Social Justice Outcomes Framework

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Introduction

1. *Social Justice: Transforming Lives*\(^1\) was published in March 2012. It set out the Government’s vision for a society in which local and national services work together to tackle the causes of poverty in the UK.

2. The Social Justice Outcomes Framework represents the next step in developing the Social Justice vision. It highlights our priorities, how we plan to measure progress, and, together with *Social Justice: Transforming Lives*, defines what we want to achieve.

3. The pursuit of a fairer society is not an easy or short-term task: delivering sustained improvement to the life chances of disadvantaged families and individuals will take years, not months. The Outcomes Framework will help to ensure that Social Justice remains at the forefront of Government policy as changes take effect.

How the framework will be used

4. The indicators within the Outcomes Framework are not a set of targets. Rather, they have been designed to help the Social Justice Cabinet Committee shape future policy by highlighting priorities, identifying where good progress is being made and where more work needs to be done.

5. This will also help ensure that we give more clarity to commissioners and service deliverers (both at a national and local level) about what we are trying to achieve and how they can contribute. While *Social Justice: transforming lives* set out the high-level vision, the Outcomes Framework gives more detail about what delivering Social Justice means on a practical level.

6. For this reason, we want the framework to be as open and transparent as possible. Progress against it will be reported publicly, as well as being reviewed by the Social Justice Cabinet Committee. In addition, where possible and where

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\(^1\) HM Government, 2012, *Social Justice: transforming lives*
local organisations tell us it would be useful, we will show data at a local, as well as a national level.

How the framework will operate

7. The Framework is divided into five areas that represent the five themes in Social Justice: transforming lives:
   - Supporting families
   - Keeping young people on track
   - The importance of work
   - Supporting the most disadvantaged adults
   - Delivering Social Justice

8. For each of these themes, we will pick one or two indicators of progress. These indicators are specific to Social Justice and represent the Government’s priority in each of these areas.

9. However, the indicators cannot, and are not designed to, tell the whole story. These five areas are inherently complex; there are many interrelated factors that contribute to, for example, family stability or long term worklessness.

10. We will, therefore, continue to use information on a wide range of other contributory factors when developing Social Justice policy and when we report on progress in March 2013.

11. In addition, because Social Justice: transforming lives represents a new approach to tackling severe and multiple disadvantage, some of the indicators we plan to adopt will require us to gather new data or use existing data sources in a new way. Where this is the case we will use interim measures to track progress until the new data is available.

Links with other frameworks

12. The indicators set out below are integral to delivering Social Justice. They focus on helping the most disadvantaged and hard-to-reach families and individuals in our society. However, these indicators cannot, and will not, operate in isolation.
Social Justice Outcomes Framework

The framework will have strong links with the Social Mobility Framework\(^2\), which focuses on helping everyone to realise their potential regardless of their background, and the Child Poverty Framework\(^3\), which looks at outcomes for children more widely. There are also close ties with the Public Health Outcomes Framework\(^4\), which the Department of Health published earlier this year, which has two high level outcomes: to increase healthy life expectancy and reduce inequalities in life expectancy between communities.

13. While the Government’s ambitions for Social Justice apply to the whole of the UK, responsibility for many of the policy levers that are used to deliver it are the responsibility of the devolved administrations. As such, this framework does not replace similar information that may be used in Scotland, Wales or Northern Ireland. The Government will, however, endeavour to work closely with devolved administrations to promote Social Justice outcomes throughout all parts of the UK.

Next steps

14. In designing the proposed set of indicators, we have worked with a number of stakeholders in the voluntary and community sector. We will continue to seek views from those with an interest in delivering the Social Justice agenda and will publish the final framework in March 2013 as part of a wider progress report. This will include reporting against those indicators where data is already available.

