

DANISH IMPLEMENTATION NETWORK

PARTNERING FOR OUTCOMES

19 MAY 2016



Social Finance is a not for profit organisation.

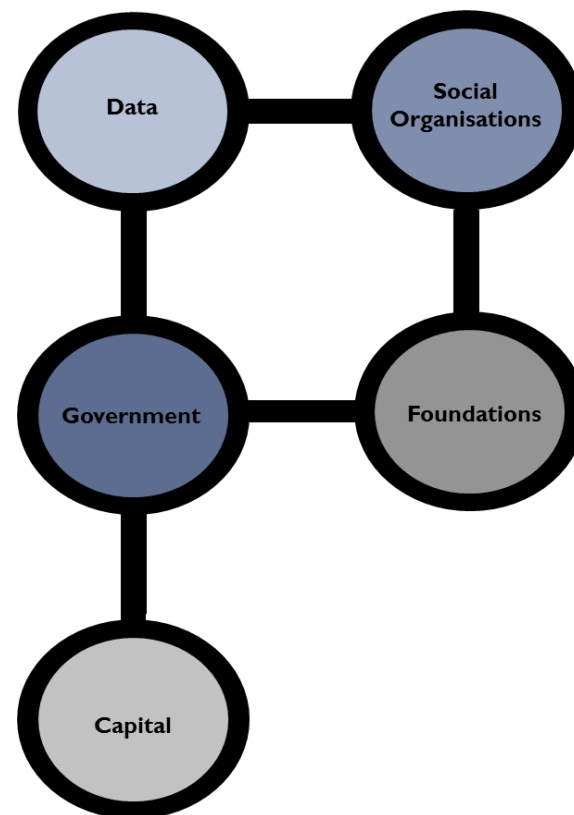
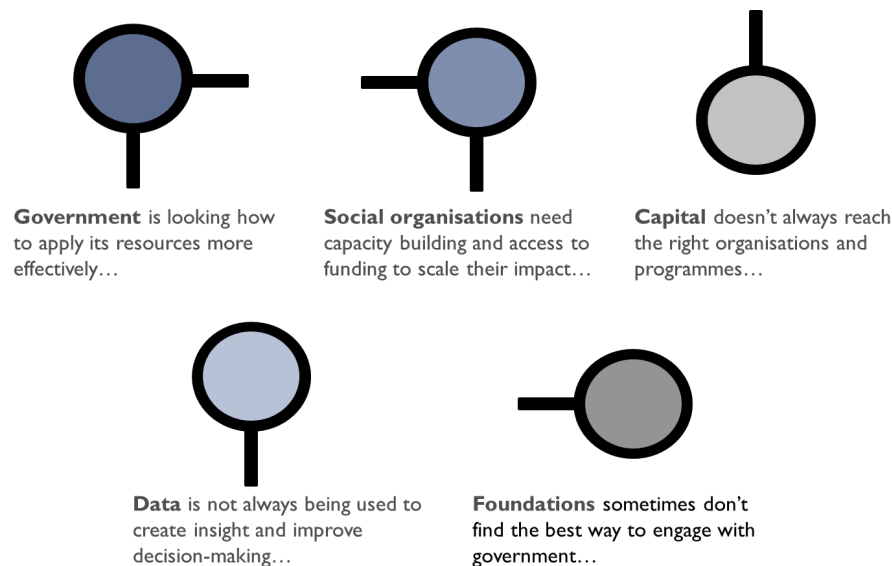
We partner with governments, the social sector and the financial community to find better ways of tackling social problems in the UK and beyond.



WE BRING PARTNERS TOGETHER TO CREATE MODELS FOR SUSTAINABLE SOCIAL CHANGE

3

Government, Social Organisations, Data, Donor capital, Investment capital





WE WORK IN THE UK AND ABROAD

4



4CHILDREN: £1.7m raised to support the better management of children's centres and nurseries in the UK



HIV Prevention Social Impact Bond: to reduce the risk of HIV/STI acquisition and/or transmission in South Africa

