

# It's All About Me

- IAAM is a targeted service aimed at the 2,000 children every year who are not placed with an adoptive family
- Rather than 'parents shopping for children', each child is registered to one of a national network of providers who:
  - Is out there recruiting parents willing to participate
  - Has the backup of an assessment from SLAM to understand each child's needs
  - Is linked to other VAAs through the IAAM network
  - Seeks out the best possible match with adoptive parents from around the network based on the needs of the child
  - Delivers personalised training and 24/7 helpline support to those parents for two years post-placement



# Delivering on success factors

## A clearly defined target group

- Adoption is identified by Local Authorities as the best option for 5,000 children every year
- Around half are placed locally
- The rest are logged on the National Adoption Register
- 80% of these (some 2,000 children) are not chosen by parents due to age, sibling group, background etc.

## Desirable and measurable outcomes and clear counterfactual

- Our work with one of the VAAs demonstrated a gain to society of at least £1m per child in an adoptive family compared to foster care.

...so the problem is worth solving...

# Delivering on success factors

## A price which satisfies all parties (Commissioner, Investor and Provider)

- The IAAM service is structured around a Payment by Results model:
    - LAs pay £53,600 for a successful placement across four milestones
    - That equates to around half of the cashable saving achieved by the end of the PBR period – with further savings to come
  - VAAs are paid a sustainable fee for delivering the service (paid on delivery of milestones)
  - The price paid by LAs ensures that a minimum 4% yield can be paid to investors with failure rates up to 10% (VAAs currently have a breakdown rate of less than 5%). Investors also receive a 50% share of any profits, taking returns based on current expectations to around 10%.
  - If the failure rate exceeds 10%, VAAs receive lower success fees at the end of two years, which sustains the minimum 4% yield to failure rates up to 30%.
- ...LAs see value for money, VAAs see a sustainable business model, investors see a proposal that balances risk and reward appropriately.

# Some further thoughts...

## **Where does the East Midlands fit in?**

- One of the IAAM VAAs is located in the region, with others providing coverage...SIBs are happening here.

## **Making the most of the opportunity...**

When we announced IAAM:

- Investors were making active approaches to us
- We had more expressions of interest than needed for the first round...we have others waiting for the next round as the scheme grows.

There is no shortage of appetite among many classes of investor to finance SIBs...

There is no shortage of advice and support (including financial) to plan and develop services

...the limiting factors are the willingness of VCS organisations to bring forward ideas and the strength of engagement with the concept by commissioners – that depends on a strong understanding of outcomes (and counterfactual)