

FUTURE JOBS FUND PROGRAMME

Social Return on Investment Evaluation



FOREWORD

New Deal of the Mind was set up in 2009 to get young unemployed people into jobs in the creative industries. Two years on we are proud to report that we have given more than 800 people the experience of working in this dynamic sector. We discovered that nothing makes you more employable than getting your hands dirty in a real job.

For the creative and cultural sector, working with the Future Jobs Fund was always going to be a leap of faith. This giant work creation scheme was modelled by civil servants in Whitehall and designed to suit local authorities who could provide large numbers of entry-level jobs.

We were therefore pleasantly surprised when cultural organisations of every shape and size agreed to take on young unemployed people under our scheme. We had a passionate belief that Britain's creative institutions had a duty to help solve the crisis in youth unemployment and were particularly well-placed to do so. As we began to get feedback from our partner employers and the young people placed in jobs across the country, it seemed our instincts had been proved correct.

We commissioned Envoy Partnership to carry out an independent evaluation of our programme and I am delighted to report that our faith is borne out by the results.

The report found that our specialist expertise and contacts within the creative sector allowed us to match those who have a particular desire to work in the sector with placements that offer them unique opportunities.

Our placements provided high-quality jobs for participants which made them hugely employable when they left the scheme. Results from New Deal of the Mind's Future Jobs Fund programme show far lower drop-out rates than the national average, and a higher than average proportion of participants gaining employment on exiting the scheme.

We also believe we provided opportunities to many people who would never have dreamed they could work in the creative industries. There is no doubt the programme has helped increase diversity in a sector that it is usually seen as inaccessible for those without existing contacts or those unable able to work for free for a prolonged period of time.

At the same time, the effect of the scheme on the participants themselves and their families was marked. As well as providing employment benefits for participants, the programme has led to substantially improved levels of psychological well-being for participants.

Ultimately, the purpose of commissioning this report was to discover the effect of our work on the ground. The results are unequivocal.

Overall, the programme created an estimated £2.90 for every £1 invested, of which approximately £1.60 can be directly attributed to New Deal of the Mind.

In brute, financial terms our faith has been rewarded three-fold. And for each individual who has benefited from our programme the experience has been life-changing.

**Martin Bright,
Founder and
Chief Executive,
New Deal of the Mind**





ABOUT NEW DEAL OF THE MIND AND ENVOY PARTNERSHIP

New Deal of the Mind

NDotM aims to increase opportunities for young people, through creating a pathway to work in the creative and cultural sectors. We create a properly structured and accessible recruitment path to the sectors that is accessible to all, regardless of background. Our core activity consists of delivering work placements, primarily to long-term unemployed 18-24 yr olds, through which we catalyse and deliver creative projects.

NDotM has successfully lobbied for the return of the Enterprise Allowance Scheme, and pushes for government policy that encourages self-employment and freelance opportunities – the lifeblood of the creative industries. We are working with the government to help put unemployed people into creative placements in arts and culture and we're finding spaces across the UK which will become "incubator centres" providing space, support and advice for people setting up on their own.

Envoy Partnership

Envoy Partnership is a social and economic impact advisor, specialising in evidence based measurement and analysis. We provide valuable insight and assistance to organisations in evaluation, feasibility, evidence based communications and strategic change management.



We believe in taking a collaborative approach to evaluation, and invest in organisations to build their measurement and evaluation communications capacity. We bring together personnel with backgrounds in economics, research and evaluation, strategic change management, marketing and communications. We are also specialist facilitators of stakeholder engagement and ensure that research and evidence is both meaningful and actionable. For more information, contact info@envoypartnership.com

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1. THE NEW DEAL OF THE MIND FUTURE JOBS FUND PROGRAMME

Breaking into the creative sector can be difficult for young people lacking connections within the industry and the resources to work unpaid. Entry to the sector has traditionally been dominated by unpaid internships that are inaccessible to many.

The Future Jobs Fund programme in numbers:

71%

go into either employment, education or training at the end of their placement

53%

are from an ethnic minority background

90%

not able to participate if the placement had been unpaid

53%

were women

In 2010, New Deal of the Mind (NDoM) received funding to help young people into work in the creative sector, as part of the government's Future Jobs Fund (FJF). The FJF was set up by the Department for Work and Pensions (DWP) in 2009 to address concerns about the long-term scarring effect of high youth unemployment. The DWP contributed £6,500 per job, to create temporary six month work placements for young people claiming Jobseeker's Allowance for six months or more.

