

THE YOUNG ACADEMY IMPACT REPORT



THE YOUNG FOUNDATION

Inequalities are widespread and complex and affect many areas of people's lives. The Young Foundation is a research and action institute with a track record of confronting these inequalities. We work across the UK and internationally to create insight and innovations which put people at the heart of social change. Find out more: www.youngfoundation.org



Funding for the Young Academy programme is provided by Bank of America Merrill Lynch and Esmée Fairbairn Foundation, and funding for the Young Academy investment fund is provided by UBS. The programme is match funded by the Cabinet Office's Social Incubator Fund.

Our evidence partner New Philanthropy Capital (NPC) led on collecting and interpreting evaluation data for the programme.

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INTRODUCTION

FOREWORD FROM BIG SOCIETY CAPITAL



Cliff Prior
Chief Executive

In 2013, Big Society Capital and Impetus PEF supported The Young Foundation's report *Social Investment in Education*, which highlighted the expanded role that social investment could play in the education sector. The report identified several areas of opportunity for investors, in particular in post-16 education, payment-by-results models and provision of services to schools, and backing approaches that build on best practice in tackling educational disadvantage such as those promoted by the Education Endowment Foundation. It also described the characteristics of investable ventures already operating successfully in the education sector, such as demonstrating efficacy in improving educational outcomes and identifying a clear customer for their product or service. However, the report highlighted the challenges faced by fledgling education ventures, including the shortage of risk-taking capital that would enable promising organisations to prove

their models, establish secure revenue streams and achieve greater social impact.

The report laid the foundations for the Young Academy, which in the intervening years has identified ventures working in these areas of opportunity and unearthed new ones, helping them to become more robust, effective organisations, stimulating the investment pipeline in the education sector and investing in many itself to help realise their social impact potential. Four years on from the publication of *Social Investment in Education*, we welcome this account of the impact and insight generated by the Young Academy as a response to the report's findings and I would like to congratulate The Young Foundation and their partners for their work.

Since 2013 the social investment market has evolved. There are now many more sources of capital and a greater diversity of capital types available to ventures tackling the biggest challenges we face in education and other sectors. However there is still a need for the kind of support and finance provided by the Young Academy and more work to do to build a thriving social investment market that helps the charities and social enterprises the sector serves to achieve more.

FOREWORD FROM THE YOUNG FOUNDATION



Helen Goulden
Chief Executive

This report highlights the impact the Young Academy has had on supporting 52 ventures to develop new and relevant solutions to tackle educational inequality and continues The Young Foundation's long track record of education innovation, from Michael Young's vision to democratise higher education through the Open University to the more recent creation of Studio Schools.

This most recent initiative shows some impressive results as to the effectiveness of the Young Academy model in supporting ventures to evolve their model, grow their team and revenues and – as importantly – better understand and evidence the impact of their venture. The partnership with UBS and Bank of America Merrill Lynch has been instrumental in mobilising talented volunteer mentors

and financial coaches to support the Young Academy and increasing the flow of risk capital into early-stage education ventures.

The Young Academy is distinctive – and adds something to our overall understanding about what works in growing ventures focused on tackling inequalities in education. Its experimentation with convertible loan notes to invest in any kind of venture, from charities and asset-locked enterprises to mission-led businesses, makes for an interesting and diverse portfolio, whilst retaining a common and unerring focus on increasing social impact.

Of course, the long-term social impacts and financial returns of this first portfolio will emerge over time, and we will be tracking their progress in the months and years to come.

In the meantime, we are pleased and proud to have been supported by so many partners, including The Office for Civil Society and Esmée Fairbairn Foundation, to develop a model that works not only in growing early-stage ventures to tackle educational inequality, but evidencing the continued demand for this kind of support.

This report describes the problems the Young Academy seeks to solve, how the programme addresses them and our impact to date, and shares what we have learned so far about supporting and investing in early-stage education ventures.



