



**Manchester  
Metropolitan  
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'Ain't what you do, it's the way that you do it  
(and that's what get results)'

9/9/22 For Oxford University Social Outcomes Conference

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What impacts on  
best practice in  
delivering Social  
Impact Bonds  
(SIBs)/Products?

# FRAMING

## Background Framing:

Social impact products over the last 10 years may be described as:

being too complex

being overly transactional (metric-measuring), and not being sufficiently recognised as an innovative/transformational learning process to prevent social problems becoming crises

not crystallising the key relationships, coproduction and capabilities needed for social impact success

unattractive to commissioners/procurers (compared to traditional procurement)

not living up to their promise

The Voluntary Sector and Social Impact Bonds/Products could be a match made in heaven but that is not currently evident at scale since inception 10 years ago. Some modest developments (c. 100 social impact projects live in the UK) and emerging practices now exist, making it possible to research the area

# Research aims:

Overarchingly this research investigates why and how SIBs start, develop and deliver.

3 main aims:

- 1. There is a growing body of work that applies relational models of governance such as New Public Governance (Osborne 2006) and related concepts such as co-creation and social innovation to the study of SIBs (Farr 2016, Albertson et al. 2020). In this research we analyse whether concepts associated with relational (including capability and innovation intention) and co-produced models of governance and practice are associated with more successful SIB outcomes.
- 2. Start to establish a simpler process/ determinants to engage investors, providers and outcomes payers in SIB products based on a capabilities and a relational approach to place-based coproduction
- 3. Crystallise key elements in play in the most productive SIB projects which VCSE delivery and investment partners can initiate and sustain

# Theoretical considerations

The key theoretical examination is the relational/relationships that engender successful social impact products.

Set within capabilities theory, and what behaviours in the social impact actors/players support innovation especially around a public health approach which benefits systems to promote the established impact value of prevention and earlier intervention (a public health approach).

Human Learning theory/systems will be considered through a coproduction/whole system engagement (integration) lens both within the players setting up and running social impact schemes but also the beneficiaries of those schemes through the behaviour change the impact innovation model creates.

## METHOD

### Methodology

**18 impact products  
2016-2021**

**4 reviews each**

**NVivo+ thematics  
counted**

**Compared against  
success**

*data available*

- Data: UK SIBs on the GOLAB database [<https://golab.bsg.ox.ac.uk/knowledge-bank/indigo/impact-bond-dataset-v2>] that went live between 2016 and 2021 and for which we could locate a minimum of four distinct reviews, evaluations, commentaries or academic articles were identified.
- Twenty-five SIBs met these criteria. Seven were discarded because of insufficient data on whether they had achieved their outcomes or not.
- Eighteen were subject to fuller assessment. We analysed the documents gathered for each SIB and searched for key words and phrases associated with innovation, relational and co-produced ways of working using NVivo+. We also read each paper to examine the context within which the theme was used.
- SIBs were deemed to have been successful if they had delivered their stated outcomes within a 10-15% tolerance. Of the 18 SIBs analysed, ten were classified as successful and eight were struggling to meet their stated outcomes

## FINDINGS/DISCUSSION

Successful SIBs in our sample were consistently associated with relational working driving innovation, co-production, capability and mutual learning. Successful SIBs were more frequently (by +13 to 23%) associated with:

- 1) *describing outcomes in terms of vision and values first (backed up by quantitative metrics later);*
- 2) *close integrated partnership working with a focus on understanding organisational drivers for change and joint problem-solving;*
- 3) *asking end users for their input at the design stage (co-creation) and during delivery (co-production);*
- 4) *describing what they did in terms of capabilities;*
- 5) *emphasising partners having shared responsibilities (across the impact actors);*
- 6) *early-on mapped 'impact' skills and gaps in service delivery across all partners;*
- 7) *had a clear needs assessed theory of change and interventions plan to deliver innovation; and*
- 8) *adapted service models (re-calibrated) frequently.*

It is the relational, co-creative, innovative, preventative and human learning perspectives driving the best SIBs in recent years

*Struggling SIBs were less associated – on average by one fifth.*

# Implications

Successful SIBs in our sample were more associated with the human, personal and innovative dimensions that we've explored.

This has implications for the design and commissioning of SIBs, suggesting relational and co-created governance structures are important to hold problem-solving, vision and necessary skills.

When commissioners and procurers are engaging investors and impact delivery partners, time needs to be planned in to really understand the social value, the place-based needs and innovation aimed for and to develop a capable problem-solving approach that is co-created/produced with people who use services from the communities they live in.

This is important not just during set-up, but for the duration of the impact contract (for dynamic evolution).

Further research being carried forward.

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