In-Depth Review produced as part of the independent Commissioning Better Outcomes Evaluation

Positive Families Partnership Social Outcomes Contract: An Indepth Review

Commissioning Better Outcomes Evaluation

COMMUNITY FUND

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Contents

1 Summary

This in-depth review is part of a series of reports being produced as part of the Commissioning Better Outcomes Fund evaluation, commissioned by The National Lottery Community Fund, and undertaken by Ecorys UK and ATQ Consultants. The purpose of this in-depth review is to provide an overview of the design and development phase of the Pan-London Edge of Care Social Outcomes Contract (SOC), and the delivery of the contract up to August 2018. The consultations for this review took place in September 2018 and involved discussions with key stakeholders involved in the SOC, including representatives from the different London Boroughs involved, the Positive Families Partnership, Bridges Outcomes Partnerships, the Greater London Authority (GLA) and Social Finance. The report will be updated in subsequent years to provide an account of the SOC's progress.

The intervention and model

Originally formed by five London Boroughs (LBs), the Positive Families Partnership (PFP) Social Outcomes Contract (SOC)[1] aims to support at least 384 young people aged 10 to 16, through providing access to family therapies (either Multi-Systemic Therapy (MST) or Functional Family Therapy (FFT)), to help families stay together and prevent young people going into care as a result of improved family functioning and/or ability to manage challenging behaviour and relationships. Initial discussions about developing the project began in December 2013, with the service being launched in February 2018. The service runs over three and a half years (due to run to June 2021), followed by a two-year period in which outcomes are tracked (up to June 2023).

The LBs pay for only one outcome, which is that a child remains out of care for seven consecutive days or more, during a two-year tracking period following the intervention. For every seven consecutive days a young person is recorded as 'not in care', an outcome payment is incurred.

The SOC involves a social enterprise prime contractor, called the 'Positive Families Partnership' (PFP), which is responsible for securing the social investment resources, managing the performance of the delivery partners, co-ordinating the delivery and being the main point of contact to the LBs. Bridges Outcomes Partnership manages the investment on behalf of a range of investors. The SOC was originally formed by five LBs (Sutton, Merton, Bexley, Newham and Tower Hamlets), that comprised the Pan-London Impact Partnership at launch in January 2018. Barking and Dagenham, Haringey, Hounslow, Kingston and Richmond subsequently joined the project as commissioners, between summer 2018 and September 2019. Each of the LBs enters a 'collaboration agreement' to form the Pan-London Impact Partnership. There is then a Head SOC between the Pan-London Impact Partnership and the PFP. The Pan-London Impact Partnership is managed by a LB Sutton team that oversees the whole contract management process.

1 'Social Outcomes Contract' is the terminology used by the project team involved to refer to this contract. While in the early design and development of the project, stakeholders referred to it as a Social Impact Bond (SIB), they have since moved away from this terminology, viewing the project as something different to a SIB. From stakeholders' perspectives, SOCs focus on improving delivery and management of established interventions, rather than finance untested or innovative projects (as they view SIBs to be). In particular, SOCs are viewed also to encourage close partnership working between commissioners, delivery organisations and funders, with the intention of reducing risk and increasing performance. There is currently no widely agreed definition of what a SOC entails, nor is there agreement on how it differs from a SIB. This is something to explore further in the CBO Evaluation going forward, but for this in-depth review we will refer to the project as a SOC.

Successes

- Gaining buy-in from commissioners from the early stages of project design, facilitated by the Greater London Authority's convening role in bringing together LBs;
- Having the option of two evidence-based interventions increased interest and buy-in from commissioners, because it allows for flexibility in how a young person and their family is supported;
- Learning from the experience of previous outcomes-based contracts (e.g. SIBs), through Social Finance and Bridges' expertise and knowledge, as well as from other commissioners;
- Having one commissioner in the lead helped to spearhead developments, and create efficiencies in terms of commissioning and contract management;
- Having a mix of delivery partners with different areas of expertise and geographic coverage; and
- Clear communications and processes throughout, with open forums for discussion, and ongoing strategic and operational boards.

Benefits of the SOC

Benefit	How the SOC mechanism facilitates this benefit
Allows boroughs to access a preventative service, and to pay for outcomes through the placement cost avoided	Attaching payments to outcomes rather than inputs means the commissioners only pay once outcomes have been achieved and savings made, meaning they can – in theory – pay for the service out of the savings.
Culture of continuous improvement	There was a heightened focus on performance management, that came in part through attaching payments to outcomes, and also through the introduction of an investment fund manager. This led to the introduction of a Performance Management team from the outset, which ensures a focus on achieving the outcome, using data collection and focus on performance and delivery innovations to achieve these outcomes.

Enabled a model that could be commissioned at scale	Before PFP, some of the London Boroughs co-commissioned MST on a spot-purchase basis, but the model fell apart because of tight economies of scale if a co-commissioner pulled out. It was hard to re-boot without having funding to pay for the model's set-up up-front. The SOC unlocked the ability for multiple commissioners to co-commission a service, have it set up and running, and only pay for the service when it achieved positive outcomes for the young people and families supported (and therefore, in theory, pay for the service out of the savings).

Challenges and disadvantages of the project

- Ideological barriers and potential risk of paying for outcomes of children who might not have ended up in care made it difficult to gain buy-in from key decision-makers across several LBs;
- Verifying whether those who use the service would have definitely gone into care in the absence of the intervention and, have the clinical need for the service;
- Lack of flexibility with the intervention, because of the need for high fidelity to the MST and FFT models; and
- The large number of commissioners involved in the SOC means it can take longer for decisions to be made.

Lessons learnt

- The SOC development process is quite intense; it takes quite a lot of time and commitment and, requires flexibility and responsiveness. Having the GLA take the convener role, and advisory support from Social Finance, helped to facilitate set up;
- Co-commissioning unlocks opportunities, in terms of being able to deliver interventions like MST and FFT at scale, but it is operationally complex, and takes time to develop;
- Operational staff, like social care teams, need to be engaged early on in programme design, and continually throughout the development of the SOC, to ensure buy-in to the service when it is launched;
- Keeping the payment mechanism simple has been important, especially when other elements of the contracting model (such as having multiple commissioners) are complex; and
- It is important to ensure that all social workers understand whether the PFP can offer the right interventions (i.e. MST or FFT) that will help to improve families' lives, as well as what 'edge-of-care' means in the context of the service so that families, who are in the right place to engage in therapeutic support, can do so.

Conclusion

- As one of the few commissioner-led multi-commissioner SOCs in the UK, the Positive Families Partnership SOC is interesting because it can provide learning on how to develop other multi-commissioner projects

- The convening role of GLA was central to the development of the SOC, in terms of gaining LBs' interest and buy-in. Other regional bodies could learn from this experience when encouraging collaborative commissioning elsewhere, in the pursuit of achieving better outcomes

- The contracting model has been designed to be scalable, so other LBs can join over time, and to offer better value. The learning from this SOC is therefore critical when thinking about how to mainstream SOCs in the UK (as their small scale is typically a barrier) where it is justifiable to do so

- Having one outcome payment makes the model simple, which is important when the rest of the model is complex. While there is a risk the focus on one outcome could drive negative behaviours (e.g. focusing on the care outcome and not other wider outcomes), the context in which the SOC is operating in (i.e. children's social care) means that social workers will already be monitoring and managing other measures to assess child and family wellbeing. Additionally, the PFP is collecting a range of wider outcomes data to inform ongoing performance management. However, the extent to which these wider outcomes measures will be held to the same level of scrutiny as the remaining out-of-care outcome will be explored in future in-depth reviews

- All LBs have agreed on minimum referral numbers into the service, although there are no financial implications if they fail to meet these referral numbers. Other SOCs have used minimum referral numbers, because evidence has shown that the project can struggle operationally if sufficient referral numbers are not met. The impact, if any, of having no financial implications for LBs not meeting the minimum referral numbers will be examined in future waves of the research; and

- A notable feature of the project is that it is described by the project's stakeholders as a 'SOC'. Research[2] has highlighted that this terminology is increasingly favoured by a range of parties beyond the Positive Families Partnership SOC, as it shifts focus away from the financial mechanism itself, and more to the focus on innovation in project management and delivery, grounded in strong partnership working. It will be interesting to explore if the purported focus on partnership working (rather than the payment mechanism) has facilitated engagement with other LBs to join the project.

2 Wooldridge, R, N Stanworth, J Ronicle (2019) A study into the challenges and benefits of the SIB commissioning process and the potential for replication and scaling.

2 About this report

2.1 Timescales

As highlighted above, as the consultations for this report took place in September 2018, the figures presented in this report are correct as of that time. It is important to note that since September 2018, the project has progressed and has been re-profiled as other LBs join. For example, the Pan London Partnership negotiated to ring-fence a proportion of the CBO contributions for each of the LBs to fund an independent evaluation. Furthermore, the anticipated cost avoidance benefit described in Section 3.4 has changed to £24.4 million for the high-performing scenario.

2.2 About the CBO Fund

The CBO programme is funded by The National Lottery Community Fund and has a mission to support the development of more Social Impact Bonds (SIBs) and other outcome-based commissioning models[3] in England. The programme launched in 2014 and closed to new applications in 2016, although it will continue to operate until 2023. The CBO programme is making up to £40m available to pay for a proportion of outcomes payments for SIBs and similar outcomes-based contractual models in complex policy areas. It also funded support to develop robust proposals and applications to the programme.

The programme has four objectives:

- Improved skills and confidence of commissioners with regards to the development of SIBs and similar outcomes-based contractual models;
- Increased early prevention is undertaken by delivery partners, including voluntary, community and social enterprise (VCSE) organisations, to address deep rooted social issues and help those most in need;
- More delivery partners, including VCSE organisations, are able to access new forms of finance to reach more people; and
- Increased learning and an enhanced collective understanding of how to develop and deliver successful SIBs and similar outcomes-based contractual models.

The programme is built on a 'test and learn' philosophy, and The National Lottery Community Fund has been adapting the programme as the social outcomes contracting landscape evolves.

2.3 What do we mean by a SIB, the SIB effect and a SOC?

SIBs are a form of outcomes-based commissioning[4] (OBC). There is no generally accepted definition of a SIB beyond the minimum requirements that it should involve payment for outcomes and any investment

3 Outcomes-based commissioning describes a way to deliver services where all or part of the payment is contingent on performance and achieving specified outcomes. The nature of the payment mechanism in an outcome based contract can vary, and many schemes include a proportion of upfront payment that is not contingent on the achievement of a specified outcome, but may be dependent on performance.

