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# **Social Impact Measurement in the SIB model: Indicators**

## Key steps in social impact measurement in the SIB model

### Transform objectives into measurable results

- Outputs
- Outcomes
- Impacts

### Define indicators and target values

- Output indicators
- Outcome indicators

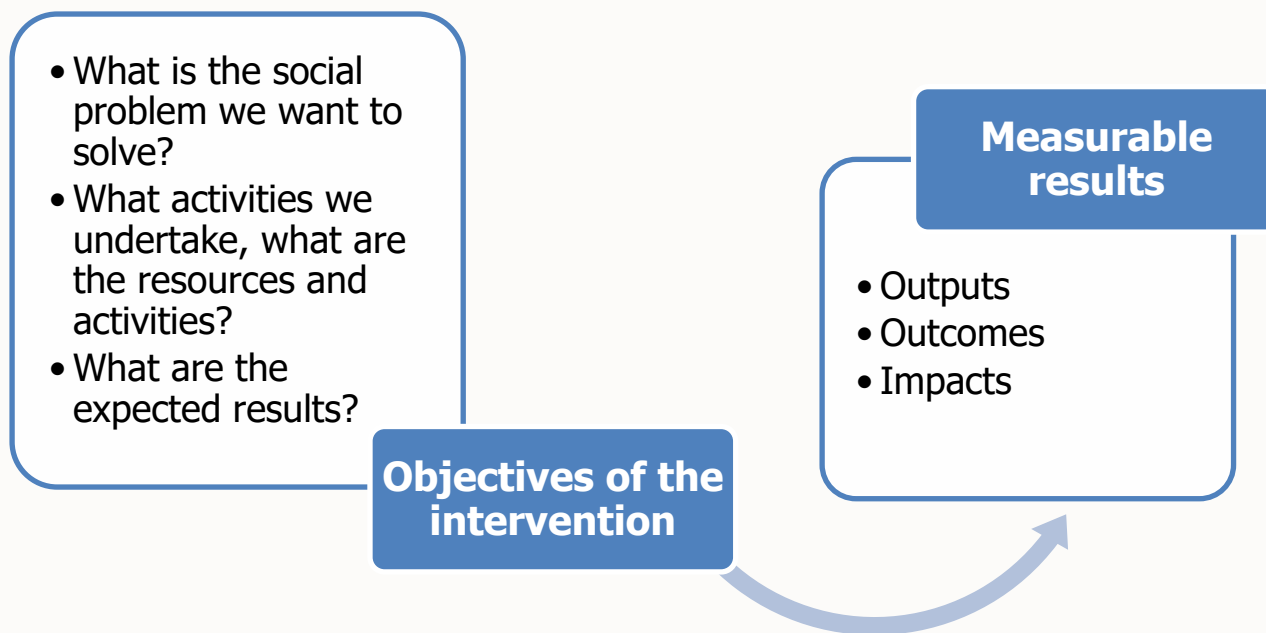
### Calculate outputs and outcomes

- Collect the data about the indicators
- Compare the indicators to target values

### Adjust the outcomes and get estimates of the impacts

- Adjust the observed outcomes for the results that would happen even without the intervention, results of other factors, possible negative effects elsewhere etc.
- If this is not possible, at least acknowledging the factors that may cause that the outcomes are not equal to the impacts

# Measuring the results of an intervention starts with the transformation of the objectives into measurable results



## Why measure outcomes?

- 1. To manage performance / learn how to get better.**  
Outcomes framework enables us to indicate whether a project is moving closer to its ultimate objective or not.
- 2. To evaluate whether something works (but not why it works – or doesn't).**
- 3. To provide a means for payment.** The outcomes contract needs to be robust on three things: the cohort of beneficiaries that SIB project will support, the outcomes that the SIB aims to achieve, and the price that will be paid for the outcomes.

# What do we measure when we say that we measure social impact?

When people talk about measuring social impact, they have different kind of results in mind.

- **Outputs** – refer to tangible results from the activities conducted in within the intervention.
- **Outcomes** – show the effects on target population from delivery of the outputs.
- **Impacts** – include changes or effects on society.

Outputs are relatively easy to measure, while **measuring outcomes and impact is a challenging task.**

## What is an outcomes framework?

In order to measure outcomes and outcomes metrics should be set up. A robust outcomes framework sets the groundwork for your SIB project. It needs to define the following:

- The **outcomes** to be used. Even with clear definitions and robust measurement, there may be differences in views on how many, and which, outcomes to attach payments to.
- The **indicators** (measures) to be applied to each outcome, which show whether an outcome has been achieved or not.
- The **specific targets** to be applied to each measure, that determine the level of achievement at which outcome payments will be made.
- When **measurement** takes place.

