

AN INTRODUCTION TO

SOCIAL BRIDGING FINANCE



A NEW SOCIAL FINANCE MODEL

Social Bridging Finance is a new grant funding model being developed by The Robertson Trust. It has been designed with the intention of enabling public services to innovate and move resources towards preventative services through bringing together a working partnership of public sector, third sector and independent funders. As such, it aims to ensure the long-term sustainability of services delivered by the third sector which can evidence success.

In 2019 the Robertson Trust embarked on a journey to test the model and build our understanding of how it works in practice through three demonstration models. We are sharing our learning as we go and actively encourage other independent funders, public sector and third sector organisations to try the model and share their experience of it with us.

Some outputs of the model have been tested previously in two projects. MCR Pathways in Glasgow and the Dundee and Includem Raising Attainment Project in Dundee. By the end of the current three demonstrations, we expect to have built our understanding of the model enough to produce a suite of information and "how to" materials that can be used to implement this model to effect public sector reform across Scotland and further afield.

HOW IT STARTED

In light of the Christie Commission's roadmap for public service reform and the increased focus on moving to a model of preventative services, public service providers have faced the challenge of finding ways to sustain funding for existing service delivery while simultaneously testing new ways of working.

As a result, the need for financial models which support this shift in delivery and funding has grown significantly. Various models have been developed to support a move to preventative delivery. In England and Wales, commissioners have increasingly used payment-by-results models (such as Social Impact Bonds), whereas in Scotland, Public Social Partnerships (PSPs) have been the favoured model.

While SBF shares certain principles with existing models, it differs in some key respects. The model intentionally involves third sector delivery partners earlier and more deeply in the commissioning of services, and works on the expectation that those services which evidence their success will be sustained, with no requirement for payback to the investor. The model also requires the inclusion of a contractual commitment from the public sector to sustain services which successfully achieve agreed outcomes during an initial trial phase.

HOW DOES IT WORK

Social Bridging Finance is a straight-forward model which enables grant funding from independent funding sources to support the initial demonstration phase of an evidence-based service, whilst also ensuring that the public sector sustains those which successfully meet agreed outcomes. The different stages of a Social Bridging Finance Model which are currently testing are detailed below:

DESIGN

A working partnership is formed between a public sector agency, a third sector organisation and an independent funder to replicate an existing evidence-based model which has been trialled successfully elsewhere or at a small-scale in the existing geography. This service should enable a move from reactive to preventative services and meet an identified need which the public sector body is prepared to fund longer term. The partners need to agree success criteria in advance.

CONTRACT

A binding contract is signed between the partners to commit the public sector organisation to sustaining funding for the service for a specified period of time, if the agreed success criteria is met.

DEMONSTRATION

After an allowance for an initial set-up phase the service is delivered for an agreed period of time, usually 2 to 3 years. During this trial stage, which will be grant funded (this can be from a range of sources, including Trusts and Foundations, public sector, individual philanthropists etc...), partners can adjust how the interventions are delivered, in order to ensure the best chance of meeting the agreed success criteria. A Project Board is established with senior representatives from all the partners to ensure strategic level oversight of progress.

EVALUATION

An audit is commissioned by the partnership and paid for by the independent funder at the outset of the trial period. This audit will make an informed judgement as to whether or not the agreed success criteria have been met at the end of the trial.

SUSTAINABILITY

If the external auditor determines that the agreed success criteria have been met, then the contract determines the length of time for which the public sector organisation will sustain the service. If the trial period has not been successful, all partners ensure that they take learning from the process and walk away, thus the public sector commissioner faces no risk from the trial as this is carried by the grant funders.



ABOUT THE ROBERTSON TRUST

The Robertson Trust's mission is to improve the quality of life and realise the potential of Scotland's people and communities – inspired by the example of our founders, the Robertson Sisters. In particular, we focus on the health, social and educational inequalities prevalent in Scotland.

To find out more about how we work, what we do and who we are, visit www.therobertsontrust.org.uk

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