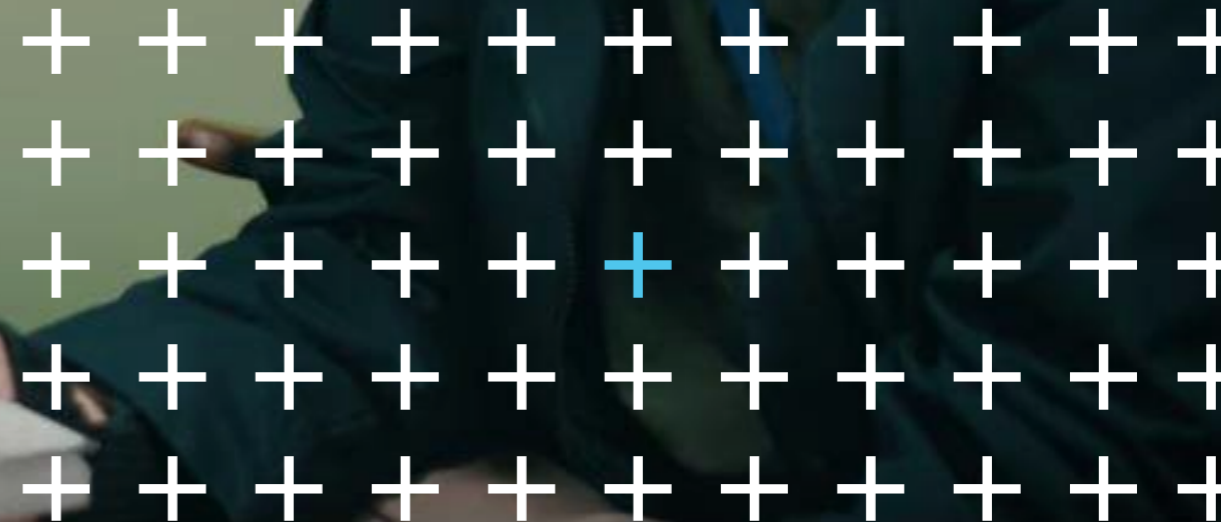


An investor's perspective on how to create an investible transaction

