

European perspectives on social business and impact measurement

ARVO Seminar - September 2015

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1. What is social impactand how can we measure it ?
2. Why we need to measure social impactand can we standardise it ?
3. How does it look in policy and practice: case studies from the UK



Definitions: what are we talking about?

.....and can you measure it

What is social impact.....?

Views from Maas and Liket “Do we know what we are talking about” at ARNOVA 2011



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Four key elements :

- Value created as a consequence of someone's activity (Emerson, Wachowicz & Chun, 2000)
- Value created is that experienced by beneficiaries and all others affected (Kolodinsky, Stewart, & Bullard, 2006)
- Impact is the sum of both positive and negative effects (Wainwright, 2002)
- It must be judged against a benchmark of what would have been the status without the activity (Clark, Rosenzweig, Long, & Olsen, 2004)

What do we mean by “social”...

Definitions from the GECES report



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http://ec.europa.eu/internal_market/social_business/docs/expert-group/20131128-impact-measurement-subgroup_en.pdf

Social

Relating to individuals and communities, and the interaction between them; contrasted with economic and environmental.

Social Outcome

Social effect (change), both long-term and short-term achieved for the target population as a result of the activity undertaken with a view to social change taking into account both positive and negative changes.

Social Impact

The reflection of social outcomes as measurements, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement), and for effects declining over time (drop-off).



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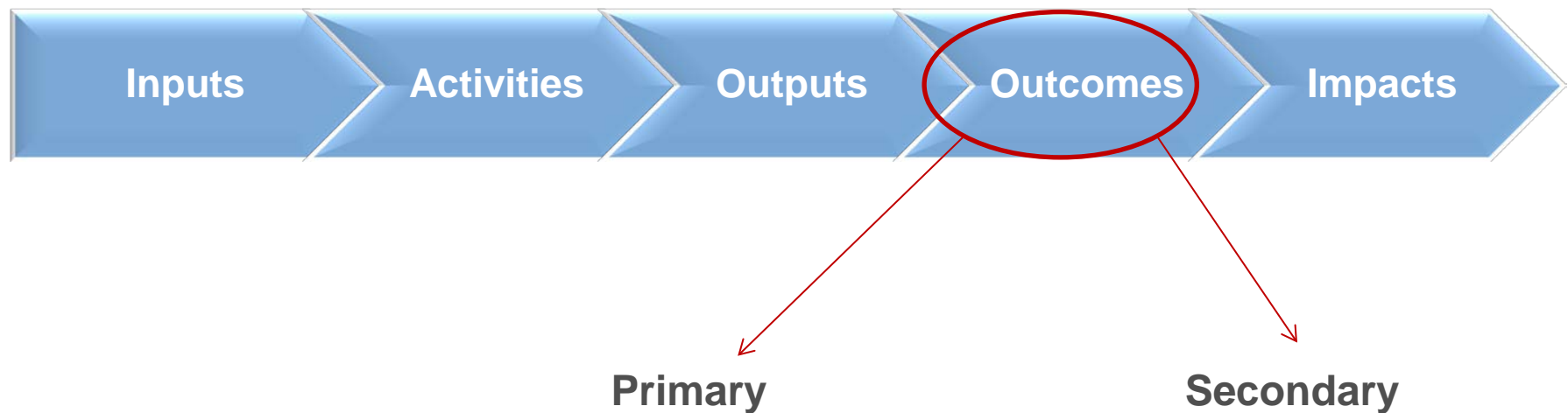
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Where do outcomes fit ?...



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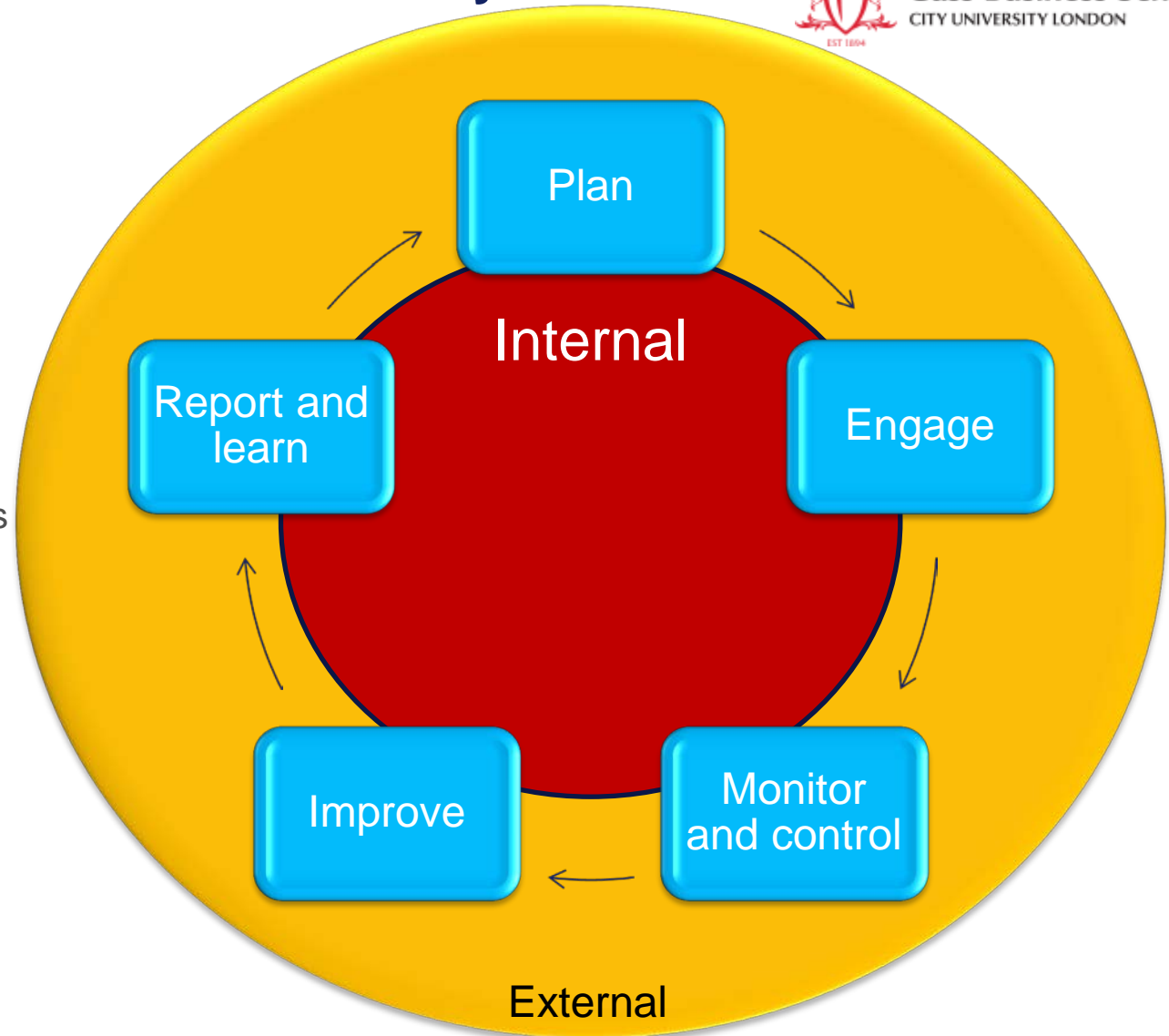
Impact ready before investment ready



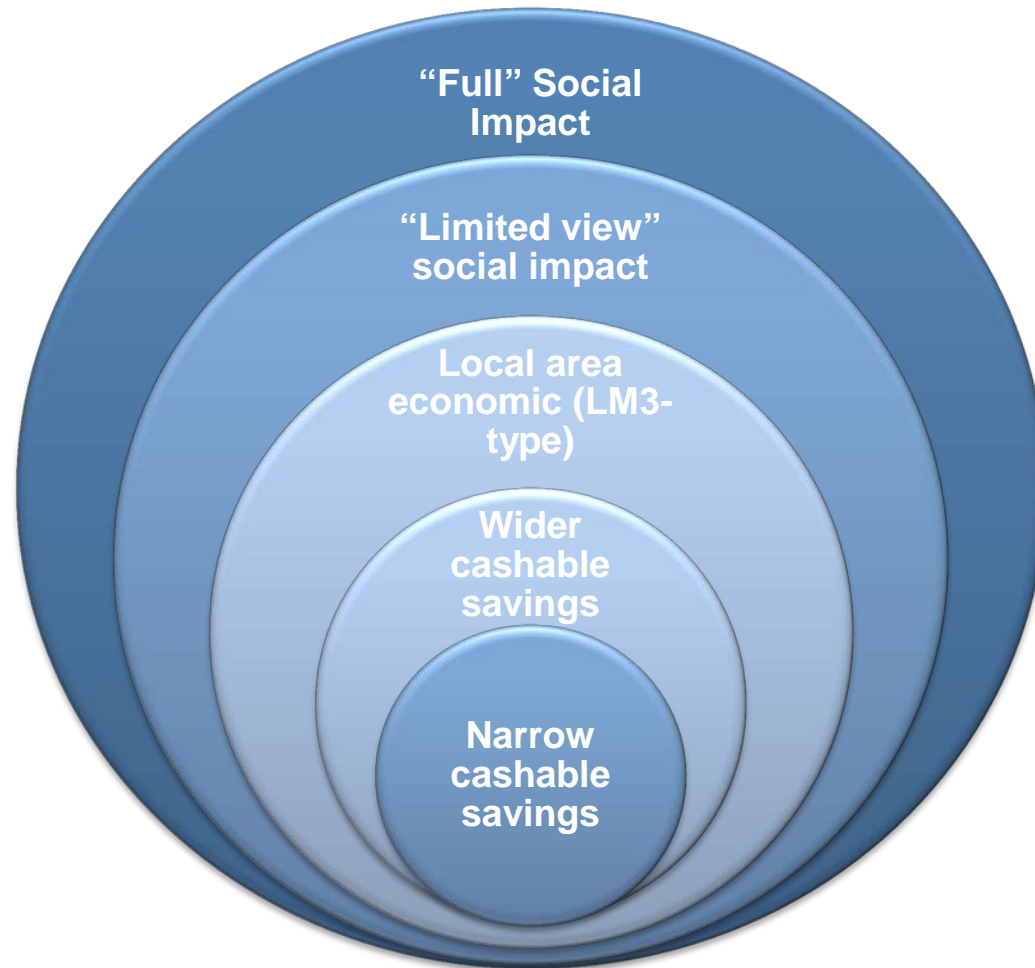
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At the heart of creating and delivering value:

