

Early Intervention Foundation

Report from Social Investment Workshop: Discussions and next steps

28 April 2014

This note summarises the discussions held at the EIF Social Investment workshop on 28 April, at Local Government House.

The event was the first workshop of EIF's workstream on Social Investment. It was attended by a number of representatives from EIF's pioneering 'Early Intervention Places' (EI Places). In the afternoon they were joined by representatives from key agencies working in the social investment field.

This document should be read in conjunction with the presentations from the workshop. All presentations from the day can be seen online [here](#). These presentations formed the stimulus for the discussions summarised in the notes below under the following headings:

1. Aims of the workshop
2. Challenges identified
3. Opportunities identified
4. Learning points and support available from speakers
5. Areas for development
6. Possible EIF contribution
7. Actions agreed

The notes attribute comments and ideas to particular attendees only where people presented specifics about their work, or explicitly offered support or further information.

Detailed background to existing SIBs and EIF's thoughts on opportunities for social investment and EI can be read in our report, an [Introduction to Social Impact Bonds and Early Intervention](#).

1) Aims for the workshop

Our goals for the workshop, agreed by attendees at the start of the day, were to:

- Raise awareness of existing social impact bonds and ensure interested EI Places have a similar level of understanding about the existing work on, challenges, and possible opportunities of social investment for early intervention.
- Highlight the sources of support available and provide an opportunity to link up with some key contacts.
- Share learning from those EI Places who are further down the line of considering or developing opportunities.
- Share ideas and consider opportunities and challenges, including bringing in experts to help address questions.

EIF was interested in understanding more from EI Places and other attendees about possible opportunities of social investment around EI that people are interested in developing further, and what role EIF can contribute to this. This will inform the future development of EIF's social investment workstream.

2) Challenges identified

Key challenges identified in presentations and group discussions with Places:

- **Evidence of success** and cost-benefits of taking SIB approach limited at this stage. Needs further comparison to other possible forms of funding services. May become more convincing as hard evidence to show outcomes of what SIBs have done develops.
- **Time and development costs** are still a barrier to some. Recognition by commissioners that this is not always the case, but some still complex. If/when this comes down it may become much more appealing.
- How to shift investment when there are **very complicated funding streams** – needs join up from central government too. Sometimes finances of agencies that need to work together are not very 'open book'.
- Cashable savings in a world of **multiple agencies** – what will excite the accountants of these agencies enough to get joint working? What about procurement, commissioners, legal teams, investors? Balance of risk and reward for multiple partners – need to work through in much more detail what areas might be feasible.
- **Attributing success.** Complex families and lives, and complex local systems, services and practice into which SIB-funded interventions need to be built. Accountability in the longer term needs to be worked through more fully.
- **Tipping point?** Where is it for any idea... viable/too complex? What about for the market - as more LAs get interested – could investors dry up?
- **Precision** and confidence in the outcomes. Often long term returns... What can we do that can deliver some **outcomes within 3-5 years?**
- Some local commissioners felt there was **limited support to understand who investors are**, what they are interested in. What are the steps to engaging and testing ideas with potential investors?
- Data doesn't yet exist to **build robust business case around earlier EI** – being able to predict longer term impact at an earlier stage – how do you identify with a reasonable level of certainty.
- Consensus about what works but still a **limited UK evidence base** sometimes. Need more work on evidence based programmes that could be appropriate for SIB mechanisms.
- **Balance of evidence-base and scope for testing/flexibility.** What about when you use an intervention that has a US RCT but end up changing it anyway? General recognition that we must not confine ourselves to just RCT-based evidence; that we see SIBs as a way of testing and building evidence.
- Some consideration of perverse **incentives** - potential for conflict sometimes between what commissioners want and what investors want. However, noted that performance management looks at outcomes across the board so perverse incentives can be minimised.
- Getting **DfE, DWP, schools, health partners** to agree to buy in. What will appeal to get them engaged? How do we make the case for working together on this, show the importance of EI for longer term outcomes in a way that makes them interested in being part of SIBs?
- Capacity of **VCS (and LAs and other local partners) to operate in PbR way** and monitor with rigour required.

3) Opportunities

Areas of opportunity identified by local commissioners in discussions:

- Commitment and **government support.**
- New innovations and developments of increasingly diverse range of SIBs. In the short term, provider-led **spot purchase SIBs** may be a growth area and interest in finding out more.
- Do we start with later EI? Edge of care? More to be done here. **Models used to date may be replicable elsewhere** – are we best off focusing on more later EI SIBs first and proving the case further?
- On **other forms of social investment** - role of grant makers. Philanthropy for earliest interventions, collect evidence to prove case, then seek other investment? May be opportunities to promote local

business investment to support public sector outcomes as well as funding VCS organisations separately.

