

**BIG  
SOCIETY  
CAPITAL**



**Ten Years of  
Social Outcomes Contracts:  
Education and Employment  
#OutcomesForAll**

# Preface

In the UK, we still have pockets of deep inequality where despite best attempts children and young people from disadvantaged backgrounds are not getting the support they need to thrive within schools and as they enter the workforce.

Without the right support, they are more likely to face further significant challenges as they go through life. For instance, unemployment while young is linked to long-term reductions in wages, increased likelihood of subsequent periods of unemployment, and poorer health outcomes.



Social Outcomes Contracts can help: they are a proven way of shifting the focus to prevention and away from crisis response, which helps reduce the pressure on public services in the long term.

National and local Governments retain full accountability while services are delivered by local social sector organisations, who are given the flexibility they greatly need - and desire - to innovate and tailor services to individuals' needs.

**"Social Outcomes Contracts have been used to support young people who need it the most. The independent analysis shows that the approach has continuously evolved over the last decade to deliver real outcomes for people at better value to government."**

**- Aman Johal, Big Society Capital**

## What are Social Outcomes Contracts?

A form of public service commissioning where the Government commissions outcomes for a specified group of individuals, e.g. better employment for those facing mental health issues or young ex-offenders.

However, Government funding is only released if the successful outcomes are actually achieved. This is different to conventional approaches where the Government might pay for the tools to hopefully achieve a particular outcome, but for which there is no guarantee, e.g. paying for a number of support sessions to be delivered.

Socially-motivated investors can support this approach by providing upfront funding to Local delivery organisations, where needed, to deliver the service. They are only repaid if agreed outcomes are actually achieved and importantly, the financial risk sits with the investors, rather than the Government.

# Social Outcomes Contracts in the UK

**The UK is the established global leader of Social Outcomes Contracts and many governments across the world are looking to emulate the approach.**

An independent analysis has shown that in the last 10 years over £600m of public value has been created by 23 projects tackling education and employment at the cost of only £41m to Government. The analysis used very conservative assumptions in its modelling.

**220+ social sector delivery partners benefiting over 55,000 people<sup>1</sup>**

The analysis also showed that Social Outcomes Contracts have created over £1.4 billion of public value in total, where for every £1 that Government has spent, a further £10 has been created in social, economic and fiscal value, including £3 in direct savings to, or costs avoided by, Government.

The #OutcomesForAll Report is the first published study of the market level value achieved by these contracts to date.



Together, through social outcomes partnerships between central and local Government and local social sector organisations we can support an education and employment system that suits everyone.

**90 Social Outcomes Contracts  
180+ commissioners**

## What is needed from the Government?

Central and local Government working in partnership with local organisations to deliver more services on an outcomes basis.

Revival of a central Government outcomes fund to transform the way public services address complex social needs.

UK Government continue to be a world-leader, championing and encouraging the growth of outcomes based commissioning worldwide.

[1] Based on current numbers - but as a significant number of projects are still running, this is expected to be more.

# Improving the life chances of children through education

The Government's Social Mobility Commission's 'State of the Nation 2022'[2] report highlights there are 4.3 million children in the UK living in poverty. According to the same report, only 32% of students from disadvantaged backgrounds achieved "good passes" in GCSE English and Maths, for other pupils this rises to almost 60%

## West London Zone

A charity created to improve the life chances for the 20% of children most at risk of poor outcomes by enabling local community organisations to work with local schools.

On top of outcomes-based commissioning from local and central Government, the project has also brought in funding from philanthropists and the schools themselves. Their first outcomes project supported 732 children and has been so successful that they are now delivering a second, estimating total savings to Government of £43,000 per child supported.

*"If I had not come to West London Zone I would have probably failed my GCSE's and I would not have been accepted into sixth form... I see myself using the qualification to help the youth as I'd love to give better opportunities than the ones that I had."*

**– West London Zone Alumnus**



Social Outcomes Contracts are being used to focus on disadvantaged groups and support these young people through their education. This type of commissioning enables the tailored, flexible support that is needed to level the playing field, ultimately providing opportunities for the future that young people would not have had at excellent value for money to the taxpayer.

[2] [State of the Nation 2022: Chapter 4 – Drivers of social mobility, July 2022](#)

# Supporting young people to enter and sustain employment

Getting young people into employment is always a priority for government. Major policies such as supporting [apprenticeships](#), [T-Levels](#) or the [New Deal](#) illustrate the scale of the issue. However, these policies are targeted to generate achievements for all young people, they often overlook vulnerable youths who are harder to reach.

According to ONS, an estimated 10% of 18- to 24-year-olds, and 6.4% of 16-18-year-olds[3], are considered NEET (not in employment or education) with this increasing over the past 6 months in the current economic crisis.

