Using Social Impact Bonds to Deliver Better Social Outcomes

Wednesday 14 June
15:45 GMT
Not a Sausage factory
The Skill Mill Theory of Change

The Skill Mill provides employment opportunities in construction and water and land-based management, reducing flood risk and improving the local environment. We bring social and environmental benefits to communities by involving children in the justice system directly in the delivery of services. Each Skill Mill cohort receives six months paid employment, invaluable practical real work experience, a nationally recognised qualification, and opportunities for progression with local companies at the end of their time with The Skill Mill

<table>
<thead>
<tr>
<th>Resources</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Skill Mill creates opportunity and manages the interface between employers and young people</strong></td>
<td><strong>Skill Mills provides young people real job opportunities in:</strong></td>
<td><strong>For young people:</strong></td>
<td><strong>For young people:</strong></td>
<td><strong>For young people:</strong></td>
</tr>
<tr>
<td>Staffing</td>
<td>- Mentoring</td>
<td>Financial independence</td>
<td>Positive self image and identity</td>
<td>Feeling part of society and ready to contribute to local community</td>
</tr>
<tr>
<td>- Relationships</td>
<td>- Construction and ground maintenance</td>
<td>Improved employability skills</td>
<td>Feeling empowered, safe and valued</td>
<td>Increased belief in capacity to change</td>
</tr>
<tr>
<td><strong>Key role of supervisors</strong></td>
<td>- Invasive species clearance</td>
<td>Improved mental and physical health</td>
<td>Improved self regard</td>
<td>Belief in ability to work and succeed in life</td>
</tr>
<tr>
<td>Management / administration</td>
<td>Job training</td>
<td>Sense of achievement and satisfaction of a job well done</td>
<td>Sense of achievement</td>
<td><strong>Improved relationships</strong></td>
</tr>
<tr>
<td><strong>Employers</strong></td>
<td><strong>Skills development</strong></td>
<td>Recognition of capability</td>
<td>Sense of purpose</td>
<td>Positive outlook for the future</td>
</tr>
<tr>
<td><strong>Communities</strong></td>
<td><strong>Personal development</strong></td>
<td>accomplishing job tasks</td>
<td>Have community pride – take responsibility and ownership of their local spaces</td>
<td><strong>For employers and communities:</strong></td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td><strong>Building portfolios (AQA)</strong></td>
<td>Increased self-esteem from positive feedback - customers, partners and wider community</td>
<td>Display kindness in their actions</td>
<td>Improved environments</td>
</tr>
<tr>
<td><strong>Expertise</strong></td>
<td><strong>Health and safety skills</strong></td>
<td>Better relationships with peers and families</td>
<td>They challenge the view of themselves as young offenders</td>
<td><strong>Reduction in offending 12 months after the programme</strong></td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td><strong>Variety of experience</strong></td>
<td>Positive social relations</td>
<td>Feeling trusted with a chance to prove themselves</td>
<td>Social Return of Investment</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td><strong>Achievable tasks</strong></td>
<td><strong>For employers and communities:</strong></td>
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<td>Young people move from being seen as a challenge or a burden to their community to becoming a visible asset to their families and community</td>
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<tr>
<td><strong>Training and Development</strong></td>
<td><strong>Team cohesion</strong></td>
<td>Services and tasks in water and land-based management</td>
<td>Changes in perception about the young people</td>
<td><strong>For employers and communities:</strong></td>
</tr>
<tr>
<td><strong>PPE / Uniform</strong></td>
<td><strong>Having fun whilst learning</strong></td>
<td>Job training</td>
<td>Proud of the young people</td>
<td>Improved environments</td>
</tr>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td><strong>For employers and communities:</strong></td>
<td>Skills development</td>
<td>Fulfilment of corporate social responsibility agenda</td>
<td><strong>Reduction in offending 12 months after the programme</strong></td>
</tr>
<tr>
<td><strong>Youth Offending Teams</strong></td>
<td><strong>Services and tasks in water and land-based management</strong></td>
<td>Personal development (teamwork, problem solving)</td>
<td>Financial independence</td>
<td>Social Return of Investment</td>
</tr>
<tr>
<td><strong>Local Authorities</strong></td>
<td><strong>Achievable tasks</strong></td>
<td>Building portfolios (AQA)</td>
<td>Improved employability skills</td>
<td>Young people move from being seen as a challenge or a burden to their community to becoming a visible asset to their families and community</td>
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<td><strong>Commercial Partners</strong></td>
<td><strong>Team cohesion</strong></td>
<td>Health and safety skills</td>
<td>Improved mental and physical health</td>
<td><strong>For employers and communities:</strong></td>
</tr>
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<td><strong>Academic Partners</strong></td>
<td><strong>Having fun whilst learning</strong></td>
<td>Variety of experience</td>
<td>Sense of achievement and satisfaction of a job well done</td>
<td>Improved environments</td>
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</table>

**For employers and communities:**
- **Real tasks completed,**
- **Value for money**
- Trust the Skill Mill to do a good job and to manage all the risks
good quality service/product received