- Are there **opportunities to invest to test innovation** at quite small scales? Could there be smaller SIB-type structures? Explore VCS providers delivering programmes that are very promising.
- While there isn't yet too much hard evidence, those involved say that **performance can be enhanced** with PbR mechanisms.
- Working towards the long term SI opportunities by doing **detailed analysis now** about what's happening to families, where, how. Building up infrastructure for better recording and monitoring
- **Part of a wider system of funding** – part of a bigger change than just a one-off SIBs. Use as a way to shift investment, to start something more sustainable. A number of commissioners interested in seeing social investment as one of a number of possible tools in a service planning and commissioning process. Sustainability by bringing in multiple sources of funding.
- **Willingness to consider long-term here** – acceptance that developments may be slow and keenness to learn as market develops and existing SIBs deliver results and learning.

4) Learning points and support available from EI Places speakers and experts

- [See workshop slides](#). EIF report also has appendices on existing sources of investment and support and links to the online sources and reports from many of our expert attendees that are of use and interest.

Essex –

- Partnership facilitation absolutely central part of development and implementation. Masterclasses for partnership held and underway.
- Need to make the concept sound simple; explain, facilitate, offer support.
- Challenge - Where does the money go? Recouping the savings and investing elsewhere.

GM –

- Considering future opportunities for wider Early Years model; including work on outcomes and CBA with Social Finance, cost-benefits profile and logic model for EY. Starting point for thinking about SI.
- Challenge - not often the LA making most savings – also DWP, health...
- GM cost database and CB guidance available on Cabinet Office website.
http://data.gov.uk/sib_knowledge_box/toolkit

Tri-Borough –

- Ambition to develop SI opportunities using menu of outcomes around complex families. Needed to be simple in the end.
- Analysis of families in CS where families ended up going into care – needs, contacts. Huge value of the rigorous evaluation and analysis of families' paths – success was understanding case and what will work where, not necessarily ending up with a SIB. Time and effort to get there, but worth it.

[Cabinet Office](#) –

- Robust data sets – assurance around approaches;
- Offer contacts, expertise, money, building relationships;
- [Social Outcomes Fund](#), [Commissioning Better Outcomes Fund](#); £125k development funding.
- 40-60 looking to explore or interested – becoming more mainstream.

[LGA](#) –

- Support with Social Finance to express interest in the fund and make application – including [workshops](#) – suggest local commissioners come as group of colleagues to workshops.
- Start with issues you want to address, not nec. assumption about model

[Social Finance](#) –

- Start with social need. Look for High cost negative outcomes, intervention that has potential to change this; build business case for prevention.
- Standard methodology – issues, costs, ev. base, outcomes. Payment linked to cashable savings.
- Range of existing [support including workshops with LGA](#).

Bridges –

- Invested into 6 SIBs so far. Dedicated SI orgs.
- Looking for interventions that are going to have a social impact, good chance of working – additional interventions that wouldn't have happened anyway.
- Harder to develop for very early interventions; however, payment metric is not only thing that gets tracked. Social investors are interested in much wider impacts than just one on which payment is made. Useful outcomes tracking model SF provide in Essex model. Possible to get something up and running that delivers savings but also delivers a lot of other things around that, which are just as important. e.g. Teens and Toddlers.
- Would invest in good mgt team with promising intervention rather than RCT-based one with poor mgt team (RCT just proves it works somewhere)
- Delivery orgs with experience of doing something similar, and adapting delivery according to info about how it's working.
- Investors on the Board who are interested in adapting to make programme increasingly successful. Putting additional investment in if needed? Review and adapt.
- Happy to answer Qs and discuss further with Places who would like further info.

Social Investment Group –

- Reducing complexity of development and time; trying to find models to scale quickly from existing approaches.
- Commissioners look across directorates and come together collaboratively across to sponsor approaches from multiple services.
- Share data amongst What Works centres?

Local Partnerships –

- Offer commercial expertise to LAs and VCS orgs – efficiency and contract efficiencies, infrastructure, assurance, growth and investment and reform group – work around spin-outs and social enterprises. Co-manage social enterprise investment fund. Provider on the Investment and Contract Readiness Fund
- Knowledge about these wider areas of social investment – making business cases and developing business plans, loans for working capital, technology spin-out fund. GP-led social enterprise – PbR to roll out across region? Hard quantifying outcomes.
- Big Society Capital and DH to launch TSF (technology spin-out fund) to loan funds to launched spin-outs that have a need to invest in technology for their back office or front line service delivery.

OPM –

- Drawing from evaluation role for Essex and Peninsula LIST. Insights from working with providers and commissioners.
- Lots of discussion on technicalities of setting up instruments; also thinking about operational aspects of embedding in existing systems, not just introducing service in a vacuum. What role does it play in wider operational realities? Is it intervention happening or something else having an impact? From whose perspective are we talking about social impact?
- How do we communicate back to the service users, not just binary is outcome being delivered or not. System may have invisible costs – e.g. frontline practitioners, analytical increase around data monitoring, referral pathways. Buy-in from all partner agencies and service users. Other interventions not yet with RCT research and evidence level

- Monitoring requirements go beyond capacity and existing approaches delivered by VCS. Technical requirements – how do they add to what’s already there. Collectively incentivise market development.

