The focus on outcomes is really beneficial.”

– Joanne Hay, Power2

#### NO:

“We started out with a great little programme and ended up twisting and moulding it to fit a set of national priorities that weren't our own. That took a lot of unravelling.”

– Early SIB provider

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### Our SIB: the highs and lows

Early SIB provider

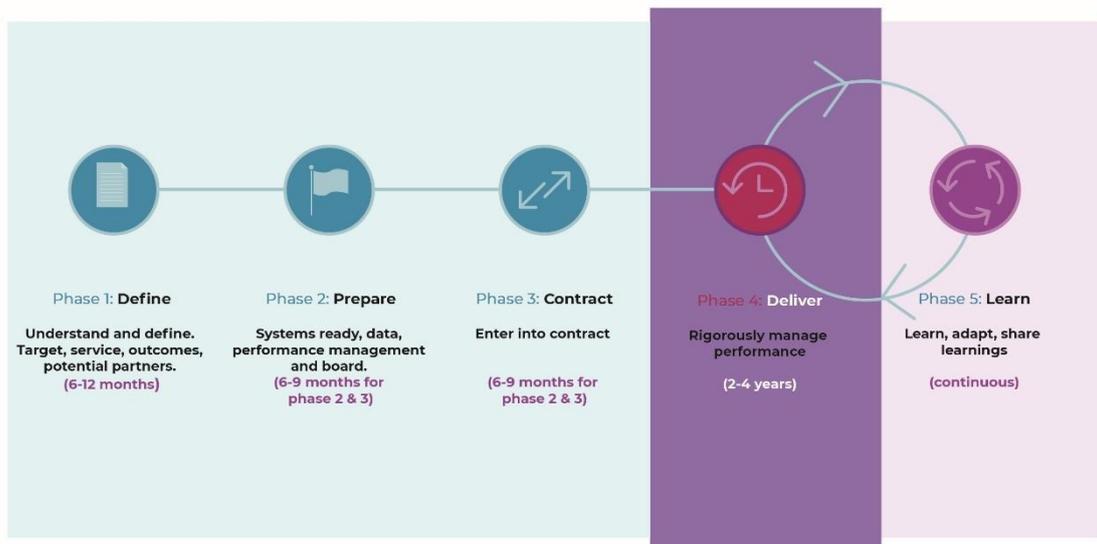
#### Highs:

- Seeing unprecedented **commitment from local partners** for referral pathways
- Working with **our pick of social investors** (we had pitched to several and they all wanted to invest!)
- Working with a committed group of people to deliver the service as originally designed and enabling our young people to **achieve those outcomes**
- Having an **independent chair** throughout and a **consultant** for the first year; both these roles were pivotal in helping the partnership maintain focus, work through differences and hold each other accountable for performance.
- Being the delivery partner to achieve the **highest outcomes overall**

#### Lows:

- Being put on a **performance improvement plan** at the start of the project
- Experiencing an intense level of **scrutiny and management reporting**
- Overcoming **partnership challenges**
- Being unsure on number of occasions whether we were going to be able to **deliver on target**. Each time, we regrouped and committed to removing the barriers – for example, investing in an administrator for our partners, agreeing incentives for participants, etc.

# PHASE 4 DELIVER



## OVERVIEW OF PHASE 4

This section focuses first on designing a performance management system, including the gathering of data and evidence needed to claim outcomes, and then on implementing that system. The often neglected element is putting in place feedback mechanisms to make sure delivery is agile and responsive. If you only have a few months or years to succeed in claiming outcomes to get paid, it helps to make sure that you welcome suggestions and act fast to make changes.

This section stresses the necessity of involving delivery staff and managers in everything you design and do during delivery. A disconnect between the leadership and the front line would be a highly detrimental organisational legacy for a SIB to leave.

Involving and welcoming input from the board is just as crucial. This section offers practical ideas on troubleshooting and adapting from past experience of SIB governance.

### Tools referenced in Phase 4

#### Example Detailed Service Delivery Tracker

Contributed by [ThinkForward](#)



DOWNLOAD TOOL



An example of an Excel tool that tracks participation and outcomes in detail.

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#### Example Board Dashboard

Contributed by [ThinkForward](#)



DOWNLOAD TOOL



An example of a PowerPoint deck which summarises participation, activities and outcomes information incorporated in a front line tracker, at board-level detail.

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### Performance Dashboard Template

Contributed by Tony Munton at [The Right to Know](#)



DOWNLOAD TOOL



An example of an Excel dashboard which summarises outline performance data, with more narrative, notes and lessons learned.

