

REF. JCM-I-1056 Rethink Ireland submission

Niamh Smyth T.D. Cathaoirleach

Joint Committee on Tourism, Culture, Arts, Sport and Media

27 January 2023

Dear Cathaoirleach,

Thank you for the opportunity to input on social outcome contracts in Irish Sports.

This submission outlines the progress done by Rethink Ireland to facilitate the implementation of Social Outcome Contracts in Ireland, with the aim of piloting a Social Outcome Contract in Irish Sports.

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Part II - Rethink Ireland Submission

1. Rethink Ireland's role facilitating Social Outcomes Contracts in Ireland

In late 2021 the European Investment Bank (EIB) Advisory Hub agreed to finance a Social Outcome Contract (SOC) Feasibility Study, with the Irish Government as the client (ESF+ Unit in Department of Further and Higher Education, Research, Innovation & Science); Rethink Ireland is facilitating the development of this Feasibility Study.

The main purpose of this assignment is to assess the potential for the take-up of SOCs in Ireland. The Feasibility Study is divided into two phases:

- **Phase 1:** An overview and assessment of the readiness of the current Irish ecosystem for SOCs
- **Phase 2:** An outline for a specific SOC pilot project in Ireland

Phase 1 is complete and the draft report highlights that currently there is limited public-private collaboration between philanthropic organizations, investors and Government. However, there is a willingness to engage in more strategic philanthropy and further strengthen the field. ***A SOC can be the catalyst for such an interaction, fostering public and private funding to support social impact.***

During the development of Phase 1, Rethink Ireland introduced the SOC concept to various Government officials/ representatives, assessing the potential interest for piloting a SOC in sports for the Phase 2 of this assignment.

An outcomes-based approach is at the heart of the National Sports Policy (2018-2027) and this proposal was presented to the Joint Committee on Sport and to the Minister for Sport.

Together with UEFA, Rethink Ireland had meetings with the following Government officials/representatives:

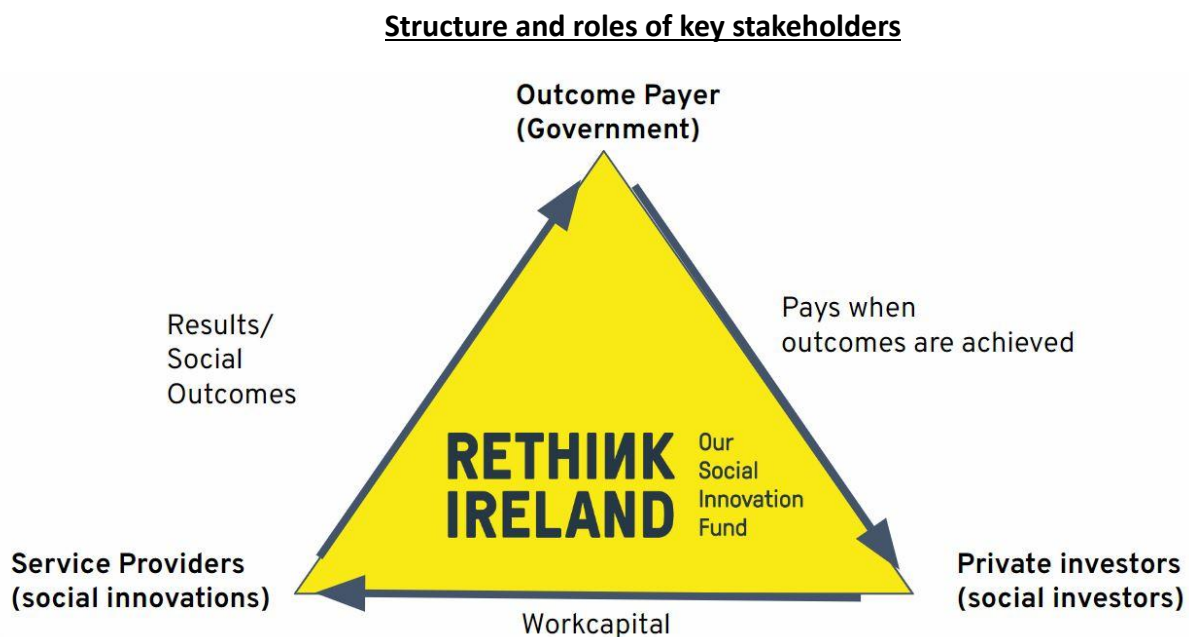
- Minister Jack Chambers and Dept of Sports officials (April 2022)
- Minister Darragh O’ Brien (June 2022)
- Joint Committee with responsibility for sport (June 2022)

2. Proposal for piloting a Social Outcome Contract in Sports

Following the interest expressed by the Minister Darragh O’Brien in our meeting in June 2022, in July we submitted a proposal to the Department of Housing, Local Government and Heritage. In this proposal, we provided an overview of how a SOC in Sports could be implemented with two Local Authorities in Ireland.

2.1 A SOC pilot in sport: What would it look like?

The design of a pilot is included in Phase 2 of the EIB feasibility study. With the EIB, comes successful international practices and expert guidance. Below is the structure of a SOC:



Target population + defining outcomes

The target population represents the final beneficiaries of a SOC. The target population must be clearly defined. A consultation process with the beneficiaries and with existing public support services aimed at this audience is a key first step. It is crucial that their needs and interests are considered in defining the outcomes. The sports professionals in two local authorities are key stakeholders during this consultation process. Outcomes are defined for the target group(s), methods and metrics are agreed for measuring the expected change, and finally, a rate for the outcomes is agreed by the outcome payer.