In total, NDoM secured funding to place a total of 807 young people into paid six-month placements within the creative sector across the UK, and provided them with training, networking opportunities and peer support. NDoM worked with a large number of employers and

partners to do this, including Performing Arts Network Development Agency, GOALS UK, Ixion Holdings Ltd., and Brighton and Hove City Council. NDoM was directly responsible for 504 of the FJF placements, most of which were placed in London, the North West and Yorkshire & Humber as well as some placements in Glasgow, Wolverhampton, Bristol, Middlesbrough, Margate and Slough. 303 placements were under the responsibility of our partners Ixion Holdings and Brighton and Hove City Council. This report evaluates the social return on investment using data from the 504 placements administered by NDoM.

Offering paid placements has given an opportunity to young people to access the creative sector that would otherwise have been unavailable to many and

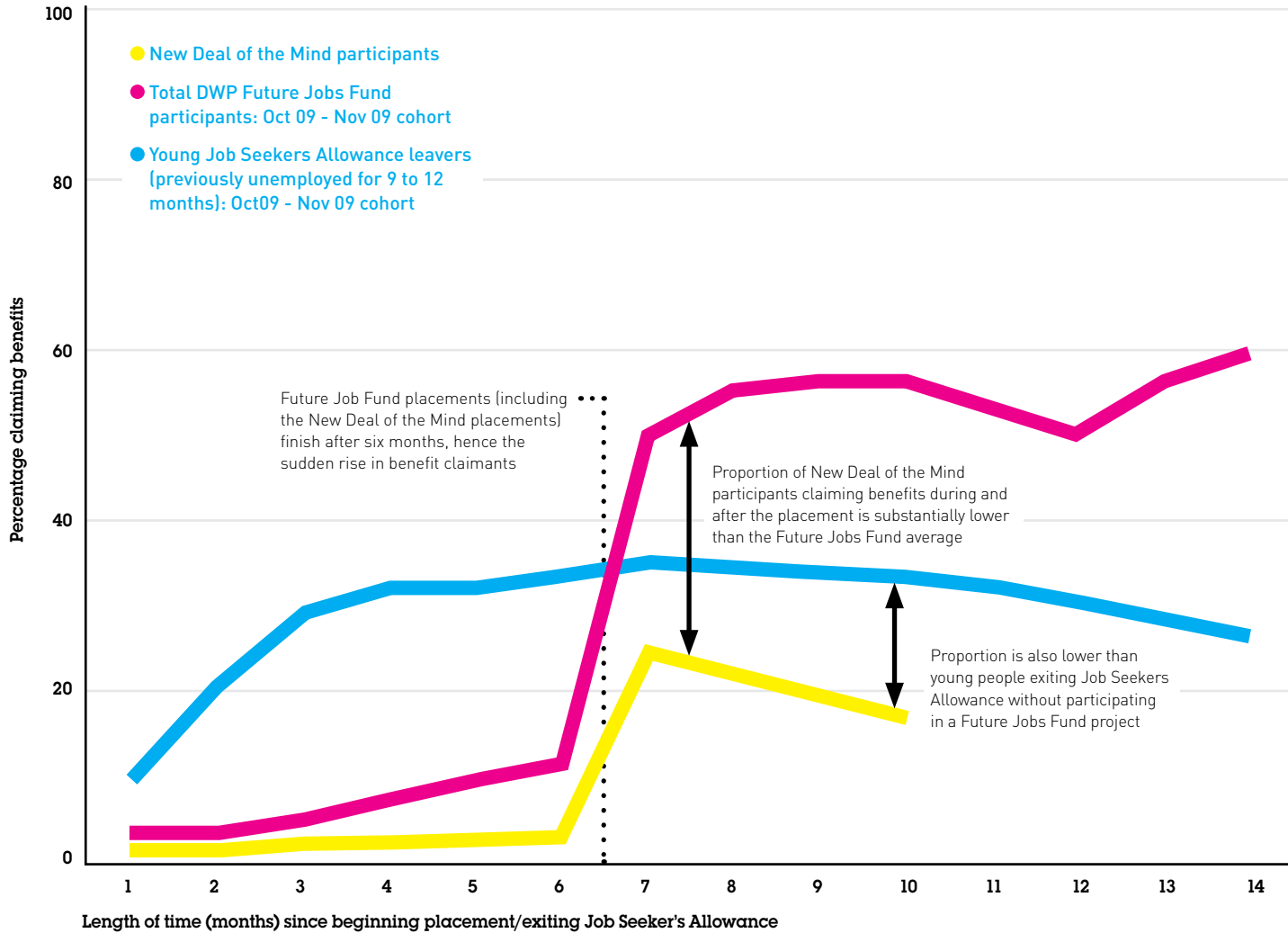
helped bring about more diversity in the sector. Fifty-three per cent of the participants on the programme identify themselves as being from from an ethnic minority background, compared to 4 per cent of the creative workforce in the UK.¹ Ninety per cent said that they would have been unable to participate if the placement had been unpaid. And, 53 per cent of participants were women, compared to UK-wide data showing the proportion of women in the creative sector to be 45 per cent.²

Most importantly, the programme provided a route into sustainable employment and training, with 71% of participants going into either employment, education or training at the end of their placement.