## What is an outcomes framework?

### Key Concepts

#### **Outcome**

What changes for an individual (or other defined unit, such as a family) as the a service or intervention (e.g. improved learning outcomes)

#### **Indicator / Measure**

The specific way the commissioner chooses to determine whether that outcome been achieved (e.g. a test score)

#### **Metric / Target / Trigger**

The specific value attached to the measure for the purposes of determining satisfactory performance has been achieved (e.g. a test score of 95 out of 100 or improvement of 30 points in a test score over a 5 month period).



## Outcomes framework: small and large number of outcomes

Number of outcomes	Advantages	Disadvantages
<b>Small number</b>	<ul style="list-style-type: none"> <li>▪ Simplifies model and works well when the intervention is more structured.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creates more risks as the SIB then becomes reliant on the performance of a small number of outcomes.</li> <li>▪ Can shift the balance towards process-related indicators.</li> </ul>
<b>Large number</b>	<ul style="list-style-type: none"> <li>▪ Beneficial when the intervention is flexible and may achieve different outcomes with different beneficiaries.</li> <li>▪ Spreads the risks as outcome payments can be made even if the intervention fails to achieve all its states outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adds to the complexity of the model.</li> <li>▪ Added burden on the providers who have to collect the data.</li> </ul>

## We define the desired results in terms of outputs and outcomes indicators and use target values

Result indicators are variables that provide information on some specific aspects of results that lend themselves to be measured (EC, 2014). In the UK indicators are often termed as „**outcome measures**“.

- **Output indicator** is a “Specific and measurable actions or conditions that assess progress or regression against specific operational activities” (EVPA, 2015).
- **Outcome indicator** is a “Specific and measurable actions or conditions that demonstrate progress towards or away from specified outcomes” (EVPA, 2015).

## Factors that make a “good” indicator

Indicators should be **SMART** that means specific, measurable, achievable, relevant, time-bound.

Indicators we use **should be compared with those used by others** so that results of the intervention can be benchmarked. Therefore, we should use indicators as much as possible from public databases such as IRIS, Global Value Exchange or other databases.

For each outcome **we should use more than one indicator**, ideally we go for two to three.

## Checklist for identifying indicators

- Can you narrow down to one primary indicator and several secondary indicators?
- Do the indicators align to the policy objectives of the project? This includes the social problem that the contract aims to address, as well as the financial benefits it will bring.
- What hard or soft indicators will you use?
- Do you need proxy indicators if your outcomes are difficult to measure directly?
- Do you need to set indicators that show progression or will a binary yes/no be enough?
- Are the indicators achievable through a social intervention?
- Are they acceptable to all stakeholders?
- Do they reflect the priority of the service users? Has this been tested?

## Hard & soft indicators

Type of outcome	Definition	Advantages	Disadvantages
<b>Hard</b>	Can be measured objectively	<ul style="list-style-type: none"> <li>▪ Simpler to measure</li> <li>▪ No risk of disagreement about achievement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not always available</li> <li>▪ May not capture sustained</li> <li>▪ May not reflect what matters to service users</li> </ul>
<b>Soft</b>	Requires subjective assessment	<ul style="list-style-type: none"> <li>▪ Useful when no hard outcome is available</li> <li>▪ Can be used to test progress</li> <li>▪ Measures whether the service user expectations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consistency of measurement be difficult</li> <li>▪ Potential for disagreement achievement</li> </ul>

## Binary and continuous indicators

Type of outcome	Employment	Offending	Child Protection
<b>Binary</b>	In work/not in work	Not	Looked after/not looked after
<b>Continuous</b>	Length of time in work  Quality of job  Progression to full time work	Reduced frequency Reduced severity	Length of time not in care Escalation/de-escalation formal Child Protection

## Proxy outcomes & indicators

### Proxy indicators

- Reduced hospitals admissions
- Off benefit
- Reduced reconvictions

### True outcomes

- Improved health
- In employment
- Reduced reoffending

### Risks

- Reduced attendance might be due to other factors
- Person may cease claiming benefits without finding work
- Many offences go undetected

Proxy indicator is an indirect measure of the desired outcome strongly correlated to that outcome, used when direct indicators of the outcome are unavailable or cannot be measured.

## Cohort versus individual measurement

### Cohort outcome measurement

- Works best when the current adverse outcomes vary across the cohort
- Usually requires comparison with a who did not receive the intervention
- Does not normally require a separate calculation of deadweight

### Individual outcome measurement

- Works best when the cohort are experience similar adverse outcomes
- Does not usually involve a comparison group or other baseline
- Requires good evidence of the likely of deadweight



## Checklist for measuring outcomes

- What data will you use to measure outcomes? Is there data available from other sources to measure outcomes? eg. internal performance management, school attendance registers?
- If data is not available, does there need to be significant investment for new collection processes and systems?
- Who will be responsible for collecting the data and do they have the capacity to do so?
- If someone else is collecting data, does the data need to be independently checked and validated?
- Will outcomes will be measured for the individual or across the cohort?