Mental health over and above any other health or disability issue has the largest effect on the chance of being NEET. A recent Centre for Mental Health report[4] stated that the cost-of-living crisis is harming mental health and making health inequalities worse.



## The Mental Health and Employment Partnership (MHEP)

MHEP operates using the principles of Individual Placement and Support (“IPS”) whereby work is used as a fundamental part of a person’s treatment, rather than the traditional model of treatment and stabilisation followed by employment.

MHEP uses the outcomes approach to deliver employment support services to people with severe mental health conditions, addiction misuse issues, and learning disabilities and has been working across 14 local areas delivered by 8 service providers and has been commissioned by 23 agencies including local authorities, Clinical Commissioning Groups and Job Centre Pluses. To date, MHEP has supported more than 1,700 people into employment, with that number expected to rise as many more are supported through the programme.

Social Outcomes Contracts present a huge opportunity for the Government to both address the immediate need exacerbated by the pandemic and provide a longer term, preventative approach at scale for vulnerable young people at risk of becoming NEET.

This approach has been delivering significant support for a decade to people (including young adults) facing mental health issues, providing tailored solutions and enabling innovative models to be tried and tested to ensure sustained employment.

[3] [Young people not in education, employment or training.\(NEET\)](#), May 2022

[4] [Poverty, economic inequality and mental health](#), July 2022

# Employment for young ex-offenders

In 2020/21, 1,229 individual children spent time in custody, according to the Ministry of Justice and Her Majesty's Prison & Probation Service's Youth Custody report, with the number expected to more than double by September 2024 after a long-term decline[5].

The Ministry of Justice, in line with the recommendations of the 2016 Government-commissioned Review of the Youth Justice System in England and Wales, committed to delivering two secure schools to address longstanding concerns about the welfare of children in custody, and the limited support provided to vulnerable young offenders within the current system in Secure Training Centres[6].



However, the National Audit Office has announced that the first secure school to replace these centres, originally due to open in autumn 2020, has been delayed until November 2023 and is running over budget, and due to wider financial constraints, work has not yet started on the second secure school[7].

## The Skill Mill

Provides transformational support to over 200 young ex-offenders across seven local authorities - Leeds, Rochdale, Birmingham, Durham, Nottingham, Croydon and Surrey. The winner of not one but two Queens Awards, The Skill Mill provides young people with paid real work experience, recognised qualifications, and support. The reconviction rate of people they have supported is just 8% compared to a counterfactual of 72% for young offenders with 11+ convictions, and 75% progress to further employment, education or training.

Social Outcomes Contracts can fill in this system failure by providing tailored and much-needed support once a youth has left the penal system, for example helping them learn new skills and enter the workforce. With Government support, contracts already in progress can be replicated to work with young people at scale to help them rebuild their lives and integrate back into communities. This can also be done at speed, to support the wait for secure schools.

[5] [Youth Custody](#), House of Commons Library, April 2022

[6] [Review of the Youth Justice System in England and Wales](#), December 2016

[7] [Children in custody: secure training centres and secure schools](#), April 2022

# Empowering young people leaving care



The Children (Leaving Care) Act 2000 means that starting from the age of 16 every child in care must have a Pathway Plan that replaces their existing care plan and is produced by the local authority. Currently, around 14% of children in care leave care at 16[8]. Yet, adults who spend time as children in the care system are 70% more likely to die prematurely and care leavers are estimated to make up around a quarter of the adult prison population[9].

The 'What makes life good?'[10] report commissioned by the Department of Education, shows there is a steep decline in wellbeing after young people leave care, with care leavers suffering from a disability or long-term health problem particularly vulnerable.

Data also shows care leavers are less likely to go into Higher Education than their peers and there is persistent inequality even compared to other disadvantaged groups[11].

Ofsted's recent research[12] found that more than a third of young people leaving care felt that they left care too early. This was often because the move out of care happened abruptly, and they were not ready for all the sudden changes.

It also reports many felt 'alone' or 'isolated' when they left care and did not know where to get help with their mental health or emotional well-being.

Implementing Social Outcomes Contracts to tackle these pressures would provide a medium to long-term approach focused on achieving better support for those leaving care to live independently – and would also be able to focus on place-based interventions that allow for communities to provide ongoing support throughout their adult lives.

## Reboot West and iAspire

Across the West of England and South East London, the social outcomes approach is being delivered to help care leavers live independently, and secure education and employment. The projects have been commissioned by the Department for Education and seven local authorities and are being delivered by Depaul UK in London and 1625 Independent People across West England, charities that have significant experience of combating youth at risk of, or experiencing, homelessness. To date, these projects have supported over 500 care leavers, with entry into employment and education rates of up to 61%.

[8] Support for care leavers, 2017, [9] Stopping the spiral, 2022, [10] What Makes Life Good? November 2020, [11] Care Leavers in Higher Education, September 2020, [12] 'Ready or not': care leavers' views of preparing to leave care, 2022