15. If you have any comments about the framework, or would like further information, please email us at dwp.socialjustice@dwp.gsi.gov.uk

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\(^4\) Department of Health, 2011, *Public Health Outcomes Framework*
Supporting families

Family stability and quality of parental relationships

16. The family is the first and the most important building block in a child’s life. Many of the early influences on children relate to the family setting in which they grow up. When things go wrong, this can affect a child’s development and outcomes in later life. This is especially the case when family breakdown is part of a wider picture of disadvantage; feeding off or compounding other risk factors such as worklessness, indebtedness, mental ill-health or drug and alcohol dependency.

17. For example, in a survey of offenders, 41 per cent reported witnessing violence in their home as children. In addition, a longitudinal study of males found that separation from a biological parent, frequent family conflict and multiple transitions into new families were all associated with an increased involvement in crime.

18. This is why supporting vulnerable families is crucial to the Government’s Social Justice Strategy.

The picture today

19. The picture over the past few decades, however, is one of families becoming more unstable. There are 2.5 million separated families in Great Britain, with about 300,000 families separating each year. More than 4 million children do not live with both their parents.

20. As Figure 1 shows, 28 per cent of children do not live with both of their birth parents by the age of five. By the age of 15, this figure rises to 45 per cent.

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8 Office for National Statistics, 2010, Population Trends, 140
Research by the Institute of Fiscal Studies has found that cohabiting parents are about three times more likely than married parents to have separated by the time the child is five years old\(^9\).

**Figure 1: Percentage of children not living with both their parents by age of child**

Note: Understanding Society wave 1 (2009-10). Percentage includes children born into or living in lone-parent families, step-families, adoptive families, foster families or those who are in the care of relatives.

What we want to measure in the future and why

21. As we have seen above, family instability or breakdown can have devastating long-term consequences for a child. The quality of the parental relationship is also important, however. Intense conflict between parents has been shown to be detrimental to a child’s future outcomes, while children raised by parents who

report high relationship quality and satisfaction tend to have higher levels of wellbeing and more positive outcomes\textsuperscript{10}.

22. We have therefore chosen as a key indicator the proportion of children in a stable family whose parents report a good quality relationship.

**Key indicator 1 – stable family relationships**

- The proportion of children who have a stable family free from breakdown, and the proportion of such families that report a good quality relationship.

*Our aim is to achieve an increase in these proportions year on year.*

23. Our choice of indicator should not be interpreted as saying lone-parents and step families cannot provide high levels of love and support for children. It simply means that multiple relationship transitions and sustained parental conflict can be detrimental to children. The presence of the same two parents in a warm, stable relationship throughout childhood is particularly important.

**Indicator definition and data source**

24. To measure progress against this indicator, we will look at the proportion of children, at key school ages (5, 11 and 16 years old) whose parents have (or have not) stayed together since their birth. We will break down this information by whether the parents report that they have a good relationship or not.

25. The indicator will be based on data from the *Understanding Society* survey (USoc)\textsuperscript{11}, the largest national survey of socio-economic circumstances and attitudes in 40,000 British households. We believe this is currently the best source of regular, nationally representative data on relationship stability and quality. As data on parents’ relationship quality is only collected every other year, we will update this indicator on a biennial basis, although we will be able to track the extent to which families stay together on an annual basis.

\textsuperscript{10} Mooney et al, 2009, *The Impact of Family Breakdown on Children’s Wellbeing*, DCSF Research Report 113

\textsuperscript{11} University of Essex. Institute for Social and Economic Research and National Centre for Social Research, *Understanding Society*
26. Further technical work is needed to establish the childrens’ age ranges we should use to ensure statistical robustness, as well as how best to use the questions within USoc to reflect the quality of parents’ relationships.
Keeping young people on track

Realising potential and making the transition into adulthood

27. Where families cannot provide a strong, stable environment it often falls to schools and the education system to provide a positive foundation for children, as well as the many other organisations in our communities who work with young people.

