

## Social impact bonds: a wolf in sheep's clothing?

McHugh, Neil ; Sinclair, Stephen; Roy, Michael; Huckfield, Leslie; Donaldson, Cam

*Published in:*  
Journal of Poverty and Social Justice

*DOI:*  
[10.1332/204674313X13812372137921](https://doi.org/10.1332/204674313X13812372137921)

*Publication date:*  
2013

*Document Version*  
Publisher's PDF, also known as Version of record

[Link to publication in ResearchOnline](#)

*Citation for published version (Harvard):*  
McHugh, N, Sinclair, S, Roy, M, Huckfield, L & Donaldson, C 2013, 'Social impact bonds: a wolf in sheep's clothing?', *Journal of Poverty and Social Justice*, vol. 21, no. 3, pp. 247-257.  
<https://doi.org/10.1332/204674313X13812372137921>

### **General rights**

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

### **Take down policy**

If you believe that this document breaches copyright please view our takedown policy at <https://edshare.gcu.ac.uk/id/eprint/5179> for details of how to contact us.

**Title – “Social Impact Bonds: A Wolf in Sheep’s Clothing?”**

**Authors:**

Neil McHugh<sup>1</sup>, Stephen Sinclair<sup>1,2</sup>, Michael Roy<sup>1</sup>, Leslie Huckfield<sup>1,3</sup> and Cam Donaldson<sup>1</sup>

**Institutions:**

<sup>1</sup>Yunus Centre for Social Business and Health, Glasgow Caledonian University

<sup>2</sup>Glasgow School *for* Business and Society, Glasgow Caledonian University

<sup>3</sup>SENSCOT (The Social Entrepreneurs Network for Scotland)

**Contact:**

Neil McHugh, Yunus Centre for Social Business and Health, Glasgow Caledonian University, Cowcaddens Road, Glasgow G4 0BA

Telephone: 0141 331 8655 Email: [neil.mchugh@gcu.ac.uk](mailto:neil.mchugh@gcu.ac.uk)

## **Abstract**

This article provides a rounded critique of Social Impact Bonds (SIBs): a newly developed and innovative financial investment model, developed in the UK and starting to spread internationally that could transform the provision of social services. Although SIBs have the potential to influence delivery by all providers, this article raises three concerns about their possible effects - in relation to their potential outcomes, unintended consequences for the UK third sector, and governance - and then reflects upon SIBs as the latest manifestation of the ideological shift which the UK third sector is undergoing.

Keywords: social impact bonds, social investment, social services, third sector

## Introduction

In the UK, the financial crisis of 2008 has led to policies of reduced public spending associated with deficit and debt reduction (Taylor-Gooby and Stoker, 2011). This has been accompanied by demand for more 'efficient' use of scarce public resources and an acceleration of previous policies regarding outsourcing funding for, and provision of, social services. Third sector organisations have been identified, along with conventional private sector companies as potential outsourcing routes, on the assumption that they are capable of being more innovative and responsive than their public sector counterparts (Allen, 2009; Millar, 2012).

However, if the provision of social services is to be transformed in this way, it is considered that alternative forms and sources of finance have to be found or created. One such newly developed and innovative financial investment model, Social Impact Bonds (SIBs), will be critiqued here.

SIBs represent a departure from traditional financing routes for third sector organisations and public services delivery. SIBs are a form of Payment by Results (PbR) but extend this by harnessing social investment from capital markets to meet needs arising from budget cuts (Social Investment Task Force, 2010).

The term "social investment" in this context refers to a monetary investment in a social policy initiative, providing the investor with a financial return while delivering public welfare services (Kingston and Bolton, 2004; Mulgan *et al.*, 2010). The social investment market in the UK was estimated to be worth £190 million in 2010 (Cabinet Office, 2011), although it is gathering momentum and political support, as illustrated by the establishment of a social investment bank in the UK, Big Society Capital (BSC)<sup>1</sup>. BSC is an independent financial institution funded through an investment of £50 million from each of the four Merlin Banks - Barclays, HSBC, Lloyds Banking Group and Royal Bank of Scotland - and the Dormant Accounts Scheme<sup>2</sup>. It aims to utilise finance from capital markets for social purposes and transform the social sector in the process (Cohen,

---

<sup>1</sup> BSC was originally to be called Big Society Bank (BSB) (Cabinet Office 2010).