- For programme management and delivery
- For funders (commissioners) in Government
 - In emergent EU legislation
 - For prioritisation decisions
 - For delivery measures in contracts
 - For effectiveness and its improvement
- For philanthropists and grant-makers
 - In social finance/investment
 - in competing for capital
 - ..and in public scrutiny



Categorising Financial Measures of Social Impact



THINK

- Timescale and measure
- Viewpoint
- Purview

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Social Impact measurement – in context



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	Financial Accounts	Social Impact
They measure	Economic transactions: the cash flows, assets and liabilities	Social transactions: the difference we make, to whom, and how we make it
Why we want to know	Manage our finances	Manage the effectiveness of our work
How we measure it	Cash flow forecasts; I&E accounts, balance sheets; financial or proxy KPIs	SROI Social Accounting Total cost accounting
So we can.....	Manage resources Influence funders and partners Assess our ability to fund our work Explain our finances	Improve effective delivery Focus resources where most needed Influence funders and partners Explain our work



Impact measurement: How does it work ?



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$$\text{Impact} = \Sigma \text{ Outcomes} - (\text{deadweight} + \text{alternative attribution} + \text{displacement})$$

Deadweight

The outcome that would have happened anyway

Alternative attribution

The outcome that arose as a result of other interventions – importance of recognising the work of others

Displacement

The disadvantage or reduction in positive outcome, or social cost arising as a consequence

What is “good” measurement.....



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For measurement to be effective it must be:

relevant: related to, and arise from the outcomes it is measuring;

helpful: in meeting the needs of stakeholders', both internal and external;

simple: both in how the measurement is made, and in how it is presented;

natural: arising from the normal flow of activity to outcome;

certain: both in how it is derived, and in how it is presented;

understood and accepted: by all relevant stakeholders;

transparent and well-explained: so that the method by which the measurement is made, and how that relates to the services and outcomes concerned are clear;

founded on evidence: so that it can be tested, validated, and form the grounds for continuous improvement.



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Some detailed measurement



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Example 1

ATSW Efficiency savings	Assumption	Benefits (£m)
Saving per site (£)	367,000	
Total acute/independent theatres	381	
Proportion adopting ATSWs project in year 1	5.5%	
	<hr/>	
	7,690,485	
Proportion of benefit due to development partner	35%	
Projected annual cost saving achieved post roll-out	5.0	
Duration of savings (years)	10.0	
Discount rate	3.5%	
Annuity factor	8.3	
Present value of savings for year 1 roll-out		<hr/> <hr/> 41.6

Example 2- A view of lives changed.....

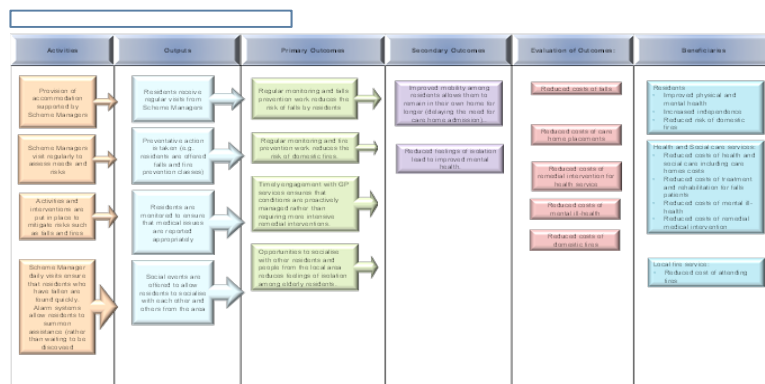


Falls risk	Assumption	Calculation	Evaluated gain (£)
Number of tenants attending falls prevention classes per annum	60		
Increased risk of falls	10%		
Cost of a fall (per incident)			
- Paramedic costs	248		
- A&E costs leading to admission	114		
- Inpatient costs (assume one week non-elective stay)	586		
- Reablement care cost (based on two weeks in LA care home)	2,085		
Total cost per episode		3,033	
Adjustment factor for delayed medical intervention	2	6,066	
Annual cost of falls			36,396
Increased risk of early admission to care home	5%		
Number of years by which admission is accelerated	3		
Average annual cost of LA care home	53,560		
Discount rate	3.5%		
Annuity factor		2.80	
Present value of cost of early admission to LA care home			450,167
Total annual cost due to increased falls risk			486,563

A view of lives changed.....



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Falls risk	Assumption	Calculation	Estimated gain (£)
Number of tenants attending falls prevention classes per annum	60		
Increased risk of falls	10%		
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Present value of cost of early admission to LA care home			450,167
Total annual cost due to increased falls risk			486,563

Area of work	Total gain (£'000)	Deadweight	Alternative attribution	Gain to attributed (£'000)
Supported Housing	3,019	5.0%	30%	1,963
Lifetime Housing	6,729	10.0%	25%	4,374
Welfare Reform	17,240	30.0%	40%	5,172
Homelessness - responsive	9,398	10.0%	40%	4,699
Homelessness - preventative	3,479	10.0%	40%	1,740
ASB	3,723	5.0%	40%	2,047
Total	43,589			19,995

Example 3 – PACT Permanence report



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Summary Table for PACT Adoption

NPV (£)

Additional capacity achieved per annum	17,135,903
disruptions	1,351,233
Increased educational attainment	262,586
Reduction in NEET population	2,832,987
Displacement: Loss of tax revenue from fostering	-1,022,805
Total evaluated	£20,559,903

Incremental gain on replacements for State approvals from reduced disruptions

40			
-2			
-18	Couples taking two children	50%	
20			
-17			
3	Equivalent multiple to get number of children placed	150%	4.5
	Less: disruptions in PACT placement (assumed)	5%	-0.225
			4



January 2011

PACT Domestic Adoption and Fostering

SROI Evaluation

The evaluation is focussed on the completed placements from those that would otherwise have disrupted assuming State adoptions disrupt in 40% of cases, that is an incremental disruption rate of 35%and the quicker placement for the whole population

1.4 Incremental disruptions (care costs)

assuming an age at placement of
assuming an age at disruption of

Giving:	4 years			
	6 years			
	0 years of the	under 3	band of	0
	2 years of the	Age 3-8	band of	62,707
	4 years of the	Age 8-12	band of	264,144
	6 years of the	Age 12-18	band of	623,458
	Aggregate per child			950,309
Less:	Incremental costs of placement supervision			0
	Present Value per child			950,309
	Cost for whole cohort of incremental disruptions			1,330,433
4 quicker placements than would be possible in State system		10 weeks		
Additional LAC care costs				
age	4	at	5200 for each child	
		giving:		20,800
				£1,351,233

Total for alternatively sourced placements

Example 4 – Alana House

4 Overview of evaluated activities

Overview of evaluation services

- 4.1 The services selected for analysis were Alana House's combined four-tier offering, as outlined in section 2.16 above. These combine, in the way described in Corston and Unlocking Value, the report on Asha House and Centre 218, to create real change in the lives of the women attending the centre.
- 4.2 From review of the published material on the other women's centres, from early-stage feedback from clients, through the Centre's managers, and from stakeholder feedback in the focussed interviews, it has been possible to form an impression of the change that can be made.
- 4.3 In essence that change enables the clients to achieve a significant movement in life course from a cycle of repeated offending, driven largely by family, financial, and personal circumstances, to a less chaotic pattern, with stabilised housing, regular work, and relative financial stability. Outlining this we have used life course analysis, an approach used successfully in a variety of other research reports such as Godfrey, Hutton and Ors (2002⁵), for outlining mixed social, educational and employment consequences of a social or health intervention or lack of it.
- 4.4 This theme of a change in life course has been picked up in the approach to the analysis used in this report. From the work in and around the Action Research group it has become apparent that there are two principal life courses that emerge as alternatives for women who attend and buy into the Alana House programmes:
- the work is fully effective in enabling them to escape from their chaotic lifestyle of reoffending;
 - the work is partly effective in doing so.
- 4.5 In either case the patterns emerging in each woman's life, and for her children and those around her, have been considered under headings which correspond closely to those in the nef study "Unlocking Value". They are shown in the following table, which summarises the primary outcomes under each heading for each of the life courses. It then goes on to indicate the expected secondary (longer term or indirect) outcome, and how that might be measured financially for the purposes of this report.

Life course	Immediate Effect (Primary Outcome)	Measure for Costing Secondary Outcome
1. Alana House input is fully effective: return to stability	Alana House input is fully effective: return to stability in financial housing, health, family and criminal activity	Alana House input is fully effective: return to stability
2. Alana partially effective: limited chaos in lifestyle	Housing of intermittent stability	Some losses through rent arrears Some periods of higher housing cost whilst in temporary accommodation
	Occasional employment, but limited	Some productivity from working
	Children move in and out of care	Poor long-term prognosis for children. Care costs for children combined with an exit from care into being NEET and possibly to offending
	Occasional drug and alcohol abuse	Longer-term health effects - self and health services (but overlapping with the generally poor eating and personal care)
	Periodic minor criminal activity	Disruption of thefts: losses in terms of damaged or lost property and costs of policing
	Depression and other mental health problems are less inclined to emerge	Costs of depression and related illness for some small proportion of the cohort - to health service and earnings
	Some poor eating, and some lack of early	Costs of poor eating and health care - to health service and

⁵ Godfrey, C., Hutton, S., Bradshaw, J., Coles, B., Craig, G. and Johnson, J.. (2002). *Estimating the cost of being "not in education, employment or training" at age 16-18*. York: Social Policy Research Unit.