28. However, it remains the case that children from poorer backgrounds are more likely to truant, be excluded from school and have lower levels of educational attainment. As a consequence, they are more likely to end up not in education, employment or training at age 18 than those from more affluent backgrounds\(^\text{12}\). This not only makes it more likely that they will continue to experience disadvantage during their adult lives, but that their children will also grow up in poverty\(^\text{13}\).

29. A number of risk factors are associated with youth offending. One of these is disengagement from education, employment or training\(^\text{14}\). This can lead to a cycle of re-offending and increase the risk of further disadvantage such as worklessness or benefit dependency, as a young person grows older.

30. Ensuring that disadvantaged young people realise their potential and stay on track so that they can make an effective transition from education to their adult working lives is a key part of bringing about Social Justice.


\(^\text{13}\) Hasluck, 2011, Low skills and Social Disadvantage in a Changing Economy. UKCES Briefing Series Paper.

\(^\text{14}\) Pritchard C and Williams R 2009, Does social work make a difference?: A controlled study of former “looked-after-children” and “excluded from school” adolescents now men aged 16-24 subsequent offences, being victims of crime and suicide, Journal of Social Work 9
The picture today

Realising potential in the education system

31. *Opening Doors, Breaking Barriers: A Strategy for Social Mobility* showed how children from poorer families tend to do less well at school relative to their more advantaged peers. Figure 2 shows how achievement rates fall among children of all backgrounds from age 11. But we also see how an already significant gap in average attainment among children from different backgrounds widens during their compulsory school years. As a result, by the age of 10, children from disadvantaged families who showed high ability at age two can find that they have been overtaken by children from more advantaged homes who showed less promise when they were younger.\(^{15}\)

**Figure 2: Percentage of children achieving the expected level of educational attainment, with Free School Meals as an indicator for disadvantage**\(^{16}\)

Youth re-offending

32. In recent years, the number of young people who enter the youth justice system for the first time has fallen. In 2011/12, it stood at 36,677, a drop of 67 per cent compared with its peak of 110,826 in 2006/07.\(^{17}\)


33. In contrast, juvenile re-offending rates\(^{18}\), which have remained broadly stable over the past decade, actually rose from 32.8 per cent in 2009 to 35.3 per cent in 2010.\(^{19}\) While there is evidence that young people who come into the criminal justice system are now more challenging to work with than in the past, the rate of re-offending remains too high\(^{20}\). The Government wants to do better to ensure the young offenders of today do not become the career criminals of tomorrow.

What we want to measure in the future and why

34. It is unacceptable that young people should have their future life chances determined by their background. However, many schools struggle to provide children from the most disadvantaged backgrounds with the extra support they need to fulfil their potential. The Government is determined to change this so that every child can realise his or her potential.

35. Equally, we need to ensure that where things go wrong and young people get involved in criminal activity, they are given the help they need to get ‘back on track’ and avoid falling into a pattern of re-offending that can last into adulthood.

36. We are therefore proposing two measures to chart progress in this area:

**Key indicator 2 – realising potential in the education system**

- The extent to which children from disadvantaged households achieve the same educational outcomes as their more advantaged peers.

*Our aim is to see this increase over time.*

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\(^{17}\) Offending Histories Table – March 2012 table 7.2 - http://www.justice.gov.uk/statistics/criminal-justice/criminal-justice-statistics

\(^{18}\) Juvenile proven re-offence are defined as any offence committed in a one year follow-up period and receiving a court conviction, caution, reprimand or warning in the one year follow up or a further six months waiting period. The data source is the extract of the Police National Computer (PNC) held by the Ministry of Justice.


\(^{20}\) The average number of previous offences per young offender has risen from 1.60 previous offences in 2005 to 2.33 in the 12 months October 2009 to September 2010, a rise of 45% (Proven re-offending quarterly - October 2009 to September 2010)
Key indicator 3 – stopping young people falling into a pattern of re-offending

- The percentage of young offenders who go on to re-offend.

Our aim is to see this reduce over time.

