



# Social Investment Opportunities in Children's Services

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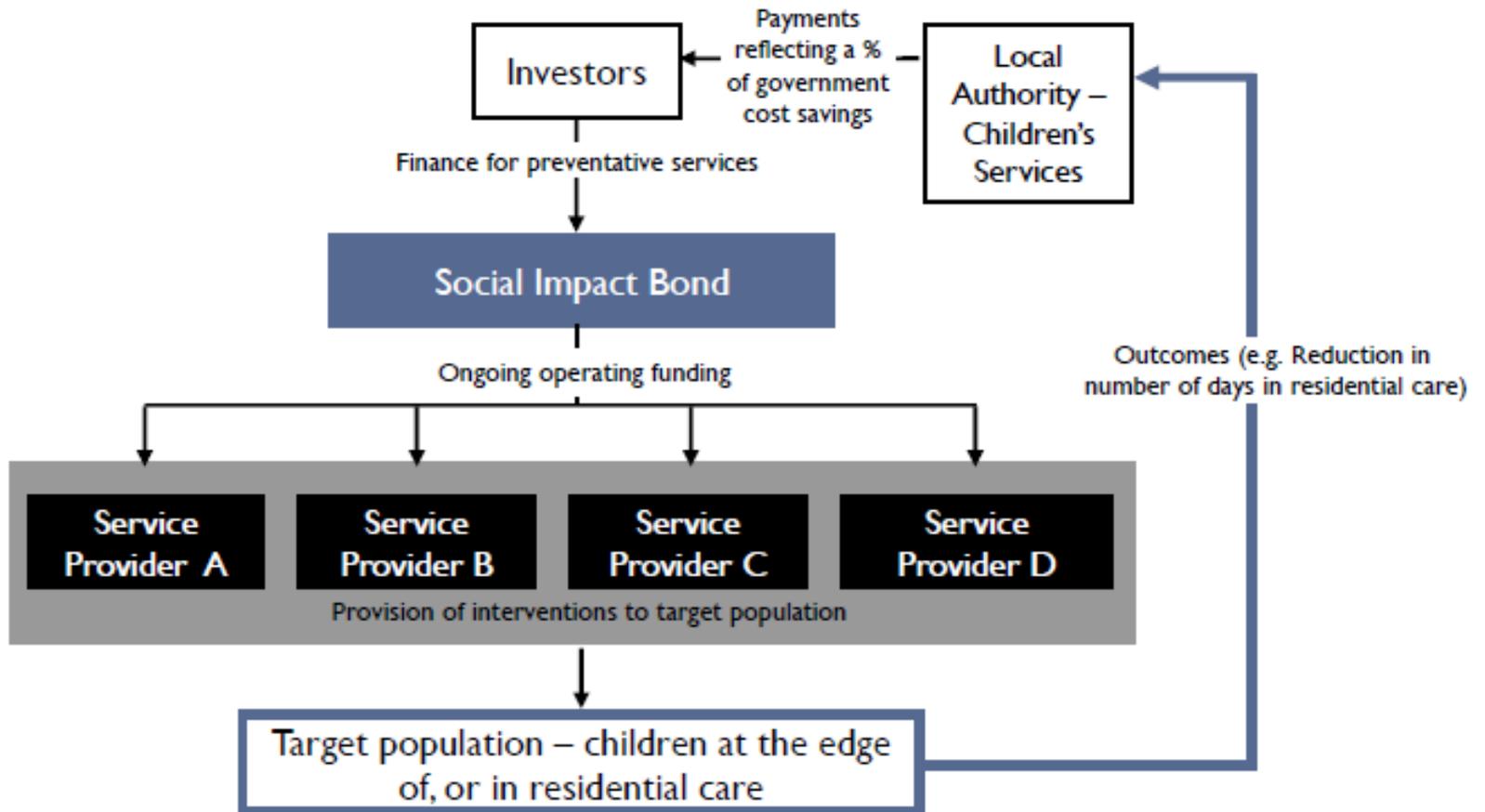
# Social Investment in Havering

- Havering have been working with Social Finance (a not-for-profit organisation) to explore funding interventions for children and families through Social Impact Bonds
- Social Impact Bonds (SIBs) provide the mechanism for private investors to fund innovative projects
- Crucially a SIB protects the local authority from financial risk, if the intervention fails, it is only the investor who loses out
- Social Finance conducted a detailed feasibility study with Havering looking at the opportunities for innovation in our services for looked after children