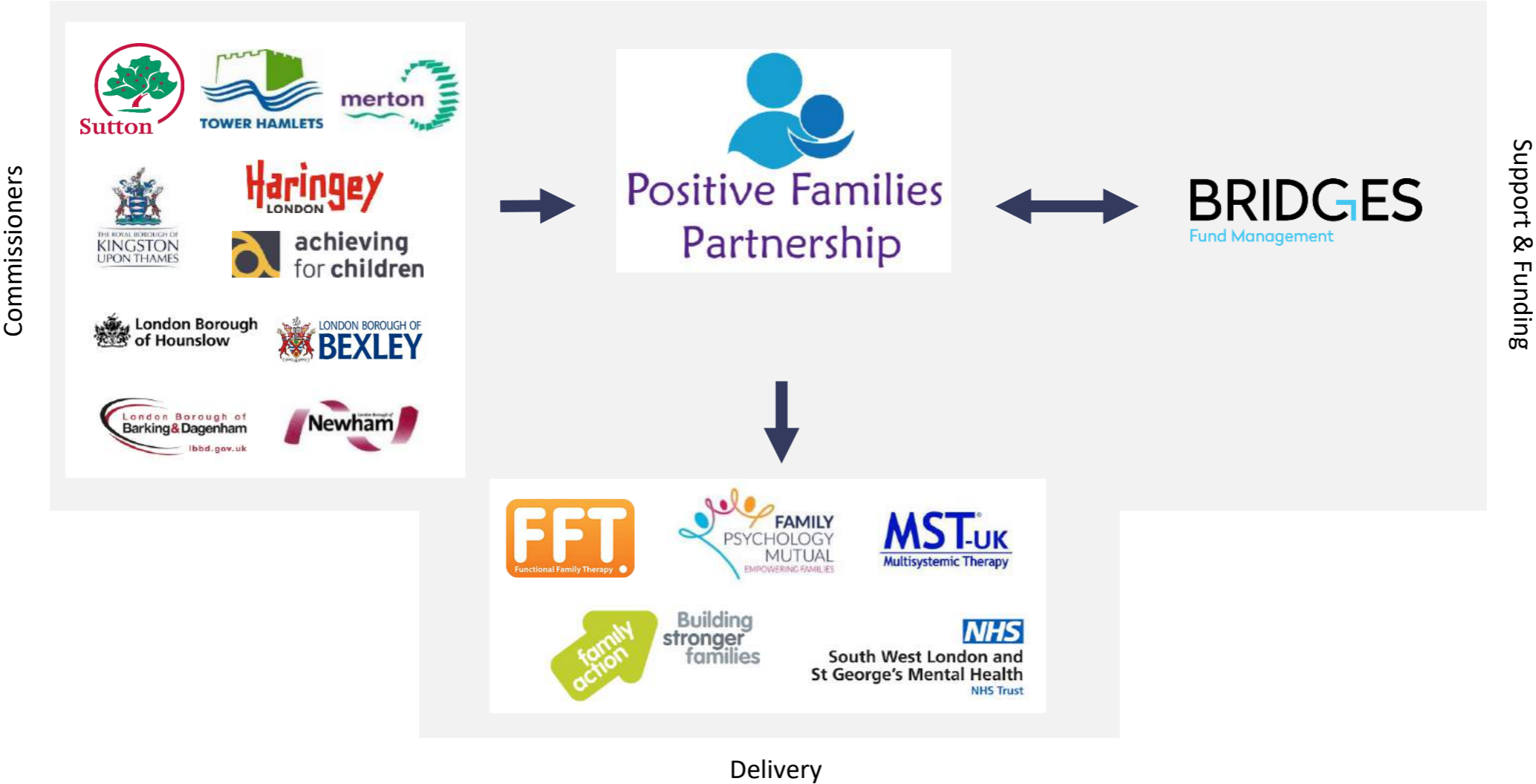
Impact Bond Working Group
Mila Lukic, Bridges





