

1.0 Summary of the Commissioning Better Outcomes Evaluation

1.1 Introduction to Evaluators

In January 2014 the Big Lottery Fund commissioned Ecorys UK, in partnership with ATQ Consultants, to evaluate the Commissioning Better Outcomes (CBO) Fund over its nine-year life.

1.1.1 Ecorys UK

[Ecorys UK](#) is a leading public policy research organisation focused on the development, delivery and evaluation of public policy. Founded in 1981, Ecorys has more than thirty years' experience helping their clients in the public, private and civil society understand and meet their challenges. Ecorys has an outstanding track record in undertaking process and impact evaluations across a range of social policy areas that could potentially be a focus of the Social Impact Bonds (SIBs), including employment, education, families with multiple and complex needs, older people, offending, substance misuse and housing.

1.1.2 ATQ Consultants

[ATQ Consultants Ltd](#) was established in August 2012 and was formerly the in-house consulting team of a major public services company. Before that the team were part of a niche consultancy which worked with the public sector and with providers of, or investors in, services to the sector. ATQ's capability derives from many years' experience in three key areas:

- support to complex commissioning and procurement exercises by local and central government;
- advice to providers of services on contract readiness, including measurement of social impact;; and
- analysing and improving the investability of organisations and specific projects for both social and institutional investors.

ATQ Consultants have been at the forefront of SIB design since their very inception. They have worked with Central Government, investors, commissioners and providers in designing, setting up and assessing SIBs.

1.2 Evaluation Aims and Objectives

The aim of the evaluation is to improve the understanding of SIBs, by capturing learning at all stages of the development process and building an evidence base for the SIB model and its application in different contexts. The contract is divided into two parts: delivering a robust evaluation that provides evidence on the impact of SIBs and highlights good practice; and disseminating the learning from this evaluation through a range of outputs and sharing processes. The evaluation is also being undertaken throughout the nine year life of the CBO Fund in order to ensure that learning from the evaluation process feeds into the continuous improvement of the Fund, its processes and its impact.

The evaluation will, therefore, directly benefit local projects, as it will capture and share learning from across the CBO-funded SIBs.

The evaluation includes both a process and impact evaluation:

- **Process Evaluation:** Creating an understanding of the processes relating to developing and setting up SIBs which the CBO Fund has adopted.
- **Impact Evaluation:** Tracking, evidencing and understanding the impact of the SIBs supported through the CBO Fund, including the impact on service delivery, outcomes and financial generation and savings. This will build on the evaluation activity taking place locally. We will also explore how this varies between different models and approaches, including an overall cost-benefit analysis.

1.3 Key Focus for the Evaluation

The overall focus for the evaluation is summarised at high level in **Figure 1.1** and described in more detail below. As **Figure 1.1** shows, our evaluation will aim to focus on addressing key questions at both project and programme level:

At project level:

- What decisions were made and why, at each stage of the development of the SIB and, where appropriate, its subsequent implementation during the mature phase?
- What has been the impact of the SIBs under development on key stakeholders, and how has impact differed both between SIBs and between individual stakeholders?

At programme level:

- To what extent has the CBO Fund had an impact on wider perceptions and the acceptance of SIBs as an effective way of delivering public services?
- How have different approaches to SIBs, and SIBs focused on different services and outcomes, had different results and levels of impact on each stakeholder group?

All the findings from the evaluation will feed into the dissemination and learning strand, which will also take account of the differing needs and wants of key stakeholders.

As **Figure 1.1** also shows, all aspects of the evaluation will focus on four key groups of stakeholders:

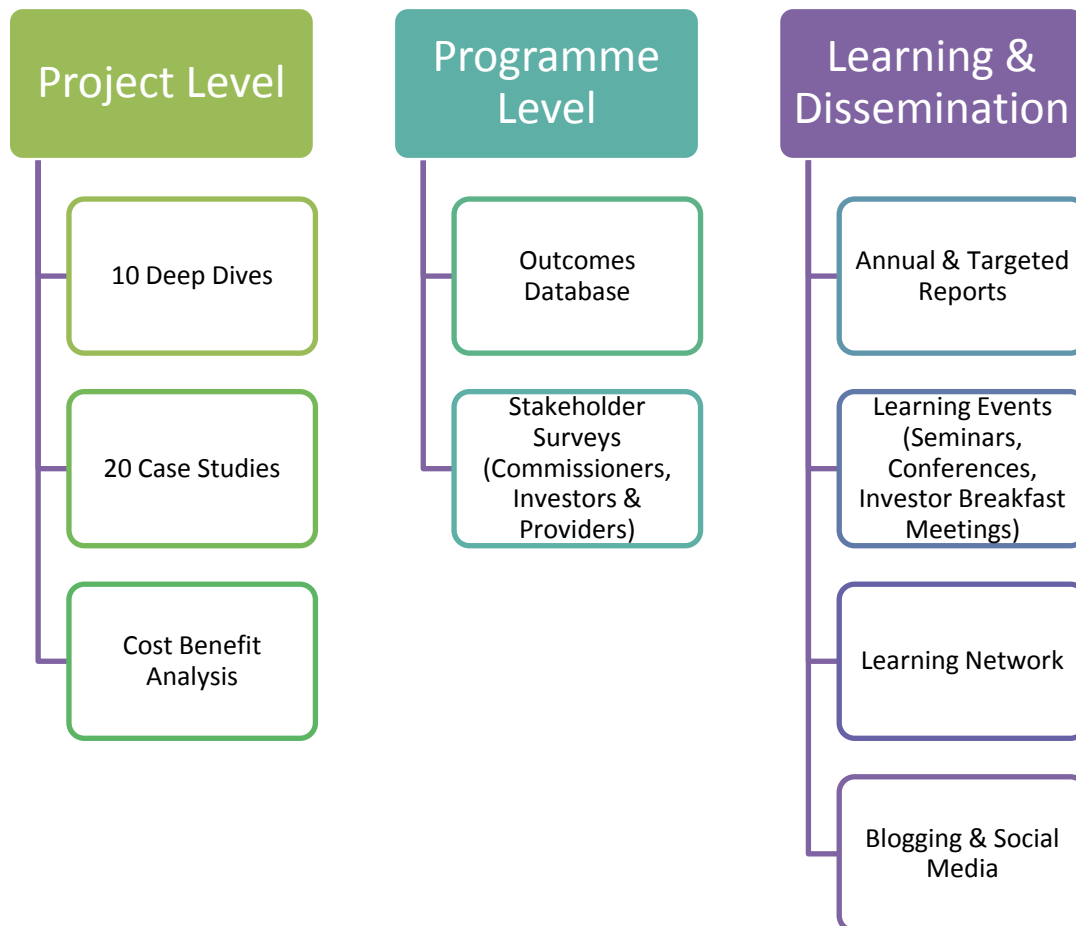
- **Commissioners:** The public sector bodies that initiate, design and commission a SIB (either alone or in partnership) and are the direct recipients of support from the CBO Fund.
- **Investors:** The organisations that invest in the SIB on the basis that they will receive an agreed financial return if outcomes are achieved.
- **Service providers:** The VCSE or private sector organisations that deliver services or interventions funded by the SIB in order to achieve outcomes.
- **Beneficiaries:** The individuals or other service recipients (for example families) who benefit from the interventions or services provided and, ultimately, from improved outcomes.

Figure 1.1 Key Focus of the Evaluation



1.4 Methodology

Our methodology for evaluating the CBO Fund is summarised below.



At a project level, activities will be as follows:

- **10 Deep Dives:** Providing a robust process and impact evaluation for 10 of the SIBs funded by CBO
- **20 case studies:** These will focus in depth on a different 'critical point' within the delivery of a SIB. They will be divided into 10 rounds, with each round focusing on a different theme and including two case studies
- **Cost Benefit Analysis:** To estimate the net costs (including transaction costs¹) and benefits incurred by society from the intervention funded by the SIB.

¹ Investopedia defines transaction costs as: "Expenses incurred when buying or selling securities." See: <http://www.investopedia.com/terms/t/transactioncosts.asp>

At a programme level, activities will be as follows:

- **Outcomes Database:** Collating the outcomes data from all SIBs funded by CBO, to provide an at-a-glance overview of all of the main outcomes attached to the CBO programme, both at the individual SIB level but also collectively at the meta level.
- **Stakeholder surveys:** To measure the extent to which the CBO programme has influenced stakeholders' perceptions of SIBs and their level of take-up. We will survey commissioners, investors and service providers across the UK who are both involved in, and aware of, SIBs.

The findings will be disseminated via:

- **Annual and Targeted Reports:** Annual programme-level reports, summarising the overall process and impact evaluation of CBO, documenting how this varies between SIB delivery models. Targeted Reports will be produced, tailoring the findings to the different stakeholders involved in SIB delivery (investors, commissioners and service providers).
- **Learning Events:** A series of face-to-face and online events, bringing together those involved in the CBO Fund and wider stakeholders to share the evaluation findings.
- **Learning Network:** A series of events and communication tools between SIBs funded by CBO to share learning.
- **Blogging and social media:** To share the findings with a wide range of stakeholders.

1.5 How the National Evaluation and Local Evaluations Will Work Together

The majority of the national evaluation work is predominantly focused on gathering information for the process evaluation. The impact of the SIBs on beneficiaries will primarily be explored through drawing on local impact work direct from the projects' own evaluations. The national evaluation will therefore build on, rather than duplicate, any local impact evaluation work.