

Resourcing, Monitoring and Evaluation:

Scaling challenges and pathways



Social innovation in a changing world

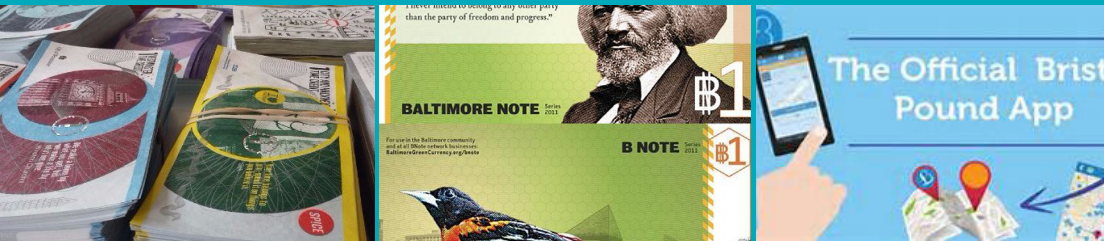
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We speak of social innovation when people come together to do something that is relationally ‘unusual’ in the context of today’s society. Social innovation is a process through which people address the shared challenges they experience in their daily lives. Solutions are built around the relationships those involved develop with each other. Sometimes the relationships formed are novel. More often, however, solutions revive forms of relationship that were once more common within society but which have faded under the pressures of mainstream development: co-operation, mutuality, reciprocity, asset-pooling, asset-sharing, nurturing and caring. Sometimes these are revived with the help of new technology, like social media and ‘apps’, or by using novel community currencies to facilitate transactions. Examples of social innovation solutions are: the trading of services via a time bank; the formation of energy cooperatives, co-housing projects and credit unions; schemes for participatory budgeting; and, the creation of hubs where social entrepreneurs can share space, office equipment and experiences.

In these novel arrangements, the social relation is not just a means to a goal (a functional thing) but is valued in its own right for building and strengthening bonds of friendship and shared identity among the concerned individuals, which contributes also to building strong, cohesive, trusting and caring communities. Some of those involved see social innovation also as offering opportunities to contribute to a world that is more equal, just and respectful of people and nature or a response to deficiencies and failings they experience with established (mainstream) arrangements and a way to provide better alternatives.

Social innovation processes have distinctive features, which privilege them in addressing some societal challenges and give them a potential to contribute to transformative societal change. **The process engages the ‘problem-holders’ themselves.** It involves self-help through mutual-help. By working together, those closest to a problem and most affected by it find their own solutions, which work for them in their own communities and contexts. Those involved can support the solutions because they ‘own’ them. **Social innovators organize around values, principles and logics different from those of mainstream institutions.** Especially, solutions are oriented toward creating social value, not toward maximising profit or market share. **Social innovation mostly makes use of abundant and non-rival resources that otherwise would go to waste.** Unused labour, spare capacities, discarded materials, unwanted or broken equipment, vacant buildings and waste land are mobilized to deliver positive social impact. Social innovation processes need relatively small amounts of money to put these otherwise wasted assets and resources to productive use so have a potential to offer high social returns on investment. Other tangible assets, such as software and internet platforms (important for self-organisation, networking and social learning), and intangible assets, such as ‘identity’ (important for recruitment, retention and commitment of members), are created and reinforced through the process itself.

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Social innovation occurs everywhere. But the level and effectiveness of social innovation activity is highly variable across people, space and time. Also, the need for social innovation is not always the same. Social innovation is most needed to address difficult challenges, such as so-called 'wicked problems'. These are problems with systemic pathologies that are linked to our mainstream development models, so they are relatively immune to solutions developed under mainstream logics. Social innovation assumes wider interest, also, in times of rapid change and uncertainty and of economic, financial, ecological, political, social and demographic constraints and trends that are intensifying these. These create an imperative for society to find new ways of becoming more resilient to unpredictable turns of event and of living well by becoming more resourceful; for example, by making fuller use of locally-available assets, by pooling, developing and sharing these, and by mitigating problems and so avoiding needless costs.

Social innovation can contribute to, for example: developing inclusive secondary local economies that provide for more people to be active, productive and able to support own and societal wellbeing even when not employed in the formal economy; enabling people to lead more active lives and healthier lifestyles; supporting care in the community and the co-production of welfare; and, enabling more sustainable profiles of production and consumption that lower the ecological cost of comfortable living. Social innovation can help (re)build currently-missing or under-developed social capital, which is needed to maintain and support healthy societies, and contribute to a 'preventive' infrastructure, which is needed to reach out upstream of public welfare services to nip problems in the bud, prevent costs arising and secure more effective welfare systems.

At present the **need** to upscale social innovation is high. The **scope** to upscale social innovation is also high, especially in the context of ongoing restructuring of the welfare state and the changing roles

of government departments and agencies, such as the shift from local authorities acting as direct service providers to becoming service commissioners.

Nevertheless, the challenges of developing and implementing scaling strategies are significant both for social innovation organisations and for dominant institutions and actors with roles to play: government, businesses, NGOs, universities. Important here is **to gain insight into what, precisely, we need to upscale, and how to do this.**

About this brief

Social innovation contributes to transformative change but is itself subject to pressures from dominant institutions in the form of regulations and requirements. This two-way relationship is studied within the TRANSIT project with the aim of building a theory of transformative social innovation that can help practitioners and policy makers in formulating policies and strategies for unlocking the potential of social innovation to address societal challenges. This brief (the 5th of the TRANSIT project) offers findings on the resourcing, monitoring and evaluation of social innovation. It draws on work within the project and on contributions of several invited experts. Their papers were discussed at a 2-day TRANSIT workshop held February 15-16, 2017.

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In the brief, we discuss: resources for social innovation, needs and methods for monitoring social innovations and for evaluating social impacts, tensions around resourcing and monitoring, the resourcing strategies of social innovation organisations, developmental evaluation, and roles for science in supporting SI. Based on looking at social innovation from the perspectives of resourcing, monitoring and evaluation, we offer inferences about scaling pathways for transformative social innovation relevant for social innovation practitioners and policy makers.

