Fact Sheet 2: Example measures for specific policy areas

As discussed in Chapter 2 of the Technical Guide, outcome measures incentivise the behaviour that works to achieve an intervention's objective(s) and avoid perverse incentives. A distinction should be drawn between outcome measures which trigger payments and other measures which may also be monitored during implementation.

This paper presents outcome measures used in selected social impact bonds (SIBs) or payment by results (PBR) arrangements internationally. All measures presented are **illustrative only**. The examples will be updated periodically.

Characteristics of outcome measures

Outcome measures are a critical inclusion in contracts between the investors, service providers and the government. Central to measurement of social outcomes is the ability to be able to assign outcomes to the program (impact assessment) as well as monitor unintended policy consequences.

Based on international experience, outcome measures used for payment purposes in a measurement framework are ideally[1]:

- clear and simple
- already been measured and for which good data is available
- designed to prevent 'cherry-picking'
- able to prevent perverse incentives
- have the most direct link to costs
- independent
- a robust measure of the social outcome
- able to be used to measure the degree that the social outcomes are achieved
- able to be directly attributed to the intervention.

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[1] Adapted from RAND Europe (2011), *Lessons Learned from the Planning and Early Implementation of the Social Impact Bond at HMP Peterborough*, London: Ministry of Justice https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/217375/social-impact-bond-hmp-peterborough.pdf

Policy area	SIB / PBR	At risk / affected population	Outcome measures used for payment purposes	Ref
Out-of-home care	Newpin (NSW)	Families that have at least one child aged less than six years who has been in statutory out-of-home care for at least three months, and have been assessed as being suitable for restoration	Restoration rate of children who enter the program (compared to a historical baseline in the first three years and then to a live control group).	📖
	The Benevolent Society (NSW)	At risk families: • with children aged five years and younger (including unborn children) • youngest child in the household • subject of an open Safety and Risk Assessment (SARA) with "Safe with Plan" assessment.	The average numbers of: • Entries into out-of-home care per child (66% measurement weighting) • Helpline Reports per family (17% measurement weighting). • SARAs per family (17% measurement weighting) compared to a live control group.	📖
	Partnering for Family Success (US)	Vulnerable families experiencing homelessness	Reduction in out-of-home care placement days over the five years of the program versus control group.	📖 📖
Adoption /foster care	It's All About Me (UK)	'Harder to place' children – children who have been waiting for an adoptive family for over a year	There are four milestones that payments are based on: 1. Child enters program (registration). 2. Child placed with family. 3. 1st anniversary of a placement. 4. 2nd anniversary of placement. (no counterfactual)	📖
	Birmingham Residential Migration (UK)	Young people in residential care across Birmingham	1. Successful placement in the Residential Migration Program - for "Milestone Payments". 2. Successful completion of 52 weeks in the Residential Migration Program - for "Graduate Payment". (no counterfactual)	📖

Policy area	SIB / PBR	At risk / affected population	Outcome measures used for payment purposes	Ref
Homelessness	Project Welcome Home (US)	Chronically homeless individuals	Percentage of participants to achieve 12 months of continuous stable tenancy (no counterfactual).	📖
Education	Junior Code Academy (Portugal)	Students in year 3 and 4 in three Lisbon public schools	1. Logical thinking and problem solving skills - difference in scores between control and intervention groups on a "Raven Matrices" type of test (weighting 90%) (RCT). 2. National exams in Portuguese and Mathematics, compulsory for all 4th grade students, two terms after the intervention is finished - difference in score between control and intervention groups (weighting 10%) (RCT).	📖
	Educate Girls (India)	Children in about 150 of the most poorly performing schools in Rajasthan	1. Increased enrolment of girls in school. 2. Increased attendance in school and continued enrolment over several years. 3. Improvement in learning and test scores for all children. (no counterfactual)	📖
Early childhood education	Child-Parent Center (US)	4 year olds in low income families in eight sites	1. Decrease in need for special education (remedial education) services Kindergarten through 12th Grade (compared to a matched comparison group without preschool services). 2. Increase in Kindergarten readiness as measured using a standard assessment tool. 3. Increase in 3rd grade reading scores (compared to national average).	📖
Recidivism	Peterborough (UK)	Male adult prisoners leaving HMP Peterborough who have served a sentence of less than 12 months	Frequency of re-conviction events, based on offences committed within 12 months of release from prison and convicted at court within those 12 months or a further 6 month period (compared to a matched control group).	📖 📖
	Rikers Island (US)	Adolescents (aged 16 to 18 years) incarcerated at Rikers Island	Recidivism bed days - number of days held in the jail during the 12 months following release from Rikers (compared to a historical matched control group).	📖 📖

Policy area	SIB / PBR	At risk / affected population	Outcome measures used for payment purposes	Ref
	Increasing Employment and Improving Public Safety (US)	Formerly incarcerated individuals in Rochester and New York City aged 18 years and older who are at high risk of reoffending soon after they are released from prison	1. Employment - percentage point difference between intervention and control group members with positive earnings in the fourth quarter following release from prison (RCT). 2. Recidivism - difference between intervention and control group in average number of days incarcerated per person during the observation period (RCT). 3. Transitional jobs - number of intervention group members who start a transitional job during the observation period (validated administrative data).	
Health	Ways to Wellness (UK)	Patients with long term conditions, referred from the GP practices in the west of Newcastle	1. Reduction in hospital bed days. 2. Reduced visits to GPs. 3. Reduced reliance on prescription drugs for some conditions. (counterfactual is unknown)	