<sup>2</sup> The Scheme, introduced following the establishment of The Dormant Bank and Building Society Accounts Act 2008, enables unclaimed balances of money held in accounts for 15 years or more to be reinvested for the benefit of the community. An agreement has been made to transfer a portion of these unclaimed accounts to BSC (Big Society Capital, 2012a). During 2012 capital received by BSC from the Reclaim Fund and Banks was £119.4m (Big Society Capital, 2013).

2012). BSC does not invest directly in third sector organisations but instead invests in social investment finance intermediaries, such as Social Finance, which developed SIBs.

Advocates of SIBs present them as a 'win-win' option for all involved. The UK Minister for Civil Society, Nick Hurd, described them as "opening up serious resources to tackle social problems in new and innovative ways", and argued that they generate new investment in social policies at no cost and minimal risk to public finances (quoted in Wintour, 2012). However the enthusiasm with which SIBs have been embraced has not always been tempered by a rounded critique. Though SIBs will have the potential to influence delivery by all providers, this article will raise three concerns about their possible effects - in relation to their potential outcomes, unintended consequences for the UK third sector, and its governance - and then reflect upon SIBs as a manifestation of the latest ideological shift to impact upon the UK third sector. Firstly, however, we consider the reasons behind the eagerness that has greeted this development.

### **Social Impact Bonds**

PbR arrangements have been embraced by successive UK Governments to finance health and welfare services. They permit the Government to pay providers of outsourced public services in relation to the achievement of measured outcomes, thus transferring the financial risk to the provider (Audit Commission, 2012). The world's first SIB was announced by then (Labour) UK Justice Secretary Jack Straw in March 2010. It was developed by Social Finance to reduce reoffending rates among short-sentenced prisoners (those sentenced to less than one year) at Her Majesty's Prison (HMP) Peterborough (Walker, 2010).

SIBs differ in several important ways from previous PbR models. The term 'bond' is in itself somewhat misleading. While a traditional financial bond is described in any basic corporate finance textbook (Brealey *et al.*, 2001) as a debt security whereupon the bond holder receives fixed interest (coupon) payments until maturity (at a fixed point in time), SIBs pay out financial returns only when specified social outcomes have been met, thus acting more like an equity product (Bolton and Saville, 2010; Greenhalgh, 2011). They also involve a multi-stakeholder arrangement between the Government, the service provider and the investor, facilitated by an intermediary organisation. The

intermediary brokers an arrangement whereby an investor can recoup their capital investment in a service provider, along with an additional financial return (paid by the Government or an organisation on whose behalf the service is being delivered), if the service provider achieves specific outcomes for a target population (Bolton and Saville, 2010). The rate of financial return can vary in relation to the social outcomes attained, with an agreed base level below which investors forsake their investment and receive no additional returns. For example, an investor will receive a financial return of 2.5% if there is a 7.5% reduction in re-offending, when measured against a matched control group; higher reduction rates in re-offending will generate higher financial returns, to a maximum of 13.3%; and reduction rates of less than 7.5% will cause investors to lose their capital (Cohen, 2012).

The investor's recapitalisation and receipt of additional returns is paid from savings which accrue from any improved service outcomes. The intention is that the Government ensures that social services are still provided while the risk of financing these is borne by investors rather than service providers, as in other PbR arrangements. Service providers do not have to 'front' the capital for service delivery (Disley *et al.*, 2011) as this can be thought of as being 'forward funded' by the investors (Scott, 2012), and investors have the opportunity to gain a financial return from an investment which has a social mission (Bolton and Saville, 2010).

There is an international push to embed this embryonic funding device across a range of welfare and public services, with further SIBs at various stages of development and implementation in the UK<sup>3</sup>, the USA and Australia (Robinson, 2012). Advocates hope that this new model of finance will stimulate creative partnerships for financing and delivering social services, particularly in a time of restricted and uncertain public budgets (Bolton and Saville, 2010; Social Investment Task Force, 2010).

