SOCIAL INVESTMENT IN LEARNING
DISABILITIES AND EMPLOYMENT

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# Introducing Social Finance and Health and Employment Partnerships

## Social Finance

- **Not-for-profit** social enterprise, founded in 2007
- Designed / developed first Social Impact Bond
- Work across multiple issue areas, including employment, health & social care, children’s services
- **Mobilised** ~£100M socially-motivated investment; £33M contracts under management

## Social Purpose Company

- **Aims to help people with health issues to improve wellbeing by achieving sustained and fulfilling employment**
- Works with commissioners to integrate funding and services across health and employment sectors
- Able to mobilise social investment
WE BRING TOGETHER COMMISSIONERS, SUPPORT PROVIDERS, AND ACCESS TO SOCIAL INVESTMENT

COMMISSIONERS

CCGs  LAs  DWP  LEPs  Other

SOCIAL INVESTORS

HEALTH EMPLOYMENT PARTNERSHIPS

SERVICE PROVIDERS

GPs  NHS Trusts  Social orgs

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FIRST PROGRAMME: SCALING UP INDIVIDUAL PLACEMENT SUPPORT (IPS) IN THREE AREAS

COMMISSIONERS

SERVICE PROVIDERS

SOCIAL INVESTORS

PROGRAMME ALREADY STARTING TO DELIVER JOB OUTCOMES FOR PEOPLE WITH SMI OUT OF WORK > 5 YEARS
CURRENTLY LOOKING AT SOCIAL IMPACT BOND IN LEARNING DISABILITIES AND EMPLOYMENT IN TOWER HAMLETS

Supported Employment services for adults with learning disabilities

- Secondary focus on young people with learning disabilities and other adults in contact with social care

Exploring outcomes-based contracting model, supported by social investment (“Social Impact Bond”)

- Savings for both Local Authorities (day care, other social care, Council Tax Support) and central government (tax and benefit impact)
- Outcomes-based model links to savings and risk is transferred to social investors

Social investment can support improved delivery

- Focus on outcomes drives improved data collection and reporting
- Social investment partners bring operational expertise, analytical capability, and experience driving performance in other programmes
EMPLOYMENT RATES ARE LOW AMONGST ADULTS WITH LEARNING DISABILITIES IN TOWER HAMLETS

Learning disabilities in Tower Hamlets
- 654 people with a learning disability known to Adult Social Care (2015/16)
- 2.17% estimated prevalence of learning disability, higher prevalence than neighbouring London boroughs

The social issue
- Employment rate of 5%, lower than the London avg. (7.5%) and statistical neighbours
- Many who are employed work limited hours or in sheltered social enterprises

Barriers to change
- Adult Social Care not traditionally focused on mainstream employment
- Families and carers cautious about employment
- Quality local employment services available but places are limited; incentives are not geared to mainstream employment
SERVICE USERS AND THE COUNCIL HAVE CLEAR IDEAS ABOUT WHAT THEY WANT FROM SERVICES

<table>
<thead>
<tr>
<th>Service Users would like…</th>
<th>Tower Hamlets Council would like…</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To earn their own money and be financially independent</td>
<td>• To support users to raise their expectations and ambitions</td>
</tr>
<tr>
<td>• To own their own flat</td>
<td>• Innovation, and new ways of working</td>
</tr>
<tr>
<td>• Something new and exciting</td>
<td>• Better integrated, more employment focused adult social care services</td>
</tr>
<tr>
<td>• To work!</td>
<td></td>
</tr>
</tbody>
</table>
SUPPORTED EMPLOYMENT IS A WELL-EVIDENCED SERVICE TO SUPPORT ADULTS WITH LEARNING DISABILITIES TO GET JOBS

<table>
<thead>
<tr>
<th>Description</th>
<th>Costs</th>
<th>Outcome</th>
<th>Success</th>
<th>Evidence base</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Place then train’ approach</td>
<td>c. £7000-9000</td>
<td>paid work in mainstream jobs</td>
<td>60+%</td>
<td>Medium - strong</td>
</tr>
<tr>
<td>Job coaching for jobseeker; ongoing support to employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other model principles:

- **Rapid job search**: intense initial support to ensure results in months not years
- **Choice and control**: job search is built around the individual jobseeker
- **Partnership**: between jobseeker, family, carers and employers, and local VCS

Potential challenges:

- **Fidelity**: no evidenced fidelity scale, though there are core principles that guide good implementation