Alana House: summary of effect of one year's work		Assumptions	Evaluated outcomes (£000)
Total number of clients per annum		205	
		Present Value per person for a ten year period (£000)	
Mix of outcomes for Alana House clients			
Life course 1: fully effective		29.00	50%
Life course 2: limited chaos in lifestyle		109.39	50%
Blended value (average)			-69.20
Mix of outcomes for general population	Life course 1: resolved without additional support	48.94	5%
	Life course 2: frequent reoffending	708.66	80%
	Life course 3: chaotic, but staying out of detention	476.58	15%
Blended value (average)			640.86
Net value brought over a ten year period from work with one person			571.66
Net value brought over a ten year period from work with this year's clients			117,191
Less:	Alternative attribution	50%	-58,596
	Need for future work with them, treated as attribution	20%	-23,438
Net value generated for this year's work			35,157

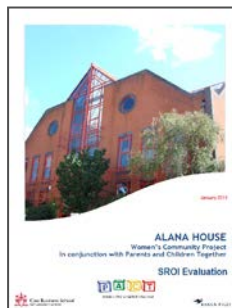
- 1.15 This is a very substantial impact as it stands. However it is arguable that, without Alana House or its equivalent as a catalyst, none of this change would be possible. If this line, of seeing Alana as a catalyst for change, is taken, then the attributable value is arguably in excess of £93m: it includes the attribution to others.

- 1.16 This evaluation recognises deductions for:

The time value of money – that is it uses a discounted cash flow approach to discount flows in later years to achieve an equivalent current value

Deadweight – recognising, in offender life course 1, that some of this group may manage to move away from their chaotic lifestyle without Alana House's support

Alternative attribution – where other agencies, including friends or family, may support the woman in escaping from the cycle of reoffending, and so it cannot be said that all the gain is attributable to Alana House, albeit it is widely recognised as the catalyst for change. A second area of deduction for attribution covers the point that many of these women will require more than a year's support to escape effectively from this cycle: hence some of the gain is attributed to work outside the year for evaluation.



Example 5: StepChange

109,397 StepChange clients in the groups reviewed (47% of total)

Action Research:

- using the experience of debt counsellors

Group	Profile	Client numbers	Average unsecured debt
Beyond Means	18-24, single, no dependents	16,848	£4,574
Going Under	18-59, sole parents	38,673	£11,898
Juggling Life	40-59, couples	40,316	£26,860
Limited Means	60+	7,916	£16,662



Telling the stories....spotting the gains



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Improved mental health	Reduced creditor recovery cost
Improved physical health	Reduced risk of debt recycling
Reduced likelihood of being NEET	Reduced risk of children being taken into care
Reduced risk of losing home	Reduced risk of relationship breakdown
Cost of residential care	Reduction of unemployment
Increased employment	Reduced risk of crime

Gains to the State and economy

Gain for the state				
Segment Type	Beneficiaries	Totals	Total Gain	Average Gain
Beyond Means: 18-24 no dependents	Clients	£7.2m	£7.3m	£431
	Parents	£45k		
Going Under: Sole Parents	Clients	£42.0m	£42.1m	£1,087
	Parents	£49k		
Juggling Life: 40-59 Couples	Clients	£32.2m	£47.7m	£1,038
	Partner	£1.9m		
	Children	£3.9m		
	Employees	£9.7m		
Limited Means: Over 60's	Clients	£12.2m	£12.2m	£1,547
	Family	£9k		
Segment Totals	Clients	£93.7m	£109.3m	£999
	Parents	£2.0m		
	Children	£3.9m		
	Employees	£9.7m		
	Family	£9k		

- Welfare, housing, healthcare, employment
- Set off enhanced claims for benefits
- More complex effects in Juggling Life group

Gains to Creditors

Gain to creditors					
Segment Type	No of Clients	Average Total Debt	Average unsecured debt	Total Gain	Average Gain
Beyond Means: 18-24 no dependents	16,848	£6,211	£4,574	£2.7m	£160
Going Under: Sole Parents	38,673	£47,628	£11,898	£21.9m	£567
Juggling Life: 40-60 Couples	45,960	£122,817	£26,860	£52.1m	£1,134
Limited Means: Over 60's	7,916	£43,052	£16,662	£5.6m	£708
Totals	109,397	£219,708		£82.4m	£753

- Avoiding debt recovery costs
- Reduced losses on unsecured debt recovery
- Improved reduction in mortgage arrears
- Very conservative assumptions about effects



Standardisation ?

.....is it possible.....?

Standardisation: help or hindrance



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Help ?

- Comparability
- Benchmarking for improvement
- Supported investment decisions
- Engagement with outsiders using a common language
- Support idea-sharing

Hindrance ?

- “one size fits all”
- Lose the story and devalue it
- Supporting false comparability
- Develop a two-tier landscape

THINK.....Embracing something that's workable and then developing it further avoids others introducing something less helpful.....



2. The four elements of a standard

- **PROCESS** (of measurement)
- **CHARACTERISTICS** (of good measurement reports)
- **FRAMEWORK** - A matrix of expected outcomes and sub-outcomes set within each major area of intervention
- **INDICATOR** - A particular way of attaching a value or measure to those outcomes and impacts.

Excerpts from the work of the sub-group to
Groupe d'experts de la Commission sur l'entrepreneuriat social
(GECEs)

4

5 steps for Social Impact Measurement from EVPA guide and the GECES report



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4.2 Main recommendations - Characteristics

All disclosure (reporting) of measurement should include - with appropriate and proportionate evidential underpinning:

- an explanation of *how the Process* has been applied
- an explanation of *how effects happened* (theory of change):
- an identification of *stakeholders* whose interests are measured, and nature of gain to them
- a well-explained, proportionate, *selection of indicators*
- a clearly explained account of *effects (impact)* of intervention (outcomes, and identified beneficiaries, also explaining deadweight, development and drop-off + identification and ***alternative attribution*** of third parties)
- an explanation of *social and financial risk*

Excerpts from the work of the sub-group to
Groupe d'experts de la Commission sur l'entrepreneuriat social
(GECES)



4.3 Main recommendations - Framework

Group recommends development of Framework - *a matrix of expected outcomes and sub-outcomes giving likely indicators within each*. Framework should draw on other frameworks already developed or being developed within the Member States, and cover most areas of targeted outcomes. It is ***not to be mandatory*** within Standard, *but*:

- should be used by SEs and Fund Managers where it meets the needs of stakeholders for measurement
- where it is not used:
 - this should be agreed with principal stakeholders, and
 - any reporting of outcomes and impact should include an explanation of why outcomes and indicators not in framework are more appropriate.

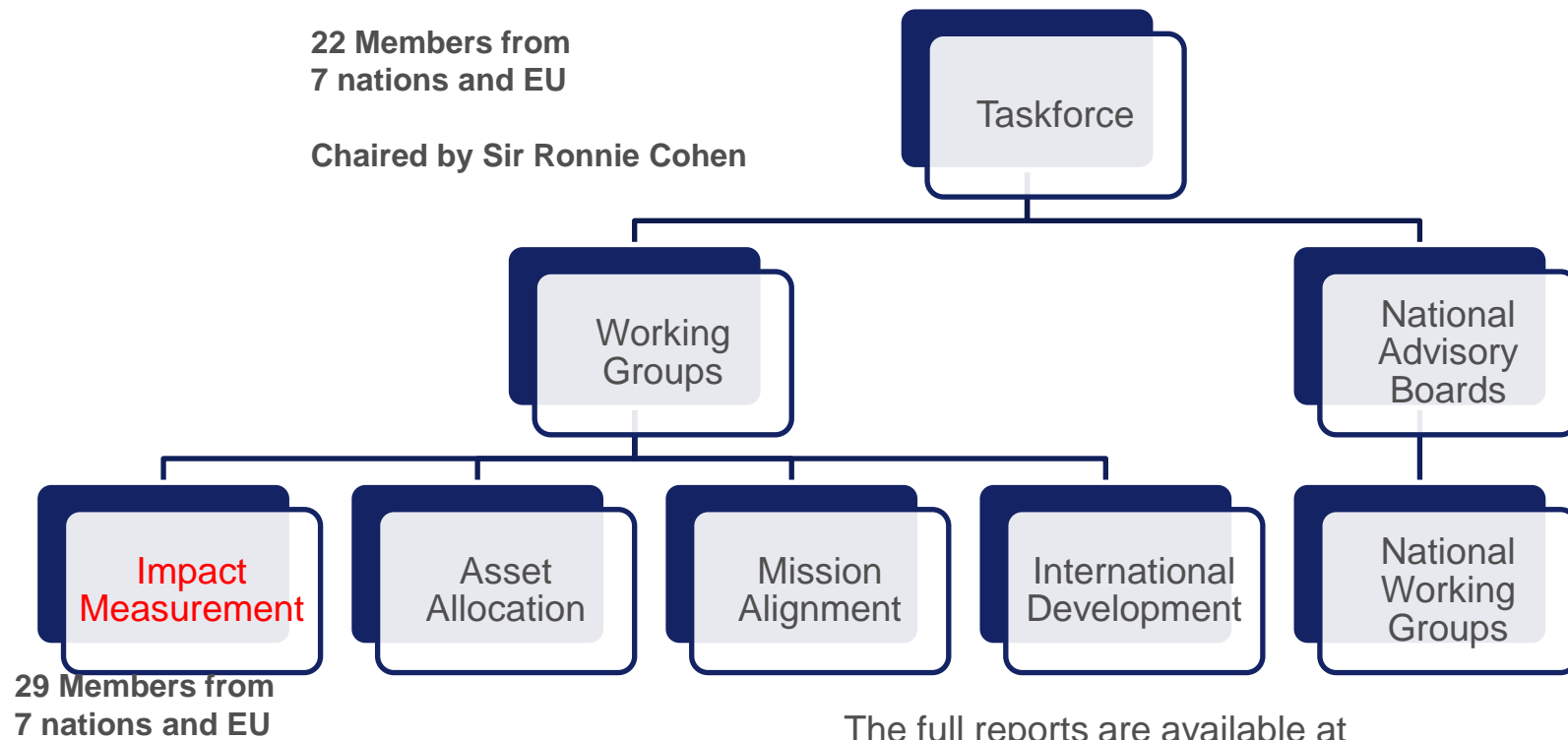
Excerpts from the work of the sub-group to
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(GECES)

