The programme theory of the Social Enterprise Investment Fund

**CONTEXT AND DRIVERS**

Need to innovate within primary and community care – services ‘stagnating’, not meeting demand, ongoing inequalities

Changes to commissioning environment e.g. personalisation agenda, individuals as commissioners

DH policy (e.g. Our Health Our Care Our Say, Next Stage Review) supports SE development and encourage plurality of provision

Cross-government commitment to create thriving third sector

SE demand for loan investment but lack of availability of commercial investment to support SE start-up and growth = market failure

**SOCIAL ENTERPRISE INVESTMENT FUND**

**Investment in ‘unbankable’ SEs**
- £100m over 4 years: £73m capital, £27m revenue
- Grants, loans and quasi-equity
- Flexibility – ability to put together ‘bespoke’ / ‘innovative’ packages (KPI)
- Business support
- Returns reinvested to make fund ‘self sustaining’
- 15% of fund for high risk, high impact innovative investment (KPI)
- Co-investment

**External management by SIB and partners**
- Recognised ‘brand’
- Knowledge of the sector
- Expertise in specific aspects e.g. innovation, partnerships
- SEIF managed alongside other funds, integrated model, capacity for cross-funding

**Supporting processes**
- Marketing to SEs
- Awareness raising with stakeholders
- Monitoring and evaluation, including collection of SROI data

**Complementary initiatives**
- World Class Commissioning
- OTS: Third Sector Commissioning Programme
- Right to Request

**Greater sustainability amongst SEs**
- SEs awarded contracts to deliver H&SC services
- SEs less grant dependent
- SEs have greater diversity of income sources
- SEs develop strong business and financial management skills
- SEs have greater understanding of commissioning and of their investment potential

**Social enterprise start up and growth**
- New SEs enter the market (KPI)
- Existing SEs grow (KPI)
- VCS develop income generating activities

**Additional social returns generated**
- SEs reinvest returns to deliver additional services
- Additional social returns e.g. local employment, increase in volunteering

**Repayments made to SEIF (KPI)**
**SEIF becomes self-sustaining**

**Changes to investment market**
- Commercial investors more willing to invest in SE
- New investors attracted to the market

**Perceptions about SE change**
- Added value of SE demonstrated through SROI good practice case studies, evaluation
- SE is more attractive to NHS provider staff and palatable to the public
- SEIF demonstrates that government is “serious about SE”

**Better commissioning**
- SEs have more influence and leverage over local commissioning
- New markets for services are opened up
- Innovative models of service delivery rolled out
- Plurality of provision

**High quality services delivered**
- Innovation in service delivery
- Those who need support reached
- Better staff engagement
- Services have strong client focus, e.g. through co-design, accountability to users
- Greater patient/user satisfaction with services
- SEs offer quality at lower cost
- SEs support key policy objectives e.g. personalisation

**Benefits for patients and service users**
- Better health outcomes
- Improved quality of life
- Reduced health inequalities

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**Key:**
- Medium to longer term outcomes
- Early outcomes
- Outputs and context