## **Outcomes**

The viability of SIBs relies upon the measurement of social outcomes. In principle, a shift from the somewhat blunt instrument of target driven outputs to outcomes is

---

<sup>3</sup> The first SIB in Scotland has been created for a project aimed at supporting young people by Perth YMCA in collaboration with the Department of Work and Pensions (Scott, 2012).

welcome. However, social outcomes are notoriously difficult to measure. Assessing how and the extent to which an intervention impacts on, for example, a participant's well-being is not a simple task: these types of outcome tend to be continuous rather than categorical. 'Off the shelf' measures do not exist for many of the social outcomes which SIBs aim to effect and proxies or new indicators would have to be used. While an indication of a service's effect may be adequate for some evaluations it is insufficient for the contracting arrangements involved in PbR and SIBs, as the payment of financial returns is conditional upon outcomes, and precision is required to avoid disputes.

The complexity involved in formulating a SIB contract based on impact is further evident due to the problem SIBs raise of how to document the programme mechanism which generates any impacts. This reflects difficulties of attribution of changes in outcomes to specific policy actions as articulated by Pawson *et al.* (2004) and in literature on Social Return on Investment (SROI) (Arvidson *et al.*, 2013). SIBs risk encouraging an emphasis on a simplistic 'mechanical' model of cause and effect, resting on the notion that an intervention is a singular 'thing' or event which results in a clearly discernible outcome. This fails to grasp the complexity of the conditions and contexts of the social problems that SIBs are aimed at addressing. For example, while recidivism appears to be an outcome more suitable than others for a SIB, reducing recidivism requires liaising with (and perhaps changes in the practices of) several agencies involved in providing and supporting the target client group including housing, social security benefits, and employment training; impact is also shaped by the nature of the local employment market. It is possible – in fact common – for a promising social project to be 'let down' by failings in another part of the support system that the target group need if they are to have a reasonable prospect of improving their situation (Pawson, 2002). The obverse of this is also the case: how can an outcome be attributed to an intervention *per se* when its apparent effect might be due to other services or favourable conditions?

The premise of SIBs fails to understand that social inclusion policies are not mechanical levers but much more organic processes, and entail the reconfiguration of complex conditions and social interactions, often with unanticipated consequences (Sanderson, 2000).

## **Unintended Consequences for the UK Third Sector**

Unintended consequences in the form of distorted activity within the third sector can result from perverse incentives which lead third sector entities away from activities that are most needed towards activities that are most measurable. As discovered with outcome-based contracting of provider-led pathways to work, PbR can create incentives for organisations to shape their provision around the terms of the contract rather than the needs of clients (Hudson *et al.*, 2010). Consequently, those most vulnerable and in greatest need may be 'parked' and neglected due to the difficulty, cost and time involved in dealing with them satisfactorily, while operations are focused instead on 'creaming' clients with less need, but who are easier to remove from claimant counts, thereby fulfilling incentivised or contractual outcomes.

Distortion of activity through PbR can also manifest in other ways. For instance, in the appropriation of social enterprises, which have been widely championed as prime candidates in the third sector to fill gaps in the provision of public services as the state retreats (Brady, 2011). Whilst there remains no legal definition of a social enterprise in the UK, the Department of Trade and Industry (DTI) definition often continues to be cited; "a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners" (Department of Trade and Industry, 2002, p13). Despite this the lack of a legal definition leaves the nature of what a social enterprise is open to distortion. Several actors in the private and public sectors have already taken advantage of this to suit their own agendas (Jones, 2012; Roy *et al.*, 2013), particularly the UK Government in the context of discussions of social enterprise involvement in NHS reform (Hampson, 2010). This ambiguity opens the way to further creative interpretation, as private, for-profit enterprises may be sought to provide services under the guise of 'social enterprises' as a smokescreen for privatisation. Any such extension of how social enterprise is conceptualised in the UK would certainly represent a further shift away from the western European tradition, to which the DTI definition broadly adheres, towards more US-oriented traditions of social enterprise, which can allow for a (mostly) unfettered profit-making business, with minimal social objectives, to call itself a social enterprise (Defourny and Nyssens, 2010).



The risk of mission-drift (or shift) is heightened by a distinct lack of ‘social investment readiness’; this is not confined to social enterprises but to the entire third sector (Gregory *et al.*, 2012). Arguably, the current lack of investment readiness is in great part attributable to the fact that the majority of social enterprises are simply far too small for SIBs to be relevant to them. The bulk of public service contracts are awarded to large multinational outsourcing corporations (such as Atos, A4E and Serco) which have the working capital to manage the significant cashflow pressures until PbR contracts meet their payment trigger points (Social Enterprise UK, 2012). Social Enterprise UK has described this emerging private sector oligopoly, where a small number of companies have a large share of the public services market, as the “Shadow State” (Social Enterprise UK, 2012).

