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Social Bridging Finance

Evaluation

Initial Report

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The Robertson Trust

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Summary

Introduction

1. Iconic Consulting and Glasgow Caledonian University are evaluating the Social Bridging Finance (SBF) model on behalf of The Robertson Trust (TRT).
2. The SBF model aims to ensure the sustainability of public services, particularly those of a preventative nature. It involves the delivery of an evidence-based service by a third sector organisation which a public sector partner guarantees to sustain - via a legally binding contract - if mutually agreed success criteria are met by the end of an initial demonstration phase which is independently grant funded.
3. TRT is currently testing the SBF model and building understanding of how it works through three demonstration projects in East Renfrewshire, Dundee and South Ayrshire. TRT is actively encouraging other independent funders, public sector and third sector organisations to try the model and the Trust has developed SBF Guidance for interested parties.
4. Over the period April 2019 to June 2022, the formative evaluation seeks to understand the strength and challenges of implementing the SBF model, whether it achieves the intended outcomes, and, if so, what elements of the model enable these to happen.
5. This Initial Report sets out key findings and emerging learning from the first phase of the evaluation. A mixed methods approach was adopted including a comprehensive document review and consultation with key staff from TRT and the public and third sector partners in the three demonstration areas.

Project initiation

6. The starting point of the three demonstration projects has been different and this has been relevant to their subsequent development. Clarity of purpose appears to be an important factor and ideally should include identifiable benefits to the public sector as well as participants. Relationships are also important and mutual understanding, respect and trust can smooth the development process.
7. The East Renfrewshire Family Wellbeing Service evolved from discussions between senior management of the public and third sector partners and their mutual awareness of the challenges supporting young people experiencing emotional distress. The partners in East Renfrewshire had an existing strong working relationship. In Dundee, an earlier feasibility study had identified an issue – repeat cases of babies born to vulnerable women being taken into care – and a possible solution that could lead to benefits not only for participants but also for the public sector.
8. In South Ayrshire, the identification of a critical issue by the public sector partner does not appear to have been the main driver of the project to extent it was in Dundee and East Renfrewshire. Here, existing relationships between the potential funder (William Grant Foundation) and the public sector partner (South Ayrshire Council) and the availability of funding specifically for the Carrick area appear to have been key factors.

Funding

9. Overall, SBF was seen by consultees as markedly different to other funding models.

10. Consultees from both the public and the third sector identified the availability of substantial additional funding as a major benefit of the SBF model. However, they stressed the model had significant additional benefits as it provided the opportunity to implement a preventative service while retaining existing services, during which time it could hopefully prove its worth in order to be sustained by the public sector.
11. There was also a view that independent grant funding and the contract - key components of the SBF model - helped to create more equitable relationships between the third sector and public sector partners. In addition, longer-term funding available via the SBF model may help delivery organisations to attract higher quality staff.

Procurement

12. Public authorities in the demonstration projects are using different approaches to procurement.
13. The public sector partners in East Renfrewshire and South Ayrshire are making a financial contribution to the overall costs and have classified the services as 'research and development' on the basis that the service will be trialled and assessed over a number of years. Public sector procurement legislation allows public authorities to exempt research and development services, under a financial limit, from competitive tendering.
14. Dundee City Council has overseen a competitive tendering process on behalf of Pause and the external funders; the local authority is not making an initial financial contribution to the project but is providing significant support. A number of organisations were invited to bid on the basis of a positive and trusted relationship with TRT and significant previous experience in working with vulnerable women and working within a child care and protection context.
15. Procurement is understandably an important issue for public sector organisations considering the model and further guidance on this issue would aid the rollout of the model.

Contract

16. The emerging evidence suggests the process of agreeing and signing legally binding contracts to sustain the demonstration projects has been relatively straightforward. Leadership from senior managers from the public sector partner and the close involvement of key elected members has been important in securing agreement to sign the contracts. Based on experience to date, the contract appears to be an initial filter that applies during preliminary discussions regarding the potential use of the SBF model rather than a significant barrier that arises during subsequent, more detailed negotiations between partners to finalise the agreement.
17. The contract template is a fundamental element of the SBF model. The Trust is keen to avoid the use of lengthy contracts that require significant resources to draw up and their funding is dependent on use of the template.
18. Third sector partners are unlikely to use the contract to challenge a decision not to sustain a project that has met its success criteria on the grounds of cost and maintaining good relations with the public sector. Nonetheless the contract is significant because it appears to focus minds and force partners to discuss sustainability at the outset. It may also lead to public sector partners prioritising funding for the demonstration project. If necessary TRT would be prepared to ensure a public sector partner fulfilled its contractual obligations.

Success criteria

19. Development of the success criteria in the three demonstration projects has provided some useful learning for the SBF model as their experiences have been very different.
20. The process in Dundee appears to have been relatively straightforward, benefitting from Pause's experience of monitoring and evaluating delivery elsewhere in the UK. Although the process in East Renfrewshire was more time consuming all partners were co-operative throughout and, with support from the SBF audit/evaluation team, the process reached a successful conclusion.
21. The process in South Ayrshire has been challenging although credit is due to partners for the commitment shown to find a mutually agreeable solution. The challenges have revolved around agreeing both the indicators and the targets for the success criteria although there have been some mitigating circumstances which have complicated the process. Although progress has been made on the indicators, agreement on the targets has not been reached and partners have agreed that a pilot phase will be used to gather evidence and set appropriate targets. A Memorandum of Understanding will formalise the interim arrangements.
22. Learning from the three demonstration projects suggests clarity of purpose for the project helps with the setting of success criteria. It is also clear that the public sector partner need to take ownership of the success criteria - they are committing to sustain the projects at the end of the independent grant funding and they have to be absolutely clear at the outset about what they regard as success. The focus on evidence-based services that have successful track records of delivery elsewhere or on a smaller scale locally also aids the setting of success criteria.
23. External support from the funders and the audit/evaluation team was welcomed and beneficial to the development of success criteria. The support emphasised the importance of SMART - Specific, Measurable, Achievable, Relevant, and Time-bound - success criteria and experience to date demonstrated the need, in some cases, for substantial assistance with this task. This has implications for the roll-out of the SBF model.
24. To date, success criteria have included outcomes related to both the impact on participants and public services, as well as outputs relating to take up of the services.

Flexibility and boundaries of the model

25. Although the SBF model is generally quite prescriptive, experience in one area has shown that it can be applied with a degree of flexibility to suit local circumstances whilst retaining the core elements of the model. In East Renfrewshire, a codicil has been used to amend the success criteria included in the initial contract and a short lead-in period was included in the timescale to enable partners to establish the service.
26. The South Ayrshire experience has provided useful learning on the boundaries of the SBF model, specifically the circumstances required before it can be applied. Here a pilot period is planned to allow partners to gather evidence which will inform success criteria and suitable targets. The interim arrangements are set out in a Memorandum of Understanding and partners are committed in principle to using the SBF model in due course.

Partnership working

27. The strength of partnership working in the demonstration projects has been one of the most striking features to date. The projects have secured the involvement of key senior staff and elected members. The contract and the Project Boards appear to have been important contributors to this.
28. Based on the experiences from South Ayrshire, the benefits of the SBF model, outlined in this report, help maintain partner commitment when challenges arise.

Support from grant funders

29. Public and third sector partners welcomed the nature and extent of support provided by the independent grant funders during the development of their projects.
30. In addition to significant financial investment, the main funders (TRT and William Grant Foundation) have been hands-on throughout the process attending (and where necessary chairing) meetings, providing guidance and contract templates as well as feedback on proposals, and explanation and advice in-person or via email and telephone. TRT also ensured independent support was available to help set success criteria and learning is captured by the programme evaluation. The support and evaluation is generating valuable learning which will help shape the rollout of the model in the future.

Sustainability

31. TRT developed the SBF model with the aim of improving the sustainability of public services delivered by third sector organisations. The early evidence suggests that the model is building-in sustainability to the commissioning process and the inclusion of a legally binding contract has been key. The SBF model forces partners to address sustainability at the outset in a way that other funding models tend not to.
32. Some partners may seek to sustain the service before the end of the demonstration period if success is evidenced and funding is available.

