

REQUEST FOR DMPC DECISION – DMPCD 2015 138

Title: Development Bid to explore the feasibility of a Social Impact Bond for the London Gang Exit Programme and procure services for the value of £100,000.

Executive Summary:

Following a successful bid to the Bid Lottery's Commissioning Better Outcomes Fund, MOPAC were awarded £100,000 to consider the feasibility of using a Social Impact Bond to fund the London Gang Exit programme beyond October 2017. This paper outlines MOPAC's intentions to procure these services through a competitive tender process.

Recommendation:

That the DMPC approve:

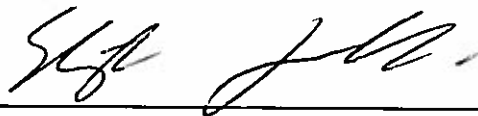
- (a) The acceptance of a development grant of £100,000 from the Big Lottery Fund.
- (b) Request to appoint providers to develop a Social Impact Bond to be modelled on the London Gang Exit programme.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

27/11/15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. Social Impact Bonds (SIBs) are an innovative new financial vehicle to leverage private and philanthropic investment to achieve social ends, with public agencies only paying if outcomes are achieved. SIBs offer new means to fund programmes, manage risk, and there is potential for them to play a bigger role in the future of commissioning in London.
- 1.2. As outlined in the *Police and Crime Plan 2013-2016*, MOPAC will explore the potential for Social Impact Bonds in the justice and resettlement space, and for other innovative solutions to social problems linked to crime¹. The *Strategic Ambitions for London: Gangs and Serious Youth Violence*², also has an ambition to explore and pursue new opportunities for investment and the use of innovative financial models.
- 1.3. MOPAC has been exploring the use of a SIB as part of the London Gang Exit (LGE) programme. The LGE programme is an ambition within the *Strategic Ambitions for London: Gangs and Serious Youth Violence*, to create the first 'collaborative pan-London gang exit service'.
- 1.4. After an open and competitive grant process, decision "DMPCD 2015 115 Award of a £1,250,000 grant to Safer London Foundation for the Pan-London Gang Exit and Resettlement Programme", allowed for the award of funds to a successful consortia, led by Safer London, to mobilise a gang exit service which will go live in January 2016. To support this programme, MOPAC has been exploring the use of a SIB.

2. Development Fund Award Process

- 2.1. Officers from MOPAC have taken the development of the SIB as far as it can go without expert financial support. Recognising the complex nature of SIBs, the Big Lottery Fund and the Cabinet Office created a competitive bidding process to support innovative ideas that may be suitable for SIB funding.
- 2.2. Through a competitive award process, MOPAC successfully passed a Stage 1: Expression of Interest, and then successfully bid at Stage 2: Development Funding. The funding awarded to MOPAC was the maximum available at the time - £100,000 – which will enable MOPAC to secure a specialist provider to complete a feasibility study for the use of the SIB. This work will include detailed financial modelling to develop payment by results mechanisms for outcomes and develop and refine outcome metrics for payment.
- 2.3. The development funding awarded by the Big Lottery allows us to meet the commitment within the *Police and Crime Plan* and *Strategic Ambitions* document, exploring this innovative financial vehicle for the first pan-London gang exit programme. It is recommended that the DMPC accept the development grant of £100,000 from the Big Lottery Fund to fulfil these commitments.

3. Grant Award and Conditions

- 3.1. There is no commitment that MOPAC implement a SIB by accepting this development grant. The development award will be used to obtain technical support to help launch a SIB should the development work show this is feasible and should MOPAC decide that this approach is the right method to support the LGE programme in the future.
- 3.2. As part of the development award this work must be completed and funds spent by May 2016.

¹ Police and Crime Plan 2013-16; page 60.

² The *Strategic Ambitions* document, page 33.

- 3.3. There is an embargo about publishing information about the grant until the 4th of December 2015 when the Big Lottery will make an official announcement on all successful bids.