Indicator definitions and data source

Realising potential in the education system

37. Our intention is to capture the extent to which disadvantaged children are able to realise their potential by comparing their attainment, at key school ages, with that of their more advantaged peers who showed similar levels of cognitive development before they entered the school system.

38. Unlike existing measures, this measure would be longitudinal and seek to directly capture the extent to which an attainment gap can open up among children with different backgrounds. The Department of Health is currently exploring whether data to measure child development can be collected via the Healthy Child Programme review that takes place with families when a child is between age two and two and a half years. The aim would be to use this information to produce national and local population measures. This data will only become available from 2014/2015. We will then look to link this new data with the National Pupil Database, held by the Department for Education, to track attainment at key school ages. Given the necessary lag between recording a child’s pre-school cognitive development and their reaching the first age of assessment (at age five), we hope to be able to report on this new measure from 2016/17.

39. In the interim, we will monitor progress by comparing the attainment gap between those children who receive free school meals and the rest at Key Stage Two in English and maths, and in achieving the Basics at Key Stage Four.
Youth re-offending

40. The Ministry of Justice already publishes juvenile quarterly proven re-offending statistics\(^{21}\).

41. Proven re-offending is defined as any offence committed in a one-year follow-up period that receives a court conviction, caution, reprimand or warning in this same time period. Following this year, a further six-month waiting period is allowed for cases to progress through the courts. We will use this information to monitor the indicator in the future.

42. Our intention is to reduce the percentage of young offenders who go on to re-offend. However, the characteristics of offenders should also be considered because young people coming into the criminal justice system are now, on balance, more challenging to work with\(^{22}\).

\(^{22}\) Op. Cit, para. 33
The importance of work

Preventing entrenched worklessness

43. Work is undeniably the best and most sustainable route out of poverty; about two-thirds of parents in poverty who enter work subsequently move out of poverty\(^23\). Apart from its obvious economic benefits, for people recovering from problems such as drug addiction or mental ill-health, work can provide a stable environment to support their ongoing recovery\(^24\).

44. Equally, worklessness can have serious and lasting negative impacts, particularly on the life chances of children who grow up in households where no adults work. For example, research shows that sons are more than twice as likely to experience workless spells themselves if their father was out of work throughout their childhood\(^25\).

45. This can create an intergenerational cycle of worklessness and entrenched poverty that can be devastating to individuals, families and communities across the UK. Breaking this cycle of worklessness is, therefore, a major priority for the Government.

The current picture

46. Worklessness is a significant problem in many parts of the UK, with 3.7 million households consisting of one or more people aged 16-64 where no-one works\(^26\). In about 1 million of these households, there are dependent children who have no working adult to look up to as a role model\(^27\).

\(^{23}\) Browne, J and Paull, Gillian, 2010, Parents’ work entry, progression and retention, and child poverty, Department for Work and Pensions Research Report No. 626


\(^{27}\) Ibid
47. This is not just a problem that has arisen due to the recent economic climate. Worklessness and welfare dependency for many individuals and in many communities has become entrenched. As Table 1 shows, 59 per cent of those who currently claim out of work benefits have been doing so for at least three of the past four years. Some of these will not be in a position to take steps to return to work, such as those with a serious health condition or full-time caring responsibilities. But even when we take this into account, we see that 37 per cent have been on working-age benefits for at least three of the past four years.

Table 1 – Out of work benefit claimants in November 2011, by time spent on benefit over past four years

<table>
<thead>
<tr>
<th>All working age benefit (1)</th>
<th>Up to 1 year</th>
<th>1 to 2 years</th>
<th>2 to 3 years</th>
<th>3 to 4 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>657,000</td>
<td>533,000</td>
<td>547,000</td>
<td>2,521,000</td>
<td>4,258,000</td>
</tr>
<tr>
<td></td>
<td>15%</td>
<td>13%</td>
<td>13%</td>
<td>59%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work-related (2)</th>
<th>620,000</th>
<th>487,000</th>
<th>488,000</th>
<th>913,000</th>
<th>2,508,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
<td>19%</td>
<td>19%</td>
<td>36%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: DWP Work and Pensions Longitudinal Study, 5% sample

(1) Out of work benefits include Job Seekers Allowance, Incapacity Benefit / Severe Disablement Allowance, Employment Support Allowance, Income Support. Figures include some people working less than 16 hours and on one of the benefits listed.