¹ Source: Leadbeater, C. & Oakley, K. (2001), Surfing the Long wave: Knowledge Entrepreneurship in Britain, London: DEMOS, cited in: Centre for economic & social inclusion: Future Jobs Fund: An independent national evaluation, July 2011

² Creative Industries, Creative Workers and the Creative Economy: a Review of Selected Recent Literature (2009) <http://www.scotland.gov.uk/Resource/Doc/289922/0088836.pdf>

Figure 1: Proportion of New Deal of the Mind participants claiming benefits during and after the Future Jobs Fund placement.



The proportion of participants on NDotM's FJF programme claiming out of work benefits during and after the placement is substantially lower than the FJF average.

Participation and employment results from the programme have been excellent. While government figures suggest that 11 per cent of FJF placements dropped out during their six month placement, less than three per cent of participants on the NDotM programme left their post before completing their placement.

Furthermore, Fig.1 shows that the proportion of participants on NDotM's FJF programme claiming out of work benefits during and after the placement is substantially lower than the FJF average. It is also lower than the DWP's benchmark group of young people exiting long term unemployment without the assistance of an FJF programme.³

An analysis drawing on Social Return on Investment (SROI) methodology has been undertaken on the NDotM programme, with the intention of further understanding the impact of the programme, examining if and why the programme has been successful and value-for-money, and what lessons might be learnt for future employment programmes.

³Source: Department for Work and Pensions: Young Person's Guarantee: Future Jobs Fund Participant Outcomes Annexe: Official Statistics, 13th July 2011. This tracks two cohorts of 18 to 24 year old FJF participants. The Oct 09 to Mar 10 cohort is used here. It also benchmarks this against 18 to 24 year olds who reached nine to twelve months unemployment and gained employment (independent of any FJF scheme) over the same time period. For more information see: http://research.dwp.gov.uk/asd/asd1/jsa/ypg/ypg_fjf_annexe_jul2011.pdf

CASE STUDY: JOSEPHINE ISIBOR

GLORIOUS BACKSTAGE ARTS

Josephine began her Future Jobs Fund placement on 14 June 2010, as a Youth and Community Assistant at Glorious Backstage Arts. Her role involved directing the carnival performances and choreographing the dance pieces. Josephine completed her 26 weeks on 14 December 2010. During her time at Glorious, Josephine secured a work placement with Google. After completing her 6 month Future Jobs Fund placement, Josephine was offered a job at Def Jam record label, in New York.

Josephine along with other FJF employees at the other carnival bands put together an exhibition of the costumes they had designed and created. Josephine also performed a dance piece on the launch night of the exhibition.



Josephine at Luton carnival with Glorious Backstage Arts

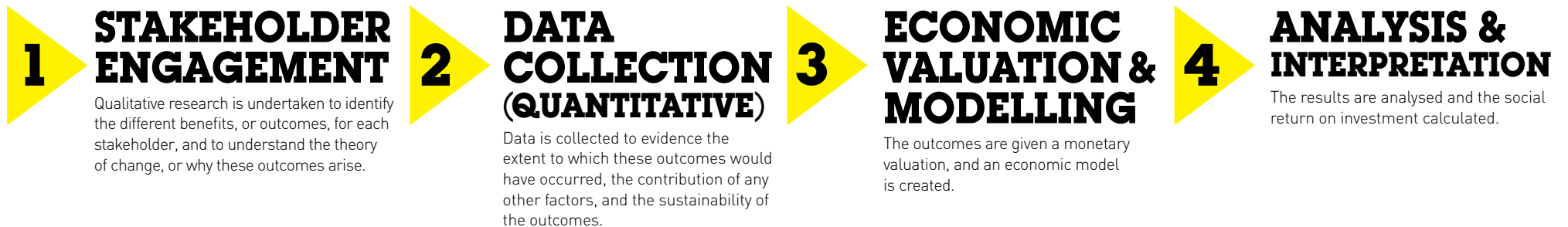
2. SROI ANALYSIS AND FINDINGS

Social Return on Investment (SROI) is a form of cost-benefit analysis that seeks to understand the social and environmental impacts of an investment as well as the economic impacts. It aims to help inform decision making by moving beyond simple metrics and analysing the impact and value-for-money of an investment.

For the New Deal of the Mind Future Jobs Fund programme, SROI methods were employed to add further evidence to sit alongside key metrics such as completion rate, exit destination and proportion claiming benefits, and to analyse what kind of return participants, employers, families and the government get for the government’s investment in the programme.

The analysis was conducted in four stages, as outlined in Figure 2.

Figure 2: Standard SROI process



Further details of the methodology can be found in section six.



FINDINGS

A wide range of factors contribute towards the success of any employment scheme, but a number of specific strengths of the NDotM programme were identified as particularly important in achieving these outcomes.