4 Outcomes-based commissioning describes a way to deliver services where all or part of the payment is contingent on achieving specified outcomes and performance. The nature of the payment mechanism in an outcome based contract can vary, and many schemes include a proportion of upfront payment that is not contingent on the achievement of a specified outcome, but rather just the performance.

required should be raised from investors. The Government Outcomes Lab (GO Lab) defines impact bonds, including SIBs, as follows:

> "Impact bonds are outcome-based contracts that incorporate the use of private funding from investors to cover the upfront capital required for a provider to set up and deliver a service. The service is set out to achieve measurable outcomes established by the commissioning authority (or outcome payer) and the investor is repaid only if these outcomes are achieved. Impact bonds encompass both social impact bonds and development impact bonds."

SIBs differ greatly in their structure and there is variation in the extent to which their components are included in the contract. This difference underlies the stakeholder dynamics and the extent to which performance is monitored in the SIB.

Stakeholders within the Pan-London project describe it as a Social Outcomes Contract (SOC). In their view, the fundamental difference between a SOC and a SIB is that a SOC focuses on improving delivery and management of established interventions, as opposed to financing and testing innovative, new interventions (as in a SIB).

In addition to there being no generally accepted definition of a 'SIB', there also is no generally accepted definition of a SOC. If using the basic requirements of a SIB a described above (i.e. that it should involve payment for outcomes and any investment required should be raised from social investors), then the SOC would appear to be a form of a SIB.

While throughout this report we will refer to the Pan-London project as a 'SOC', in line with project stakeholders' own description of the project, this perceived distinction between SIBs and SOCs is something that will be explored further in the CBO Evaluation.

For the purpose of this report, and to allow consistency and comparability with other in-depth reviews, when we talk about the 'SOC' and its effects, we are considering how different elements have been included, namely, the payment on outcomes contract, capital from social investors, and approach to performance management, and the extent to which that the component is directly related to, or acting as a catalyst for, the observations we are making about the project.

3 How the SOC works

This section provides an overview of how the Pan London Edge of Care Social Outcomes Contract (SOC) works. It describes the intervention model, the eligibility criteria and cohorts, referral processes, outcomes payments, contracting and investment structures, the business case and driving factors for using a social outcome contracting model.

3.1 The intervention

The Positive Families Partnership SOC was formed by five[5] London Boroughs (LBs) (Sutton, Merton, Bexley, Newham and Tower Hamlets) to support at least 384 young people aged 10 to 16 to help them stay out of care as a result of improved family functioning and/or ability to manage challenging behaviour and relationships. Launched in February 2018, the service runs over three and a half years (due to run to June 2021), followed by a two-year period in which outcomes are tracked (up to June 2023).

The SOC provides young people and their families with access to one of two evidence-based interventions[6]: Multi Systemic Therapy (MST) or Functional Family Therapy (FFT) support. As evidence-based and accredited interventions, both MST and FFT need to be set up and delivered in accordance with the relevant accreditation licencing requirements. These requirements vary between the two interventions, but both generally require having specific roles in a team (such as a supervisor, therapists and an administrator); intensive clinical training; and a consultant to provide regular feedback on treatment plans and to ensure the interventions are consistent with the respective models.[7] Such interventions are sometimes termed 'high fidelity' interventions because they require fidelity to the specified requirements.

In terms of what the specific interventions do, MST works with families with adolescents who display antisocial or offending behaviour across multiple settings (for example, in the home, in the community or at school), and who are at risk of entering care or custody. In this approach, parents are seen as the main agents of change within the family, and therapists develop plans to help parents encourage positive behaviours and target specific problems. Similarly, FFT works with adolescents (and their families) who are at risk of entering care or custody because of antisocial or offending behaviour, but it does not require these behaviours to present across multiple settings. It aims to improve family functioning by reframing members' behaviours in a more positive light. While both interventions appear to be similar in nature, MST is more structured, and can work in cases where young people resist engaging with the process (although this is not encouraged), as the therapist can just meet with parents (whereas in FFT a whole-family approach is needed from the outset). [8]

The interventions usually last between three and five months[9], although there are some differences in the intensity of the intervention. For example, through MST, families receive intensive therapy (generally three sessions per week) for approximately five months, and have 24/7 access to the team. In contrast, in FFT, therapy lasts for approximately three months (although it can be longer, depending on the family's needs) with sessions generally weekly, and families do not have 24/7 access to the team.[10]

5 Originally six LBs were involved, including Hillingdon, but Hillingdon decided not to proceed
6 Evidence-based interventions are practices or programmes that are supported by peer-reviewed, documented empirical evidence of effectiveness.
7 More information on the licensing requirements can be found for:
MST: http://www.mstuk.org/setting-mst-programme/implementation-process ;and
FFT: https://guidebook.eif.org.uk/public/files/pdfs/programmes-functional-family-therapy.pdf
8 CBO full application form
9 For both interventions there is some flexibility depending on families' needs
10 ibid

The eligibility criteria and cohort

The five LBs have committed contractually to refer a minimum of 384 suitable cases over a three and a half year referral period (Feb 2018 – June 2021). This is a minimum baseline and the boroughs are able to refer more than these numbers if need merits it in their respective boroughs. A young person is considered part of the target population if they are:

- Aged 11 to 16 years (though 10 and 17 year-olds can be considered by exception);
- Deemed to be at risk of entry to care.
- Displaying aggressive, anti-social or offending behaviours, with substance misuse or school related problems or are going missing.
- Currently living at home with family, with a main caregiver, or in a short term care placement with a clear reunification plan (three weeks or less) to return home;

The SOC is scalable with provision included for new boroughs to join after contract award via accession agreements. New boroughs accessing the service contract will commit to additional numbers.

Referrals

The SOC model is structured so that the LB social workers make referrals into the social enterprise prime contractor entity (the Positive Families Partnership (PFP)), which manages the delivery of provision. There are a minimum number of referrals that commissioners have agreed to make per year (see Section 3.3 for more details) although there are no financial implications for not making these referrals. The LAs make these referrals based on the Children's Services' practitioners' judgements about the needs of young people, whether their family would benefit from MST or FFT, and the likelihood of the young people going into care. One commissioner highlighted that there is the potential in the future to better utilise data analytics to help predict which young people might be more likely to go into care, but at the point of the first set of interviews, this piece of work had not been fully developed.

Referral pathways differ to some degree across Pan-London boroughs and, where possible, utilise existing edge-of-care panels. All referral pathways share the following characteristics:

1

Consultation clinics or surgeries are provided (usually fortnightly alternating dates with panel meetings) to facilitate discussion of potential PFP referrals with social workers;

2

Where social workers want to make a service request to PFP, they complete a referral form (this is generally consistent across all boroughs with some limited local changes made by some boroughs);

3

Approval of the referral is provided by a local operational lead either before or at a panel (or equivalent) meeting;

4

The referral is submitted to a local panel meeting (or equivalent) for discussion by Local Authority Practitioners and PFP supervisory staff to determine suitability and risk of care; as a result these local panels reject or approve the service request.

5

If the case is deemed suitable, following these meetings, PFP and intervention supervisors decide which intervention will best suit the child separately.

The referral form states a number of inclusion criteria, including:

- Being aged between 11-16;
- If there is a significant risk of care, custody or residential school if problems persist;
- If the young person has at least one of several referral behaviours[11]; and
- If the young person is living at home with an agreed caregiver, or if in care, there is a plan to return the young person home within three weeks of the service starting.

The referral form also states the following exclusion criteria:

- The young person lives independently or a primary caregiver cannot be identified;
- There are current concerns about the young person, related to current suicidal or homicidal behaviours;
- The young person's psychiatric problems are the main reason leading to referral;
- The young person displays problem sexualised behaviour in the absence of other antisocial behaviour; and
- The young person has severe difficulties with social communication, interaction and repetitive behaviours.

11 These include: physically aggressive, verbally aggressive, absconds/goes missing, at risk of/engaging in child sexual exploitation, uses drugs or alcohol, makes threats or harm to others, at risk of criminal exploitation (gang affiliation), experiences poor parental behaviours e.g. neglect, struggles with self-identity, self-harming (but not suicidal) and criminal behaviour.

The interventions have such exclusionary criteria because they are based on a model of family providing the solutions, and are based on the young person's behavioural problems being the main reason for referral (rather than psychiatric concerns, which may be more effectively managed through a different type of support).

One of the challenges of the service so far has been ensuring that there is consistency in the types of referrals that are made by social workers across the different LBs. There has been variation in what social workers have seen as 'edge of care'; for example in some cases referrals have been made where families are already at crisis point, whereas the service should be targeted at those on the trajectory to being in crisis. Furthermore, as mentioned, with MST and FFT, there are certain eligibility criteria. For example, the interventions are not deemed appropriate in cases in which the primary reason for referral is neglect or abuse. One stakeholder's interpretation was that social workers are influenced by the following, when making referrals: different LBs having different tier thresholds for social care support (often driven by greater or more complex demand for services); the source of funding for services and the cost-avoidance business case; and the existence of other services labelled 'edge of care services' in the boroughs and desire to differentiate each service's target cohort.

3.2 Outcomes payment

While the PFP tracks a range of metrics to ensure a holistic understanding of a family's case, the commissioners pay for only one outcome, which is that a child remains out of care for seven consecutive days during a two-year tracking period following the intervention. A case becomes eligible for outcome payment once the service beneficiary has engaged in the service offer for a minimum of 28 days. Outcome payments start to be incurred 11 or 17 weeks after the first family meeting for FFT and MST interventions respectively. The care placement status of these young people is tracked thereafter for two years. For every seven consecutive days that they are recorded as "not in care" during this period, an outcome payment is incurred.

The outcome payment ranges between £200 and £250 per seven-day period and is a fixed value regardless of the type of therapeutic intervention, set at a level which compares favourably with boroughs' average placement costs. Outcome payments are paid monthly with invoices generated six weeks in arrears of the tracking period reported. Claims are made to The National Lottery Community Fund on the sums paid on a quarterly basis.

- Social Finance, who undertook the business case for the SOC, did some early work to estimate the counterfactual (that is, in the absence of an intervention, estimating the numbers of children on the edge of care, who would have not actually gone into care). They examined historical data on the levels of children on the edge of care who did not end up in care, and then calculated the percentage of cases that could be appropriate for MST or FFT. They then used the current data (at the time) and applied these percentages to estimate how many children they expected to prevent from going into care through the two interventions. The business model allows for a certain proportion of young people who would not have gone into care without the intervention, by estimating that the average adolescent suitable for MST or FFT who enters care spends more time than not in care for the rest of their childhood.