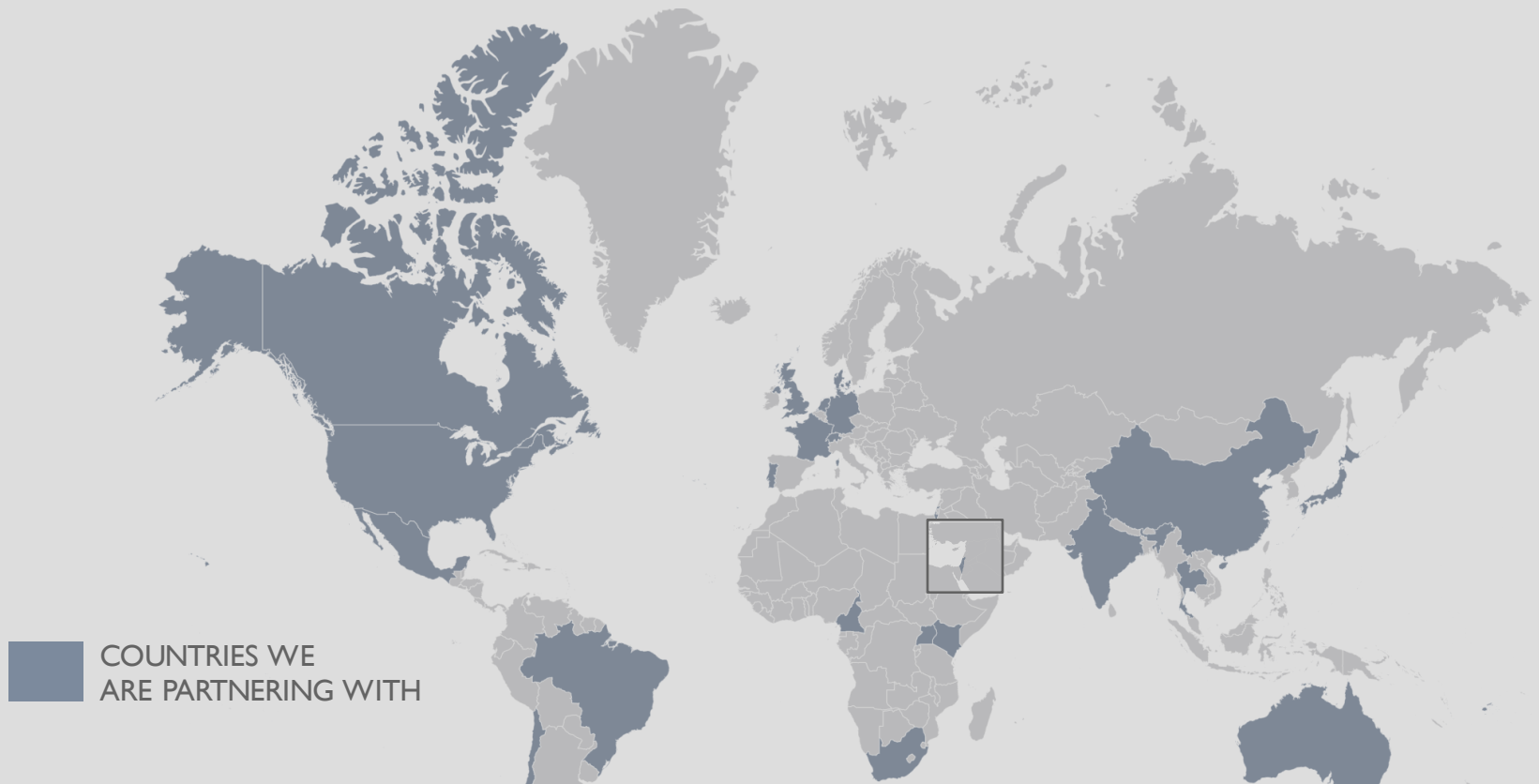


Peterborough Social Impact Bond: to reduce reoffending among short sentenced male offenders



FROM UK START-UP IN 2007 TO GLOBAL PARTNERSHIPS IN 2016

5



1ST

SOCIAL IMPACT BOND IN
PETERBOROUGH - 2010

£100M

CAPITAL MOBILISED IN
THE UK - 2015

>£5m

SF UK ANNUAL
REVENUE - 2015

56

GLOBAL IMPACT BONDS
£150M MARKET - 2016

- **Commissioner** = Contracting Authority= Central or Local government
- **Social Impact Bond**= Partnership to finance an impact project on a payment-by-results basis
- **Trend in how governments purchase services**

	Example
Paying for Inputs	pay for 20 delivery staff to help clients into jobs
Paying for Outputs	pay for completion of a skills course by the client
Paying for Outcomes Pay-for-success Payment-by-Results(PBR)	Pay for jobs obtained by clients

- **Our Theory of Change**

- Why use social investment, and When?

