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*What are common themes that lead to great outcomes via social impact products? This is a summary of findings related to research conducted in 2022. Lee has worked in the social impact space over the last 10 years and is a researcher at Manchester Metropolitan University studying social impact products, supervised by Professor Chris Fox, Director of the Policy Evaluation and Research Unit.*

## **Best practice in delivering Social Impact Bonds (SIBs)/Products; 'It ain't what you do, it's the way that you do it (and that's what get results)' (Bananarama, 1982)**

### **Overview**

**Central question, main issues analysed:** Various commentators have seen Social Impact Bonds (SIBs) as implementing practices associated with New Public Management and/or neo liberal ideas (e.g. Dowling 2017, Warner 2020), and as a financial instrument to measure socio-economic gain. However, 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 paper 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.

**Methodology and information:** All UK SIBs on the GOLAB database [<https://golab.bsg.ox.ac.uk/knowledge-bank/indigo/impact-bond-dataset-v2>] that went live between 2015 and 2020 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 relational and co-produced ways of working using NVIVO+. We also read each paper to examine the context within which the theme was used.

**Main findings:** SIBs were deemed to have been successful if they had delivered their stated outcomes within a 10-15% tolerance. Of the 18 SIBs we analysed ten were classified as successful and eight were struggling to meet their stated outcomes. Successful SIBs in our sample were consistently associated with relational working driving innovation, co-production, capability and mutual learning. Thus, successful SIBs were more frequently associated with: 1) describing outcomes in terms of vision and values first (backed up by quantitative metrics later); 2) close 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 people's capabilities ('we did this and it changed that'); 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 assessment, theory of change and interventions plan to deliver innovation; and 8) adapted service models (re-calibrated) at least annually. Struggling SIBs were less associated.

**Research/policy implications:** Successful SIBs in our sample were 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. 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-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.

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## References

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