Resourcing, Monitoring and Evaluation

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Social innovation initiatives mostly mobilize underused resources, but they also need to obtain some financial resources to cover the basic money costs they face. In the early start-up and establishment stages of their development, social innovation initiatives can often obtain small grants from external sources, such as local government, trusts, charities and philanthropists, but typically these are only available for a short period. If they are to continue to receive funds or need to find more money in order to grow, they need to **demonstrate positive social impact and that money they are receiving is used effectively.**

This can create tensions. Monitoring and evaluation are time consuming and require specialised tools and capacities. They can be diversionary and can impose extra money costs on initiatives. Also, the evaluation objects and interests of the social innovators and of funders are not always the same and there can be fundamental conflicts between the evaluation methods funders want to use (often proposing a deficit perspective to measure the effectiveness of interventions) and the approaches used by social innovation initiatives to bring change about (often using asset based community development approaches).

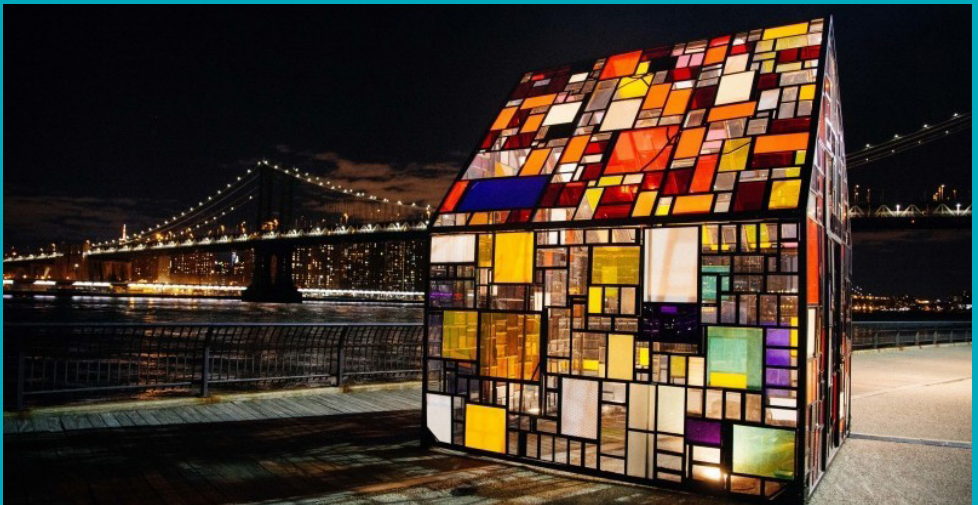
Typically, the time over which grants are available and the size of grants are limited and if social innovation initiatives are to survive and grow over the longer term, they must find more **secure ways of financing their activities.**

They need to be able to cover not only the marginal costs of additional projects, but more critically to also cover their routine, core or fixed costs of basic operations and to be able to do this in a reliable and sustained way.

New financing instruments are becoming available, which are aimed at overcoming public sector obstacles to funding social innovation organisations; for example, social impact bonds and pay-for-performance contracts. These enable load sharing across government agencies and they move implementation risk to the private sector. Increasingly, as policy makers seek to upscale potentially transformative social innovation processes and, in this, engage with the membership and networking organisations that represent specific social innovation initiatives, there is interest in a new form of evaluation, 'developmental evaluation', to support the professionalization and investment-readiness of those social innovation organisations that could receive social impact investment and be part of pay-for-performance delivery.

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This means that resourcing, monitoring and evaluation are closely intertwined processes. They are usefully explored together for the insights they can provide on the challenges of scaling social innovation.



Types and sources of non-monetary resources

Social innovations have different from usual structures to their resourcing needs. The key resource that is mobilized is not money, but the time, talents and assets of their members. Some initiatives specifically seek to 'de-resource' (i.e. to make do with less) and to create fulfilment and wellbeing through activities that need little material resource. Others are directed toward asset pooling and sharing among members, such as by providing services to each other or by coming together to share office space, ICT equipment and internet connections. Social innovation initiatives also mobilize spare capacities and wasted assets available within their local area of operation, which their members draw in. Some apply free labour to low value material resources and assets, transforming these to have higher value. Most also create new assets useful to the initiative through their activities, such as software, webpages and knowledge relevant to the initiative.

Social innovation initiatives often develop relationships with other (usually local) organisations that are willing to offer the initiative use of its spare capacities or to provide it with pro bono support. Relationships with universities can be especially helpful, bringing access to facilities and expertise that could otherwise be very costly for initiatives to acquire. Being 'recognized' and 'acknowledged' by other important or influential actors, such as by local authorities, local businesses or universities, can increase the credibility and legitimacy of the initiative. Legitimacy can come also through the patronage of well-known and well-respected figures and is another important asset. By mobilizing assets and resources that members themselves bring to the initiative or obtain for it, social innovation is not only a productive process that generates social impact, but

also is a self-empowering process, which gives members of initiatives a high degree of freedom and autonomy. Autonomy of action is often an important attribute in its own right that is prized by grassroots innovators and supports the capacity for bottom-up innovation, which is often most effective in addressing social challenges and problems, since the people most affected are the ones developing solutions.

Another important asset for social innovation, which is often linked to core mission and autonomy of action, is 'identity'. The internal cohesion of the social innovation is related to a strong identity that commands support and commitment of the members and to 'integrity', the capacity of the initiative to remain true to the core values.