- Some Examples of social impact in action

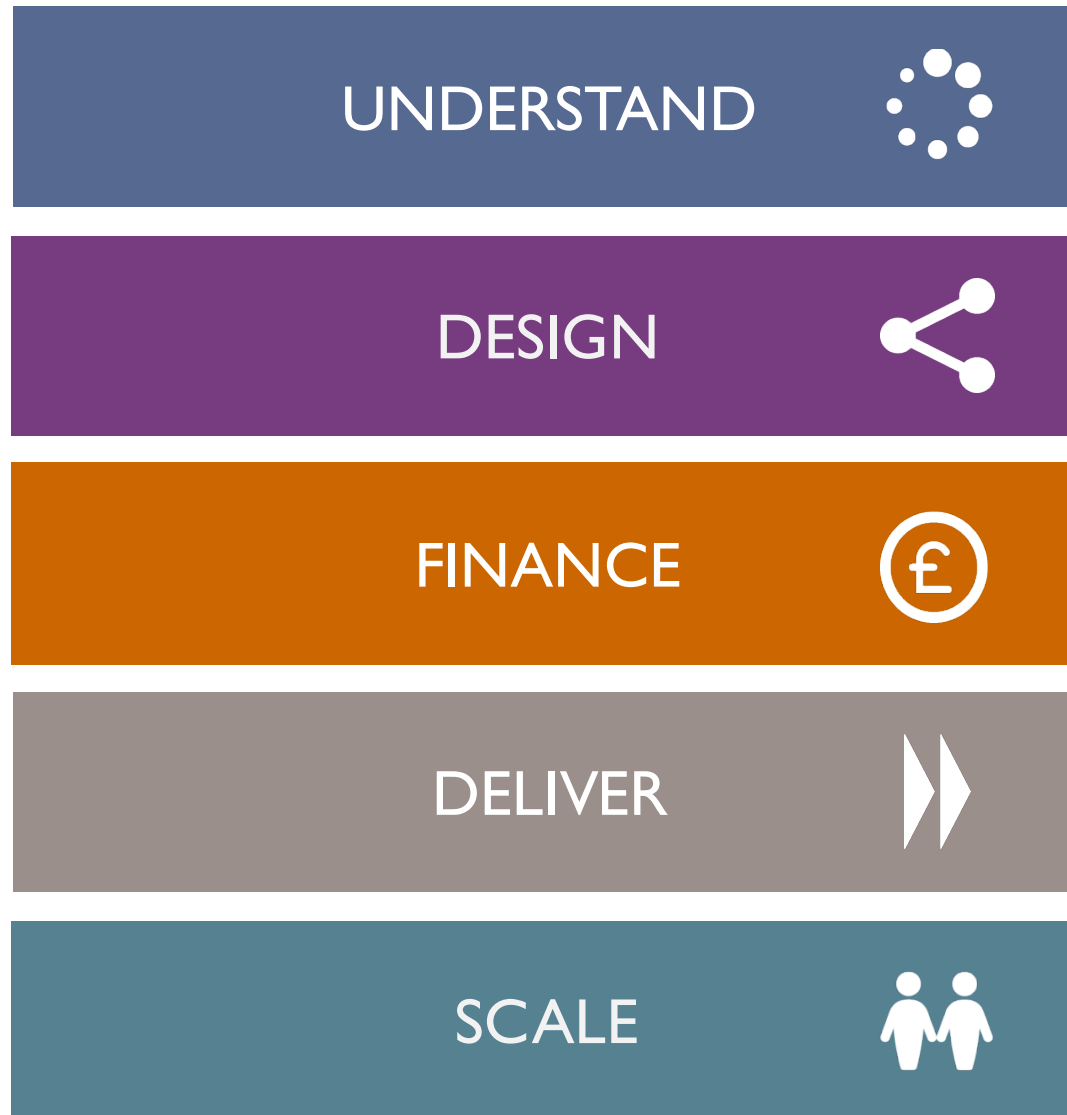


Social Finance has been testing innovative partnership models in the UK and abroad.

- ☐ Not-for-profit organisations are good partners
- ☐ Outcomes should be clear and measurable
- ☐ Social Investment can help:
 - (i) to share risk and build capacity in delivery organisations
 - (ii) to scale promising and innovative services

OUR THEORY OF CHANGE, WE...