Transferability

33. Support from TRT, and the audit/evaluation team, has helped application of the SBF model by another independent grant funder in South Ayrshire. This suggests the SBF model is transferable and could potentially be applied by other funders.
34. However, rollout by funders should be selective as factors such as clarity of purpose, strong partnership working and the involvement of senior managers and elected members appear to be particularly important in the model's successful application.

Political considerations

35. Political considerations are important in the development and implementation of services supported by the SBF model.
36. All three areas have secured elected members' support to sustain the projects in future years if the success criteria are met. This achievement should not be underestimated given the financial challenges facing the public sector and the complexities of local politics.
37. A separate political consideration arose in Dundee due to the sensitivity of the project and the publicity this generated. Local politicians have remained supportive and this has been important in establishing the project and committing to sustain it if success criteria are met.

Auditing and evaluation

38. The role of the independent auditor is crucial to the SBF model. The auditor is intended to verify that the third sector partner has achieved the measures of success agreed at the outset which would then enable the public sector partner to confirm future funding to sustain the service.
39. Discussions with partners from the three demonstration projects, particularly those in South Ayrshire, confirmed the importance of the auditor's role and also highlighted a need to clarify what exactly the auditing process will, and will not, involve. Clarification is provided in this report and we recommend SBF Guidance is updated to reflect this.

Implications

40. The emerging findings presented in this report provide The Robertson Trust with valuable learning regarding the SBF model. A number of recommendations have been made to integrate this learning into the SBF Guidance, of particular importance will be providing further guidance and clarification on:
 - The roles and expectations of all partners, including support from The Robertson Trust, and where relevant, other independent grant funders.
 - Public sector procurement options.
 - Setting SMART success criteria.
 - The auditing process.
41. The emerging findings also have implications for other independent grant funders considering use of the SBF model, particularly replicating the nature and extent of support provided to date. There is also valuable learning emerging for public and third sector organisations considering use of the model, as well as independent success criteria auditors.

Conclusions

42. Overall, the emerging evidence suggests the SBF model has potential to enhance the long-term sustainability of preventative services delivered by the third sector.

1 Introduction

1.1 Iconic Consulting and Glasgow Caledonian University are evaluating the Social Bridging Finance (SBF) model on behalf of The Robertson Trust (TRT). The formative evaluation is assessing the implementation and impact of the model over the period April 2019 to June 2022. This Initial Report sets out key findings and emerging learning from the first phase of the evaluation.

SBF model

1.2 The SBF model aims to ensure the sustainability of public services, particularly those of a preventative nature. It involves the delivery of an evidence-based service by a third sector organisation which a public sector partner guarantees to sustain - via a legally binding contract - if mutually agreed success criteria are met by the end of an initial demonstration phase which is independently grant funded.

1.3 TRT is currently testing the SBF model and building understanding of how it works through three demonstration projects in East Renfrewshire, Dundee and South Ayrshire. TRT is actively encouraging other independent funders, public sector and third sector organisations to try the model and the Trust has developed SBF Guidance for interested parties. The Guidance provides background on the model, how it works and how to identify which interventions and partnerships might be suitable for the approach. It identifies and describes the key stages of the model as follows.

Figure 1 – Key stages of the SBF model

DESIGN	A working partnership is formed between a public sector agency, a third sector organisation and an independent funder to replicate an existing evidence-based model which has been trialled successfully elsewhere or at a small-scale in the existing geography. This service should enable a move from reactive to preventative services and meet an identified need which the public sector body is prepared to fund longer term. The partners need to agree success criteria in advance.
CONTRACT	A binding contract is signed between the partners to commit the public sector organisation to sustaining funding for the service for a specified period of time, if the agreed success criteria is met.
DEMONSTRATION	After an allowance for an initial set-up phase the service is delivered for an agreed period of time, usually 2 to 3 years. During this trial stage, which will be grant funded (this can be from a range of sources, including Trusts and Foundations, public sector, individual philanthropists etc....), partners can adjust how the interventions are delivered, in order to ensure the best chance of meeting the agreed success criteria. A Project Board is established with senior representatives from all the partners to ensure strategic level oversight of progress.
EVALUATION	An audit is commissioned by the partnership and paid for by the independent funder at the outset of the trial period. This audit will make an informed judgement as to whether or not the agreed success criteria have been met at the end of the trial.
SUSTAINABILITY	If the external auditor determines that the agreed success criteria have been met, then the contract determines the length of time for which the public sector organisation will sustain the service. If the trial period has not been successful, all partners ensure that they take learning from the process and walk away, thus the public sector commissioner faces no risk from the trial as this is carried by the grant funders.

1.4 TRT’s development of the SBF model has been informed by learning from two projects the

Trust previously funded. In Glasgow, TRT funded MCR Pathways to deliver a mentoring programme for young people on behalf of Glasgow City Council. In Dundee, TRT funded Includem to deliver a school-based service to raise attainment among disadvantaged young people on behalf of Dundee City Council. Although the two projects applied elements of the approach now encapsulated by the SBF model, neither did so fully or were referred to at the time as SBF projects.

Demonstration projects

- 1.5 As TRT has developed the model, it has looked for suitable opportunities to test out the approach. This has led to the model being piloted in the three demonstration projects summarised below.

Table 1 – SBF demonstration project summaries			
	East Renfrewshire Family Wellbeing Service	Pause in Dundee	Place2Talk Carrick
Public sector partners	East Renfrewshire Health and Social Care Partnership and East Renfrewshire Council	Dundee City Council	South Ayrshire Council
Third sector partners	Children 1 st	Pause and Tayside Council on Alcohol	Place2Be
Service	The service provides intensive support to families containing a young person experiencing emotional distress who presented at a GP practice. A whole family approach aims to improve the young person’s mental wellbeing and reduce further GP presentations.	The service provides comprehensive support to vulnerable women who have experienced, or are at risk of experiencing, repeat removal of babies from their care. Long acting reversible contraception enables the women to focus on their needs and prevent further children being taken into care.	The project will provide counselling, support and signposting to improve the mental wellbeing of Carrick and Girvan Academy pupils and their families. Support includes individual counselling, drop-in, and group work with pupils and their families during term time as well as school holidays.
Funders	TRT, and East Renfrewshire Health and Social Care Partnership.	TRT, and National Lottery Community Fund.	William Grant Foundation, TRT, Paul Hamlyn Foundation, North Carrick Community Benefit Company, and South Ayrshire Council (via Scottish Government funding for school-based counselling).
Current status	Contract signed and delivery underway.	Contract signed and delivery underway.	Preliminary phase to establish evidence base. Arrangements set out in Memorandum of Understanding prior to possible signing of a SBF contract.

Purpose and scope of the evaluation

- 1.6 The evaluation seeks to understand the strength and challenges of implementing the SBF model, whether it achieves the intended outcomes, and, if so, what elements of the model

enable these to happen. More specifically, the evaluation will address the following questions posed by TRT:

Programme-level

1. What were the barriers and enablers to implementing SBF (see key components/ activities of SBF in the logic model)? In particular we (TRT) are keen to understand the implications of SBF for:
 - a. Legal contract and procurement processes.
 - b. Timing and adequate speed in securing a contract and funding.
 - c. The potential for ‘gaming’ of the success criteria.
 - d. Identifying and evaluating the success criteria.
 - e. Flexibility of the contract.
 - f. The role of the Project Board and the usefulness of its oversight role.
2. To what extent did the SBF trial phase achieve its intended outcomes? What elements of the model enable these to happen? Were there any unintended outcomes – positive or negative?
3. Overall, what lessons should the team consider to inform the ongoing development of SBF and its future use, including the guidance on how others might use it? Including:
 - a. What resources does it require of the Trust or others to implement SBF in future as an ‘off the shelf’ model?
 - b. What are the roles required of the various stakeholders in implementing SBF, including the third sector partner, public sector partner, funder, project boards, evaluator/auditor (i.e. responsibilities, attitudes, behaviours, capabilities, capacity)?
4. What do success criteria need to look like to improve the chances of “success”?