(2) Work-related seeks to capture claimants who are work ready or where work may be a future possibility given appropriate support and assessment. This includes Jobseekers’ Allowance, Employment and Support Allowance (excluding the support group) and lone parents on Income Support.

Figures exclude those who would have been 16 years or under in 2007 and aged 60 or over in November 2011.

What we want to measure in the future and why

48. To make the biggest possible difference, we want to concentrate our efforts on reaching those individuals and families where worklessness has become a way of life. We want to monitor the progress that is being made among those who can work, or can undertake activity to move towards work, but have nonetheless been
out of work for very long periods and are therefore likely to need more help to make the move into employment.

**Key indicator 4 – tackling entrenched worklessness**

- The proportion of benefit claimants who have received working-age benefits for at least 3 out of the past four years, focusing on those capable of work or work-related activity.

*Our aim is to reduce this proportion over time.*

**Indicator definition and data source**

49. We propose to use the proportion of current claimants on Jobseekers Allowance, Employment Support Allowance (excluding the support group) or Income Support for Lone Parent who have been in receipt of a working-age benefit for at least three out of the past four years. We have chosen to exclude those where receipt of benefit is not linked with some form of work-related activity or assessment. Our intention is to focus on duration of benefit, rather than current claim, to capture those who move between different benefit types or who cycle on and off-benefits, for example because they struggle to make a sustained attachment with work or because of spells in prison.

50. The data to measure this is already available through the DWP Benefits Database and can be disaggregated into local authority areas.

51. The development of this indicator comes at a time of significant reforms to the benefit system. We will need to consider how to redraw it, so that it remains focused on those who are capable of work or work related activity, once Universal Credit is introduced from 2013.
Supporting the most disadvantaged adults

Helping adults who face multiple disadvantage to rebuild their lives

52. As set out in Social Justice: transforming lives, early intervention to prevent families and individuals from falling into difficulties in the first place is a priority for the Government. However, lives can go off course for any number of reasons and, when they do, we want to ensure that people get a second chance, so that they can achieve full and lasting recovery from the problems they face.

53. The problems that people can face are often linked and overlapping. For example, drug or alcohol addiction can be caused by or associated with problems such as worklessness or homelessness. Similarly, a person's offending behaviour is often intrinsically linked with their physical and mental health. For example, heroin, cocaine or crack users commit up to half of all acquisitive crimes (shoplifting, burglary, robbery, car crime, fraud and drug dealing).  

54. Alcohol addiction is also a major problem. After smoking and obesity, alcohol is the lifestyle factor that has the biggest impact on a person’s risk of death or disease; over one million hospital admissions during England 2010-11 were thought to be alcohol related and it is estimated that alcohol misuse now costs the UK up to £7.3bn a year in lost productivity alone.

55. The way we support people to overcome these disadvantages can also have multiple benefits. For example, people who successfully start and complete drug and alcohol treatment demonstrate a significant improvement in health and well-

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30 http://www.publications.parliament.uk/pa/cm201213/cmselect/cmhealth/132/132we02.htm
being in terms of increased longevity, improved parenting skills, improved physical and psychological health, and reduced levels of offending.31

56. We want to ensure that more of those who face the most serious and overlapping disadvantages get the holistic and joined up support they need to break patterns of destructive behaviour and move towards sustained recovery and independence. To do otherwise would come with significant costs; for example, about one in four offenders recorded as re-offending between January 2010 and December 2010 then went on to re-offend in the following 12 months.32

The picture today

Drug addiction

57. In England, an estimated 306,000 people use heroin and/or crack cocaine (2009/10), among the drugs that cause the most harm. The number of heroin and crack users is declining; down from 328,000 in 2006/7 and more than half of the estimated number of 165,000 heroin and/or crack users are currently in treatment. An additional 30,000 people are being treated for dependence on cocaine, cannabis, ecstasy or other drugs.

