

SOCIAL FINANCE LAUNCHES 2 NEW SOCIAL IMPACT BONDS FOR VULNERABLE YOUNG PEOPLE AND PEOPLE WITH MENTAL HEALTH ISSUES

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Social Finance announced today the launch of two new Social Impact Bonds for vulnerable young people and people with severe mental health issues. Social Impact Bonds (SIBs), developed by Social Finance in 2010, raise investment from social investors to fund interventions to improve social outcomes. If outcomes improve, a public service commissioner will pay the investors for their investment. If no success is determined, investors stand to lose their investment. The announcement today brings the number of SIBs developed by Social Finance to eleven investments.

Social Finance is incubating a new initiative, Health and Employment Partnerships (HEP), to support people with mental health problems into lasting employment. One of the most powerful ways for people with health conditions or disabilities to experience recovery is by achieving fulfilling and sustained employment. By integrating health treatment and employment advice engagement with both of these services should improve. Health and Employment Partnerships will bridge that gap. It will support commissioners to source and commission evidence based programmes, provide management, advice and analytics to service providers and will raise social investment in the form of working or risk capital to scale successful interventions.

The partnership will launch its first Social Impact Bond over the next year to support 2,250 people from three areas in London and two in the West Midlands into work. The Social Impact Bond will raise investment to fund the expansion of Individual Placement and Support (IPS), an evidence based supported employment intervention. If the Social Impact Bond is successful in placing and supporting at least one in three people with severe mental illness on the scheme into lasting employment, the partnership will receive outcomes payments from the Cabinet Office and to supplement funding from the local areas. Health and Employment Partnerships will look to extend the scheme nationally if the scheme is successful. Social Finance estimates there are up to 400,000 people who could benefit from the service.

Adam Swersky, programme lead for health and employment at Social Finance, said:

“Fewer than one in ten people with severe mental illness are in paid employment, yet 70-90% want to work. We're excited to be working with Cabinet Office, local authorities and the NHS to develop a Social Impact Bond that will invest in a proven approach to supporting more people into employment and to improve their wellbeing.”

Fiona Butler, Chair of West London Clinical Commissioning Group, said:

“We know that for many, having a job is key to maintaining good mental health but for some this will require intensive support to achieve their recovery goals. As part of West London CCG's commitment to 'Community Living Well', we are establishing employment support programmes at all stages of the mental health treatment pathway. This announcement from Cabinet Office will provide a welcome boost to this



programme, enabling social investors to support the development of well-evidenced employment support services.”

Alongside this, Social Finance was successful in its tender to raise investment to fund a new Social Impact Bond worth £3 million from the Youth Engagement Fund (Department of Work and Pensions) to deliver interventions to 1500 teenagers at risk in Bury, Rochdale, Stockport, Trafford and Wigan to prevent them from becoming NEET – Not in Education, Employment and Training. The success of the Social Impact Bond will be measured by improved engagement at school, educational qualifications and employment opportunities. The 18 week interventions will be delivered by Teens and Toddlers to young people drawn from 35 schools over three years. Teens and Toddlers is unique in its intervention that places teenagers to mentor nursery-aged children in need of extra support with their communication skills. Working with toddlers boosts the self-esteem and aspirations of secondary school students.

Jonathan Flory, Social Finance Director, said:

“We are delighted to have helped Teens and Toddlers secure their second Social Impact Bond. Teens and Toddlers delivers a very effective intervention which has proven its worth through the DWP Innovation Fund’s Social Impact Bond. This new project, through the Youth Engagement Fund, is an excellent opportunity for them to expand their reach and work with disadvantaged youths in the North West.”

Three social investors, Bridges Ventures, Esmée Fairbairn Foundation and Impetus – PEF have invested in the Teens and Toddlers Social Impact Bond. The delivery will be managed by Social Finance.

Commenting on the successful award, Diana Whitmore, the Founder of Teens and Toddlers said:

“We are delighted to have been awarded this vital fund and look forward to using it to expand our activities with schools and teenagers in the North West. We work with many at-risk young people at a crucial stage of their lives to help prevent them from dropping out of education, work and life.

“We do this on a deep level to help young people understand their character strengths and to build resilience, providing them with an experience of their potential and who they can become – regardless of what has occurred in their lives before”.

With the Cabinet Office/ Department of Work and Pensions announcement today of seven new SIBs, there will be 31 Social Impact Bonds operational in the UK from April 2015.

For more information, please contact Alisa Helbitz, Director of Communications on 07500 433044 or alisa.helbitz@socialfinance.org.uk

Notes to Editors

- 1) Individual Placement and Support (IPS) is a standardised, replicable supported employment intervention with consistently strong employment and health outcomes across multiple countries in both academic studies and provider experience. A survey of 19 international Randomised Control Trials, which included trials conducted in the UK, showed a 34 point increase in job outcome rates versus control groups. Studies have also shown reduced hospitalisation rates, reduced inpatient days, and improved overall wellbeing. www.centreformentalhealth.org.uk/employment/ips.aspx and https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214326/hwwb-is-work-good-for-you.pdf



- 2) Health and Employment Partnerships is a social purpose company that works with commissioners, providers and social investors to develop high-quality services that span the traditional boundaries of health and employment provision. Its mission is to help every person with a health condition improve their wellbeing with fulfilling, sustained employment. HEP is currently wholly owned by Social Finance but it will become an independent organisation by 2016.
- 3) Teens and Toddlers was founded in 2001 to address the social exclusion of young people. The charity inspires disengaged young people from disadvantaged areas to succeed at school, in work and in the community. It does this by giving them the life skills and self-belief they need to understand who they are, who they can become and what they can achieve. To date, the charity has reached more than 14,000 disadvantaged young people and children in England. www.teensandtoddlers.org.uk
- 4) The Youth Engagement Fund is a £16 million payment by results fund. It aims to help disadvantaged young people aged 14 to 17 to participate and succeed in education or training. This will improve their employability, reduce their long term dependency on benefits, and reduce their likelihood of offending. The funding will be provided through Social Impact Bonds (SIBs) with investors funding innovative initiatives to prevent young people from becoming NEET (not in education, employment or training). Government will only pay if the initiatives are successful and lead to positive outcomes. The Youth Engagement Fund is jointly funded by the Cabinet Office, Department of Work and Pensions and the Ministry of Justice.
- 5) Social Finance is a not for profit organisation working with government, the social sector and the financial community to find new ways of tackling entrenched social problems in the UK. Founded in 2007, Social Finance has mobilised over £52m in social investment for charities and social enterprises and is the originator of the Social Impact Bond model.

Social Finance currently manages the Peterborough Social Impact Bond to reduce reoffending, the Essex Social Impact Bond to support children on the edge of state care, two Department of Work and Pensions funded Social Impact Bonds for vulnerable teenagers and three Social Impact Bonds, funded by the Fair Chance Fund for homeless youth. In addition, Social Finance developed the Rough Sleeping Social Impact Bond in London and the Fostering Social Impact Bond in Manchester. For more information on Social Finance, please visit our website: www.socialfinance.org.uk.