Project-level

5. Assessing and reporting on whether each demonstration project meet its agreed ‘success criteria’ at the end of the contract delivery period?

1.7 In addition to this Initial Report, Iconic and GCU will produce an Interim Report in September 2021 and a Final Report in June 2022. The team will also facilitate annual Reflect and Learn workshops with TRT and key stakeholders.

- 1.8 To date the evaluation has involved:
- Reviewing key documents including background papers, evolving SBF Guidance, and a SBF contract template produced by TRT. A host of documents produced by partners in the three demonstration projects have also been reviewed including service plans, draft success criteria, contracts, and minutes of meetings.
 - A series of depth interviews with four TRT staff responsible for developing and implementing the model, 14 public and third sector partners across the three demonstration projects, one of the predecessor projects funded by TRT, and a public sector organisation that considered the SBF model but did not proceed with the proposed service.
 - Detailed review and feedback on draft success criteria in the three demonstration projects. In East Renfrewshire and South Ayrshire this also involved attending a number of meetings to discuss and revise the draft criteria.
 - Observation of Project Board meetings in Dundee and East Renfrewshire.

Report structure

1.9 This Initial Report is structured as follows:

- Section 2 discusses the emerging findings and learning.
- Section 3 considers the implications for the rollout of the SBF model.
- Section 4 highlights conclusions from the evaluation to date.

2 Emerging findings and learning

2.1 In this section we discuss the key issues emerging from the evaluation to date. The issues are presented broadly in order in which they arise within the project development cycle from initiation to auditing.

Project initiation

2.2 The starting point of the three demonstration projects has been different and this has been relevant to their subsequent development, in our view.

2.3 The East Renfrewshire Family Wellbeing Service evolved from what was described as “an open conversation” between senior management of the public and third sector partners and their mutual awareness of the challenges supporting young people experiencing emotional distress. A series of papers and multi-agency meetings followed to discuss the issues facing young people and service providers as well as solutions. This led to a pilot project in two GP surgeries funded by East Renfrewshire Health and Social Care Partnership. The success of the pilot led to further discussions to extend the service across the whole of East Renfrewshire and the potential application of the SBF model. The public sector partner’s identification of a critical issue - the number of repeat presentations by young people with emotional distress to GPs who had limited treatment/support options - that an additional service could address was a crucial step that aided the development of the service, as well as the subsequent setting of success criteria when the SBF model was applied. The fact that benefits could be identified for both the public sector partner and participants helped partners achieve buy-in including with elected members. The existence of strong relationships between the partners meant the whole process has been underpinned by understanding, respect and trust. Partners also had positive relationships with TRT and this aided the project’s development. The third sector partner approached TRT with the project idea and discussions followed to take it forward using the SBF model which TRT had suggested as an option.

2.4 Clarity of purpose was also a feature of project initiation in Dundee. The public sector partner was aware of an issue – repeat cases of babies born to vulnerable women being taken into care – and a possible solution that could lead to benefits not only for participants but also for the public sector. The project evolved from a feasibility study undertaken by Pause with funding from the Scottish Government, TRT and the Big Lottery Fund. Part of this involved a scoping exercise in Dundee and East Ayrshire. Both areas were interested in developing the programme using the SBF model but East Ayrshire Council could not commit to future funding. As in East Renfrewshire, existing relationships and familiarity with TRT appear to have aided application of the SBF model in Dundee.

“The driver is not saving money although partners are confident it will but doing something better - meeting the needs of the target group”. Third sector partner.

“There is a clear connection here for this project between cause and effect but that might not be the case for other projects, so for example in raising attainment”. Public sector partner.

2.5 In South Ayrshire, the identification of a critical issue by the public sector partner does not appear to have been the main driver of the project to extent it was in Dundee and East

Renfrewshire. Here, existing relationships between the potential funder (William Grant Foundation) and the public sector partner (South Ayrshire Council) and the availability of funding specifically for the Carrick area appear to have been key drivers. The project will address a need (young people’s mental wellbeing) and should benefit participants but its initiation was not driven by clearly identified benefits for the public sector. In our view, the lack of a strategic purpose impacted on subsequent discussions on the success criteria. In addition, the public and third sector partners were new to each other and relationships and trust have taken time to build.

- 2.6 Although existing positive relationships were important in the demonstration projects, particularly those between some of the public and third sector partners, this should not necessarily be taken as a condition for use of the SBF model in other areas, in our view. Such an approach could be limiting and deny perfectly able partners the opportunity to forge new relationships and work successfully together using the SBF model. In particular this could hinder third sector organisations with relevant experience and expertise of delivering a specific evidence-based service elsewhere from operating in a new area where the service and the SBF model was being considered.

Learning:

- Relationships are important and mutual understanding, respect and trust can smooth the development process. However, existing positive relationships between partners should not necessarily be regarded as a prerequisite for use of the SBF model.
- Clarity of purpose appears to be an important factor. Ideally, the public sector and service providers will have jointly identified a need as well as an evidence-based solution which would lead to benefits to the public sector as well as participants.

Recommendation:

- SBF Guidance is updated to reflect this learning particularly the importance clarity of purpose can have on buy-in and the setting of success criteria. This could for example, include a step-by-step guide to good practice in project initiation.
- TRT and other independent funders consider whether support during this initial period to identify benefits for the public sector would help subsequent roll-out of the model.

Funding

- 2.7 Consultees from both the public and the third sector identified the availability of substantial grant funding over a number of years as one of the main benefits of the SBF model. However, several consultees also stressed that the benefits were greater than this as the additional funding provided the opportunity to deliver a preventative service while retaining existing services, during which time it could hopefully prove its worth in order to be sustained by the public sector. The funding provided via the model was therefore viewed by consultees in a significantly different light compared to traditional grant funding.

“Social Bridging Finance was seen as an opportunity to do something different, as an opportunity to look at the whole system of support for young people with mental health issues, as an opportunity to take away the silo mentality and look upstream and downstream”. Public sector partner.

“It makes you think about where you are and where you want to be, that idea

of bridging one thing to the next”. Public sector partner.

“This is about long-term thinking, and understanding that piloting this project now, means that further down the line, if it works, money will be saved and these resources can be directed to it, with further saving made. When councils are strapped for cash, funding something which is seen to be experimental is difficult but The Robertson Trust is agile enough to make that investment”. Public sector partner.

- 2.8 There was also a view that independent grant funding and the contract - key components of the SBF model - helped to create more equitable relationships between the third sector and public sector partners. There can be a power imbalance in more traditional situations where the public sector funds a third sector organisation to deliver a service, which the emerging evidence suggests may be improved by the SBF approach.
- 2.9 In addition, the delivery partners in Dundee and East Renfrewshire reported another benefit of funding provided via the SBF model. They anticipated the longer-term funding provided by the independent grant funder and the public sector (if success criteria are met) would enable them to recruit higher quality staff compared to other, shorter-term, funding streams. Dundee partners subsequently reported that this had been the case, however, there have been challenges recruiting some posts (team leaders) in East Renfrewshire although this was not related to the use of the SBF model.

Learning:

- Public and third sector partners view funding provided via the SBF model as a unique opportunity to deliver a preventative service while retaining existing services.
- Independent grant funding and the contract - key components of the SBF model - helped to create more equitable relationships between the third sector and public sector partners.
- The longer-term funding available via the SBF model may help delivery organisations to attract higher quality staff.

Recommendation:

- SBF Guidance is updated to reflect the above learning, particularly the benefits of funding provided via the model.