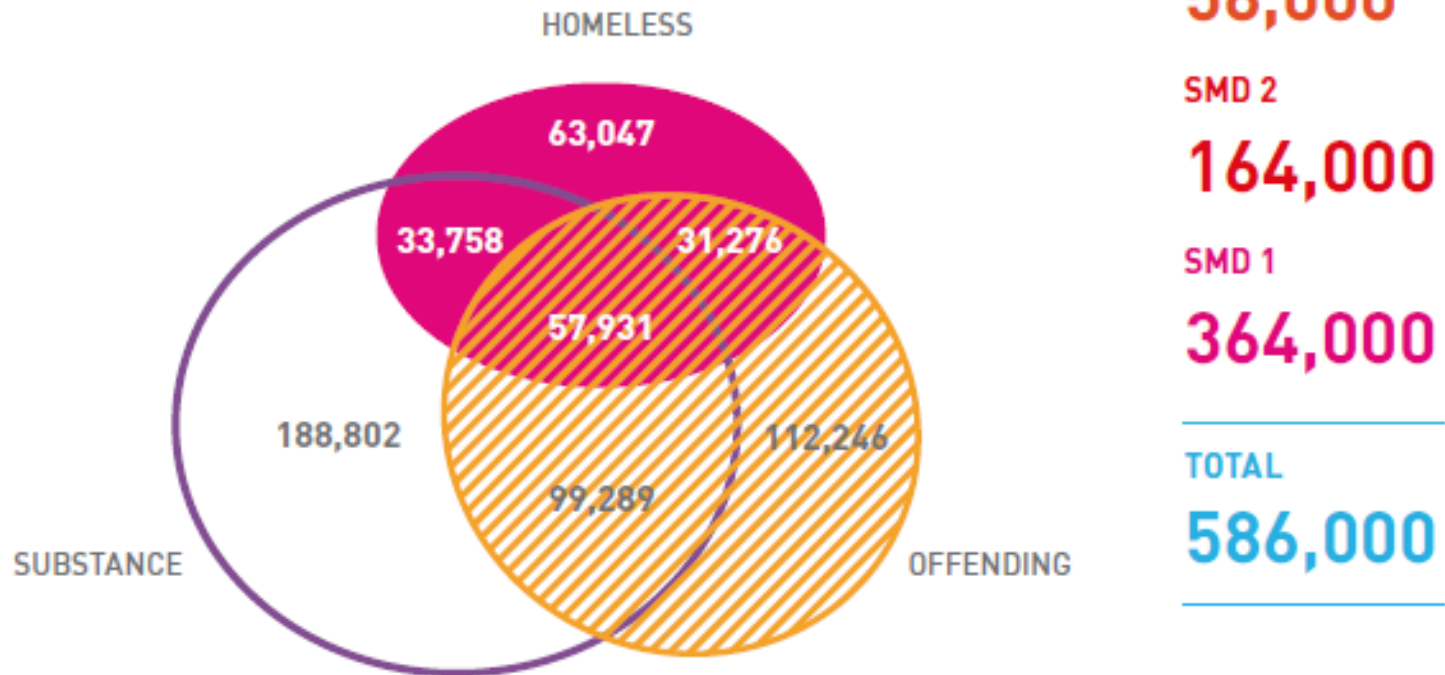
9



PARTNERSHIP WORKING NEEDS UNDERSTANDING OF COHORT OVERLAPS

10

Figure 1: Overlap of SMD disadvantage domains, England, 2010/11



Source: LankellyChase Hard Edges

SMD=Severe Multiple Disadvantage

●■ AGENDA : PARTNERING FOR OUTCOMES

11

□ Our Theory of Change

□ **Why use social investment, and When?**

□ Some Examples of social impact in action



- ☐ **Governments wish to change how public services are delivered; and need to generate cost reductions**
 - Commissioning for outputs/outcomes
 - Seeking a more diversified provider base tied into local partnerships

- ☐ **Social organisations offer innovative solutions but cannot absorb the financial risk of a pay-for-outcomes structure**

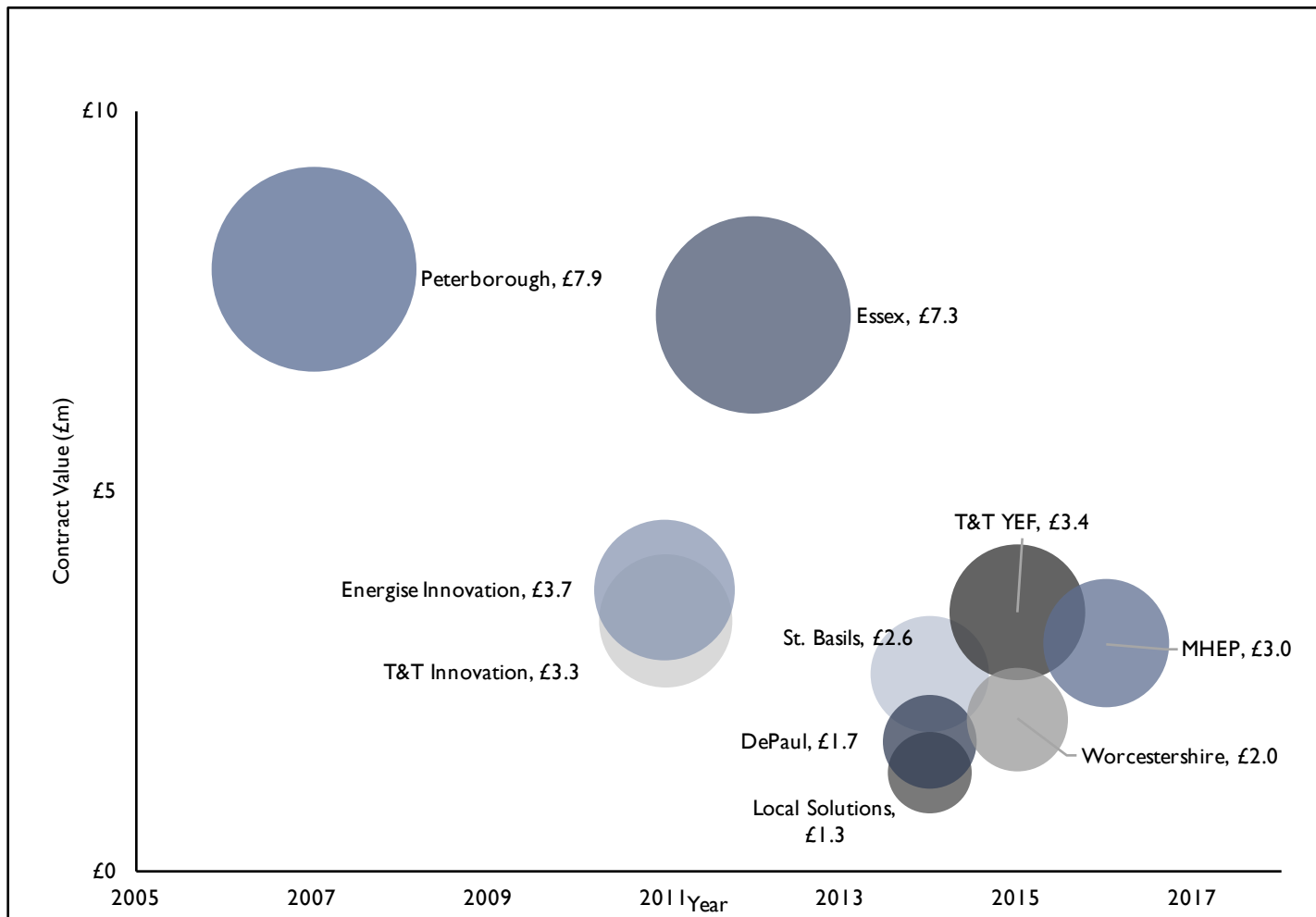
- ☐ **Social investors provide flexible finance, experienced advice and a transparent partnership approach**



OVER 32 SOCIAL INVESTMENT PILOTS HAVE BEEN LAUNCHED IN THE UK SINCE 2007.

