

Payment by Results, Social Impact Bonds and Cabinet Office Support

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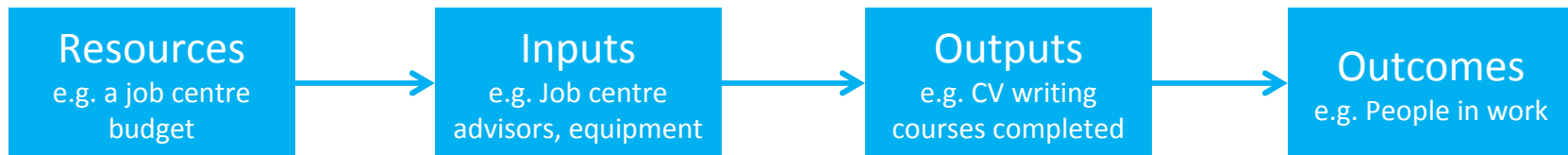
Agenda

- Payment by Results and Social Impact Bonds
- Centre for SIBs
- Social Outcomes Fund
- Further resources

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What is Payment by Results?



- Payment by results means paying for **real-world social change** rather than just activities

Why might you want to do this?

- **Risk transfer** away from public sector
- Unlocks **innovation**
- Incentivises **better performance**

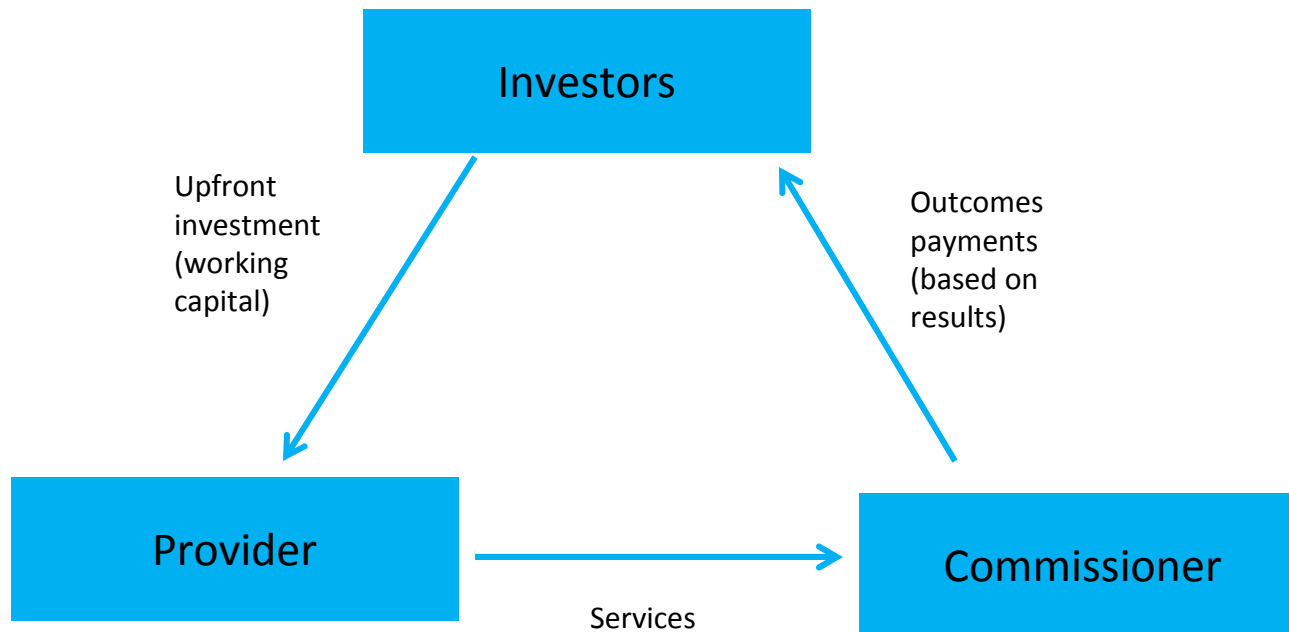
What are Social Impact Bonds?