58. The proportion of people entering treatment for the first time during 2005 to 2008, who successfully completed drug treatment and who did not subsequently return, was 27 per cent. For those first entering treatment during the period 2008 to 2011, 41 per cent successfully completed their treatment and did not return.33 Other evidence shows that the crime committed by heroin, cocaine or crack users falls by almost half by the time they complete a treatment programme.

33 http://www.nta.nhs.uk/uploads/commentaryfinal[0].pdf. Analysis based on the recorded client status at a single point in time for both the 2005-2008 and 2008-2011 cohorts. Over time, a number of clients may complete their course of treatment, whilst others who had previously completed their treatment, may return for further treatment.
Social Justice Outcomes Framework

Alcohol Addiction

59. In 2007, an estimated 1.6 million people were moderately or severely dependent on alcohol in England\(^{34}\). More than 110,000 adults in England received treatment for alcohol problems during 2010/11\(^{35}\) and about a third of those are parents with childcare responsibilities\(^{36}\).

60. The Department of Health will publish, as part of its Public Health Outcomes Framework, the number of alcohol-related hospital admissions for each Local Authority area. Improving treatment for adults with alcohol problems is shown to have an important impact on this indicator, particularly in the short term.

Ex-offenders

61. About 560,000 adult offenders were cautioned, convicted or released from custody between January 2010 and December 2010. About 140,000 of them committed a re-offence. This gives a proven re-offending rate of 25.3 per cent, which represents a fall of 0.3 percentage points compared with the previous 12 months and a fall of 0.9 percentage points since 2000\(^{37}\).

Figure 3

1 year re-offending rate, Adult Offenders

<table>
<thead>
<tr>
<th>Year</th>
<th>1-Year Re-Offending Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>26.2%</td>
</tr>
<tr>
<td>2002</td>
<td>27.6%</td>
</tr>
<tr>
<td>2003</td>
<td>26.9%</td>
</tr>
<tr>
<td>2004</td>
<td>25.5%</td>
</tr>
<tr>
<td>2005</td>
<td>24.9%</td>
</tr>
<tr>
<td>2006</td>
<td>24.6%</td>
</tr>
<tr>
<td>2007</td>
<td>24.8%</td>
</tr>
<tr>
<td>2008</td>
<td>25.4%</td>
</tr>
<tr>
<td>2009</td>
<td>24.9%</td>
</tr>
<tr>
<td>2010</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

Note:
(1) Data not available for 2001 due to a problem with archived data on court orders
(2) Re-offending indicator has a lag of up to two years in order to establish and analyse the re-offending characteristics of a particular cohort

\(^{34}\) The state of the nation - facts and figures on England and alcohol, [http://www.alcoholconcern.org.uk/assets/files/PressAndMedia/state.of.the.nation.pdf](http://www.alcoholconcern.org.uk/assets/files/PressAndMedia/state.of.the.nation.pdf), Figure derived from a survey of Adult Psychiatric Morbidity in England, 2007: results of a household survey (NHS, 2009).


What we want to measure and why

62. The outcome indicators we have chosen to reflect progress in this area highlight the links between addiction, offending and employment and the importance of sustained recovery to leading an independent, productive life.

63. That is not to say that these are the only disadvantages that families and individuals face. They are, however, often associated with other forms of disadvantage, and so a positive move in either of the key indicators is likely to have other positive and enduring benefits for individuals facing multiple problems and the communities in which they live.