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### Sample Agenda for Board Meeting

Contributed by [ThinkForward](#)



DOWNLOAD TOOL



A sample agenda for an SPV board meeting including regular agenda items, operational updates and compliance logs.

#### 4.1 Gather data and evidence

In designing a SIB, it can be easy for managers to overlook the chaotic environment in which delivery staff may inevitably work. They are dealing with real people who may lose or withhold information, may be difficult to get hold of and may not behave consistently.

We have gathered tips for gathering outcomes from those with prior experience.

##### In designing the outcomes gathering process:

- Make letters, forms and other requirements **as light as possible** to ease the burden. Ensure each word or signature needs to be there, as people may need to complete a high volume of this paperwork
- **Involve frontline staff in the design** of these processes (including beneficiaries, validators, delivery staff and administrators). If you create cumbersome or difficult requirements, it is their professional and personal relationships you will be putting at risk, so it is crucial to ask their advice and obtain their agreement

##### And in implementing the outcomes gathering process:

- **Establish a regular (monthly or quarterly) cycle** for the gathering of data and documents and make it available to delivery staff in an easily-consumable format. Calendar reminders and system alerts may work or may need to be supplemented with other forms of communication until new processes become habit
- **Offer regular feedback and insights into progress and results** for those doing the groundwork, in return for their efforts. This can include healthy doses of praise and thanks wherever appropriate, but also interesting morsels of analysis and benchmarking to contribute to professional growth. In contributing to a SIB, staff are doing expert and innovative work and may emerge with sought-after personal expertise.

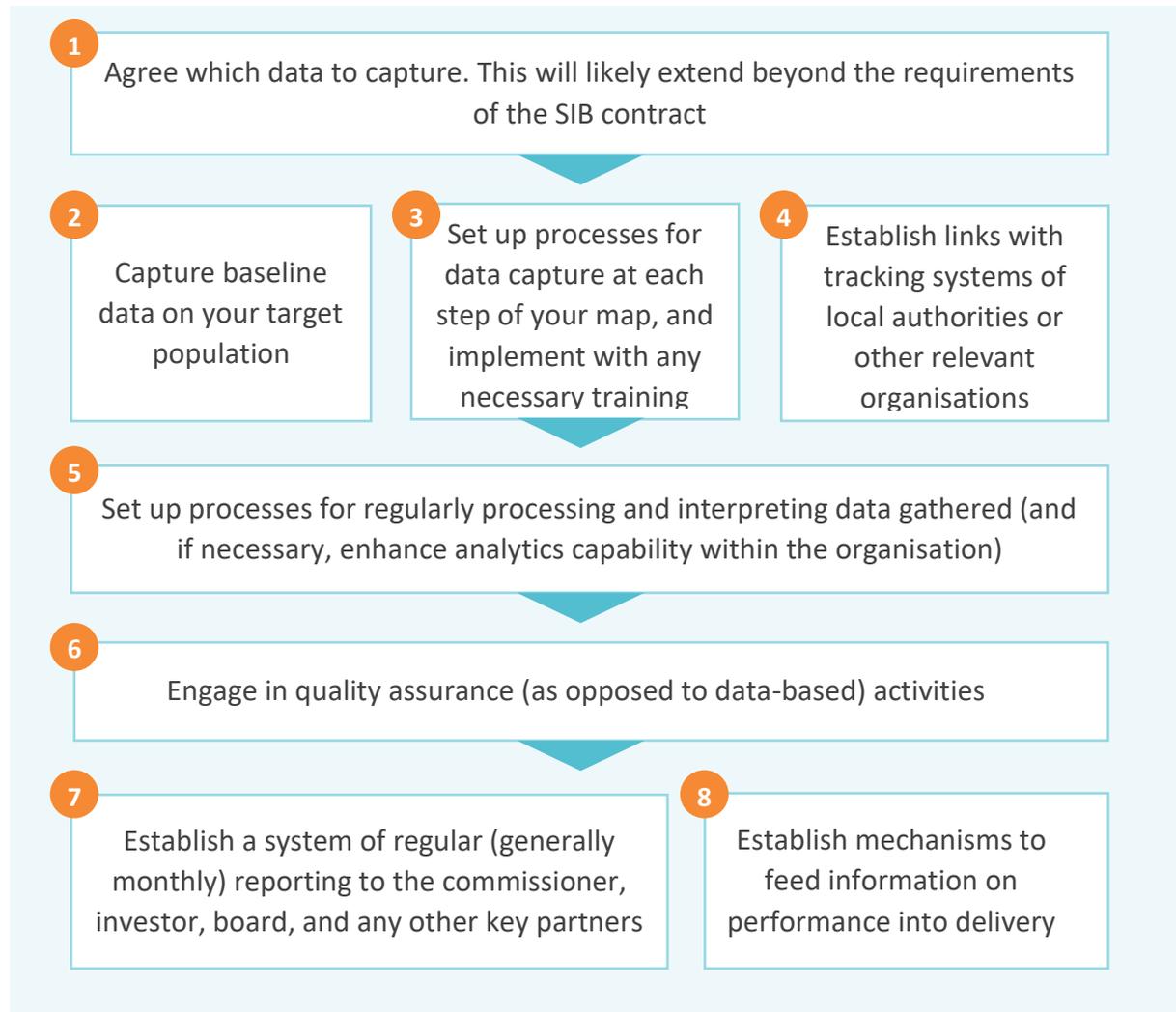
Ignoring discontent about the process of gathering outcomes can allow a damaging spiral to develop. A burdensome regular administrative effort can easily become divorced from the reality of a practitioner's professional successes and failures – and 'outcomes' become unpopular as a form of paperwork rather than a measure of real life successes.