- Social impact bonds are a **subset of payment by results**
- They provide upfront investment to finance working capital requirements of VCSE organisations

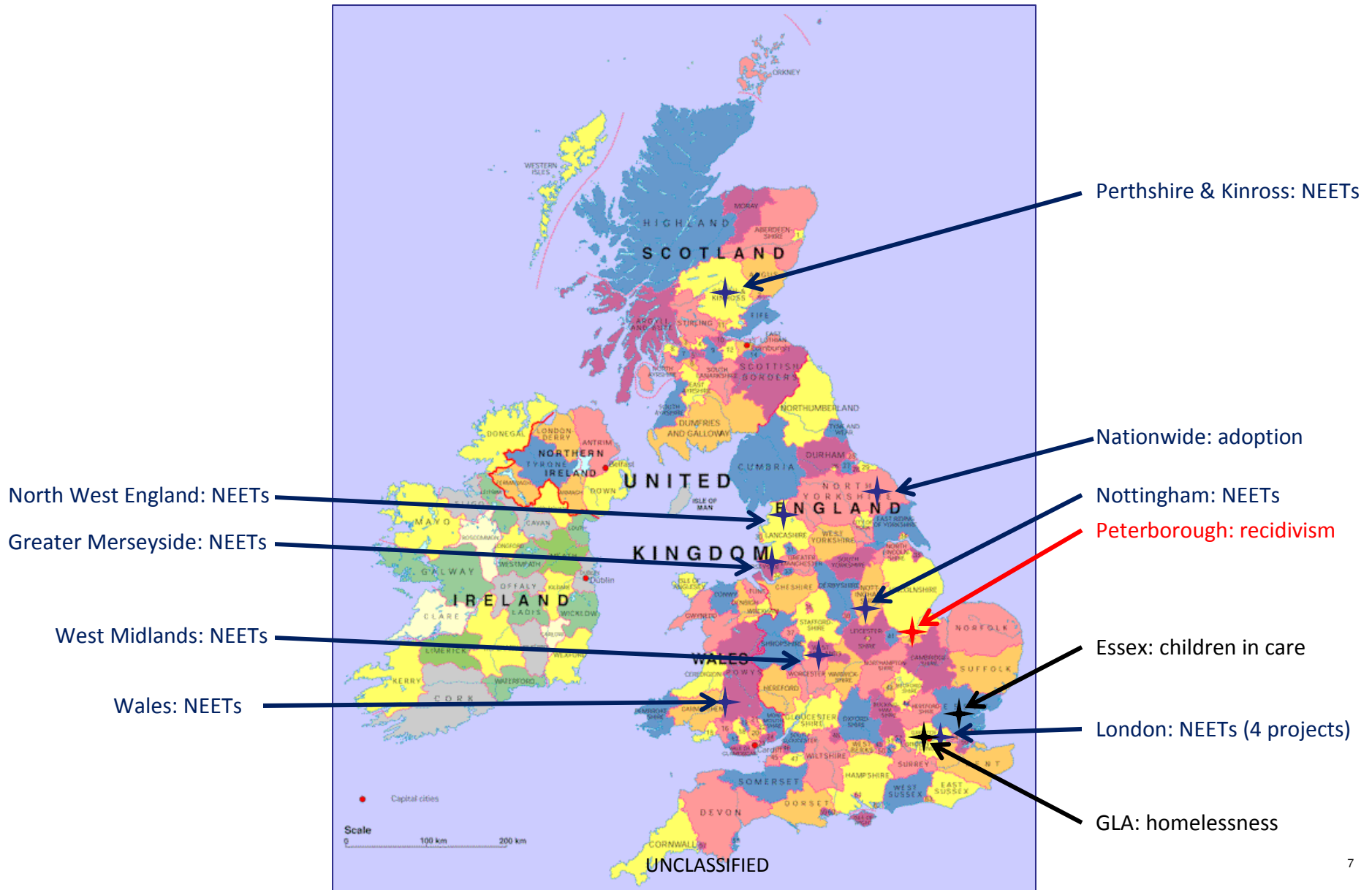
Why might you want to do this?

- All the advantages of payment by results
- Plus ‘levels the playing field’ for **VCSE providers**
- Plus **new up-front money** available for prevention

Basic SIB structure



Where are today's social impact bonds?



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Centre for SIBs

- More and better Social Impact Bonds.