Procurement

- 2.10 Procurement will be an important factor in the potential rollout of the SBF model and the different approaches adopted in the three demonstration projects provide useful learning.
- 2.11 The public sector partners in East Renfrewshire and South Ayrshire are making a financial contribution to the overall costs and they classified the services as ‘research and development’ on the basis that the service will be trialled and assessed over a number of years. Public sector procurement legislation allows public authorities to exempt research and development services, under a financial limit, from competitive tendering. There was a slight difference in how South Ayrshire and East Renfrewshire Councils structured their contracts as the former is planning to use two contracts covering a five year period in total whereas the latter has used a single five year contract. We understand this is linked to how the respective procurement/legal teams interpreted relevant legislation. We therefore recommend that TRT seeks to provide clarity on this issue in the SBF Guidance.
- 2.12 Dundee City Council oversaw a competitive tendering process to deliver the project on

behalf of Pause and the external funders (the local authority is not contributing financially to the initial costs although it is providing significant support). The City Council issued the invitation to tender, via Public Contracts Scotland, to a number of organisation selected on the basis they had “a trusted and positive relationship with the Robertson Trust” and in recognition of “significant previous experience in working with vulnerable women and working within a child care and protection context”. Tayside Council on Alcohol (TCA) was the successful bidder. TCA has been licensed by Pause and is responsible for day to day delivery and operational management of the project. This is the first time TCA has worked with Pause however, TCA has an established relationship with Dundee City Council and TRT from previous funding.

- 2.13** Although the research and development procurement route has been used in two of the three projects so far, we are aware that some public authorities may be reluctant to adopt a similar approach. Our discussion with a member of the contracts team at a public sector organisation that was considering the SBF model stated they had reservations about this approach. Their main concern over awarding a contract to a third sector provider under the research and development route was the potential for other providers to challenge the decision; this would not only have affected delivery but could also have led to significant financial and reputational harm. After raising their concerns about this with TRT, the Trust provided the organisation with a contact in Scottish Government however the contact felt they did not have the authority to confirm in writing that the approach could not be challenged by other providers. The consultee stated that use of this procurement route in the demonstration projects would not be sufficient for them to use it in future. They added they would require confirmation, from the Scottish Government or respected legal experts, that the approach could not be challenged by other providers and suggested this would be welcomed by other public sector procurement teams. As above, clarity within the SBF Guidance on this issue would be helpful.

Learning:

- Public authorities are using different approaches to procure demonstration projects including competitive tendering and using research and development exception to directly commission services.
- Procurement is understandably an important issue for public sector organisations considering the model and there appears to be a lack of clarity regarding the options and potential reluctance to seek research and development exemption.

Recommendations:

- SBF Guidance is updated to outline the procurement options available to public sector partners considering the model.
- TRT liaises with Scottish Government and/or respected legal experts to provide confirmation that research and development exemption could not be challenged by other service providers.

Contract

- 2.14** The emerging evidence suggests the process of agreeing and signing contracts to sustain the demonstration projects has been relatively straightforward. At first this may be a surprising finding, however the contracts are an intrinsic part of the model and it is debatable whether the public sector partners would have progressed very far with the idea of using the model if they were unlikely to agree to sign up to one. In other words, public authorities that are

not inclined to sign a legally binding contract may not see the model as a feasible option at the outset. We therefore suggest the contract may be an initial filter during preliminary discussions regarding the potential use of the SBF model rather than a significant barrier that arises during subsequent, more detailed negotiations between partners to finalise the agreement.

- 2.15** In all three areas, senior officers have led the development of the demonstration projects, and key elected members have been closely involved. This appears to have helped the authorities to be able to commit to a legally binding contract. The fact that Dundee City Council signed the contract with Pause is particularly noteworthy as the authority did not sign a contract for the previous SBF-like project delivered by Includem. We understand this was due to concerns raised by the authority's legal team about the financial risks of being tied in to sustaining the project when there was uncertainty about aspects of education funding. Although the legal team still had some concerns about the financial risks of the Council committing to sustain the Pause project, the contract has been signed. This suggests a project's focus can have a bearing on the public sector partner's commitment to the SBF model.
- 2.16** TRT's template has been used as the basis for the contracts in East Renfrewshire and Dundee and has therefore been a useful tool. The South Ayrshire project has not yet progressed to the stage where a contract will be signed, although we understand TRT's template will be used by partners. South Ayrshire Council has questioned whether there is sufficient demand for the service at the proposed level and has some concern about being locked in to a contract and funding at a higher level than necessary. Partly because of this issue, partners have agreed a pilot phase which will help establish demand and inform the subsequent contract.
- 2.17** Interestingly, the consultee from the contracts team at the public sector organisation that initially considered the SBF approach but decided not to proceed with the project, welcomed the TRT template but suggested they would have looked to devise their own contract. Such an approach would not have been acceptable to TRT which regards the contract template as a fundamental, non-negotiable part of the SBF model. It is worth noting that the public sector organisation had only given the model some initial consideration and had not progressed as far as discussing contracts with TRT. The Trust stated that Social Bridging Finance is dependent on the use of the SBF contract template. Although some minor additions to the template could be considered, the Trust is keen that the application of the SBF model avoids the use of lengthy bespoke contracts that involve significant resources to draw up. We therefore recommend that TRT updates the SBF Guidance to clarify that the contract template is an intrinsic part of the model.
- 2.18** Several consultees, from various organisations, suggested that it was unlikely that third sector partners would embark on a legal challenge if the demonstration project met its success criteria but was not sustained by the public sector partner at the end of the trial period. The reasons for this were seen as the cost of legal action and the desire to maintain good relations with the public sector partner. Consultees were adamant however that this view did not devalue the SBF contract. On the contrary, they reported the contract still had two major benefits. Firstly, it focussed minds and forced partners to have (sometimes difficult) discussions about sustainability at the outset. Secondly, there was a view among some partners that the public sector partner may prioritise funding for the demonstration

project - because of the commitment they had made in the contract - when discussing budgets at the end of the trial period. It is also noteworthy that The Robertson Trust stated they would, if necessary, be prepared to use all appropriate options including legal challenge, to ensure the public sector partner upheld commitments set out in the contract.

“It has been incredibly helpful to have the contract... we recognise we were very fortunate to have supportive partners willing to sign a contract”. Third sector partner.

“We had to involve the Leader of the Council and some of the Convenors to agree to sign the contract, whereas other funds would not have required their input”. Public sector partner.

“The commitment required (by the model) is very difficult with the local authorities having finite budgets.... There is some risk to taking this on, and this moves away from the usual legal perspective of risk avoidance”. Public sector partner.

Learning:

- The inclusion of a legally binding contract appears to be an initial filter that applies during preliminary discussions regarding the potential use of the model rather than a significant barrier that arises during subsequent negotiations between partners.
- Leadership from senior managers from the public sector partner and the close involvement of key elected members is important in securing agreement to sign a legally binding contract.
- The contract template is a fundamental part of the SBF model.
- Although third sector partners are unlikely to use the contract to challenge a decision not to sustain a project that has met its success criteria the contract is significant because it appears to focus minds and force partners to discuss sustainability at the outset. It may also lead to public sector partners prioritising funding for the demonstration project in the future. If necessary TRT would be prepared to ensure the public sector partner upheld its contractual commitments.

Recommendations:

- Participants at the forthcoming Reflect and Learn session consider TRT’s stance that the contract template is a fundamental, non-negotiable element of the model.
- SBF Guidance is updated based on the outcome of the discussion and the findings of this report. If relevant, this should include emphasising the integral nature of the contract template in the SBF model with a clear explanation.

Success criteria

- 2.19** Development of the success criteria in the three demonstration projects has provided some useful learning for the SBF model as the experiences have been very different. We recommend the SBF Guidance is updated to reflect the learning outlined below.
- 2.20** The process in Dundee appears to have been relatively straightforward, benefitting from Pause’s experience of monitoring and evaluating delivery elsewhere in the UK. Success criteria suggested by the organisation were agreed with Dundee City Council without the need for significant revision; these criteria focused on the impact of the project on participants (see Table 2). Later in the project development cycle, following input from Dundee City Council’s legal team, an additional success criteria was added which related to

the impact of the project on the delivery and cost of public services (see Table 2).