- There is a financial cap embedded in the payment structure, which signifies the maximum that the founding five boroughs can pay. This was stipulated by the commissioners when they went

out for tender and is set at an outcome payment equal to a 75% success rate for the first 384 cases (the minimum number commitment for the contract term). Therefore, the founding local authorities are expected to pay less than if they were to commission the service through a fee-for-service model or spot-purchase the therapies for individual families.

- Commissioners were keen to keep the outcomes payments as simple as possible; this was something that they learned from stakeholders involved in the Essex Edge of Care SIB.

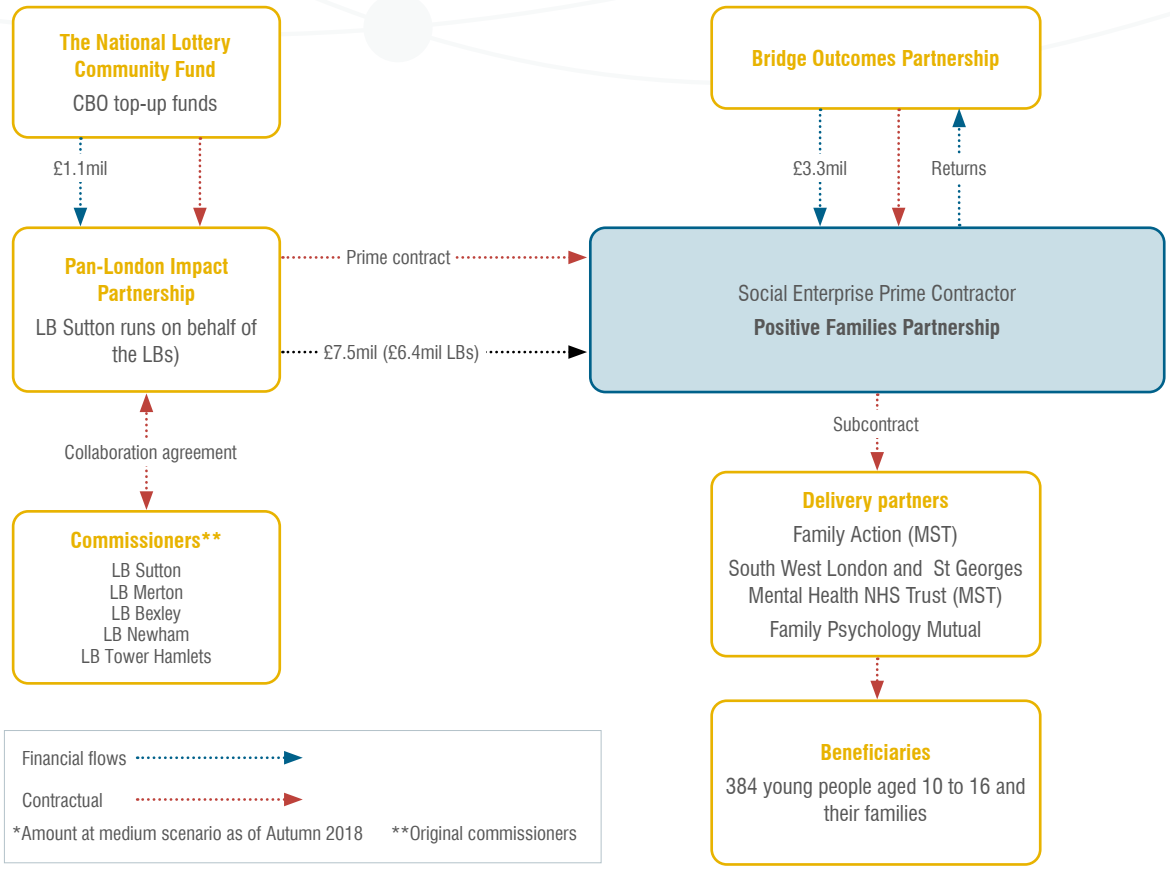
> "The key to a complex relationship with so many commissioners is to really have a very transparent partnership. So as simple as possible and really clear focus on outcomes to achieve that." –Fund Manager

- As highlighted, the PFP tracks a range of other metrics (along with the quality assurance systems for MST and FFT), to provide a holistic understanding of families' progression, but these are not linked to payment. Collecting data on these broader outcomes is important for stakeholders in monitoring the performance of the service, as they want to understand the wider impacts that the service has on their life chances. These broader outcomes for children include: mental health and wellbeing; education; crime, violence and antisocial behaviour; and substance abuse.[12]

12 These outcomes are ones observed to be achievable through MST (http://www.mstuk.org/evidence-outcomes) and FFT interventions (https://guidebook.eif.org.uk/public/files/pdfs/programmes-functional-family-therapy.pdf)

3.3 The contracting and investment model

Figure 3.1: Positive Families Partnership SOC contracting and investment model



Source: Interviews and CBO background documentation

Contracting model

Figure 3.1 above provides a summary of the contracting model for the SOC. It shows that the PFP is the social enterprise prime contractor. The PFP is responsible for:

- Securing the social investment resources to fund the service (from social investors);
- Managing the performance of the delivery partners (see below);
- Co-ordinating the delivery; and
- Being the main point of contact to the local authorities (LAs).

At the time of the interviews, there were three members of staff employed by PFP: a programme director, a performance manager and a data analyst. These staff run the project management function, but are also overseen by the board, including Bridges representatives.

As mentioned, the PFP holds sub-contracts with three delivery partners; two organisations that deliver MST (Family Action and South West London and St George's Mental Health NHS Trust) and one

organisation that delivers FFT (Family Psychology Mutual). The three delivery providers are varied in their size, geographical coverage and prior experience. Family Action is a large, UK-wide charity that has had experience working with every London Borough. South West London and St George's Mental Health NHS Trust has had extensive previous experience of MST, but is restricted to working in a specific geographic footprint. Family Psychology Mutual is a small employee-owned community interest company, that is experienced in delivering FFT within a range of different contractual settings. Family Psychology Mutual can offer FFT across the geography.

These contracts are fee-for-service[13], so the providers do not bear any outcome risk, and they are paid monthly by the PFP. However, these providers do have key performance indicators (KPIs) that they must meet. These include: a certain number of accepted enquiries, the length of time between an accepted enquiry to becoming a service user, the length of time between being a service user and starting the intervention, and the attrition rate (i.e. how many young people and their families disengage). If they do not meet these KPIs then some improvement steps (that are developed as and when needed) can be facilitated through the contract and implemented through contract meetings. The three organisations work across two hubs: one in East London and one in South West London, which both deliver MST and FFT. Although therapists are employed by the respective organisations, they refer to themselves as members of the PFP.

Bridges manages the investment on behalf of a range of social investors. Bridges shared high level learning with the Greater London Authority (GLA) in the early stages of the project development (see Section 4) but later responded to the invitation to tender, whereby it sourced the delivery partners and helped create the bid, which was managed by the PFP management team. Contracting the investment manager and delivery partners together was a preferred approach for the LBs, because of the existing complexity of the Partnership, and the intention for it to grow in the future with the accession of new boroughs throughout the contract term. There was no appetite from the LBs to complicate stakeholder management further by trying to engage and manage separate investors and providers (especially when they needed multiple providers to deliver across the vast geographic area). Therefore, it was key to the LBs' decision to have a social enterprise prime contractor model that would bring together the investors and the delivery partners.

As of Autumn 2018[14] the commissioners were the LBs of Sutton, Merton, Bexley, Newham, Tower Hamlets and Barking and Dagenham, with the latter joining in August 2018 after the Positive Families Partnership service had begun delivery in February 2018.[15] LB Sutton is the lead commissioner. A 'collaboration agreement' is in place between the participating LBs, which sets out how each of the boroughs work together and make key decisions, what the data sharing protocols are, how they will work together to achieve the best outcomes for young people and how they will work with the providers. Each of the local authorities pay LB Sutton a set fee each year (£13,000) to provide a commissioning service on behalf of the Pan-London Impact Partnership. As commissioning lead, the LB of Sutton team:

- Represents the Pan-London Impact Partnership in its engagement of, and negotiation with, the provider/investor, The National Lottery Community Fund and the wider social outcomes and commissioning environment.
- Manages and delivers the contract management processes, including, but not limited to,

13 Fee-for-service is a contracting approach, where a commissioner pays a particular sum of money for a service to be delivered. (Derived from: https://dictionary.cambridge.org/dictionary/english/fee-for-service)

14 At the time of the interviews

15 LB Barking and Dagenham joined the SOC in August 2018 after the Pan-London service had begun delivery in February 2018. In terms of the later adopting boroughs (which is not in scope for this report), Kingston and Richmond joined in April 2019 and Hounslow and Haringey in September 2019.

performance management, outcomes data collection, benefits tracking, and financial payment arrangements.

- Manages and facilitates the activity of the Pan-London Impact Partnership Strategic Board to ensure its compliance with contractual responsibilities and its continued development.

To fulfil their role as lead commissioner, LB Sutton appointed a social investment commissioning lead and, later, a project support resource.

The rationale for having a single contract with PFP, as opposed to a framework contract (where each LB would have a separate agreement with PFP), was to reduce administrative and cost burden, as a framework contract would have required significant additional resource from across the Pan-London Impact Partnership.

The participating boroughs of the Pan-London Impact Partnership hold the service contract with the social prime contractor, the PFP. This contract sets out a minimum number of suitable referrals that the Pan-London Impact Partnership as a whole commits to referring. Individual borough estimates are provided in the service specification which is appended to the contract. A separate collaboration agreement is agreed between all participating boroughs and confirms the minimum number commitments agreed by each Local Authority. These numbers were derived from initial research done during the development phase to calculate expected numbers and, were viewed by the LBs as being achievable. The rationale for setting out referral numbers stems from previous experiences of outcomes-based contracts (such as SIBs), where it can be difficult for contracts to become financially viable if commissioners struggle to achieve the referral numbers. This approach ensures that commissioners commit to providing enough referrals for the project to be viable. There are, however, no penalties for not meeting the minimum referral numbers, because Bridges felt that having default penalty payments might potentially prevent the ability to have open communications about the appropriateness of the referral. It was felt that if there was a penalty, the LBs might have felt more inclined to refer young people, even if they were not the most appropriate referral.

There are a number of steps that boroughs can take to ensure that as a partnership, they meet the minimum referral numbers. Shortfalls recorded by individual boroughs in their annual minimum number commitments can be balanced by another borough's higher than committed demand. If none of the other boroughs are able to take on the additional referrals, they can be "traded" with other local authorities outside of the project, through spot purchasing. If this is not suitable, a certain number of referrals (between 5-10%) can be 'rolled over' into the borough's referral target for the next year. Again, however, there is no financial implication for boroughs if they do not – as a partnership – meet the minimum referral numbers.