Current Projects

1. Increase awareness and understanding of SIBs
2. To reduce set-up and transaction costs
3. To help SIB developers by making more data publicly available
4. To support SIB developers by providing advice and support

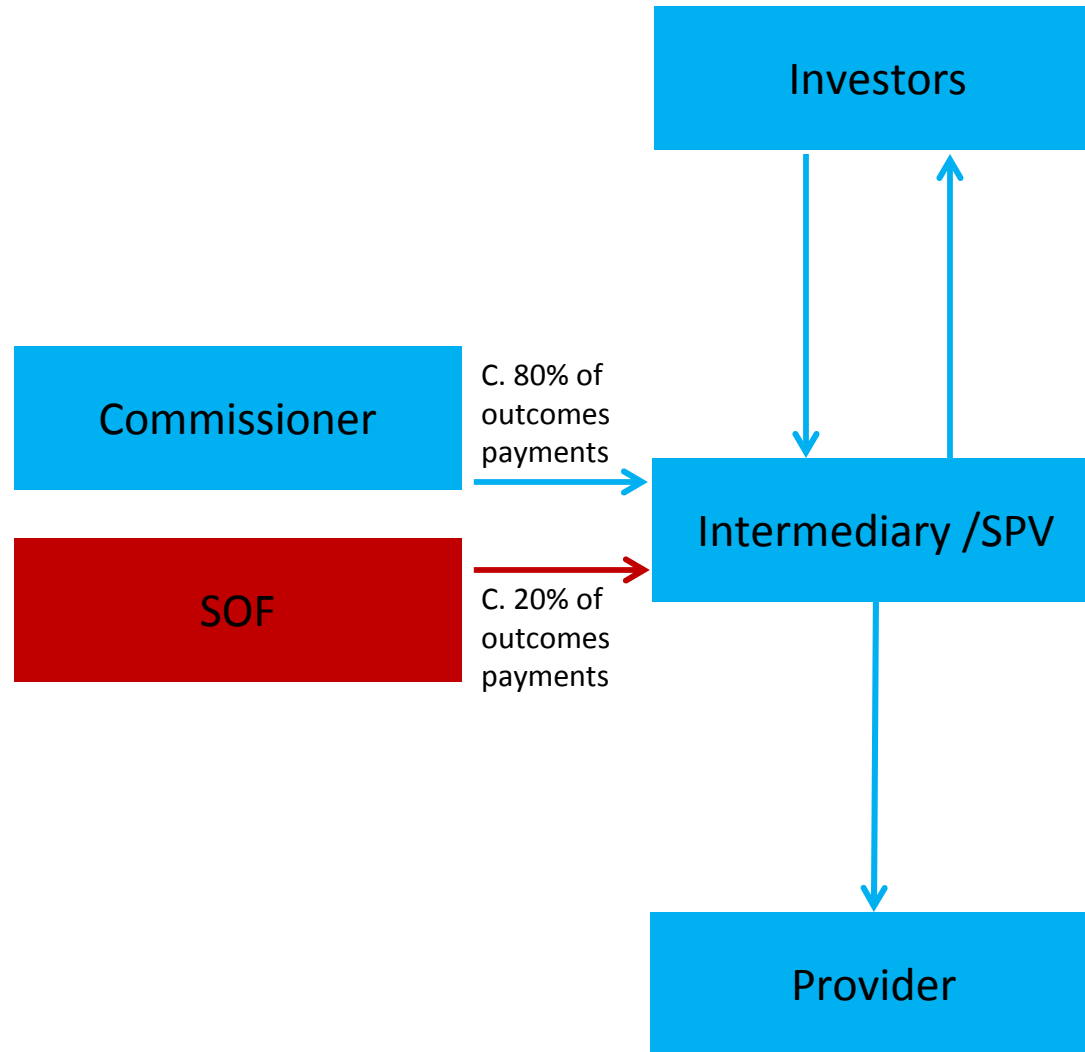
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Social Outcomes Fund

- £20m Cabinet Office fund
- Tops up outcomes payments in PbR and SIB propositions
- Recognises the cross-government benefits of tackling complex social issues
- Collects data and makes public for future commissioners
- Open for bids!

Social Outcomes Fund



Bids so far and next steps

- Announced 1st round winners CVAA and MCC in Spring
- Bids from commissioners, providers and intermediaries
- Diverse geographical areas
- A range of policy areas
- Join up with Big's Commissioning Better Outcomes

Package of support for SIB developers

1.Pre Eol support package delivered by Social Finance and the LGA

2.Development funding for organisations developing SIBs which have passed the Eol stage of bidding to the joint SOF/CBO.

3.Bridges Ventures SIB Investment Fund.