#### 4.2 Design a performance management system

In phase 1, you set yourself up for successful performance management by mapping out the logic between the beginning of your intervention and the final outcome, with all the steps in between. You can use this model or map throughout the delivery process to tell if

you're on track to deliver your final outcome. All staff involved with the SIB need to feed into, understand, and continuously use this map throughout the programme.

In order to effectively manage performance you need to:



### Quality Assurance

Data and databases can often absorb most of the time given to performance management, but quality assurance is particularly important in a SIB, where delivery will often have been scaled rapidly, and where success depends on consistency.

You will have made outcomes projections for your [scenario modelling](#) based on past performance and any other evidence available about the effectiveness of your programme. To join up the circle, you now need to ensure that what is being delivered matches what was designed.

Quality assurance activities can include:

1. File audits (e.g. checking consent forms and other documentation is in place)
2. Procedure compliance (e.g. safeguarding spot checks)
3. Programme design compliance (e.g. checking numbers of activities delivered)
4. Programme quality checks (e.g. observation of delivery)
5. Feedback gathering (e.g. participant survey)

### Gathering feedback

Advice from an evaluation provider

“Feedback questions should be designed to get at the 'mechanisms for change' – the point where the activity yields an outcome. Too often they're not - they are getting at something unrelated - for example, 'would you recommend us?' or 'did you enjoy the programme?'

You should be using a validated and standardised measure - don't try to design questionnaires yourself.”

The art of quality assurance lies in:

- a) how these activities are built into the regular calendar without disrupting delivery, and
- b) how the results are communicated and assimilated. Do they feed into personal training plans? Newsletter case studies? Governance reports?

If the SIB's outcomes and overall performance is suffering, the answer may well lie in something discovered during quality assurance.

## Tool



### Self-Assessment Tool

By [The Matrix Standard](#)

DOWNLOAD TOOL



Before quality assurance can take place, the delivery team needs to be clear 'what good looks like'. Staff, ideally in partnership with beneficiaries, need to define quality markers. For example, a certain workshop needs to be delivered with empathy, with energy, and in a safe space. Everyone needs to be aware of these markers and the fact that they will be monitored. Look at accredited standards for your sector, like the Matrix quality standards, for inspiration.

Tool



**Quality Assurance Activities**

Contributed by [Maximus](#)

DOWNLOAD TOOL



This tool offers the building blocks for a Quality Assurance Framework. It proposes tiered quality assurance activities at different levels within an organisation, and the elements for a framework to surround them.

Tool



**Sample Quality Assurance Calendar**

Contributed by [Maximus](#)

DOWNLOAD TOOL



This is one example of an intermediary organisation's quality calendar, and gives an idea of what happens daily, weekly, monthly and annually to ensure a high quality of delivery.

**External performance management support**

You'll need to decide whether or not to outsource performance management. Outsourcing performance management offers some advantages over managing it in-house, notably reducing the burden on a delivery organisation which may be overstretched, especially if the performance management system needs to be built from scratch. However, it has drawbacks. As well as carrying a cost, outsourcing creates the risk that the performance management process becomes disconnected from the delivery team and too focused on the board and the commissioner without the necessary feedback loops between the two. It also means that they organisation does not develop the internal capacity to carry out this important function.