4. Procurement Process

- 4.1. The development grant will be awarded over two stages.
- 4.2. The first stage is for a grant of £20,000 to develop the Social Outcomes. This comprises of a theory of change; benefit realisation plan and an evaluation against Project Oracles Standards of Evidence to at least standard 1. Due to the time constraints, the relatively small sum of money, and that the preferred provider is part of a consortia that has been awarded the contract for gang exit in London, which provides assurance that they have already been through a competitive grant process, it is proposed that a grant is awarded to an existing provider. We are confident that this represents best value, ensures the important integration with the service, and allows work to begin immediately so that stage 2 can commence without delay.
- 4.3. The second stage is the substantial procurement for the value of £80,000 for specialist technical support that will provide financial modelling. This will comprise of financial modelling of the social outcomes; and development of the SIB structure, and an investor engagement strategy. This will be a competitive procurement process.
- 4.4. To ensure we achieve consistency of service and get the best value for money to complete this work, we request that the DMPC approve this procurement process and a grant award to model a Social Impact Bond on the London Gang Exit programme.

5. Timeframes

- 5.1. The timeframe for completing all work is the 31st May 2016. The first phase of this work (social outcomes) can begin immediately and will be completed by mid – January 2016. The procurement for the second stage of this work (financial modelling) will begin in December with the successful provider appointed in February 2016. This will provide sufficient time to complete the products required.
- 5.2. Should the feasibility study show that the SIB is a viable option for the LGE programme and this is something that MOPAC would like to proceed with, this allows sufficient time to submit a full application to the Big Lottery and the Cabinet Office by the 31st of July 2016.
- 5.3. If the DMPC decides to accept the development grant, there will be an official announcement on the 4th December by the Big Lottery.

6. Financial Comments

- 6.1. MOPAC has been awarded a grant of £100,000 to procure services to support the development of a Social Impact Bond of which £20,000 will be used to develop social outcomes and the remainder will fund the financial modelling.
- 6.2. There are no cost implications for MOPAC other than in kind support from MOPAC officers as part of the London Gang Exit work.

7. Legal Comments

- 7.1. Section 143 (1) (b) of the Anti-Social Behaviour Crime and Policing Act 2014 provides an express power for MOPAC, as a local policing body, to provide or commission services “intended by the local policing body to help victims or witnesses of, or other persons affected by, offences and anti-social behaviour.” Section 143(3) allows MOPAC to make grants in connection with such arrangements and any grant may be made subject to any conditions that MOPAC thinks appropriate.
- 7.2. The powers in section 143 were given to MOPAC following the Government’s response to the consultation *Getting it Right for Victims and Witnesses* (2 July 2012) in which it set out a package of reforms to the way in which support services for victim of crime are to be provided. Section 143 creates a statutory basis for the proposals set out in this decision form, namely to award grant funding as set out above for the provision of victim-support related services.
- 7.3. Under MOPAC’s Scheme of Delegation, approval of the strategy for the award of individual grants and the award of all individual grants (for crime reduction or other purposes) is a matter generally reserved to the DMPC (paragraph 4.8). The release of funding in accordance with the proposals set out in this decision form can accordingly to be approved by DMPC. The delegation of responsibility for the finalisation of planning and contractual/grant arrangements, including relevant terms and the signing of agreements, to the Chief Operating Officer is in accordance with the general power of delegation in paragraph 1.7

8. Equality Comments

- 8.1. There are no specific equality concerns relating to the bid itself, however London gangs do disproportionately impact on particular protected characteristics as outlined in detail in previous decisions (e.g. DMPCD 2015 115).
- 8.2. As part of the Strategic Ambitions document an Equality Impact Assessment was completed and found that young people, particularly Black, Asian and minority ethnic (BAME) young people, are disproportionately affected both as victims and perpetrators of gang violence.

9. Background/supporting papers

- 9.1. Decision paper ‘London Crime Prevention Fund – Final Allocation 2015/16’
<https://www.london.gov.uk/sites/default/files/DMPCD%202015%2016%20London%20Crime%20Prevention%20Fund.pdf>
- 9.2. Decision paper ‘Award of a £1,250,000 grant to Safer London Foundation for the Pan-London Gang Exit and Resettlement Programme.’
<https://www.london.gov.uk/priorities/policing-crime/mopac-decisions/2015/october-2015>

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? Yes

If yes, for what reason: The Big Lottery are announcing successful bidders into the development grant on the 4th of December and as part of the grant conditions there is an embargo date until the 4th of December about publishing this successful award.

Until what date (if known): 5th December 2015

Is there a **part 2** form –No

If yes, for what reason:

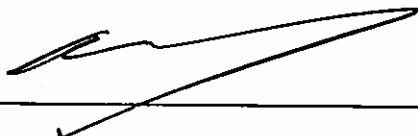
ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Director of IOM: Sam Cunningham has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: Legal advice not required.	✓
Financial Advice: The Head of Strategic Finance and Resource Management has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 27 / 11 / 15