The Taskforce



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"It is urgent that governments throughout the world commit themselves to developing an international framework capable of promoting a market of high impact investments and thus to combating an economy which excludes and discards "
Pope Francis June 2014



Co-chaired by Luther
Ragin (GIIN) and
Tris Lumley (NPC)

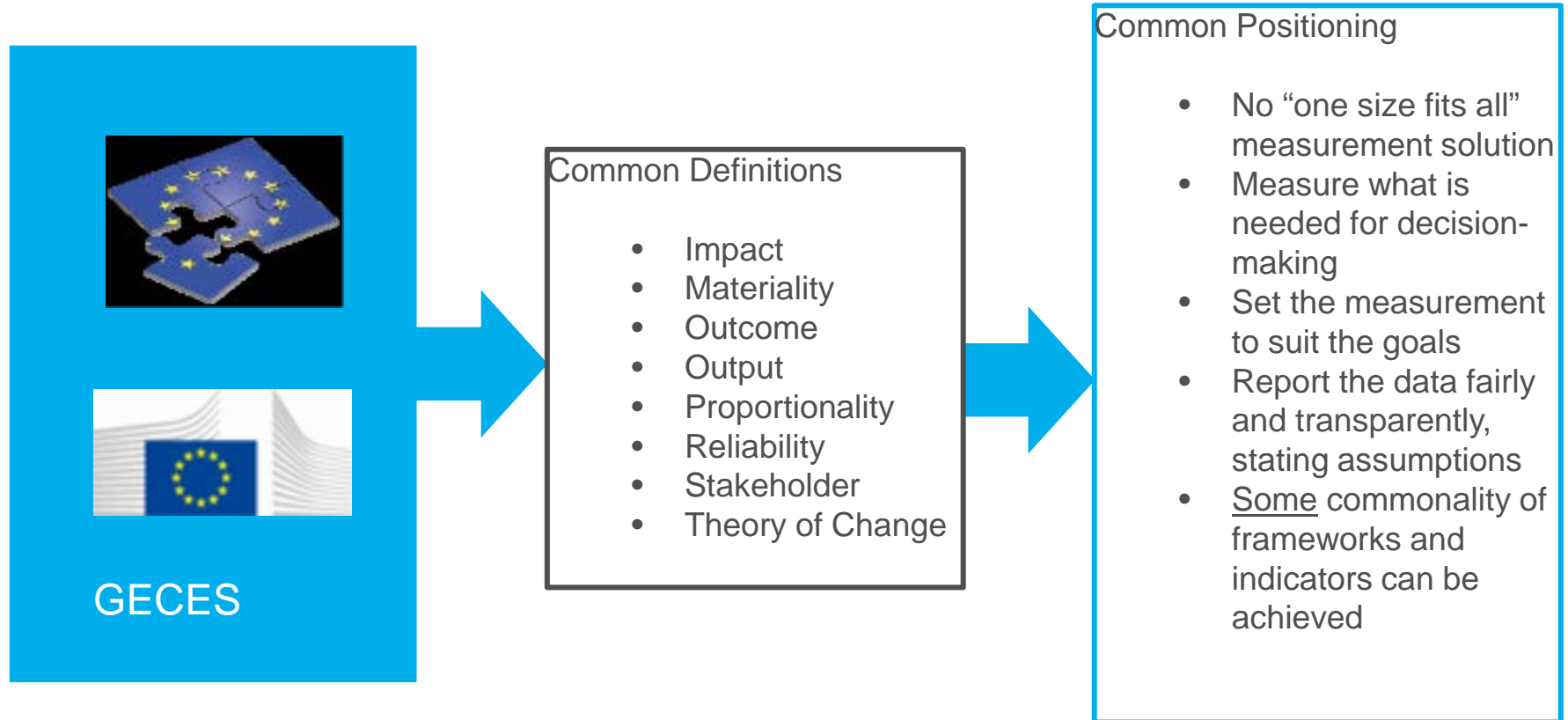
www.socialimpactinvestments.org

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GECES Report as a key to uniting G7 thought



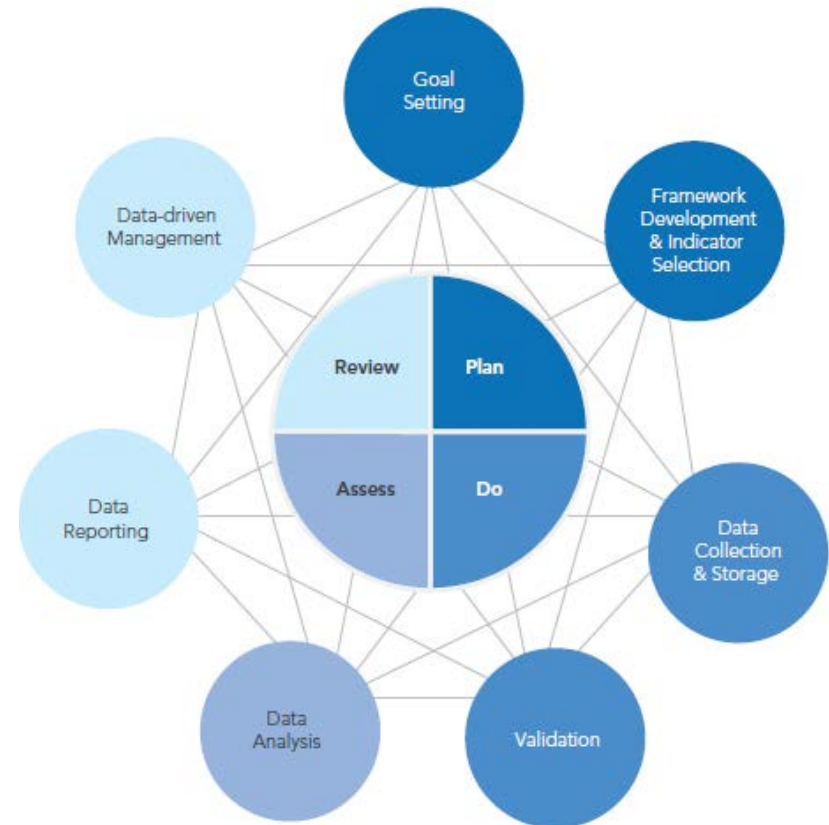
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7 Guidelines: the key stages of Impact-based investment



1. Set Goals
2. Develop Framework & Metrics
3. Collect & Store Data
4. Validate
5. Analyse
6. Report Data
7. Make Data-driven Investment Decisions

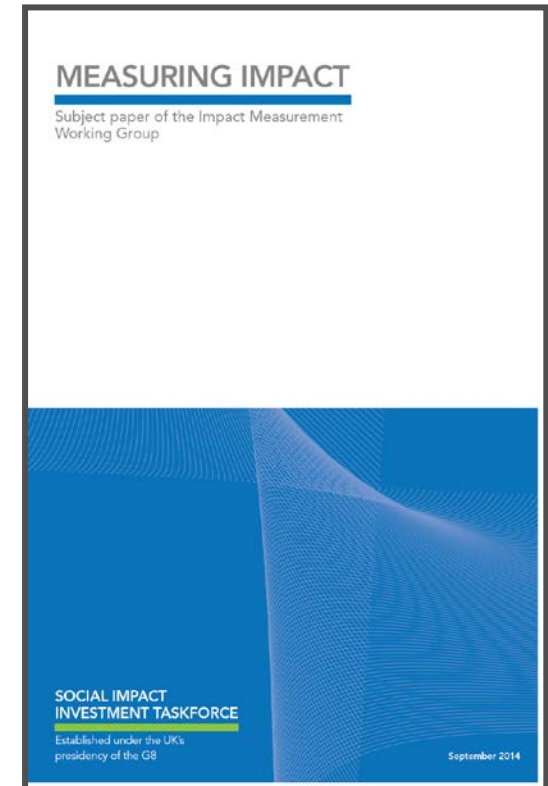


Four “desires”



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1. Embrace Impact Accountability as a common value
2. Apply best practice guidelines
3. Establish common language and data infrastructure
4. Evolve – strive continuously to improve





Impact Performance Measures.....?

.....how do they work.....?

