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Ireland’s SIB Pilot: Lessons learned

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Clann Credo

- Not-for-Profit Social Lender
- €82 million lent to over 800 projects*
- Capital invested:
  - €11 million from charities
  - €11 million from Social Finance Fund
- Income (2015): €1.1 million**

*20 years as of December 2015
**85% interest / 100% earned
## SIB Pilot Overview

<table>
<thead>
<tr>
<th>Location:</th>
<th>Dublin, Ireland</th>
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<tbody>
<tr>
<td>Target Population:</td>
<td>136 homeless families</td>
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<tr>
<td>Capital Required:</td>
<td>€500,000*</td>
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<tr>
<td>Start Date:</td>
<td>February 2013</td>
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<td>Project Overview:</td>
<td>‘Wrap-around’ placement/support service</td>
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<tr>
<td>Financial Terms:</td>
<td>Investors receive interest (5-8%) on non-recourse loan if placement rate greater than 85%</td>
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<td>Performance:</td>
<td>116 families settled and disengaged from support. SIB did not launch in the end.</td>
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SIB structure was familiar, but ...
There were some new (?) features

✓ Call for proposals was widely circulated / cross-departmental group put in place
✓ Payment from commissioning entity to service provider commenced prior to launch
✓ Original legal/contractual design was simple – but became complex over time
✓ Instrument to be sold to investors was a non-recourse loan
✓ Investor group was drawn from a range of sources
Social Housing context

LA/Voluntary as share of total

Source: Dept of Environment Housing Statistics

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Trinity College Dublin
The University of Dublin
Lessons Learned:

1) The methodology for SIBs may lead to **early mainstreaming**
Two pilot projects agreed by Steering group, one was funded immediately by government and the homelessness pilot went mainstream as Focus Ireland’s ‘Family Homeless Action Team’.

2) **Outcomes measurement** must be agreed up front
Months of meetings and discussions on what to measure and where to get the data – lingering issues with data protection and interpretation.

3) **Legal and contractual arrangements still evolving**
There is no LLP structure in Ireland (used in UK) and government procurement requirements were extensive; structure for investment instrument evolving.

4) **The changing context for interventions must be recognized**
The world does not stand still, e.g., change in availability of rental accommodation / social housing – must address how the project ‘fits’ into the wider system and ‘counter-factual’ data.
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Thank You