Young Academy venture – Structural Learning

2

CONTEXT

EDUCATION INEQUALITY

The life chances of young people in England continue to be determined by their backgrounds. Although education is key for enabling equality of opportunity, for many it does not change their course. Inequalities in the education system are widespread and shaped by factors including socioeconomic background, postcode, gender, ethnicity, special educational needs and access to networks. These factors lead to stark differences in outcomes such as academic attainment and skills development, which in turn determine young people's opportunities to progress throughout their education and into employment.

For example, **in 2014/15 only 37% of pupils who qualify for free school meals (FSM) achieved five A*-C GCSE grades or equivalent including English and Maths.** In contrast, **65% of non-FSM pupils achieved this standard – a 28% gap that is estimated to take 50 years to close at the current rate of progress.** Academic attainment is only one of the key attributes necessary for enabling young people to become active, engaged and flourishing citizens. Social and emotional skills, social networks and the ability to navigate them, and work experience are all recognised as additional critical foundations. However, young people from disadvantaged backgrounds are often less likely to develop these foundations during their school career.

FINDING SOLUTIONS

The Young Foundation report *Social Investment in Education* (2013) offers some potential solutions to inequality in education. Increasing autonomy in the school system creates opportunities for social organisations to help improve education outcomes and address underlying drivers of inequality. The report identifies **three key areas of opportunity** within the education sector:

- Post-16 education
- Payment-by-results models
- Services to schools

The report highlights the proven positive impact of innovative approaches including greater use of feedback, metacognition and self-regulation, peer tutoring and digital technology, as evidenced by evaluations carried out by organisations such as the Education Endowment Foundation. The report also finds that evidence about what works in addressing inequalities is commonly mismatched with actual allocation of school budgets.

At the same time, there is **evidence of the potential for early-stage education social enterprises to generate widespread impact.** Social Enterprise UK's 2017 report *The Future of Business* found that education is the third-biggest social enterprise sector and 25% of social enterprises are under three years old.

THE YOUNG ACADEMY APPROACH

The Young Academy was launched in 2014 to provide specialist business incubation support and investment capital to social ventures whose work improves educational outcomes for disadvantaged young people. The programme aims to achieve three things:



**Build the business capacity
of early-stage education
ventures**



**Increase ventures'
access to capital that will
help them scale**



**Improve education
outcomes for disadvantaged
young people**

The Young Academy was designed in response to the findings of *Social Investment in Education*, a Young Foundation report that highlights the potential of social ventures to improve educational outcomes and the challenges they face in scaling up.

The Young Academy's approach is to reduce inequality in education by seeking out new, early-stage ventures and supporting them through an intensive group-based incubator programme of 12 one-day workshops, one-to-one support from Young Foundation staff, external social impact experts and volunteer advisors, and opportunities to test ideas and build networks. This support enables ventures to develop a business model that is robust and can be scaled

by accessing finance, which the programme provides in the form of up to £150,000 of repayable capital from an investment fund. Scaling allows the ventures to deliver widespread and meaningful impact on the educational outcomes and future prospects of young people in England and beyond.

The Young Academy was enabled through a grant from the Office for Civil Society's Social Incubator Fund, formerly part of the Cabinet Office and now part of the Department for Digital, Culture, Media and Sport, and managed by the Big Lottery Fund. The programme delivery was match-funded by Bank of America Merrill Lynch and Esmée Fairbairn Foundation, and the investment capital was match-funded by UBS.



“The expertise of NPC, the Young Academy’s evidence partner, has enhanced our credibility and improved the quality of our programmes for beneficiaries.”

Rachael Curzons, COO, Fearless Futures



Young Academy venture – Fearless Futures

THE YOUNG ACADEMY



SELECT

52

early-stage education ventures

- with high impact potential
- any legal structure

+240%

aggregate increase in turnover following incubation



INCUBATE



INVEST

74%

of ventures obtained grant funding or investment following the programme

80%

of ventures gained a better understanding of how to test their social impact



IMPACT

153,000

young people reached

9,000

educators reached

3

THE PROGRAMME

HOW THE YOUNG ACADEMY IS DIFFERENT

Social Investment in Education (2013) found that early-stage social ventures operating in the education sector face common barriers to growth:

- inability to market effectively to schools
- lack of a robust evidence base on the effect of interventions and ways to articulate impact
- underdeveloped team and operational capacity to scale
- little or no access to risk capital to support scaling

With these in mind, The Young Foundation designed a programme that enables ventures to overcome these challenges and realise their potential to be part of the solution to education inequality.