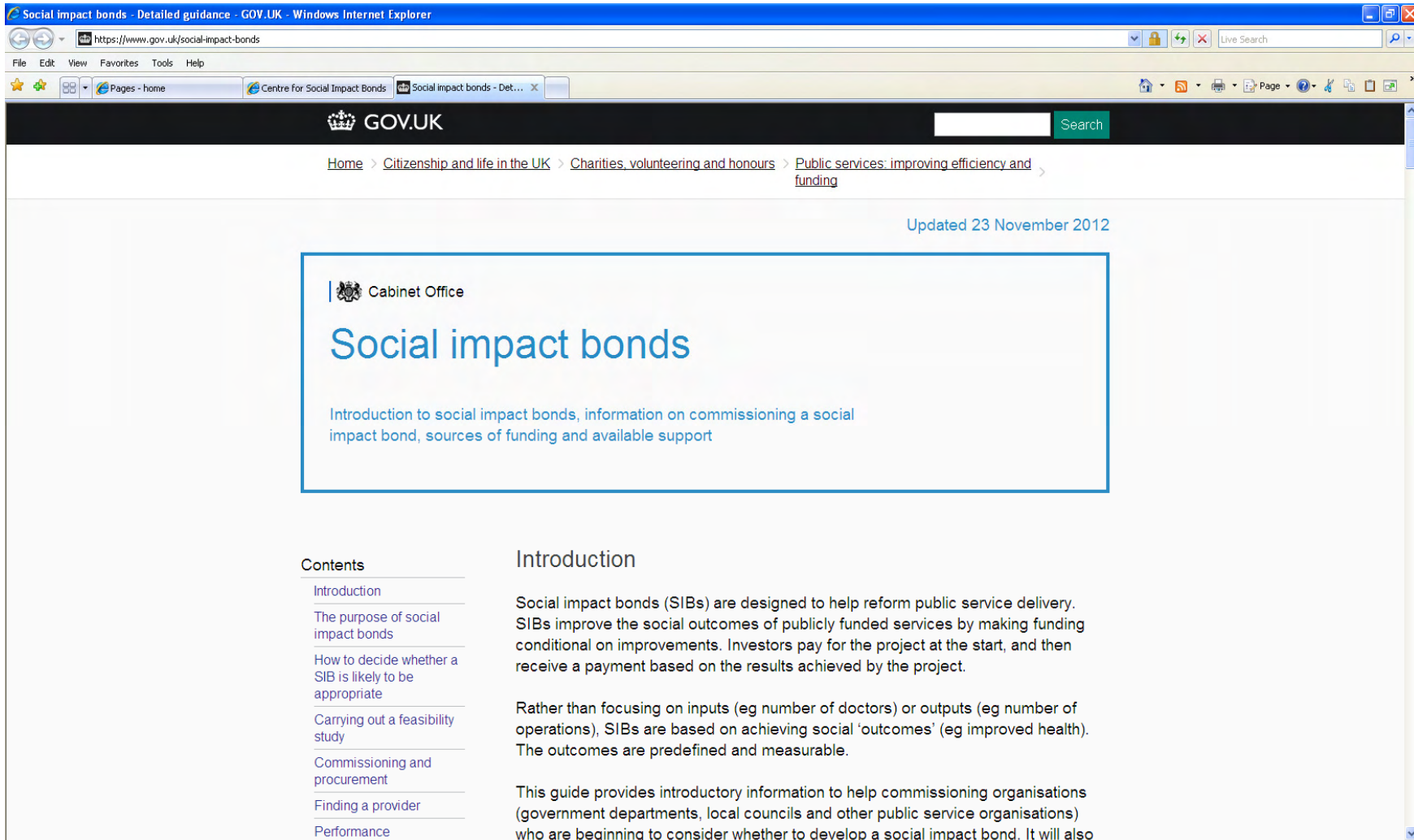
<http://www.bridgesventures.com/bridges-social-impact-bond-fund>

4.Outcomes payments from SOF and CBO

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Further resources



Social impact bonds - Detailed guidance - GOV.UK - Windows Internet Explorer

https://www.gov.uk/social-impact-bonds


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Pages - home Centre for Social Impact Bonds Social impact bonds - Det...