How initiatives meet their non-money resource requirements: some illustrative cases

- Volunteers are an important resource in the initiatives and projects of Transition Towns and, especially in the early years, were critical for the local activities of INFORSE. Participation in these local activities is perceived by proponents to demonstrate a willingness among people to switch between periods of (formal) employment and periods of volunteering when (formally) unemployed.
- Time Banks are based on exchange of time and services. The time and talents of members are the key resources in delivering services through networks of reciprocity.
- Impact Hub members share office space, equipment and experiences.
- Eco-Villages, FabLabs and Hackerspaces include substantial exchange of artefacts and experiences among the active members of villages, labs and spaces.
- Impact Hub, Living Knowledge, and Ashoka are among initiatives that build internet sites and webpages to disseminate information to other practitioners. They generate and share information that comes from practising their activities. They create support software and/or training programmes that enable their activities to be performed more effectively. These become mutually accessible resources for members of their networks and wider stakeholders.
- DESIS Lab and Science Shop are affiliated to universities and benefit from the integration of their activities into courses and curricula.

Money needs and sources

When operating at low activity levels, social innovation initiatives typically have relatively low need for money compared to commercial organisations. Nevertheless some money is usually needed to cover base-level money costs of operating. Furthermore, there is a complementarity among the different resources that are needed, which means that lack of base-level funding, even at very low levels of requirement, can frustrate the possibilities to leverage otherwise wasted resources into productive use.

It can be relatively easy for social innovation initiatives to find sponsors willing to support start-up and establishment costs, but it is less easy for initiatives to secure continuation funding to cover ongoing money costs of operations once an initiative is up-and-running. The lack of reliable funding streams to cover base-level operating costs (even at low levels of requirement) threatens survival and sustainability. There is also a risk that any social capital built up gradually and progressively over several years of operation of a social innovation organisation can be lost if a break in funding disrupts operations. The social capital built from earlier years of investment can be lost quickly, but can be rebuilt only slowly.

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In their evolution, even successful initiatives can also hit a ‘funding gap’ where they are no longer so eligible for charitable grants. At the point where they have already set-up their operation, are successful in generating positive social impact and are doing so very cost-effectively they may be close to breaking-even financially. They may therefore be less of a priority for philanthropic or grant support. Yet they may still not be able to generate sufficient income to cover expansion costs or to attract investment from social impact investors.

They may therefore enter a period of ‘treading water’ where they are unable to expand even though they are successful in delivering positive social impact.



































Also, funders interested in an initiative and keen to make use of it to achieve particular outcomes of interest to them may be willing to fund the additional (marginal) costs of pilot or demonstration projects that seek to achieve particular social impacts, but they are rarely willing to contribute to covering the basic costs. Undertaking piloting and demonstration work can strain initiatives to the point of risking their insolvency. There is also an implementation gap suggesting that even when evidence is available from demonstration projects about the cost-effectiveness of solutions, these are not likely to be taken up and funded for wider roll out for lack of appropriate funding instruments and mechanisms.

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Seeking financial resources – even at low levels of need – is diversionary for initiatives and can be destabilizing. Much of the time of organisers can be spent, not on core mission, but on applying for funds to cover base-level costs needed just to run the activities and keep them going. This applies, for example, to many *FabLabs*, local *DESI Labs* and local *Time Banks*.

An approach that some initiatives take to cover money costs is to charge membership fees, but this may be inconsistent with the core principles and values of an initiative, such as is the case with *Time Banking*, and when initiatives seek to be inclusive or to provide

opportunities for the economically disadvantaged, it can be counterproductive to charge fees that exclude some people from taking part. Another approach can be to try to diversify funding sources by requesting funds from several different foundations, asking each for only part of what is needed overall and ensuring that no single foundation is asked to assume continuous and total responsibility for financing the initiative. The downside is that this increases the workload in administering (multiple) small grants.

CONNECT	CO-WORK			OWN OFFICE	
 <p>75 € / quarter 240 € / year</p>	 <p>CASUAL 90 € / month</p>	 <p>REGULAR 160 € / month NEW</p>	 <p>UNLIMITED 240 € / month</p>	<p>1.175 € / month</p>	
 <p>Friday Afternoon Co-working & Networking</p>	 <p>1 Day / Week</p>	 <p>3 Days / Week</p>	 <p>Unlimited</p>	 <p>Unlimited</p>	
 <p>14.00 - 18.00</p>	 <p>Office Hours</p>	 <p>Office Hours</p>	 <p>24/h with key</p>	 <p>24/h with key</p>	
 <p>Discount on Space Bookings</p>	 <p>Discount on Space Bookings</p>	 <p>Discount on Space Bookings</p>	 <p>Discount on Space Bookings</p>	 <p>Discount on Space Bookings</p>	
 <p>Private Storage 25,0 €/month</p>	 <p>Private Storage 25,0 €/month</p>	 <p>FREE Private Storage</p>	 <p>FREE Private Storage</p>	 <p>FREE Private Storage</p>	
 <p>Post Box</p>	 <p>Post Box</p>	 <p>Post Box</p>	 <p>Post Box</p>	 <p>Post Box</p>	
<p>ADDITIONALLY ALL MEMBERSHIPS INCLUDE</p>					
 <p>Access to Like-minded Community</p>	 <p>Access to global Community Portal</p>	 <p>Discounts on Events & Programmes</p>	 <p>Hosted Business Match-making</p>	 <p>Access to diverse Acceleration Programmes</p>	 <p>FREE organic fruit organic tea fair chain coffee</p>

Source: Impact Hub Amsterdam Website

Resource needs change as initiatives grow

Even if social innovation initiatives need relatively little money during the early stages of their development, the structure of their resourcing needs changes as an initiative becomes more formalized, such as when solutions are developed that have potential to be generalized and when membership or networking organisations are formed to provide services to local members and to support the wider take up of specific solutions.

The work and functions performed by organisations set up to represent initiatives and their innovative solutions are different from the activities of the grassroots members. They involve strategic, organizing and bureaucratic activities more akin to the world of regular businesses, such as branding, marketing, accounting, monitoring, evaluating, engaging with government and its agencies, and liaising with funders. These are more formal functions and roles. This holds implications for the structure of the resources needed to grow specific initiatives, since the activities and roles of the organisations and people that represent them are more likely to be professional and to incur money costs. Furthermore, those holding formal positions in such organisations depend on securing an income for their own continuing employment.