To compete with such corporations and become more suitable for SIB financing, social enterprises may well feel under pressure to grow substantially or to amalgamate. But social enterprises are often created to address a specific local need, and pressure to ‘achieve scale’ may well have the consequence of leaving their communities and original purposes behind. Any such mission drift will have adverse consequences for those most vulnerable who need local, and specifically tailored support.

## **Governance**

Previous PbR arrangements generally preserved the Government’s control over the selection of service providers. However, the commissioning process involved in arranging a SIB dissipates Government responsibility, as an intermediary that facilitates the SIB, such as Social Finance, commissions the service provider (Disley *et al.*, 2011). SIBs therefore involve the Government not only outsourcing the services which tackle social problems but also the responsibility for selecting a provider, thereby eroding the trail of public and democratic accountability. The loss of a direct relationship between service provider and Government will enhance the build-up of asymmetric information in favour of the provider, and could reduce oversight and the ability of Government to influence provision or step-in if malpractice occurs. In light of the investigations into potential fraud at A4e, a major contractor for the Work Programme, the Commons Public Accounts Committee (2012) recommended that the Department for Work and Pensions (DWP) ensure proper controls were in place when private companies were

selected to provide public services. SIBs compromise the ability of Government to implement these recommendations as they involve outsourcing commissioning of public services.

The infrastructure required to create a social stock market<sup>4</sup> includes SIB intermediaries and a regulating body (Cohen, 2012) to prevent potential collusions between these intermediaries and service providers. Central to any such market are assets, and SIBs are being billed as a new asset class which can help instil market discipline within the social economy (Bolton and Saville, 2010). While the stated intentions of benefiting the third sector and continuing to provide essential social services may be genuine, they are expressed in the language of markets and private sector business. A programme of austerity and retrenchment lends legitimacy to the argument for more innovation, and the discourse of markets and business has been championed in these circumstances (Seelos and Mair, 2012). There is a danger that the untempered adoption of this ethos and language may dilute the underlying principles of the third sector and what arguably makes it distinctive – the relationships with communities, underlying values and commitment to social justice and transformative social change – which, although contested (Macmillan, 2013), may be lost (McCabe, 2012).

This market-oriented discourse also leads to a moral question about what role the market should play in society in relation to social problems. Private companies already play a role in various social sectors, such as in the provision of health care and the penal system, through privately run prisons (one of which is HMP Peterborough). However, there is a risk that further encroachment of the private sector into funding and evaluating the performance of third sector service providers, promoted by SIBs-type funding arrangements, could reduce their autonomy and independence. Thus SIBs could further erode the boundaries between the private, public and third sectors and expose public policy provision even more widely to the vagaries of the market.

There is also the potential for and interest in further market developments in the social economy; for instance the development of a secondary market for social investments through which investors could sell on their initial investment (Disley *et al.*, 2011). These current and future developments could be framed as investors praying on the

---

<sup>4</sup> BSC aims to play a key part in this development by investing in social investment finance intermediaries (SIFIs) (Big Society Capital, 2012b).

vulnerabilities of others for their own financial gain (Scott, 2012) and advocates have been anxious to dismiss the notion that SIBs are simply a “money making wheeze” (Travis, 2010). However, precedent from the derivatives market and its central role in the recent financial crisis (Acharya *et al.*, 2009) leads to real concerns around the re-sale and re-packaging of assets furthering detachment between ownership and responsibility and a resulting deterioration of accountability, pricing and governance.

### **Social Impact Bonds, the UK Third Sector and an Ideological Shift**

SIBs are being introduced in the UK at a time when third sector organisations face unprecedented cuts and fundamental financial restructuring. It has been estimated that that voluntary and community organisations in the UK will lose around £911 million in public funding per year by 2015/16, and that the cumulative reductions in resources amount to £2.8 billion over the period from 2011-2016 (Davison, 2013). This is occurring while some local authorities face losing one third of their revenue by 2017/18. Furthermore, an increasing proportion of public support provided to third sector organisations will be provided by loan and service payments rather than by grants and subsidies (Davison and Heap, 2013).