New Philanthropy Capital –

- Shared evaluation approaches, particularly, e.g. employment – comparable ready made approaches. Wellbeing measure. Evaluation - NPC [Journey to Employment Toolkit](#)
- In favour of sectors and situations where activities that achieve similar outcomes, to develop similar evaluation models.
- Open data – orgs being able to access government data, about investment reports and outcomes (working on this for criminal justice, education – e.g. pupil database)

Big Society Capital –

- SI wholesaler – receive money to grow market, and capitalise intermediaries. Invest £600m wisely to achieve this.

5) Ways forward and areas for development

Discussions across the group of attendees identified the following areas where further information and support would be useful:

- Further work on **other forms of innovative financing** and social investment. Understanding the social investment market more fully.
- Need to **further develop the evidence base for cost savings** and cost avoidance.
- More work to **develop specific ideas on possible SIBs** and test the concept, and work through support required, actions needed to take forward. Interest in considering working through optimal number of/nature of outcomes and agencies involved to make a viable SIB – scale, collaboration, balance – and timescales between early intervention and ‘return’ – commissioners time limits and what’s possible for investors. Better understanding of what is and isn’t possible through SIBs – some things need to be done that can’t be monetised.
- More information on **how the existing SIBs currently work**. Detailed guidance on how to do the really early stages of scoping and coming up with an idea – identifying area of interest, looking at existing approaches, contacting investors to discuss possible interest etc. are there methodologies?
- More **information on the SIBs in development** – and overview of everything currently being scoped and opportunities to network and work together with those working on ideas at present.
- **Profile and motivations of investors**. Who are they and what are they looking for? What are the key areas that they may be interested in investing in SIBs on? What are their values and ethics? At what point are they interested in discussing EI ideas? Could it work where some outcomes not monetisable? (*these questions came up in all three discussion groups in the morning session*). Local commissioners felt it would be useful to have a list of investors and the outcomes they are interested in. Also wanted more support to build contact between local commissioners and investors.
- Need to **develop capacity and methods for monitoring outcomes and evaluation**. Developing rigour of data collection, tracking, recording in LAs and VCS organisations.
- Active work to **engage health and other national and local partner agencies** and prove case. Could work be done to show impact of early help on longer term adult outcomes?
- Need to engage and get **local politicians** on board.
- Local commissioners want to understand better **who’s going to be answering all these questions**. Who are the players in the market that could provide a coherent answer and support? Could people come together to help support development on these areas rather than multiple organisations providing bits of the jigsaw? Suggestion that Commissioning Academy could be used to share ideas and good practice.

If any attendees at the workshop are already providing support in these areas, developing resources to help answer these questions, would like to take forward any of these areas, or discuss further how this can happen,

please don't hesitate to get in touch with ann.griffiths@eif.org.uk or follow up contacts from the distributed list of attendees. (It would also be great if you could let EIF know where contacts have been pursued as a result of links made at the workshop!)

6) EIF contribution

Initial thoughts on the EIF contribution to the above are as follows:

- Use 20 EI Places to share and create more learning – we can always share experiences, reports, knowledge and opportunities across our network, help share learning and convene groups to work through challenges and opportunities. We can help build links between local commissioners and experts/advisory organisations in both directions, promote opportunities and help get questions answered from either side.
- Help our EI Places build the business case for EI, and consider opportunities for social investment as part of their future EI strategies.
- Support improvement in the quality of evaluation, monitoring and quantifying of early intervention impact, across local commissioning organisations and providers. Could we contribute to helping reduce the time required to do the analysis stages of development work for social investment approaches or feasibility scoping? How? What might help? Are there things more local commissioners could be collecting info on now that might help future work on social investment?
- Our work on 'what works' and development of the EI Guidebook – will help provide info on evidence-based programmes, promising interventions and practice. Ongoing work around cost-benefits of approaches.
- Development of work around needs analysis and predictors of longer term outcomes – possible use for both targetting appropriate early points of intervention, and use as 'proxy' indicators for longer term outcomes, which could link to outcomes payments in reasonable timeframes for investors.
- Help provide further info on areas for development outlined in section above, as appropriate and if not provided by others – e.g. more about detail of SIB ideas in development; detail of process and how to do it – from basic starting point; more work on developing specific potential ideas; Need to know more about market – what outcomes are investors interested in? What returns do they need/ What will they consider?
- Help convene surgeries on specific subjects – could we do something with health? DH, PHE, NHSE? Also interest in workshops on wider social investment.
- Through our advocacy role and links and discussion with departments, we can support work to overcome barriers at central government level.

7) Immediate actions agreed

- Notes, presentations and contact details circulated by EIF to all attendees.
- Suggestion from an EI Place that BLF areas could consider whether they would like to share learning from Big Lottery 0-3 progs and review, after announcements made in summer.
- Essex to share info for other Places on: SIB Masterclasses; target figure for cashable savings (response to questions asked)
- GM to provide info for other Places on what more costly services the SIB-funded interventions are aiming to avoid. Does the cohort include children who have had lots of residential moves?, what is spend pa on placements (question from Katy Ball), assumed impact of interventions (question from Haroon Chowdry).
- EIF to consider future workshops – discuss with other advice agencies.
- Places to let Cabinet Office and LGA know what help is needed, to inform ongoing development of support from government agencies.
- Experts would like to know from commissioners the things holding areas back; what outcomes they are interested in working on, what they want to do.