



THE CARE AND WELLBEING FUND: INFORMATION FOR COMMISSIONERS

The Care and Wellbeing Fund is an investment fund which aims to develop and scale community-based services to improve people's health and wellbeing, with a particular focus on long-term conditions such as cancer.

The £12m investment fund is backed by two founding co-investors, Macmillan Cancer Support and Big Society Capital, with Social Finance Ltd acting as Fund Manager and The Health Foundation as a Development Partner. Investments will focus on community-based provision, integrated health and social care services, and prevention and wellbeing approaches.

How can we work with you?

The Fund will invest in services that drive improvements in care and deliver savings for commissioners. To achieve this, the Fund will partner with commissioners which have:

- **A strategic commitment to address an identified health or social care need**, with a particular focus on long-term conditions such as cancer;
- **Identified groups of people that, if better cared for in the community, may avoid the use of more costly care elsewhere in the health or social care system;**
- **A readiness to engage in the co-design of a service**, involving joint work on analysis, stakeholder engagement and project management; and
- **An openness to developing an understanding of social investment**, including the core proposition that savings are shared with investors when pre-agreed outcomes have been achieved.

What will you gain from a partnership with us?

A partnership with the Care and Wellbeing Fund will provide commissioners with access to:

- **Social investment** to provide working capital to new or adapted services, with individual investments of between £500,000 and £2.4m.
- **Support on developing a fully-costed and evidence-based model** tailored to local needs, including detailed analysis work around both the social impact and economic model.
- **Development of an outcomes framework** against which social impact and/or savings would accrue allowing for the repayment of the investment.
- **Business support** during project delivery.
- **Mitigated risk** in piloting new approaches to deliver longer term cost savings.

What are we looking for?

The Fund has four key priorities: community based care; integrated care; better use of informal resources; and prevention and wellbeing. Across these priorities, we will be looking for projects which meet the following criteria:



Community focus

Community-based health & social care services, from prevention to clinical services.



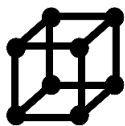
Link to cancer

Projects supporting people affected by cancer or generating learning that can benefit people affected by cancer.



Financial criteria

Projects between £500,000 – £2.4 million, with the potential to repay capital with a financial surplus.



Structural criteria

Investments in UK-based social enterprises or linked to the delivery of a contract. All social enterprises that the Fund invests in must a) have adequate safeguards to protect the identified social mission and b) reinvest the majority of their profits in order to further pursue their social mission.



Social impact focus

Projects meeting at least three of our target social impact outcomes.



Ethical criteria

Projects must not pose a direct conflict or reputational risk to the Fund or its investors.

Contact us

If you would like to discuss a potential collaboration with the Care and Wellbeing Fund, please email hello@careandwellbeingfund.co.uk.

Find out more

To find out more about the Care and Wellbeing Fund, take a look at our website: www.careandwellbeingfund.co.uk.

FAQs

What is the duration of each investment?

Each investment will typically provide working capital for a programme for 3-4 years. This will give the opportunity to further develop an evidence base for the model, giving commissioners a basis for procuring the service beyond the initial investment period should they wish to.

Does the investment cover both capital and running costs?

Yes, the investment will typically be designed to cover all of the capital required for the service, including both fixed and variable costs such as buildings, staff costs, transport and running costs.

What financial commitment is required from participating commissioners?

In a typical social investment model, there will be no up-front cost requirement for commissioners. The investment will involve an outcomes contract with the commissioner, with outcome payments agreed by both parties. This ensures that commissioners make payments only if the specified outcomes are achieved. Depending on the requirements of the particular project, commissioners may also be asked to provide some initial funding alongside the Care and Wellbeing Fund.

When will payments be required from commissioners?

The payment schedule will be agreed at the outset, depending on the details of the project. For example, this could involve a quarterly analysis of outcomes to date, with quarterly payments being made on the basis of this analysis.

What are the expected returns for the Fund's investors?

As a social impact fund we are primarily focussed on the social impact our investments will have on the health and wellbeing of local communities. All potential investments will be rigorously reviewed from both social and financial angles in order to ensure they are in line to achieve the low single digit return that the Fund is targeting.

The pre-agreed outcome payments will incorporate a small return for investors based on the financial risks they have taken on as part of the programme. The outcome payments will be agreed by both parties at the outset and commissioners will then make a series of periodic payments based on outcomes in line with the tariff.

What is the financial risk for commissioners? What risk will the investors and Social Finance be taking on?

The Fund aims to mitigate the risks of funding new interventions for commissioners by supporting projects both financially, providing upfront capital, and operationally, creating business models and assisting with their implementation. The Fund is focused on achieving social impact while commissioners only pay for success, with payments linked to an outcomes contract. As such, the investors take on the entirety of the financial risk, with commissioner payments only being made if the specified outcomes are achieved.

How will commissioners record this investment in their accounts?

The contract will typically be structured and accounted for as in the case of a outcomes-based contract.

How will outcomes be measured?

Social Finance has significant data analysis capabilities, which are used to understand the current landscape and the potential impact of any new services. An outcomes framework will be drawn up at the outset of the project, against which outcomes will be measured. Social investment also brings with it an expectation of rigorous performance management, which allows the project to be monitored effectively with outcomes reported on a regular basis.

When will outcomes be achieved?

This depends on the context of the particular project. In general, outcomes will start to be achieved as soon as the service starts running; outcome payments will be made based on a pre-agreed schedule, for example once a cohort of individuals has passed through the service and their data has been analysed.

How will we establish cause and effect of any new service introduced?

The programme will involve working with – and measuring outcomes for – a specific cohort of individuals who are receiving the service. In general, this will enable us to establish the outcomes achieved as a result of the project. However, if the commissioner already has a significant amount of transformative work underway then this may be more difficult, and an outcomes contract may not be appropriate at this time.

What is Social Finance and what role will it play as Fund Manager?

Social Finance, which manages the Care and Wellbeing Fund, is a not for profit organisation that partners with the government, the social sector and the financial community to find better ways of tackling social problems in the UK and beyond.

Health and social care is a key focus for us and we have a dedicated team with a wide range of backgrounds including NHS senior management and central government policy experience. Over the last few years we have worked on a wide number of health and social care related projects, including designing and raising capital for new services, advising both commissioners and social enterprises, and helping to manage and evaluate the delivery of innovations.

As Fund Manager, Social Finance offers significant expertise and experience in the design and development of new interventions and operational support with their implementation, including developing outcomes frameworks, performance management, data analysis and business advisory support in collaboration with local partners. In managing the Fund, Social Finance works in partnership with commissioners to co-design services, involving joint work on analysis, stakeholder engagement and project management.