



Young People

Why Young People?

Young people face multiple challenges that risk leading to poorer outcomes for them, as well as broader societal impact and increased costs to the taxpayer.

Young people who are disadvantaged are likely to be affected by [increased risk of negative social, economic and health issues](#). The risk of child poverty and material deprivation in the UK has risen in recent years, and as young people become adults, thousands are unable to access the labour market. By 2015, almost a third of people in the UK aged under 18 were at risk of poverty or social exclusion, [while 10.5% were experiencing material deprivation](#).

In addition, many young people face a range of other issues, such as poor mental health, drug and alcohol misuse, and criminal or antisocial behaviour. These issues are compounded when a young person is not in education, employment or training (NEET), as this directly impacts on individual life chances:

Further Information

Please view [this video](#) for further information on SIBs.

More information on frequently asked questions about the Life Chances Fund and SIBs can be found [here](#).

You can also discuss particular aspects of your proposal by [sending us an email](#).

- A young person who experiences a period NEET will, on average, lose up to £50,000 in earnings over their working life when compared to a peer who is never NEET.
- They will lose up to £225,000 over the same period when compared to a peer who has never been NEET and who has [graduated from university](#).
- These have long-term negative consequences for both the individual and society as a whole. Nationally, the issues that affect young people who become NEET cost over £65,000 each in direct lifetime costs to public finances and £120,000 in wider lifetime costs to the economy and [wider community](#).

What is a Social Impact Bond?

Social Impact Bonds (SIBs) seek to improve the social outcomes of publicly funded services by making funding conditional on achieving results. A social investor, seeking social as well as financial returns, provides the upfront funding to providers to deliver the service.

Local commissioners pay the social investor back based on the outcomes achieved by the project. The Life Chances Fund will top up outcomes payments in local SIBs.

- The lost taxes, cost of welfare benefits, additional public service costs and associated impacts such as youth crime and poor health [will cost Britain in excess of £77 billion a year](#). Investment in services for young people will reap dividends for the whole of society, making real savings in social care, social security and the criminal justice system.
- 857,000 people aged 16-24 were NEET in the third quarter of 2016, representing 11.9% of the age group. [This was up 14,000 on the previous quarter and up slightly from a year before](#). Intervening to reduce the risk of becoming or remaining NEET is likely to have significant benefit in other social, economic and health outcomes for young people.

What kinds of proposals is the Life Chances Fund looking for?

The Life Chances Fund is an opportunity to engage young people to use their strengths and have a positive impact on their communities by fulfilling their potential. 21 of the UK's existing SIBs have worked with young people who are at risk of becoming NEET or who are already NEET. The Life Chances Fund is supportive of proposals that seek to replicate these existing models.

We also welcome proposals that aim to explore new approaches to achieve additional or different outcomes for young people.

Based on our analysis and conversations with a range of stakeholders, we recommend that proposals include:

1. Involvement of young people, from identifying needs and outcomes, through to application development, governance, delivery and management, where appropriate.
2. A set of measurable outcomes and an intervention with a strong evidence base and/or theory of change for improving those outcomes.
3. Data-driven service delivery with clear monitoring and evaluation, to gather comparable evidence about what works.
4. Holistic approaches that allow providers to work in partnership with other complementary services.
5. Longer-term projects that can provide continuity for young people and boost our understanding of how such interventions can have a lasting impact.

Cohort of service users

Cohort

SIBs require a clearly defined cohort of people, who can easily be identified and referred to the intervention. For young people, there are broadly two cohorts that a SIB could focus on:

1. Young people aged 11-18 who face one or more of the risk factors listed below, but are not (yet) NEET.
2. Young people aged 16-24 who are already NEET, or who are disincentivised in low paying roles and face one or more of the risk factors listed below.

