

July 15, 2015

Worcestershire awards UK's first innovative contract to tackle loneliness

Worcestershire County Council and Worcestershire's three Clinical Commissioning Groups (CCGs) have awarded the country's first Social Impact Bond to help 3000 older people overcome loneliness in the county - to Reconnections Ltd.

The Reconnections Social Impact Bond service will be delivered by Age UK Herefordshire and Worcestershire, together with local voluntary and community organisations. The contract was let in May and the service will be fully operational in August

Social Impact Bonds (SIBs) are payment-by-results programmes. Through a Social Impact Bond, social investors cover the upfront costs for social enterprises and charities to deliver new and exciting programmes to address the needs of vulnerable groups. The investors in the 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 will be managed by Social Finance.

Cllr Marcus Hart, Cabinet Member for Health and Well Being, said: "This is the first Social Impact Bond in the country to tackle loneliness and demonstrates Worcestershire's desire to be World Class. It is an exciting opportunity for Worcestershire to contribute significantly to the national learning on the benefits of tackling social isolation.

"Social isolation can be triggered at specific life changes as people become older, such as retirement, death of a partner and loss of mobility which can lead to a deterioration in emotional wellbeing and contribute to someone needing increased levels of health and social care support.

"Social Impact Bonds attract investment from the private and socially motivated sector to tackle social problems in new and innovative ways."

Announcing the contract Cllr Hart said it would focus on delivering concrete, measurable outcomes.

He added: "This style of commissioning - giving providers freedom and flexibility to design and shape a service - must meet the agreed outcomes. There will be a robust evaluation process which will focus on the effectiveness and cost benefits of the programme, with the Council and Clinical Commissioning Groups only paying for results."

Philip Talbot, Chief Executive Officer, Age UK Herefordshire & Worcestershire, said: "We are very excited to be part of this ground breaking work which addresses loneliness in our communities in a practical way. We are looking forward to working with an array of local partners to offer new solutions to help people combat their loneliness and re-build their connections with their local communities.

"This is a programme that everyone can participate in. Anyone can be referred to it, many groups can help deliver it, and we can work together to tackle loneliness in Worcestershire. In addition, we are delighted we have been able to secure a unique Social Investment

funding package and we look forward to the learning that this will bring to investing in prevention and early intervention programmes for the Voluntary sector in the future."

If the Reconnections Social Impact Bond is successful in reducing loneliness among older people, Worcestershire County Council will pay £540,000 for the successful outcomes alongside NHS Wyre Forest CCG, NHS South Worcestershire CCG and NHS Redditch & Bromsgrove CCG, who are allocating £480,000 collectively. The Cabinet Office's Social Outcomes Fund and the Big Lottery's Commissioning Better Outcomes Fund will provide a further £1 million in principle for the outcomes payments.

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For press enquiries or to arrange an interview with a spokesperson please contact the Council's Communications team on 01905 766646 or 766642 Follow us on Twitter **@worcsc**

For more information on the Reconnections Service, please call Jane Longmore, Age UK Herefordshire & Worcestershire. 01905 740950 ext 106

Notes to Editors:

1. Reconnections Ltd has raised an initial £850,000 from social motivated investors Big Society Capital and Nesta Impact Investments to enable the mobilisation and delivery of the project and initial interventions. Outcomes payments from the outcomes contract with Worcestershire will be invested by Reconnections SIB into the delivery of interventions in the later part of the project. Reconnections Ltd, with performance management from Social Finance, will oversee the Social Impact Bond.
2. The Centre for Social Action Innovation Fund – a partnership between the Cabinet Office and Nesta - and the Calouste Gulbenkian Foundation provided a grant of £420,000 to Social Finance to develop and scale the Reconnections SIB model - a new approach to tackling social isolation and loneliness. For more detail see: http://www.nesta.org.uk/project/centre-social-action-innovation-fund/ageing-well#Social_Finance
3. Social Finance, sponsored by the Calouste Gulbenkian Foundation and the Centre for Social Action Innovation Fund, funded by Nesta and the Cabinet Office published Investing to Tackle Loneliness: A discussion paper (June 2015). <http://www.socialfinance.org.uk/investing-to-tackle-loneliness-a-discussion-paper/>

The report laid out the costs of loneliness and social isolation among the elderly in the UK and highlighted that:

- a. The impact of isolation on mortality is equivalent to smoking 15 cigarettes a day
- b. Isolation and loneliness are linked to depression, anxiety, declining mobility, high blood pressure and increased mortality rates.

- c. Loneliness reduces older people's immediate quality of life.
 - d. The cost of being chronically lonely to the public sector on average is around £12,000 per person based on costs of loneliness associated with GP visits, A&E visits, unplanned admissions
4. A Social Impact Bond is a contractual arrangement between commissioners, investors and service providers where payments are dependent on the achievement of specified social outcomes. In brief:
- a. Provider designs services to meet desired outcomes.
 - b. Social investor pays provider to deliver the service.
 - c. Public sector partners pays investor if desired outcomes are met.
 - d. Investors will get nothing back if targets are missed.