The Young Academy focuses on selecting early-stage ventures – ideally under two years old – to help develop the newest and most innovative approaches. This includes ventures at various stages of development, from proving their concept works through to successfully selling to customers. The Young Academy selects ventures with any legal form, to allow prioritisation of participants based on their potential to deliver social impact. This approach differs from programmes that select only commercial or charitable ventures, as they typically aim to prioritise financial return or limit entrepreneurs' private gain respectively. The Young Academy also weighs up the potential of the idea alongside the potential of the team, both of which are the foundations of a successful venture.

In terms of the ideas themselves, the Young Academy considers propositions that are more fully formed and those with room to develop. We keep an open mind about the potential of diverse approaches to reducing inequality, recognising that many will evolve significantly throughout the process. The programme considers the strength of the idea alongside the suitability of the business model to repay investment, also taking into account that a key objective of the incubator is to build this capacity. Willingness to learn and respond to feedback are therefore key characteristics we look for in the founding team. Entrepreneurs tend to have backgrounds in teaching, youth work, business or technology development.

Since 2014, the programme has supported over 50 social ventures that introduce innovation and achieve impact in diverse areas of the education system from early years through to access to employment, including:

- new approaches to teaching and learning
- increasing young people's engagement in STEM
- improving critical thinking, resilience and capacity to learn
- raising aspirations towards higher education and employment
- supporting teacher retention and wellbeing



THE INCUBATOR: KEY COMPONENTS

The Young Academy builds on The Young Foundation's experience and proven Accelerator methodology, delivered to dozens of ventures over several years, to create a programme that meets the needs of early-stage education ventures. The following are the integral components of the programme design:

Accelerator model

- Targeted support at the crucial stage of a venture's development between proof of concept and proof of market is an efficient way to help ventures learn rapidly, 'pivot' or persevere with their idea and accelerate their development and growth to achieve wide-reaching social impact.

Cohort-based approach

- A cohort of around 10 ventures enables rich peer-to-peer learning and support, and lays the foundations for collaborations and partnerships.

Action-learning workshops

- 12 full-day workshops based around the Social Business Model Canvas, a social business analysis and planning tool.
- Each workshop covers a Canvas component, unpacking key concepts, helping participants to analyse their ventures systematically and creating a plan to implement what has been learned.

Support from the Young Academy team

- Individual work with each venture to identify specific needs and set priorities, providing one-to-one coaching throughout the programme.

Bespoke support on social impact measurement

- One-to-one support from the programme's evidence partner New Philanthropy Capital (NPC) enables each venture to develop their theory of change and plan for data collection and impact measurement. This ensures that they can continually monitor and improve the performance of their intervention.

- Ventures are equipped to evidence and articulate the impact of their work to customers and funders.

NPC created a practical guide to impact measurement for education start-ups based on their Young Academy experience, which can be downloaded from The Young Foundation's website.

Access to customers and users

- Piloting opportunities in local schools and other settings, for ventures to test the effectiveness of their product or service, gain in-depth feedback and make refinements.
- Senior school leaders and other commissioners attend incubator workshops, to help ventures build new customer relationships and obtain feedback on their marketing approach.
- Ventures attend and present at key education and innovation events.

Demo days

- The incubator programme concludes with ventures presenting to an audience of education experts, potential customers, funders and investors.



THE INVESTMENT FUND: KEY CHARACTERISTICS

Social Investment in Education (2013) pointed to the need for more risk-taking investment capital to flow to early-stage education ventures and enable them to scale their impact. The so-called ‘missing middle’ in the finance available to ventures refers to the gap between start-up funds (which may come from small grants, the entrepreneurs’ own savings or contributions from friends and family) and investors who require substantial evidence about the prospects of a venture before being willing to invest. The road in between, which includes research and development, piloting, market testing, launch, refinement and growth of the product or service can be long and bumpy, with ventures failing because they simply run out of funds before they reach the investors waiting for them at the other end.

