



INTERIM EVALUATION OF THE SKILL MILL SIB

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PERU Policy Evaluation
& Research Unit

Susan Baines & Harry Armitage
Contact s.baines@mmu.ac.uk

Skill Mill SIB Interim report

Key Messages

SIB funding has enabled Skill Mill to expand across England, giving some of the most marginalised groups of young people genuine options for increasing their skills and experience.

Young people themselves report that they feel Skill Mill has had a considerable positive impact on their lives.

The programme is delivered on the front-line by council secondees who are highly motivated and committed to the Skill Mill approach.

The Skill Mill SIB is one of 89 SIBs launched in the UK since 2010 and only the second in criminal justice. The Skill Mill SIB model combines quintessential SIB characteristics with some variations.

Re-offending targets have been met but the Job/further training outcome has been missed to date by the majority of sites. Other SIB contracts with employment and training outcomes have similarly struggled due to COVID-19 interruptions. The second cohort improved substantially on the performance of the first

Front-line staff point to achievements of the young people and distance travelled towards employability in ways that are significant for their life chances but not measured within SIB outcomes.

The key financial innovation in this SIB is its reliance on trading revenue (employer sales) alongside outcomes payments.

Building on some early successes there is a way to go to engage corporate partners. Theoretically there is no maximum to employer sales, unlike other outcomes revenues which are capped.

The Skill Mill has gained a high profile and received excellent public recognition nationally and at local level. Translating this success into external contracts that will generate income and ensure sustainability remains a significant challenge.

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Executive Summary

Skill Mill offers an intensive six-month work experience programme designed to help vulnerable young people break the cycle of re-offending. Its unique combination of environmental services, real work opportunities, and youth justice is highly innovative. A new four-year outcomes contract in the form of a Social Impact Bond (SIB) has funded Skill Mill in eight sites for four years from 2020. This report is an interim evaluation of the Skill Mill SIB.

Skill Mill started in the northeast of England 2013. A pilot was subject to evaluation that demonstrated significant reduction in the number and seriousness of offences committed, compared to an equivalent group not in the programme. Delivered through a vehicle called The Skill Mill Partnership Limited, SIB funding has enabled this small and relatively new social enterprise to expand across England and give some of the most marginalised groups of young people options for increasing their skills and experience. As a Skill Mill leader pointed out, *‘without the SIB, Skill Mill wouldn’t exist in the way it does today’*.

Skill Mill works with young people who most struggle with acceptance into more traditional options. Young people themselves report that they feel Skill Mill has had a considerable positive impact on their lives. They appreciate the practical work-oriented skills and have also gained softer ‘life skills’ such as ability to speak to strangers and be more outgoing. Skill Mill work is outdoors and often very visible in communities. Young people commented on how members of the public showed appreciation for the work they were doing. This is a powerful boost to self-esteem for young people more used to being told they are no good. The report presents their own accounts of changed outlooks and perspectives on themselves, their futures, and work in general. Common to all these changes is an associated sense of self belief, confidence, and pride in what they have achieved during their six months with Skill Mill.

The programme is delivered on the front-line by secondees mainly from Youth Offending Teams. This arrangement gives front-line workers the benefit of access and knowledge of other services and materials, together with a degree of autonomy and flexibility. The benefits for the services go deeper than the individual experiences of young people who take part. We were told that the presence of the Skill Mill programme acts as inspiration even for young people who can not be referred to it because they are not ready. In one of the new Skill Mill sites HM Inspectorate of Probation highlighted it in their 2022 inspection report as one of the strengths of the service that enhances the quality of post-16 Education Training and Employment (ETE) provision.

Local supervisors are highly motivated and fully committed to the Skill Mill approach. They recognise how different Skill Mill is to the alternative, more established ETE programmes, which fail young people in the most need. In particular, they stress the importance of ‘proper’ work and young people’s opportunity to experience a wide variety of different supervised jobs. From the perspective of supervisors, a slight downside imposed by the SIB

structure is the timing of cohorts without flexibility on starting dates for young people. This does not detract from their overall enthusiasm for the programme. The ability to work intensively with young people and respond to individual needs is reminiscent, we were told, of 'real' youth justice work and why they were originally attracted to the profession.

Skill Mill's historic success in reducing reoffending is reflected in the SIB funded programme. Of 60 young people for whom verified data on no re-offending over 12 months is now available, only 5 have reoffended. The SIB has experienced a setback however in that the Job/further training outcome has been missed by the majority of sites. Other SIB contracts with employment and training outcomes have similarly struggled due to COVID-19 interruptions. The second cohort improved substantially on the performance of the first (although also still falling a little short of the baseline target), suggesting movement in the right direction. Front-line staff point to achievements of the young people and distance travelled towards employability in ways that are significant for their life chances but not measured within SIB outcomes.

The Skill Mill is one of 89 SIBs launched in the UK since 2010 and only the second in criminal justice. It is a 'textbook' SIB project in that it involves service delivery by a small voluntary sector organisation with an ability to provide innovative service offers and successfully engage so called 'hard to reach' groups. The key financial innovation in this SIB is its reliance on trading revenue (employer sales) alongside outcomes payments. It is not uncommon for recent SIB interventions in the UK to combine investment with other funding such as grants. The Skill Mill SIB is an unusual hybrid in that it combines social investment with a commercial funding stream in which its services are sold to external organisations. This funding stream in principle has no maximum, unlike outcomes payments which are capped.

Overall, employer sales have fallen below targets to date. In the first cohort, sales in three sites considerably exceeded predictions while others had few or even no sales and relied on unpaid activities to provide work experience. This unevenness continues. Longer established Skill Mill sites have built relationships with employers operating in their areas. Line managers and supervisors in the more recent Skill Mill sites are well aware that working on mainly voluntary and community based projects without fees is not ideal from a business perspective, although it may be beneficial in terms of varied work experience and profile building. Skill Mill teams both nationally and locally are resourceful and enterprising in seeking out opportunities to extend their business offer and leverage new sources of support and funding. However, underperformance on employer sales is a serious threat to long-term sustainability.

Most fee-paying employers so far are local authority service departments and some of their private sector contractors. Skill Mill's offer assumes that it can tap into companies' Corporate Social Responsibility. There is some evidence that this is true. One line manager in a site where sales are strong, for example, commented on a corporate partner's '*genuine desire to improve the lives and chances for young people*'. Skill Mill has gained a high profile and received excellent public recognition nationally and at local level. Translating this

success into external contracts that will generate income and ensure sustainability remains a significant challenge.

1. Introduction

Skill Mill is a social enterprise highly regarded for innovative approaches to reducing youth crime while bringing social and environmental benefits to communities. Young people who have criminal convictions are provided with paid jobs involving outdoor work that is beneficial to the environment and communities. Whilst employed by the Skill Mill for six months, the young people work on projects in groups of four with one supervisor. The work is commissioned by clients including local authorities, businesses, and non-profit organisations. The young people also work to achieve a nationally accredited certificate from AQA, and additional training as needed for jobs locally such as the Construction Skills Certification Scheme, or training on how to use specialist power tools.

In 2020 a new four-year outcomes contract was financed by a Social Impact Bond (SIB). There are eight SIB funded Skill Mill sites, and it is expected that approximately 250 young people who have been in the criminal justice system will go through the programme over four years. The SIB sites are across England, in Birmingham, Croydon, Durham, Leeds, Nottingham, Rochdale/Bury, Surrey, and West Sussex. Skill Mill also currently has programmes in a further five sites that are not funded under the SIB. This document is an interim report of a four-year evaluation of the Skill Mill Social Impact Bond.

2. Background and context

2.1 The Skill Mill

The Skill Mill is a unique environmental services organisation that offers an intensive six-month work programme designed to help vulnerable young people aged between sixteen and eighteen to break the cycle of re-offending. The intervention is underpinned by the concept of desistance, which proposes that offenders need to move towards an alternative, coherent and pro-social identity in order to justify and maintain a crime-free life¹. Skill Mill's understanding of desistance is encapsulated in the words of Director Andy Peadar:

The Skill Mill allows these young people to think of themselves in a different light, to be able to get that confidence in terms of being able to hold down a job, to enjoy it, and to make that shift in identity².