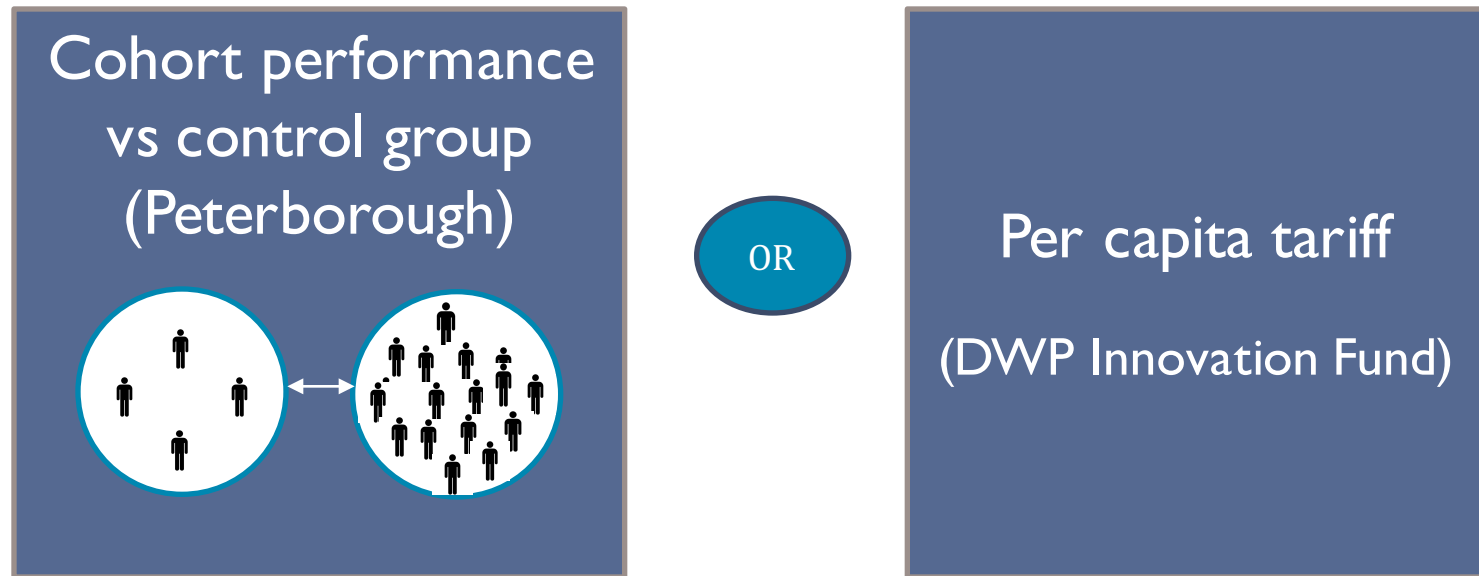
13

Social Finance manages 12 of the SIBs launched in the UK





HOW TO PAY FOR OUTCOMES?



Control Groups(RCT) have academic rigour but can be costly to determine and evaluate.

Per capital tariffs tend to be more efficient for programme design and management



☐ Our Theory of Change

☐ Why use social investment, and When?

☐ **Some Examples of social impact in action**

- ☐ Shared Lives – Long term accommodation for adults with Learning Disabilities
- ☐ Individual Placement and Support(IPS)- Adults with disability or mental health issues seeking employment
- ☐ Multi Systemic Therapy-Adolescents at risk of entering State Care