In most cases the scheme had a significant impact on participants' lives, and in some cases participants outlined how it had totally transformed their prospects.

These were:

- Focusing on a specific sector brings particular advantages, such as the ability to specialise recruitment so that staff have a particular expertise in the sector, and the ability to get the explicit buy-in of leading employers in the sector (i.e., The National Theatre, The Southbank Centre, London Metropolitan Archives, the British Library, The Royal Court Theatre, Pinewood Studios etc.).
- Rather than merely allocating jobs to people out of work, the programme works by matching young people who have a desire to work in the creative and cultural sector with jobs that they otherwise would have been unlikely to be able to access. This appears to create a higher level of commitment to the programme, as demonstrated by the very low drop-out rates.
- By focusing on long term career possibilities (for example through networking opportunities and building sector knowledge) as well as short-term job skills, the programme raises aspirations and boosts the confidence of participants. This in turn leads to well-being benefits that are likely to further boost long term employment prospects.
- By opening up the creative sector to a wider range of participants than would otherwise have been able to access it, the programme contributes to unlocking the participant's potential and creates a wider talent pool for the sector to draw on.

Benefits

Interviews and focus groups with a range of stakeholders enabled the identification of a range of benefits, or outcomes. In most cases the scheme had a significant impact on participants' lives, and in some cases participants outlined how it had totally transformed their prospects. A wide range of potential benefits arose during this process, and they were grouped into the following outcomes:

Economic benefits

- Increased income for participants (salary during and after the scheme, offset against tax and national insurance contributions and reductions in benefits received).
- Increased tax take and reduction in benefit spend for the government.
- Increased capacity and improved performance for employers.

Well-being benefits

- Well-being outcomes for participants.
- Improved well-being for participants and their families.

3. ECONOMIC BENEFITS

Over three years, over £5.7 million of economic benefit is produced for participants and for the government. Sixty per cent of this is directly attributable to NDotM. Around £3.1 million is accrued in benefits for participants (through net increase in income), and around £2.6 million is accrued in benefits for the government, through increased income tax, reduction in Jobseeker's Allowance, housing and council tax benefits, and increase in employers' and participants' National Insurance contributions.

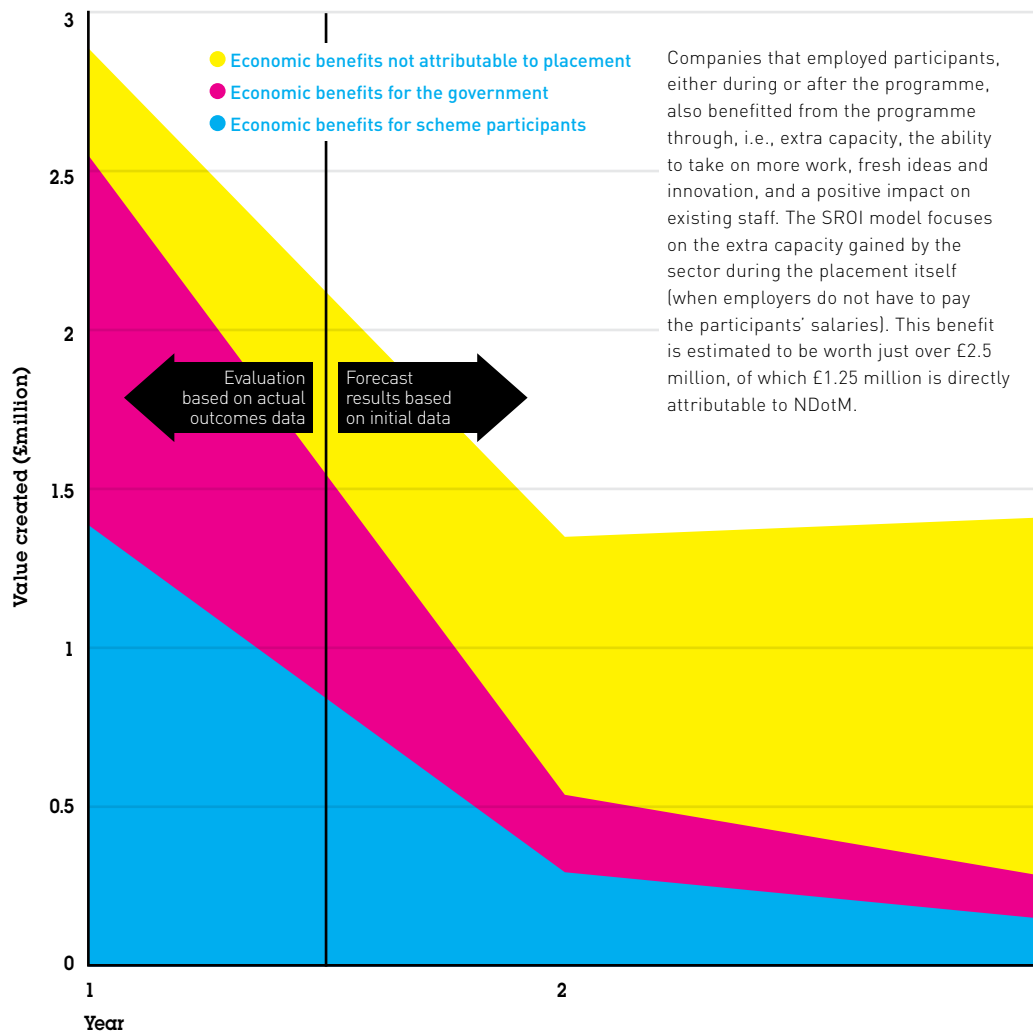
Figure 3: Economic benefits for participants and the government

