

* Name of proposal/policy	Increased Use of Social Impact Bonds and New Financing Streams	* Budget number	15-004-25
* Service area responsible	Chief Executive Services	* Cabinet meeting date	14 th February 2017
* Name of completing officer	Emma Gadsby	* Approved by Director / Assistant Director	Paul Blantern
* Version	0.1	* Date	01/02/2017

PART A

* Section 1a: Description of proposal under consideration/development	* Section 1b: Is this new or existing? Does it link to current provision?
<p>By investing in ethical sources of funding and developing a social impact work stream (led by a Corporate Investment Board), we will be able to reduce our costs in the medium term. Options appraised are philanthropic donations, ethical investment schemes and foundation grants. This is based on the successful development in 2016-17.</p> <p>This work will be coordinated centrally and led by the Group Finance Director to ensure consistency of approach, coherent plans and deliverability. The options considered will be Social Impact Bonds, grants from philanthropic foundations and ethical investments. Work on scoping out suitable avenues is already underway in Public Health and Children's Social Care. The aim for the coming year is to expand these initiatives and</p>	<p>For example, Multi-Systemic Therapy (MST) is a proven, evidence-based and clinically supervised programme of work which aims to reduce the likelihood of adolescents and young people having to be taken into care due to relationship strains with their family. This is already in place in Children, Families and Education services, and there is interest from investors to provide funding under a Social Impact Bonds scheme. Whilst this is a service-specific initiative, the same principles would be applied to attracting investment and funding to support services across the organisation and at corporate level.</p>

increase the impact of investments for the whole organisation and over the medium term.	
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*** Section 2: How does this align with the Council Plan/ corporate priorities/ partnership strategies and plans/ Next Generation Council?**

Delivers increased wellbeing and/or safeguarding by ensuring that...	✓
People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities	
People have the information and support they need to make healthy choices and achieve wellbeing	
People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development	
Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure	
Resources are utilised effectively and efficiently, in coordination with partners and providers	✓

Does it align with any NCC/ partnership strategies and plans? (if so, please list below)
NCC Council Plan

Does it support the transformation into a Next Generation Council? (if so, please explain below)
Yes, by signalling the Council's move towards finding alternative funding sources as the funding from central government continues to reduce.

*** Section 3: If this relates to a statutory duty, please give details of the relevant legislation below:**

N/A

Section 4: Have other alternatives been considered?

Current funding arrangements are insufficient in this climate of financial austerity, therefore new innovative financing models need to be identified.

*** Section 5: Financial / resource implications**

a) Costs (e.g. invest to save)

None identified: the work needed will be carried out by existing staff across the organisation.

b) Staffing implications

None

c) Savings

£1.25m

Section 6: Has a similar initiative/proposal been implemented elsewhere? What were the benefits or risks? Are there lessons that can be learned?

THIS SECTION HAS REPLACED THE EQUALITY IMPACT ASSESSMENT FORM AND MUST BE COMPLETED TO DEMONSTRATE COMPLIANCE WITH THE EQUALITY DUTY

*** Section 7: Who will be affected by this proposal? (this may be service user data, or be based on a particular geographical area or more general population data depending on the proposal) Include demographic information where this is available e.g. breakdown by gender, age, ethnicity, disability etc. BIPI can support with the provision of data. You may include staff, partner organisations and any other stakeholders who might be affected by the proposal.**

Data Source (include link where published) and summary of what it tells us for example “X number of people use this service, X are male, Y are female etc”

Why is this relevant to the proposal?

Details of who will be affected will depend on the nature of the work selected to be financed in this way. An assessment of who will be affected will be part of the business case for each proposal.

* Section 8: Based on the above information, will this proposal have an impact on the following? ✓ the relevant box for each line and then expand on the reasons why in Section 9				
	Positive	Negative	Neutral	Unsure
<u>Age</u>				✓
<u>Disability</u>				✓
<u>Gender reassignment</u>				✓
<u>Marriage and civil partnership</u>				✓
<u>Pregnancy and Maternity</u>				✓
<u>Race</u>				✓
<u>Religion or Belief (or No Belief)</u>				✓
<u>Sex</u>				✓
<u>Sexual orientation</u>				✓

* Section 9: Initial impact	
* Section 9a: From your analysis in section 8 above, please explain the positive implications	
N/A	
* Section 9b: From your analysis in section 8 above, please explain why you have assessed any implications as neutral	
N/A	
* Section 9b: From your analysis above, please explain the negative implications	* Section 9c: What actions have you identified to mitigate any negative implications?
N/A	N/A
* Section 9d: From your analysis above, please explain the areas where you are unsure of the impact	* Section 9e: What actions have you identified to fill gaps in information?