Private investors

Investors in a SOC are often social or impact investors or philanthropic institutions. They provide the upfront capital required for a service provider to set up and deliver a service or a social programme. They carry the financial risk of outcomes not being achieved. During the design of the pilot, Rethink Ireland and the EIB will source the most suitable investors.

Service providers

The service providers are often social enterprises or charities that implement the intervention. They receive working capital from investors to run their intervention. We envisage a tendering process where all sports and all clubs can apply. The service provider with the best track record and proposal related to the social outcomes aimed at the target group will be selected by the managing authority.

Outcome Payer

The outcome payer is the 'problem owner' of the social challenge addressed through the SOC, the Government. They are the funders that are willing to pay for the outcomes achieved. In this pilot the principal outcome payer will be the Department of Housing, Local Government and

Heritage or the local authority via the Department. We aim that the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media will also agree to be an outcome payer.

Managing Authority

Rethink Ireland will design and manage the SOC pilot. This involves managing the relationships and contractual obligations between all stakeholders and managing the performance of the service providers so that agreed outcomes are on track.

Budget

A budget of €250,000 was estimated for this pilot.

2.2 Potential Social Outcomes of the pilot

Key to successful SOC's are well-defined outcomes indicators which are agreed between all parties. Indicators for the proposed SOC pilot could be clustered into:

- Health: For example - improved health and wellness through higher frequency of physical activity in at-risk target groups
- Employment: For example - training, education, and internships for NEET target group
- Social Inclusion: For example - levels of community and civic engagement
- Education: For example – improvements in written and oral language competencies, or mathematics in migrant populations

The final outcomes will depend upon the consultation process and the service providers most suited to the successful delivery of outcomes to the defined target group(s)

2.3 Status of the proposal

Rethink Ireland is still in discussions with the Department of Housing, Local Government and Heritage to consider how social outcomes contracting might be suitable in policy areas under the responsibility of this Department. Nevertheless, the Department has communicated that it has no policy remit in relation to sports.

3. Request

Rethink Ireland in partnership with the European Investment Bank is committed to run a Social Outcome Contract in Ireland.

Social Outcomes Contracts are an effective way to tackle social challenges combining public and private resources toward positive social impact.

There is a need to develop a SOC pilot in Ireland. Pilot projects are important to test new financial mechanisms and to have its buy-in from key stakeholders. Launching a small scale pilot is crucial to convince about the applicability of the concept, supporting awareness raising and the capacity building of key stakeholders during this process. A SOC pilot will help build trust and partnership across public and private stakeholders and help with the outside the box thinking that is needed to develop new and innovative approaches.

We respectfully request the financial and institutional support of the Department of Sports to pilot a SOC in sports in collaboration with Rethink Ireland and with the European Investment Bank, who will provide the technical assistance to design and structure this SOC according to best practices across the EU.

4. What are the benefits of using a Social Outcomes Contract?

The overarching objective of introducing SOC is to promote service delivery that truly puts the needs of the beneficiaries at the heart. This means that fundamentally, SOC should be used as a means to improve outcomes for the targeted population, through a number of routes like introducing innovative service models, breaking down fragmentation in funding or scaling up interventions. In practice, the question of why use a SOC is dependent on the context. The benefits of a SOC include:

- Putting actual results for end beneficiaries at its core: Stakeholders in a SOC are convened around the needs of people, as opposed to focusing on the needs of the system, which forms the basis of a beneficiary-centred partnership. Given the shared vision for outcome-delivery, the partnership stimulates learning, self-reflection, and continuous improvement. This is regarded as a great added value of a SOC.
- Convenes different expertise into a partnership: The tripartite partnership of a SOC brings in complementary expertise and foci; measurement and monitoring rigour to the process from investors; in-depth knowledge of the needs and lived experiences of populations from service providers. The structure facilitates a more equal partnership, as opposed to a traditional funder-recipient relationship.
- Reduced financial risk for Governments to invest in social interventions: Governments only pay for a service if it delivers measurable outcomes for the population using the service. As the investor takes on financial or delivery risk, typically financially risk adverse governments are enabled to support and participate in investment in social interventions more than they necessarily would.
- Private resources towards positive social impact: Engaging social investors or philanthropy organisations in the social domain can help push forward promising interventions, as these actors often have more possibilities to take financial risks when coupled with the potential of yielding high social impact.

- Builds an evidence base for effective interventions: SOCs can be used to build an evidence base for interventions that prove to be effective at delivering outcomes, as well as build a dataset which can be used to improve results in the future.
- Enables flexibility in delivery: In SOCs, because funding is tied to outcomes and not activities, there is more flexibility in how funding is used by service providers. They are not tied to delivering prescribed services which may not have a large impact on their service users, they can flex the funds to maximize impact.
- Creates a longer-term partnership for service providers: The multi-year nature of SOCs means that they shift focus from short term partnerships between funders and recipients and annual funding cycles to multi-year commitments to support service provider services.