Governance

There are two layers of governance for the SOC: strategic and operational.

The Strategic Board is chaired by LB Sutton and comprises a representative from each participating borough. Its role is to:

- Provide oversight of the performance of the Contract with PFP;
- Determine, review and approve the strategy for the future management of the Contract with PFP; and
- Review, approve and govern the Collaboration Arrangement between the Authorities relating to the Contract.

The Strategic Board meets on a quarterly basis both as a closed group and with time allocated to meet with representatives from the PFP Board, PFP Delivery Team, MST UK and FFT.

The Operational Board was also originally designed to meet as a Pan-London group with senior operational leads representing each participating borough. Its role was to monitor, facilitate and ensure effective partnership working and successful delivery of services and associated performance outcomes in accordance with the Contract. The Pan-London meeting model was quickly deemed inefficient - operational leads were not able to prioritise these meetings given the time taken to travel to the out of borough meetings – and ineffective – discussing performance metrics at a Pan-London level was not diagnosing borough-specific issues or allowing sufficient discussion time to resolve these issues. As a result, a cluster approach was trialled, comprising an East cluster (Tower Hamlets, Newham, Bexley) and a South cluster (Merton and Sutton), although this suffered similar problems to the Pan-London model. LB Sutton therefore moved operational performance discussions to local borough-specific meetings taking place on a quarterly basis.

The current model of operational review meetings comprises LB Sutton as the commissioning lead, a senior operational lead from the borough (the roles differ across the Boroughs but it is usually the senior social care lead) with optional attendance of the relevant borough Strategic Lead, staff from PFP, and MST and FFT supervisors. LB Sutton chair these meetings. These meetings do not discuss client level information. The objectives of the meetings are to:

- Monitor the performance of PFP against outcome and operational performance indicators in their delivery of the Contract;
- Verify provider compliance with safeguarding and information management regulations and guidance and any other legislative requirement relevant to the service provision;
- Provide a forum for the resolution of thematic, frequently occurring and/or acute operational issues, both concerning service delivery and / or the delivery of contractual duties and obligations by all parties; and
- Problem solve, plan, approve and facilitate the delivery of service reviews and continuous improvement to the service model and partnership working practice.

Investment model

Figure 3.1 also shows the expected flows of investment in the SOC for the five original LBs. Investors (via Bridges) provided over £4.5 million working capital to cover costs for five LBs. The National Lottery Community Fund's outcome payments contributions for the five original LBs are £1.5 million, with the other commissioners (other 'outcome payers') paying up to £6.4 million[16] (in a base/median scenario[17]).

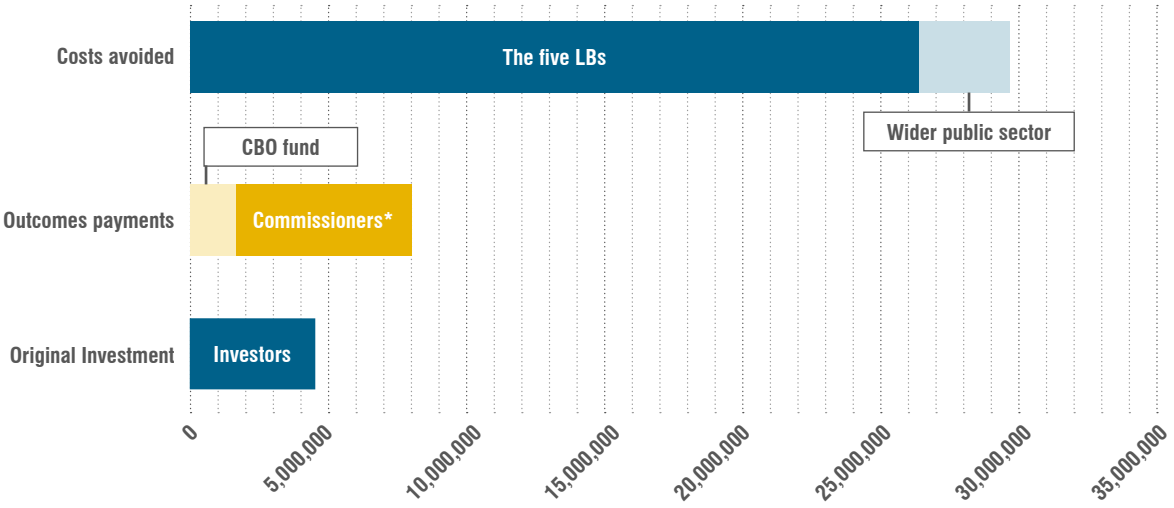
16 Revised to £5.6mil as of November 2019

17 In a 'high' scenario (i.e. where demand surpasses boroughs' minimum committed numbers by 15% and success rates for cohorts referred in contract years 2 & 3 average 75%), the total outcome payments to the PFP are anticipated to be £7.1million.

3.4 The business case for the intervention

For the LBs, the financial case for the SOC seemed relatively clear. With care placements described by commissioners as "extortionately expensive", a preventative service (where young people are diverted from going into care) could likely achieve significant impact and avoid significant costs for the local authorities. Commissioners highlighted that all aspects of care placements are costly, particularly temporary family-based foster care placements (which have a high tendency to break down, thus requiring more placement arrangements) as well as residential placements. The direct placement cost avoidance to the LB commissioners was forecast as £26.5 million initially[18], with an additional £3.4 million in wider public sector avoided costs (for example, future costs in the areas of health, justice, education and the DWP). The chart in Figure 3.2 shows a comparison of the investment, the costs (i.e. the outcomes payments from CBO and the five original commissioners) and savings (cost-avoidance) for the five LBs and the wider public sector.

Figure 3.2: Comparison of the initial investment, the costs and savings (cost avoidance)



Source: CBO Fund data, as of Autumn 2018.
* The five original commissioners

3.5 The driving factors for using an outcomes-based contract

There were a number of interrelated factors for the stakeholders driving the decision to use an outcomes-based contract. These were:

- There was a broader strategic push from the GLA to develop a multi-borough outcomes-based contract (at that point in time, specifically a SIB), to see LBs working collaboratively to develop a Pan-London offer, to identify alternative sources of funding to helping to achieve the mayor's aims for London. The GLA was instrumental in the early phases of development in bringing together key stakeholders from different LBs to start having discussions on the contracting

18 A recent re-profile updated this to £24.4m

mechanism and how it could be used to support collaborative commissioning.

- There was also initial learning available from other outcomes-based contracts, including the Essex Edge of Care SIB model and from the Core Assets SIB in Birmingham, which Bridges could bring learning from. Seeing that the model worked well in these other contracts, the GLA and Social Finance wanted to scale these successes across London. Given the success of the SIB model in Essex, other non-outcomes based contracting mechanisms were not considered in this project.

- A payments-by-results (PbR) model with social investment would enable the commissioners to procure a preventative service, giving the service upfront capital to provide intensive therapeutic interventions that young people would not otherwise be able to benefit from. Some of the LBs had previously funded MST and/or FFT interventions, but due to wider cuts to children's services funding, they had to either stop their preventative services, or look at alternatives to funding them. A representative from the GLA highlighted that a SIB-like model therefore became of more interest to the LBs because they would not have been able to pay for a service unless they were able to avoid the costs of a child entering care later on. Delivering the intervention through a SIB-like model, and a scalable model, would also reduce, for LBs, the cost per family in accessing MST or FFT interventions, versus other contracting approaches. Prior to PFP some of the LBs formed a partnership to spot purchase MST, but as one LB commissioner highlighted, they found that this model of obtaining services was difficult to sustain due to tight economies of scale if a co-commissioner pulled out, and was then difficult to re-boot in terms of finding the up-front cash to fund the service set-up. Therefore, the LBs likely would not have pursued any other forms of contracting approach (especially in the context of the CBO funding, which again made the SIB-like option more attractive).

- Linked to the above point, by having upfront working capital, stakeholders felt that the contract would enable the most fit-for-purpose delivery partners to deliver the service. Stakeholders from both the LBs and Bridges highlighted that none of the delivery providers they thought would be suitable to deliver the intervention would have been able to engage on their own because they either could not take on the financial risk, be able to cover the costs needed to launch the service or cover the geography on their own. By having investors take on the financial risk, the providers were able to focus on what they do best: providing support to young people and their families. Several commissioners highlighted that it would have been difficult to find any delivery providers who would have been able to deliver the interventions through a PbR model. In addition, the requirements of MST and FFT require that providers are no more than one hour's travel time away from clients, further restricting the pool of delivery providers that could deliver across the Pan-London geography.

- For all of the commissioners, the availability of CBO funding from The National Lottery Community Fund was an incentive to undertake a SOC approach for the intervention.

4 Development process and costs

This section provides an overview of the development process and the costs and discusses the enablers and barriers for the overall process.

Table 4.1: Timeline of development process

Year	Month	Activity
2013	December	GLA held round table meeting with seven local authorities from across London (as well as experts from Cabinet Office (who were interested from a social outcomes financing perspective) and Social Finance) looking at opportunities for outcomes-based contracts (e.g. SIBs) in policy areas
2014	March	Proposition to do edge of care outcomes-based contract discussed at Association of London Directors of Children's Services
	May	Larger meeting with 20-30 London local authorities about the focus of the contract being on the 'edge of care' and being a scalable model with governance that allows other LBs to join on an ongoing basis
	July-August	GLA put in an Expression of Interest for CBO fund (which is accepted)
	November	Boroughs further consulted about the project, and confirmed the commitment to the project in 2015
2015	May	GLA, in consultation with Social Finance, drafted CBO development funding bid
	June	Awarded CBO development funding for £150,000
	July-August	GLA procured Social Finance to undertake the development work
	September	Social Finance started the development work
2016	March	Social Finance development work finished – project handed over to commissioners (led by Tower Hamlets)
		CBO Full application made to The National Lottery Community Fund by LB Tower Hamlets
	May	The National Lottery Community Fund offer in-principle award to LB Tower Hamlets

2017	January	LB Tower Hamlets led the provider market day (although all boroughs were involved). They spoke about FFT and MST and had informal conversations with providers (about 30 people turned up).
	March	CBO Final award made by The National Lottery Community Fund
	May	LB Tower Hamlets went out to tender for a social investor and delivery partner partnership
	June	CBO Final award accepted by LB Tower Hamlets
	July	Announcement of appointment of the Positive Families Partnership (PFP), comprising of Bridges, Social Finance, Family Action, South West London St George's Mental Health NHS Trust and Family Psychology Mutual. Standstill on the provider contract until end of July
	August	Six month mobilisation phase began
	October	LB Sutton took over the commissioning lead of the project.
	December	An application to transfer the CBO award from LB Tower Hamlets to Sutton made
2018	January	Contract signed and executed by all parties
	February	Delivery began in all 5 boroughs.
	July	Legal docs for Barking and Dagenham accession signed and executed.
	August	Delivery began in Barking and Dagenham.