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This creates new and potentially divisive interests and priorities that can lead to discord between those in the organisations that represent solutions and the grassroots social innovators. Money often comes with conditions, which can interfere with the priorities and modus operandi of initiatives and undermine core mission and integrity. Seeking financial resources therefore creates tensions and risks, which need to be understood and managed by the concerned parties.

Money: a potential source of tension

The scope to go to scale may be high, but social innovation organisations can encounter **tensions, difficulties** and **dilemmas** as they seek to scale their solutions.

One such tension is the potential for **internal struggle over issues of growth and professionalization** between those representing an initiative, often its founders and leaders with roles in the membership organisation, and grassroots members. The ambitions of the leaders and grassroots members may begin to diverge on these issues. This can happen if grassroots members are asked to pay dues to the membership organisation and to leaders for services received. It is likely also if external funding is sought to sustain the membership organisation and its leaders, if conditions are imposed by funders, and if these interfere with the modus operandi of grassroots activity. Money may then introduce conflicts of interest. Grassroots members may then question governance integrity. Without the grassroots there is nothing to lead, nothing to learn about or from, and no social impact. This potential source of tension poses a dilemma: **how might initiatives sustain and grow without losing the motivation of grassroots members who are their main resource?**

Another such tension can arise over the ambition to grow the number of local branch initiatives when, often, the overall supply of grant support for these is limited. **Competition for limited grants** between and within initiatives is therefore often a zero-sum game that leads to perverse outcomes, including an excessive turnover of initiatives (many only surviving over their first funding cycle and never receiving follow-up support) and competition between social innovation organisations that discourages cooperation.

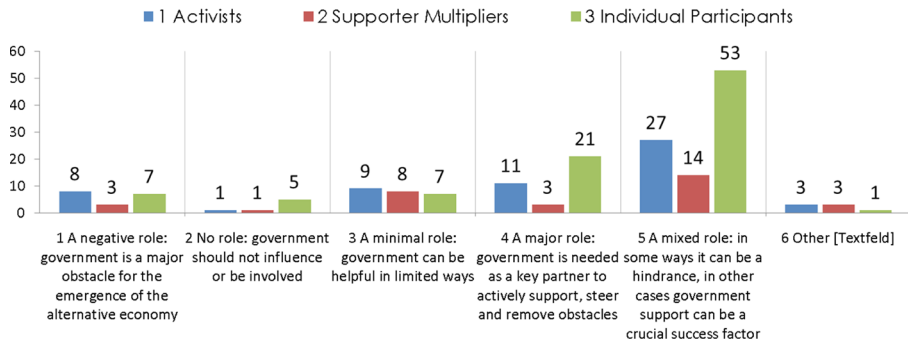
The process of competing often for very small and very short-term grants represents a significant diversion and drain on the human resources of initiatives at all levels, as does reporting for auditing purposes: **how might a more rational and strategic grant awarding system be developed to avoid this?**

There is a potential for **misalignment between internal and external motivations, means and modes for monitoring and evaluating** initiatives. In return for funds, funders (especially public sector agencies) can require initiatives to show their investment is cost-effective and want them to measure social return on investment. Grassroots members prefer to spend their time and scarce resources on making impact rather than on collecting data and find that sponsors often want to use deficit-based approaches and linear theories and models of change to measure the effectiveness of interventions, which is at odds with asset-based approaches to community development and the real-world complexities of their actual operations. The misalignment between internal and external needs for monitoring creates a dilemma: **how might data and evaluation systems be developed to reconcile the needs of different stakeholders?**

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Social innovation initiatives can collapse when agendas are imposed on them top-down by funders, especially when government agencies seek to use initiatives instrumentally and try to set agendas from their own (often narrow) agency or departmental interests. There is tension over **agenda setting and ownership** of initiatives. The silo organisation of government agencies, with separate responsibilities and budgets, is also a factor here, since this reduces the possibilities for cross-departmental funding of initiatives, adding to the risk that single-agency funding leads to co-opting, imposed agendas, and loss of the grassroots innovative potential that the agency seeks to harness. There is a high risk of initiatives being co-opted and captured: **how might a more genuine co-production process be achieved?**

In an attempt to preserve autonomy, several initiatives refrain from government funding. Both *Ashoka* and *Impact Hub* have internal rules not to accept money from government. Different views about cooperation with government are shown by a survey of delegates to a Solikon conference in Berlin in 2015. Asked about the roles of government in fostering alternative economy initiatives, few respondents saw no role for government, but many expressed reservations.



Source: Solikon conference, Berlin 2015 (186 responses)

Learning from success cases

In terms of growing the social innovation ‘infrastructure’, the membership and networking organisations work hard, but are often just ‘treading water’.

There is no necessary link between the number of new start-ups of social innovation initiatives of a particular type, such as Transition Town initiatives or new Time Banks, and the overall number of active local manifestations (Weaver, 2016). In each of the US, the UK and Spain, for example (three of the countries represented in the TRANSIT case study of Time Banks), there are around 250-300 Time Banks.

At least in the US and the UK, new Time Banks are being established every week; but, on an annual basis, ‘births’ of new Time Banks are matched by deaths of existing Time Banks and the overall number of active Time Banks does not grow. Around 70% of US Time Banks fail within their first three years.

If social innovation is to have transformative impact at the level of society and societal systems, the ‘infrastructure’ of local manifestations and the ‘ecosystem’ that supports social innovation processes and initiatives as well as overall activity levels must grow. For a local manifestation to contribute to transformation at societal- or systems-levels it must at least be able to sustain, which entails securing the funds it needs to survive each year and being able to do that recurrently.

This begs a question: What explains why some social innovation initiatives manage to sustain over the long term while others, having often been established with great energy and enthusiasm, die within the first few years? The ones that sustain must be doing something right. But what is that ‘something’ and is that ‘something’ replicable or is it so specific to the characteristic of the particular organisation, the individuals running it, or the space-time context where it operates that there is nothing there to be learned for guiding others?