The Skill Mill model is built upon clear and well-established impact metrics that focus on authentic work experience delivering meaningful outcomes for young people. It is based around a 'Theory of Change' informed by desistance and developed by the Skill Mill alongside work placements. The young people gain a nationally recognised qualification, practical work skills, 'soft' skills, a wage, and an opportunity to progress into further employment and/or training. Spending time in nature in environmental activities is a significant positive aspect. The Theory of Change and participant journey are illustrated in in Figure 1.

¹ McNeill et al. (2012)

² <https://www.ayj.org.uk/news-content/ayj-in-conversation-withthe-skill-mill>

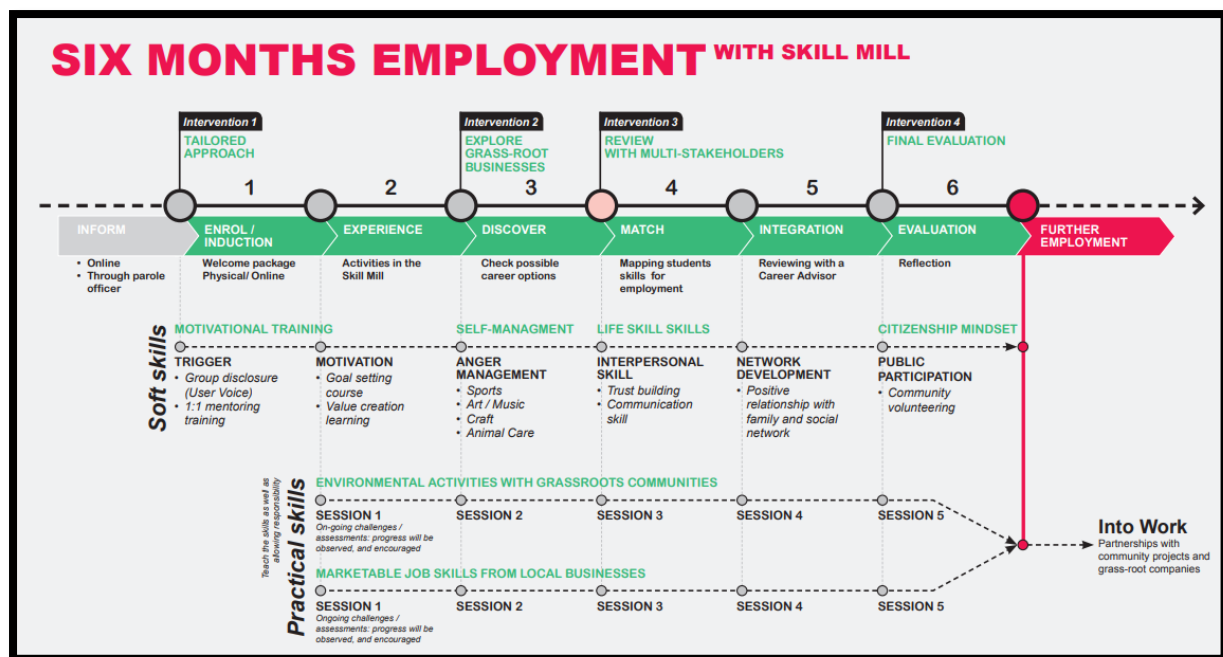


Figure 1 Skill Mill Theory of Change and participant journey

Originally the work was specifically related to waterway clearance and land management. Now the range of employment is boarder but still involves outdoor tasks that are physically demanding with environmental benefits, primarily in environmental maintenance and construction. The work is provided as a service for which public agencies and companies pay fees. For companies, there is potential to add value to tenders for public contracts under the Public Services (Social Value) Act 2012 as well as increasing their Corporate Social Responsibility (CSR) profiles more broadly.

Historically three quarters (75 per cent) of young people who have been through Skill Mill programmes have progressed to further employment, education, or training. An evaluation by the University of Northumbria found that participation in Skill Mill resulted in a significant reduction in the number and seriousness of offences committed, compared to an equivalent group not in the programme³. In 2021 the reconviction rate was 9.5% over the seven years that Skill Mill had been active⁴. Of 158 young people who had been through the books only 15 reoffended. In contrast, national reoffending rates (England and Wales) for young people aged under 18 in the year ending March 2020 stood at 34.2 per cent⁵. (This is an aggregate figure based on national Youth Justice statistics and the rate for prolific offenders is much higher).

The success of Skill Mill has been recognised by winning many prestigious awards spanning Youth Justice, sustainable development, community building, and enterprise:

- The Queen's Award for Enterprise: Promoting Opportunity, 2021
- The Queen's Award for Enterprise: Sustainable Development, 2021

³ Long et al. 2018 <https://doi.org/10.1007/s10610-017-9365-y>

⁴ Although SIB cohorts had commenced by then reoffending is a lagging indicator so 9.5% represents the situation prior to the SIB.

⁵ Youth Justice Statistics 2020/21

- Children and Young People Now Youth Justice Award, 2021 -
- Children & Young People Now Award for Partnership Working, 2019
- Investing in Children Award, 2017
- Water Industry Achievement Awards, Community Project of the Year, 2016
- Association of YOT Managers' John Hawkins' Award, 2014 -

2.2 Social Impact Bonds

Social Impact Bonds (SIBs) originated in the UK just over a decade ago. They are a form of outcomes-based commissioning where the finance needed to make the contract work comes from investors who provide up-front capital to organisations, often social enterprises, to deliver services. Investors make payments only when achievement of outcomes is demonstrated by data. The first ever SIB was designed to reduce reoffending by prisoners released after short sentences. It was evaluated as successful and has attracted world-wide interest and admiration. The Skill Mill SIB is one of 89 SIBs launched in the UK since 2010⁶. It was supported by the Life Chances Fund (LCF), set up with £80m by the DCMS in 2016 to seed new projects and contribute to the development of SIBs. For the LCF the main objective is growing the social investment market in England. The Skill Mill SIB is classified by the Life Chances Fund under 'Youth'. It is also however firmly situated in Criminal Justice with its reducing reoffending outcome. This makes it highly interesting from a SIB development perspective as only the second UK SIB in criminal justice.

Since 2010 SIBs have attracted growing interest and spread internationally. Views about them tend to be polarised, and somewhat politicised. As yet they have neither fully entered the mainstream as their promoters anticipated nor withered into oblivion as their detractors hoped⁷. There are rapidly expanding policy and scholarly literatures on SIBs with numerous reports, books, web resources, and articles. It is beyond the scope of this report to cover all the material in depth. In this section we highlight the main themes and debates most pertinent to the Skill Mill SIB.

The UK was the pioneer in SIBs and still has by far the largest number of them, followed by the United States. There are notable differences between SIBs in the two countries. US SIBs are on average larger and have been more successful at leveraging private capital. A more centralized approach is characteristic of the UK with the government providing support and subsidies. In the US (but much less so in the UK) SIBs are typically driven by non-profits seeking funding to expand promising programs⁸

SIBs hold out many promises, including

- Minimise risk for small providers whose costs are covered by investors up-front⁹

⁶ <https://golab.bsg.ox.ac.uk/knowledge-bank/indigo/impact-bond-dataset-v2/INDIGO-POJ-0195/>

⁷ Wilson et al., 2020

⁸ Olson et al., 2022.

⁹ Wooldridge et al. 2019

- Enhance the potential for innovation on the front-line due to increased freedoms¹⁰
- Break down service silos by combining outcomes which would otherwise be the responsibility of several agencies¹¹
- Improve ways of measuring performance and encourage evidence informed policymaking¹²
- Create a richer, more diverse funding environment for local public services
- Focus on prevention and earlier intervention in ways not funded by public budgets

There is however rather stark divergence of views on SIBs and some controversies. The optimistic promises above have been questioned by ‘cautionary narratives’ that take a more sceptical view on both pragmatic and ideological grounds¹³. Some critiques emphasise the costs of setting up SIBs, challenges of finding metrics that work for all parties, and difficulty of attributing outcomes to interventions when many external factors may be at play. There is also a more ideological perspective that equates SIBs with a long-term trend towards privatisation and welfare retrenchment. This is expressed, for example, by Dowling (2017) as “privatising gains and socialising risks and costs”. Warner (2013) and Sinclair et al. (2021) consider that SIBs typically attempt to change the behaviour of vulnerable people and leave little or no room for interventions that build on the strengths of target groups, or involve them in shaping interventions.