GOV.UK Search

Home > [Citizenship and life in the UK](#) > [Charities, volunteering and honours](#) > [Public services: improving efficiency and funding](#)

Updated 23 November 2012

 Cabinet Office

Social impact bonds

Introduction to social impact bonds, information on commissioning a social impact bond, sources of funding and available support

Contents

- [Introduction](#)
- [The purpose of social impact bonds](#)
- [How to decide whether a SIB is likely to be appropriate](#)
- [Carrying out a feasibility study](#)
- [Commissioning and procurement](#)
- [Finding a provider](#)
- [Performance](#)

Introduction

Social impact bonds (SIBs) are designed to help reform public service delivery. SIBs improve the social outcomes of publicly funded services by making funding conditional on improvements. Investors pay for the project at the start, and then receive a payment based on the results achieved by the project.

Rather than focusing on inputs (eg number of doctors) or outputs (eg number of operations), SIBs are based on achieving social 'outcomes' (eg improved health). The outcomes are predefined and measurable.

This guide provides introductory information to help commissioning organisations (government departments, local councils and other public service organisations) who are beginning to consider whether to develop a social impact bond. It will also

<https://www.gov.uk/social-impact-bonds>

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Further resources



The screenshot shows a web browser window displaying the Cabinet Office website. The page title is "Centre for Social Impact Bonds | Social Impact Bonds - Windows Internet Explorer". The URL in the address bar is "http://socialimpactbonds.cabinetoffice.gov.uk/". The page content includes the Cabinet Office logo, a search bar, and a navigation menu. The main heading is "Cabinet Office & Oxford Said Business School Report – Social Investment Market: Role of Public Policy in Innovation and Execution". The text below the heading discusses the growth of the social investment market and the role of public policy. A sidebar on the right contains social media icons, a "More about Social Investment" section with links to "grow the social investment market" and "detailed guidance", and a "Menu" section with links to "Home", "About Us", "Blogs", "Social Outcomes Fund", "Contact us", and "Cookies".

Centre for Social Impact Bonds | Social Impact Bonds - Windows Internet Explorer

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Centre for Social Impact Bonds

[Cabinet Office & Oxford Said Business School Report – Social Investment Market: Role of Public Policy in Innovation and Execution](#)

The social investment market has witnessed dramatic growth in the past few years. In any space that experiences such rapid expansion, the opportunity to gather industry leaders and have deep discussions about successes and failures, goals and fears, lessons learned and mistakes made is absolutely vital to its future success. It is similarly vital, or even perhaps of greater importance, that these learnings are distributed beyond the walls of conference rooms to facilitate industrywide conversations.

We are pleased to present a [report](#) titled "The Social Investment Market: The role of public policy in Innovation and Execution". This report, arising from a symposium co-hosted by the University of Oxford and the Cabinet Office in November 2012, captures the reflections of senior policy-makers, investors, advisors, academics and analysts from over ten countries as they discuss the historic and future role of public policy in the social investment market.

During the symposium, the increasing sophistication and scale of the UK social investment market was evidenced, as well as the fact that the innovations in funding intermediaries, legal structures, financial products, tax incentives and government commissioning and procurement act as examples to governments and private entities worldwide. Sir Ronald Cohen noted that "The Social Investment

[More about Social Investment](#)

Government is working to support social enterprises and [grow the social investment market](#).

For more resources on social impact bonds, view the Centre for Social Impact Bond's [detailed guidance](#).