	% Participants Impacted	Value to Participants	Tax & Benefit Saving	Attribution to Placement
Year 1: During placement	100%	£1,230,000	£1,030,000	100%
Year 1: Months 6-9	60%	£180,000	£150,000	50%
Year 1: Months 9-12	58%	£180,000	£150,000	45%
Year 2	64% ⁴	£750,000	£620,000	40%
Year 3	69%	£780,000	£650,000	20%
Total		£3,120,000	£2,590,000	60%

These figures already account for deadweight (the likelihood that some of the participants would have accessed employment even if they had not participated in the scheme).

A deadweight estimate of 67% for economic outcomes after the placement has been used. This is drawn from the evaluation into the Future Jobs Fund by the Centre for Economic & Social inclusion.⁵

Figure 4: Economic benefits (participants and the government) accrued over three years

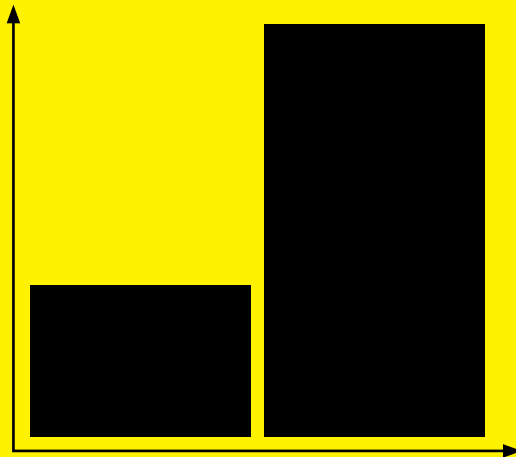


⁴ The proportion of participants in work in years 2 to 3 is a forecast based on destination after three months. It assumes that a proportion of those who go into further education or training will go on to get work.

⁵ Centre for Economic & Social Inclusion: Future Jobs Fund: An independent national evaluation, July 2011

Social Return on Investment Evaluation

KEY FINDINGS



Results from New Deal of the Mind's Future Jobs Fund programme show a significantly higher than average proportion of participants gaining employment on exiting the scheme



New Deal of the Mind's specialist expertise and contacts within the creative sector allow it to match those who have a particular desire to work in the sector with placements that offer them unique opportunities



The programme has helped

INCREASE DIVERSITY

in a sector that it is usually very inaccessible for those without existing contacts

£2.90

Overall, the programme creates an estimated £2.90 for every £1 invested, of which approximately £1.60 can be directly attributed to New Deal of the Mind



As well as providing employment benefits for participants, the programme has led to substantially improved levels of psychological well-being for participants

4. WELL-BEING BENEFIT

The interviews and focus groups conducted with participants and families highlighted a number of non-financial benefits for both participants and their families. Participants had been unemployed for at least six months prior to taking part in the scheme, and this often had a major impact on their confidence and self-esteem as well as sometimes making family relationships more difficult. In some cases participants spoke of depression and other mental health issues.