Although SIBs are only a little over a decade old there is evidence that they have changed and evolved. In the UK (still by far the most prolific country for SIBs) variations are emerging, with some departures from so called ‘quintessential’ or ‘text book’ SIBs exemplified by the much reported Peterborough Prison SIB¹⁴. These changes include¹⁵:

- i. A more hybrid economy with other funding sources such as grants or loans as well as outcome payments.
- ii. Some payments triggered by processes such as enrolments onto a programme
- iii. Softening of the original monitoring and verification requirements. The use of control groups to determine success for the purpose of payments is now rare in the UK (although more common in the US)
- iv. Weaker performance management
- v. The original emphasis on cashable saving is reduced
- vi. Payment arrangements in some recent SIBs have included a ‘rate-card’ of long and short-term achievements

An aspect that has remained unchanged is that SIB investors are predominantly charities, trusts, foundations, or social enterprises. Interest from mainstream, for-profit investors has

¹⁰ Gustafsson-Wright et al. 2015

¹¹ Ibid.

¹² Mulgan et al., 2011

¹³ For a balanced review of narratives of promise and caution see Fraser et al., 2018

¹⁴ Carter et al., 2018

¹⁵ Source for items i to iv Carter et al, 2018; for items v and vi Olson et al, 2022

not materialised as originally anticipated¹⁶. It is not uncommon for SIB interventions to combine investment with use of loans, reserves or more traditional grant funding. The Skill Mill SIB is an unusual hybrid in that it combines social investment with a commercial funding stream in which services are sold to external organisations.

Research undertaken by the authors of this report and colleagues from the US with a small group of SIBs launched in the UK since 2016 has challenged some of the more negative ‘cautionary narratives’, most notably assertions that SIBs are incompatible with strength-based service innovations, and that they repress rather than support learning¹⁷.

The Skill Mill SIB contains an unusual combination of ‘quintessential’ SIB characteristics (as outlined in a comprehensive review by the GoLab¹⁸) and new variations. Its evaluation offers a unique opportunity to add to the emerging body of evidence and inform policy and practice.

3. Evaluation Design

There are three complementary strands to the evaluation that run concurrently:

- **Process and outcomes** (main focus young people, supervisors and local programme activities)
- **Business models** (main focus, the programmes across the country, employers, and other stakeholders)
- **SIB Evaluation** (main focus, the SIB financing model)

Each of these strands contains elements of implementation and impact evaluation.

Implementation concerns the extent to which the programme was implemented as intended. Impact is about what was achieved, and the difference made. Data were collected by interviews, reviews of documents and datasets, and observation of activities and events. For more detail see Appendix 1

4. Results

The first Skill Mill SIB cohort commenced in summer 2020. At the time of writing (May 2022) three cohorts of young people have completed six months with Skill Mill in the SIB funded sites and a fourth cohort is in progress. Skill Mill’s historic success in reducing reoffending is reflected in the SIB funded programme results. Verifiable data on no re-offending shows that for 28 young people who went through the first cohort no reoffences were recorded. Only five of the 32 participants in the second cohort re-offended. (See Figure 2).

The SIB has faced a setback on qualifications and progress to jobs or further training. As a result of shortfalls on these outcomes, a ‘red rag’ was attributed to operations in March 2022. This must be understood in the context of the pandemic.

¹⁶ Olson et al, 2022

¹⁷ A summary report (Fox et al. 2021) can be viewed at <https://mmuperu.co.uk/wp-content/uploads/2021/03/Social-Impact-Bonds-2.0-Website.pdf>. There is also a more detailed version that has now been peer reviewed (Fox et al 2022) available Open Access - see reference list.

¹⁸ Carter et al., 2018

12 months no reoffending			
	Cohort 1	Cohort 2	Cohort 3
Birmingham	4	4	Not yet available
Croydon	4	3	
Durham	4	4	
Leeds	4	2	
Nottingham	4	4	
Rochdale	4	2	
Surrey	4	4	
West Sussex	.	4	

Key:

- Base case target met
- Low case target met
- Target not met

Figure 2 Reoffending outcomes by site

The effect of the pandemic on the wider social and policy environment has adversely affected outcomes of other SIB projects, especially those working to employment and/or education outcomes¹⁹. On the positive side, cohort 2 did much better than cohort 1. (See Figure 3)²⁰.

Achievement of employer sales has also fallen below targets. In the first cohort, sales in three sites considerably exceeded predictions while others had few or even no sales and relied on unpaid activities to provide work experience. The pandemic has undoubtedly been a factor limiting placement opportunities due to COVID related restrictions and general reduction of economic activity. An example of a specific lost opportunity due to COVID was a Skill Mill team due to work on the commonwealth games site but the organizers were concerned about foot flow, so didn't want the Skill Mill young people there. Lower than expected sales remain a matter of concern for the longer-term sustainability of Skill Mill and concerted effort is being made to improve them. The successes that were achieved even in the difficult context of the early cohorts serve to demonstrate what may be possible in future.

	Qualification achieved			Job/ further training secured		
	Cohort 1	Cohort 2	Cohort 3	Cohort 1	Cohort 2	Cohort 3
Birmingham	4	2	3	1	2	Not yet available
Croydon	4	3	4	2	0	
Durham	3	1	0	0	3	
Leeds	3	3	4	3	1	
Nottingham	4	4	3	0	3	
Rochdale	2	4	4	0	3	
Surrey	2	3	tbc	1	0	
West Sussex	.	4	3		2	

Key:

- Base case target met
- Low case target met
- Target not met

Figure 3: Outcomes by site on qualifications and jobs/training

In the following subsections which form the main body of this report we attempt to dig below the surface of the headline results. Sections 4.1 and 4.2 focus in-depth on the lived

¹⁹ Loveless, 2021 (LFC evaluation)

²⁰ Reported to the Strategic Board meeting on 30th March 2022

experiences of young people and supervisors, offering rich contextual evidence that draws attention in particular to the young people's journeys towards desistance. We then turn to local partnerships and finally consider the Skill Mill SIB model as understood by participants and vis a vis what we know about other SIBs.

4.1 Young people's outcomes from the perspectives of Young people

When speaking to young people involved in the program, it was clear that they felt Skill Mill had had a considerable positive impact on their lives. The types of benefits identified during our thematic analysis fit into four main categories of findings. First, supporting access to training and employment for a marginalised group of young. Second, the opportunity to gain practical and work oriented skills through the programme. Third, the opportunity to gain what we might define as softer 'life skills' (for example, learning how to budget and use money more effectively, receiving support for gaining basic services such as bank cards and other forms of identification). Fourth, evidence of changed outlooks and perspectives on both themselves, their futures, and work in general. Common to all these changes was an associated sense of self belief, confidence, and pride in what they have achieved during their six months with Skill Mill.

4.1.1 Supporting access to training and employment for a marginalised group

A common theme that emerged when speaking with young people involved in the skill mill was that this group experienced a relatively high level of marginalisation from more traditional education, training and employment (ETE). Our analysis identified that this difficulty of access was at least in part due to lack of alternative options for young people. Skill Mill offered a unique proposition for them. The combination of employment, mentoring and training, along with the flexible, pro-social and independent set up of Skill Mill meant that the young people had both the environment, and the motivation, to be able to flourish within the Skill Mill set up. As one young person admitted, *'I couldn't get nowhere else without it'*.

Young people we talked to experienced barriers to more traditional educational, training and employment opportunities. For example

'I wasn't really into school, school was a bit rough, if I could have gone straight into work at 14 I probably would've'

'I wanted to go into college to show to my mum that I was trying, and got in, but then covid happened and I didn't go back... but I didn't really like college, and then got into trouble and had to go to the probation services, which is where I heard about this'

Due to their issues with school attendance and/or exclusion, and contact with the criminal justice system, many of them were unable and/or uninterested in enrolling in colleges or training programs. Additionally, due to their lack of experience they found it very difficult even to be invited to interviews for jobs.