SHARED LIVES IS A LITTLE KNOWN ALTERNATIVE TO HOME CARE AND CARE HOMES FOR DISABLED ADULTS AND OLDER PEOPLE

Family-based, personalised way of supporting adults

Consistently rated as 'excellent' by the Care Quality Commission

Currently used by 12,000 adults in the UK





THE SHARED LIVES INCUBATOR PROVIDES SOCIAL INVESTMENT AND EXPERT SUPPORT TO PROVIDERS, TO GROW SHARED LIVES PROVISION

£1.45m investment raised

Four Socially motivated investors

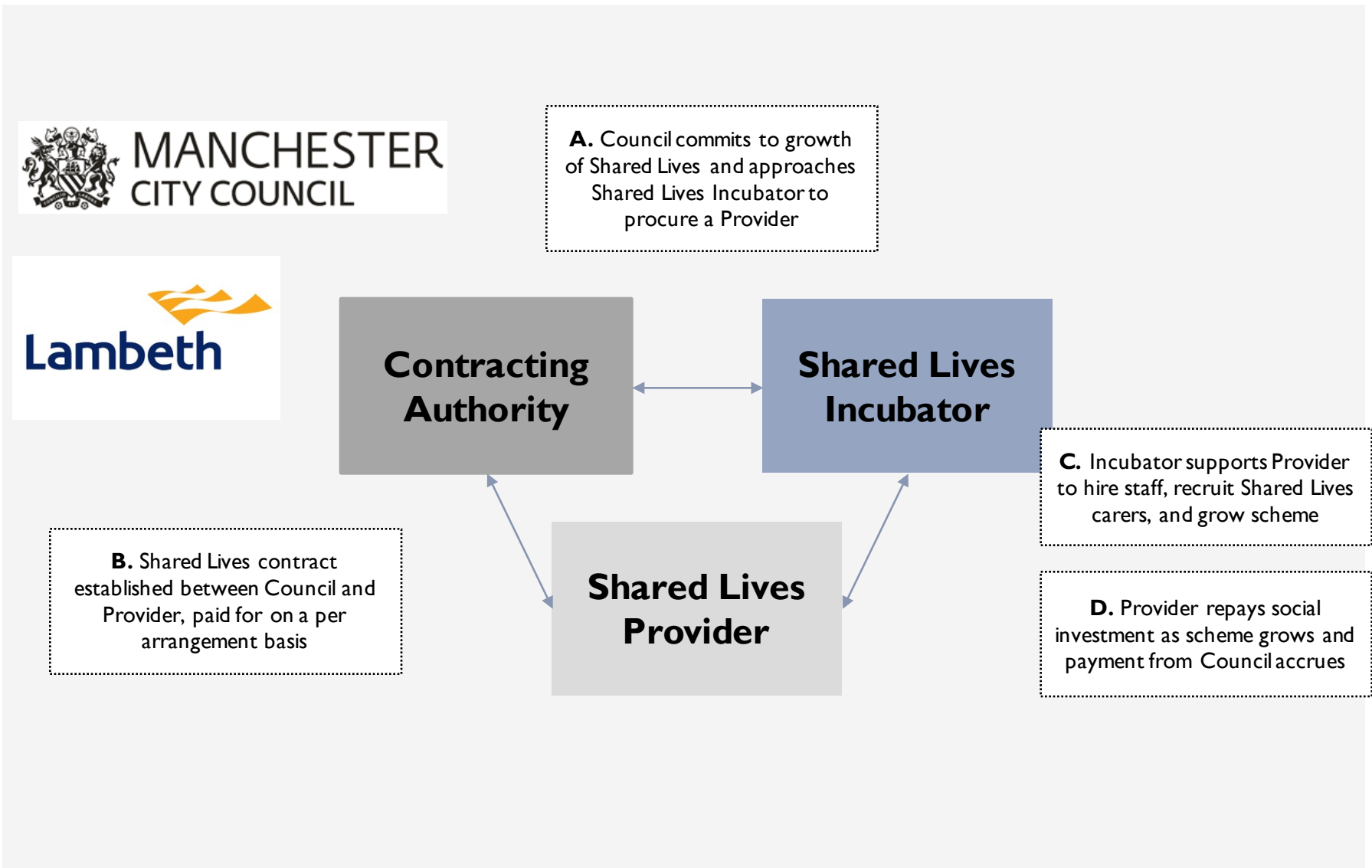
2 Shared Lives schemes currently receiving support

Better care for those with learning disabilities, mental health and other needs, significant savings to the social care system