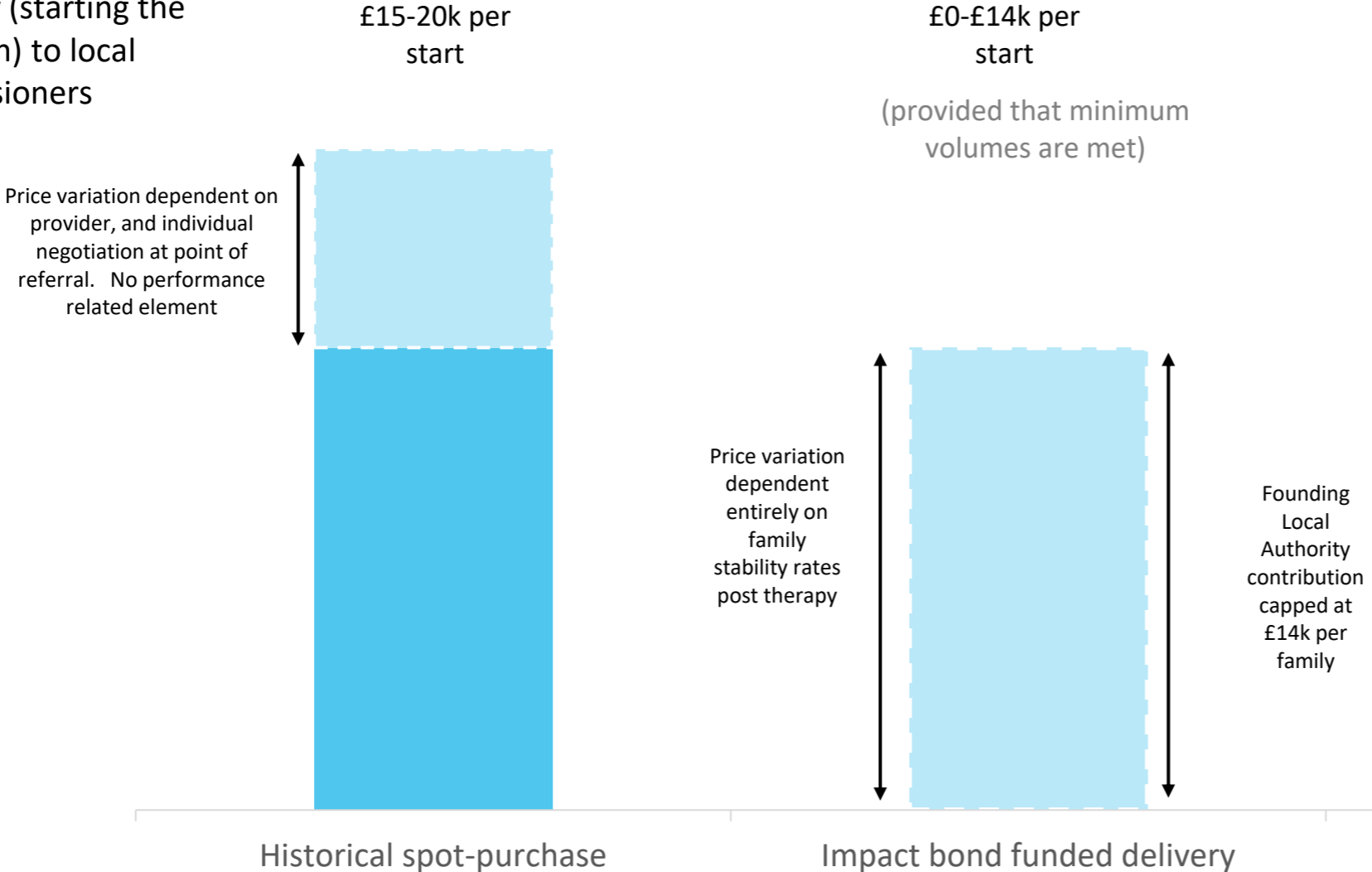
Positive Families Partnership - Case Study: Sarah

