



# Life Chances Fund

Jason Flynn

Funding Manager

Big Lottery Fund

17<sup>th</sup> February 2017 - Nottingham

# What is a SIB?

- A contractual arrangement to augment (public) service delivery contracts
- A financial structure to draw investment funds to fund initial costs of service delivery
- A means of transferring financial risk from commissioners and providers to investors
- A means of deferring cost of service provision
- A very 'precise' tool to measure service impact

# LCF Aim

LCF Aim: To help people in society who face the most significant barriers to leading happy and productive lives (by growing the market in locally commissioned SIBs):

- 33 in UK at end of 2016
- 33 more are being progressed through CBO
- 41 applied for first round of LCF in Sept 16

# LCF Programme Objectives

1. Increasing the number and scale of SIBs in England
2. Making it easier and quicker to set up a SIB
3. Public sector efficiencies from better outcomes
4. Understanding the degree of cashability of savings
5. Social innovation: a clear evidence base - what works
6. Capital for VCSEs to compete for public sector contracts
7. Better evidence of SIB mechanism effectiveness/savings
8. Growing the scale of the social investment market

# Some key LCF Requirements

1. A nine year programme with thematic call outs
2. Final funding decisions by July 18.
3. Minority £1m-2m contribution (c20%) for outcome contracts
4. Local commissioners - not central government
5. VCSE involvement and focus on early action
6. Tackling complex social problems
7. NOT for non-outcome based payment models or models with no social investment up front
8. Building an evidence base
9. Value for money; transparency to reduce transaction costs
10. Systems change through risk taking, prevention, early action

# LCF Assessment - Eols

## Expressions of Interest

1. Apply by 31.3.17 for 'Early Years' and 'Youth Services'
2. Your applications will be reviewed against LCF priorities
3. LCF conversation with your commissioner(s) to check engagement level and depth
4. Applications will rarely be progressed if no commissioner
5. Eol decision within four weeks of application
6. Apply for your development grant (DG) with the Eol
7. You will have around three months to complete feasibility post DG award before your full award is due on 31/10/17

# Early Years - Proposals

- Interventions that are high quality and based on evidence about what works
- Using a model that's scalable
- We will also consider proposals that are seeking to test an innovative approach where there is a compelling theory of change.
- We would particularly like to see projects that involve service users, their families and immediate support networks in the design, application, delivery, governance and reporting stages, where appropriate.

# Early Years - out of scope

- One size fits all approaches - proposed interventions should be age and developmentally appropriate and address a child's specific needs
- Interventions that focus on improving parents' outcomes only
- Interventions that have very limited or no existing evidence to support them
- Interventions that only improve outcomes in the short-term
- As an additional revenue stream for existing children's services
- Open ended services that lack a clearly defined cohort

# Early Years - Cohort

Local commissioners will be best placed to determine which cohort of children between pre-birth and age 5 and/or their parents they wish to prioritise for a potential SIB. We believe there are specific opportunities to improve children's outcomes among the following groups:

- Children at risk of not being school ready
- Children with signs of poor health and wellbeing,
- Mothers who exhibit risk factors during and after pregnancy

# Young People - Proposals

1. Involvement of young people, from identifying needs and outcomes, through to application development, governance, delivery and management, where appropriate.
2. A set of measurable outcomes and an intervention with a strong evidence base and/or theory of change for improving those outcomes.
3. Data-driven service delivery with clear monitoring and evaluation, to gather comparable evidence about what works.
4. Holistic approaches that allow providers to work in partnership with other complementary services.
5. Longer-term projects that can provide continuity for young people and boost our understanding of how such interventions can have a lasting impact

# Young People - Out of Scope

- The Life Chances Fund is not appropriate for proposals to support individual youth services (i.e. individual community centres);
- proposals to replace funding from local authorities or grants;
- SIBs that will work with young people aged over 16 that focus solely on academic attainment; or
- SIBs that will work exclusively with care leavers (as there is a parallel application process through DfE's Children's Social Care Innovation Programme).

# Young People - Cohort

SIBs require a clearly defined cohort of people, who can easily be identified and referred to the intervention. For young people, there are broadly two cohorts that a SIB could focus on:

1. Young people aged 11-18 who face one or more of the risk factors listed below, but are not (yet) NEET.
2. Young people aged 16-24 who are already NEET, or who are disincentivised in low paying roles and face one or more of the risk factors listed below.

# Learning

## Some learning to consider as you prepare LCF applications:

- compare your SIB proposal to fee for service options
- think how to incentivise service users to actively engage
- network to link with other initiatives/existing services
- apply sound project management/ value for money
- do a skills audit to ascertain what resources you have (before you contract any external support)
- VCSEs can deliver interventions, provide technical support and manage SIBs - use them as a resource
- plan to refresh commissioner engagement continually
- financially plan your SIB and engage early with investors
- Share learning in a targeted, impactful way

# Contact details

For further information or specific enquiries, please contact us at the following email address:

[LifeChancesFund@Biglotteryfund.org.uk](mailto:LifeChancesFund@Biglotteryfund.org.uk)

# Additional information

## LCF Information

<https://www.gov.uk/government/publications/life-chances-fund>

## Commissioning Better Outcomes Information (for reference)

<https://www.biglotteryfund.org.uk/sioutcomesfunds>

<https://www.biglotteryfund.org.uk/research/social-investment/publications>