



Department
for Work &
Pensions

Youth Unemployment Innovation Fund Pilot: Starts and Outcomes

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This publication uses DWP Management Information and Payment data for the Innovation Fund Pilot to report on progress to September 2015.

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Introduction

1. The Innovation Fund is a pilot that was launched in April 2012. It 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.
2. 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 the end of September 2015. The data is sourced through DWP Management Information and payment data.
3. This data is published in line with the Code of Practice for official statistics (see <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/>).
4. Between April 2012 and September 2015, there have been 18,300 starts on Innovation Fund projects. 13,700 starts have been on Round 1 projects, and 4,600 on Round 2.
5. There have been 23,600 outcome payments claimed during the same period: 14,300 on Round 1 projects, and 9,300 on Round 2.
6. Round 1 projects stopped recruiting new starters in spring 2015, and so starts have remained static since then. Round 2 projects have also been reducing recruitment in preparation for closing to new entrants in November 2015.

Statistical tables

Number of starts

7. In total, 18,300 young people had started participation in Innovation Fund Projects up to the end of September 2015.
8. Table 1 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.
9. Table 2 provides a breakdown of starts on the Innovation Fund by the project participated in.

Table 1 – Cumulative Innovation Fund programme starts across the two rounds up to September 2015

| | March 2015 | September 2015 |
|--------------|---------------|----------------|
| Round 1 | 13,600* | 13,600* |
| Round 2 | 4,500 | 4,600 |
| Total | 18,200 | 18,300 |

(Source: DWP Management Information)

*Note: For Round 1, there are a small number of additional individuals for whom there is a start, but no start date, recorded. Rounded to the nearest 100 starts, there have been 13,700 total starts on Round 1 Innovation Fund programmes between April 2012 and September 2015.

Table 2 – Cumulative Innovation Fund programme starts by project across the two rounds up to September 2015

| | March 2015 | September 2015 |
|--|------------|----------------|
| Round 1 | | |
| APM UK | 2,900 | 2,900 |
| Indigo Project Solutions | 1,000 | 1,000 |
| Nottingham City Council | 4,000 | 4,000 |
| Private Equity Foundation | 1,100 | 1,100 |
| Stratford Development Partnership for Regeneration | 600 | 600 |
| Triodos | 4,200 | 4,200 |
| | | |
| Round 2 | | |
| Prevista | 800 | 800 |
| Social Finance Adviza | 1,800 | 1,800 |
| Social Finance COUI | 1,300 | 1,300 |
| 3SC | 700 | 700 |

(Source: DWP Management Information)

- Numbers of starts have remained static because round one finished recruiting new starts in spring 2015. Round two projects have also been winding down, with projects closing to new entrants in November 2015.

Number of Outcomes

- In total, 23,600 outcomes were achieved in Innovation Fund projects up to the end of September 2015. Outcomes that can be claimed are listed on page 10.
- 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.

13. Table 4 breaks down these outcomes by project.

Table 3 – Cumulative Innovation Fund programme outcomes across the two rounds up to September 2015

| | March 2015 | September 2015 |
|--------------|---------------|----------------|
| Round 1 | 13,400 | 14,300 |
| Round 2 | 8,100 | 9,300 |
| Total | 21,500 | 23,600 |

(Source: DWP Payments Data)

Table 4 – Cumulative Innovation Fund programme outcomes by project across the two rounds up to September 2015

| | March 2015 | September 2015 |
|--|------------|----------------|
| Round 1 | | |
| APM UK | 3,200 | 3,200 |
| Indigo Project Solutions | 800 | 800 |
| Nottingham City Council | 1,900 | 2,000 |
| Private Equity Foundation | 2,500 | 3,000 |
| Stratford Development Partnership for Regeneration | 600 | 600 |
| Triodos | 4,700 | 4,700 |
| | | |
| Round 2 | | |
| Prevista | 1,100 | 1,500 |
| Social Finance Adviza | 2,600 | 2,900 |
| Social Finance COUI | 2,600 | 3,100 |
| 3SC | 1,800 | 1,800 |

(Source: DWP Payments Data)

Notes:

- (i) Figures rounded to the nearest 100
- (ii) Totals may not sum due to rounding
- (iii) Round 1 Projects have been operating since April 2012.
- (iv) Round 2 Projects have been operating since November 2012.
- (v) For both rounds, outcome payments can be made for a further 6 months; for example, Round 2 projects (which stopped recruiting in November 2015) can continue to claim outcomes until May 2016.
- (vi) Data for all quarters may be revised relative to previous publications in the series. This is because 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.

Background

The Innovation Fund

14. 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 projects. The projects support disadvantaged young people and those at risk of disadvantage, aged 14 years and over.
15. 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.
 - 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.
16. This pilot is a Payment by Results model. The investors or intermediaries are paid solely on the basis of outcomes achieved.
17. The DWP is the first government department to commission Social Impact Bonds (SIBs) via an open competition. Of the 31 SIBs in the UK, ten are Innovation Fund projects.
18. There is a wide variation in Innovation Fund provision across the projects. DWP did not prescribe what delivery models should include; rather providers developed new and innovative programmes. This resulted in ten different models of delivery with all providers working towards different outcome measures.
19. 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/12328/hmg_g8_factsheet.pdf
20. 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/home

21. 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 |

22. 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

23. 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. Outcomes information is compiled using DWP data on payments made.

24. 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.

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 ¹ Level 1 or equivalent qualification | ✓ | ✓ |
| Attainment of NQF ² Level 2 or equivalent qualification | ✓ | ✓ |
| Attainment of NQF ² Level 3 or equivalent qualification | ✓ | ✓ |
| Attainment of NQF ² 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 | ✓ | ✓ |

¹ National Qualifications Framework

25. 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.
26. 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.
27. 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

Revisions Policy

28. This publication shows the numbers of starts and outcomes on the Innovation Fund up to September 2015 as they appeared in Management Information and payment data for October 2015. Therefore, it does not include retrospective results claimed after this date. Figures for previous quarters have been revised since the last publication to reflect retrospective results claimed after this date.
29. 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

30. 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.
31. The Round 1 Innovation Fund projects have finished, and the Round 2 projects are now into the six-month period in which they can claim outcomes but not work with new individuals. Therefore this is the penultimate publication, with one more statistical release planned for summer 2016 to capture the final outcome payments made.