- 2.21** The process in East Renfrewshire took some time to define suitable indicators but all partners were co-operative throughout and very receptive to support from the SBF evaluation/auditing team who tried to ensure the indicators were SMART – Specific, Measurable, Achievable, Relevant, and Time-bound. The result was success criteria which mainly focus on the impact the project will have on public services (see Table 2). Partners had initially proposed a number of indicators which were subsequently discounted because they were likely to have been influenced by factors outwith the control of the project (the Relevant element of SMART) or would have been impossible to measure from GP records (the Measurable element of SMART). The experience demonstrated the importance of partners examining the finer detail of proposed indicators and thinking about the practicalities of how evidence would be gathered. In addition, East Renfrewshire partners agreed a secondary set of indicators, referred to as Impact Criteria, which were not included in the contract but will be used to assess the impact of the project on beneficiaries (see Table 2). The Impact Criteria are of a similar nature to the majority of the Pause indicators. Evidence for the Impact Criteria is being gathered using tools developed by Children 1st including tools developed during the earlier pilot phase of the project. It is noteworthy that partners in East Renfrewshire amended one of the success criteria after the contract had been signed; this occurred when partners acknowledged that one of the success criteria was outwith the control of the project. The change was formalised in a codicil to the original contract.
- 2.22** The process in South Ayrshire has been time consuming and challenging for partners although credit is due to partners for the commitment shown to find a mutually agreeable solution. Credit is due in particular to the William Grant Foundation for overseeing the process and maintaining partners’ involvement over a number of months. The challenges have revolved around agreeing both the indicators and the targets for the success criteria although there have been some mitigating circumstances as discussions have been complicated by the following:
- Additional Scottish Government funding for school-based counselling, the value and details of which were not known by South Ayrshire Council at the outset of the discussions.
 - The different level of resources required by Place2Be to deliver in Carrick (a rural area) compared to other areas where they have delivered.
 - South Ayrshire Council’s desire to assess the impact of the additional elements of Place2Be’s provision in Carrick i.e. the involvement of parents and out of school hours provision, compared to the other schools in the area which will benefit from school-based pupil counselling only.
 - South Ayrshire Council’s desire for evidence which can be broken down separately for both of the schools in Carrick.
 - South Ayrshire Council’s desire to assess implementation of the project as well as its impact.
 - South Ayrshire Council’s insistence that the success criteria are statistically significant.
- 2.23** The partners have moved some way to agreeing indicators but were unable to agree targets because of the above complications. A compromise has been reached which will see Place2Be deliver the service for an initial six month period during which time information

will be gathered that enables all partners to agree indicators and set realistic targets, a Memorandum of Understanding (MoU) will formalise these arrangements. The plan thereafter is that a contract will be agreed and the SBF model will be applied. It is important to state therefore that the South Ayrshire project is not currently applying the SBF model although that is the aim of all partners.

- 2.24** The South Ayrshire experience has generated some very useful learning. Firstly, it has demonstrated the importance of relationships. Although the challenges have centred on the success criteria, at times, the underlying issue, in our view, has been the relationships and the level of trust and understanding between partners. The experience has also demonstrated the importance of clarity of purpose and we suggest the process may have been less challenging if the aims were clearer at the outset as was the case in East Renfrewshire and Dundee. Setting success criteria in the other areas was helped by the public sector identifying an issue that they wanted the service to address. It may also have been significant that both the East Renfrewshire and Dundee projects are aiming to achieve system change with quantifiable resource efficiencies, which have been linked in to the success criteria. In South Ayrshire, the project aims are less clear and not as strategic, and as a result the draft indicators focus exclusively on the project’s impact on beneficiaries (see Table 2).
- 2.25** The development of success criteria in East Renfrewshire and especially South Ayrshire has been time consuming. TRT, William Grant Foundation and the evaluation/auditing team have provided substantial support including detailed written feedback on draft success criteria, suggested amendments or alternative criteria, and chairing/input to several partner meetings to discuss and revise the criteria. Partners reported that this support was very welcome and crucial in the progress made. Our involvement in the setting of success criteria has been very useful in terms of our future role as the independent auditor of the criteria. It has helped ensure the criteria are fit for purpose at the start and should prevent, or at least minimise, problems arising in the future. We therefore recommend SBF Guidance is revised to emphasise the value of independent support of this nature in the setting of success criteria, as well as emphasising the added value gained when this support is provided by the independent auditor.
- 2.26** The development of success criteria in the demonstration projects has shown that the criteria have to be owned by the public sector partner. It is the public sector partner that is committing to sustain the projects at the end of the independent grant funding and they have to be absolutely clear at the outset about what they regard as success. At the same time, it is important that the third sector partners can agree to the criteria but ultimately the success criteria have to capture the public sector partners’ ambitions.

“To inform future funding decisions the success criteria have to be right – if we don’t get the measures right at the start we’ve got nowhere to go... we need measures that aren’t ambiguous – that we can attribute impact to the service and not other influences. In doing so we have started at the end and worked backwards”. Public sector partner.

“There is a stronger commitment made here and so there is personal motivation for this to work. There is ‘buy in’ from the partners and committing to financing this all the way through means that tracking the progress began at the start. Normally say with a three-year project, you would begin to look at the outcomes

in year three, but we are already thinking about this. There is a moral and legal obligation to do this that is built into the process". Public sector partner.

2.27 The success criteria for the three demonstration projects are shown in Table 2 below. We have used the following colour coding to distinguish between the three main types of indicators that have been used:

- Outputs relating to take up of the services.
- Outcomes relating to the impact on project beneficiaries.
- Outcomes relating to the impact on public services.

Table 2 - Success criteria		
East Renfrewshire Family Wellbeing Service	Pause in Dundee	Place2Talk Carrick
<ul style="list-style-type: none"> • The service will work with a minimum of 178 young people each year. • 90% of families referred to the Family Wellbeing Service are offered contact within 2 weeks of referral being received from the GP. • 50% reduction in repeat presentations to GPs for young people referred to the Family Wellbeing Service with emotional distress by the end of the 2 year service <p>Impact Criteria:</p> <ul style="list-style-type: none"> • 75% children and young people feel calmer and are less anxious. • 75% parents were better able to understand and support their children emotional wellbeing. • 75% family members are better able to communicate. • 75% of families have increased emotional warmth within their family. • 75% of children, young people and families are able to cope better with stressful events and change. 	<ul style="list-style-type: none"> • At least 20 women become open to Pause over each 18 month period. • At least 80% of women who become open to Pause complete the programme. • At least 70% provide positive feedback. • Pregnancy rates for open women fall within our expected rate (maximum of 1 woman). • Women have improved wellbeing scores and, where it is an issue, reductions are reported in domestic abuse, substance misuse and housing instability. • The cost of the Pause service is the same or less than the costs avoided by the Council during this demonstration phase. 	<ul style="list-style-type: none"> • At least X young people access individual counselling, at least X young people access group work services, and at least X% of the school roll access Place2Talk drop-in services. • Attendance rate of X% or more by young people referred to counselling or group work sessions. • Parents/carers of X% of young people selected for 1:1 – and where parental contact is made – will engage with Parent Partnership sessions. • X% of young people participating in 1:1 counselling will report improvement in their mental health – and this result will be statistically significant. • Parents/carers of X% of young people participating in 1:1 counselling (where parental engagement has been agreed) report improvement for their young person at the end of their period of engagement – and this result will be statistically significant. • X% of families with a young person engaged with service (and excl. senior pupils who don't require parental consent) will report an improvement in family wellbeing at the end of their period of engagement. • A least X% of young people who sustain engagement with counselling and group work maintain or improve their school attendance based on comparison between the term before counselling begins and the term in which it ends.

Learning:

- Success criteria need to be SMART.
- External support from the funders and/or the evaluation team was welcomed and beneficial to the development of success criteria. Key elements of the support were reviewing draft indicators and working with partners on amendments or alternative criteria to ensure the criteria were SMART.
- The involvement of the independent auditor in the setting of success criteria is helpful in ensuring they are fit for purpose.
- Clarity of purpose for the project helps with the setting of success criteria.
- It is imperative that the public sector partner takes ownership of the success criteria.
- To date, success criteria have included outputs, and outcomes related to both the impact on participants and public services.
- The implementation of evidence-based services that have successful track records of delivery elsewhere or on a smaller scale locally aids the setting of success criteria.
- A short pilot phase may be necessary to evidence a service prior to application of the SBF model. A Memorandum of Understanding may be helpful in setting out interim arrangements.