Pre-development phase

From the outset, the focus from the GLA was on developing a scalable, Pan-London contract, rather than an outcomes contract specifically in 'edge of care'; by this we mean that the initial focus was on the co-commissioning of the contract rather than the policy area. An outcomes-based contract that could draw in up-front working capital from investors would offer the opportunity for LBs to address complex issues, but achieve scale by partnering up to commission services and pay for a preventative service where the higher care placement costs would be avoided in the future. The GLA initiated discussions on developing a Pan-London SIB, and held a roundtable in December 2013, which explored potential policy areas in which they could form a SIB. Through

these discussions, it became apparent that boroughs' priorities were children in care, and because there was evidence of practice elsewhere for edge of care SIBs (for example, in Essex), there was already a model that could be built upon.

After deciding on the focus of preventative interventions to keep families together, GLA convened a larger meeting with 20-30 (of a possible 33) LBs, and Social Finance presented about SIBs and their experiences of them. Stakeholders highlighted that the meeting prompted quite "feisty discussion" and "reluctance" around the model because people were sceptical about the SIB model as a form of financing public sector provision. In particular, there were concerns from a budget-holding perspective regarding the counterfactual, in terms of actually avoiding later costs by ensuring that the LBs would only be referring children to be supported through the project, who would have actually gone into care without the support. However, there was sufficient positive engagement to warrant continuing with the development of the project. Consequently, the GLA engaged the Association of London Directors of Children's Services, briefed them about the idea and gained their support, whilst also holding further workshops with local authority representatives to gauge interest. Additionally, although some of the LBs had been involved in co-commissioning MST previously on a spot-purchase model, they found this model difficult to reboot due to having to find up-front funding to pay for the set-up of the service afresh. A SOC offered an opportunity to fund such provision in a different and potentially more sustainable way.

Development phase

With six local authorities confirming their interest in the project, in mid-2015 GLA applied to CBO for development funding, which it successfully secured. The grant totalled £150,000. Table 3.2 provides a breakdown of the tasks that were covered by the grant and their costs. The LBs also contributed £12,783 to the initial contract development process.

Table 3.2: Breakdown of CBO development funding grant

Task	Description	Cost
Caseloads and volume calculation	Working out the potential volumes that each borough could refer to the intervention, including establishing the referral points and the impact of various intervention options. It also fed into the design of the metrics.	£50,625
Financial modelling	Bringing together various financial considerations to model scenarios and support discussions regarding tariffs, that were signed off by senior stakeholders	£37,500
Determining tariff and payment mechanisms	Determining a common tariff payment across the boroughs	£27,750
Data analysis to determine costs of adolescents entering care	Analysing historic SSD903 data within each borough to provide an overall cost for a typical care journey, comparing trends over time and across boroughs to develop a counterfactual	£10,940

Selection of preferred edge of care intervention modelling	Completing research into various existing alternative interventions (including MST, FFT, and Triple P) to choose the most appropriate one for the issues that the LBs were trying to address	£11,575
Structuring and governance	Developing a governance structure to deliver the SOC and support scaling across London over time	£6,450
Pre-procurement and pre-implementation plan	Assessing potential delivery bodies for suitability, developing referral agreements and gauging investor interest[19]	£5,160

Source: Commissioning Better Outcomes development funding application

The GLA went through a competitive tendering process and appointed Social Finance to undertake the development work in July 2015. In this role, Social Finance did a lot of groundwork with the six boroughs to look at the suite of existing services, the current and future cohort in terms of demographics and potential referral pathways. They then did some research to investigate which interventions would be most suitable for the needs of the LBs. This research involved reviewing both evidence-based interventions and locally-provided good examples of family support, and speaking with national leads to talk through the interventions and how they linked to the potential cohorts. MST and FFT were chosen due to the evidence base around them, but also because consultations with investors suggested that they would back an outcomes-based contract that used them.

With the interventions chosen, Social Finance then proceeded to develop a legal structure and payment mechanism that would work for multiple boroughs, and then developed a detailed financial model that formed the basis of the business cases that were presented to each borough. It engaged providers and investors to gauge interest and receive feedback. Social Finance also invited Bridges to speak to the boroughs about their experience in children's services outcomes-based contracts.

Social Finance also engaged the MST UK Network Partnership in discussions, to get a greater understanding of how to practically implement evidence-based programmes. A stakeholder from the MST UK Network Partnership commented that standard practice for developing an intervention involves working with a local authority to do a needs analysis, to understand whether the evidence-based programme fits within the wider landscape of provision in the area and what is required to make it work. This was important to do from the outset in the Positive Families Partnership SOC, to ensure that they would be able to licence the intervention once they had gone through procurement.

A stakeholder from GLA commented that the development grant had been 'instrumental' in moving the project forward; the GLA would not have had the resource to do the feasibility work in-house otherwise. Such work was necessary to develop a model that could be scalable, to ensure the economies of scale would bring efficiencies to LBs, where otherwise the start-up costs of funding such services would be prohibitively high, but also to enable other LBs easily join without needing to change the fundamental structure of the model.

Stakeholders described the process as straightforward; all boroughs had the opportunity to discuss

19 This process occurred prior to the market day and procurement

developments and options with Social Finance through several face-to-face meetings. The process was also facilitated by the level of buy-in from commissioners; as the focus of the intervention was simple (to reduce time spent in care), commissioners found it easier to arrive at a consensus and make decisions. One of the boroughs dropped out of the arrangement during this stage, but this was due to contextual factors, such as being geographically separate and having a different political council, rather than any issues with the modelling.

> "The modelling work for the borough that didn't join, it wasn't necessarily that there wasn't enough value, more just the practicalities of joining [the] SIB. And working it through was more of a barrier than the actual modelling work – it wasn't that it wasn't feasible for them to join."
> (Stakeholder – Social Finance)

Overall, the development process took about a year, from initial design through to the handover of the project to the commissioners.

LB Tower Hamlets was the lead commissioner during the development process, particularly in relation to the procurement of the SOC, as well as all of the legal work and ethics checks. Prior to procurement, the commissioners held a 'Market Warming Day', to explain the SOC and the rationale for choosing MST and FFT to potential providers. The commissioners that were interviewed generally felt that this day had been a success, with over 30 people attending. However, as our primary research did not involve interviews with providers who were not involved in a bid, it is difficult to assess the true success of this event.

Stakeholders' views on the procurement process used were mixed. The original contract notice was openly advertised, but the subsequent procurement process was carried out under the light-touch regime[20] using Restricted Procedure, where only those who responded to the invitation to confirm interest were invited to submit a full proposal.[21] Furthermore, there was a strong focus on the cost – over the quality – of the bid. This was driven by the inclusion of the financial cap on how much each commissioner would pay for outcomes. While this was a positive because it ensured a focus on cost per success, it also raised concerns amongst those bidding as to why the primary focus should be on cost, particularly when the project structure was so complex and focused on a cohort with complex needs. Those who were successful in bidding to the commissioners commented that the procurement process did not allow space for dialogue, so it was difficult to get an understanding of the vision, as well as to ask for clarifications. Evidence from the North Somerset 'Turning the Tide' SIB found that competitive dialogue was essential for deciding upon the operational design most suitable for the cohort. [22] Future waves of our in-depth review research into this SOC will explore whether MST and FFT were indeed the 'right' interventions.

Although the project's development costs were reduced because Social Finance had done much of the work through the CBO development funding, the cross-borough partnership also brought some efficiencies. Development costs were minimised because boroughs were able to source specialist or technical support in-house. Alongside the grant, the

20 Under the 'Light Touch Regime' procurements must be advertised and, a contract notice or special type of prior information notice and an invitation to confirm interest must be used. However, the council can then design its own procedure for procurement, provided it complies with principles of equal treatment and transparency, carries out the procedure in line with the information included in the notice, and sets reasonable and proportionate time limits. See for more information: https://www.local.gov.uk/national-procurement-strategy/pcr-toolkit-2015/what-improvements-can-we-make-way-we-buy/light-touch

21 See: https://www.sell2wales.gov.wales/Search/Search_Print.aspx?ID=MAR192784

22 Ecorys and The Hadley Centre at the University of Bristol. 2018. Year 1 report for the Evaluation of the Impact of the "Turning the Tide" Social Impact Bond.

GLA provided in-kind project management support, worth £4,871 and the six London Boroughs involved provided in-kind support worth £87,075 to provide access to data, assessment of needs, and other input into the proposed interventions. For example, LB Merton's legal team provided checks on the work that LB Tower Hamlets had done.

As highlighted in Section 3.2, given the complexity of the agreement (i.e. with multiple commissioners involved, with the potential to add more in the future), the commissioners were keen to have a joint tendering process, where the investor would bid in partnership with the delivery partner(s), so the boroughs would only need a contractual agreement with one entity.

In order to form a partnership to bid for the contract, Bridges and Social Finance decided to work together, and then conducted a mini-bid process for providers, undertaking due diligence with a shortlist of them. The key areas in which Bridges and Social Finance judged providers' bids related to the clinical experience around the types of interventions; the geographical experience; and the knowledge of the types of families they would be working with. After recruiting the three delivery partners, the partnership all agreed on a logo and name, and submitted the bid to the commissioners under the name 'Positive Families Partnership'.

Following the contract award, there was a five-month mobilisation period, where the PFP worked on recruiting people in post within the provider organisations, with support from the MST and FFT licencing organisations. Meanwhile, the scalability of the SOC model was starting to be tested. Social Finance had been awarded a contract (via CBO development funding) to do development work for the LB Barking and Dagenham to join the SOC. The development work indicated that the SOC would be a viable opportunity for Barking and Dagenham, so the borough decided to proceed, by seeking to join the existing 'collaboration agreement'. This enabled the borough to expedite the project set-up phase because it meant that they could then access the head contract agreement (between the Pan-London Impact Partnership and the PFP) through an accession agreement, rather than having to set up a full new head contract..

While LB Tower Hamlets led on the project during procurement and mobilisation, changes in staff personnel at the borough meant that it no longer had the capacity (in terms of people having the relevant skills and knowledge) to lead the project into its delivery. Stakeholders highlighted that there always was an appetite across the LBs to share the lead role at different junctures of the project, to reflect the collaborative, partnership approach taken to developing the SOC. LB Sutton had dedicated resource that could be allocated to the intensive period of service mobilisation, so took the lead at this point. In addition, taking the lead on the project fit with LB Sutton's broader strategic priorities, and there was senior leadership interest in exploring the SOC model and building a knowledge base around execution. Therefore, when the contract with the PFP was signed in January 2018, LB Sutton took over the lead of it.

