

ADULT CARE AND WELL BEING OVERVIEW AND SCRUTINY PANEL 13 JULY 2016

SOCIAL IMPACT BONDS

Summary

1. The Adult Care and Well Being Overview and Scrutiny Panel is to be briefed on Social Impact Bonds, a new way of commissioning. The overview will include the work of the first contract bond awarded - which aims to tackle loneliness.
2. Representatives from the County Council's Integrated Commissioned Unit/Directorate of Public Health have been invited to the meeting, as well as representatives from stakeholders and groups who use the services.

Background

3. Social Impact Bonds (SIBs) work by attracting investment from the private and socially motivated sector to tackle social problems in new and innovative ways. Operating on a payment by results basis, social investors cover the upfront costs for social enterprises and charities to deliver new programmes to address the needs of vulnerable groups. The investors in Worcestershire's Reconnections Social Impact Bond – Big Society Capital and Nesta Impact Investments – only receive a return on their investment if the programme achieves agreed positive outcomes. The Reconnections Social Impact Bond is managed by Reconnections Limited.
4. The SIB is jointly funded by Worcestershire's three Clinical Commissioning Groups and the County Council, with grants from the Big Lottery Fund and Cabinet Office.

Social Impact Bond - Loneliness

5. The *Campaign to End Loneliness* website says that "loneliness and social isolation are harmful to our health: research shows that lacking social connections is as damaging to our health as smoking 15 cigarettes a day (Holt-Lunstad, 2010). Social networks and friendships not only have an impact on reducing the risk of mortality or developing certain diseases, but they also help individuals to recover when they do fall ill (Marmot, 2010)".
6. As a result of development work undertaken during 2012 and 2013, Worcestershire County Council and Worcestershire Clinical Commissioning Groups agreed to work together to commission **a Social Impact Bond to tackle loneliness among the older population of Worcestershire**. The Big Lottery Fund awarded the Council a Development Grant in March 2014 in order to develop the project idea further.

7. The contract was awarded in July 2015, and as the first Social Impact Bond in the country to tackle loneliness, the project has a high national profile.

Equality and Diversity Implications

8. The contract for the SIB includes a clause requiring Reconnections Limited to demonstrate that access to the SIB is representative of the population according to age, gender, ethnicity and socio-demographic characteristics.

Purpose of the Meeting

9. The Panel has the opportunity to learn more about Social Impact Bonds.

10. Following the discussion, Panel Members are asked to determine whether any further information or scrutiny work is required at this stage.

Contact Points

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) there are no background papers relating to the subject matter of this report.