The Young Academy investment fund seeks to address this challenge. The pilot fund provides the finance early-stage ventures need to scale up and access more readily available sources of investment at a later point if needed. **It is the only fund in England dedicated to using repayable capital to help tackle educational disadvantage in this way.**

During our pilot stage, we have faced several questions in relation to the design and implementation of the fund:

- What would it require of ventures in terms of stage of development and impact evidence?
- Was it feasible to achieve the dual objectives of supporting innovative approaches to tackling educational inequality and making a positive financial return or at least recovering the capital?
- How could the various needs of a diverse group of ventures be met by one investment fund?
- How could a medium-sized charity practically implement and manage this fund?

In response to these questions and lessons from the social investment sector, we developed a fund with the following characteristics to serve ventures effectively and meet the programme’s aims:

- A **due-diligence process that continues the spirit of learning and development** from the incubator. Rather than turning away applicants that are not yet successful, the process offers support to improve and become investment-ready.
- An **investment committee of external experts** in the fields of enterprise, finance and education to lead investment decisions.
- A **flexible approach to ‘investment readiness’** whilst still maintaining certain thresholds. These include evidence of a market for the venture’s product or service, in the form of existing sales or commitments to purchase, and a minimum level of evidence of its impact represented by reliable primary data.
- **Prioritising investment in ventures forecasting the highest financial return and levels of social impact**, but recognising that this is a high bar to reach. While the business models of some ventures align the potential for financial return and social impact well, in some cases ventures show greater potential in one of these areas than

the other. The fund has therefore adopted a flexible approach based on requiring investees to meet minimum financial and impact thresholds, and as a result has developed a diverse portfolio.

- A **bespoke approach to investment**, where ventures apply for the amount they need to progress to the next stage of their development, up to a maximum of £150,000. This approach ensures that the investment is able to meet a wide range of ventures' needs. For example, those developing technology

products typically require more upfront investment than ventures expanding delivery of a service to schools.

- **Investing using a convertible loan note (CLN).** The note accrues simple interest at 7% per year and, after two years, converts either to equity (ideally as part of a second investment round) or to a revenue participation agreement, where the balance of the loan continues to accrue interest and is repaid at a fixed percentage of the venture's revenue over five years.

WHY USE A CONVERTIBLE LOAN NOTE (CLN)?

This structure brings a number of advantages for both investor and venture:

- It gives the fund flexibility to invest in any legal form using a standardised instrument that is relatively straightforward to administer. Companies limited by shares are required to write their social mission into their governing documents to help ensure it remains at the core of their model and, as with all investments, progress against impact and financial targets are monitored throughout the life of the investment.
- It enables the venture to make considerable headway in growth and impact and provide far greater visibility and confidence in future revenues before the most appropriate form of repayment is considered.
- It allows the fund to make investments with high potential return in more commercial ventures, which offset investments that make lower returns or fail.
- It allows social enterprises and charities for whom equity is not an option to repay investments at a rate that is linked to their performance, i.e. in line with revenue levels, as opposed to committing them to a fixed repayment schedule.

However, using a CLN in this way must be considered carefully; we summarise our lessons learned in the 'impact' section of this report.

VOLUNTEER SUPPORT FROM BANK OF AMERICA MERRILL LYNCH AND UBS

The Young Academy has developed a sophisticated volunteering model with our corporate funders, based on sharing professional skills and expertise. Many of the programme's entrepreneurs are matched with at least one experienced volunteer from Bank of America Merrill Lynch or UBS, according to the skills of volunteers and the needs of ventures.

Volunteers support entrepreneurs throughout the incubator either as mentors, who provide strategic guidance, or financial coaches, who provide hands-on assistance with the creation of a robust financial model. Senior volunteers from UBS also sit on the investment committee of the Young Academy investment fund.

In many cases these are highly successful and productive relationships, with volunteers making a direct and transformational impact on the entrepreneurs and their ventures. Volunteers also report positive impacts on development of their own skills and commitment to their employers.

“Our volunteer has made an enormous difference to our organisation and the lives of the young people we work with. His financial expertise and strategic thinking has had a phenomenal impact.”