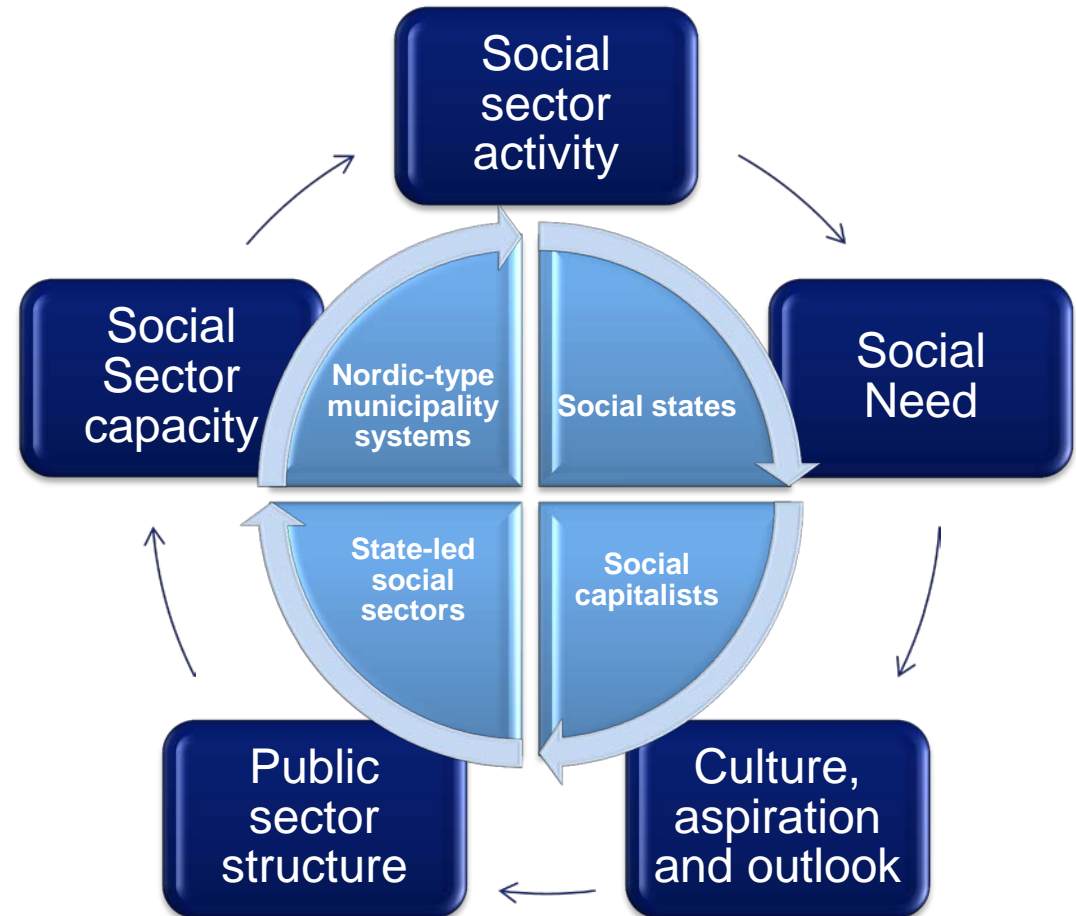
Social Business.....Social Enterprise



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The Commission uses the term 'social business' to cover an enterprise:

- whose primary objective is to achieve **social impact rather than generating profit** for owners and shareholders;
- which operates in the market through the production of goods and services in an **entrepreneurial and innovative** way;
- which uses surpluses mainly to achieve these **social goals** and
- which is **managed by social entrepreneurs in an accountable and transparent way**, in particular by involving workers, customers and stakeholders affected by its business activity



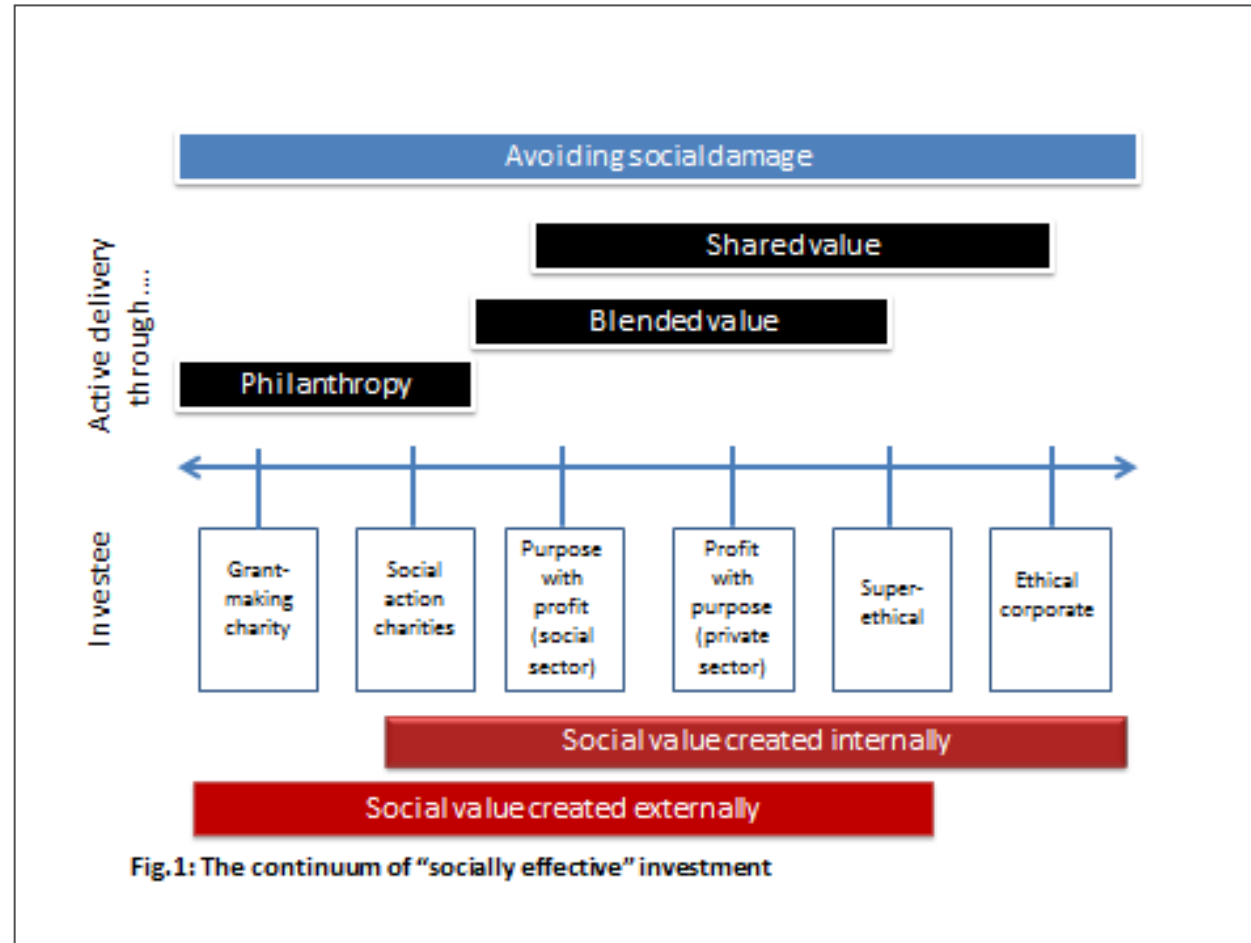
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The emerging impact investment continuum



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Question:

Where does the need to measure social and other impacts sit within this ?

OR....

...in informed, impact-focused service delivery ?

Have a look at Daniela Barone-Soares' report "Building the Capacity for Impact" From <http://www.bigsocietycapital.com/social-investment-research-library>

From: Clifford, J and L. Fletcher. (2014). Painting a Brighter Future for Social Investment. Charity Finance. December 2014. London. Charity Finance.

For summary of the G7 findings: Clifford, J. (2014). Lord of the Rings: a new paradigm in investing. London. Pioneers Post.

<http://www.pioneerspost.com/news-views/20141001/lord-of-the-rings-new-paradigm-investing>



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Outcomes to performance indicators: finding “informed outputs” for contracts

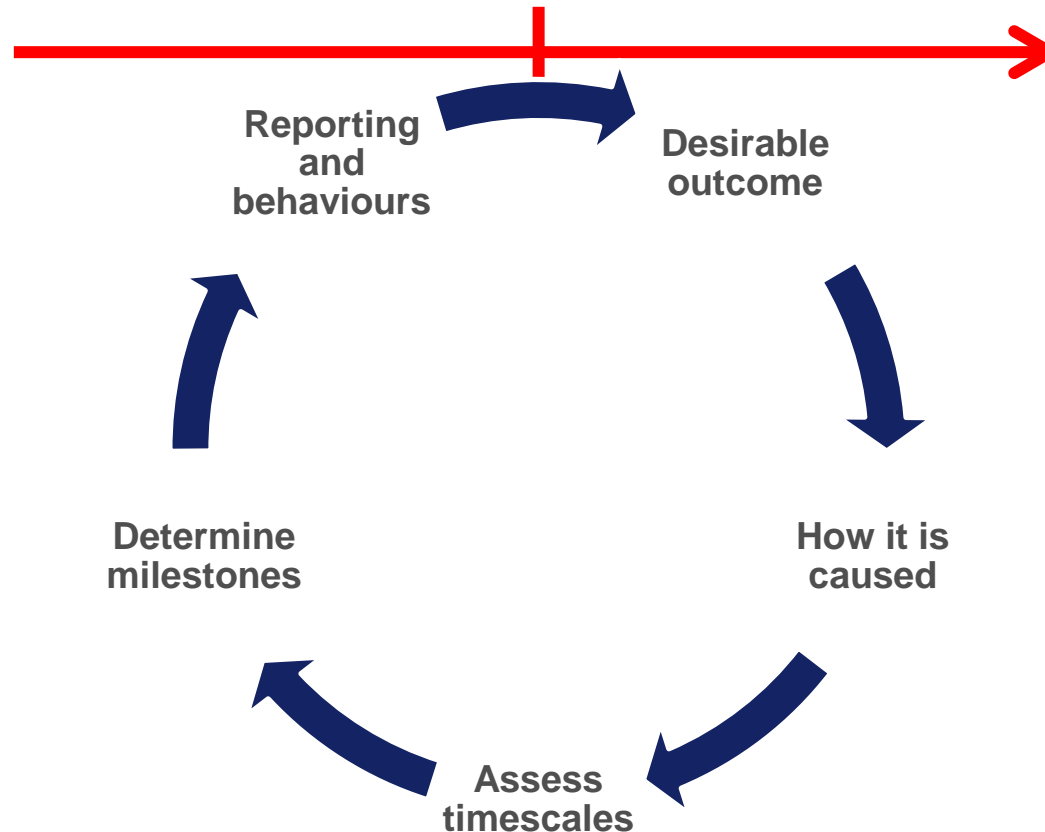


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Think:

- Behaviours needed
- Perverse incentives
- Improvement
- Change



Good PIs are:

- Simple
- Natural
- Certain
- Arising from the flow of activity to outcome

Moving to Outcomes-based planning

Instead we move to outcomes-based planning, in which :

- Outcomes (changes in the lives of individuals and communities) are planned to be achieved to meet.....
- Individual and community needs, both those which are recognised by those parties, and the real underlying needs
- The theory of change is then developed, concluding on the best method of delivering those outcomes by a series of activities designed to engage with beneficiaries at key points of output, and to enable them to achieve the change working with those delivering the services. It is also determined how the achievement of those outcomes can best be measured (taking into account the European Commission guidance on the subject).
- Finally the resources are planned, and sourced.