To address this question, Groundswell Research Associates (Weaver, et. al., 2017; Marks, et. al., 2017) used a ‘success-case’ approach to identify instances of ‘long-lived’ manifestations of initiatives that have bucked the trend by sustaining and thriving over many years, to explore their business and development strategies and to identify core as well as divergent characteristics. Their findings highlight that different resourcing strategies and models can be discerned among ‘success case’ organisations, but common characteristics recur across them all. Core strategies involve ‘diversified’ approaches to funding that include elements of autonomous funding.

Some pathways for financial resourcing

Groundswell Research Associates (Weaver, et al., 2017) find evidence for at least three different pathways for financially resourcing social innovation organisations:

- **Commissioning Pathway:** This involves investment and income for supporting service delivery, especially services that help reduce costs on public sector agencies. It involves developing and delivering services of interest to external commissioning entities. Contracts are established over the terms and conditions of receiving payments. Delivery is measured and monitored in relation to designated target outcomes. This pathway is beginning to be supported by social finance, including through innovative 'pay-for-performance' financing instruments. The involved social innovation entity may hold delivery contracts directly with different commissioning organisations or indirectly via intermediaries [See Box: Parent Support Network].
- **Embedding Pathway:** This involves the social innovation organisation partnering with an existing larger organisation that is wealthier or better funded and with which it has some complementarity of mission. The social innovation receives financial support from the host or has needs met directly by the host in return for helping deliver its mission. The host organisation may cover salary cost of coordinators and provide office space, heating, lighting, ICT equipment and access to central facilities and services that otherwise would impose money costs [See Box: ArchCare].
- **Autonomous Funding Pathway:** This involves the social innovation organisation developing an own-income stream to self-finance its activities, continuity and growth. This can be achieved by establishing a social enterprise activity that generates a surplus, part of which can be returned to the social innovation organisation.

The social enterprise may have a legally-separate identity. Examples are community restaurants and cafes, thrift shops, and social enterprises that are profitable and return money for the ‘sweat equity’ invested in them by the social innovation organisation during the establishment phase or in continuing operations [See Box: Fair Shares Time Bank and Gloucester Gateway Trust].

All three approaches offer possibilities for growth and development. Each entails different tensions, risks and ways of addressing these. Each holds implications for mission, governance, organisational culture and relations with external systems and actors. Each maps onto different and distinctive development pathways for the organisations, affecting what kinds of contribution to societally transformative change they can make. There is inevitably an element of compromise implied in securing a funding stream. Some degree of hybridisation is inevitable in the search for financial sustainability and is likely to entail the emergence of some form of social enterprise activity, some modification of original transformative ambition, and some modification in the nature of any transformative potential.

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The commissioning pathway: Parent Support Network

Parent Support Network (PSN) is a social innovation organisation that provides parent peer support services to parents with children removed from their home, involved in the justice system on probation, or placed in residential facilities. Services include working with parents on improving their capacity to parent in order to be successfully reunified with their children. PSN also operates a youth group for young people with behavioural health challenges, “Youth Speaking Out” (YSO). YSO-involved youth learn leadership skills, work on community service activities and receive training in public speaking to prepare them to testify at local government forums and hearings in support of young people and their families. Volunteer peer support specialists, trained by PSN staff, work within PSN and with health and social service agencies to provide support and services to parents and young people. They also organize mutual aid through reciprocal service exchanges.

PSN is now almost entirely supported by government contracts and effectively operates as a commissioned service provider. Owing to the reliability and quality of its service offer, it is commissioned repeatedly by government agencies and programmes in high-need areas, such as behavioural health, mental health, and substance abuse.

The embedding pathway: ArchCare



ArchCare is the most recent of three *time bank* ventures operated over a 30-year period by Mashi Blech. She has specialized in integrating time banks into large (multi-million dollar) organisations, helping these to deliver their mission by using the time bank mechanism. In each case, a time bank has been embedded into the practices of the host organisation with members recruited from the clients or communities served by the host. Two host organisations that have benefitted from this model are in the health sector. Elder Plan, a health insurer benefitted by the time bank enabling older people to be supported longer in their own homes rather than entering residential care homes. The Visiting Nurse Service of New York was similarly supported by a time bank established to provide intergenerational support in the community, reducing some of the demands on visiting nurses. ArchCare is the most recent of the three ventures. It is supported financially by the Catholic Arch Diocese of New York. ArchCare helps the Arch Diocese in delivering its relief mission by addressing social determinants of health, such as isolation. ArchCare organizes mutual support, especially among the non-English speaking immigrant communities of New York whose members often are living without family support, have low incomes, and have limited access to other forms of welfare support.

Autonomous funding pathway: Fair Shares and Gloucester Gateway Trust



Fair Shares is a long-established time bank, which also runs a thrift shop and is a beneficial stakeholder of a trust funded through a social enterprise business venture that was its own initiative. The initiative involved addressing a local ‘problem’ by turning it into a win-win solution. The ‘problem’ was disused land along the M5 motorway, which runs through the middle of Gloucester. Once part of a farm, the land had been divided and fragmented during motorway construction, leaving the farm less viable and the disused land an eyesore. Local social innovation leaders, led by Mark Gale, envisioned using the land to develop a ‘green’ motorway service area and searched for an investment and operating partner.

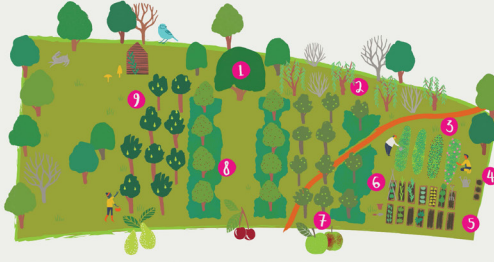
Their first move was to establish the Gloucester Gateway Trust (GGT) in 2007 as a company with charitable purpose. This brought together a group of local business people and social entrepreneurs. With the financial support of two Trusts, the operating costs of GGT were underpinned, options were secured on the land, and this was then purchased. Westmoreland Ltd., a family owned company that had previously established a similar service station, became the business partner, providing the investment needed to develop the service station and becoming its owner and operator. After seven years of completing the necessary planning and permitting procedures, overcoming a judicial review, and withstanding a number of appeals, the project was completed in 2014. It became the first British partnership between a charity and a business united around a common interest to create benefit and value for both.