To reconcile these factors, a common arrangement is to only outsource the function for the beginning of the programme. Over time, the person or team responsible for performance management may be integrated into the organisation, with the budget expanding to include their salary, so that the organisation expands its internal capacity to include performance management. Another option is that the external person trains up internal staff and then moves on.

If you decide to outsource performance management at any point, you will need to allocate internal capacity to manage this resource.

### ***Working with external performance management support***

If you have external performance management support, take steps to internalise their best practices at analysis and decision-making, and to disseminate these learnings to your team in real time.

#### **Case Study**

##### Performance Management on the Energise SIB



Adviza and Social Finance worked together on the Energise DWP SIB, which required a great deal of data to be collected from 42 schools across Berkshire, Buckinghamshire and Oxfordshire. The challenge was facilitated by a model tracking the flow of young people through the programme, along with the required levels of contact at each stage of engagement. The young people's progress and participation were tracked weekly, highlighting where provision needed to be modified as well as predicting resource requirements month to month.

The performance management approach helped to ensure that the programme was achieving target outcomes and was collaborative. The model was refined along the way to include extra referral information and was used to promote the programme among schools. Adviza had a strong track record of collecting operational data and monitoring performance. The performance management approach from the SIB built on this to facilitate data-based decision-making, and the use of rigorous measurement across its other programmes.<sup>1</sup>

### **4.3 Use information to manage performance**

A key benefit of SIB delivery is the catalyst it provides for delivery organisations to use their own data more effectively.

You may find that dashboards are useful in keeping everyone informed of progress against the SIB programme design. These can flow directly from your [CRM system](#) and provide a snapshot of, for example:

- Participation rates and activities
- Updates to participants' personal details and circumstances
- Distance travelled and interim outcomes
- Costs

Tool



**Example Detailed Service Delivery Tracker**  
Contributed by [ThinkForward](#)

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An example of an Excel tool that tracks participation and outcomes in detail.

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**Performance Dashboard Template**  
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An example of an Excel dashboard which summarises outline performance data, with more narrative, notes and lessons learned.

Dashboards have a number of uses beyond reporting to stakeholders, which has been the traditional purpose of management information. This can often be a new way of working for even experienced practitioners, who may have seen dashboards used to little effect in the past:

**1. Personal development**

Dashboards work better when the appetite comes from within the delivery team, and when those on the frontline help to design and implement them.

Within a certain culture, dashboards can be internalised by frontline staff as genuine support to improve their practice, and can lead to personal reflection, training requests and improvement.

## 2. Programme redesign

Dashboards help to create feedback loops between the frontline staff, management, and the board. They enable data to inform and improve new iterations of service delivery by highlighting best practices across teams, and focusing learning on what works, and what does not.

For this to happen, teams need to be empowered and flexible enough to raise flags when issues come up, and propose changes to the programme, even if these are substantial. One way to engender this culture is to ask: allocate time in delivery team meetings to reflect and understand any pain points and potential issues. Try to create a culture of using “data to improve” practice rather than “data to prove”.

## 3. Tracking SIB performance

Keeping a regular eye on input, output and outcome metrics can give those responsible for SIB governance early sight of likely performance against contracts, making it easier not only to manage stakeholders’ expectations but to adjust resourcing to steer the direction of the programme.

### 4.4 Work with your board to address problems

However much scenario planning you’ve done, delivering a SIB is difficult and issues will come up during the lifetime of the contracts.

If there are clear governance and decision-making processes in place, it is much easier to deal with the inevitable unforeseen challenges as they happen and support timely improvement in service delivery?

Having mechanisms in place up-front will help you feel confident to raise urgent and critical issues with the board – a monthly forum, if appropriate. Try to see your board as allies: share information about problems or setbacks and ask for help when it’s needed. The board should support you in modifying outcomes if required and may be able to bring in additional resources.

#### One provider’s recommended approach for addressing an issue with your board:

##### 1. Acknowledge the problem

e.g. *We have recruited fewer participants than forecast*

##### 2. Collate supporting data to build a full picture of the consequences

e.g. *Actual vs forecast recruitment numbers, participation in activities*

**3. Analyse reasons for difference**

e.g. *Project kick-off delayed by staff absence during the summer holiday period*

**4. Gather recommendations** from the team and summarise for the board

- *What do we need to do more/less of?*
- *What additional resources are required?*
- *What is the forecast impact on timing and outcomes?*

**5. Make decisions with input from board**, e.g.

- *Replace project manager within two months*
- *Reduce expected outcomes by 5%*

Here are some common SIB delivery issues we have come across, and how boards have helped to avoid or address them.

