



SIBs and Care Leavers FAQ

Outcomes

1. How was the list of outcomes developed?

The list of outcomes reflects government ambitions for care leavers. In [Keep on Caring](#), the refreshed cross-government care leaver strategy published in July 2016, we set out the five ambitions we have for care leavers and that includes enabling them to access education, employment and training. *Keep on Caring* was informed by consultation with groups of care leavers. The outcomes also reflect the ambitions that we have for all looked after children and care leavers. The list of outcomes were also developed and amended following the workshop with the sector on 24th November 2016.

2. Why hasn't the Department gone through a co-design process to set up the list of outcomes?

Through this process we welcome proposals and suggestions on the rate card from potential bidders. We are also open to receiving suggestions around the specific outcomes that we could track and link to payments. We haven't gone through a formal co-design process because we are clear on the outcomes that we want to achieve for young people leaving care. We know that the high NEET rate for care leavers is a long-standing problem with 40% of 19-21 year old care leavers NEET during the year ending 31 March 2016. We are clear that we want to support them into sustained education, employment or training and that is the main focus of the list of outcomes.

3. Every young person is different. How can the list of outcomes and rate card be used to reflect individual need?

As set out in the brief we will work with you over the coming weeks to develop a rate card that will work across a range of cohorts and contexts. We want to develop a rate card that provides a 'menu of options' that providers, LAs and social investors can choose from to best reflect individual needs and progress.

4. What's up for discussion? Can projects challenge (or change) the policy focus?

No, projects cannot challenge or change the policy focus. We are committed to focusing on supporting care leavers into employment, education or training.

5. How have young people's voices influenced the design of the programme?

Young people were involved in the development of *Keep on Caring*, the refreshed cross-government care leaver strategy, that announced our intention to use a social investment approach to support care leavers into education, employment and training. We also invited young people to speak at the event on 24th November 2016 to hear their views and perspective.



6. What regional or geographical spread are the Department looking at?

Our ambition is to test approaches in different locations and contexts across the country. We don't have a specific list of areas where we want to run SIBs and will award funding based on the quality of the bid.

Payment mechanism

7. At what point in the process will payment trigger outcomes be decided? Will this be decided alongside projects or set as a single framework before application?

We expect to decide which outcomes trigger payments and the level of payments, after the next workshop we are holding on 20th February 2017.

8. What sizes of projects are expected? How much are Department looking to fund?

We expect each project to work with 75-100 young people. Outcomes will be funded via the Innovation Programme which has £200 million available over this Parliament. We have not set funding limits because we want to encourage creative bids from a range of organisations. We will make funding decisions based on the quality of the bid.

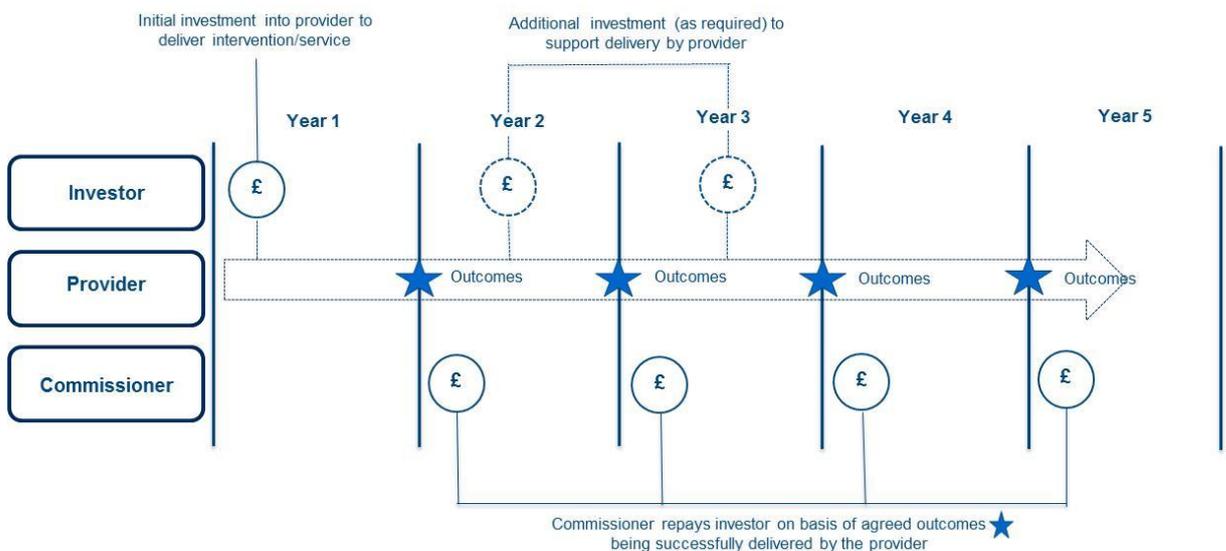
9. Does the draw down of money have to be through a Local Authority?