In contrast to other motorway services, Gloucester Motorway Services does not operate franchises. Instead it has local suppliers providing all services and it operates as an outlet and showcase for local produce.

In total, the project supports over 200 local and regional producers and 400 permanent jobs for local people. Besides serving local economic interests the service station also generates sustainable income that flows back into local communities. A share of proceeds is donated to GGT. In turn, the GGT invests in six local social innovation organisations, community partners and projects, including the Fair Shares time bank. This distribution of funds secures a sustainable income stream for Fair Shares and the other beneficiaries, which provides them with sustainability and autonomy.



- 1 Oak Tree
- 2 Willows & Hazel Coppice
- 3 Soft fruit
- 4 Compost Bins
- 5 Bathy
- 6 Raised Vegetable Beds
- 7 Heritage Apple Trees
- 8 Wild Cherries
- 9 Perry Pears



Our Vision

Here, the Growing Communities Project is creating a productive landscape, planted and maintained by local residents.

This Gloucestershire Gateway Trust project provides opportunities for local residents of all ages to visit, have fun and gain work skills. All the while learning more about wildlife, our local landscapes and growing food.

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Developments in monitoring and evaluation

When social organisations receive funding from public, private, philanthropic or blended sources there is a need for funders to be able to demonstrate that their grants, loans and investments in social innovation organisations and activities are productive and efficient. This is especially so when public funds are involved.

Currently, there is strong government interest in incentivizing or requiring social innovation organisations to use the model of Social Return on Investment (SROI) to measure the extra financial value of social outcomes achieved relative to resources invested in activities. In SROI evaluation, the monetarized benefits of activities are compared with the costs. The approach is built around seven principles: involve stakeholders; understand what the activity changes for stakeholders; value what matters in relation to stakeholders' preferences around different changes and the relative importance they ascribe to the changes they experience; include only what is material; only claim the value that activities are responsible for creating; be transparent; and verify results. These are intended to guide evaluators while offering some flexibility. Nevertheless, SROI is not without methodological problems, for example, social impacts involve complex matters of attribution and valuation, and the approach highlights the cultural distance between the different 'logics' and 'modus operandi' of investors and social innovators.

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Universities – and especially action researchers – can play important roles in supporting social innovation organisations in developing and implementing data collection systems to support evaluations fit for different purposes and the needs of different parties.

They can play roles also in mediating between the different cultures and logics of the different parties. Other organisations may also make important contributions by making it easier to apply methodologies like SROI, such as by developing ‘banks’ of transferable social values. [See box: HACT]

One of the findings of the TRANSIT project is that most of our case study social innovations undertake only limited and rudimentary monitoring and most do not evaluate impacts routinely or produce regular reports that provide evidence of their impact. By contrast, there are a few that have embraced evaluation and found this has empowered them in their relations with external actors. [See box: Spice]

The HACT Social Value Bank

To complete a social value evaluation of its activities, a social innovation organisation operating in Barnet used the HACT Social Value Programme. This is a free-to-use social value tool offered to the third sector by HACT, a UK innovation agency that serves the UK housing sector. In association with Daniel Fujiwara, HACT has created a bank of methodologically-consistent social values. The values can provide a basic assessment of social impact, provide evidence of value for money, and compare the impact of different programmes. The values can also be used within a full SROI or Cost-Benefit Analysis. The Social Value Bank of transferable values represents a step forward in the quality of resources available to those seeking to place a social value on community-focused activity. HACT has also developed a range of guides and tools to apply the values in the Social Value Bank, including a Wellbeing Valuation Approach (which contains headline figures from the Social Value Bank) and a Value Calculator spreadsheet tool. The Social Values Bank, guidance and tools are available for housing providers and third sector organisations to use at no cost.

The Barnet-based social innovation organisation used a variety of different methods to identify and measure community development, health and wellbeing outcomes of its activities, including reviewing its own records (joining information and activity data) and undertaking surveys, questionnaires, interviews, and in-depth case studies addressed to its users and beneficiaries. The evaluation team found instances of 11 achieved outcomes for which the HACT Value Insight tool provides a reference social value. All data relating to HACT Social Value outcomes were analysed using the HACT Value Insight software.

The combined social value of the outcomes achieved over the period under evaluation totalled £518,251. The total project cost for the same two year period to 2017 was £55,479. The calculated Social Return on Investment was £462,772. For every £1 spent, £9.34 of Social Value was achieved.

Important here may be less whether the valuation is precise and more that by using consistent and robust reference social values the SROI across projects can be calculated relatively easily in a standardized way and compared.

Monitoring and Evaluation at Spice

Spice is a social innovation organisation based in Wales and active also in England. It has established a novel form of incentivized individual-to-agency volunteering that uses time credits – issued as paper notes – to encourage engagement in group activities that benefit community. It has local networks of partner organisations that provide ‘earning’ and ‘spending’ opportunities and a nationwide network of partners that offer further ‘spending’ opportunities. Spice ‘spend partners’ donate their spare capacities to Spice, such as seats in cinemas, entrances to sports centres, places on courses, or rides on buses and trains, as incentives and rewards.

Spice developed from a forerunner project in the Welsh Valley village of Blaengarw. The monitoring and impact data collected there were critically important in demonstrating the effectiveness of the mechanism and in lobbying to explore its transferability to other contexts.

Ben Dineen of the Spice organisations says:

"In common with many other social innovation organisations, Spice is a values-based organisation. The 'change-that-is-meaningful' value essentially states that investment in communities should be predicated on ability to demonstrate the change that it can create."