## Data collection options

Data type	Advantages	Disadvantages	Recommendations
Administrative data	<ul style="list-style-type: none"> <li>Highly accurate</li> <li>Low cost</li> </ul>	<ul style="list-style-type: none"> <li>May not exist</li> <li>May not cover population of interest</li> <li>May not directly address question of interest</li> </ul>	<ul style="list-style-type: none"> <li>Find out whether the required data is already collected for other purposes. Collecting new data requires time and resources.</li> <li>Do not to make assumptions about the availability of data from other parties or the ability of those parties to collect data on your behalf.</li> </ul>
Primary data	<ul style="list-style-type: none"> <li>Directly addresses question of interest</li> </ul>	<ul style="list-style-type: none"> <li>High cost</li> <li>Possibility of bias</li> </ul>	

## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: Peterborough Social Impact Bond (UK)

<b>Outcome</b>	Reduced recidivism among offenders.
<b>Indicator / Measure</b>	A reduction in the number of hospital admissions by people receiving support in relation to the specified condition(s).
<b>Metric / Target / Trigger</b>	Recidivism of 2,000 short-sentence offenders reduced by 7,5 % compared to a national control group.

## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: PERSPEKTIVE:ARBEIT (AT)

<b>Outcome</b>	Social and economic empowerment of women affected by violence.
<b>Indicator / Measure</b>	Pre-defined number of women that are either able to keep their jobs or placed in a job for at least one year.
<b>Metric / Target / Trigger</b>	75 women in work for at least one year with working hours of at least 20 hours per week.

## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: ADIE - Microcredit adapted to rural environment (FR)

<b>Outcome</b>	Facilitate access to the microcredit agency's services (Adie) for residents living in isolated areas far from its offices.
<b>Indicator / Measure</b>	Number of financially excluded persons given access to finance. Number of persons sustainably reintegrated 3 years after funding.
<b>Metric / Target / Trigger</b>	500 financially excluded persons given access to finance. 320 persons sustainably reintegrated 3 years after funding.

## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: ELEVEN Augsburg (GER)

<b>Outcome</b>	Decreasing unemployment of adolescents and young adults.
<b>Indicator / Measure</b>	Pre-defined number of adolescents/young adults that are placed in a job/apprenticeship for at least 9 months.
<b>Metric / Target / Trigger</b>	20 individuals placed in a job/apprenticeship.

## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: SIB in Canton of Berne (Switzerland)

<b>Outcome</b>	Sustainable, long term integration into the labor market, triggering social inclusion of immigrants in the Canton of Berne.
<b>Indicator / Measure</b>	Employment on a permanent basis (with and without training surcharge).
<b>Metric / Target / Trigger</b>	Employment on a permanent basis (with and without training surcharge) at a level of 50%.

## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: Ways to Wellness social impact bond (UK)

<b>Outcome</b>	Well-being improvement and reduction in secondary care costs.
<b>Indicator / Measure</b>	<ul style="list-style-type: none"> <li>Improved sense of wellbeing, as measured through “Wellbeing Star”.</li> <li>Difference in expenditure between WtW and comparison cohort.</li> </ul>
<b>Metric / Target / Trigger</b>	<ul style="list-style-type: none"> <li>For improved sense of wellbeing, 100% of outcome payments are made if the latest Wellbeing Star comparison displays an improvement of 1.5 points.</li> <li>Outcome payments reduce on a sliding scale down to 0% if the point increase is less than 0.5 points.</li> </ul>



## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: Koto-SIB (Finland)

<b>Outcome</b>	Inclusion of immigrants & refugees.
<b>Indicator / Measure</b>	<ul style="list-style-type: none"><li>• The Koto-SIB program aims to find employment to 2,500 immigrants within the next three years.</li></ul>
<b>Metric / Target / Trigger</b>	<ul style="list-style-type: none"><li>• € 1 500 fixed fee for each completed integration training + 50% of tax collections and employment benefit savings versus control group.</li></ul>