Rafi Cohen, Founder of TalentEd, was supported by Bank of America Merrill Lynch volunteer financial coach Neil Ehrenzweig, who subsequently joined the Board of Trustees as Treasurer

“Volunteering as a member of the Young Academy Investment Committee has given me the opportunity to learn how the ventures are born, develop and set their future strategy. Playing a part in their future success is hugely rewarding. UBS’s involvement with the fund and association with these exciting new ventures is an important example of our community investment as well as giving our employees rewarding experiences.”

Jonathan Retter, Executive Director,
UBS Investment Bank



2,100

hours of pro-bono support provided



70

volunteers engaged from partner banks



2

volunteering programme shortlisted twice for the Lord Mayor's Dragon Awards

4 IMPACT

The Young Academy is a pioneering programme with an ambitious goal. Does it work? What has it achieved since it was launched in 2014? To help answer these questions, we analyse the programme's impact and summarise key insights and next steps according to its three objectives:



**Build the business capacity
of early-stage education
ventures**



**Increase ventures'
access to capital that will
help them scale**



**Improve education
outcomes for disadvantaged
young people**

This analysis is based on a survey of Young Academy ventures the programme supported between 2014 and 2017. Data collection and analysis was led by NPC and carried out in mid-2017. With an overall response rate of 75% of ventures, complemented by additional desk research to fill in some of the gaps, we can be reasonably confident in the findings.

Between 2014 and 2017, the Young Academy incubated 52 ventures and invested in 10 of those ventures. We delivered the incubator programme five times, to cohorts of around 10 ventures at a time. The programme was delivered twice in London, twice in Nottingham and once in Medway, Kent.



“When something's been through the Young Academy, it's much more likely to be at a point where we can present it to our schools, and take the next steps in terms of that product really impacting on young people.”

Iggy Rhodes, Whole Education

STRUCTURAL LEARNING

What's the approach?

Transforming critical and creative thinking into a physical experience using a system of bricks to scaffold learners' cognitive skills.

What's the impact?

FOR STUDENTS

- Turns thinking into a physical experience allowing learners to utilise higher-order thinking skills in an accessible way.
- Provides lower ability learners the scaffolding to reason at a sophisticated level.

FOR TEACHERS

- Effective and sustainable professional development.
- Deeper learning insights and interventions.

What difference did the Young Academy make?

- Supported with taking a methodical approach to business operations and creating a social model.
- Received investment from the Young Academy investment fund.
- Investment has allowed time to develop the product and support marketing for their launch in schools in September 2017.

CASE STUDY



“I turned from an individual into an organisation...an architect of something. I was able to create something more sustainable that's bigger than myself.”

Paul Main, Founder, Structural Learning



OBJECTIVE 1

BUILD THE BUSINESS CAPACITY OF EARLY-STAGE EDUCATION VENTURES

Ventures that are well run, effectively engage their customers, and provide a product or service that achieves its intended impact and are more likely to become sustainable and able to grow.

We measure ventures' development after their participation in the programme and the entrepreneurs' views on the role that the programme played in enabling organisational success:



£100,000

One in five ventures has grown significantly with turnover increases of over £100,000