SHARED LIVES :THE INCUBATOR MODEL

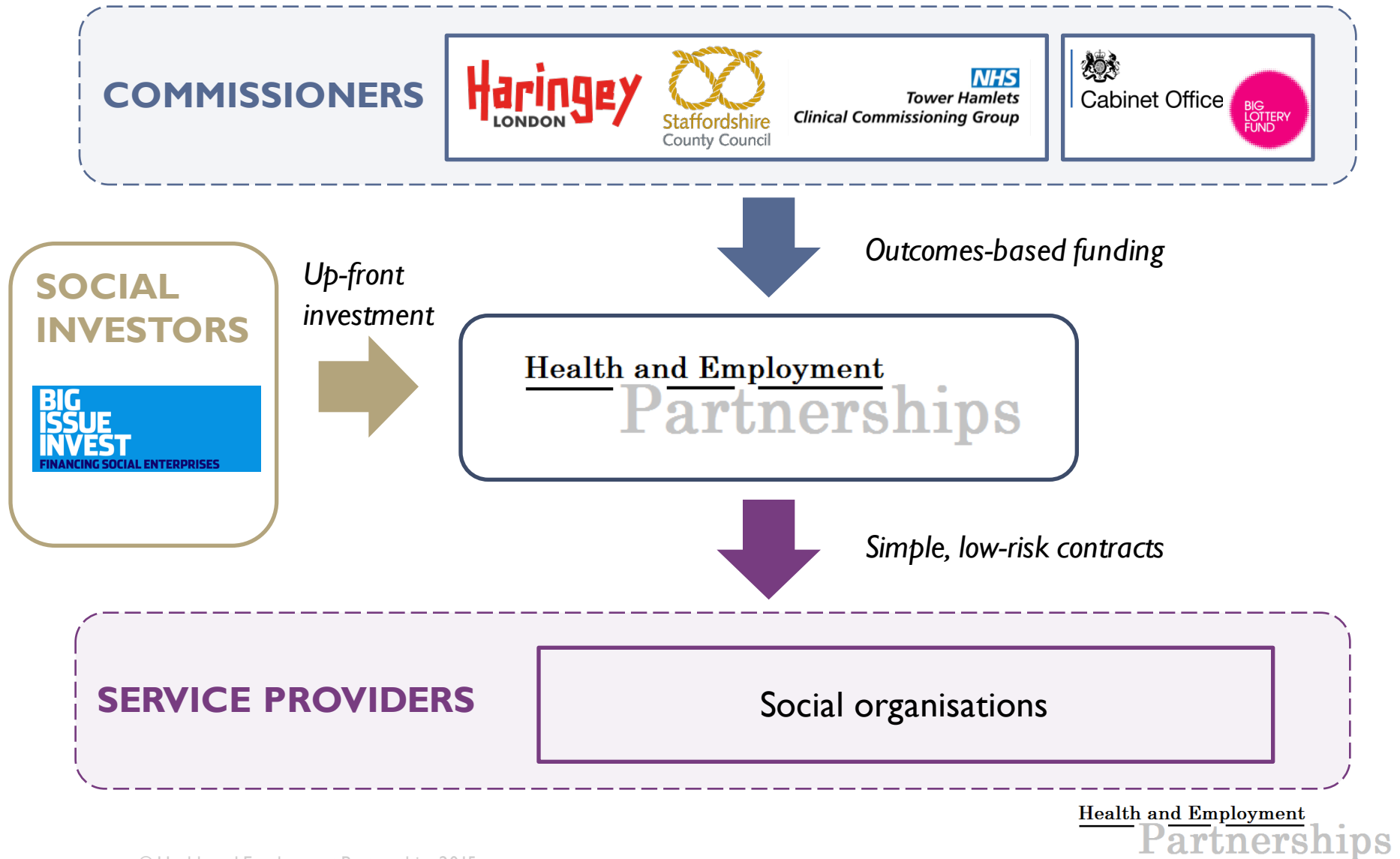


Individual Placement and Support (IPS)

- 1 It aims to get people into competitive employment**
- 2 It is open to all those who want to work**
- 3 It tries to find jobs consistent with people's preferences**
- 4 It works quickly**
- 5 It brings employment specialists into clinical teams**
- 6 Employment specialists develop relationships with employers based upon a person's work preferences**
- 7 It provides time unlimited, individualised support for the person and their employer**
- 8 Benefits counselling is included**

FIRST PROGRAMME: SCALING UP IPS IN THREE AREAS

20



● ■ MULTI SYSTEMIC THERAPY USED TO DIVERT ADOLESCENTS FROM STATE CARE 21

380 adolescents aged 11-16 in Essex

High fidelity MST intervention with good track record

Funded by social investment

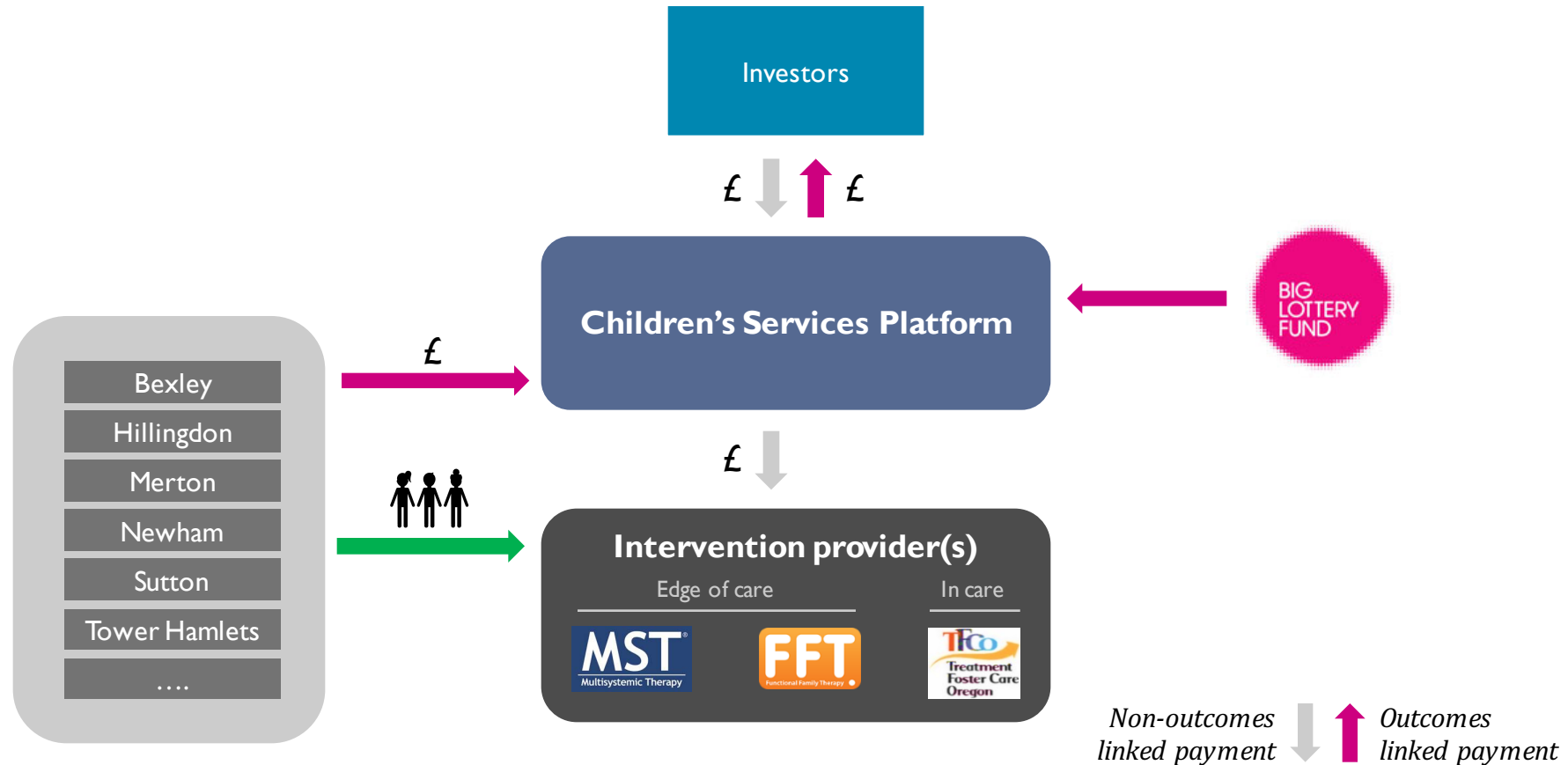
To date 80% have avoided care (versus expectation of 45%)