'I was going to lots of interviews before, and no one was getting back to me, I was starting to get pissed off.... but then my YOT worker told me about this, did the interview, and a day later they called me to tell me I got the job. I was buzzin man'

As with many people of their age, one of the main reasons for this lack of access to employment was their lack of experience, but in addition to this common impediment these young people often faced a secondary disadvantage resulting from their offending history. This consideration was not only affecting their access to employment, but to education as well.

'They just based me on my conduct, based me on my appearance, you get me... they like really judged me... as I was in the interview they were asking me like 'have I been on cases?' 'what have I done?'... it made me really think, you think that of me, you've never seen me before in your life'

This marginalisation often had knock on effects in terms of increased likelihood of re-offending and engaging in other problematic behaviours, something that participating in Skill Mill helped to address.

'I was always up to trouble, messing around, hanging with the wrong people'

Giving them this opportunity meant they had to become more structured and had less time to 'get into trouble', which in turn had significant impacts on their ability to 'walk a better path'.

Experiences of obstructed access to more traditional ETE opportunities meant that the young people really appreciated the chance given to them by Skill Mill. Such an inclusive admission policy was strongly linked to young people's desire to 'do right' and 'pay back' both Skill Mill and their supervisors for the time, effort, and opportunity given to them. On several occasions the young people discussed how they enjoyed the flexibility and variety that Skill Mill offers, the financial benefits, and the unique role of support and mentoring that the supervisors bring. As one young person said:

'There's nothing else really like it... it's not just one job, you're doing a bit of everything'

Skill Mill provides a genuine alternative way for young people engage in ETE that aligns with their interests and ambitions, whilst also giving them much needed exposure to what a life of work might look like. The genuine employment element is clearly of great importance to them, having had various schemes and placements imposed on them in the past.

4.1.2 Work related skill development

Another common theme amongst the young people we spoke with was the impact that Skill Mill had made in terms of extending their work-oriented skills and experiences. These skills included the applied practice of interviews and CV writing, 'on site' skills of using tools and different processes, management of time and routine, as well as experience of conducting themselves in different settings and with different people. Participation in skill mill was

usually their first entry into the world of work. It gave them invaluable experience and insight into what employment requires and broadened their perspectives on what their interests, abilities, and options might be. As one young person stated;

'Skill Mill shows us what a job is like... it's about getting up in the morning, you have to push yourself. There are some days you don't want to, but you have to'

The young people had very little experience of interview settings and CV writing and one of many advantages of their time at Skill Mill was their ability to work on and expand their CVs, so that when applying for their next jobs they had genuine experience. This often translated into a sense of renewed self-confidence and self-belief, as well as increasing their chances of securing employment. They reported that supervisors gave support in writing CVs, guiding and advising them what to add, and taking photographs to put in their work portfolios.

[My supervisor] is really good at that man, helping with the CV. I got the AQA, I already got the CSCSS card, asbestos awareness, the turf stuff and stuff like that'

As with their limited experience of CV writing, many of the young people had never been in formal interview settings prior to their time with Skill Mill. This opportunity to participate in a formalised application, interview and induction process gave them not only a chance to build their CV and practice interview technique, but it also gave them an early sense of achievement and built their confidence. Additionally, due to the increasing number of referrals and applications that Skill Mill receives, often this experience was shared by many more than the four successful applicants, giving many young people the opportunity to benefit from practising these skills.

These core skills are pivotal for the young peoples chances of securing education, training and employment post Skill Mill and as such provide real practical value for the young people, as well as helping them to build self-confidence and self-belief.

As a part of the skill mill the young people experienced a wide variety of work opportunities and experiences. Opportunities varied greatly from site to site, depending on the relationships that each site had with local businesses, charities, and councils. Work that the young people described includes ecological preservation, ground work and maintenance, landscaping and gardening, painting and decorating, construction and property conversion, as well as providing public services such as litter picking, graffiti removal, and working in foodbanks.

'we've been doing all sorts – removing graffiti, litter picking, ground maintenance, planting, painting, clearing sites'

'We're turning a garage into a classroom as well... we had to make all the wooden frames around the wall and out in the insulation'

'Doing the garage, doing brick laying, building a greenhouse soon. Laying some concrete for the base for that project.'

This wide range of jobs meant that the young people had many chances to try different things and learn about different skills. From basic construction and joinery skills such as how

to properly use a saw, how to build partition wall frames, to more niche skills such as learning to pilot and park barges, and general boat maintenance. This learning is supported by working alongside their supervisors who often 'muck in' and help, as well as advise the young people on more effective ways to work.

'I kept using the saw and it kept bending, and he said if you do it like this, then it was a lot'

'What they've taught me is all new to me'

These 'on-site' skills are often in line with the young people's career interests which helps keep the sense of Skill Mill as 'meaningful work'.

The application they give to work that benefits the local environment has not gone unnoticed in the communities around them, with some of the young people winning awards for their efforts – most notably in Rochdale for their contribution to the Rochdale 'In bloom' project. This type of recognition is good for the young people's self-image, as well as good for Skill Mill as a whole.

In addition to positive press coverage, the young people commented on how often members of the public show appreciation for the work they're doing. Such recognition helps to cement the young people's sense of achievement and motivation.

'lots of people will come up and say hi, and are really happy to see what we're up to'

'I aint felt it just yet [pride] with the garage cos we ain't finished it , but with the turf I remember quite well, we'd done it, and then we didn't go back there for ages, and then when we started the garageand then when we went back we were all like , 'whoa, we weren't expecting it to look like that', but yeah, it looked good'

These experiences of self-reflection and receiving praise are real benefits for the young people involved, and help to cement their desire to continue developing their skills and progress in another training or employment environment.

As with their experiences with interviews and CV writing, the young people have had limited experience of keeping to work related routines. Their employment at Skill Mill required them to keep to an established work schedule, as well as organise their transport to and from the designated work locations. Time keeping and keeping to routine was discussed by all the ,young people and seen as a real positive step for themselves. This change to their routine was often in stark contrast to their use of time prior to their involvement with Skill Mill.

'Before I got this job, I was horrible with my time keeping... I'd go somewhere and be like an hour late, but now, it doesn't matter what time I go to bed, I'll still be here'

These advances in terms of time management did not happen overnight and required a decision and drive on behalf of the young people, a flexibility on behalf of the supervisors and employers, as well as an open line of communication in terms of planning their time.

There were also times that the young people admitted that they felt they had let their supervisors down by their impunctuality or lack of attendance.

'I think we have let him down a few times when he really needed us... he lets us know when we've done wrong 100%.... we've not had it easy, but he's done good for you'

4.1.3 Soft 'life' skills

In addition to the work-oriented skills that the young people developed, their exposure to new experiences outside of a work setting, most notably their attendance to skill mill events, had considerable impact on their self confidence and self-esteem. Young people discussed how they enjoyed their experiences travelling to different places, meeting different people, and seeing new things. These experiences allowed them to develop their interpersonal skills and build new relationships, helping them to understand the importance of 'wearing different hats' depending on where they are and who they're with, experiences that many of them had never had before.

'He was quiet in the front seat at first, just sat in the front of the van at first on his phone' (Young person talking about the changes seen in one of his colleagues)

Later in the 6 months program the same young person stood up in front of a large crowd of strangers to talk about his experiences at one of the Skill Mill events. This type of change is not uncommon amongst the young people, with many of the supervisors also commenting on how the Skill Mill had made drastic changes to their ability to speak to strangers and be more outgoing. As discussed in relation to supporting access to training and employment, these young people often come from quite complicated backgrounds, and feel a sense of marginalisation, so for them to begin to gain confidence and ability to talk to different groups is an important achievement. One young person, on attending the ceremony in Newcastle when the Princess Royal presented the two Queen's awards to Skill Mill, expressed surprise at how open and interested the others were in engaging with him, something that he was not accustomed to.

'I've had some bad conversations with people, you know, showing negativity towards me, you get me... from that, I haven't really been keen on talking to people... That day, as soon as I went there [Newcastle] and seen everyone interacting... people coming up to me and interacting with me and generally just getting into good conversations... it boosted my confidence in talking to people one to one'

These types of opportunities to meet and talk with different people, and the ability of the young people to respond and flourish in these new environments, are yet another element of Skill Mill that equips the young people with fundamental skills, along with changes in perspective, that can help them in both their private and professional lives.