Positive Families Partnership delivery has doubled in size within 18 months of go live and is now delivering to 10 London boroughs



High quality family therapy made available to local councils, for families identified by social services as being at risk of breakdown

Cost per family (starting the intervention) to local commissioners



All SOC costs are fully inclusive of transaction costs, setup costs and any return to 'investors'

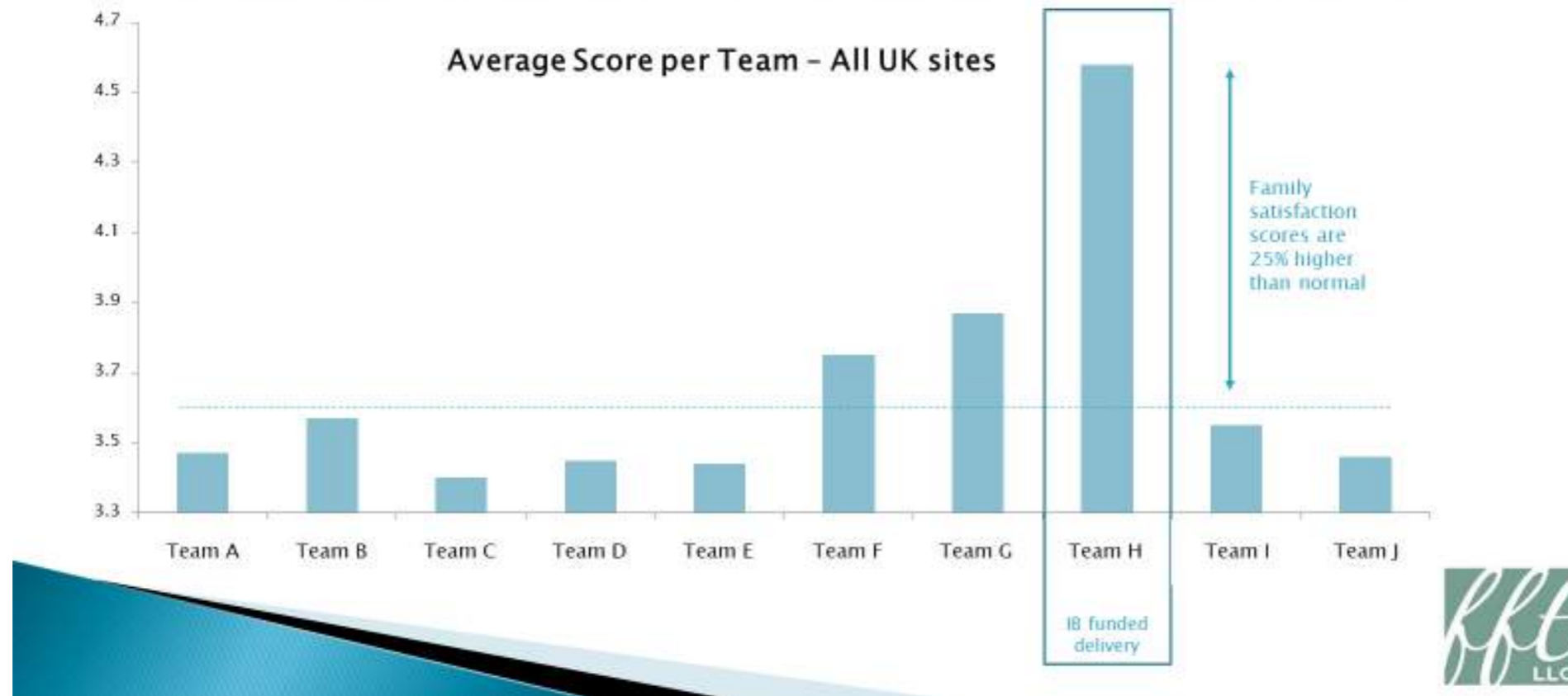
Actions to improve the effectiveness and efficiency of a Family Therapy service

- Therapist recruitment (terms, organisations, etc)
- Setup costs
- Clinical supervision
- Therapist utilisation – maximise flow of appropriate referrals
- Therapist utilisation – blend of therapies to increase suitability of offer for maximum range of families
- Team utilisation – additional therapist to mitigate turnover / absence / sickness
- Economies of scale – multiple boroughs (initial 5 now scaled up to 10)
- Efficient performance management through a small internal dedicated performance team

Positive Families Partnership's family satisfaction outcomes are 25% higher than the average across all FFT teams in the UK (including London)

Client Outcome Measures

Parent and young person self report: averages per team (0-6 scale)



Investors who supported the development of this powerful market to date
We have raised £60m to provide working capital for Social Outcomes Contracts, since 2012

Investors are supporting opportunities where we can deliver impact while achieving improvements in effectiveness and efficiency.



So what are the important features?

1

Structure
enables
scale

2

Design
enables
choice

3

Voice of the
family is front
and centre

4

Best in class
delivery staff
is
empowered

5

Data and
analysis
enables
better
outcomes

Positive Families Partnership brings together London boroughs and 3 delivery partners

This structure creates scale, and brings stronger management than previous spot-purchase arrangements

Key features enabling scale

- **Pan London Impact Partnership agreement** between **5 founding Boroughs** (Sutton, Tower Hamlets, Bexley, Merton, Newham)
- **Clear procurement leadership** – one Borough leading the procurement on behalf of all founding Boroughs (Tower Hamlets)
- Procurement and agreement set up in a way whereby the **contract is open to all London Boroughs**
- **Clear governance** set up in the central contract and the Pan London Impact Partnership agreement with a responsible lead Borough (Sutton)
- **Dedicated central team** within Sutton managing the partnership
- New boroughs joining via **individual accession agreements (templates prepared)**
- As a result 5 additional Boroughs joined the partnership within the first 16 months – **partnership doubled**

Positive Families Partnership brings together London boroughs and 3 delivery partners

This structure creates scale, and brings stronger management than previous spot-purchase arrangements

