



Department
for Work &
Pensions

Youth Unemployment Innovation Fund Pilot: Starts and Outcomes

Quarterly Publication

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Introduction

This publication uses DWP Management Information and Payment data for the Innovation Fund Pilot to report on progress to March 2014.

Queries about the content of this document

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Introduction

The Innovation Fund is a pilot that was launched in April 2012 and is part of a wider package of support aimed at addressing youth unemployment. The Innovation Fund employs social investment partnerships to work with disadvantaged young people aged 14 years and over.

This publication contains official statistics on the total number of young people that started on the Innovation Fund and the total number of outcomes that have been achieved up to March 2014. The data is sourced through DWP Management Information and payment data.

This data is published in line with the Code of Practice for official statistics (see <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/>).

Background

The Innovation Fund

1. On 12 May 2011, the Government announced a package of measures to help address youth unemployment. These included a new Innovation Fund of up to £30 million over three years from 2012 to support social investment^a projects. The projects support disadvantaged young people and those at risk of disadvantage, aged 14 years and over.

2. The Innovation Fund has three key objectives:

- **Objective 1** – To deliver support to help young people who are disadvantaged, or at risk of disadvantage, helping them participate and succeed in education or training and thereby improve their employability, reducing their longer term dependency on benefits.
- **Objective 2** - Test the extent to which we generate benefit savings, other wider fiscal and social benefits, and deliver a Social Return on Investment.

^a Social investment is the provision of capital to generate social impact as well as financial returns.

- **Objective 3** - Support the development of the social investment market, the capacity building of smaller delivery organisations and generate a credible evidence base which supports social investment arrangements.

3. This pilot is a Payment by Results (PbR) model. The Investors or intermediaries are paid solely on the basis of outcomes achieved.

4. The DWP is the first government department to commission Social Impact Bonds (SIBs) via an open competition. Of the 17 SIBs currently operational in the UK, 10 are Innovation Fund projects.

5. There is a wide variation in Innovation Fund provision across the 10 projects. DWP did not prescribe what delivery models should include, rather providers developed new and innovative programmes. This resulted in 10 different models of delivery with all providers working towards different outcome measures.

6. More details about the individual projects and the Innovation Fund can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212328/hmg_g8_factsheet.pdf

7. The Cabinet Office has established a Social Impact Bond Centre of Excellence to support the development of more SIBs across the public sector. More details can be found at: http://data.gov.uk/sib_knowledge_box/

8. The Innovation Fund was commissioned via two rounds. The first round focused on 14-24 year olds and delivery started by April 2012. A total of six contracts were let in Round One. The table below provides details of the contracting bodies and the locations in which they are delivering.

Contracting Body	Location
APM UK Ltd	West Midlands every Birmingham Ward
Stratford Development Partnership	Stratford, Canning Town, Royal Docks (Newham), Cathall (Waltham Forest)

Indigo Project Solutions	Perthshire and Kinross
Nottingham City Council	Nottingham City
Private Equity Foundation	Shoreditch London
Triodos Bank	Greater Merseyside

9. Round Two was aimed at disadvantaged young people and those at risk of disadvantage, aged 14 and 15. An additional four contracts were let in Round Two and delivery started in November 2012. The table below provides details of the contracting bodies in Round Two and the locations they are operating in.

Contracting Body	Location
Prevista	West London
Social Finance (Adviza)	Thames Valley
Social Finance (COUI)	Greater Manchester (Manchester, Salford, Bolton, Oldham and Tameside)
3SC	South Wales (Cardiff and Newport)

Methodology

10. The figures presented in this release are based on DWP Management Information compiled from reports submitted by Innovation Fund projects and DWP payment data. Those figures relating to starts reflect the information captured by providers on participant numbers. Outcome information is compiled using DWP data on payments made.

11. DWP provided a definitive list to contractors of the outcomes payable under the Innovation Fund. There were small revisions to the payable outcomes for Round 1 and Round 2 to reflect the different age groups that the two rounds were aimed at. The table below sets out the list of outcomes and illustrates which rounds they were applicable to.