Yes, the draw down of money and outcomes payments need to be through an LA.

Social investment

10. What is a social impact bond?

A social impact bond (SIB) is a funding mechanism that allows a Voluntary, Community or Social Enterprise (VCSE) organisation to deliver a payment by results contract.



As shown in the diagram above, the social investor provides upfront working capital for a provider to support beneficiaries achieve predetermined outcomes. The commissioner then pays out for the outcomes that are achieved.



11. Why was a SIB structure chosen?

SIBs have already been used successfully to improve employment and education outcomes for young people considered to be at risk of becoming NEET. We believe that there is significant potential to build on this experience to improve the way that care leavers are supported as they make the transition to adulthood and independent living. The aspects of a SIB funded programme that we believe are particularly relevant include:

- the financial mechanism and outcome framework incentivise and reward positive outcomes
- supporting innovation and the adaptation of practice and services to ensure that positive outcomes are achieved
- embedding active multi-stakeholder participation
- building the evidence base for interventions that work to support care leavers into education, employment and training
- providing value for money.

12. Who are social investors and how do we find and engage with them?

Social investors are investors who expect to receive both a financial and a social return on their investment. Social investors can be individuals, institutional investors, dedicated social investment funds and philanthropic foundations, who invest through their endowment. A list of UK social investors can be found on the [Good Finance website](#).

13. Is there an 'ideal mix' of investment?

No. The exact level of investment will vary according to the nature of the programme and organisations involved. Some VCSE may choose to provide some of the investment themselves rather than relying 100% on external social investors.

14. What is the role of brokers/intermediaries?

Social investment intermediaries can play different roles across the process from design and development of the intervention through to facilitation of the partnership, securing investment and ongoing performance management of the contract.

15. How do I know if my idea is investible by a SIB?

When thinking about your idea and proposal it can be helpful to consider it through the following five lenses. At the point of submitting an EOI you are unlikely to have met all aspects but you should be confident in achieving readiness in all areas by the time you are ready to contract and start delivery.

- **Outcome readiness** – the idea has specific and measurable outcome targets and progress indicators as set out in the policy brief that can be tracked and evidenced.
- **Impact readiness** – there is a clear theory of change or logic model behind the chosen activities and how they lead to the target outcomes which gives investors and commissioners confidence in the likelihood that it will work for the specific care leaver cohort. This theory of change may be supported by the provider's own track record of delivery, or you may be able to point to evidence from a similar programme delivered elsewhere.



- **Partner readiness** – key delivery, referral and other partners are ready and willing to work together over the period of the programme. Partners are open to working and collaborating in a different way and are signed up to the key principles set out below.
- **System readiness** – ability to recruit, train and retain staff in time for programme delivery. Operating systems such as referral mechanisms, data collection, data sharing agreements in place.
- **Economic readiness** – the total operating costs, management costs and investor returns combined is less than the expected outcome payments.

16. What are the criteria for a successful SIB?

The emerging research into SIBs suggests similar success factors to other partnership based, or collective impact, programmes, namely:

- **Shared vision of success** with clearly defined outcomes that the programme is setting out to achieve.
- **Buy-in** at all levels from frontline staff and care leavers to programme managers to strategic and system leaders.
- **Trusted working relationships** between all partners and stakeholders.
- **A solution focused mindset** with a willingness to continually adapt activities and ways of working in order to achieve the outcome. This may mean stopping previously accepted behaviours or taking on a different role.
- **An outcomes framework** that incentivises the behaviours you want to see happen and provides indicators of meaningful progress towards the long term EET outcomes and service experience for beneficiaries.
- **Outcomes focused performance management** with regular flows of relevant data between the front line and strategic governance to understand what progress is being made and why.
- **Continuous learning** with contextual feedback loops including beneficiary participation. This should complement the quantitative outcome data and enable you to continually challenge assumptions and improve delivery.
- **Exit plans** for what happens to the participants and the service following the end of the programme.