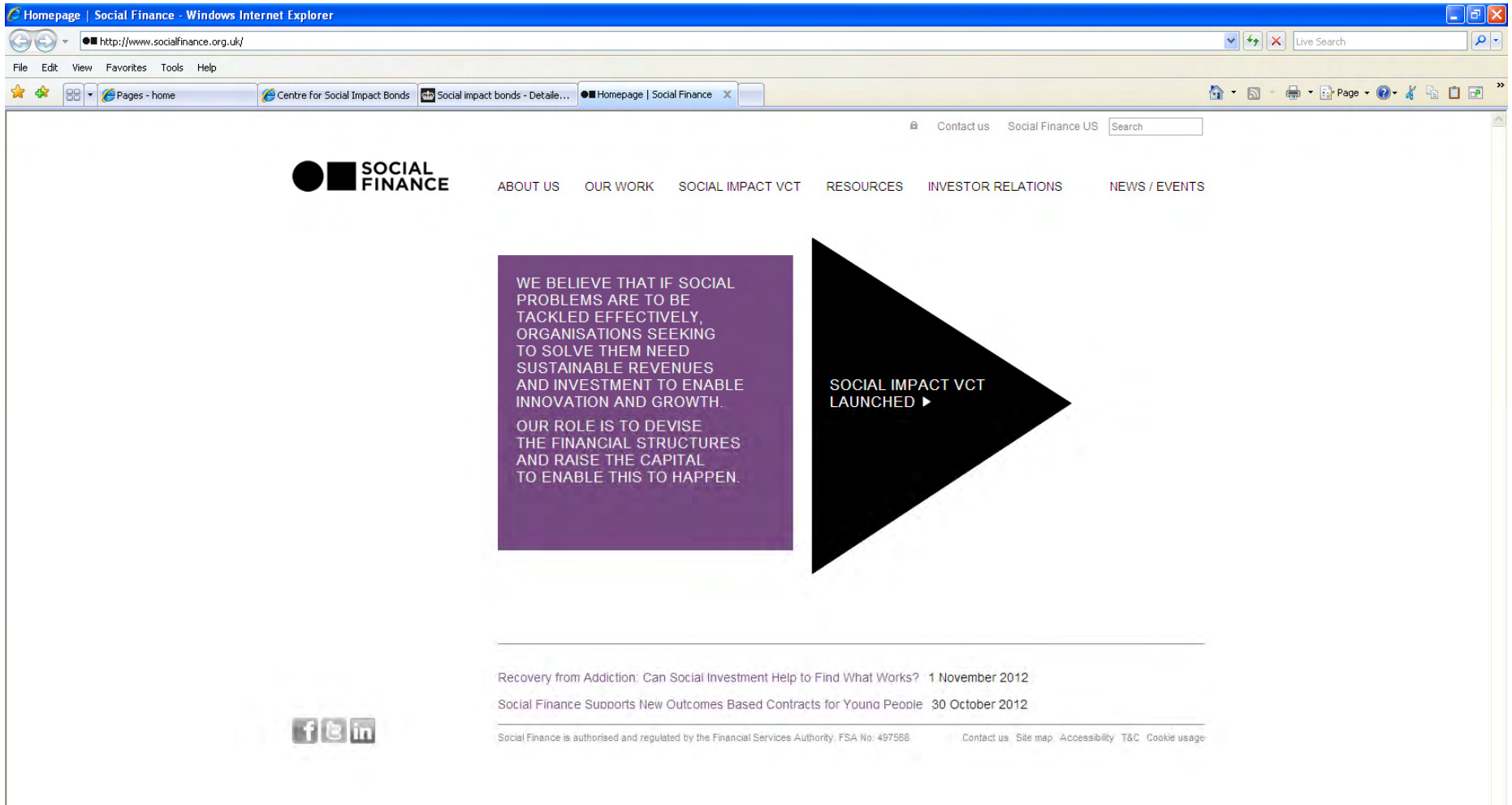
Menu

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Further resources



The screenshot shows the Social Finance website in a Windows Internet Explorer browser window. The address bar displays <http://www.socialfinance.org.uk/>. The website header includes the Social Finance logo and a navigation menu with links for ABOUT US, OUR WORK, SOCIAL IMPACT VCT, RESOURCES, INVESTOR RELATIONS, and NEWS / EVENTS. A search bar is located in the top right corner. The main content area features a purple box with the following text:

WE BELIEVE THAT IF SOCIAL PROBLEMS ARE TO BE TACKLED EFFECTIVELY, ORGANISATIONS SEEKING TO SOLVE THEM NEED SUSTAINABLE REVENUES AND INVESTMENT TO ENABLE INNOVATION AND GROWTH.

OUR ROLE IS TO DEVISE THE FINANCIAL STRUCTURES AND RAISE THE CAPITAL TO ENABLE THIS TO HAPPEN.

To the right of this text is a large black right-pointing triangle containing the text: SOCIAL IMPACT VCT LAUNCHED ▶

Below the main content, there are two news items:

- Recovery from Addiction: Can Social Investment Help to Find What Works? 1 November 2012
- Social Finance Supports New Outcomes Based Contracts for Young People 30 October 2012

At the bottom left, there are social media icons for Facebook, Twitter, and LinkedIn. At the bottom right, there is a footer with the text: Social Finance is authorised and regulated by the Financial Services Authority. FSA No: 497568. Contact us Site map Accessibility T&C Cookie usage.

<http://www.socialfinance.org.uk/>

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Contact us

Website

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Centre for Social Impact Bonds

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Social Outcomes Fund

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