<table>
<thead>
<tr>
<th>Key indicator 5 – improved outcomes for those receiving treatment for drug or alcohol addiction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of those who have entered drug or alcohol treatment in the past three years:</td>
</tr>
<tr>
<td>- the proportion who have exited successfully and not returned during that time</td>
</tr>
<tr>
<td>- the proportion who were in employment on the date that period ended</td>
</tr>
<tr>
<td>- the proportion who had not been convicted with a criminal offence by the date that period ended</td>
</tr>
<tr>
<td>- the proportion who achieved all three of the above.</td>
</tr>
</tbody>
</table>

*Our aim is to increase these proportions over time.*

<table>
<thead>
<tr>
<th>Key indicator 6 – improved outcomes for ex-offenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>The proportion of ex-offenders who do not re-offend within 12 months and the proportion who are in work 12 months later.</td>
</tr>
</tbody>
</table>

*Our aim is to increase these proportions over time.*

We can currently measure the number of people not in receipt of benefits however; we aim to develop systems to measure numbers in employment.
Indicator definitions and data source

64. The development of these indicators is a complex and ambitious task. However, we see it as important in understanding the experiences of those suffering from these disadvantages and the effectiveness of the health, benefit and justice systems in helping them.

65. Data for successful completion of drug and alcohol treatment is currently collected by the National Treatment Agency in England and will from April 2013, will be collected by Public Health England. The Ministry of Justice collects data on re-offending, identified from police, probation and prison records. The latter has recently been successfully linked with benefit, employment programme and employment data held by the Department for Work and Pensions and Her Majesty’s Revenue and Customs to provide a much clearer picture of the links between offending, employment and benefits. Departments will continue to work together and with the devolved administrations to explore how further opportunities to link administrative databases can be used to track progress in turning around the lives of disadvantaged groups and, ultimately, to ensure that they receive the support they need.
Delivering Social Justice

Encouraging Innovation in delivery and investment

66. We want to transform investment and service delivery for those at risk or experiencing disadvantage. Our goal is to ensure that support is coherent and effective, providing the holistic and tailored services they need.

67. Social problems need social action by all in society: the passion and ideas of people; the skills and disciplines of business; and the power and generosity of philanthropy. While government plays an important role, real change cannot come from government alone. We know that some of the best ideas come from social organisations that are working at the grass roots with the hardest-to-help.

68. The Government is allowing for greater innovation in commissioning and delivery so that it suits local needs and allows social organisations to deliver public services. The use of services procured on a payment by results basis gives an incentive to providers to focus on social outcomes, rather than inputs or processes.

69. Social investment is the tool for unlocking private capital to increase the capacity of front-line organisations to help tackle our deepest social problems. Social investment encourages charities and social enterprises to prove their business models and then replicate them to scale by combining business discipline and social entrepreneurship. For investors, it offers the opportunity to earn a financial return, as well as the reward of making a difference to society.

The picture today

70. In 2010, it was estimated that the social investment market was worth £190 million\(^{38}\). This represents healthy growth in a market that barely existed a decade before. However, it is small compared with the £3.6 billion given each year in

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\(^{38}\) Growing the Social Investment Market: A vision and strategy, Cabinet Office, February 2011
grant funding, the £13.1 billion in individual giving and the £55.3 billion of wider bank lending to small and medium size enterprises. This suggests the potential for further growth is enormous, while innovations such as Social Impact Bonds, the establishment of Big Society Capital and the growing interest of investors suggest an outlook that is positive.

What we want to measure and why

71. We want to build a thriving social investment market to ensure we fully harness the energy, innovation and expertise of social ventures. We are therefore proposing the following measure:

**Key Indicator 7 – The Social Investment Market**

The size of the social investment market

*We want to see this grow over time, with more investment going to support projects helping disadvantaged groups and reconnecting businesses with their local communities.*

Indicator definition and data source

72. This will be measured as the value, in £m, of social investments made each year. As a regular survey of the Social Investment Market does not exist, the Department of Work and Pensions and the Cabinet Office will commission a new survey to understand how the market is evolving.

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39 ‘Social venture intermediaries: who they are, what they do, and what they could become,’ Young Foundation, February 2011