One important practical benefit of their time with skill mill was the support young people received when setting up their first bank accounts. When they started Skill Mill many of them did not have bank accounts and so had to make other arrangements so that they could receive their pay. Navigating the application process for a bank card was seen as a daunting experience especially as especially needing to apply for additional identification in

order to set up their own accounts. The supervisors' knowledge and support gave them the insight and confidence to get the relevant information and documents together, which then allowed them to set up their accounts in order to receive their pay. Most employers will need their employees to have bank accounts and personal identification, so these steps were key to supporting their transition into work once skill mill had ended.

In addition to bureaucratic and administrative supports, working with Skill Mill means young people need the correct personal safety equipment for working on site. Once they received their uniform, and got their own safety shoes and work trousers, they were again more prepared to move into further employment post Skill Mill. They also talked about how their supervisors offered them the use of tools, equipment, and transport after Skill Mill. This gave them the sense that if they needed support for another job, or for something like moving house, they now had somebody that would be able to help out. Access to these types of support again built their sense of self-confidence, and gave them an related sense of security that otherwise they may not have had,

The financial benefits of having a 6 month contract with Skill Mill were also a common theme of discussion amongst the young people. The secure income allowed them to invest in themselves, as well as their families, and taught them how to use their money. Often, they admitted to not using it very 'productively' at first, but as time went by, they were able to use it for a range of positive and helpful things.

'I've kinda struggled with it, before I had the job I've never really had money like that.. I didn't really know how to work with it, organise it productively, thinking of how I can save it'

'It might come to a week where I don't even need my money, and my mum might need it for something, so ill just give her my 160. It makes me feel alright about asking for money,

'I bought my mum a new pair of shoes, and my brother supports Liverpool so I bought him a Liverpool kit'

Although the circumstances of the young people are different, what these examples all show is that receiving an income has helped not only with supporting their own needs, but also helped them to understand the importance of both saving and of contributing to their families. One young person has even been investing a part of their income online. These changes, as well as making their and their families lives easier, have given them a sense of pride and self-worth, and opened their eyes to the importance of having money in the future.

A further benefit of their time at skill mill was their experience of building and maintaining relationships with their colleagues, supervisors, and external employers. Building these relationships was seen by many of the supervisors as central to the good work that skill mill does, and central to the young peoples ability to transition into employment post Skill Mill. This emphasis on supporting relationships is especially important due to the difficult experiences this group have encountered in the past - especially in institutional and

hierarchical settings. The ability for the young people to have a positive working relationship amongst themselves is also a consideration when recruiting, ensuring that no conflict is built into the cohort via the selection process. The unique working model that skill mill uses – that of working in teams of four with one supervisor – was largely seen as a positive for the young people involved.

‘Everyone has their moments... (but) I’m genuinely connecting with them’

As this young person suggests, working side by side with other young people did have some issues, and in one case one young person was asked to leave due to their lack of respect for other peoples work, but this appeared to be an isolated incident. The young people we talked with appeared to have developed good relationships with one another, and in some cases created very strong bonds. These strong bonds extended to the supervisors too, whose support was clearly appreciated by the young people we spoke with.

‘He (the supervisor) wants us to succeed, and has faith in us that we can do it (doing different jobs)’

In addition to the support received as a part of Skill Mill many of the young people discussed the impact that other relationships had had on their ability and motivation to complete the programme. This support tended to come from partners, family members, and other members of the YOT team. The support received from members of the YOT team underlines another key advantage of skill mill; that it is embedded in a broader local authority/local criminal justice system, a positive aspect that was highlighted several times during our conversations with line managers and supervisors. In addition to support they received from these groups, they also felt a sense of pride in knowing that their family, partners, and other YOT members were so pleased with the progress they’d shown as being a part of the skill mill. This supportive community gave them a platform, and incentive, to maintain their newfound focus and self-discipline.

4.1.4 Changed personal narratives/personal development

One of the key elements of the theory of change for skill Mill was evidence of young people’s changed personal narratives. Throughout the interviews the young people shared several examples of how their time at skill mill had impacted their view of work, their potential next steps, and their view of themselves. As such, Skill Mill appears to genuinely improve and expand their own abilities and interests whilst also inspiring renewed visions of what they would like to do next.

Examples of changed personal narratives include changes in attitudes towards littering and graffiti, changes in their perception of work and free time, changes to the way they saw new experiences and new people, and changes to their career ideas and ambitions.

‘That’s one thing that’s changed, the business, I would have never of thought about that before... you know, when we was laying the turf, I thought ‘this is easy’, I don’t really know what I was doing, but then five minutes in I just thought, yo, making a gardening business ain’t that difficult

After discussing visits to different places, seeing different things, one young person reflected;

'Wherever we'd go, I'd enjoy it, that's the way I am nowadays'

For him, this was a big shift in his openness and interest towards new things and experiences, and could easily be attributed to his time spent with skill mill. Similarly this young person remarked that Skill Mill had;

'(Given me) access to a different skills and experience... and different pathways (in life), I'll be real'

Skill Mill's public recognition appears to have contributed to young people's positive identity. One told us how proud he was of the Queen's awards, making him feel part of something that is gaining nationwide recognition.

For another young person the Skill Mill experience had rekindled an old thought that he had forgotten

'I kind of want to work somewhere like this, you know, like [the supervisor's] job, working with youth, I'd like to do something like this'

One illustration of the very real positive impact Skill Mill can have came from Dale who had been arrested prior to Skill Mil, and referred to the programme through his YOT. His experience and evidence of changed attitude helped him to avoid a sentence in court.

This example and others highlight the difficulty that this group of young people can face whilst trying to 'turn their lives around' and move away from offending backgrounds.

Boxes 1 and 2 tell two of their stories in some detail to convey how attitudes shaped by experiences of being let down and not fitting in can slowly change towards pride in achievements during time with Skill Mill.

Danny's story

Danny was unemployed prior to his time with Skill Mill. Like many of the young people on Skill Mill he felt that he had been treated unfairly by some in authority positions. He said that not being offered a place in college was unfairly based on his appearance and past court cases and criminal charges. He was excluded from school two weeks prior to his final GCSE exams, another decision that he feels was unfair and disproportionate to his actions (an opinion he says was shared by his probation officer). This perception of distrust in authority and institutions seems to have extended at first to his attitude towards Skill Mill. He saw it initially as another empty promise and an opportunity to be let down.

Skill Mill has been his first job and as such a steep learning curve. He talked about how he struggled initially with the routine and had to learn fast how to manage his time. Fortunately, he had support from his mother who was very proud and happy to see him on a more 'productive route'. He also talked about how the change of routine and lifestyle made him reflect on his past, and how much he had previously been 'wasting time at home'.

'Before I got into this I was in a bad routine, bad schedule, bad mindset, waking up late, wasting my time, just not valuing my time right... now I can see changes in myself, now that I'm waking up earlier, I'm really happy with that'

His reflections on changes in his own life extended to his peer group, many of whom had dropped out of college. He explained that this has made him doubly focussed to make a success of his time at Skill Mill, and how he felt he had a responsibility to be an inspiration for them.

I'm still trying to work towards something, and I'm not going to lie, I'm trying see myself as a role model to them... Every single day I'm trying to inspire them to get a job, to do productivity, to do something with their lives.. I'm always sending them job applications.

During his time with Skill Mill Danny has had the opportunity to gain many practical skills and experiences in addition to developing his 'fitness for work'. Work he has been involved with includes woodworking, bricklaying, ground maintenance, site maintenance, gardening and laying turf. As a part of this work, he has become more confident and comfortable using many different types of tools and processes. He sees these experiences as very positive as he tries to move towards a career in construction. These experiences have also pushed him outside his comfort zone. He admitted there were times he felt 'a bit frightened' by having to learn new skills or do things he had never done before. Similarly, the opportunity to go to new places and meet new people were great examples of when Danny got outside his comfort zone, and felt he really flourished. Attending a Skill Mill meeting in Newcastle particularly stuck in his mind, especially the openness with which he felt the people interacted with him there, and the confidence he gained from feeling like his opinion and ideas actually mattered.