Determine needs

- Employment
- Employability
- Business growth
- Social Capital

Plan sourcing of resources

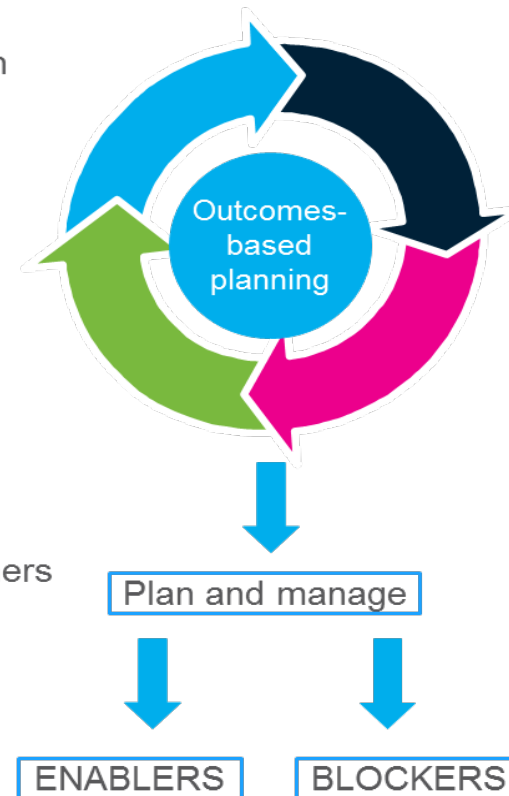
- Actions
- Political will
- Partnerships
- Finance and others

Plan Outcomes

- For whom
- How that looks
- How it fits to value sets of stakeholders

Develop theory of change: what can we do ?

- Activities
- Resources
- Measurement
- Control



Developing sustainable, needs-based programmes



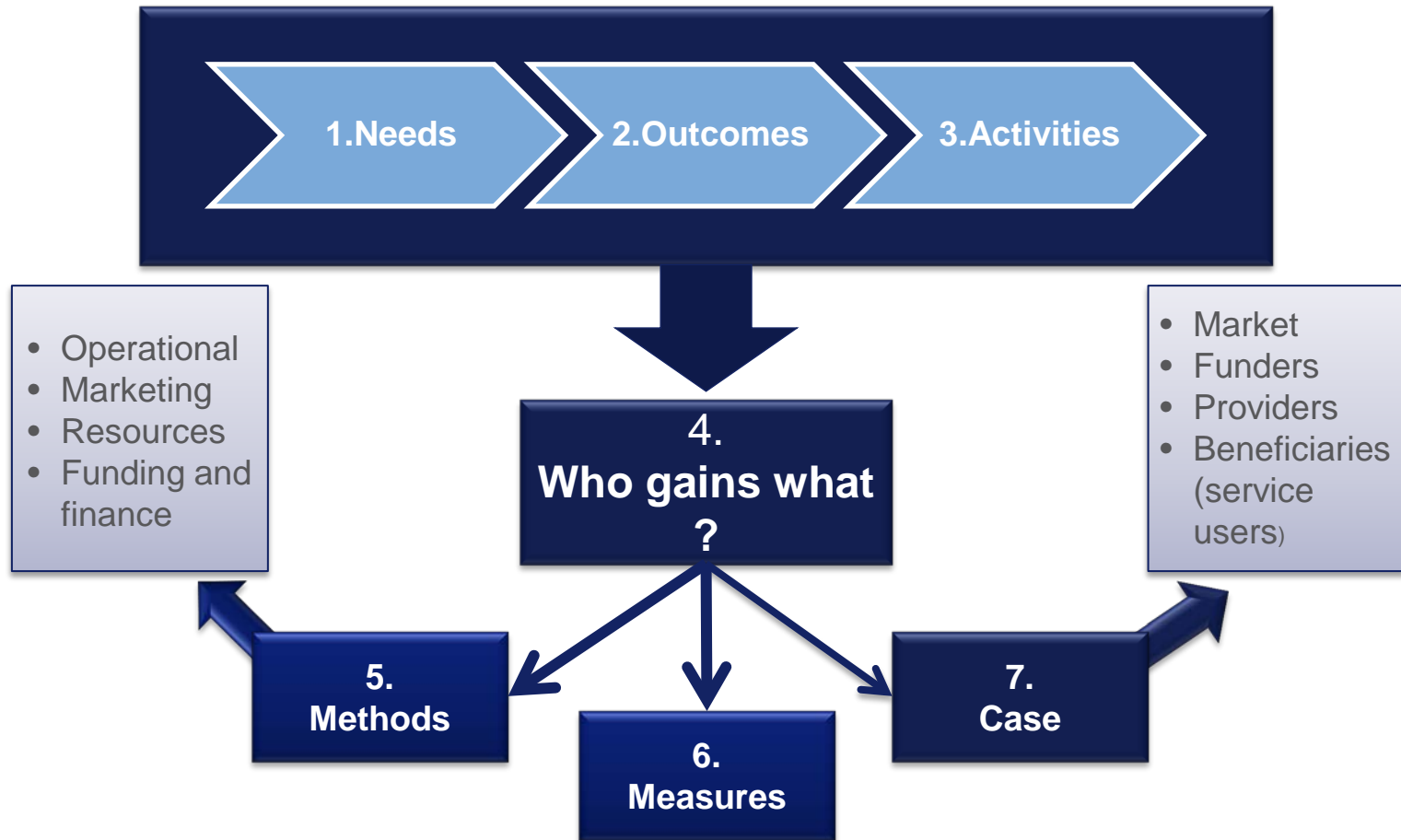
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THINK BEHAVIOURS:

Identify behaviours needed

Analyse behavioural drivers

Deliver lasting behavioural change





Social Impact Measurement in Action.....

In planning and design
In engagement
In performance measurement
In payment and accountability

Policy response



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At EU level

- Social Business Initiative (2011 - 2020):
“creating an Ecosystem conducive to developing social business.....”
http://ec.europa.eu/internal_market/social_business/index_en.htm
- Focus on outcomes
- Working environments
- Fund-raising made easier:
 - EUSEFs
 - €90m PSCI
 - ERDF priority area
- Improvements in measurement of outcomes driven from within the delivery community

In the UK

- Big Society Capital
- Focus on outcomes in commissioning
- **“Outcomes Based Government” and the Social Value Act**
- **Local level and National level**
- Challenge to the social sector
.....including education
- ICRF, IRF, CBOF, Outcomes Fund and focus of grants
- Spin-outs in Health, housing and others



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Some background: what's a social impact bond ?

- A contract for delivering services
- Deliberately creating social outcomes – changes in the lives – of individuals or communities
- Generally paid-for on the basis of
 - **success in delivering those outcomes, or**
 - **delivering other value**
- With its own embedded way of financing its work up-front



It's All About Me.... "IAAM".....in a nutshell.....



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Of 7,000+ children a year who seek an adoptive family, 2,000+ don't find one. Many that do struggle.

A child in State care costs €1m to age 18, and more into adult life.

IAAM's solution:

Creating a new, alternative, UK-wide, virtual "market"