DELIVERS POSITIVE OUTCOMES FOR USERS AND FINANCIAL SAVINGS FOR GOVERNMENT
### Cost-Benefit Model Estimated Savings for Local & Central Govt for a Range of Potential Users

<table>
<thead>
<tr>
<th>Group</th>
<th>Description</th>
<th>Local Authority</th>
<th>DWP &amp; HMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>Young people (16-18)</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Group 2</td>
<td>Adults low needs</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Group 3</td>
<td>Adults moderate needs</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Group 4</td>
<td>Other potential users</td>
<td>£</td>
<td>£</td>
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</table>

**Out of work costs**

**In work costs**

GROSS SAVING IS THE DIFFERENCE BETWEEN OUT OF WORK COSTS AND IN-WORK COSTS

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LOCAL AUTHORITY BENEFITS FROM REDUCED SOCIAL CARE COSTS; GOVERNMENT FROM REDUCED BENEFITS SPEND

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>DWP and HMT</th>
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</thead>
<tbody>
<tr>
<td>Direct Payments</td>
<td>-</td>
</tr>
<tr>
<td>Day Care</td>
<td>-</td>
</tr>
<tr>
<td>Home Care</td>
<td>-</td>
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<tr>
<td>Council Tax Support</td>
<td>-</td>
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</tbody>
</table>

Group 1: **Young people** (16-18)
- Projected service use

Group 2: **Adults low needs**

Group 3: **Adults moderate needs**

Groups 4: **Other potential users**

**Projected service use**

<table>
<thead>
<tr>
<th>ESA</th>
<th>National Insurance</th>
<th>Income Tax</th>
<th>Working Tax Credits</th>
<th>Housing Benefit</th>
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</table>

**Average net saving per annum**

- **£13,000**
- **£9,000**
- **£18,000**
- **£7,000**

** Ethiopia drives savings / higher tax take**

** Impact only if individual works >16 hours/week**
GIVEN POSITIVE COST-BENEFIT, SOCIAL IMPACT BOND (SIB) MODEL COULD HELP DEVELOP SERVICES IN TOWER HAMLETS

COMMISSIONERS

SOCIAL INVESTORS

Up-front investment

Outcomes-based funding

HEALTH EMPLOYMENT PARTNERSHIPS

Simple, low-risk contracts

SERVICE PROVIDERS

AIM TO COMBINE CENTRAL & LOCAL FUNDING TO DEVELOP SERVICES IN A FLEXIBLE, BUT RIGOROUS WAY

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### SIB Model to Focus on a Core Set of Outcomes

**Key service outcomes**

<table>
<thead>
<tr>
<th>Key Service Outcome</th>
<th>Potential Measurement / Payment Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>One-off payment following first session and/or on completion of a certain number of sessions</td>
</tr>
</tbody>
</table>
| Job starts          | Payment for starting a job, with more hours triggering a larger payment:  
  - 0-16 hours / week  
  - 16+ hours / week  |
| Job sustainment     | Potential measurement points:  
  - 3 months  
  - 12 months  |
| Well-being          | Potential to track pre and post as a wider outcomes measure without including in payment-by-results tariff |

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Social investment mechanisms like SIBs can help to build a strong case for funding Supported Employment more widely around the UK:

Evidence
- Measuring what works
- Testing fidelity of the Supported Employment intervention

Flexibility on service delivery
- Potential to adapt service to improve outcomes; improved sharing of expertise

Funding
- Bringing together local and central government funding
- Local commissioners on tight budgets pay only for success
THE GOVERNMENT’S GREEN PAPER PRESENTS A REAL OPPORTUNITY FOR EXPANDING SUPPORTED EMPLOYMENT

DWP’s ‘Improving Lives – the Work, Health and Disability Green Paper’ formally announces plans for a Local Supported Employment proof of concept:

“…we will pilot an approach working with local authorities to deliver Supported Employment on an outcome-payment basis.”

SOCIAL INVESTMENT COULD SUPPORT VCS PROVIDERS TO SCALE UP PROVISION WITHOUT EXCESSIVE FINANCIAL RISK
COULD SOCIAL INVESTMENT SUPPORT DWP AND LOCAL AUTHORITY SUPPORTED EMPLOYMENT PARTNERSHIPS?

DWP funding linked to outcomes

Local Authorities contribute a mix of block payments and payments for outcomes

Social Investors

Local Authority

Provider

Department for Work & Pensions

ILLUSTRATIVE MODEL
QUESTIONS?