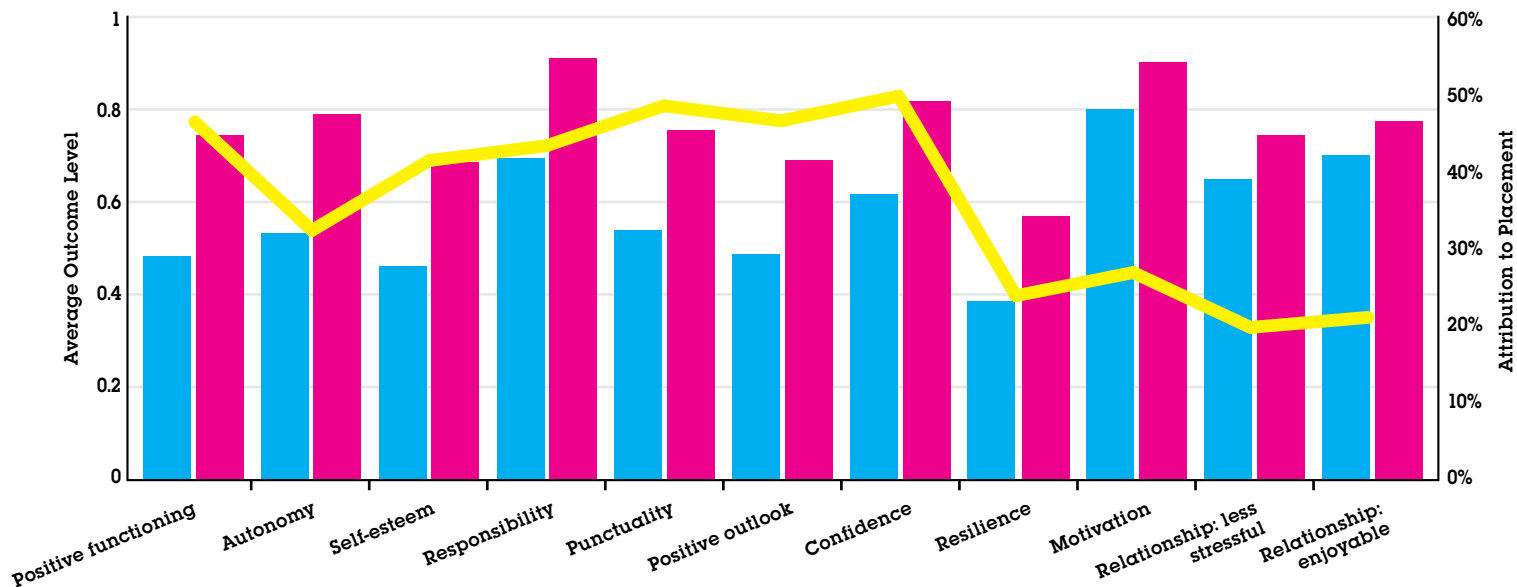
The opportunity to get paid employment in their preferred sector and the potential long term career opportunities that this might open up, both had a substantial well-being impact on participants. This is likely to be a contributing factor to the low drop-off rate for the programme and the high proportion of participants accessing employment as a result. It is also likely to contribute to longer term employment prospects and good health.

The well-being outcomes were grouped together based on the well-being model from the National Accounts of Well-being.⁶ Levels of well-being before and after the placement were measured through an online questionnaire, along with the attribution or credit for any change that participants gave to the placement. Figure 5 shows the levels of change.

These well-being outcomes were given a monetary value through the use of QALYs (Quality Adjusted Life Years), drawing on a methodology outlined by the Centre for Mental Health.⁷ Well-being outcomes for family members (which were forecasted from the qualitative research and the online survey) were valued in the same way.

In total, £1.07 million of social value is created through well-being benefits to participants, and £270,000 in well-being benefits to family members. Of this, £430,000 and £70,000 respectively is directly attributable to the NDotM placement.

Figure 5: Well-being outcomes for participants ● Pre Placement ● Post Placement ● Attribution



⁶ nef (the new economics foundation): National Accounts of Well-being: bringing real wealth onto the balance sheet, 2009

⁷ Centre for Mental Health (formerly the Sainsbury Centre for Mental Health): Policy Paper 3: The economic and social costs of mental illness, 2003, and The economic and social costs of mental health problems in 2009/10, 2010

CASE STUDY: DAYS OFF BENEFITS

The Centre for Social and Economic Inclusion (CESI)'s report: **Future Jobs Fund: An independent national evaluation**⁸ analysed the impact of the Future Jobs Fund in seven areas of the UK. Included in this report is a calculation of the average number of days that a participant remains off benefits as a result of the programme.

CESI found that the benefits of FJF equate to 70 days fewer on benefits than participants would have spent if the programme hadn't existed, above and beyond the time spent in FJF jobs.

Using the same calculation method, it is projected that the New Deal of the Mind FJF programme will lead to 96 days fewer on benefits on average per participant. This is higher than the result in the CESI report as participants on the NDotM programme were more likely to access employment once the placement is over (60% as oppose to 43%). This is probably still a conservative estimate as it assumes the same rate of employment sustainment, whereas initial findings after three months suggest that the jobs attained by NDotM participants are more sustainable than the average in the CESI report.

**96
DAYS** it is projected that the
New Deal of the Mind FJF
programme will lead to **96**
days fewer on benefits on
average per participant.

5. RETURN ON INVESTMENT

The outcomes identified were modelled over three years. Economic benefits for participants and the government account for nearly three-quarters of the value (see table 6 below).