In which

adoption works differently: children find parents

Local Authorities can choose if, when, and how

.....on a child-by-child basis

adoption support pre-, during and post-placement is built in

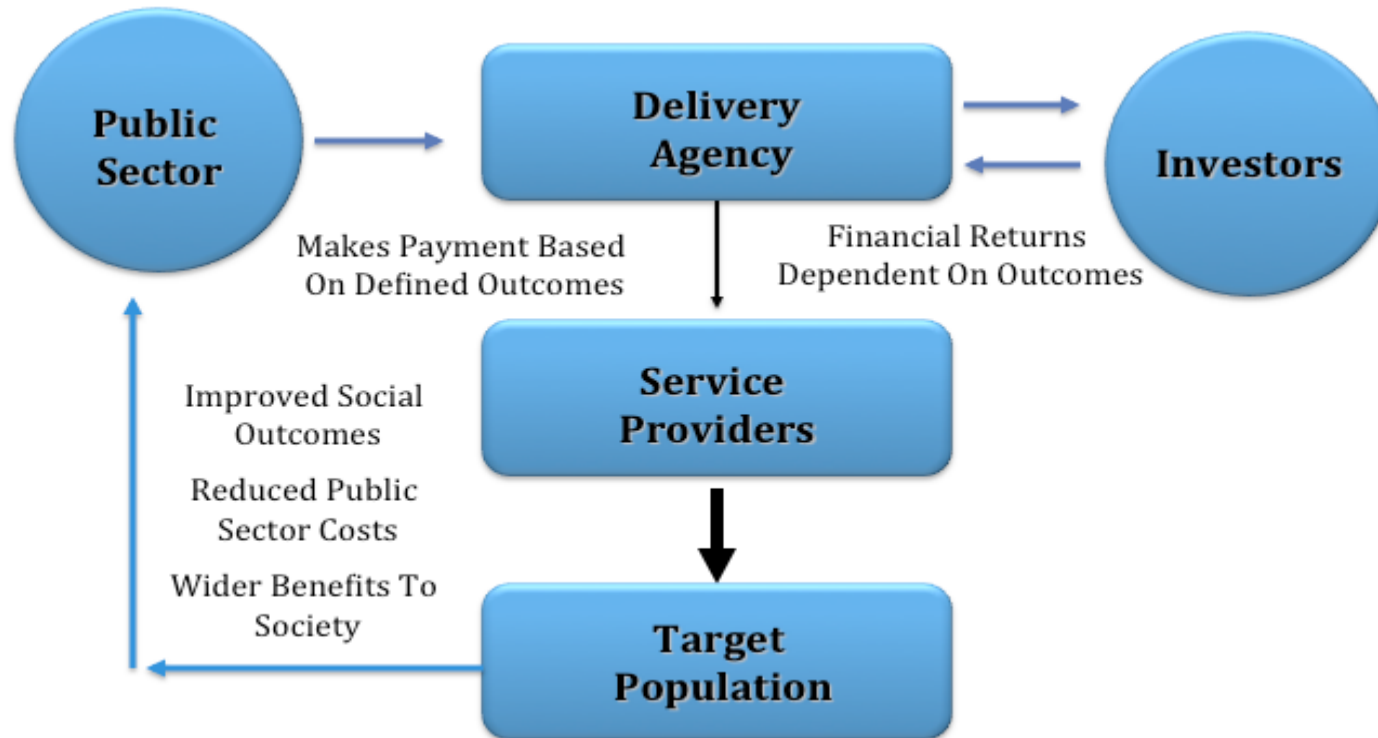
Local Authorities pay by results, out of savings they've already made.



The “classic” commissioner-led SIB structure

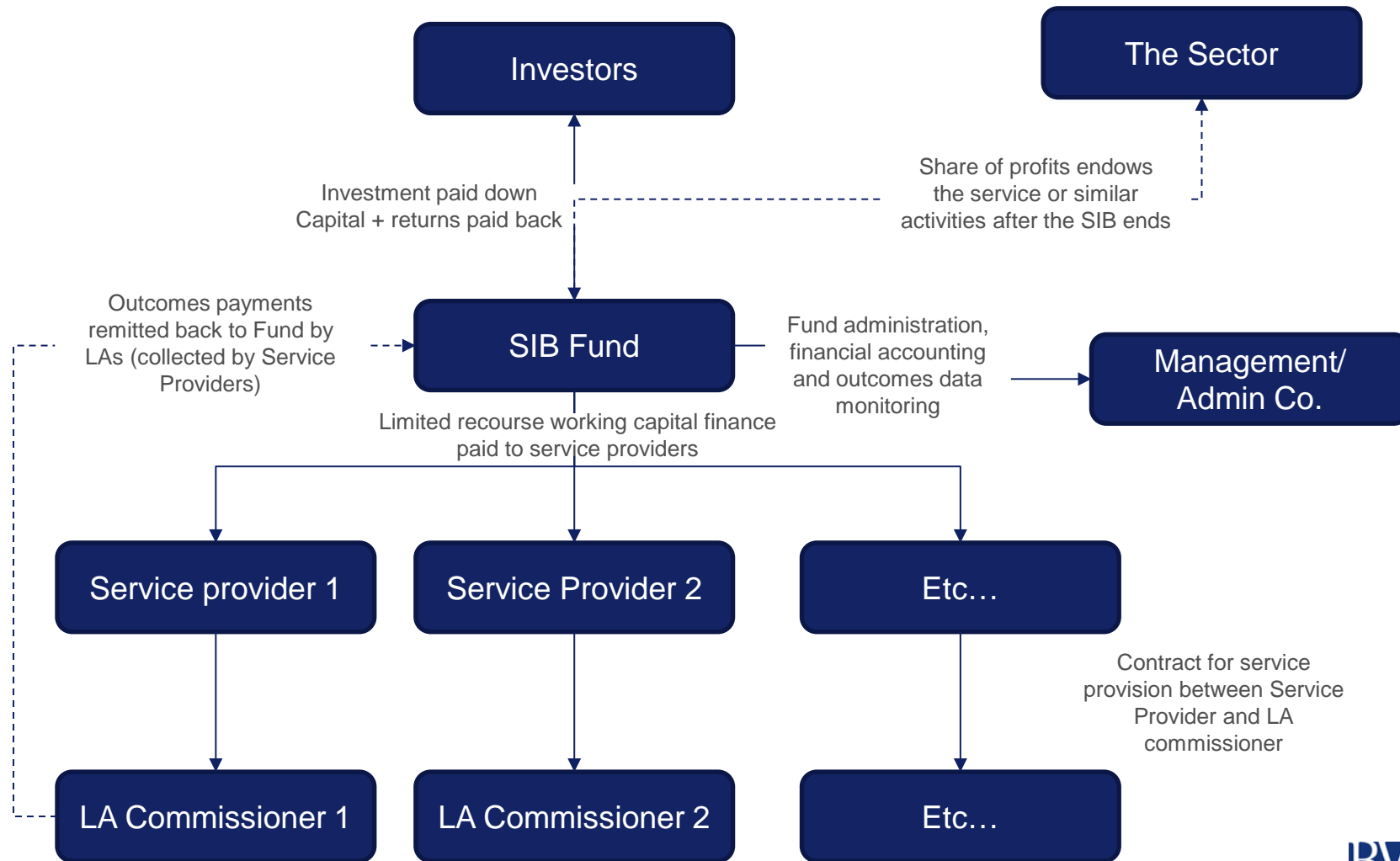


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From the “Social Investment Symposium Report 2013”

A Provider contract or Networked SIB structure



IAAM - Funding & Relationship flows

Investors:

- Fund £2m
- Get a return of 4% p.a. plus a “with profits” element from the surplus
- Capital repaid at year 10

Cabinet Office

- Top up funding for first 100 children

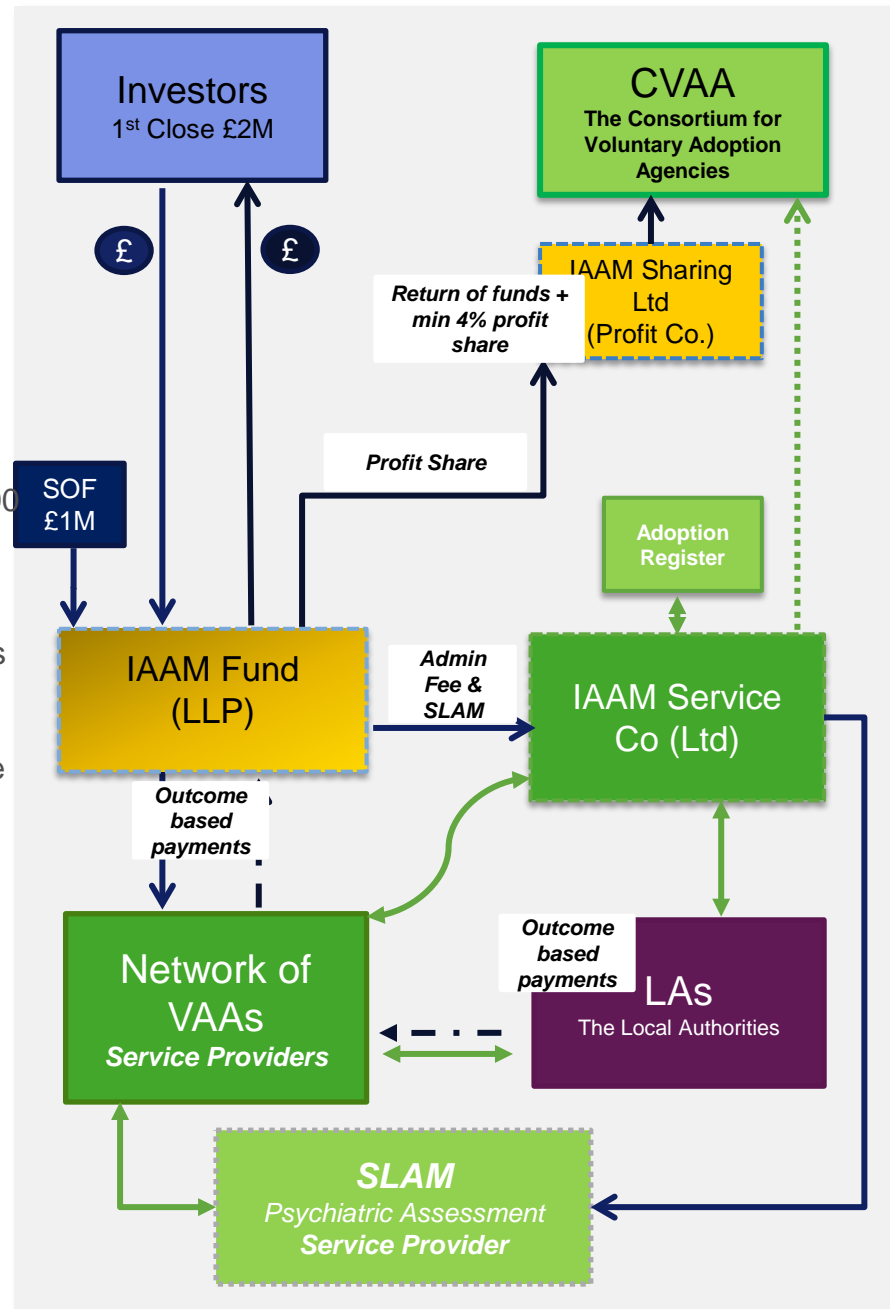
CVAA:

- Gets the first £1m surplus plus half the remaining surplus
- Recapitalises the scheme at year 10
- Saves £50,000+ p.a.