However, economic austerity is only one aspect of the context in which SIBs are being developed in the UK; the other is a distinctive political and ideological climate. SIBs are in large measure motivated not just by current economic exigencies but an acceleration of a policy trend promoted by successive UK governments for over a decade. There is little reference to economic difficulties in the Cabinet Office White Paper (2013, p17) *Growing the Social Investment Market*; instead this focuses on a promoting a “new pillar of finance” to deliver public services. This emphasis reflects the ambition of the Social Investment Task Force to encourage private sector financing of the third sector which was articulated in its first report, *Enterprising Communities: Wealth Beyond Welfare* in October 2000 under the previous (Labour) Government. This report recommended setting up Social Investment intermediaries to assume a greater role in funding third sector activity (Social Investment Task Force, 2000).

SIBs therefore merely represent the continuation of a trend by successive UK governments to reduce direct public investment in social services whilst simultaneously

encouraging increased investment from private sector financial and other intermediaries and 'marketising' the third sector. For example, Sir Ronald Cohen, the Chair of BSC<sup>5</sup> stated that its mission is to "grow the market in social investment by tapping into the vast wealth of capital markets" (SENSCOT, 2012). The 'new paradigm' promoted by the BSC is for the UK social sector to become an 'asset class' worthy of city investment by being able to pay dividends to investors; to achieve this, third sector organisations will be expected to adopt more private sector norms and practices. This is not only a UK trend but observable in development work internationally, where the role of grant-funding is being challenged and increasing emphasis is being placed on "impact investing, and its seductive message of doing good *and* making money" (Hattendorf, 2012).

SIBs are therefore the latest stage in an ideological shift which favours removing delivery of social and welfare services from conventional public or third sector providers, and they mark a significant challenge to the traditional ethos and operation of the voluntary and community sector. The relatively favourable reception accorded SIBs by sections of the third sector has led some commentators to claim that there are influential elements in the UK third sector which appear to endorse further privatisation measures in welfare reform (Mair, 2012). This is perhaps unsurprising in view of the increasing prominence of those from a social enterprise or private sector background in the UK third sector who may be more favourably disposed towards commercial financial sources and operating models (Davison, 2013).

However, while the UK government's enthusiasm for SIBs have been echoed by sections of the third sector in England, there has been a distinctly more lukewarm reception to them in Scotland, where only one SIB currently operates. While the Scottish Council for Voluntary Organisations has supported the development of SIBs (SCVO, 2011), the Scottish Government and most other sections of the third sector in Scotland have resisted them. For example, SENSCOT (the Social Entrepreneurs Network for Scotland) has argued that the funding and operation model proposed by BSC and represented by SIBs is "fundamentally flawed and could potentially harm the third sector" and has argued that there is a "radical incompatibility" between the values of the private and the third sector (SENSCOT, 2012). Consistent with the trend for ever widening policy

---

<sup>5</sup> It has been announced that Sir Ronald Cohen will be stepping down from his role as the Chair of BSC but will remain on the board (Ashton, 2013).

divergence between London and Edinburgh, the Scottish Government has resisted impact measurement and PbR in public services, and preferred alternative funding and delivery mechanisms to SIBs, such as Public Social Partnerships (PSPs) (Scottish Government, 2011a) and initiatives known as 'Change Funds', including one to reduce reoffending (Scottish Government, 2011b). However, these alternatives are transitional support mechanisms rather than permanent solutions, and may not be sustainable in view of severe cuts in funding for the foreseeable future.

## **Conclusion**

The financial crisis has created fertile soil for new, innovative funding mechanisms and delivery agreements for social services. A willingness to embrace innovation is most apparent in the field of so-called 'social investment'. SIBs have emerged as one instrument combining PbR and social investment that has garnered support, notably among former investment bankers seeking to bring their experience in harnessing finance from the capital markets to the third sector (Social Finance, 2012).

However, support for this nascent area should be tempered by critique and an evidence base that informs policy development. Whilst this review piece has sought to offer the former, there is a clear need for further research which will expound upon the implications and outcomes, both negative and positive, of embracing this burgeoning funding approach. Comparative work particularly around parallel SIB developments in other countries, such as the provision of therapeutic services to inmates in Rikers Island, USA (Olson and Phillips, 2012), the trials of Social Benefit Bonds in New South Wales, Australia (Centre for Social Impact, 2012) and even in Scotland, where the sole SIB has adopted "a more localised community model" (SENSCOT, 2013) in an attempt to foster the relationships of those parties involved and engage investors in the local need of the project, is required. Further analysis of the HMP Peterborough SIB which so far suggests positive signs (Pudelek, 2013) will also shed light on how this field will develop.