12. Table 1 - List of defined outcomes for the Innovation Fund Round 1 and Round 2

Outcomes	Round 1	Round 2
Improved attendance at school	✓	✓
Improved behaviour at school	✓	✓
Improved attitude towards school		✓
Successful completion of an ESOL course	✓	
Attainment of an accredited QCF Entry level qualification (below GCSE)		✓
Attainment of basic skills by young people over the age of 16		✓
Attainment of NQF ^b Level 1 or equivalent qualification	✓	✓
Attainment of NQF ^b Level 2 or equivalent qualification	✓	✓
Attainment of NQF ^b Level 3 or equivalent qualification	✓	✓
Attainment of NQF ^b Level 4 or equivalent qualification	✓	✓
Entry into first employment (16 or more hours per week) lasting at least 13 weeks including a training element (e.g. work-based learning) if under 18 years old;	✓	✓
Sustained employment of 26 or more weeks	✓	✓

13. Projects decided which outcomes they would work towards so there is variation in the type and number of outcomes each project is aiming to achieve. The DWP payment model allows multiple outcomes to be achieved per participant.

14. However, each type of outcome can only be claimed once. There was also a maximum value that could be claimed per individual. The total value of outcome payments claimable for support provided to an individual participant is limited to £8,200 for Round 1 and £11,700 for Round Two participants.

^b National Qualifications Framework

15. The list of outcomes also included a clear definition of the outcomes and a list of evidence that was required alongside each outcome payment claim submitted to the department. For further details on the outcome payment descriptions and validation evidence please see:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/307155/round-two-provider-guidance.pdf

Results

Number of Starts

16. There are 10 Innovation Fund Projects.

17. In total, 12,700 young people had started participation in Innovation Fund projects up to the end of March 2014.

18. Table 2 below provides a breakdown of the number of young people who had participated in projects according to the commercial round in which the contract was let.

Table 2- Total number of Innovation Fund programme starts across the two rounds up to end March 2014

Round 1	Round 2
10,300	2,400

Source – DWP Management Information

Number of Outcomes

19. In total, 11,200 Outcomes were achieved in Innovation Fund projects up to the end of March 2014.

20. Table 3 below provides a breakdown of Outcomes according to the commercial round in which the contract was let. Round 1 outcomes are not exactly the same as Round 2 outcomes so direct comparisons should not be made.

Table 3- Total number of Outcomes across the Innovation Fund Rounds up to end March 2014

Round 1	Round 2
7,600	3,600

Source – DWP Payment Data

Notes

- (i) Figures rounded to the nearest 100.
- (ii) Round 1 Projects have been operating since April 2012
- (iii) Round 2 Projects have been operating since November 2012
- (iv) Figures are subject to revision. The data is submitted to DWP on a monthly basis by providers. This data could be subject to duplicate records and missing information which may be rectified in subsequent months.
- (v) Figures are subject to revision. All providers must submit evidence along with claims. Collating, validating and processing the outcome payment can take up to three months. So, some claims may not be reflected in this release.

Revisions Policy

21. Every effort has been made to ensure that the quality of these statistics is of the highest standard. However, it may be necessary to revise the statistics in subsequent publications when more complete data becomes available, particularly for more recent months.

22. In accordance with Principle 2 of the UK Statistics Authority's Code of Practice for Official Statistics, statistics within this publication adhere to DWP's statistics revisions policy, which explains how we will make revisions and inform users of our statistics when they occur:

<https://www.gov.uk/government/organisations/department-for-work-pensions/series/dwp-statistics-policies-and-procedures>

Future Content

23. We will review the content and specific breakdowns provided for future publications. We may include additional breakdowns of the nature of outcomes which may be of interest to some parties.

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Annex A: Official Statistics Publication Timetable

Publication	Date	Notes
1 st	Friday 11 July	The first official statistics publication covering Innovation Fund Starts and Outcomes up to March 2014
2 nd	October	The second official statistics Innovation Fund publication covering Innovation Fund Starts and Outcomes up to June 2014

Publication dates and content will be confirmed on the UK Statistics Authority's publication HUB (www.statistics.gov.uk/hub) at least four weeks before publication date.