Local Authority:

- Pays £54,000 in four stages
- Saves £50,000+ p.a.
- Comparator: Standard Inter-agency fee £27,000

It's All About Me SIB Structure



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IAAM Fund:

- Advances £46,500 in same four stages
- Recovers that from LA payments.
- Takes risk up to first 10% of breakdowns
- Funds IAAM Service Co as the “referree” of the scheme

Provider VAA:

- Takes excess risk over 10%



Bates Wells Braithwaite | Impact | Advisory

How's it doing....twenty months in?



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Despite a very tough market, with lower than expected volumes:

- Network is working and developing
- First registrations after 6 weeks
- Psych/medical reports delivered within 6 weeks
- Engaged with 60+ of a target 75 (50%) local authorities
- 83 children referred; 34 registered;
- 9 placed in new homes, with a further 6 identified
- LAs decision-making changing
- Wider VCS discussions about what's possible
- Interest from wider finance markets.....and individuals

Our ambition for children and their families

Currently there are nearly a thousand children in England with no family for over a year, creating further distress for already vulnerable children. These children are older, are in sibling groups, from ethnic minority backgrounds, have special needs, or are in need of either physical or emotional: families for these children are hard to find. Fostering is the alternative. Though this works for some, it is not a long-term solution. Adoption has significant advantages in enhancing lifetime opportunities for these children.

For the families that seek to adopt these children they can find support in coming to terms with their past experiences, rather than be controlled by their traumas. However, support, both before and after placement, is essential.

At IAAM our ambition is to ensure that more and more parents have the opportunity of making a family for these children. We want to provide the support and training they need to make those placements a success.

To find out more

IAAM is available for children referred to the VAs above – via our website. Alternatively, please visit the IAAM website: www.iaam.org.uk or contact Adoption's CEO Andrew Thomson via e-mail at andrew.thomson@iaam.org.uk



You can follow us on twitter: @IAAMAdoption
LinkedIn IAAMAdoption



IAAM Adoption is the trading name of IAAM Service Co Ltd, registered in England, and is beneficially owned by the Consortium of Voluntary Agencies (CVA).



"IT'S ALL ABOUT ME": GUIDE FOR PARENTS

What is "It's All About Me"?

"It's All About Me" (IAAM) is a new family finding service that finds families for 'harder to place' children. The service is provided by six of the country's leading Voluntary Adoption Agencies (VAAs):

Action for Children
Adoption Matters
After Adoption

Caritas Care
Family Futures
Parents and Children Together

How Does IAAM Work?

IAAM uses a unique social impact bond to enable VAAs to find families for specific children, referred by their Local Authority, and to provide support for these families as they move through the adoption process. The support provided helps parents with:

- Developmental re-parenting
- Attachment
- The impact of early life trauma on brain development and subsequent behaviour
- Managing challenging behaviour
- Safe caring of children whose behaviour is particularly challenging
- The impact of secondary trauma, self-care and managing stress as parents
- Additional modules specifically related to the needs of a particular child e.g. autism
- Appropriate training for other members of the adopter's household, and support network
- Appropriate training for those also involved in caring for the child

The support package for parents will span at least the crucial two years after placement as well as the build-up to it, and will include the following elements:

- assessment of the child's needs, enabling training to be matched to them, but also enabling parents to set realistic but positive expectations for the child
- continuing training
- provision of emergency 24 hour telephone support
- respite care
- access to an individual buddy or specific group support before during and after placement
- individualised therapy for the child/family as determined through a specialist assessment (via the South London and Maudsley Children's Hospital)



IAAM and the networked SIBs – some key innovations...



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- Based on behavioural drivers to correct market failure
- Spot purchase
- Commissioner choice
- Networked delivery – “Collective Impact Bonds”
- Risk sharing: risk arbitrage – providers backing their own expertise
- Use of fund as revolving credit facility
- Yields match capital risk, making it possible to access normal financial markets



PACT Domestic Adoption and Fostering

SROI Evaluation



SIBs - Why bother ? Where's the benefit?



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- Additionality:
 - **Do what otherwise wouldn't happen**
 - **Do good things on a greater scale**
- Manage risk better
- Organise complex programme delivery
 - **Focus on real outcomes**
 - **Use resources better**
 - **Enable smaller providers to work together**
 - **Manage behaviours to deliver successs**
 - **Create and manage markets**
 - **Scale up good services**
 - **Innovate**



Opportunities

- Moving away from public service revenue into **market revenues**
- **Re-engineering markets and behaviours**
- Stretching the boundaries to **self-investment and profit-with-purpose**
- Joining up conventional and social markets in a **continuum**
- **Ideas incubation** – funding it and driving it

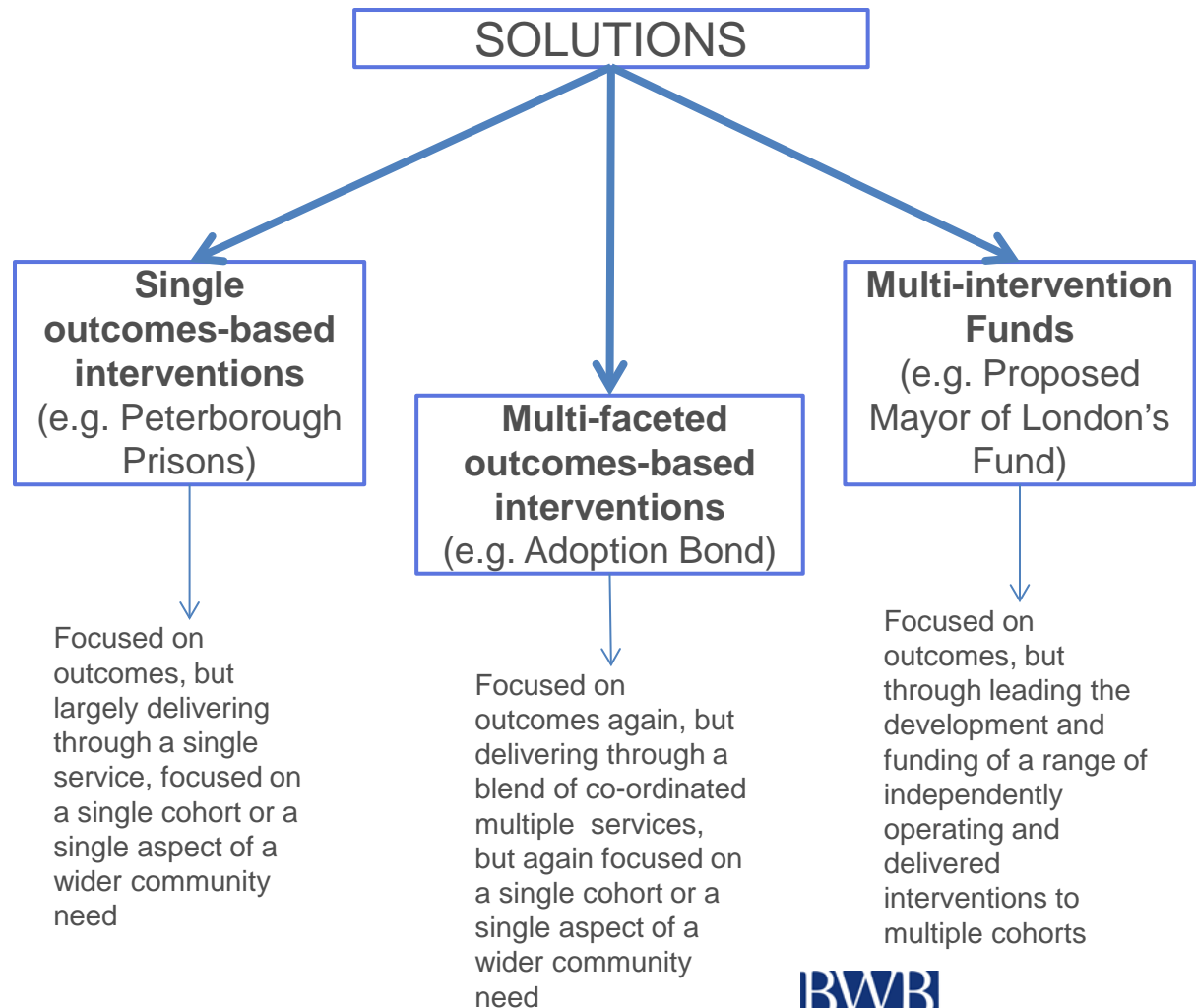
Pitfalls

- Co-leadership and energy turning to **isolated arrogance** from social investors
- Measurement and reporting requirements leading to a **two-tier investee market**
- Reliance on public service revenues leads to (political) **instability**
- **Not embracing risk** and risk management positively as a value-driver

Alternative Delivery Models giving scale-ability

If a fund is to be proposed, these run to a
Venture Philanthropy Model

1. **Investor**
 - a) **Equity**
 - b) **Debt**
 - c) **Grant**
 - d) **Guarantee**
 - e) **Investment in kind**
2. **Instigator**
 1. **Developing ideas**
 2. **Priming and delivering research and new thought**
3. **Hub and coordinator**
 1. **Developing networks**
 2. **Providing coordination for partnered activity**
 3. **Planning the full effectiveness of multiple interventions**



Can you see the impact we're having ?

- Lives changed, using behaviours re-engineered
- Children into new homes
- Adoptive families stabilised and supported
- Costs saved for State
- Wider systemic learning

Understand it, deliver it, measure it

if you like...

...but above all VALUE IT