The Life Chances Fund could support interventions that cover the core period of 'youth' as the fund is running to March 2025. These cohorts could focus on one or more of the following risk factors:

Education

- High levels of absence from school
- Excluded or at risk of exclusion from school
- Left school or are likely to leave school with few or no qualifications

Employment

- Severe and multiple disadvantage, indicating high risk of becoming NEET
- Regular periods of unemployment post-18
- Lower job security and lower rates of pay (under-employment)

Health

- Behavioural or mental health issues
- Physical health problems
- Use of alcohol, illicit drugs and transition to the use of class A drugs
- Learning difficulty and/or disability

Social

- Gang membership
- Teenage pregnancy and earlier parenting
- History of offending or being worked with by Youth Offending Team
- Insecure housing or homelessness

Interventions and outcomes

There is a wide range of different programme models that support vulnerable young people. This is not an exhaustive list but provides a starting point for applicants to explore options:

- [Functional Family Therapy \(FFT\)](#)
- [Cognitive behavioural therapy \(CBT\)](#)
- [Multisystemic Therapy \(MST\)](#)
- [Community Trust Early Intervention Programme](#)
- [Conflict Resolution Uncut](#)
- [Engagement in meaningful activity](#)
- [LifeSkills Training](#)
- [Mentoring and coaching](#)

Outcomes

The [outcomes widely acknowledged to be of value to young people](#) are: achieving in education; career success; being healthy; having positive relationships; and involvement in meaningful, enjoyable activities.

SIBs require measurable outcomes within a reasonable timeframe, and so existing SIBs in this policy area generally focus on the achievement of formal qualifications and sustained employment, with other outcomes, such as improved school attendance, being used as earlier indicators of success.

Proposals that are out of scope

The Life Chances Fund is not appropriate for proposals to support individual youth services (i.e. individual community centres); proposals to replace funding from local authorities or grants; SIBs that will work with young people aged over 16 that focus solely on academic attainment; or SIBs that will work exclusively with care leavers (as there is a parallel application process through DfE's Children's Social Care Innovation Programme).

Established Young People SIBs in the UK

Innovation Fund (IF) - [Round one](#) and [Round two](#)

The first round focused on 14-24 year olds and aimed to improve school attendance and behaviour, and to secure educational qualifications and sustained employment, by commissioning the following projects:

1. APM UK Ltd West Midlands every Birmingham Ward
2. Stratford Development Partnership in Stratford, Canning Town, Newham, Waltham Forest
3. Indigo Project Solutions in Perthshire and Kinross
4. Nottingham City Council in Nottingham
5. Impetus Private Equity Foundation in Shoreditch, London
6. Triodos Bank in Greater Merseyside

The second round focused on disadvantaged young people, and those at risk of disadvantage, aged 14 and 15 years only. An additional four contracts were commissioned:

1. Prevista in West London
2. Social Finance (and Adviza) in Thames Valley
3. Social Finance (and COUI) in Manchester, Salford, Bolton, Oldham and Tameside
4. Third Sector in Cardiff and Newport

Youth Engagement Fund (YEF)

The four Youth Engagement Fund SIBs (Unlocking Potential in Greater Merseyside, Prevista in London, Futureshapers in Sheffield, and Teens & Toddlers in Greater Manchester) are supporting up to 8,000 disadvantaged young people to improve school attendance and behaviour, and to secure educational qualifications and sustained employment.

Fair Chance Fund (FCF)

The seven Fair Chance Fund SIBs focus on sustained housing, employment and educational outcomes for homeless 18 to 24 year olds:

1. DePaul UK in Greenwich, Manchester, Oldham and Rochdale
2. Fusion Housing in Kirklees, Calderdale and Wakefield
3. Home Group in Newcastle, Northumberland, South Tyneside, North Tyneside, Gateshead, Durham and Sunderland
4. Local Solutions in Liverpool and Knowsley
5. P3 in Gloucestershire, Tewkesbury, Forest of Dean, Stroud, Cheltenham, Gloucester City and Cotswold
6. St Basils in Birmingham, Coventry, Solihull, Walsall and Wyre Forest
7. The Y in Leicester, Leicestershire, Derby and Derbyshire

Examples of specific projects can be found [here](#) and [here](#).