# What is a Social Impact Bond?

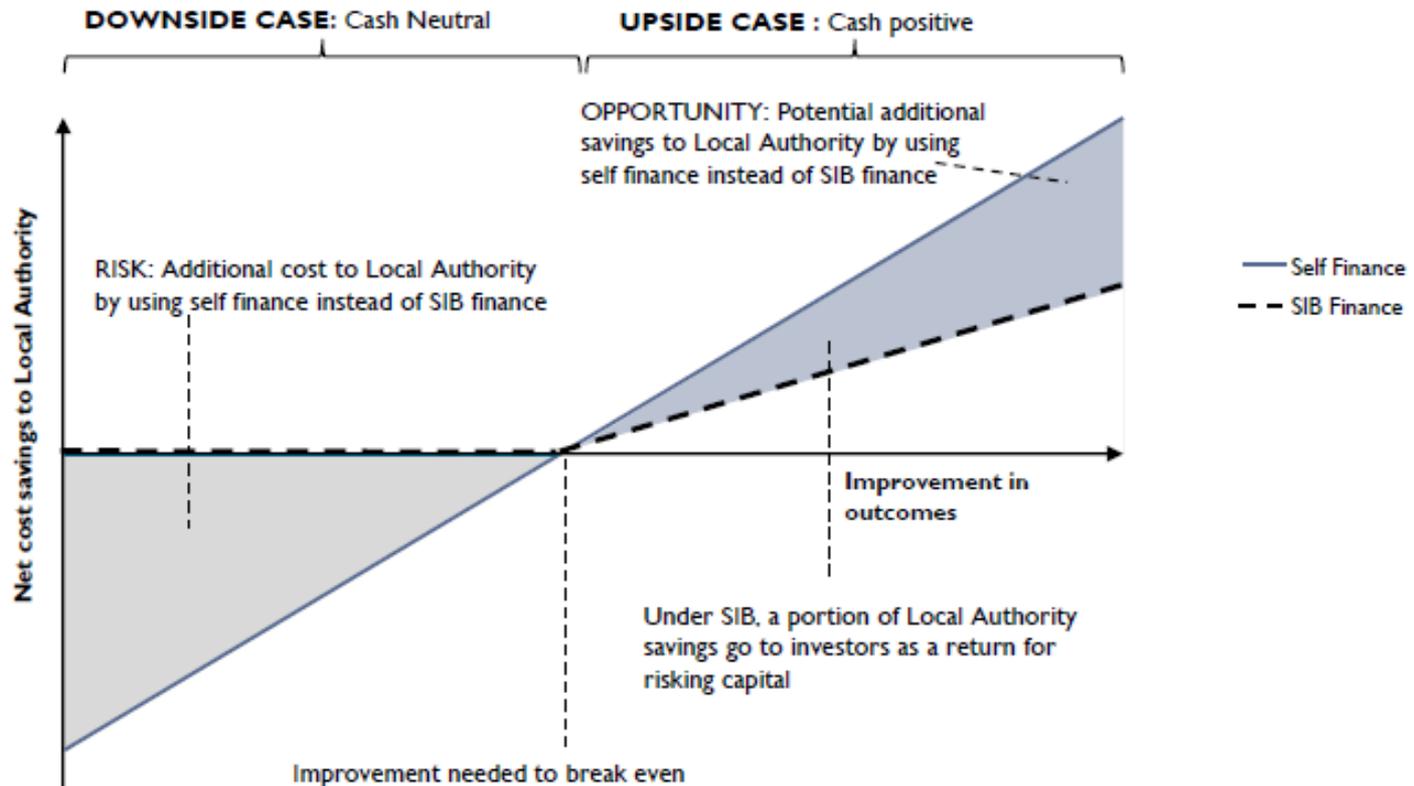
The Social Impact Bond mechanism triggers repayment to the investor when successful outcomes for children in care are achieved





# Why use SIB funding?

Funding through a SIB is more expensive for the local authority, but removes the risk of financial loss if the intervention is not successful

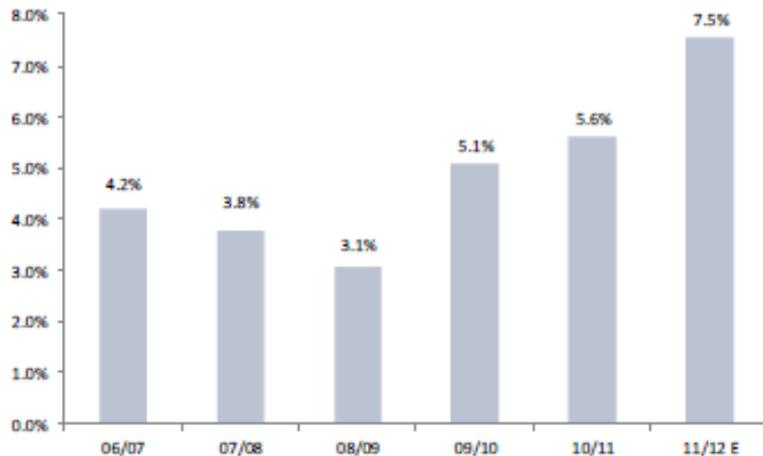




# A Social Impact Bond for Havering?

## We identified that:

- The number of children in residential care in Havering has doubled over the last three years
- For 10 -15 year olds residential care accounts for over half of our spend on placements



% of LAC population in residential placements from 2006/7 until 2011/12

In order to meet the needs of our identified target population of adolescents in residential care we are exploring establishing a Multi-Dimensional Treatment Foster Care (MTFC) unit

MTFC is an evidence-based intervention which works with adolescents with complex and multiple problems to reduce their needs. The aim of the intervention is that adolescents in residential care will be able to be supported in foster care placements in the future



## Next Steps

- We are currently exploring establishing an MTFC unit in partnership with a neighbouring borough
- We are also considering the benefits of spot purchasing MTFC places in an existing unit

## Lessons Learnt

- Understanding your target population in detail and from different perspectives is essential
- Not all interventions would be suitable for SIB investment
- A SIB is an appropriate solution where there is financial risk associated with delivering a new intervention
- Appropriate scale is important to make a SIB viable
- Specialist financial expertise is very beneficial for exploring and understanding new concepts