Local Government and Communities Committee
Call for Views on the Long-Term Financial Sustainability of Local Government
Submission from The Robertson Trust

Introduction

The Robertson Trust believes that there are real opportunities for increased collaboration and innovative funding models to help improve the long-term financial sustainability of local government and to ensure that public services are making a positive difference for those they support. In this response we provide an overview of some of the work we are currently doing which we think will be of use and interest to the Local Government and Communities Committee. In particular, we want to highlight some of our key learning including what has worked and what challenges we have faced.

In doing so, our response focuses on the committee’s fourth and fifth questions:

4. What alternative models of planning for, and delivering, council services (for example, joint working initiatives) could help local authorities make efficiency savings and/or deliver better services?

5. Are there any other issues relating to the long-term sustainability of Scottish local government which you wish to bring to the attention of the Committee?

About us

The Robertson Trust is the largest independent grant-making trust in Scotland and we have awarded over £250 million to Scottish charities since 1961.1 Our mission is to improve the quality of life and realise the potential of Scotland’s people and communities. In addition to providing grant funding, we also gather and share learning about what works, what doesn’t work and why, in order to inform internal and external policy and practice.

Innovative Funding Models

Over the last few years we have been developing a new funding model, Social Bridging Finance (SBF), which enables public services to innovate and move to greater preventative spend by bringing together a working partnership of public sector, third sector and independent funders. In doing so, it aims to ensure the long-term sustainability of services delivered by the third sector which can evidence success.2

In light of the Christie Commission’s recommendations and the increased focus on

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1 You can find out more information about us and what we have done over the last 12 months in our recent Annual Review available here - https://www.therobertsontrust.org.uk/news/annual-review-2018-19-launched
2 There is more information about the SBF model on our website, including a briefing paper and a webinar - https://www.therobertsontrust.org.uk/social-impact/innovative-funding/social-bridging-finance
preventative spend, public service providers have faced the challenge of finding ways to sustain funding for existing service delivery while also testing new ways of working. In response to this, innovative social finance models have been developed which support this shift in funding and delivery, including Public Social Partnerships (PSPs). However, in our experience, there still remains a challenge around the long-term sustainability of services, even those proven to be successful. For example, we were one of the partners involved in the Reducing Reoffending Change Fund which funded six PSPs that provided mentoring support to young people returning to their communities after a short custodial sentence. Despite the PSPs demonstrating that they had made a positive difference to those they engaged with, and despite the partners having signed sustainability agreements, none of the local authorities have sustained the funding for the services.

SBF aims to address these frustrations by providing 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. SBF also intentionally involves third sector delivery partners earlier and more deeply in the commissioning of services, which we also think is essential for developing strong services and ensuring that all partners have realistic expectations of what can be achieved.

There are 5 stages to the SBF model:

1. **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 successfully trialled elsewhere, or on a small scale in the local authority. The service should enable a move from reactive to preventative services and success criteria should be agreed.

2. **Contract** – a binding contract is signed which commits the public sector organisation to sustain funding for the service for a specified period, if the success criteria are met.

3. **Demonstration** – the service is delivered for an agreed period of time, usually 2-3 years, during which partners can adjust how interventions are delivered to ensure maximum impact. This is delivered with oversight from a Project Board.

4. **Evaluation** – a robust evaluation is commissioned and paid for by the independent funder. This evaluation will make an informed decision as to whether the previously agreed success criteria have been met at the end of the trial.

5. **Sustainability** – if the evaluation concludes that the success criteria have been met, the contract determines the length of time for which the public sector agency will sustain funding for the service. If the success criteria were not met, all of the partners ensure they take away any relevant learning and the public sector agency faces no financial risk as this is carried by the grant funders.³