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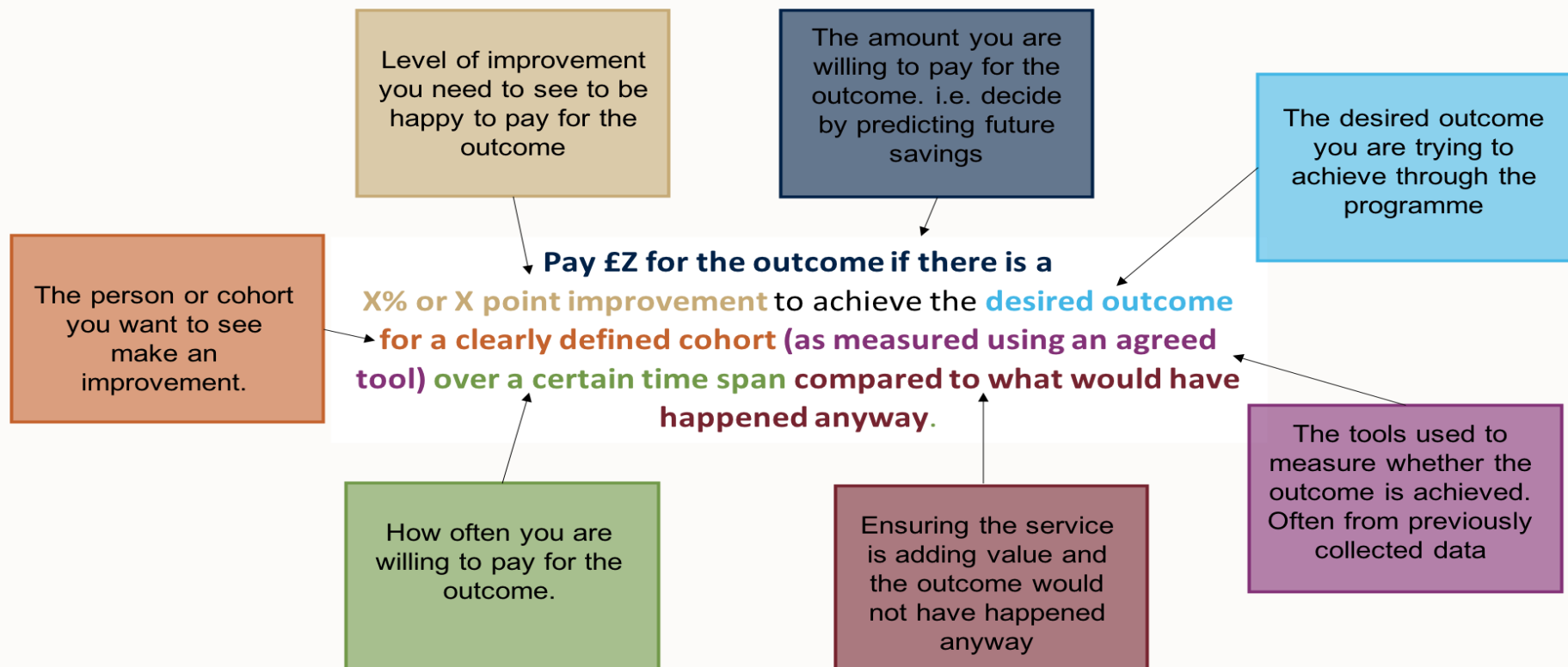
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## Example of indicators (outcome metrics) that were used in measuring social impact in the SIB model

### Outcome framework: Improved school performance and reduced risk of replacement for children and young people in Norrköping Municipality placed in HVB / SiS (Sweden)

<b>Outcome</b>	Improved school performance and reduced risk of replacement for children and young people.
<b>Indicator / Measure</b>	<ul style="list-style-type: none"><li>• Changed social service costs</li><li>• Changed school performance</li></ul>
<b>Metric / Target / Trigger</b>	Reduced social services costs ( $\leq 40\%$ of total funded amount); Reduced social services costs ( $> 40\% - \leq 100\%$ of total funded amount); Reduced social services costs ( $> 100\% - \leq 120\%$ of total funded amount) and improved school performance; Reduced social services costs ( $> 120\%$ of total funded amount).

# How to write the rules for payment in PbR, SIB and other outcomes contracts



# How to write the rules for payment in PbR, SIB and other outcomes contracts: Peterborough Social Impact Bond

Wanted to see > 7.5% reduction in order pay for the programme

£ would have be paid if the reduction was achieved. This figure is not in the public domain

The desired outcome is to reduce reoffending for these people

You want to see a reduction for three groups of 1000 people who are ex-offenders

Pay £ for the outcome if there is **more than 7.5% reduction in reoffending among three 1,000 person cohorts of ex-offenders who had been in prison a year or less (as measured by reconvictions) over 3 years compared to a matched comparator group.**

This would be paid over a 3 year time period.

A matched comparator group would be used to ensure a reoffending would have reduced anyway

Reduction in reoffending will be measured by rates of reconvictions.

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