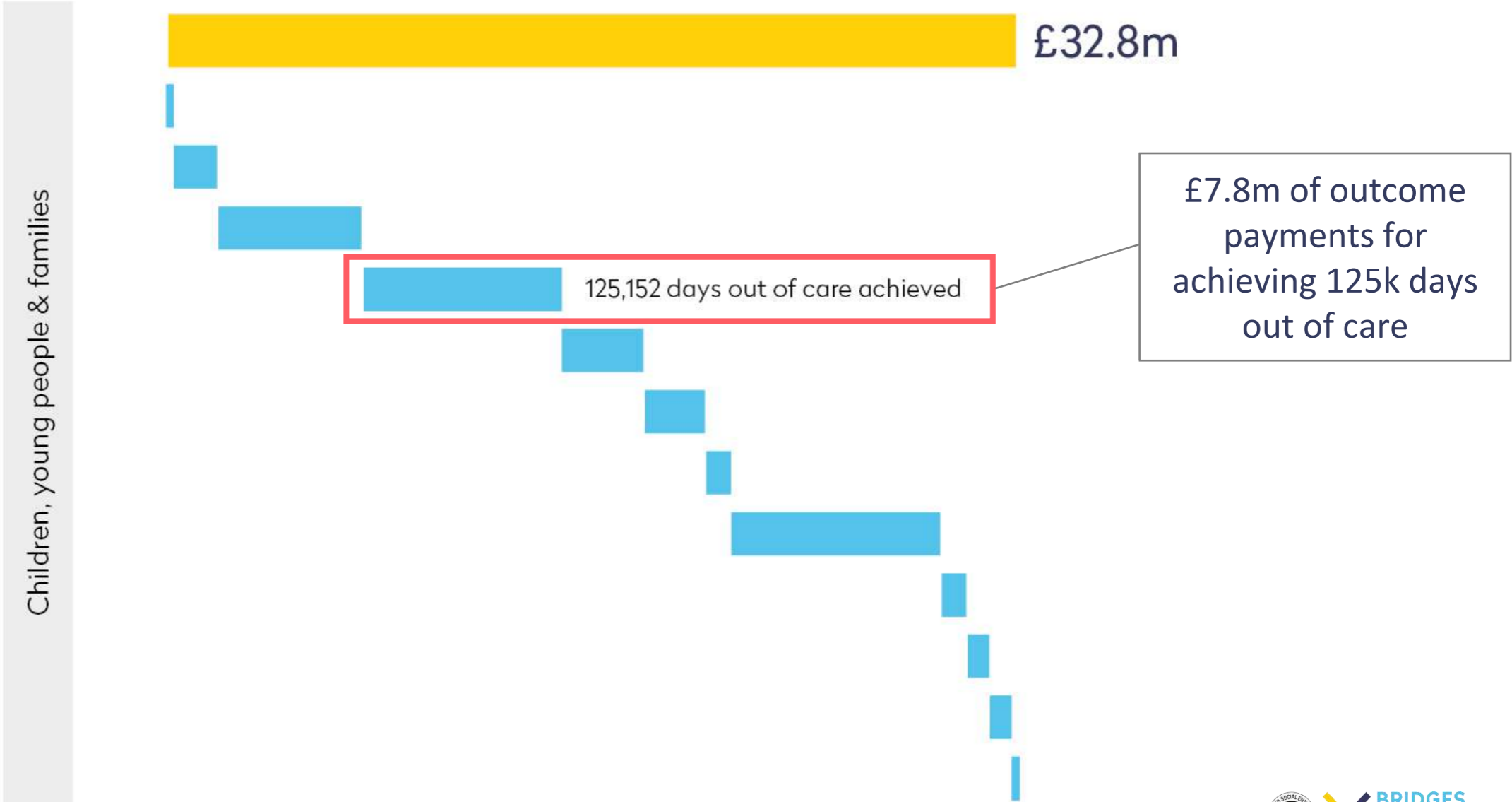
Key features enabling choice

- Pooling of referrals enables scale which can **support multiple interventions**
- **Central assessment** and triaging function
- **Robust referral panel processes** enabling discussion across the continuum of care (ensuring that the right intervention is identified for the family considering all possible choices)
- **Positive collaboration with in house** services enabling this approach