Table 6: Present value created in the three years after starting the placements

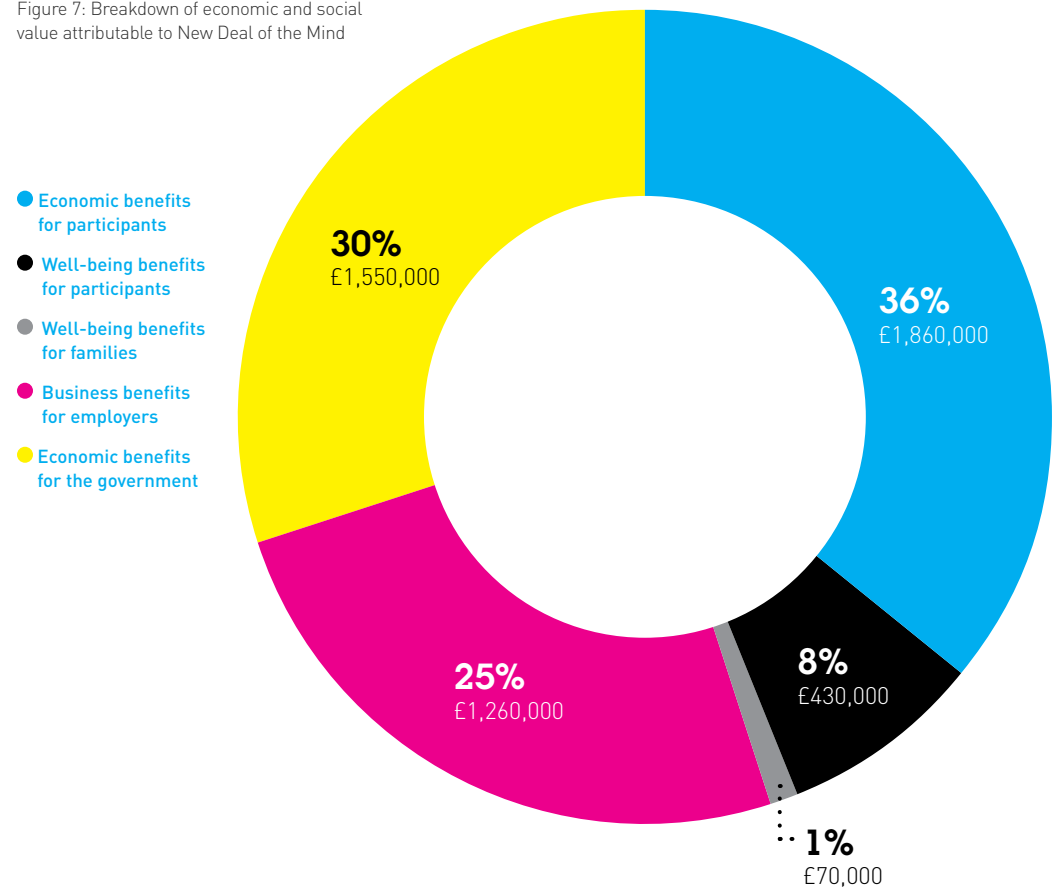
	Value Created	Attributable Value ⁹
Participants: Financial Benefit	£3,120,000	£1,860,000
Participants: Well-being Benefit	£1,070,000	£430,000
Families	£270,000	£70,000
The Government	£2,590,000	£1,550,000
Employers	£2,510,000	£1,260,000
Total	£9,600,000	£5,170,000

Return on investment

Over three years, the programme contributes towards approximately £9.6 million of economic and social value¹⁰, or £2.90 for every pound invested. Of this, approximately £5.2 million is directly attributable to the New Deal of the Mind programme, or £1.60 for every pound invested. In the longer term, the programme is likely

to have created even more value for participants & their families, the government and the creative sector. Figure 7 shows the breakdown between different stakeholders.

Figure 7: Breakdown of economic and social value attributable to New Deal of the Mind



⁹ The share of the value that is attributed to the New Deal of the Mind placement, rather than other factors such as, for example, the investment of employers or support of family members.

¹⁰ The present value of benefits is used throughout this analysis by applying a discount rate of 3.5% per year to future benefits, in accordance with HM Treasury guidelines.

CASE STUDY: MANDY TANG PROBOSCIS

Mandy worked as a Creative Assistant at Proboscis. At the end of her placement, Mandy was offered a full-time job by her employer.

Proboscis



Proboscis is an artist-led studio that combines artistic practice with commissioning, curatorial projects, design and consultancy to explore social, cultural and creative issues.

Guest Blog

Mandy Tang from Proboscis

Guest blogger Mandy Tang, employed on a Future Jobs Fund placement with Proboscis, talks about her experience so far.

When I think of the New Deal of the Mind and all that they have offered so far, I can only think of positive things. Through them and the Future Jobs Fund I have been given the opportunity to work as a creative assistant and utilise my artistic skills for a creative arts research organisation – Proboscis. At a time where I had let my self-motivation slip from disheartening comments from agencies, New Deal of the Mind has given me hope and encouraged me to never give up.