<p>At this stage, because we are exploring how and where social impact bonds and other similar funding sources could be used, we cannot make a judgment on how different groups with protected characteristics will be affected. However, the intention of social impact bonds is to secure positive social outcomes, therefore we would expect the impact to be positive once it is clear which groups are likely to benefit from such funding streams.</p>	<p>Establishing social impact bonds and similar funding streams requires a robust assessment of who is intended to benefit and how. Therefore any scheme that the Council enters in to will be thoroughly assessed so that the implications and impacts are clear.</p>
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* Section 10: Internal considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
Staff		
Financial (NCC)	✓	Social Impact Bonds and other innovative funding streams are designed to secure valuable funding for the Council to deliver programmes that promote positive outcomes for people within the county.
Legal	✓	Legal support is likely to be required in the drafting of contracts to ensure clarity around outcomes, performance, risk etc.
NCC Policy		
Performance	✓	Social Impact Bonds have clearly defined performance measures and outcomes to ensure that good performance and delivery of outcomes can be effectively measured to support the subsequent payment by results.
Data quality / information security	✓	Depending on the subject matter of the Social Impact Bonds, it may require the sharing of information and data with the provider who carries out the work. It would need to be part of the contract that they adhere to the strict rules around information security that NCC is bound by.
IT		
Strategic assets		
LGSS / federated bodies		

Procurement		
Project support		
Other (if appropriate)		

* Section 11: External considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
Community impact	✓	Depending on the population group selected for programmes funded by social impact bonds, it may be that a geographical community benefits from such an intervention. Alternatively, it might be a community of interest e.g. young parents, children on the edge of care, people with drug and alcohol problems.
Impact on the consumer (e.g. communication needs, access, rurality, complaints)	✓	Any Social Impact Bond programme would take into account particular issues such as communication needs, access to services, rurality etc.
Reputation		
Political		
Partners		
Human Rights		
Health impact – individual	✓	Depending on the subject matter selected for interventions funded by Social Impact Bonds, it may be that individuals and the wider community benefit from positive health impacts.
Health impact – wider community	✓	
Economic impact - individual	✓	Depending on the subject matter selected for interventions funded by Social Impact Bonds, it may be that individuals and the wider community benefit from positive economic impacts.
Economic impact – wider community	✓	
Community Safety impact	✓	Depending on the subject matter selected for interventions funded by Social Impact Bonds, it may be that there are positive community safety impacts.

Environmental impact		
Consultation		
Other (if appropriate)		

Based on the impacts and considerations above, please identify the RAG status

RAG Status	Overall RAG	Time	Proposal Delivery	Cash Saving	Risk	Issue	Dependency
	Amber	Amber	Amber	Amber	Amber	Amber	Amber

* Section 12a: What are the risks associated with NOT implementing the proposal? (tick if applicable)	✓	* Section 12b: What actions have you identified to mitigate the risks? Will anything in the current arrangements need to be changed to acknowledge this risk? Is implementing the proposal the only way to mitigate the risks?
Non-compliance with legislation or NCC policy		
Financial	✓	<p>SIBs are designed to improve the social outcomes of publicly funded services by making funding conditional on achieving results. Investors pay for the project at the start, and then receive payments based on the results achieved by the project.</p> <p>NCC would need to be spending money on improving social outcomes, and the use of social impact bonds is a way to ensure that money is only paid to the investor if the social outcomes are improved.</p> <p>If SIBs are not used, NCC would have the certainty of paying to try to improve the outcomes, with the risk that the intervention may not work and that the money would not have achieved the desired outcomes.</p>
Change in performance/ data quality/ information security		
Reputational/ Political		
Increase in complaints and/ or legal challenge		

Other		
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*** Section 13: Budget Delivery Programme Highlight Report information – total amount allocated to savings proposal 2017-18 through to 2020-2021; profiled budget; 2017-18 action plan extended savings narrative; cost code information**

Total amount allocated to savings proposal 2017-18			
2017-18 (£000)		1,250	
Impact of saving within the budget profile			
Q1		Q2	
		Q3	
		Q4	
		1,250	
	Milestone	Owner	By when
1	Ongoing work within directorates to identify opportunities for SIBs / alternative funding sources	All Directors	ongoing
Cost code			

*** Section 14: Do you need to undertake further work (e.g. consultation, further proposal development, further equality analysis) based on the impact and actions identified above? If yes, set this out below and then carry out the work and complete Part B:**

This proposal will form part of the overall budget consultation process. Any feedback received (as well as any further intelligence gathered in the course of developing the project) will inform a final analysis of the impact of the proposal which will be considered by Cabinet and Council in February when taking a final decision on the budget. The EqIA will be updated accordingly.

PART B

Section 15: Consultation, follow up data and information gathered from actions identified above

	What does this information tell us?
This proposal formed part of the overall budget consultation process.	We received no comments specifically on this proposal.

Section 16: Final impact analysis (taking the findings from Part B into account) – including review date if required

At this time, the impact has been assessed as neutral because it depends on the work identified to be financed in this way. Individual assessments will be carried out as the proposals are developed. However, it is anticipated that impacts would be positive given that the interventions are intended to be positive.