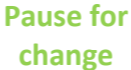





Key features enabling innovation

- **Close** strategic and operational **collaboration**
- **Robust data and analysis processes** driving innovation through feedback loops and clear learning
- **Regular reviews** within the full partnership and individual Boroughs

Family therapy outcomes achieved

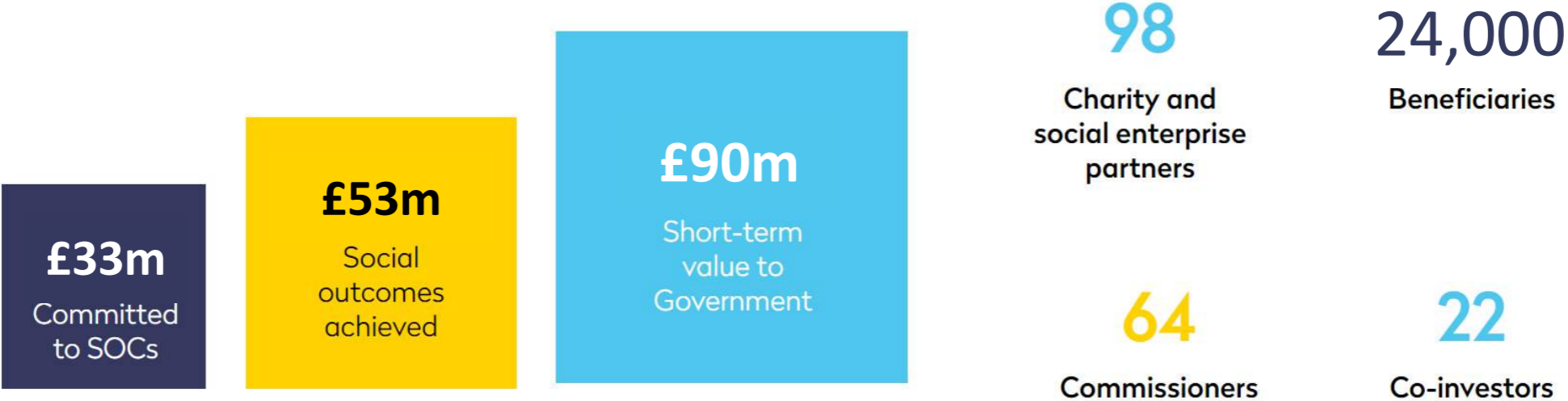


Our approach builds on traditional Government contracting in three important ways:

1	Create more personalised services focused on improving people's lives		
2	Enable delivery teams to continuously innovate and improve their service		
3	Invest in delivery teams to drive better success rates	 	
4	Use data and technology to drive efficiency and innovation		
5	Co-create services with end-users, front-line staff and experts		
6	Involve the local community in the solution		
7	Coordinate with other relevant services		
8	Agree success metrics that drive better outcomes and better value for Government		
9	Ensure participants' voices are heard when evaluating the service		
10	Invest in proper evaluation and knowledge-sharing		



The £53m of outcomes achieved to date are estimated to have a short-term value to government of £90m (as at 30 Dec 2019)