It may well be that SIBs bring new and additional resources to finance social and welfare services, and may be welcomed by cash-strapped local authorities struggling with difficult and politically contentious decisions about cutting services. However, it is

striking that alternative forms of social investment, such as community banks, community shares, Change Funds and PSPs which are less influenced by the models of private capital markets, have not received the same level of promotion and financial backing as SIBs (Community Shares, 2012; Ainsworth, 2012). The withdrawal of Allia's Future for Children's Bond due to insufficient interest highlights the potential need for the "development of simpler social investment products" (Rotheroe *et al.*, 2013, p26).

Debates over innovative funding sources should reflect upon citizens' rights and the entitlements which social services deliver, and not merely whether they generate additional resources in difficult times. SIBs represent more than a merely technical reform in how social services are funded. Their impact will be felt beyond the services they finance, and what they imply for the control and accountability of services and the role of the third sector merits careful monitoring.

## References

- Acharya, V., Philippon, T., Richardson, M. and N. Roubini, 2009, The Financial Crisis of 2007-2009: Causes and Remedies, *Financial Markets, Institutions & Instruments*, 18, 2, 89–137
- Allen, P, 2009, Restructuring the NHS Again: Supply Side Reform in Recent English Health Care Policy' *Financial Accountability & Management*, 25, 4, 373–389
- Arvidson, M., Lyon, F., McKay, S. and D. Moro, 2013, Valuing the social? The nature and controversies of measuring social return on investment (SROI), *Voluntary Sector Review*, 4, 1, 3-18(16)
- Audit Commission, 2012, *Local Payment by Results*. London: Audit Commission.
- Big Society Capital, 2012a, Big Society Capital: Vision, mission and activities Big Society Capital
- Big Society Capital, 2013, Big Society Capital First Annual Report *In: Big Society Capital* (ed.) *Big Society Capital Annual Report*, 1-67. London: Big Society Capital
- Bolton, E. and L. Saville, 2010, Towards a new social economy: Blended value creation through Social Impact Bonds, *Social Finance*
- Brealey, R. A., Myers, S. C., and A. J. Marcus, 2001, *Fundamentals of Corporate Finance*. (Third Edition). McGraw-Hill Irwin
- Cabinet Office, 2013, *Growing The Social Investment Market: A Vision And Strategy*. London: Cabinet Office
- Centre for Social Impact, 2012, *An Australian snapshot: Social Impact Bonds*. Perspectives from the Social Finance Forum 2012. November 2012
- Defourny, J. and M. Nyssens, 2010, Conceptions of Social Enterprise and Social Entrepreneurship in Europe and the United States: Convergences and Divergences', *Journal of Social Entrepreneurship*. 1, 32–53
- Department of Trade and Industry, 2002, *Social Enterprise: A Strategy for Success*, London : DTI
- Disley, E., Rubin, J., Scraggs, E., Burrowes, N. and D. Culley, 2011, *Lessons Learned From The Planning And Early Implementation Of The Social Impact Bond At HMP Peterborough*. London: RAND Europe, Research Series 5/11, Ministry of Justice
- The Dormant Bank and Building Society Accounts Act, 2008
- Greenhalgh, R, 2011, "New" Models Of Social Finance, *Centre for Local Economic Strategies Bulletin*, No. 86
- Gregory, D., Hill, K., Joy, I. and S. Keen, 2012, *Investment Readiness in the UK*. Big Lottery Fund
- Hudson, M., Phillips, J., Ray, K., Vegeris, S. and R. Davidson, 2010, The Influence Of Outcome-Based Contracting On Provider-Led Pathways To Work. London: Department for Work and Pensions, Research Report No. 638
- Kingston, J. and M. Bolton, 2004, New Approaches To Funding Not-For-Profit Organisations, *International Journal of Nonprofit and Voluntary Sector Marketing*. 9, 2, 112 – 121
- Macmillan, R, 2013, 'Distinction' in the third sector, *Voluntary Sector Review* 4, 1, 39–54