**Problems with delivery organisation staffing:**

Problem	Solution (to avoid or address problem)
<p><b>Delays to recruit well-qualified staff</b></p>	<ul style="list-style-type: none"> <li>• Recruited the entire frontline team in advance of contract signature (at investor’s own risk) so that they would be ready to deliver at full speed from day one</li> <li>• Adjusted the pay scale and terms of contract to be better able to attract well-qualified staff</li> </ul>
<p><b>Variable management of staff performance, resulting in sub-optimal delivery</b></p>	<ul style="list-style-type: none"> <li>• Implemented a bonus scheme to reward high performing teams for excellent performance</li> <li>• Implemented an active performance management scheme to train or replace staff who were not delivering the highest quality services</li> <li>• Paid for and recruited a ‘programme manager’ after the first year to oversee the service and drive improved management. This role was not in the original specification or budget</li> <li>• Recruited a ‘trainee’ frontline staff member, ready to step into a role as soon as it became vacant, to mitigate against the effects of staff turnover</li> </ul>

	<ul style="list-style-type: none"> <li>• Fast-tracked team members to training courses, paying transport costs, to ensure that staff were trained rapidly and could commence delivering services immediately</li> <li>• Offered to carry on delivering the service after the contract cap had been hit, to drive more outcomes and better value for money</li> </ul>
<b>Failure to keep the team fully functioning right up to the end of the programme</b>	<ul style="list-style-type: none"> <li>• Implemented a retention scheme to reward high performing frontline staff who continued delivering right up until the contract end date</li> </ul>

**Problems with recruiting participants:**

<b>Problem</b>	<b>Solution (to avoid or address problem)</b>
<b>Failure to market the programme to those responsible for referrals (e.g. social workers)</b>	<ul style="list-style-type: none"> <li>• Ran a marketing campaign to pitch the programme to social workers, e.g. workshops, visits, videos and case studies to explain the benefits for families, along with clear referral pathways and instructions for eligibility</li> <li>• Offered incentives in return for participation levels e.g. guaranteeing rent arrears for certain clients – to clear logistical and perceived barriers to engagement.</li> </ul>
<b>Inadequate IT system for referral of participants</b>	<ul style="list-style-type: none"> <li>• Built, paid for and implemented a new IT system for all GP practices, which flags up suitable patients and encourages GPs to refer them to the service</li> </ul>
<b>Insufficient resources within the referring authority to manage the essential tasks required</b>	<ul style="list-style-type: none"> <li>• Paid for ‘care experienced mentors’ to help young people make the transition out of residential care. These mentors were not in the original budget</li> <li>• Paid for a formal medical and psychological assessment of all children referred to the service for adoption, from the country’s leading child mental health assessment team</li> <li>• Paid for and seconded an additional social worker into the referring authority, to ensure that all referral tasks are completed effectively</li> <li>• Paid for a full academic evaluation to identify the benefits and recommend improvements mid-programme</li> </ul>

**Problems with claiming outcomes:**

Problem	Solution (to avoid or address problem)
<p><b>Poorly-defined contractual outcomes lead to lack of clarity in claims</b></p>	<ul style="list-style-type: none"> <li>• Brought delivery staff to contract review meetings to avoid a back-and-forth situation and bring a dose of reality to contract discussions</li> <li>• Set up a working group including commissioner and provider, during which particularly thorny hypothetical ‘test cases’ were probed and tested to their limits</li> <li>• Signed contract amendments to redefine or add parameters to outcomes when all variations and permutations have been explored</li> </ul>
<p><b>Administrative or teething problems with claims process</b></p>	<ul style="list-style-type: none"> <li>• Took each site administrator out for lunch or coffee to ask about particularities of their site and gain buy-in for a monthly process. Used this information to map the different systems and processes used across all sites</li> <li>• Developed a two-step claim validation process where a manager dip tests a handful of claims each month, tracing the paperwork back to ensure validity</li> <li>• Reverted to Excel when our system confused or lengthened the process. Data can always be bulk-uploaded at a later date.</li> </ul>

**Masterclass: Tips for performance management and governance**



Contributed by Dr Dr Tony Munton, managing director, TheRTK

TheRTK works with organisations to help them get the greatest value from their performance data, so that it becomes a key strategic asset. The key issues that organisations usually need help with are around performance management and governance.

