

PRESS RELEASE

Success for one of the world's first Social Impact Bonds combating youth unemployment

One of the world's first Social Impact Bonds (SIB), co-funded by Impetus-PEF and Big Society Capital has successfully completed, enabling over 1,000 disengaged young people in London's most deprived boroughs to improve their educational attainment and employability skills significantly. As the first SIB addressing youth unemployment to complete, its success paves the way for future use of this pioneering initiative to build a sustainable solution to tackle the needs of disadvantaged young people in the UK.

This SIB, delivered by London-based youth charity ThinkForward, is one of six different SIBs commissioned in 2012 by the Department of Work and Pensions (DWP) Innovation Fund.

ThinkForward works with schools to identify the most at-risk young people entering their GCSE years, and commits to supporting them for five years through their transition into employment. The SIB enabled ThinkForward to expand its programme across 14 schools in Tower Hamlets, Islington and Hackney, supporting over 1,000 of the most disengaged young people with highly qualified progression coaches who provide five years of intensive 1-2-1 support.

Impetus-PEF and Big Society Capital each invested £450,000. As well as providing a full return of capital and a return on investment to social investors, the social return achieved by ThinkForward has proved substantial. Through the ThinkForward programme, ninety percent of young people aged over 18 progressed into further education, employment or training. These are remarkable achievements, given that these young people were predicted to drop out of education or be unemployed and have had to overcome chaotic personal situations, with few or no positive role models in their lives.

As well as co-funding the SIB, Impetus-PEF acted as the social intermediary, executing, delivering and supporting the performance of the payment-by-results contract. Impetus-PEF has co-invested in a second SIB for charity Teens and Toddlers, also aimed at improving education and employment outcomes for disadvantaged young people. Teens and Toddlers is expected to report its SIB results in February 2016 when their SIB contract is complete.

Minister for Civil Society Rob Wilson said: "Social Impact Bonds improve lives and create a space to develop better outcomes to the social problems we face. The success of the ThinkForward SIB shows that by bringing together the expertise and commitment of charities with dedicated social investors, the lives of over one thousand young people in London have been turned around, instilling them with confidence and hope for their futures."

Julia Grant, Impetus-PEF Chief Executive said: 'Impetus-PEF is thrilled that its engagement with ThinkForward has improved the life chances of over a thousand disadvantaged young people. Today's fantastic results have highlighted the value Social Impact Bonds can make to the lives of disadvantaged young people in the UK. For investors they offer a valid investment vehicle that can deliver both a sound financial and social return. For charities,

they offer long term funding, allowing them to focus on delivering consistent results to those that need help the most.”

Kevin Munday, Think Forward’s Managing Director said: “This is a truly fantastic achievement for the young people we support and our investors. Not only have we been able to demonstrate that ThinkForward’s approach makes a transformative difference to the lives of some of the most disengaged young people in our society but also delivered returns to Impetus-PEF and Big Society Capital. We are pleased and proud to be the first charity to successfully use this model of social investment to tackle the issue of NEETs in the UK”.

Nick O’Donohoe, Chief Executive of Big Society Capital said: “These Social Impact Bonds have demonstrated that engaging early with disadvantaged young people can both improve the lives and opportunities of those young people and provide savings to the public purse. The combined forces of experienced charities, forward-thinking commissioners and social investors have the power to unlock similar results in a whole range of areas, from children in care to adults with mental health problems. We now want to see the Government taking these lessons and applying them to more outcomes-based commissioning.”

Ends

For further information please contact:

Suzi Darsa, PR Manager, Impetus-PEF.

Tel: 020 3474 1017 or email suzi.darsa@impetus-pef.org.uk

Notes to editor:

¹ Financial returns subject to validation

ThinkForward and Teens and Toddlers were existing partner charities of Impetus PEF, prior to the organisation financing and managing the SIBs in 2012.

Social Impact Bonds

Social impact bonds (SIBs) are designed to help reform public service delivery. SIBs improve the social outcomes of publicly funded services by making funding conditional on achieving results. Investors pay for the project at the start, and then receive payments based on the results achieved by the project. Rather than focusing on inputs or outputs, SIBs are based on achieving social ‘outcomes’. The outcomes are predefined and measurable.

Impetus-PEF (Impetus – The Private Equity Foundation) transforms the lives of young people from disadvantaged backgrounds by ensuring they get the support they need to succeed in education and employment. It does this by partnering with the most promising charities and social enterprises which serve young people, providing them with a combination of long-term core funding and sustained management support. Impetus-PEF currently works with more than 20 charity partners, which in turn reach over 50,000 young people from disadvantaged backgrounds. For more information, please visit www.impetus-pef.org.uk or call 020 3474 1007.

About Big Society Capital (www.bigsocietycapital.com)

Big Society Capital is a financial institution with a social mission, set up to build the social investment market in the UK, so that charities and social enterprises can access appropriate

repayable finance to enable them to grow, become more sustainable and increase their impact on society. It is doing this by building a diverse social investment market: encouraging investors to lend or invest money to achieve a social as well as a financial return. Since it was set up as an independent organisation in 2012, Big Society Capital has invested £162 million in specialist organisations who lend to charities and social enterprises.

Think Forward

ThinkForward ensures that young people who are disengaged from or underperforming at school receive the support they need to transition successfully into higher education or sustained employment. It does this by providing them with an experienced and trusted Progression Coach, who provides long-term personalised support, helping them to overcome challenges in and out of school and to build employability skills and confidence. ThinkForward was founded by Impetus – The Private Equity Foundation in 2010 and is delivered in partnership with Tomorrow's People. For more information visit www.think-forward.org.uk