WE'RE DEVELOPING A PLATFORM TO ENABLE REGIONAL OUTCOMES-BASED CHILDREN'S SERVICES COMMISSIONING

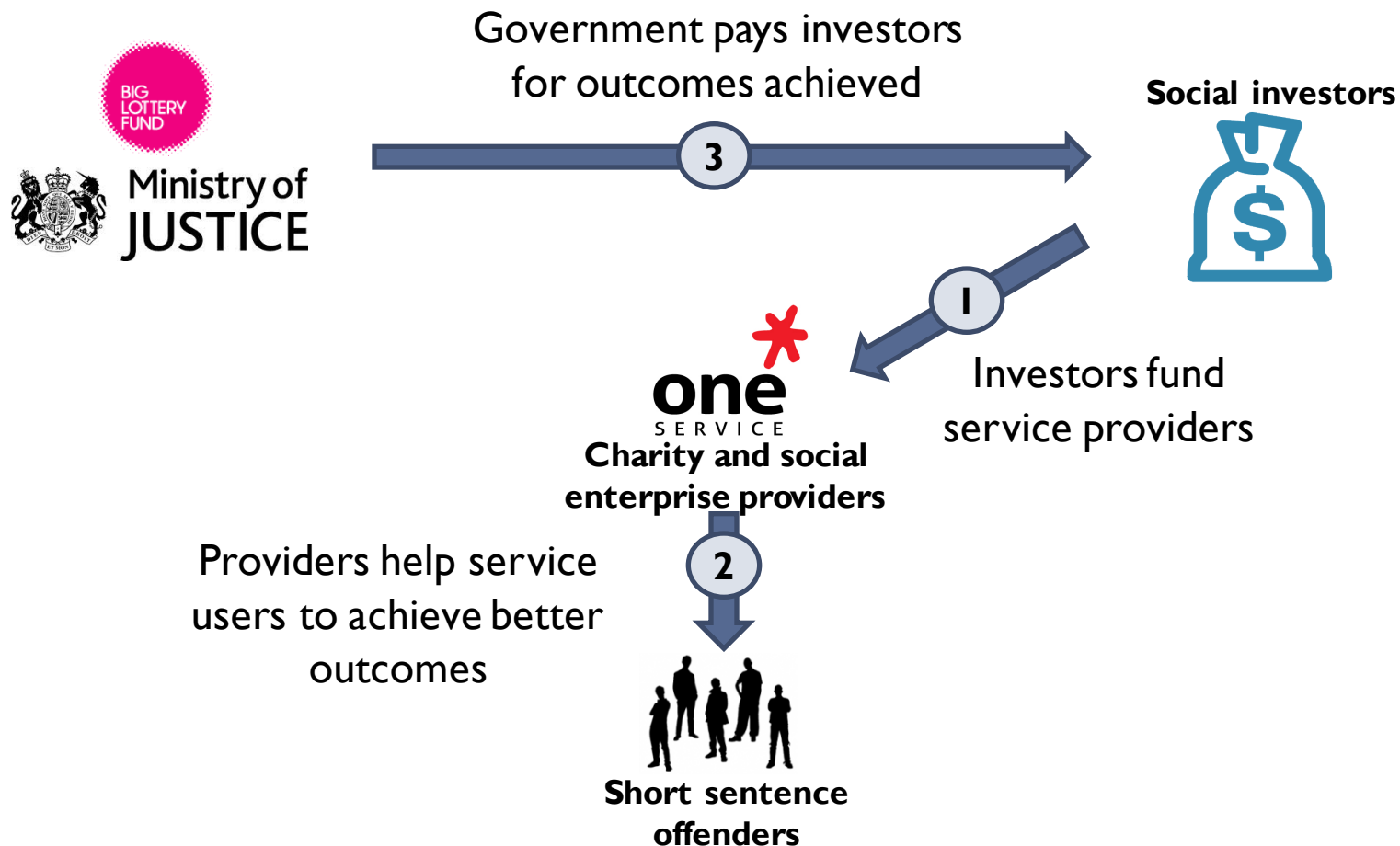
22





SOCIAL IMPACT BOND IS BOTH A FINANCING MECHANISM AND A PARTNERSHIP WAY OF WORKING

23



COMMISSIONERS ONLY PAY FOR OUTCOMES ACHIEVED: INVESTORS THEREFORE GET PAID ONLY IF THE SOCIAL OUTCOME IS ACHIEVED



MOST UK OUTCOMES PROGRAMMES USE “RATE CARDS” TO VALUE EACH OUTCOME

24

Type of outcome targeted	Range of values for each outcome	
	Adult Homeless	Youth Engagement
Self assessment	£200 - £500	-
School attendance & behaviour	-	£400 - £1,400
Securing and sustaining accommodation	£500 - £1,500	-
Education and Skills	£500 - £3,500	£1,000 - £3,900
Volunteering and Employment	£500 - £4,500	£1,900 - £3,400