Tips for performance management:

- Keep it simple! A key reason for failure of a performance management system is having too many KPIs. Keep things basic. Pick three top KPIs – your top three “obsessions”.

- Every month, provide a summary dashboard (see tool below) showing for all three KPIs:
  - What is the “story behind the curve”? (i.e. why does the graph look like that?)
  - Who are your partners, to get the numbers to change?
  - What do you know about what works to change the numbers? Where are the gaps in your knowledge?
  - What are you going to do about it (by next month)?
- TheRTK’s approach is based on the outcomes-based accountability framework (also known as results-based accountability), developed by Mark Friedman in the US. There are plenty of resources and worksheets for [using this approach here](#)

#### Tips for good governance

- Bear in mind that people are naturally reluctant to collect performance data, because it can show poor performance
- It’s important to create a culture that is tolerant of failure, and one where you know if performance is failing, so that you can do something about it
- Adopt the mantra: “if you're not measuring it every month, it's not a KPI.” Investors will demand that KPIs are being tracked, before they invest

#### Tool



**Sample Agenda for Board Meeting**  
Contributed by [ThinkForward](#)

DOWNLOAD TOOL



A sample agenda for an SPV board meeting including regular agenda items, operational updates and compliance logs.

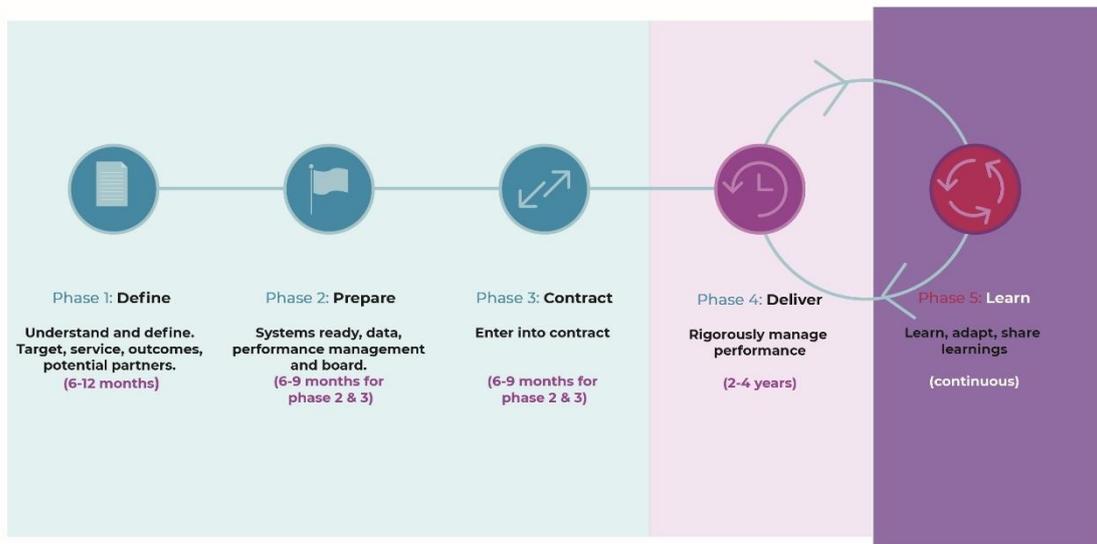
## CHECKLIST: AFTER PHASE 4

Have you got everything in place for Phase 4? If the answer to any of these questions is 'no', you might want to refer to the relevant sections of the toolkit.

- Have you got user-friendly processes for [gathering data and evidencing outcomes](#), co-designed with your delivery team?
- Are there [mechanisms in place](#) to ensure that the team is receiving, interpreting and using the full range of available information and resources?
- Have you allocated time for [reflection and feedback](#)? Is your team empowered to raise flags when issues come up and propose changes to the programme?
- Have you engaged all team members to feel motivated by the potential for learning and personal/organisational development that this new way of working offers?
- If you are outsourcing performance, data, or stakeholder management have you allocated time and resources to learn from your partner and adopt their best practices?
- Are there clear governance processes in place to deal with [unforeseen challenges](#) and support improvement in service delivery over the course of the programme? Do you feel able to raise urgent and critical issues with the board?

# PHASE 5

## LEARN



### ***OVERVIEW OF PHASE 5***

The hard work does not necessarily stop on the official end date of the SIB. You will need to wind up the official structures of your SIB; close down the finances; communicate with stakeholders and decide ‘what next?’ for the organisation.