Spice separately distinguishes monitoring and evaluating. Spice members at every level in the organisation are involved in the monitoring task. Individual members provide joining information. As the paper currency cannot be tracked digitally, it is the responsibility of group leaders to gather information on the membership of their group, new members, group size, activity levels, credits issued, etc. These data are agglomerated at the next higher level by the local area or regional representative. All local areas where Spice is operating report their data to the national level to create a national picture.

In parallel with the monitoring effort there is a separate activity charged with evaluating the impact of Spice. To ensure impartiality, an independent evaluation agency (to date this has been Apteligen) has this responsibility. It evaluates the impacts of Spice at various levels: on people's lives, health, and community development. Spice uses the gathered information to lobby policymakers, to market Spice to service commissioners and to report back to commissioners on the effectiveness of their investments. Spice has a policy of outreach to potential commissioners, making presentations at local authority conferences and conventions that commissioners attend. Attention is paid to developing attractive graphics that visualise the growth, effectiveness and impact of Spice and that highlight the versatility of the mechanism. The slide stacks are made available to sponsors so they can use these to support the case for investment.

Developmental Evaluation

There is a recognized need to help social innovation organisations become more effective in generating positive social outcomes and to improve their capacities to see and seize opportunities to attract investment and earn income. A form of capacity building – Developmental Evaluation – is designed to respond to this. Already programmes of developmental evaluation are in operation in some countries; for example, the UK has a lottery-funded programme called the Big Opportunity. Developmental evaluation helps leaders of a social innovation organisation reflect on their assets, theory of change, the mechanisms of change they use, and the opportunities and dangers afforded by a changing context. The approach also encourages organisation leaders to accept that measuring and evaluation needs are different at different stages and that the measuring approaches and tools used, such as indicators and metrics, will need to change from one stage to the next.

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“Developmental evaluation refers to long-term, partnering relationships between evaluators and those engaged in innovative initiatives and development. Developmental evaluation processes include asking evaluative questions and gathering information to provide feedback and support developmental decision-making and course corrections along the emergent path. The evaluator is part of a team whose members collaborate to conceptualize, design and test new approaches in a long-term, on-going process of continuous improvement, adaptation, and intentional change. The evaluator’s primary function in the team is to elucidate team discussions with evaluative questions, data and logic, and to facilitate data-based assessments and decision-making in the unfolding and developmental processes of innovation.” (Patton, 2008).

Developmental evaluation seeks to develop capacities. The table below summarizes results of a developmental evaluation exercise for the case of a Canadian social innovation organisation concerned with homeless day labourers. The Table gives the elements of the developmental evaluation, the translation of it for the specific case of homeless day labourers and how the process changed the ways in which they were helped with securing housing and achieving better income.

What was developed?	Implications	Examples
Understanding the challenges of innovation and systems change	The effort to tackle a complex problem may generate new and/or deeper insights about the nature of the challenge being addressed and/or the context in which it is being addressed.	The innovators realized the importance of social supports in the “homelessness puzzle”, once some of the clients who secured housing were drawn back to the streets to regain the friendship and company of their previous network.
Theory-of-change elaboration	The innovators may have new ideas about how they might address the challenge and/or the kinds of results they might expect from their efforts.	The innovators expanded from their strategy focused primarily on housing and employment income to one that included education, social networks, and mental and emotional help.
Change mechanisms	The establishment of concrete mechanisms (e.g., practices, regulations, relationships, policies) that have influence on the challenge being addressed may represent the most tangible development of the innovation.	The innovators established (a) a protocol with local credit unions to provide clients with access to bank accounts, even before they had permanent addresses; and (b) an arrangement where labourers could bypass predatory, temporary job agencies (which took 50% of their wages) and use a non-profit intermediary that allowed them to retain all their employment earnings.

What was developed?	Implications	Examples
Capacity development of social indicators	Developments that relate to the capacity and morale of the innovators and affect how they think and pursue their innovation (e.g., skills, resources, membership).	The trust between previously disconnected service agency leaders increased after these early successes and allowed them to open up their work to discussing the deeper reasons why they found it difficult to integrate their services more closely (e.g., competition for resources).
Deepening understanding of context	Developments that are not under the complete control of innovators but in which what happens (emerges) contextually shapes the goals, design, delivery, and results of the innovation (e.g., economy, demographics, key events). All developments are important to track and assess in developmental evaluation. Whereas the previous four types in this exhibit refer to the development of the innovations, this fifth one (the context) is equally important because innovation does not emerge in a vacuum, but instead is highly influenced by the context in which it is unfolding.	A slowdown in the construction industry (the major employer for homeless day labourers) required the innovators to develop relationships with different types of employers and adjust their expansion plans.

What do we seek to upscale?

This brief has so far focused mostly on the social innovation organisations that support and represent particular groups of social innovators, their particular approaches to social innovation and the types of solution or tool they develop and seek to scale. It has looked at approaches that can be taken to strengthen social innovation organisations and get them ‘investment ready’, such as developmental evaluation, and also at different business models and development pathways that social innovation organisations might adopt in order to sustain and potentially scale.

Two observations are nevertheless important. The work on success cases shows that, while it is not impossible for social innovation organisations to sustain and grow, it is not easy for them to achieve large scale transformative impact by themselves. Transformation at societal- or systems- level is unlikely to be achieved by individual social innovation organisations promoting only their own approach. Success cases also show that there are some organisations that focus on particular kinds of challenge and are mission-driven, rather than tool or solution driven. These organisations show flexibility and willingness to deploy whatever tools they find helpful in advancing particular missions, addressing particular challenges or needs in society and meeting the goals that they set (Weaver et al., 2017).

Two noteworthy illustrations are Stephanie Rearick’s Mutual Aid Networks [See box: Mutual aid networks and social coin], which combine multiple tools and approaches to achieve synergies for change, and Barbara Huston’s Partners-in-Care organisation, which is dedicated to helping older adults to live independently in their own homes and remain actively engaged in their communities, to which end she deploys and combines many different tools.