Bridges Social Outcomes Contracts – Direct and systemic impact



Bridges Social Outcomes Contracts – Direct and systemic impact

Better Services Delivered

Number of contracts



Number of beneficiaries

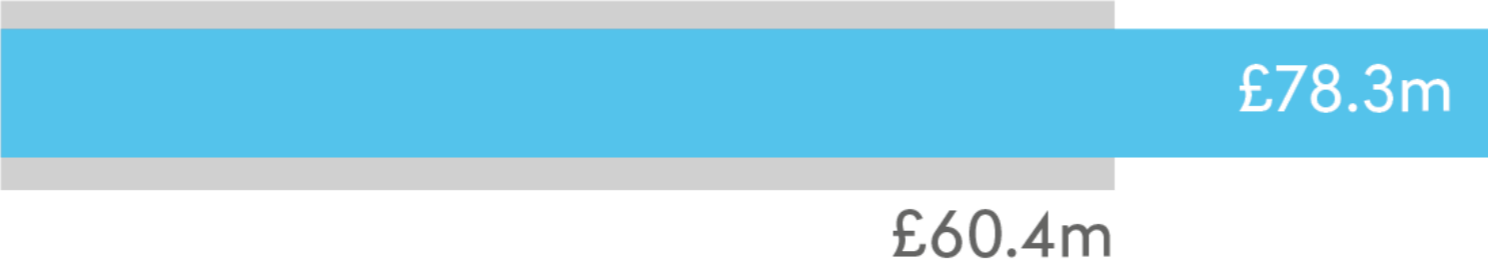


Bridges Social Outcomes Contracts – Direct and systemic impact

Improved Outcomes Social outcomes payments



Short term value to government



Bridges Social Outcomes Contracts – Direct and systemic impact

Market Growth

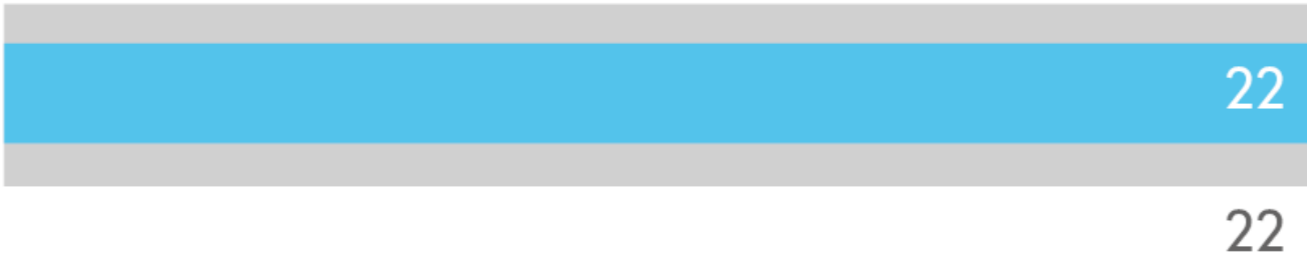
Delivery partners supported



Incremental Commissioners supported



Incremental Co-investors



Bridges Social Outcomes Contracts – Direct and systemic impact

Capacity Built in Delivery Partners Delivery partners winning repeat contracts



Commissioner Interest Multiple contracts launched by commissioners



Appendix

'Social Outcomes Contracts'

Creating an environment for **Flexibility** and **Accountability** in public contracting

Traditional Government contract

- > A minister / councillor wants to address a problem
- > A civil servant researches the issue, and writes a detailed specification for a service
- > An organisation bids to deliver the specification
- > Civil servants audit periodically that the service is delivered according to the specification
- > Payment is made by Government for the inputs defined in the specification (e.g. staff, offices, etc), **regardless of the performance** of the service
- > £7.6m budget, target 400 housed = **£19k pp** if target hit
- > = £38k pp if only 200 successfully housed

Social Outcomes Contract









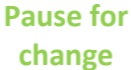





- > A minister / councillor wants to address a problem
- > Civil servants define what success looks like, then invite local experts to design their own service
- > Local teams design a project to aim for success
- > Local team and civil servants work in partnership throughout the project, trialling different ideas
- > Payment is made by Government **if and only if pre-defined success metrics are achieved** – which drives accountability to find effective and efficient solutions
- > £1.8m budget, target 200 housed = **£9k pp payment**
- > = £0.9m total cost if only 100 successfully housed

Positive Families Partnership was launched in 5 boroughs and it has expanded to 10



	Positive Families Partnerships
Launch	2018
Cohort	Young people at risk of being taken into care and their families
Total target beneficiaries	410
Total target outcomes	£5.9m
Starts to date	226 (vs 240 targeted)
Outcomes to date	£1.3m (vs £1.1m targeted)

Our approach builds on traditional Government contracting in three important ways:

1	Create more personalised services focused on improving people's lives		
2	Enable delivery teams to continuously innovate and improve their service		
3	Invest in delivery teams to drive better success rates	 	
4	Use data and technology to drive efficiency and innovation		
5	Co-create services with end-users, front-line staff and experts		
6	Involve the local community in the solution		
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Q&A