Working at Proboscis has been a great experience so far, I enjoy the work that I do and am fascinated with the many props and materials used in previous projects. It is also a real privilege to be able to work for such creative people, Giles and Alice – the directors of Proboscis. They not only give me the freedom to create material for projects but they always offer the support and knowledge to help polish finalised ideas.

As I finish this blog post, I would like to take this opportunity to sincerely thank the organisers of the New Deal of the Mind, the FJF placement scheme and the training programme. It's really comforting to meet other creative individuals who are struggling and the support we gave each other was greatly appreciated. But it couldn't have happened if it wasn't for your help, once again, thank you ^_^.

Mandy Tang

New Deal of the Mind has given me hope and encouraged me to never give up.

6. SROI METHODOLOGY

Envoy Partnership and New Deal of the Mind applied the SROI methodology standardised by the UK Cabinet Office¹ to the Future Jobs Fund programme. It involved the following steps:

- Qualitative research to identify the Theory of Change for the programme and the outcomes to be measured and valued. This consisted of a series of interviews with participants, family members, employers and NDotM staff.
- Quantitative research to evidence the extent to which these outcomes were achieved and the attribution or credit due to NDotM. This consisted of participation destination data (upon exiting the placement and three months later), participant satisfaction and well-being survey, and an employers' survey.
- Secondary research into the value and sustainability of these outcomes and appropriate benchmarks. Key sources of research included the Department for Work and Pensions (DWP), the Office for National Statistics (ONS), the new economics foundation's National Accounts of Well-being and the Centre for Mental Health.
- The creation of an economic model to analyse the findings.
- The findings were also reviewed with representatives from the DWP.

Factors

In addition to quantifying and valuing outcomes, and considering how much of the attribution or credit was due to New Deal of the Mind, a number of factors were taken into account, including:

- The deadweight, or how much of the outcome is expected to have happened anyway.
- Any displacement, i.e whether some of the jobs taken by participants after the scheme would have gone to others who are instead out of work.
- Drop-off, the extent to which outcomes decrease over time or the credit due to NDotM decreases over time.

Benefits in the first year are based on actual outcomes data. Benefits in years two and three are forecasted based on data from the first year.

The model is based on 504 six-month placements, costing £6,500 per participant – a total financial investment of £3,276,000.

¹See www.neweconomics.org/publications/guide-social-return-investment

7. CONCLUSIONS

The findings from the research demonstrate the excellent value-for-money and effectiveness of the New Deal of the Mind's Future Jobs Fund programme. The programme performs very well in keeping participants in placements, creating employment opportunities at placement exit, and boosting the well-being of participants. Both the SROI figures and the comparison against other FJF benchmarks demonstrate the programme's success.

Overall, the programme creates an estimated £2.90 for every £1 invested, of which approximately £1.60 can be directly attributed to NDotM.

Part of the success of the programme is down to NDotM's specialist expertise and contacts within the creative sector that allow it to match those who have a particular desire to work in the sector with placements that offer them unique opportunities. Evidence from the qualitative research suggests that this is a key driver of successful and sustained placements and longer term employment.

There are likely to be longer term benefits to the creative sector in the future that are not captured within this analysis, as the programme has helped increase diversity in a sector that is usually very inaccessible for those from disadvantaged neighbourhoods, minority groups and without existing contacts.

Overall, the programme creates an estimated £2.90 for every £1 invested, of which approximately £1.60 can be directly attributed to NDotM. This shows very good value-for-money and suggests that the programme would be a good candidate for further investment. We would encourage NDotM to investigate other forms of investment for their programmes such as Social Impact Bonds, the Innovation Fund and the Big Society Bank, and to continue this type of evaluation so they can demonstrate the return they provide for future investments.

During the qualitative research a number of areas were identified that might be enhanced in future programmes to further increase the impact and value-for-money of the programme:

- Employer organisations would have liked an opportunity to share their experience and learning with other participating employers. Aside from sharing best practice, this employer network could also help foster a stronger base of common supporters as a multiplier promoting NDotM's work.
- Some participants and employers felt that it would have been helpful for employers to have an opportunity to plan and communicate their tasks with participants, and internally within the organisation, prior to induction to the organisation (this may have added value in focusing and structuring the experience of their first several weeks).
- Some participants felt they would have benefited from a formal interim appraisal with employers – for the experience as much as for personal development and feedback. Equally, employers would have welcomed the opportunity to be part of the exit feedback and reporting process with NDotM.
- Some employers felt they could have benefited from a clearer idea of how participants were to be prepared for next steps post-placement with the skills they have developed specifically at the organisation.

The job gave me an opportunity to be better and more confident at networking; meeting new people, especially professionals and high profile connections - this gives me a foothold into the creative sector



For more information please email us at: contact@newdealofthemind.com or call us on 020 7845 5830

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