Their respective ventures reveal a scope for transformative change at a more strategic level that lies in enabling multiple organisations and individuals that each have both needs and assets that are complementary to one another to work together to co-create and deliver systems-solutions to challenges.

This is important conceptually for policy and brings us back to the question posed at the start of this brief: what do we seek to scale? Is the object to upscale social innovation organisations and manifestations of their individual tools and approaches? Or is it more to find ways to stimulate and raise the level of social innovation as a process within society, orientate social innovation processes toward addressing social needs and challenges in each local context, and encourage social innovation organisations to work together to co-design and co-implement systems-level solutions that combine different contributions and achieve synergy among them?

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Process, programmes and diversity

Barbara Huston of Partners-in-Care emphasises the importance of process and programmes and diversity, not organisations or tools per se.



"There are myriad tools that facilitate community building. But they offer only a tempting doorway for someone to explore what is going on, they will never be why people decide to stay in an organisation, to be part of a community, or the reason for growth.

It will always be about process because we are dealing with human beings. The attention and strategy that can successfully be used for a start-up program is not the one that works two or three or certainly not four years down the road. The core of reciprocity and co-production remain the basic tenets, but each stage of development requires a different nurturing process.

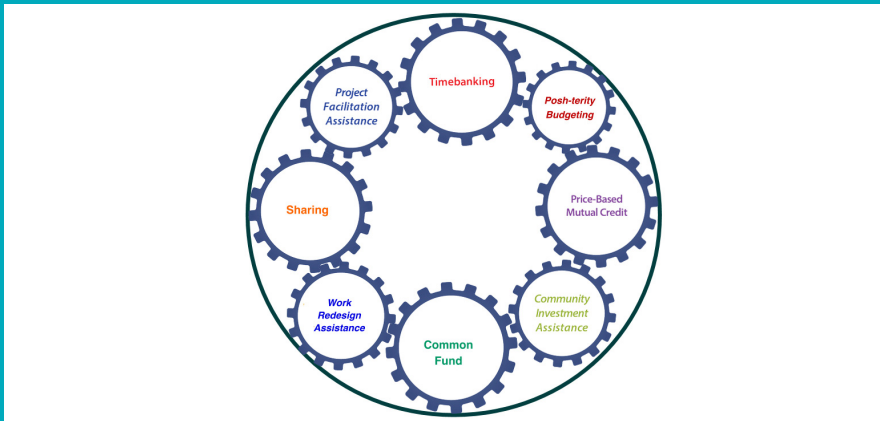
*There are different needs at each stage of growth as more voices, activity, and increasing need challenge the integrity of the mission itself. Community building and lasting outcomes do not happen in two or three years. **Enabling cultural and societal changes is a long term effort, and requires a strategic vision and commitment to partnering for diversity on all levels – missions, participants, organisations, funders, champions.***

Combining Mutual Aid Networks and Social Coin



Influenced by the work of Stephanie Rearick, a project led by Kate MacDonald in the UK city of Kingston-upon-Hull is bringing together different social innovation organisations and their initiatives to work with each other and other partners to address urban poverty and strengthen urban resilience. It builds on principles of cooperation, asset sharing and networks of reciprocity, using the Mutual Aid Network (MAN) approach. As well as using time as a currency, the project will use a local digital social currency, HullCoin, to incentivise and reward participation, lower transaction costs, and build critical mass. The programmable social currency – a form of cryptocurrency – will enable some of the data needed for monitoring and evaluation purposes to be collected automatically as the currency passes from one electronic wallet to another. This could open possibilities for adding and integrating data from different sources to address questions about the effectiveness and impacts of incentivized volunteering and reciprocity-based approaches in a ‘social coin enabled’ mutual aid network economy.

[Further information: Groundswell Research Associates]



Insights for policymakers and practitioners

Recognizing each other's needs and also the unique assets and contributions that each party brings are important for developing constructive relationships among all parties.

Policy makers need:

- Evidence and examples of successful social innovation and the (social) returns delivered relative to the funds invested in order to establish public investment priorities and justify public investment in social innovation
- New ways of enlisting private sector financial support for social innovation to leverage limited public finance
- Insights into how to modify policy and regulatory frames so that these are more conducive and supporting to social innovation initiatives

Social innovators need:

- Access to managerial, organisational and legal skills/support and to be able to maintain that access and develop human resources in these areas throughout the innovation cycle
- Access to policymakers and support from intermediaries in raising awareness to the limitations of prevailing legal, regulatory, fiscal and financial arrangements and the impact of these on their operations, outcomes, and scaling prospects
- Supporting policy and financial innovations, such as cross-departmental funding mechanisms

- Greater access to support from scientific institutes and universities, especially for help with data collection, data analysis, software development, ICT generally, development of monitoring protocols and tools, measuring and monitoring impact, development of evaluation reports, development of funding proposals, etc.

The science system could be incentivized to make a fuller contribution to social innovation. Possible ways to do this are by:

- Allowing normativity to be part of research projects
- Giving more importance to societal relevance in the evaluation of university staff.
- Making support to social innovation an element in research evaluation and financial settlement exercises; operationalising this, for example, by issuing nominal credits (or social currency) to community organisations enabling them to ‘commission’ university support and using the level of credits earned as an indicator of the social relevance and impact of the research organisation.
- Certification programmes (social and sustainability relevance) for universities, Faculties, Departments, and Degree Programmes
- Issuing degree certificates that show community value

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International Centre for
Integrated assessment and
Sustainable development



TRANSIT is a research project which aims to improve understanding of how social innovation can bring about empowerment and societal transformation. The research team is carrying out in-depth case studies with around 20 transnational networks and the use of engagement with social innovators, social entrepreneurs, policymakers and scientists in workshops, to gain new insights into the field. The outcomes will include training tools as well as policy and practitioner briefings like this one, to share this knowledge and help support social innovators for sustainability.

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