This renewed confidence, and pride in himself – to the degree of considering himself a role model to his peers – are hallmarks of what the Skill Mill project is really good at: Exposing young people from marginalised backgrounds to new experiences and opportunities, allowing their natural abilities and interests to come out, and helping them discover things about themselves that they may not have previously known. All the time whilst building into them a sense of purpose and routine that can potentially build a sustainable foundation for a positive future in work. In Danny's own words: As Danny said;

'As soon as I got into it it opened my eyes, and I just want to work more now'

Box 1 'Danny'²¹

²¹ A pseudonym to preserve anonymity. For this reason, other details such as the actual site are omitted.

Toby's story

Toby had been going to college before the pandemic and after a somewhat disruptive past really wanted to show his mother that he was 'trying'. But during lockdown he 'got into some trouble' and felt college was no longer the right fit for him. This prompted his youth worker to suggest he apply for the Skill Mill. With her help, and his mother's, he wrote his first ever CV and went along for an interview. On reflection he acknowledged how strange he found the experience of being interviewed and said that it was 'pretty weird to be sat in a room in front of two blokes'. But once he got past the initial stage of the interview and induction, he had a genuine feeling of achievement, a feeling that would grow during his time with the Skill Mill.

One of Toby's colleagues said that in the beginning he would sit in the front seat of the van and just look at his phone, but as time went by, he grew in confidence and began to open up. So much so that he stood up at the Skill Mill event in Alnwick and shared his experience of Skill Mill in front of a large crowd of people. He reflected on the change he experienced:

'Skill Mill gives you a confidence boost. Six months ago I don't reckon I would have sat down here with you and had an interview and just talked about things, I don't think I would've done that.. it gives you the things you need' –

Toby is extremely proud of how he spoke with Princess Anne at the Newcastle award event. 'Look, that's the back of my head' said with a laugh and smile as he showed the interviewer some pictures on his phone, 'that's princess Anne chatting away with me!'.

Toby's confidence is plain to see, a new found confidence that he credits Skill Mill for helping to develop. He particularly enjoyed the opportunities to travel and meet different people, as well as his experiences on canal work where he and his colleagues learned how to helm a barge, whilst also learning about general maintenance of barges and even helping with the building of a boat. His pride of being involved with a project like Skill Mill is clear to see, and he re-iterated how thankful and appreciative he was to be involved with Skill Mill, and to have met his supervisor.

During his time at Skill Mill Toby explained that he has done 'all sorts', from planting flowers and trees to ground maintenance and clearing sites to litter picking and helping support the ecological development at the island (find the name). Through learning practical skills such as how to use various pieces of construction and gardening equipment, to the support he received in setting up his first bank account, and the benefits of having some structure and routine so that he feels 'work ready', he acknowledges that Skill Mill has given him a great deal. When asked if he could change anything about Skill Mill he commented:

'I wouldn't change anything about the Skill Mill, but if I could change anything, I'd change how I behaved, and make sure that I came in everyday'

So whether it's the benefit of developing practical new experiences and skills, or the exposure different opportunities and people, Skill Mill gave Toby a strong sense of pride in himself, a pride that translated into a willingness to open up, have new experiences, develop his work ready skills, and manage to give back both financially and practically to his mother – all skills and experiences that he says 'will set me up for life'.

Box 2 'Toby'

4.1.5 Reflections of Young People

As a part of asking the young people about their experiences of skill mill we received many interesting and thoughtful reflections on how they might alter or change the design of skill mill. These were quite varied in their responses, in part due to geographical differences – and a related difference in what the program offered. But they generally agreed on two points, first, that they would like to see skill mill last for 12 months rather than 6, and

second, that they would welcome the opportunity to do more educational trips and travel to different places.

'[Being longer] would help a lot more, the 6 months it just feels like it goes too fast'

'6 month contract, of course it's not bad, but in general for me, if I was in charge id extend it.. maybe to like a year... a year of experience in the job, you get me' -

'If I was in charge of Skill Mill, I'd insist of more stuff like that' [talking about trips to Skill Mill events, meeting prospective employers and visiting a museum]

4.2 Young people's outcomes from the perspectives of front-line staff

The views of the supervisors and line managers on types of benefits and challenges that skill mill presents were often very similar to the perspectives of the young people. Our thematic analysis created main categories of findings as follows: awareness of the unique design of the Skill Mill programme; benefits that Skill Mill offers both for the young people themselves and the wider community context; and outcomes and challenges for Skill Mill.

4.2.1 Unique design of the Skill Mill program

A key theme that emerged in our analysis of supervisor and line manager perspectives was the appreciation of the unique service design employed by Skill Mill. They stressed that young people who most struggle with acceptance into more traditional options are actually the focus of Skill Mill's approach to admission. As a supervisor explained:

'We haven't just picked the golden kids form the YOT.. the ones with parents, with minor offences, they'll probably be ok, so we look for those that don't get the parental support, looked after children, those are the ones we really want to help. We do want to help the ones that need the most support'

Staff recognised how different this approach is to alternative more established ETE programs, giving young people the opportunity to experience a wide variety of different supervised jobs whilst also being paid. We were repeatedly told that being paid for their time, and understanding that if they didn't turn up for work, they would not be paid, gave them an incentive to work (that for many other ETE opportunities they may have had wouldn't provide) and also an insight into the realities of working life. In addition to this, the variety of work undertaken gave the young people hands on experience of different types of work that allowed them to develop their thoughts about what they enjoyed doing and what work might interest them in the future.

When discussing Skill Mill, a theme relating to the theory of change arose in several conversations - the importance of having meaningful work for the young people to engage in. By providing work that 'needs to be done' the young people's focus was more consistent, and a sense that Skill Mill is a genuine job was easier to maintain for the supervisors. As one commented:

'Have to be mindful that they do 'proper work' so that the young people don't feel that they are just doing community service type work -

Supervisors also highlighted the positive benefit of the Skill Mill staffing model, where the supervisor would be an existing member of the local youth justice or local authority staff, but then be seconded to Skill Mill, thus giving them the dual benefit of access and knowledge of other services and materials, whilst also giving them a degree of autonomy from the local service provision. The design of the programme involved a unique work environment which for one supervisor:

‘Somewhat reminded me of what I used to be about, and what I used to achieve with young people ... spending quality time and build relationships’

4.2.2 Benefits of the Skill Mill for young people and communities

Examples of the benefits that Skill Mill offers to the young people include raising self-confidence and self-esteem, creating opportunities for upskilling and work experiences, providing assistance and support for a range of bureaucratic tasks, receiving a steady income and learning about money management, gaining experience of managing and maintaining different relationships, and giving much needed access to support for an often marginalised group. The impact that Skill Mill had on the young people’s confidence was clear to see according to one supervisor:

‘They may struggle with self-esteem, this allows them to walk a bit taller, they are achieving something, they’re bringing value into their homes and communities. They bring money into the home whereas before they’d bring the police to the door’

The interface between Skill Mill and the communities in which they work is highlighted in several accounts of positive reactions from residents and passers-by, which in turn boost young people’s self-esteem. For example, in the words of one supervisor, referring to members of the public seeing young people doing clearances and praising their work

‘You can see the chest come out and it’s like you know wow they just said I’m doing some good, where they are used to getting you are no good you’ll never do anything. They’re always getting knocked - down just building them up that little bit and it’s absolutely fantastic.’

The impact that being involved in Skill Mill had on how the young people conducted themselves and built self-confidence was seen unanimously as a success across the sites. The young people often transformed from self-conscious and shy into much more outgoing and self-assured. A shift that was seen as particularly positive considering the difficult experiences many of these young people had had in the past.

Supporting young people’s social skill development was also highlighted by staff, reflecting the young people’s own accounts. As much as the supervisors and line managers commented on how beneficial Skill Mill has been for the individuals involved, they also frequently commented on the broader positive impact of Skill Mill. These types of impacts included improved relationships with members of their Youth Offending Teams (YOTs), improved behaviours and lack of re-offending, increases in work satisfaction for the supervisors themselves, as well as the positive influence the young people often had on their peer groups, friends, and families.

4.2.3 Achievements and challenges

One supervisor explained that a lot has been learned from cohort 1 to cohort 3 and also acknowledges the impact that 'proper paid work' has had on the young people's attitude. On the other hand, we were told that employers are aware of the type of young people and their capacity, and understand that at the beginning the young people need to do shorter hours, otherwise *'they wouldn't last a month'*. While the resemblance to real work is important, Skill Mill has some flexibility which there would not be in full time employment.