³ More information on these can be found on our introductory briefing paper which is available on our website - [http://s3-eu-west-1.amazonaws.com/files.therobertsontrust.org.uk/Innovation_and_Learning/Innovative_Funding/Social_Bridging_Finance/2018_01_28_Social_Bridging_Finance_Two_Page_Summary.pdf](http://s3-eu-west-1.amazonaws.com/files.therobertsontrust.org.uk/Innovation_and_Learning/Innovative_Funding/Social_Bridging_Finance/2018_01_28_Social_Bridging_Finance_Two_Page_Summary.pdf)
The principles of the model have been tested in two sites to date: MCR Pathways in Glasgow and Dundee; and the Includem Raising Attainment Project in Dundee. With regards to MCR Pathways in Glasgow, Maureen McKenna, Executive Director of Education at Glasgow City Council has stated that:

“The Social Bridging Finance model has worked exceptionally well for us in Glasgow. We wanted to transform the way we provided support for young people. We needed support to move from where we were to where we wanted to be. This model has allowed us to create a new approach which is now business as usual”.

Indeed, Glasgow City Council saw such success in MCR Pathways’ model that it agreed to continue funding the model before the end of the SBF pilot.

Over the last few months, The Robertson Trust has developed three new demonstration sites investing over £1.4M through which we hope to develop a host of ‘how to’ materials for others to use. We have also created a dedicated LinkedIn group called ‘Alternative Funding Models for Public Services’. As well as sharing updates of our own progress, we hope to hear from other organisations so we can learn and develop together.4

Systems Change

Over the last few years we have also been exploring how we can support systems change on a larger scale. This interest stemmed from a frustration over successful projects and organisations we have supported but which we have then been unable to scale up effectively. To this end we have been working with Collaborate and Stirling Council to support broader systems change. Collaborate are currently reviewing this work for us and will be publishing a blog soon and it has also published a number of other reports on funding and managing in complexity which we think will be of use to the Committee’s discussions.5

We also recently supported the Transforming Pathways programme which was co-designed and delivered in partnership with the Centre for Excellence with Looked After Children in Scotland (CELCIS) at the University of Strathclyde. The programme was established to improve the well-being of children and families living on the edge of care in three specific local authorities in Scotland. The intention was to support CELCIS to take an Active Implementation approach to work alongside the public sector to enable them to take more of an early intervention / prevention approach and to reinvest resources currently spent on high cost residential options for children in care. The third sector, along with young people and families themselves, were also core partners in this work.

Despite the preparatory work that had been done, progress to get beyond the research and development phase was slow and we were unable to identify a clear end point for the work. As such, in discussion with CELCIS, The Robertson Trust decided not to continue funding this work. However, the approach was picked up and developed by Glasgow City Council HSCP and has highlighted some useful learning around the

5 The most recent collaborate article on their system change work is available here - https://collaboratecic.com/place-based-system-change-demystifying-the-practice-20c438bde7e.
challenges of systems change work which we have published on our website. In particular we have learnt that:

- Systems change work is difficult, time consuming, frustrating and messy. All partners need to agree what success looks like and believe that the prize at the end is worth the effort of getting there.
- It is difficult at the outset for any public sector led systems change work to have clarity on the potential role for the third sector although it should be possible to assess the appetite for their involvement in the process. We anticipate that a significant amount of preparatory work will need to be undertaken with public sector agencies that hold the major levers for change and that some smaller, community-based organisations may need to be resourced to enable them to effectively engage with the process.
- When embarking on systems change work in the future, we (and others) should agree the approach to systems change that will be taken and articulate how progress will be measured and success articulated.

From what we have seen of Workforce Scotland, we believe that the support they provide for workforce development in public services could complement other attempts at systems change.

**Conclusion**

We have experienced and witnessed a number of issues around the sustainable funding of successful projects, and the funding of services which shift resources from reactive to preventative spending. However, we also think that there are a lot of opportunities for greater collaboration and more effective partnership working. In particular, we think there needs to be recognition that systems change work is complex and time-consuming but that it is ultimately worth it to ensure the financial sustainability, and increased impact, of public services across Scotland.

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Director
**The Robertson Trust**

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7 [https://workforcescotland.com/2017/03/17/what-is-workforce-scotland/#more-1777](https://workforcescotland.com/2017/03/17/what-is-workforce-scotland/#more-1777)