The full delivery of the project began in February 2018, with Barking and Dagenham starting delivery in August 2018.

5 Stakeholder experiences

Commissioners

Across the LBs involved, there were varying levels of experience in SOCs (or more broadly, with outcomes-based commissioning, such as SIBs and PbR). Some stakeholders reported some levels of suspicion from key strategic people within their borough (such as Chief Executives, or Directors of Children's Social Care), about whether they would be paying for the outcomes for the right young people (that is, those that would have definitely gone into care without support). In some of the areas, there had been some political resistance, which related to elected members' level of acceptance of SIBs or SOCs as a model for funding services, particularly in terms of social investors funding public sector delivery.

There were varying experiences among commissioners in relation to the set-up of the project. In one of the LBs, the commissioner commented that set-up had been 'resource-intensive', and this has been further heightened by the need to liaise with so many different external stakeholders (including, legal, finance, and some practice leads). Other commissioners also highlighted that it had been challenging working with so many of the different stakeholders involved in the commissioning process. For example, in one LB, the commissioner highlighted the complexities of working with senior strategic people across different boroughs to get decisions made, as well as busy operational staff, to try and get the referral numbers through. This represented a new way-of-working for the individual because they had to work with a range of people not just within their borough but also across the other LBs. However, it may have been that they experienced these challenges because of the multi-borough collaborative approach to commissioning, rather than the SOC itself.

Despite concerns, the contract development process had been beneficial for some of the commissioners interviewed; for example, their skills and knowledge had increased (for example, in relation to things such as rate of return, and other commercial finance language). It is arguably too soon to say whether this knowledge will be utilised again (in terms of commissioning further SOCs); this is something that can be explored in later waves of the research. Indeed, most of the commissioners interviewed were optimistic about the contract, particularly in terms of its scalability and how that may lead to cost efficiencies in delivering specialist support for complex cases (where it would be too costly for LBs to fund through spot-purchasing on a case-by-case basis, or unfeasible to procure MST or FFT services on their own). As one person stated:

> "Clearly if this is a successful project it makes sense that a number of authorities come together to work on it [to make] efficiencies...thinking of the wider public purse." - Commissioner

Bridges

Bridges commented that generally the SOC was functioning well to date, which was helped by having really clearly established governance arrangements. The SOC was attractive to the Fund Manager because it was in a policy area where there is a 'huge' need and where delivery innovations are necessary, and it was an innovative model (with potential to grow as more commissioners join through the collaboration agreement) and a key opportunity to demonstrate the power of a partnership approach. The investment manager commented that the focus on the one outcome (for payment) helped to simplify the model, so that once the management processes were in place, it would be relatively simple to bring other LBs into the contract (thereby supporting scalability). Bridges felt that the focus on one clear outcome also increased the transparency of the SOC, which they viewed as being vital when dealing with so many commissioners in a complex relationship. We will explore in future in-depth reviews how important this focus on one outcome attached to payment has been for facilitating commissioners' engagement.

PFP representatives

The representatives from the social enterprise prime contractor (PFP) felt that the SOC approach was beneficial because the increased level of performance management meant that there were greater levels of accountability.

> "I think the benefit is we're very accountable to what we're doing, and we have to report it a lot, so I think the risk of something slipping through and not really doing anything about it is reduced." – PFP representative

The key challenge for the PFP at this stage related to ensuring the right referrals were coming from the local authorities to ensure that the clinical need could be met. During early delivery, there were concerns from the PFP that some local authorities were referring families into the SOC too late, so families were being supported where the young person would inevitably end up in care (because the needs were so entrenched). Instead, stakeholders felt there was a need to refer people slightly earlier on, who were showing signs of being on the trajectory of going into care, but still firmly suitable for preventative intervention. Comparing the SOC to a fee-for-service contract that one stakeholder had worked on previously, this need for the 'right' referrals was much stronger in the SOC. This is because these referrals are ones that the commissioner needs to be able to link to a consequence of avoiding care and making savings later on down the line (which is what underpins their business case and the financial viability of using the SOC approach).

GLA

The GLA's main experience of the SOC related to convening the commissioners during the development phase and, facilitating conversations to help the project move forwards. One representative from the GLA commented that the process had taken a long time, and it was complex because of needing to involve so many stakeholders. However, since the project went live, GLA has had no involvement in the day-to-day running of the SOC.

Social Finance

As highlighted, Social Finance's main role in the SOC was at the development stage as they developed the business case. Having worked on the Essex SIB, Social Finance were very keen to promote the model to the LBs – without having that experience, one stakeholder from the organisation commented that they would not have been able to 'sell' the SOC to the commissioners. Initially Social Finance had hoped to produce a 'copy cutter' approach to the operational implementation, but they had to 'flex' some aspects (such as the induction meetings, and data workshops) according to each LBs' needs. Social Finance 'stepped away' from the SOC when the commissioners took it out to procurement, and they currently sit on the PFP board, but do not take any active role in delivery.

CBO Fund

So far CBO Fund stakeholders have suggested that the project is delivering close to its median scenario and is strongly run by LB Sutton and well delivered by the PFP. Stakeholders reflected on there being a long hiatus between the CBO programme agreeing to the outcomes contribution payments and the procurement of the service, but the transfer of the lead management of the project from LB Tower Hamlets to LB Sutton was regarded as being 'smooth'. Furthermore, CBO Fund stakeholders felt that the integration of Barking and Dagenham into the agreement was relatively straightforward.

6 The success factors of the project and the benefits/advantages of the SOC

This section provides an overview of the success factors of the project so far, and the benefits/advantages of the SOC. It begins by exploring the success factors of the project, and then focuses specifically on the advantages of taking a social outcomes contracting and partnership approach. It should be noted that within the project, as it progressed to delivery, the focus has been more on the social outcomes partnership (rather than the contracting mechanism itself), but to ensure consistency and comparability with other CBO evaluation in-depth reviews, this section aims to disentangle the two areas.

6.1 The success factors of the project

Stakeholders highlighted a number of factors that led to the successful design and implementation of the Positive Families Partnership SOC. These are discussed below:

Gaining buy-in from commissioners early on: It was clear from the interviews that there was a strong level of buy-in from the LB commissioning leads (although not necessarily from very senior stakeholders in the LBs) from the early stages of the project design. Stakeholders highlighted that this was partly because of the GLA's convening role, which involved encouraging LBs to engage in the process from the outset, so they were able to discuss options and make early decisions together. This was a unique set-up; while there had been some level of cross-borough working in the past (for example, the now defunct Tri-borough partnership[23], and for the partnership that had previously co-commissioned MST) for some of the boroughs, the project offered a new way-of-working. Once several boroughs were interested in forming a partnership, it helped to catalyse interest (and subsequently commitment) from other boroughs.

Having the option of two evidence-based interventions: Buy-in was also secured from commissioners because of the ability of the project to offer two evidence-based interventions: MST and FFT. The high fidelity of the interventions helped to increase commissioners' confidence in the project because they would have a better understanding of what would work for their young people on the edge of care. In addition, having two interventions made the project more flexible, in terms of being able to engage whole families as well as just parents where young people do not engage (as can be the case in MST if necessary).

> "Although no one service is exactly like another service, (community and needs are different)… in a sense you know what kind of service you are getting. When you are designing the outcomes, you know from the research."
> (Head of MST Network Partnership)

23 See: https://www.rbkc.gov.uk/press-release/tri-borough-partners-split-2018

Learning from previous projects: It helped that the commissioners, Social Finance and Bridges were able to take learning from the previous SIBs, such as the Essex SIB, and apply it to the Positive Families Partnership SOC's design and implementation. One stakeholder from the GLA highlighted that some of the boroughs already had connections with Essex County Council, suggesting there was already a level of trust between them. Having a pre-existing model also gave the boroughs confidence to embark on their own project; some stakeholders felt that a completely new SOC model would not have got 'over the line'.

One commissioner in the lead: Another factor, which facilitated the development of the project, was having a lead commissioner role. As highlighted in Section 4, LB Tower Hamlets led on the development, and LB Sutton took the lead for project delivery. The arrangement still enabled all boroughs to provide input to the design of the service, but, having a commissioner to spearhead development helped to cut through some of the potential complexities (for example, around who would do what). Additionally, one commissioner highlighted there was a level of risk involved for the lead, in terms of having capacity to resource the project co-ordination. Shifting this risk to one borough helped to secure buy-in from key decision-makers in the other boroughs. Having one borough take the lead would also create efficiencies, in terms of taking a single approach to commissioning and contract management (rather than all LBs duplicating efforts). Furthermore, having one commissioner in the lead has also helped to simplify the grant management process from the perspective of The National Lottery Community Fund.

Having a mix of providers: One stakeholder commented that the mix of providers had been beneficial for project delivery, because they all had different areas of expertise and varying levels of experience, which has supported a good quality service. For example, South West London St George's Mental Health NHS Trust had previous experience of delivery MST, so were able to share their knowledge with Family Action, providing "hugely helpful grounding" (Social Finance). As a UK-wide charity, Family Action have been able to add valuable insights into delivering across a broad geographic area, and Family Psychology Mutual brought what one stakeholder described as a 'start-up feel' (where it was flexible and innovative) as well as prior experience in both MST and FFT.

Clear communications and processes: Several stakeholders commented on how clear communications and processes were important for facilitating strong partnership working between the boroughs during the development phase. Having open forums for discussion (for example the early roundtables and workshops) as well as ongoing meetings with Social Finance, have been necessary for ensuring that all commissioners 'stay in the loop'. The ongoing strategic and operational board meetings throughout the project delivery have also been important for ensuring clear, ongoing communications.

6.2 The benefits/advantages of the SOC

There was also evidence of how the SOC, and the elements within the partnership, have brought additional benefits for the various parties involved. There was also evidence of the benefits of the CBO Fund, which helped make the venture viable as a SOC. These are mentioned below.

Ability to have access to a preventative service: As highlighted in Section 4.5, a key driver for using the SOC approach was to allow the boroughs to access a preventative service, without needing to pay upfront costs, and being able to pay for the outcomes through the savings generated by preventing young

people entering care. This aspect of the project has been beneficial because it has brought both MST and FFT to all of the boroughs, when previously some would have only been able to spot-purchase these interventions on a case-by-case basis. The cost-per-family was in part dictated by the financial cap set by commissioners during the tendering stage. Additionally, the scaling of the contract across five London Boroughs, which committed to a minimum referral number of 384 families, enabled the PFP to put together a bid to the Boroughs that would cost less per family to the LBs than the cost-per-family for historical spot-purchase. The SOC was attractive to commissioners because it meant that the provider-investor partnership would be held accountable for delivering a high-quality service, and LBs would only pay for the time a young person would remain out of care post-intervention. This contrasts the approach of the spot-purchase model, which commissioners would pay regardless of the outcome (positive or negative). The SOC costing model therefore relies on a minimum number of referrals being achieved. Future waves of the in-depth review will explore how the costing model has held up for commissioners and the PFP.