Meeting qualification targets is not easy given that, as a supervisor explained, *'as soon as you get a pen and paper out young people switch off'*. In that site they have taken initiative to improve performance by employing a bank worker to work 121 with young people to support them to complete AQA work, and also invested in iPads and downloaded CSCS for them to work on. Another supervisor suggested making the CSCS card a priority at the start of the Skill Mill so young people would be able to work on building sites. Another said he was exploring the possibility of having an external company organise the CSCS training and take care of the administrative and test arrangements, although Skill Mill would still do revisions and mock exams

Local teams fully understand the importance of achieving employment or training targets. *'One of the hardest things, without a doubt'*, we were told is securing work post Skill Mill. General lack of opportunities in some locations was mentioned. Timing was also an issue, for example apprenticeships get released at different points in the year and don't align with Skill Mill timings. Some potential employers especially in construction will only take people aged 18 or over. For those sites that had Skill Mill in place prior to the SIB it was noted that in 2021 covid impacted the targeted industries with many people furloughed and workplaces not operating in the same way, making jobs post Skill Mill harder to secure than in the past.

There were also comments about the rigidity of the cohort timing and a stated preference for being able to employ teams with a mixture of new and experienced young people.

That is a challenge with the model; you're starting again every 6 months'

4.3 Local partnerships and Employer engagement

Skill Mill programmes are delivered by secondees from council services working as supervisors. It is essential for the secondees to maintain close relationships with the council services. Skill Mill relies mainly on them for 'referrals' to its programme. Overall supervisors reported that their relationship with council services was warm and cooperative. As one noted, *'a [YOT] manager is at the end of the phone for me'*.

The benefits clearly work in both directions. A youth service leader observed that the Skill Mill programme acts as inspiration even for young people who could not be referred to it because they are not ready. The presence of Skill Mill as an additional opportunity for young people has also been externally recognised. In Surrey, HM Inspectorate of Probation highlighted it in their 2022 inspection report as one of the strengths, and highly effective.

The 'youth offer' is impressive and gives opportunities, such as the 'skill mill', that enhance the quality of post-16 ETE provision²².

The longer established Skill Mill sites have built relationships with employers operating in their areas. Skill Mill's offer assumes that it can tap into companies' Corporate Social Responsibility. One line manager in a site where sales are strong reported that he was surprised about the company's *'genuine desire to improve the lives and chances for young people'*. He explained how they put on talks for young people and *'have really bought in to the Skill Mill objectives'*. Some of his counterparts in other sites consider that Skill Mill allows companies to *'put a tick against that box'* [Social Value].

Line managers and supervisors especially in the more recent Skill Mill sites are well aware that working on mainly voluntary and community based projects without fees is not ideal from a business perspective, although it may be beneficial in terms of varied work experience and profile building. One commented, for example, that their contacts are with local authority departments and community partners, and *'the private sector route is fairly untapped'*. Staff in the local teams, as several pointed out, are not professional salespeople. They often seem to be feeling their way in selling and pricing services. Although they are proud of the work the young people can do they are conscious of limitations when it comes to the commercial offer. As one reflected

'Pricing contracts is tricky – we are aware that the job quality may be uneven for example between the beginning and end of a cohort'

Skill Mill teams both nationally and locally are resourceful and enterprising in seeking out opportunities to extend their business offer and leverage new sources of support and funding. Teams around the country have won local awards. Although these involve only very small sums of money they add to prestige and recognition. For example

- A grant from the Severn Trent Community Fund to support work - Birmingham.
- A grant from the Arnold Clark Community Fund - West Sussex
- A local Community Grant from Kenley Co-op store - Croydon

In Surrey the team has been actively exploring creation of products for sale to generate income. Hazel hurdles can be made from a by-product of clearance work and sold at a profit to create a new income stream.

Nationally the following steps have been taken to become more visible to buyers motivated by CSR and so better placed for securing new contracts

- Became a Supply Change Trusted Supplier.
- The Skill Mill is a Gold Member of Constructionline, the first and only Social Enterprise in the country to achieve this accreditation.

²² Her Majesty's Inspectorate of Probation, 2022

4.4 The Skill Mill SIB model

In public statements Skill Mill leaders emphasise its expansion to date and potential to grow further.

'I guess the ambition is to upscale the programme so that we can make more opportunities and to be able to make more of a difference' Andy Peaden, Skill Mill Director speaking to the Alliance for Youth Justice, April 2021.

The extension in 2021 of the Skill Mill programme far beyond its original heartland in the north of England was underpinned by the new SIB contracts involving eight local authorities. The theme of growth was echoed again and again in our interviews with staff and stakeholders. There were thoughtful reflections in the interviews on the significance of SIB funding to the achievement of growth. Positive views of the SIB funding model were expressed by informants both in the Skill Mill leadership team and senior staff in the local authority partners. As a board member explained, *'without the SIB, Skill Mill wouldn't exist in the way it does today*. We were told it allowed a reasonably solid funding arrangement with a degree of security that is rare for third sector organisations. Senior local authority staff typically praised the way the SIB has provided the opportunity to extend the Skill Mill programme to vulnerable young people in their areas. As one explained in an interview:

'From an ethical point of view I really like the model. We are not paid for successful outcomes as the delivering organisation. That allows us to take a risk on young peoples. If we were relying on their outcomes to generate out income it would different. It gives the more vulnerable a better chance'.

From the perspective of supervisors, a slight downside imposed by the SIB structure is the timing of cohorts without flexibility on starting dates for young people. All front-line workers we interviewed recounted instances of individual young people's progress towards employability that fell short of meeting the SIB targets. None of them however pushed these arguments to object in principle to the SIB.

The Skill Mill is a 'textbook' SIB project in that it involves service delivery by a small organisation from the social economy with an ability to provide innovative service offers and successfully engage so called 'hard to reach' groups. Performance management is strong in the view of Skill Mill leaders. The SIB is also close to the textbook model in the relatively few outcome metrics (in contrast to some recent variations that involve 'rate cards' with quite extensive menus of possible outcomes and even some flexibility which to report).

In other respects, the Skill Mill SIB deviates from the textbook version. Outcomes that trigger payments are based on validated administrative data, unlike the Peterborough SIB, where there was comparison against outcomes for a 'control' group with similar characteristics outside the programme. (Use of counterfactual data to determine if outcomes are better than what would have occurred without the intervention is now rare in UK SIBs). In the Skill Mill SIB Some payments (although a small element) are made for the activities of recruitment and induction rather than outcomes. A small technical finance

innovation is to have a junior debt tranche (SITR)²³ alongside the usual blended debt and equity investment. The most significant aspect that departs from the textbook SIB is that the Skill Mill SIB only partially relies on social investor funding. Deviations in this respect in SIB arrangements according to GoLab typically involve loans or reserves used to fund service delivery. Skill Mill is exceptional in the use sales income.

The innovativeness of the Skill Mill SIB was highlighted by experts, investors, and providers. From a financial point of view the addition of income earned from local employers is highly innovative in the design of a social impact bond. A programme innovation is the way delivery is embedded in Youth Offending. A Skill Mill board member, for example, pointed out that the SIB enables the key programme innovation – the ability to bridge local youth justice teams with the world of work.

With regard to the SIB contract and outcome measures, they are intended to indicate the young person's journey and the multi-faced nature of the intervention. The employment / further training outcome looked entirely appropriate in advance but has proved difficult as discussed above in the light of the pandemic. Reoffending was of course an obvious outcome to represent Skill Mill goals – *'the big one'* as a Skill Mill leader told us. Skill Mill has had a very strong record on reducing reoffending since its first pilot in 2014. In the SIBs this success has been maintained. One anomaly that emerged was a young person recently jailed for an offence committed before entering the Skill Mill programme, following court delays associated with COVID. There appears to be a negotiation if this will finally be recorded as a 'reoffence'. No one involved with the SIB appears to have any reservations about reoffending as a target, apart from difficulty raised by that exception. One reflection from the wider literature on crime reduction is that because reoffending data inevitably lags it is a long time for a service to wait to see if what they do on a day-to-day basis makes a difference, so it is not very useful for organisational learning²⁴. We have seen, the SIB sites make efforts to improve and introduce new ideas in response to qualification outcomes. As far as we are aware this does not occur with reoffending outcomes.