**For employers and communities:**
- Changes in perception about the young people
- Proud of the young people
- Fulfilment of corporate social responsibility agenda
The Skill Mill supports cohorts of four young people into employment after 6 months of paid work and training.
The Skill Mill is scaling its evidence-based programme, creating impact for young people across England.
The Social Impact Bond

**Life Chances Fund**
- Department for Culture, Media & Sport

**Access Fund Grant**
- £100k grant via Northstar for evaluation and to reduce Covid risks

**Local Authorities**
- Leeds
- Rochdale
- Durham
- Nottingham
- Birmingham
- Croydon
- Surrey
- West Sussex

**Employer Sales**
- Employer Sales
- Investors
- Day Rate Payments

**Skill Mill Partnership Ltd. (Special Purpose Vehicle)**
- Grant
- Day Rate Payments

**Outcomes linked payment**

**Outcomes for delivery**

**Performance Manager**
- Social Finance
- Purple Compass Ltd.
The SIB offers fantastic value for money for local authorities who only contribute 1/3 of revenue and 70% of their payments are for outcomes.

Costs are met from 2/3 outcomes and 1/3 commercial sales. An “Access Foundation” grant enables evaluation and derisks potential Covid spike.

Outcomes are principally earned from reduced reoffending and securing future employment / training.

- Grant income = £100k (3%)
- LA Outcomes = £1.3m (34%)
- LCF Outcomes = £1.2m (32%)
- Employer sales = £1.2m (31%)

Notes:
- The above is based on the financial model’s base case (excl. VAT)
- LCF pays 43.8% of outcomes
- Employees pay day rates for Skill Mill teams of 4 and supervisors of up to £500 / day
The Skill Mill has employed 402 young people in England over the past 9 years - 29 have been re-convicted. The re-conviction rate is 7.2%, compared to 72% for young offenders with 11+ convictions. 20 have been young women with zero re-convictions.
Planned versus actual payments

Skill Mill started delivering services in August 2020 and will finish in September 2024. Data was last updated in December 2022. These are interim results.
"We are proud to have worked alongside Skill Mill for 6 years. They provide a win-win service that delivers professional site logistics support whilst also providing opportunities for your people to make a real difference in their lives, learning skills, gaining confidence and contributing to society."

Lucinda Yeadon
Commercial Estates Group

The Skill Mill is a Gold Member of Constructionline. We are the first and only Social Enterprise in the country to achieve Construction Line Gold Accreditation.

The Skill Mill assists developers and contractors delivering section 106 obligations. Additionally, The Skill Mill will help you achieve 5 star rating for Considerate Constructor.

The Skill Mill deliver site logistics at commercially advantageous rates whilst making a difference to young people’s lives. We enhance the profile of developments and construction sector as a result of the social value achievements. The pathways for our young people into the construction sector address the skills gap — the try before you buy approach that ultimately benefits the contractor!

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What is The Skill Mill?
The Skill Mill Limited is a Not-For-Profit Social Enterprise aiming to provide training and employment to enable young people aged 16-18 with a history of offending to change their lives. The model was established in the North of England and following successful outcomes has rapidly expanded across England.

Young people are recruited through the Youth Justice Service. The model is a 4-day working week on site with a day spent participating in training and education, although this is flexible depending on the needs of the job. The Skill Mill will provide:

- A team of four young people with a supervisor on site
- Risk assessments
- Delivery of work on site to an agreed standard
- Van, protective clothing, liability insurance and equipment for the young people
- Mentoring support and pastoral care to the young person to enable them to fulfil their work commitments and progress to training/employment
- Contact points and regular review of progress
- Participation in publicity work as appropriate
- Education placements for the young people

The Skill Mill has Health & Safety and related policies, available upon request and public insurance liability cover. All supervisors are CSCS accredited, and our young people are working towards the same.

Examples of work that can be undertaken include:
- Repairing dry stone walling
- Bench building and installation
- Tree work
- Fence repairs
- Hedge laying
- Garden maintenance and landscaping
- Vegetation clearance work
- Cleaning services
- Buildings, general painting and decorating
- External site maintenance, painting of railings, bridges, concrete etc
- Ground maintenance
- Site clearance work

Why work with the Skill Mill?
The Skill Mill innovatively brings together the private, public and voluntary sectors to co-produce an approach to reduce crime, increase community safety, improving the lives of young people and the local community. We help to remove the barriers to employment by providing a real opportunity to gain education and employment and access to the wider labour market. We positively challenge any discrimination the young people face and raise aspirations.

The work of The Skill Mill is intimately connected with the UN Sustainability Development Goals.
Quadruple Helix Partners + Co-Design
Q&A

David Parks
Managing Director
The Skill Mill

Naomi Allen Seales
Investment Manager
Northstar Ventures

Professor Susan Baines
Professor of Social Enterprise, Public Evaluation and Research Unit
Manchester Metropolitan University

Lucinda Yeadon
Community Liaison Manager
Commercial Estates Group
Thank you