

**Press release** – Embargoed until Monday 26 October 00:01

## **Success for Social Impact Bond tackling youth unemployment**

One of the first Social Impact Bonds (SIB) to tackle youth unemployment and generate a return to investors has been delivered by the pioneering London-based youth charity ThinkForward.

ThinkForward's SIB has successfully completed and helped to transform the lives of 1000 disengaged young people across 14 schools in Tower Hamlets, Islington and Hackney.

Investor returns are directly linked to securing positive social outcomes, including improving behaviour, attainment at school and progression into further education or employment.

The SIB was commissioned through the Department for Work and Pensions (DWP) Innovation Fund in 2012 on a payments by results basis and working capital for programme delivery was provided by Impetus-PEF and Big Society Capital, who each invested equal shares of £450,000.

The SIB funded ThinkForward's innovative programme which intervenes early to ensure the most disengaged young people succeed in education and progress into work. It does this by placing highly qualified progression coaches in schools to provide five years of intensive one-to-one support from age 13. The Coaches, provided by ThinkForward's delivery partner, Tomorrow's People, become trusted mentors in a young person's life, helping them to overcome challenges in and out of school and to build employability skills, aspirations and confidence.

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.

Young people like 18 year old Jay from Tower Hamlets started the programme with a track record of poor attainment and no aspirations for work. With the support of his Coach, Jay is now thriving and working at the London Stock Exchange.

As a result of the long-term funding made available through the SIB, ThinkForward has been able to refine their programme for greater impact and sustainably grow to 14 schools, with the ambition to expand to other areas of the UK identified as being most in need in 2016.

Commenting on the completion of ThinkForward's SIB and the successful outcomes delivered for young people and investors, Kevin Munday, 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."

Underlining the significance of ThinkForward's SIB success, 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."

Commenting on the completion of ThinkForward's SIB and the delivery of investor returns, Julia Grant, Chief Executive of Impetus-PEF said:

"ThinkForward has demonstrated determination and commitment to ensuring the services they deliver make a difference and 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."

Commenting on the lessons to be learned from the success of ThinkForward's SIB, 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."

As delivery partner of Thinkforward's programme over the past three years, Martin Brooks, Tomorrow's People's Chief Executive said:

"For far too many years, Tomorrow's People has been 'picking up' the young people who have failed to make a successful transition from education into the world of work. The preventative focus of ThinkForward is its key strength, and to have the opportunity to help shape this programme as delivery partner has only strengthened our conviction that the earlier we intervene with vulnerable young people at school, the better the chances of transforming lives"

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**Notes to editors:**

1. An infographic of ThinkForward's SIB in action can be found [here](#)
2. Social Impact Bonds are a form of social investment based on payments by results, where commissioners, investors and delivery partners work together to resolve intractable social problems. Payments to the delivery partner and returns to investors are directly linked to securing positive social outcomes. SIBs have been typically designed to help reform public service delivery.
3. 44 SIBs have been commissioned worldwide across Europe, Australia, Canada and the United States. ThinkForward's SIB has successfully completed, which means that on top of paying back the initial investor capital, an additional return has been paid to investors.

4. 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.
5. 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](http://www.think-forward.org.uk)
6. Big Society Capital ([www.bigsocietycapital.com](http://www.bigsocietycapital.com)) 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.
7. 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](http://www.impetus-pef.org.uk) or call 020 3474 1007.