Recommendations:

- SBF Guidance is updated to reflect the above learning, particularly that success criteria need to be SMART and owned by the public sector partner. Specifically, TRT should consider the following revisions to the Guidance: 1) an explanation of the three broad types of indicators used to date (outputs, outcomes for participants, and outcomes for the public services); 2) recommending indicators are developed using the SMART assessment; and 3) including examples of strong and weak indicators (the latter to demonstrate potential pitfalls).
- The Guidance should also be revised to emphasise the value of independent support in the setting of success criteria, as well as emphasising the added value gained when the support is provided by the independent auditor.
- Other independent funders considering the model ensure independent support is available to partners developing success criteria.

Partnership working

- 2.28 A strong commitment to partnership working has been one of the most striking aspects of our consultation with partners in the demonstration projects.
- 2.29 As described earlier, the East Renfrewshire Family Wellbeing Service emerged from discussions between the main partners who had a successful track record of partnership working. In Dundee, partners appear to have quickly established good relationships, helped by Dundee City Council's positive approach and the involvement of a local partner (TCA) with an existing relationship with the local authority and TRT.
- 2.30 Despite the challenges in South Ayrshire around the success criteria, the partners have remained committed to the project. Our discussions with the key stakeholders found that two key elements of the SBF model have helped maintain commitment – significant external funding for public services (a benefit for the public sector partner) and the long-term nature of the arrangements (a benefit for the third sector partner). Although the challenges have arisen as a result of the use of the SBF model, the model has also contributed to maintaining commitment.

2.31 The involvement of senior staff (Director/Head of Service/Chief Executive level) and elected members appears to have been a factor in the positive approach to partnership working, and willingness to take risks i.e. committing to sustain a project. It is possible that the inclusion of a legally binding contract in the SBF model was an important driver in their initial involvement as it required approval from the highest levels of the public sector. The establishment of Project Boards with small numbers of senior people from the partners (including the funder) may have helped to maintain their involvement as the projects moved to the delivery phase. The Project Boards have tended to meet quarterly to discuss progress and address strategic issues. The fact that the demonstration projects have achieved senior level buy-in shows that the model has addressed one of the recognised weaknesses of the Public Social Partnership model. An Operational Group has been established in East Renfrewshire to focus on delivery matters and a similar group is in the process of being established in Dundee. Operational managers from the partner organisations are represented on these groups alongside staff from other relevant agencies involved in delivery.

2.32 The East Renfrewshire experience also shows the positive effect securing buy-in and engaging key individuals can have. A series of multi-agency meetings were held to develop the project and address the underlying issue - young people with mental health issues presenting at GPs who knew the cases were not clinical but had no support services they could refer them to. One of the partners described engaging the GP clinical lead in the project development process as a key moment as it showcased a successful service (that had been piloted) that could provide GPs with a support option for young people with mental health issues which they knew were not clinical. The clinical lead then played a key role in “selling” the proposed service to other GPs. The engagement of CAMHS was also described as significant as it demonstrated how the Family Wellbeing Service could reduce inappropriate CAMHS referrals, thereby reducing some of the demands they were facing.

“[The public sector partner lead officer]’s vision and ability to bring partners with them on the journey has been key – it’s such a different way of working. The whole approach has been innovative and brave. Brave in the sense that statutory services tend not to be keen on innovative services or ways of working”. Third sector partner.

“That commitment from the start makes you feel like you are personally invested in this”. Public sector partner.

Learning:

- The strength of partnership working in the demonstration projects has been one of the most striking features to date.
- The projects have secured the involvement of key senior staff and elected members. The contract and the Project Boards appear to have been important contributors to this.
- The benefits of the SBF model help maintain partner commitment when challenges arise.
- The independent funder can have a positive role facilitating good relations among partners.

Recommendations:

- SBF Guidance is updated to reflect the above learning on the importance of building and maintaining partnership working.
- TRT may wish to consider using the forthcoming Reflect and Learn session with stakeholders to inform specific guidance on key factors in partnership working in the SBF model.

Support from the funder

2.33 A number of consultees from both the public and the third sectors identified the nature and extent of support provided by The Robertson Trust, and the William Grant Foundation in South Ayrshire, as an important factor in implementing the SBF model. In addition to significant financial investment, the funders have been hands-on throughout the process attending (and where necessary chairing) meetings, providing guidance and contract templates as well as feedback on proposals, and explanation and advice in-person or via email and telephone. Some consultees highlighted funders' expertise on the model which helped overcome challenges as the main benefit of this support. Other consultees highlighted the benefits of an independent broker during negotiations. TRT also ensured independent support was available to help partners develop SMART success criteria and to capture learning via the programme evaluation which will help shape the rollout of the model in the future. Consultees did not report any instances where the funders had not supported the process or their support had not been helpful.

"The Trust has been really helpful, they have examined our proposals with forensic detail and the process has not necessarily been easy but there is genuine trust between partners including The Robertson Trust. They have been so helpful, they could not have been better". Third sector partner.

"Robertson Trust is enormously open, reflective and gives added value to the partnership". Third sector partner.

Learning:

- Public and third sector partners welcomed the nature and extent of support provided by the independent grant funders during the development of their projects.
- In addition to significant financial investment, key elements of the support were attending/chairing meetings, and providing encouragement, guidance, feedback and expert opinion throughout the process.
- The programme evaluation is capturing valuable learning about the model which will help inform its rollout.

Recommendations:

- SBF Guidance is updated to outline the nature and extent of support provided to date by independent grant funders to ensure similar arrangements are given due consideration by other funders.
- Other independent funders adopting the model ensure resources are provided to fulfil the support role.

Flexibility and boundaries of the model

2.34 Although the SBF model is generally quite prescriptive, its application in East Renfrewshire has shown that it can be applied with a degree of flexibility to suit local circumstances. Most

notably this occurred with the addition of a codicil to the contract setting out changes to the success criteria. Partners in East Renfrewshire also welcomed the flexibility shown by TRT to include a six-month lead-in or mobilisation period to enable the project to recruit staff with the right skills and experiences and to begin to engage the GP practices.

- 2.35** The South Ayrshire experience has provided useful learning on the boundaries of the SBF model, specifically the circumstances required before it can be applied. Here, as described earlier in this report, following lengthy discussions a pilot period is planned to allow partners to gather evidence which will inform success criteria and suitable targets. The interim arrangements are set out in a MoU and partners are committed in principle to using the SBF model if the pilot achieves its goals.

Learning:

- A codicil can be used to amend the contract if required, for example, to revise the success criteria where justified and supported by partners.
- A short mobilisation period can be built in to the project timescale to allow partners to establish the service.
- A degree of flexibility can be applied to suit local circumstances if the essential elements of the model are retained (i.e. the implementation of an evidence-based service, and use of a legally binding contract that commits a public sector partner to sustain the service if mutually agreed success criteria are met).

Recommendations:

- SBF Guidance is updated to reflect the above learning around the flexibility and boundaries of the model including the option of using a codicil to update the initial contract and a lead-in period to enable the service to be established.
- TRT considers developing an initial checklist of essential / preferable conditions to help organisations considering use of the model to assess whether it is a realistic option. For example, the checklist could help establish if: 1) a specific need has been identified, ideally by providers and the public sector, 2) a potential solution has been identified that has a robust evidence base, 3) the public sector partner is likely to sign a legally binding contract to sustain the project if success criteria are met, 4) there is a commitment to partnership working, 5) there is initial support from senior managers and political figures.

Sustainability

- 2.36** TRT developed the SBF model with the aim of improving the sustainability of public services delivered by third sector organisations. The early evidence suggests that the model is building-in sustainability to the commissioning process and, as discussed earlier, the inclusion of a legally binding contract has been key. The model has forced partners to have difficult discussions about sustainability at the outset which they reported tends not to happen until closer to the end of the project, if at all, in other funding models such as Social Impact Bonds. Although the demonstration projects have not yet reached the stage where the public sector’s commitment to sustainability has been tested, the early signs are encouraging.