Evaluation

17. Do we need a baseline?

Bidders should have a clear understanding of the current outcomes that their target cohort of care leavers are achieving or are likely to go on to achieve.

18. How will the projects be evaluated?

A key aim of the Innovation Programme is to have a transformative impact on the children's social care system beyond the individual projects that it funds. With that in mind we are in the process of revising our evaluation strategy to take a more thematic approach with a tighter focus on testing interventions, their outcomes and costs and benefits. We will work with projects to ensure they have a robust, proportionate and focused evaluation.

We will share further information about evaluation and monitoring at the next stage of the process.



Sustainability

19. What will happen after the funding period? Are services recommissioned?

After the funding period we will expect LA commissioners and other relevant stakeholders to consider whether they want to recommission the service(s) and/or intervention.

20. What is in it for local authorities?

As the corporate parent for care leavers local authorities have a duty to ensure that they go on to have successful outcomes in the same way they would their own children. This wave of funding is an opportunity to trial new ways of supporting care leavers.

21. Do applications have to include a local authority? Where would a non-LA organisation start in developing a proposal?

Yes. A list is available of the Local Authorities who have registered interest in this funding round and we would encourage VCSE providers and other interested stakeholders to reach out to them in the first instance. Full applications from local authorities will be expected to have identified VCSE providers and social investors.

Innovation Programme process

22. What happens once an EOI is submitted?

Interested parties who submit EOIs corresponding to the policy briefs will be invited to a solution generation event. This will involve challenge and support from peers and coaching from appropriate specialists. Participants will then have the opportunity to work up their final bids before submitting them to the Department.

23. Will proposals be disadvantaged if they have not had previous involvement in the Innovation Programme? Or if they have?

No. We are interested in proposals which are innovative and which match the criteria set out in the policy briefs, regardless of whether or not bidders have been involved in the programme before.

24. Is funding only available to opportunity areas, as named by the Secretary of State?

No. Local Authorities and organisations from across the country and from across the private, public and voluntary sectors can all apply for funding. Successful bids will meet the criteria listed in the policy briefs and will not be restricted by geography.

25. Can an organisation submit more than one bid?

Yes. You will need to demonstrate that each of the bids is deliverable (i.e. that you have the capacity to deliver each of them). If you are submitting more than one bid, it would be helpful if you could submit them at the same time.



26. When do you expect projects to start?

We expect funding to be available from the start of the 2017/18 financial year. We recognise that projects might not be able to begin straight away to allow time for set-up.

27. How long will funding be available for?

Funding is available for outcomes that are achieved in the financial years 2017/18, 2018/19 and 2019/20. We will also consider proposals where outcomes payments are expected to extend beyond March 2020, but no payments may be accrued or paid by the Innovation Programme after March 2020. We expect projects to run for at least 12 months.

28. How much funding is available?

Successful SIBs and Care Leavers projects will be funded via the Innovation Programme which has £200 million available over this Parliament. We have not set funding limits because we want to encourage creative bids from a range of organisations. We will make funding decisions based on the quality of the bid.

29. How will funding decisions be made?

Funding decisions will be made in a transparent way against the criteria set out in the innovation briefs. The Department will take the advice of the Innovation Programme Investment Board on which projects to fund. Final decisions will be taken by Ministers.

30. Who can apply for funding?

Local Authorities and organisations from across the private, public and voluntary sectors can all apply for funding. We are keen to have a mix of organisations involved.

31. Employment outcomes take a long time to achieve, why doesn't the Innovation Programme commission payments when they actually take place?

This is a pilot programme and we are unable to fund outcomes beyond 2020. Where bidders believe that support is required over a longer period of time to sustain outcomes they may wish to consider involving an alternative co-commissioner to provide payments in later years.

32. What ongoing support will The Department provide?

DfE will continue to work closely with potential bidders in the Spring to develop proposals and once the projects are running. The DfE delivery partner, Spring Consortium, will provide individual coaching support and challenge to bidders developing proposals and later to successful projects.



33. Should determining outcomes be part of the design processes during set-up phase? To what level of detail should ideas be developed before a proposal is submitted?

For the EOI stage we recognise that ideas and partnerships will not be fully worked up or agreed. However, we expect local authorities to have identified the cohort of care leavers they want to work with and be working with them to define appropriate target outcomes.