- McCabe, A, 2012, Is the third sector so special? What is it worth? Third Sector Futures Dialogues. Big Picture Paper 3. TSRC Informing Civil Society
- Millar, R, 2012, Social enterprise in health organisation and management: hybridity or homogeneity?, *Journal of Health Organization and Management*, 26, 2, 143–148
- Mulgan, G., Reeder, N., Aylott, M. and L. Bo'sher, 2011, *Social Impact Investment: The Challenge And Opportunity Of Social Impact Bonds*. London: The Young Foundation
- Olson, J. and A. Phillips, 2012, *Rikers Island: The First Social Impact Bond in the United State*, Community Development Investment Review. Federal Reserve Bank of San Francisco, Goldman Sachs, 97-101
- Pawson, R, 2002, Evidence-Based Policy: In Search of a Method, *Evaluation*. 8, 2: 157-181
- Pawson, R., Greenhalgh, T., Harvey, G. and K. Walshe, 2004, *Realist Synthesis: An Introduction*, ESRC Research Methods Programme
- Public Accounts Committee, 2012, *Fifteenth Report, Preventing Fraud In Contracted Employment Programmes*, London; House of Commons
- Robinson, J, 2012, *Better Public Services Through Social Impact Bonds: Lessons From The US, Canada, New Zealand And Australia*, Winston Churchill Fellowship
- Rotheroe, A., Lomax, P. And I. Joy, 2013, The Future for Children Bond: Identifying the Lessons Learned from Allia's Bond Offer to Retail Investors. *In: New Philanthropy Capital* (ed.) *Social Investment* July 2013 ed, 1-29. London New Philanthropy Capital
- Roy, M. J., Donaldson, C., Baker, R. and A. Kay, 2013, Social Enterprise: New Pathways to Health and Well-being? *Journal of Public Health Policy*, 34, 1, 55-68
- Sanderson, I, 2000, Evaluation in Complex Policy Systems, *Evaluation*. 6, 4, 433-454
- Social Investment Task Force, 2000, *Enterprising Communities: Wealth Beyond Welfare: Report to the Chancellor of the Exchequer from the Social Investment Task Force*, London: Social Investment Task Force
- Social Investment Task Force, 2010, *Social Investment Ten Years On - Final Report of the Social Investment Task Force*
- Social Enterprise UK, 2012, *The Shadow State: A Report About Outsourcing of Public Services*. Social Enterprise UK: London
- Taylor-Gooby, P. and G. Stoker, 2011, The Coalition Programme: A New Vision for Britain or Politics as Usual?, *The Political Quarterly*, 82, 1, 4-15

## Websites

- Ainsworth, D., 2012, Charity Bank and Sencot join forces to create a Scottish Community Bank, *Third Sector*:  
[http://www.thirdsector.co.uk/go/social\\_enterprise/article/1148030/charity-bank-sencot-join-forces-create-scottish-community-bank/](http://www.thirdsector.co.uk/go/social_enterprise/article/1148030/charity-bank-sencot-join-forces-create-scottish-community-bank/)
- Aston, J, 2013, Sir Ronald Cohen stepping down as head of Big Society Capital, *The Independent*, 21<sup>st</sup> March 2013,  
<http://www.independent.co.uk/news/business/news/sir-ronald-cohen-stepping-down-as-head-of-big-society-capital-8544945.html>