Having a simple model: The simplicity of the model was also important for maintaining interest in the SOC. It was relatively easy to align commissioners' interests on what the SOC was aiming to achieve because of having a single outcome payment (linked to time spent out of care). This was particularly important when many other elements of the model were complex (for example, multiple LBs and multiple providers). This simplicity also made it easier to explain the SOC to other stakeholders, such as social work teams, as they were clear on the purpose of the SOC and what it was aiming to achieve. However, having the simple model for the purpose of the outcomes contract has not meant that stakeholders involved in the project do not consider other outcomes. Key to monitoring the performance of the project is keeping track of outcomes achieve in other domains, such as education, offending, and mental health. Furthermore, licensing measures required to be collected through the MST and FFT therapies ensure that stakeholders' focus is not just on the one care outcome.

Strong focus on data collection and performance: stakeholders highlighted that the SOC also brings with it a strong focus on data collection and performance review (compared to other contracting approaches such as fee-for-service) which encourages a culture of continual improvement, because there is a built-in feedback loop. A stakeholder from the PFP commented that having a data analyst in such a service was highly beneficial because through providing regular updates and reports, they prompt stakeholders at all levels (from the strategic board, right through to the frontline workers) to self-evaluate. Have a clearer audit trail also holds teams more accountable; again, stakeholders felt that this encouraged a greater quality of service provision.

> "With the social impact bond, you're evaluated all the time, but not only evaluated, you use it as feedback to improve yourselves" – Provider (PFP)

Having the CBO development grant: As mentioned in Section 4.5, stakeholders viewed the CBO development grant as imperative for bringing additional resource and capacity. It also added structure, and a pressure to stick to timelines, which catalysed conversations and decision-making processes. The CBO outcomes co-funding was also very important, because it made the venture financially viable for the commissioners (providing up to 18.5% of the contribution towards the overall outcome payment). In exploring the sustainability of the project, in future in-depth reports we will examine how necessary the CBO outcomes contribution is for ensuring financial viability and why.

7 The key challenges

This section discusses the key challenges that stakeholders faced during the design, implementation and delivery of the SOC so far, and where relevant, highlights how they were overcome.

Gaining buy-in from senior stakeholders: Although there was buy-in and commitment from the project leads in the commissioning organisations, a key challenge during the early stages of the project development process related to commissioners from the interested boroughs being able to gain buy-in from senior stakeholders (such as chief executives and directors). In particular, stakeholders highlighted how several boroughs were not able to proceed with the project because they could not get the buy-in from their politicians or senior leadership teams.

> "If you're thinking of your local authority structures there's an awful lot of people who need to say yes to something" – GLA

In some cases, senior decision-makers within boroughs had differences in opinion about the project. For example, in one borough, two senior stakeholders disagreed on the suitability of the contract, around the potential risk of paying for outcomes of children that might not have ended up in care. While it could be argued that this is a risk in any preventative intervention involving children and families (regardless of how it is commissioned), these tensions led to delays and necessitated meetings to try to convince the stakeholder who opposed of the benefits of commissioning through an outcomes-based contract. One commissioner highlighted that such tensions have been heightened by the context in which local authorities are operating in, where austerity measures have put both fiscal and political pressures on them. This means that commissioners need to ensure the business case stands true and they are not paying for outcomes in cases where the child may have never gone into care. In addition, over the course of the lengthy development period, some boroughs experienced changes in senior management teams and in politicians, which further jeopardised their ability to commit to the project.

Identifying the 'right' cohort: A significant, ongoing challenge for the project has been around ensuring that the 'right' young people are being referred into the service. Several stakeholders commented on the difficulty of knowing whether a young person would definitely end up in care if they did not intervene. This matters because if social workers refer young people who actually would not have ended up in care, it would make no difference to social care teams' spend on care placements, and the commissioners would also be paying for the outcomes achieved through the SOC.

> "While the contracted commissioners are much more realising that this [the SOC] is a benefit because you only pay for the ones that are successful, the people that hold the budget and social care are thinking differently. It has to come out of their budget, so they think 'it needs to be somebody that definitely will go into care. Otherwise, I have to save money because it comes out of my budget.'" – Provider (PFP)

This challenge can also manifest in a slightly different way. For example, one commissioner commented that a young person may have been on a trajectory

where they may have only been in care for a short-term placement (e.g. a couple of weeks), and then would have come back out again. In this scenario, in the SOC, the commissioner might pay more for the total time the young person spent out of care across the whole two-year tracking period, than they would have done for the short-term residential placement without the SOC.

For some boroughs, this process has been easier. For example, one of the boroughs had experience in delivering MST in the past, so they had been able to build up a profile of which types of young people were successful in staying out of care from MST use. Promisingly, as alluded to in Section 3.2, stakeholders indicated that the PFP was exploring how to use data more effectively to enable a better modelling of young people's trajectories. Future research will explore how these plans have manifested.

Fidelity interventions: Another challenge to emerge from the early stages of delivery related to the use of MST and FFT and the need for high fidelity in delivery. Stakeholders indicated that the issues with inflexibility have occurred at the point of referral. Some interviewees highlighted the challenges of conveying to social care workers the importance of the young person meeting the full intervention criteria, which could be jarring for social workers when they were just trying to get the best intervention for their young person who is in need of support. PFP tried to improve understanding of the referral criteria by holding an eligibility workshop. During this workshop they did two case presentations and discussed with social workers why the cases were – or were not – suitable for MST or FFT, which helped to clarify things somewhat. This is an interesting finding because it raises the question of whether the social workers needed to be engaged much earlier on in the development process, and whether ongoing support is needed (especially if there are high levels of churn among social workers). In terms of delivery, the challenge was that with evidence-based interventions, practitioners have to deliver exactly to the intervention guidelines; one person described it as a 'manualised' approach. At the point of the interviews, this was not a widely discussed challenge, and as highlighted in Section 2.1 there is some flexibility in the approach, so future research will explore potential issues in more depth.

Tensions with existing provision: Several stakeholders commented that there were some challenges at the operational level, in terms of gaining buy-in from social work teams. Although senior social workers were consulted initially, the timeframe from initial design to mobilisation was long, during which staff turnover and changing service commitments/priorities meant that buy-in was lost. One provider thought this was because in some boroughs, commissioners and social care managers had not linked up very well, so some social care managers felt that the SOC project had been 'imposed' on them. Some of these boroughs already had in-house edge-of-care services, so at times it was difficult for social care managers to see the added value of the SOC intervention. The PFP organised some drop-in clinics that were open to social workers, to enable them to have a discussion about a case and the potential suitability for a referral. However, some stakeholders felt there was still some way to go in order to gain full buy-in from senior management teams, to ensure that enough – and appropriate – referrals would come through to the SOC. Again, this emphasises the aforementioned point, about whether social workers needed to be engaged earlier, and whether they should have had ongoing support to keep them aware of the SOC.

The number of boroughs involved: Although the model does allow for scalability, a key challenge through the design of the SOC, related to the sheer size of the SOC, in terms of the number of boroughs involved and the number of people involved within these boroughs, which meant it took longer to make decisions.

Churn within the boroughs: Balancing the needs of all of the boroughs was further compounded by the level of churn with the organisation; one stakeholder noted that there had been a 100% change in commissioning and social care management staff in one borough during the project development phase. This was difficult, not just in terms of ensuring that the knowledge of the project was kept up as the staff members changed, but it was also challenging to maintain momentum and enthusiasm for it. As one person commented, it “took a long time between now and that initial meeting” to get things running. However, ongoing meetings between the boroughs and ensuring that they worked together collaboratively helped to maintain motivation.

8 The lessons learned

This section provides an overview of the lessons that various stakeholders have learned so far, in the early design, implementation and delivery of the SOC.

The SOC development process is quite intense; it takes quite a lot of time, commitment and requires flexibility and responsiveness. Having GLA in a convener role helped to facilitate the process of decision-making, but it also required the commissioners to be able to compromise. Stakeholders reflected that having a steering group of commissioners from the outset was beneficial for ensuring all parties were involved in discussions and decision-making, but some also felt that having a steering group within each borough may have helped conversations to continue within organisations. Stakeholders also commented on the benefits of having advisory support (for example Social Finance) in the development phase, because they were able to add capacity (in terms of technical expertise as well as resource) that the LB staff did not have. Overall, the SOC development process was dynamic, with LBs experiencing political changes/changing priorities and, in some areas, high levels of staff churn. Describing the process as a 'journey', one of the stakeholders commented on how it was important to change things if they did not feel right. This required a certain level of trust in the process, but as a GLA stakeholder commented: "in the end, we have got pretty much what we wanted."

Co-commissioning unlocks opportunities but is operationally complex. While a large partnership offered opportunities for delivering services at a scale that one borough could not have done alone, configuring a suitable partnership model, that could potentially be scaled in the future, was complex. Having a thorough needs analysis at the beginning, which identified the similarities and differences in contextual factors (such as the cohort or the existing level of provision) was important for mapping out how the service could work across the areas. Stakeholders commented that it took time to develop the infrastructure (especially at the scale it was, and where delivery areas were not coterminous), but once it was in place, the underlying work for every family would be the same.

The project has established a scalable model: Returning to the original intention at the beginning of the contract development process (that is, to drive forward a Pan-London partnership in order to achieve economies of scale in specialist service provision), stakeholders felt that the contractual arrangements have provided flexibilities to create a model that is easy for other boroughs to join in the future. A key element of the SOC that has facilitated this is the use of the social enterprise prime contractor entity, which has been very useful for co-ordinating all the different stakeholders involved, enabling them to deliver at scale and across geographies. This, combined with the collaborative agreement amongst boroughs, means that a new LB can join the agreement, without needing to negotiate terms directly with the social enterprise prime contractor entity. For example, when Barking and Dagenham joined, they accessed both the Pan-London Impact Partnership's Collaboration Agreement and the SOC Services Contract with PFP. The separate CBO outcomes payments contribution that they had been awarded was also able to be transferred to the LB Sutton for management. This created efficiencies between the Pan-London Impact Partnership, although it also caused additional negotiation for The National Lottery Community Fund regarding the percentage of LB Barking and Dagenham's contribution relative to CBO outcome payments. Stakeholders highlighted that discussions with other boroughs were happening at the time of the interviews, highlighting the possible scope for the SOC to be scaled.