Many providers take the opportunity at the end of a SIB to undertake a full organisational review; this section offers guidance on taking stock of your systems and processes, partnerships and finances after a SIB.

This section also explores the different types of evaluation – be they led by you, your commissioner or even your investor – and how to make the most of a SIB evaluation. It includes common pitfalls experienced by SIB providers in the past, and advice on weathering a negative evaluation outcome.

Regardless, successful SIB delivery is a badge of honour within the sector and speaks well to potential future partners and funders about your organisation’s ability to manage its impact.

### 5.1 Evaluations

Your commissioner(s) and even your investor(s) may be undertaking evaluations of their own. It is not usually advisable to rely on these externally-led evaluations, which might focus on the value of the commissioning mechanism itself, answering questions such as:

1. Did the SIB framework enable the organisation to better meet specific policy objectives?
2. Did the SIB framework contribute to the project’s impact?

In addition to these, your evaluation would aim to answer various questions on the delivery of the intervention you are planning. These should include the following:

Process evaluation	Impact evaluation	Value for Money assessment
<i>Is the programme operating as designed and which elements are making the difference?</i>	<i>Are the outcomes achieved above or below available benchmarks?</i>	<i>Has the intervention been cost-effective?</i>

#### Isn't a SIB its own evaluation?

For many SIBs, a key aim is to encourage innovation, which makes it even more important that they are accompanied by a strong evaluation to assess whether or not that innovation has succeeded. The scope of this may depend on how the SIB was set up. For example:

- SIBs whose outcomes incorporate benchmarking against national data sets may find the comparison is relatively easy to achieve
- SIBs whose outcomes orient mainly around individual achievements may have further to go to find a valid control group and establish statistical significance

Regardless, the better your definition of the [target population](#) and [outcomes](#) and the better your [performance management](#) throughout the SIB, the less money and effort you should need to spend on evaluation.

We have listened to delivery staff talk about the evaluations they took part in and have drawn together SIB-specific evaluation lessons from what we heard:

Providers have said...	Lesson
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<p><i>“People just want to leave and get on with their lives, and not be bothered again.”</i></p>	<p>In designing a SIB evaluation, try to make sure that crucial findings (or indeed outcome payments) don’t rest on getting in touch with participants after they leave the programme. If they do, numbers need to be large enough to accommodate low response rates.</p>
<p><i>“There were so many blank spaces in the online forms, you felt a bit like none of it was important”</i></p>	<p>Each party in a SIB can come with their own data requirements. Try to co-ordinate: argue that it’s better to collect a few pieces of information and focus really hard on data quality than try to build everything you can think of into your <a href="#">IT system</a>. That can be off-putting.</p>
<p><i>“Rubbish in, rubbish out...”</i></p>	<p>Any evaluation will be hamstrung by ‘rubbish in, rubbish out’ if you are guarded in your release of information. Dedicate serious time to onboarding and arming your evaluators: see it as bonus consultancy! Designing the evaluation in such a way as to separate it from financial incentives will make this easier.</p>
<p><i>“We had a great little programme, but it didn’t translate well”</i></p>	<p>A good evaluation should include assessing ‘fidelity’ to a well-documented programme manual. SIBs have been known to stimulate fast growth in small, effective “black box” programmes which didn’t replicate well.</p>

Be aware from the outset that not all evaluation outcomes are uniformly positive: they may show no difference or even a negative impact on your beneficiaries and their outcomes.

**How you manage a negative evaluation result tests your resilience as an organisation. Handled well, you can show staff, funders and external stakeholders evidence of your flexibility in the relentless pursuit of social impact.**

“If your evaluation throws up something you don’t like, get some moral support from your board and closest colleagues to overcome the bruised pride, embarrassment, sadness – and get on with the job. Improve the programme. Cut out the harmful or wasteful bits. Prune the tree so the fresh growth can blossom.”

– Kathryn Maunders, [Ten Thousand Starlings](#)

### Masterclass: What if you don't like the answers?

Contributed by Bethia McNeill, Centre for Youth Impact



When evaluations yield the 'wrong' answer it's either a management issue or it's an interesting opportunity – either of which is valuable. For example, say you run an eight week workshop for 10 young people, but you discover that by the end, only four people on average are attending. Either:

- There has been a logistical problem: perhaps the workshops are not easy for your cohort to get to, or they're being held too late
- Whilst most people drop off after six weeks, their outcomes aren't affected. This is an opportunity to cut the duration of the programme

You can triangulate the various metrics – outcomes, participation data, feedback – to work out the cause and the solution.