- Brady, A, 2011, Differences That Are More Than Word Deep, *Social Enterprise Live*, <http://www.socialenterpriselive.com/section/comment/policy/20110119/differences-are-more-word-deep>
- Big Society Capital, 2012b, <http://www.bigsocietycapital.com/bsc-s-role-social-investment-market>
- Cabinet Office, 2010, <https://www.gov.uk/government/news/prime-minister-launches-the-big-society-bank>
- Cohen, R, 2012, Big Society Capital Marks a Paradigm Shift, *Stanford Social Innovation Review*, Summer, [http://www.ssireview.org/articles/entry/big\\_society\\_capital\\_marks\\_a\\_paradigm\\_shift](http://www.ssireview.org/articles/entry/big_society_capital_marks_a_paradigm_shift)
- Community Shares, 2012, <http://www.communityshares.org.uk/>
- Davison, R, 2013, *Does Social Finance Understand Social Need?*, Social Enterprise, <http://www.cancook.co.uk/wp-content/uploads/2013/01/Does-Social-Enterprise-Understand-Social-Need.pdf>
- Davison, R. and H. Heap, 2013, *Can Social Finance Meet Social Need?*, Tomorrow's People/Can Cook, <http://www.tomorrows-people.org.uk/files/blog/can-social-finance-meet-social-need-heap-and-davison-june-20131.pdf>
- Hampson, G, 2010, Health Secretary Challenges “narrow” Definition of Social Enterprise, *Social Enterprise Live*: <http://www.socialenterpriselive.com/section/news/policy/20100714/health-secretary-challenges-%E2%80%98narrow%E2%80%99-definition-social-enterprise>
- Hattendorf, L, 2012, The Trouble with Impact Investing: P1, *Stanford Social Innovation Review*, 18<sup>th</sup> April, [http://www.ssireview.org/blog/entry/the\\_trouble\\_with\\_impact\\_investing\\_part\\_2](http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_part_2)
- Jones, D, 2012, The Trouble with Not Defining Social Enterprise, *The Guardian Social Enterprise Network*, <http://www.guardian.co.uk/social-enterprise-network/2012/jan/06/trouble-not-defining-social-enterprise>
- Mair, V, 2012, NCIA Says Umbrella Bodies Have Signed up Sector to Privatisation, [http://www.civilsociety.co.uk/governance/news/content/13839/ncia\\_says\\_umbrella\\_bodies\\_have\\_signed\\_up\\_sector\\_to\\_privatisation](http://www.civilsociety.co.uk/governance/news/content/13839/ncia_says_umbrella_bodies_have_signed_up_sector_to_privatisation)
- Pudelek, J, 2013, HM Prison Peterborough social impact bond has led to a fall in reconvictions, official figures show, *Third Sector Online*, <http://www.thirdsector.co.uk/news/1186265>
- Scott, L, 2012, Social Impact Bonds: What's That Coming Over The Hill?, *acquiringbusiness4good*, 16/05/12, <http://www.acquiringbusiness4good.com/2012/05/social-impact-bonds-whats-that-coming-over-the-hill/>
- Scottish Government, 2011a, *Public Social Partnerships*. Scottish Government. Edinburgh <http://www.scotland.gov.uk/News/Releases/2011/07/08133636>
- Scottish Government, 2011b, *Reducing Reoffending Change Fund*, Scottish Government. Edinburgh, <http://www.scotland.gov.uk/Topics/Justice/public-safety/offender-management/changefund>

- SCVO, 2011, *How To Do Things Differently: Third Sector 2011 Manifesto*, Edinburgh: Scottish Council for Voluntary Organisations, [http://www.scvo.org.uk/wp-content/uploads/2011/01/SCVO\\_Manifesto\\_summary\\_web.pdf](http://www.scvo.org.uk/wp-content/uploads/2011/01/SCVO_Manifesto_summary_web.pdf)
- Seelos, C. and J. Mair, 2012, Innovation Is Not the Holy Grail, *Stanford Social Innovation Review*, Fall, [http://www.ssireview.org/articles/entry/innovation\\_is\\_not\\_the\\_holy\\_grail](http://www.ssireview.org/articles/entry/innovation_is_not_the_holy_grail)
- SENSCOT, 2012, *Social Investment in Scotland: A Discussion Paper*, August, [http://www.senscot.net/view\\_art.php?viewid=12660](http://www.senscot.net/view_art.php?viewid=12660)
- SENSCOT, 2013, *Social Impact Bonds: YMCA Scotland*, 06/03/13, [http://www.senscot.net/view\\_art.php?viewid=13252](http://www.senscot.net/view_art.php?viewid=13252)
- Social Finance, 2012, <http://www.socialfinance.org.uk/about/board>
- Travis, A, 2010, Will Social Impact Bonds solve society's most intractable problems? *The Guardian*, <http://www.guardian.co.uk/society/2010/oct/06/social-impact-bonds-intractable-societal-problems>
- Walker, P, 2010, Investors to Pay for Prisoner Rehabilitation, *The Guardian*, <http://www.guardian.co.uk/society/2010/mar/19/investors-pay-for-prisoner-rehabilitation>
- Wintour, P, 2012, Social Impact Bond Launched To Help Teenagers In Case And The Homeless, *The Guardian* 23<sup>rd</sup> November, <http://www.theguardian.com/society/2012/nov/23/social-impact-bond-teenagers-homelessness>