

## SOCIAL FINANCE STATEMENT 24 APRIL 2014

As announced today, the Ministry of Justice has proposed an alternative funding arrangement for Peterborough Social Impact Bond (SIB) in light of the expected introduction of a new approach to UK probation and rehabilitation services at the end of 2014.

The proposal will enable the Peterborough intervention (the "One Service") to continue but will change the way the service is funded and remove the outcomes payments for the third and last cohort of prisoners to be released from June 2014. Details of the alternative funding arrangement are still being discussed but the Ministry of Justice is keen to ensure that the same level of rehabilitation support continues to be provided to this group through until the new regime is established and a new provider is in a position to establish supply chain arrangements for rehabilitation.

The support to prisoners in the second cohort will continue to be funded by social investors as anticipated until June 2015 and the investors will qualify for outcomes payments on the same basis as the first cohort.

We are very proud of what we have achieved so far. The social value of the Peterborough Social Impact Bond lies in its flexibility to offer a well-resourced and responsive service to prisoners in custody, through the gates and in the community. Offenders have found that the offer of support that is voluntary, pro-active, non-judgemental and flexible to be invaluable. The figures released today suggest that there is a continued drop in reoffending by the first cohort of prisoners that we were charged with working with. Our focus, together with our delivery partners, is to ensure that the One Service under the new arrangement will continue to be delivered in the same manner to support prisoners on release and we will endeavour to share our learnings from the programme widely.

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Notes for Editors:

- 1) The Peterborough SIB was set up in 2010 and is an outcomes based model. Social investors provided £5m to fund interventions to reduce reoffending among three cohorts of 1000 short-sentenced male prisoners leaving Peterborough prison. Investors will receive a return if we reduce reoffending by 10% per cohort compared to a national control group. The service was due to last until 2017. The Big Lottery Fund and the Ministry of Justice are providing the outcomes payments.
- 2) The Peterborough Social Impact Bond will continue in its current form until June 2015 when the delivery of support for the second cohort is due to end. Results and related outcomes payments are expected in the summer of 2014 (first cohort) and in 2016 (second cohort).
- 3) The Peterborough interventions are managed by Social Finance and are collectively known as the One Service. It offers tailored support to prisoners for one year after release through the St Giles Trust, Ormiston Families, Sova, MIND, YMCA and John Laing Training. We are also an integral part of the Safer Peterborough Partnership and work closely with the Police, Probation, Integrated Offender Management Teams, the Prison, the local authority, local statutory providers and the voluntary sector.



- 4) The Peterborough Social Impact Bond was the first financial investment that aligned successful social outcomes with financial returns. Following its launch in 2010, there are now 14 Social Impact Bonds in the UK, 5 in the US, 2 in Australia, 1 in the Netherlands, 1 in Belgium and more than 100 proposals world-wide. Over \$100m has been raised in social investment to fund Social Impact Bonds.
- 5) Interim figures for the Peterborough cohort were released today by the Ministry of Justice. For more details, please link to:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/305776/annex-a-payment-by-results-apr14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/305776/annex-a-payment-by-results-apr14.pdf)
- 6) An independent evaluation by RAND Europe was published today. For the report, please link to: [www.gov.uk/government/publications/phase-2-report-from-the-payment-by-results-social-impact-bond-pilot-at-hmp-peterborough](http://www.gov.uk/government/publications/phase-2-report-from-the-payment-by-results-social-impact-bond-pilot-at-hmp-peterborough)