Proponents of SIBs have emphasised provider freedom as a significant advantage. The Skill Mill SIB delivers this freedom by ensuring funding for the supervisors comes directly from Skill Mill, giving a degree of autonomy and flexibility to the supervisors.

Advocates of SIBs as well as their detractors recognise that they can be 'notorious' for their high set-up costs²⁵. In the UK, government funding is important for seeding SIBs. The LFC development grant was considered essential by stakeholders and staff. According to the recent evaluation of the LCF, beneficiaries typically found the process "complex and resource intensive"²⁶ The Skill Mill Partnership was no exception. As one of the leadership team observed wryly, *'at times looked like it might be the death of Skill Mill'*. With hindsight, he continued, it looked naïve to try to bring together ten local authority legal teams and commissioning teams and *'expect to find a happy medium'*. The long, hard

²³ unsecured debt that ranks lower in repayment priority than other debts in the event of default.

²⁴ Wong, 2019

²⁵ FitzGerald et al., 2019

²⁶ Loveless, 2021, p iv

journey from the original idea to the launch was a recurrent theme particularly for Skill Mill board members. They also expressed frustration about the loss to Skill Mill when one local authority legal team claimed that the SIB arrangement was incompatible with procurement law, which led to withdrawal from Skill Mill. Board members were concerned that although they were sure this claim was unfounded, other local authorities might follow suit but that did not happen.

5. Conclusions and recommendations

This report reflects the way the SIB vehicle has enabled Skill Mill to expand geographically across England from its origins in the northeast. The expansion has made opportunities to engage with paid environmental work and intensive support available to young people who could not otherwise have accessed them. Young people's experiences reported to the evaluators have been highly positive. This distinctiveness of Skill Mill as something different from what the young people were used to gives them a valuable opportunity to learn new skills, meet new people, earn a stable wage, create a platform to move into longer term employment, and to reduce their re-offending behaviours. Its focus on outdoor, manual type roles was another advantage in the eyes of the young people involved. Overall, their stories point to journeys towards new identities as predicted by the theory of desistance.

There is some evidence that local gains go deeper than the positive experiences of the young people in the programme. For example, in Surrey we were told about the ways the presence of the Skill mill option is inspiring even for young people in the criminal justice system who are not ready for it. Moreover, Skill Mill was highlighted as a notable asset in the HM Inspectors' report.

Using council secondees to deliver the programme has been very successful. This facilitates autonomy and capacity to make changes in response to local needs. From the front-line, a picture emerges of the programme enabling what some practitioners see as 'real' youth justice work.

The SIB has experienced some excellent results and some setbacks. The no reoffending outcome was met by all seven sites in the first cohort and five out of eight sites in the second. It is disappointing that, as of May 2022, the Skill Mill had failed to perform on its post-programme employment / further training indicator. This is particularly so because the past record of Skill Mill for young people moving on to employment or training has been impressive. Given that the programme timing coincided with COVID there are clear reasons for the shortfall. Interviews across the country confirmed the obvious conclusion that the difficulty of meeting the target was mainly associated with lockdown and generally reduced economic activity. As reported above, other SIBs have had similar setbacks. The result was worst in the first cohort. The second cohort performed much better (although also still falling a little short of the baseline target), suggesting movement in the right direction.

Several participants seem to have been surprised by the time and complication involved in setting up the SIB vehicle. The process of creating it was long and laborious, 'painful' in the opinion of one informant. Negotiating with legal teams across ten local authorities was an

immense challenge. Three of the ten Local authorities in the original plan did not eventually become part of the SIB. (The number was eventually made up to eight by West Sussex which joined later.) The three local authorities that dropped out were all existing Skill Mill sites in the north of England. While two are still active with different funding, one was lost to the Skill Mill. These difficulties are unsurprising and accord with much writing about SIBs even from people who are generally keen on them. There is certainly a need to build on learning to seek less burdensome processes so far as possible if SIBs are to deliver on their promises.

SIBs need to foster effective cross-sector partnerships and overall the Skill Mill SIB has done this. In any form of partnership there are different assumptions, priorities and world views. SIBs are no exception although the intention to enter into a SIB at least signals willingness to try to work together²⁷. A Skill Mill Board member reflected, *'there's probably more of a focus on money coming from some of the social investors rather than from the people who are working on the ground with young people'* This was offered not as a criticism, but more as one of the issues that needs to be communicated from both sides so that there is mutual understanding.

The Skill Mill has gained a high profile and received excellent public recognition. Translating this success into external contracts that will generate income and ensure sustainability remains a significant challenge. Skill Mill is a highly entrepreneurial organisation in the sense of being agile and alert to new opportunities, and grasping them confidently. It is also a value led social enterprise for which commercial activity is a means towards social and environmental goals. Skill Mill leaders see it as good for the organisation to become more business focussed. For some social organisations these tensions can be hard to navigate. We saw no evidence of dissent within Skill Mill although we did observe a rather heated debate about growth and reliance on the private sector at an outward-facing event led by Skill Mill in Alnwick in September 2021.

Public facing Skill Mill material tends not to make the SIB element very visible. There may be good reasons for this as SIBs are not well known to some of the target audiences and not easy to explain in everyday language. It would be good nevertheless to explore how to change this to reflect the importance of the SIB to the expansion of Skill Mill.

The Skill Mill SIB contributes to some of the emerging evidence that begins to counter the more negative 'cautionary' views that can be hostile to SIBs, often based on dated sources or ideological positions. The Skill Mill SIB partially reflects departures from the quintessential model. Some aspects of the design recall characteristics more typical of SIBs in the USA than the UK. These are the proactive efforts of Skill Mill to find ways to expand their programme, and the presence in the business model of private finance (although in the form of external trading not SIB investors).

The SIB is not the only source of funding for Skill Mill. In addition to two existing sites that did not come under the SIB, Skill Mill won a grant in 2021 from the UK Community Renewal Fund. As a result three new local authorities have gained a Skill Mill programme for a single

²⁷ Dixon, 2020

six month cohort (extended to two cohorts in one case). This funding has all the disadvantages associated with very short-term awards yet holds out the hope of leveraging more resources via the current government's levelling up agenda. One dimension to watch is that that CRF goals reflect Skill Mill's environmental values, which the SIB targets do not. There will be an excellent opportunity to draw comparisons and contrasts in mixed funding of Skill Mill as events unfold over the coming year.

This is an interim report and has several limitations. The number of young people we were able to engage directly in interviews was low for various reasons that are well known in research and evaluation with young people who are socially marginalised, especially when touched by the criminal justice system. Several appointments were missed as a result of non-attendance. While it was possible to conduct staff and stakeholder interviews virtually, we were advised by Skill Mill not to attempt this with young people. Despite the importance of relationships with employers in the corporate sector our information on this topic has so far been based on perceptions reported by Skill Mill staff and local authority partners, and on material in the public domain. More insight into the attitudes and behaviour of employers and potential employers is badly needed. This is a deficit that it will be essential to remedy for final reporting.

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Appendix

Interviews with Supervisors and line managers were a mixture of face to face and virtual. Those with young people were all face to face and those with Investors, SM leaders, and experts all virtual.

Names used in the report are pseudonyms and we don't mention the location of young people or staff we quote to ensure they are not identified. The only exception is that individuals are named when the source is in the public domain.

	Young people	Supervisors/ line managers	Investors / SM leaders/ Experts
Number of interviewees	4	9	7

Further interviews were arranged in a site on two occasions but young people were unable to attend. In sites we visited and did interviews, other young people we hoped to interview did not attend on the day, had stopped Skill Mill on account of finding a job, and in one case been asked to leave as a result of a criminal charge. Interviews were undertaken in only five of the eight SIB sites. It has not so far proved possible to make appointments in the others.

In addition to interviews, we attended and observed the following events and meetings

- Theory of Change workshop May 2021
- Skill Mill national event in Alnwick, September 2021
- Ceremony in Newcastle for the Queen's awards, February 2022
- Strategic Board meetings in August 2021 and March 2022

We carried out extensive review of documents and on-line materials including meeting records, presentations, publicity materials, newsletters, blog posts