“I like that it discusses sustainability right from the start. It makes sense. This is about spending to save and I think it is good to have these conversations at the start”. Third sector partner.

2.37 Sustainability is directly linked to positive outcomes in the SBF model. It was noteworthy that the MCR Pathways project, which pre-dated the current demonstration projects, was sustained by Glasgow City Council after the first year's results were found to be very positive and without reaching the end of the three year trial. Based on discussions with partners in one of the demonstration projects, it is possible that a similar situation may occur if evidence shows the systemic change desired, and funding, is available before the end of the trial period. As well as providing lessons on sustainability, the above further demonstrates that the SBF model can be flexible.

Learning:

- The SBF model forces partners to address sustainability at the outset in a way that other funding models such as Social Impact Bonds tend not to.
- Partners may seek to sustain the service before the end of the demonstration period if success is evidenced and funding is available.
- Services with an identifiable benefit to public sector resources (financial or non-financial) may be more likely to be sustained by public sector partners.

Recommendation:

- SBF Guidance is updated to reflect the above learning regarding the benefits of the model in sustaining services.

Transferability

2.38 The William Grant Foundation is the main funder of the South Ayrshire project and this is the first time the SBF model has been adopted by an independent funder other than TRT in the UK (the Ferd Foundation in Norway, in partnership with Oslo City Council, is also using the model). The William Grant Foundation has taken a pro-active and inclusive approach in South Ayrshire which the other partners provided positive feedback on. The Foundation reported that the process has been a learning curve and it has been very helpful to have TRT, and the audit/evaluation team, to call on for support and advice when required. Although there have been challenges in South Ayrshire they are not, in our view, related at all to the model being implemented by an independent funder other than TRT. This suggests that the model is transferable and could potentially be applied by other independent grant funders.

2.39 Although there is evidence that the SBF model is being successfully applied in the demonstration projects, this should not necessarily be taken as evidence that the model can be replicated widely, in our view. Rollout by funders should be selective as factors such as clarity of purpose, strong partnership working and the involvement of senior managers and elected members appear to be particularly important in the model's successful application. We recommend SBF Guidance is updated to outline the importance of conditions such as those listed to the application of the model. Some consultees made similar observations.

“The strength of relationships have been key here and they aren't necessarily transferable. So much work has gone on in the background with councillors and the Chief Exec and partnership working is really strong here, with buy-in from senior staff. These conditions have enabled Social Bridging to be developed. I'd say to the Trust, be careful not to create a false positive that it has worked here therefore it will automatically work elsewhere - transferring a rigid model is not what you want to do”. Public sector partner.

“At this early point, I would say to others not to underestimate the challenge in

getting this going". Public sector partner.

Learning:

- Support from TRT, and the audit/evaluation team, has helped application of the SBF model by another independent grant funder in the UK. The model is also being trialled in Norway.
- The SBF model is transferable and could potentially be applied by other funders.
- However, the success of the model as a tool to bring about change is reliant on a number of key factors being in place.

Recommendations:

- TRT consider how the emerging findings influence the roll out of SBF by the Trust and other independent funders.
- SBF Guidance is updated to reflect the above learning around transferability particularly the importance of factors such as clarity of purpose, strong partnership working and the involvement of senior managers and elected members.

Political considerations

2.40 Political considerations have emerged as a noteworthy issue in the demonstration projects. All three areas have secured elected members’ support to sustain the projects in future years if the success criteria are met. The process involved individual and group discussions with elected members to brief them on the project and the implications of using the SBF model. This achievement should not be underestimated given the financial challenges facing the public sector and the complexities of local politics. Several consultees noted that securing political commitment to fund a project in the future was even more notable as the timescale spans local government elections planned for 2022 that could lead to a change in administration. This led some consultees to identify political change as a risk that could still test the strength of the SBF model in the future.

2.41 A separate political consideration arose in Dundee due to the sensitivity of the project and the publicity this generated. The City Council’s political administration remained very supportive of the project despite questions from some local and national politicians. The experience demonstrates the potential for political considerations to influence the development and implementation of services supported by the model. While the issues in Dundee centred on the nature of the project, not the use of the SBF model, the implications for the model are still important given the need for political support particularly at the outset and at the end of the demonstration period. Dundee stakeholders acknowledged TRT’s support in developing clear messages about the service to try to avoid or minimise further negative media attention.

Learning:

- Political considerations are important in the development and implementation of services supported by SBF.

Recommendation:

- SBF Guidance is updated to reflect the learning that political considerations are important including the possible need for a proactive approach to engage key political figures to provide leadership, aid buy-in and combat any negative publicity around sensitive proposals.

Auditing and evaluation

- 2.42 Independent auditing of the success criteria is an integral part of the SBF model. It is intended to verify that the third sector partner has achieved the measures of success agreed at the outset which would then enable the public sector partner to confirm future funding to sustain the service. Discussions with partners from the three demonstration projects, particularly those in South Ayrshire, confirmed the importance of the auditor's role and also highlighted a need to clarify what exactly the auditing process will, and will not, involve. We recommend SBF Guidance addresses this issue and further detail is provided in section 3. As highlighted earlier in this report, the involvement of the independent auditor in the setting of success criteria is beneficial and can help ensure the criteria are fit for purpose.
- 2.43 The South Ayrshire project has provided some very useful learning about the evidence that some public sector partners may look for and whether this can be met by independently audited success criteria. More broadly, this is very useful learning about the conditions required before the SBF model can be applied. The challenges agreeing success criteria in South Ayrshire were outlined earlier in this report and led to the situation where the project is currently at a preliminary stage which may lead to the use of the SBF model in the future. Before committing to sustain the project, South Ayrshire Council stated they would want to assess its implementation as well as its impact. The Council proposed a comprehensive independent assessment/evaluation of the project including qualitative research to gather feedback from staff and beneficiaries (pupils and their families) at the two schools. However, qualitative research does not lend itself to inclusion as a success criteria because of its subjective nature of the findings. This led to discussions between the South Ayrshire partners, TRT and the programme evaluation/auditing team regarding the inclusion (and compatibility) of independently audited success criteria and an evaluation in the SBF model. The inclusion of success criteria in the SBF model was, as far as we are aware, intended to negate the need for an evaluation however the South Ayrshire experience suggests this may not be the reality for some. One suggestion in South Ayrshire was incorporating a clause in the contract that enabled South Ayrshire Council not to proceed with the service in the future if either school objected based on the qualitative evidence gathered. This issue has not been resolved and will require further input from all parties during the pilot phase.

Learning:

- The scope of the role of the independent auditor is not clearly understood.
- The involvement of the independent auditor in the setting of success criteria is beneficial to ensure the criteria are fit for purpose.
- The SBF model involves the implementation of an evidence-based service. Challenges around evidence and success criteria may indicate conditions are not right for the use of the SBF model, at that time. A pilot phase may be necessary before the SBF model can be applied.

Recommendations:

- TRT consider how the emerging findings regarding the importance of a mutually agreed evidence base influence the roll out of SBF by the Trust and other independent funders.
- SBF Guidance is updated to clarify the role of the independent auditor including the benefits of their involvement in the setting of the success criteria.

3 Implications for the rollout of SBF

3.1 This section discusses implications for the rollout of the SBF model arising from the emerging findings. We highlight below implications for public sector partners, The Robertson Trust, other independent grant funders, success criteria auditors, and third sector partners.

Public sector partners

3.2 Section 2 provides learning across several aspects of the SBF model which should be useful for any public sector partner considering use of the SBF model in the future. Of all of the issues covered, two stand out as being key:

- Clarity of purpose – based on emerging evidence from the three demonstration projects and the two projects that pre-dated them, clarity of purpose from the public sector partner appears to be a vital ingredient. Ideally, the public sector partner will have identified that existing services are not fully addressing a specific need and recognised that the development of a new evidence-based service will benefit participants and public services/finances. Where these conditions are in place buy-in appears to be particularly strong and success criteria can be developed to capture this dual impact.
- Ownership of the success criteria – it is clear that the public sector partner has to take ownership of the success criteria for the SBF model to work. It is the public sector partner that is committing to sustain the project through additional funding at the end of the trial period and they need to be clear how they will judge success. Success criteria should relate to benefits for public services/finances as well as participants, if that is going to be a factor in whether the project is sustained or not.

