

SOCIAL FINANCE LAUNCHES 3 SOCIAL IMPACT BONDS TO TACKLE YOUTH HOMELESSNESS

11 December 2014, London.

Social Finance announced today that it is launching three new Social Impact Bonds through the Fair Chance Fund to tackle youth homelessness in Liverpool, Manchester, Birmingham, West Midlands and South London. The Social Impact Bonds will fund interventions for over 600 young people who do not have a permanent and stable home.

Social Finance has raised £2.2 million from social investors to fund interventions delivered by three charities, Depaul UK, St. Basils and Local Solutions to provide intensive and tailored support to find the young people accommodation and get them ready to undertake training courses, begin work or go back into education.

There are approximately 60,000 young adults aged 18-24 in England who experience homelessness each year. The majority receive support from statutory services, housing associations and through existing supported housing. However the needs of the young adults who are homeless are often complex.

- Around 40% of homeless young adults are also not in education, training or employment
- Substance abuse and mental health issues affect around 1 in 5 young homeless people
- 73% of homelessness organisations indicated that there were not enough support services available for young adults with high support needs
- 6 in 10 homelessness organisations were unable to support a young person due to limited capacity last year

The 18-24 year olds who will be offered support through the Social Impact Bonds, cannot be currently housed in state supported accommodation because of a range of issues, including a history of substance misuse, mental health problems and past evictions. None of the young people are in Education, Employment or Training.

Jonathan Flory, Director at Social Finance said:

“The Fair Chance Fund is an excellent opportunity for these impressive homeless charities to break free of the traditional constraints and provide individual and tailored support for young people who lead complex and difficult lives. Homelessness significantly impacts on people’s life chances. Without stable accommodation, it is very difficult for these young adults to enter and sustain employment, education or training, and they are often seen as too difficult or costly to help. Many fall through the net of existing support, and go on to increasing involvement in crime, rough sleeping, substance misuse and long term benefit dependency.”

The programmes will begin on 1 January 2015 and will run for three years. The Department of Communities and Local Government and the Cabinet Office will track the sustained progress of the young people and will pay outcomes payments to the social investors if the programmes succeed in rehousing the young people, bringing them back into education to gain qualifications, or getting them to work or volunteer (full or part-time).



Investors in the Social Impact Bonds include the Barrow Cadbury Trust, Big Issue Invest, Big Society Capital, Bridges Ventures, CAF – Venturesome, the Key Fund and the Montpelier Foundation. For the Depaul UK and St Basils Social Impact Bonds, Social Finance will work with the investors and the charities to collect and analyse data to improve delivery. Freshfields Bruckhaus Deringer provided pro-bono legal advice in relation to the Social Impact Bonds.

Nick O'Donohoe, CEO of Big Society Capital, said:

“The Fair Chance Fund will enable three expert charities to deliver tailored, intensive services for homeless young adults to help them find accommodation and get them into training, employment or education. We are very pleased the Cabinet Office and Department of Communities and Local Government can work alongside established service providers and investors to deliver an innovative way of tackling very complex and interwoven social problems.”

With the announcement of the Fair Chance Fund Social Impact Bonds, there will be 23 Social Impact Bonds in operation in the UK from January 2015.

For more information, please contact Alisa Helbitz, Director of Communications on 07500 433044 or alisa.helbitz@socialfinance.org.uk

Notes to editors:

- 1) Depaul UK, a nationwide youth homelessness charity, provides and supports over 125,000 bednights a year to homeless and vulnerable young people and has helped more than 50,000 people since it was founded in 1989. The charity continues to work with over 3,000 young people a year through its directly-run provision and national network of accredited Nightstop schemes. For more information visit www.depauluk.org
- 2) St Basils works with young people aged 16-25 who are homeless or at risk of homelessness, helping over 4000 young people per year across the West Midlands region with specific services in Birmingham, Sandwell, Solihull, Worcestershire, the Wyre Forest and Coventry. At any one time it has over 400 young people living in our 27 supported accommodation schemes, which for some young people includes their young children as well. St Basils has a range of prevention, accommodation and support services to help young people regain the stability they need to rebuild their lives, gain skills, training and employment and move on. The aim is to help them successfully break the cycle of homelessness, hoping that the next generation will be free from this blight on young lives and instead will go on to develop and thrive and experience a bright, purposeful, fulfilling future.

St Basils also works with young people and partners on a national basis (funded separately). It facilitates the National Youth Reference Group and the Youth Homeless Parliament, is a part of the national End Youth Homelessness Alliance and is working to roll out our 'Positive Pathway' model nationwide. www.stbasils.org.uk

- 3) Local Solutions are a North West based charity delivering innovative and life changing services to vulnerable people in North West England and North Wales. Local Solutions mission is to build resilience, improve lives and raise aspiration. Local Solutions have been delivering services since 1974. Its accommodation services include 3 Hostels for homeless families, young people and adults, 2 Night Stop services, 6 Supported Lodgings schemes, 2 Intense Mentoring programmes and 2 Floating Support teams.



Local Solutions also delivers many other services including Domestic Abuse Services, Domiciliary Care, Welfare Rights Advice, BullyBusters, Carers Support and a Watersports centre. Earlier this year Local Solutions were awarded the Freedom of the City of Liverpool in recognition of its outstanding contribution to the city.
www.localsolutions.org.uk

- 4) The £15 million Fair Chance Fund will support vulnerable, homeless NEET young people in England between the ages of 18 and 24 into housing, education and work. Specialist organisations, including those from the voluntary sector, will have the freedom to run innovative projects and schemes that will give these young people the best possible opportunities to move forward and they will be rewarded for achieving real results.

Jointly funded by the Cabinet Office and the Department for Communities and Local Government, it aims to move over 2,000 homeless, young people into sustainable accommodation as well as employment, education or training over 3 years. This support will enable the group to turn their lives around as well as generating significant savings for the taxpayer.

- 5) Social Finance is a not for profit organisation working with government, the social sector and the financial community to find new ways of tackling entrenched social problems in the UK. Founded in 2007, Social Finance has raised over £27m in social investment for charities and social enterprises and is the originator of the Social Impact Bond model. With the launch of the new Fair Chance Fund Social Impact Bonds, Social Finance will oversee seven Social Impact Bonds in the UK. www.socialfinance.org.uk.