Operational staff need to be engaged early on, not just strategic stakeholders. As highlighted in Section 7, a key challenge related to how the SOC would complement existing service provision. Stakeholders reflected that operational staff in the

boroughs (such as social work management teams) should have been engaged much earlier in the process, so that they could input into the process and have a better understanding of the vision of the delivery and how pathways to it would work. One stakeholder highlighted the importance of having people at both the strategic level and operational level who can champion the delivery. These champions would be the key links between the commissioners and the operational staff within the social care teams, who would be able to relay developments with the SOC as well as communicate any concerns that social care teams might have. Stakeholders emphasised that these communications must also continue into delivery, to ensure that people stay on board with the idea (particularly in boroughs where staff churn is high).

Keeping the payment mechanism simple. This was important particularly because SOC was complex, in terms of the range of boroughs and people involved. They had learned from the Essex SIB that there was a risk of overcomplicating the outcomes and payment mechanisms, so the commissioners involved in the Positive Families Partnership SOC were keen to keep it simple, by having one outcome linked to a payment. This not only made processes simpler, but it also made it easier to communicate the purpose of the SOC to other people, so everyone 'bought in' to the SOC knowing exactly what it was setting out to achieve. It also ensured that the boroughs were all on the same page and, were motivated by a single aim: to reduce the time spent in care. Questions could be raised as to whether staying out of care is the only outcome worth paying for; or whether outcomes for children measured by clinical metrics also need to be considered within the payment structure. This is something that can be reflected on as the SOC progresses, especially as more data becomes available on the tracking of these other outcomes.

Ensuring that the local authorities are referring at the same point. There were some concerns that the local authorities were referring young people into the service at different points, and as a result were experiencing varying levels of success. As one commissioner highlighted:

> "I think other authorities, and I would say the ones that are being more successful, are referring slightly earlier. So they are looking at those children that are on the trajectory of care…. So the professional judgement is: we know where the family is going, they are going to end up going to that edge of care panel, but they just get to them that little bit earlier, so that's what we're trying to encourage here really." – Commissioner

While local considerations must be taken into account (especially where social care thresholds are different) between LBs, stakeholders felt that it was important to ensure consistency in the point at which social workers within LBs making referrals, because this could cause deviations from the projections made during the development phase, as well as the subsequent financial modelling phase to ensure that the SOC would be economical. At the time of the interviews, some of the local authorities were having more discussions about the best point to make referrals, to ensure the greatest success in terms of using the MST and FFT interventions (over and above using other approaches that might be available outside of the SOC context).

9 Conclusion

The Positive Families Partnership SOC is an interesting case study because it is one of the few local commissioner-led common platform[24] outcomes-based contracts in the UK and it illustrates how the growing SIB and SOC-related knowledge and experience of commissioners can feed into make a multi-commissioner contract work. Championed initially by the GLA (with support from the Cabinet Office, the CBO Development Grant and Social Finance), LBs came together and, based on existing evidence from other children, young people and families outcomes-contracts, as well as their own local priorities (for example, needing up-front capital to set up services), decided to focus on a SOC that aimed to keep families together and prevent young people from entering care. Therefore, there are many interesting elements of this SOC that are important to reflect on, in terms of their significance in relation to the wider outcomes contracting market.

From the outset, the project design and development was driven by the GLA's desire to see a multi-borough, Pan-London outcomes-based contract. It is clear that having this convening role was key to galvanising interest, and subsequently action, from the LBs. Although the GLA did not have a specific policy area in mind for the SOC (focusing instead on the multi-borough aspect), it appears that this open-ended approach was actually helpful for gaining LBs' buy-in, because they had an active role in shaping what the SOC would look like from the early stages. In addition, as a trusted authority, the GLA already had the links with all of the LBs, meaning that it could convene most of the LBs for a meeting to discuss the project. While there was scepticism - and in some cases fundamental disagreement - among LBs about the use of private investment to fund a public service, having everyone in the room helped the GLA (and the LBs) to identify where a partnership could be formed. In the context of trying to scale more SIBs or SOCs, the convening role appears to be conducive. Perhaps this is a role that other regional bodies, such as combined authorities, could take to try and encourage collaborative commissioning elsewhere, where SOCs, as one of many possible mechanisms, are considered in the pursuit of achieving better outcomes.

There are also some important aspects of the design and development process that are worth highlighting. Perhaps most notable – and especially interesting in the wider context of scaling – is that the contracting model has been designed to enable more LBs to join over time. Having the split between the 'collaboration agreement' between the LBs, and the SOC between the Pan-London Impact Partnership of boroughs and the PFP, means that LBs can join relatively easily without fundamentally changing the contractual architecture. Indeed, the incorporation of LB Barking and Dagenham (and other boroughs) into the SOC at a later date highlights that scaling can lead to efficiencies. The Positive Families Partnership SOC is unique in terms of its contracting model, so the learning from structuring the model in this way is important because it could be used as the basis of other multi-commissioner common-platform SOCs, and a key way to scale the outcomes-based commissioning market, if there is a good rationale or justification for doing so. This is critical because one of the key barriers to mainstreaming outcomes-based contracts is scale – i.e. that many individual SOC propositions are too small to justify the transaction and operational costs required to launch and run them, as argued by investors at a breakfast meeting we hosted in 2018[25].

The SOC payment deal is also very simple, in terms of only having one outcome that is linked to payment. Commissioners viewed this as being important, because the rest of the model is so complex (in terms of having multiple boroughs and multiple providers). Having one outcome helped to gain commissioners' buy-in, because it represented a common aim across

24 A common platform in the SIB/SOC context means a set of processes and contract elements that have been pre-designed and put in place as a structure that can be offered to commissioners with appropriate local adaptation.

25 See: https://golab.bsg.ox.ac.uk/news-events/blogs/where-next-sibs-lessons-main-investors/ for a summary of this debate.

boroughs: to reduce the number of children going into care. While a simple metric in this case appears to have worked well so far, there could potentially be a risk that a single outcome linked to payment drives certain negative behaviours (e.g. focusing just on the care outcome and not at wider wellbeing outcomes). However, PFP is working with children who are already supported by social workers who already monitor and manage a wider range of measures. Furthermore, early evidence from stakeholder interviews involved in the PFP indicates that the wider outcomes (such as education, wellbeing and health) are being monitored closely, and at multiple points, to inform the ongoing performance management of the service, although it is unclear at this stage whether the achievement of these outcomes will be held to the same level of scrutiny and account as the outcome that is linked to payment. While it is unlikely that the PFP approach (which sits within the wider context of children's social care) allows for a focus only on the outcome linked to payment, this point is still worth exploring in future waves of the research.

The Positive Families Partnership SOC costing model was built on the assumption that minimum referral numbers would be achieved by commissioners, although there was no financial penalty built in if LBs would not achieve this. Other SOCs too have used minimum referral numbers, because evidence has shown that the project can struggle operationally if sufficient referral numbers are not met. This is an interesting point because emerging findings from SIB evaluations suggests that commissioners can have some reservations around this, due to fears that the pressure to refer quickly dilutes the appropriateness of referrals. The impact, if any, of having no financial implications for LBs not meeting the minimum referral numbers will be examined in future waves of the research.

There are also some key points to be raised regarding the operational level of this SOC. Several of the providers are VCSEs, indicating that the SOC is contributing to one of CBO's key outcomes of bringing new finance sources to the VCSE sector. Another notable feature is that one of the sub-contractors is a public-sector organisation. This is less common in relation to the wider outcomes-based commissioning context; most providers in the UK context to date have been voluntary sector organisations, though there have been some public body providers (such as NHS teams in the CBO EJAF Zero HIV SIB). Having both voluntary and public sector providers involved in this SOC will enable an interesting point of comparison as the research progresses, to identify whether experiences of delivery change, depending on the type of service provider.

There is something to be said about the engagement (or potential lack of) with social workers in the boroughs, and the need to continually engage operational staff, especially when the design/development period is protracted. There was evidence suggesting that the SOC was viewed by some social workers to be an 'imposition' on them. This raises a wider question about the point at which social workers are consulted in the project design and development process and, also, whether social workers need to be engaged continually. Indeed, existing evidence has highlighted the importance of engaging commissioners' operational staff, to ensure that there is buy-in not just strategically, but also on the ground.[26]

Finally, a notable feature of the project is that it is described by the project's stakeholders as a 'SOC'. Research has highlighted that this terminology is increasingly favoured by a range of parties beyond the Positive Families Partnership SOC, as it shifts focus away from the financial mechanism itself, and more to the focus on innovation in project management and delivery, grounded in strong partnership working.[27] While, as mentioned, the SOC appears to meet the requirements of the basic definition of a SIB (that

26 Wooldridge, R, N Stanworth, J Ronicle (2019) A study into the challenges and benefits of the SIB commissioning process and the potential for replication and scaling.
27 ibid

is, it should involve payment for outcomes and any investment required should be raised from investors), this is an area of interest that the CBO Evaluation will continue to explore. Within the Pan-London context, it will be interesting to explore in future research whether the focus on the partnership approach has facilitated engagement with other LBs to join the contract and, to what extent this could have happened with or without a focus on outcomes-payment and risk-capital backing.

9.1 Areas for future investigation

As highlighted throughout the report, there are a number of key areas that should be investigated in the future waves of the research. These are summarised below.

Contracting

- How well the fee-for-service contracting with the Delivery Partners has functioned
- How successful the collaboration contract model has been for the accession of new LBs
- How LBs stay on board or disengage during the course of the contract and why, and whether the focus on the partnership approach (rather than the contracting or financing mechanism) has had an impact on engaging other LBs to join.
- If (and the extent to which) having one outcome linked to payment:
  - has an impact on the achievement of other (non-payment linked) outcomes;
  - aids transparency or hides cost-benefit complexity in the business case; and
  - is the only relevant outcome worth paying for.
- How LBs agree and co-operate on the minimum referral agreement
- The effectiveness of referral processes in avoiding perverse incentives
- The effect of the cap on the deal mechanism and stakeholders
- How well MST and FFT have worked within a SOC model
- The impact (if any) of the lack of competitive dialogue at procurement stage
- How (and to what extent) the SOC has reduced cost per family for the LBs compared to prior FfS / spot purchase arrangements.

Delivery

- The extent to which the SOC supports continuous improvement in delivery
- The impact of Covid-19 on the use of a SOC in the project.

Other

- The impact of the project on commissioners' skills, knowledge and understanding relating to SOCs

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