The Robertson Trust

3.3 TRT has plans to roll-out Social Bridging Finance in the future and the emerging evidence from the demonstration projects suggest the model is working and can be applied in different circumstance. The complications in South Ayrshire, particularly those around the success criteria, auditing and evaluation may be worthy of further consideration to discuss the implications for the model and its application. More broadly, the learning to date has implications for the SBF Guidance and support provided by the Trust.

SBF Guidance

3.4 We welcome TRT's plans to revisit the guidance to ensure the learning from the evaluation is fully captured. At this stage, key revisions should include:

- Emphasising the two points made above regarding clarity of purpose and ownership of the success criteria by the public sector partner.
- Providing more detailed advice on the setting of success criteria. As suggested in section 2, revised text on success criteria could: 1) make reference to the three broad types of indicators used to date; 2) suggest indicators are reviewed using the SMART assessment; and 3) include examples of good and poor indicators.
- Outlining procurement options including confirmation that the research and development route will not be challenged by other third sector organisations.
- Explaining the role of the independent auditor and the auditing process (see below).

Support

3.5 To date, TRT has provided quite extensive hands-on support, from several staff, to partners looking to implement the SBF model. In two of the three demonstration projects this has included significant additional support from the audit/evaluation team regarding the success criteria. As the SBF model is rolled out, demand for support will increase which the Trust will need to be able to meet. Revised Guidance should help address some issues however there may also be staffing implications for the Trust.

Other independent grant funders

3.6 TRT has aspirations that the SBF model is applied by other grant funders and the South Ayrshire experience is particularly interesting as it shows that the model can be applied by funders other than the Trust. However, this is the only example in the UK so far and the South Ayrshire experience benefited greatly from the way the William Grant Foundation approached the task. The Foundation demonstrated a detailed understanding of the model as well as appropriate skills and experience to maintain progress in the face of the challenges that arose. Ideally these attributes will be held by other funders looking to implement the SBF model however, this is not something TRT can control (or should seek to). Other independent grant funders will also need to consider if and how they will provide the level of support TRT and William Grant Foundation have provided partners to date.

3.7 There is also a danger that the fidelity of the model is not maintained the more it is used, as was the case with the rollout of PSPs, in our opinion. Some programmes such as Positive Parenting Program (better known as Triple P) and approaches such as Social Return on Investment (SROI) have used trademarks, registration and certified training to maintain fidelity. The Trust has not indicated a desire to adopt a similar approach for the SBF model and we do not advocate it does, mainly because it could be counterproductive and curtail its use. Instead we suggest the Trust continues their current approach of detailed guidance, hands-on support, and dissemination, informed by emerging learning. In addition, the Trust may wish to consider a quality assurance system to ensure the fidelity of the model is maintained. Such a system could involve a light-touch, self-assessed approach based on a checklist of key factors that must be evidenced, or a more rigorous approach involving external assessment to ensure compliance with the model; there would clearly be resource implications for both approaches.

Success criteria auditors

3.8 The auditing of success criteria will be a crucial element of the demonstration projects in future years. It was apparent during our discussions with partners that the auditor's role was not clearly understood. A verbal overview of the role was provided and the following table summarises what we anticipate the role will and will not entail.

Table 3 – Success criteria auditing	
Included	Not included
<ul style="list-style-type: none"> Reviewing a sample of evidence gathered by partners to measure the success criteria such as anonymous client records, beneficiary surveys, or feedback forms. Reviewing the accuracy of databases or spreadsheets used to collate evidence. Checking to ensure analysis undertaken by partners to evidence success criteria is correct. 	<ul style="list-style-type: none"> Primary research to collect evidence required to measure the success criteria. Analysis of information required to measure the success criteria. Primary research with partners or beneficiaries to assess the implementation or impact of the demonstration project

- 3.9 The above may have implications for partners if it does not match their own expectations. Any changes to the above would also have implications for the Iconic/GCU team.
- 3.10 More broadly, rollout of the SBF model will need to factor in how the auditing role will be delivered and paid for in other projects. For example, where grant funders support more than one SBF project will the success criteria auditing be provided by one organisation acting across all projects or commissioned on a project-by-project basis?

Third sector partners

- 3.11 There are no direct implications for third sector organisations arising from early evaluation findings compared to the public sector, TRT and other funders. Nonetheless, the findings should still be of great interest to third sector organisations. At this stage, we would emphasise that the SBF process is likely to be more time consuming for third sector partners than other approaches. The contractual arrangements and success criteria have the potential to be the most time consuming aspects. The upside of the model, particularly the built in commitment to long-term funding, were commented on very positively by the third sector partners involved in the projects to date.

4 Conclusions

- 4.1 This Initial Report has presented findings from the first phase of Iconic and GCU's evaluation of the Social Bridging Finance model and its implementation in demonstration projects in East Renfrewshire, Dundee and South Ayrshire. Overall, the emerging evidence suggests the model has potential to enhance the long-term sustainability of preventative services delivered by the third sector.
- 4.2 The emerging findings from the demonstration projects, discussed in section 2, have produced significant learning covering many aspects of the SBF model. The model's main appeal, reported by both public and third sector consultees, was the opportunity - enabled by external funding - to implement a preventative service, while retaining existing services, and generate evidence that leads to the service being sustained by the public sector beyond an initial trial period. At this stage, key drivers appear to be: 1) clarity of purpose at the outset including identifying the need for a service that will, ideally, lead to benefits for participants and public services, 2) strong relationships between the public and third sector that are built on mutual understanding and trust, and 3) the involvement of senior staff and elected members who are invested in the project and committed to its success. Support from TRT was also helpful in providing expertise and brokerage to partners in the demonstration projects.
- 4.3 The uniqueness of the SBF model is the requirement for partners to sign a legally binding contract that commits the public sector partner to sustain funding for the service if mutually agreed success criteria are met. The emerging findings suggest that the contract is an initial filter rather than a deal breaker once detailed negotiations have taken place insofar as public sector partners that are unlikely to sign a contract may discount the model as a feasible option quite early in the decision making process. This means that where project development progresses, the contract has not been a significant barrier. More broadly, procurement has not so far been a major issue in the three demonstration projects. However, based on a discussion with another public sector organisation that had considered use of the model, it may be an issue for other authorities and we recommend that TRT seeks to provide clear guidance on this important issue.
- 4.4 The emerging findings have shown that the success criteria are a critical element of the model. Reaching agreement on the indicators and targets can be relatively straightforward as was the case in Dundee. However, it can also be time consuming and challenging as it was in South Ayrshire, and to a lesser extent East Renfrewshire. An existing evidence base, attention to detail, and external support helped overcome most of the challenges in the demonstration projects. It is clear, in our view, that the public sector need to own the success criteria as they are committing to fund the service in the long run if the success criteria are met. Interesting learning emerged in South Ayrshire regarding the importance of implementing a fully evidence-based service as challenges agreeing the criteria (particularly the targets) resulted in a pilot phase being introduced to generate evidence. The evaluation found no evidence of 'gaming' the success criteria which TRT raised as an area of interest at the outset of the study.
- 4.5 The South Ayrshire experience demonstrated that the SBF model has the potential to be implemented by an independent funder other than TRT as it has been led by the William

Grant Foundation. Experiences in East Renfrewshire, demonstrated that the SBF model can be applied with some flexibility whilst retaining the core elements of the model.

- 4.6 The implications arising from the emerging findings and learning were discussed in detail in section 3 and apply to all stakeholders - public sector partners, The Robertson Trust, other independent grant funders, third sector partners, and the success criteria auditors. The points raised will also be relevant to our ongoing evaluation of the SBF model including the forthcoming Reflect and Learn workshop with TRT and other stakeholders. TRT may also wish to consider how the emerging lessons can be shared with a wider audience for example through an information session or workshop, in addition to their continued presence at conferences and development of online resources.