It isn't helpful to undertake or commission an evaluation if there isn't some kind of space in which to analyse the results and adjust your approach accordingly.

But adjustments have to be made with discipline. Change one thing at a time, make a hypothesis about what difference that will make, and monitor what happens as a result.



#### Further resources

- [Introduction to Evaluation](#), GO Lab
- [Mapping Standards of Evidence](#), Nesta

## 5.2 After a SIB

As one ex-SIB provider put it, "if you leave it until after the SIB to think about what happens after the SIB, it's too late." It's wise to start thinking a year out from the end of your contracts about [what's next](#), so that provision or funding does not fall off a cliff.

What happens next may depend on why you were doing a SIB in the first place:

- Was it a long-term solution for a model that will always require investors? (For example, if there is a long delay between the start of the programme and the achievement of outcomes). If so, all parties may now be able to engage in conversations about longer-term contracts

- Was it a proof of concept for a programme too innovative/risky to fund without working capital? If so, you can now explore different funding mechanisms

For SIB providers who are now able to manage and demonstrate their impact, it should not be hard to attract a wider range of interested parties. Charities in this position are acknowledged to be well placed to navigate the statutory funding environment and are almost ‘certified’ as good impact managers who could succeed in any other kind of outcomes-based contract.

“SIBs involve some quite intensive and detailed performance reporting to specific parties, but potential future funders aren’t part of that process. Local authorities, for example might not know anything about your journey and the improvements you’re making unless you can find a way to involve them earlier on.”

– Joanne Hay, Power2



### What have I forgotten?

One common pitfall is the assumption, designed in at the [modelling](#) stage, that financial returns come quickly.



Firstly, you may decide you need to continue providing the SIB service for some months after the official programme end, to fulfil your duty of care.



Secondly, it can take a while to wind it down – particularly if there is a legal company to dissolve.

Allow 9-12 months to gather in the final outcomes, calculate figures and obtain consensus from all parties, undergo any auditing, and distribute money before wind down.

Don’t forget to communicate the results with all the partners and agencies who have supported your work, many of whom will have changed their way of operating to support this new funding model. These partners may be your first port of call for seeking further programme funding.

Finally, the end of your SIB is likely to be a good time for an [organisational review](#).

“We developed a completely new facility on the back of the money that we (eventually) made from the SIB. We wouldn’t have been able to do this otherwise.”

– Contracted SIB provider

### 5.3 Post-SIB organisational review

At the end of a SIB programme, you'll most likely be facing some decisions about what's next for the organisation.

As an input into your thinking, we'd recommend reviewing what you've learned during the SIB, and considering how to apply this learning to strengthen your organisation for whichever direction you choose to pursue.

You'll have made some changes to your organisational structure and culture in order to deliver the SIB, and in an ideal scenario, you've been learning and adapting throughout its lifetime. **Now is the time to decide, what should we take forward, and what should we leave behind?**

The end of a SIB presents a valuable opportunity to more formally take stock. It is worth soliciting input from your partners, programme participants and evaluators as well as your full internal team. As you write up the learning for internal use, consider sharing any of it that may be useful to other organisations that are considering developing and delivering a SIB.

Below, we suggest some key areas to focus on as you review the learnings and turn towards what's next.

#### 1. Processes, systems and capabilities

- Does your theory of change need revising in the light of the outcomes delivered (or not) during the SIB?
- Do you need to retool your performance management systems, including revising the indicators, or setting targets more accurately?
- Do you need to make any changes to delivery?
- Will your current IT systems support the collection of data beyond the SIB's requirements, or do you need to upgrade them?

#### 2. Partnerships

- Which new relationships have you cultivated? Which doors have you opened?
- What is your plan for continuing to engage with all your partners, and to continue to explore new partnership opportunities?

- Is the end of the SIB leaving any of your partners in the lurch – for example, if you supplemented their service as part of [performance troubleshooting](#)?

### 3. Financial sustainability

- In which ways has the SIB made your organisation a stronger candidate for subsequent funding, e.g. by producing a body of outcomes data?
- How could you secure follow-on funding for successful aspects of the programme? How likely is the commissioner to recommission them?
- How could you redesign your fundraising strategy to capitalise on the learnings from the SIB?



#### Further resources

- [The Confidence Framework](#), Dartington Service Design Lab