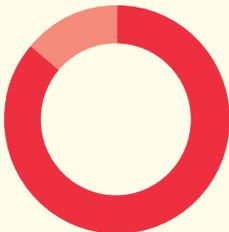
+240%

The aggregate increase in venture turnover was c.+240%



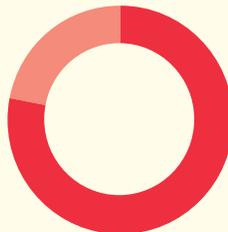
+166%

The number of staff and freelancers working for ventures increased by c.+166%



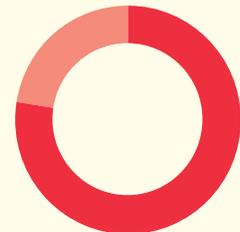
84%

Clarified the purpose of their venture



72%

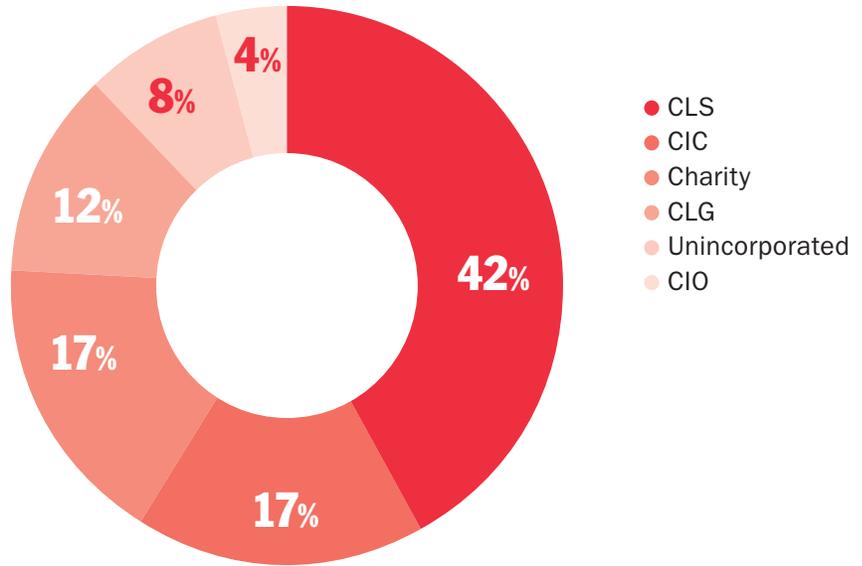
Clarified the business model of their venture



71%

Made useful connections

INCUBATED VENTURES BY LEGAL STRUCTURE



INSIGHTS

The business models of the ventures were diverse, with most selling products or services to schools, and others operating in Further and Higher Education, providing services to central or local government agencies, or receiving income from the private and philanthropic sectors.

Just over half of the turnover growth was driven by a small number of ventures who took off rapidly following the programme. Nearly all of the ventures that were already trading when they started the incubator now have stable or growing income streams. Some of the ventures that were pre-trading when they started the incubator have since taken off, but some are not operational one or two years after the programme.

The majority of growth in ventures' teams is among freelancers as opposed to permanent staff, which is a flexible way for early-stage ventures to operate and scale.

A consistent point that many ventures raised about the value of the incubator was the opportunity it provided to create thinking space and reflection outside the day-to-day running of their organisation and the opportunity to learn from and collaborate with peers.



BUILDING BUSINESS CAPACITY: WHAT NEXT?

An expanded, more segmented programme is needed

The innovation development process – from inception of the idea to scale – is long and ventures have very different needs at its various stages. The Young Academy has sought to support ventures through as many of these stages as it can, but the feedback makes a strong case for segmenting the programme in a number of ways, such as by stage of development and venture business model. We will initially focus on continuing to accelerate the phase of accessing investment, but our ambition is to provide a tiered programme that supports the entire process of innovation development in education.

Provide more support to the team behind the venture

Young Academy incubator support has focused primarily on building business capacity rather than building entrepreneurial capacity. Future

Young Academy programmes will include increased focus on helping the individuals running the organisations to develop their entrepreneurial mindset and skillset, building attributes such as resilience, self-awareness and attention to wellbeing. At the selection stage, we will carefully assess entrepreneurs' willingness and ability to respond to feedback, a characteristic we have found to be essential to developing a successful venture.

Strengthen the wider support network for ventures

The Young Academy will continue to develop the community of innovators, partners and intermediaries around the programme to create more routes to financial and other forms of support for ventures. We will also share our tools and resources more widely and work with our partners to open up new forms of pro bono support.



“The whole programme was incredibly useful. The Social Business Model Canvas gave us a solid framework to ensure that we considered all the elements needed. The feedback and advice that we received helped us to refine and change the venture and we were able to make calculated decisions about whether we should “persevere or pivot”. Learning from others also helped us to improve the format and delivery of our presentations.”

Catriona Jamieson, Area Director (Kent & Medway), Medway Youth Trust



PANJANGO

What's the approach?

A world of experiential learning which connects learning to life and helps young people to develop the knowledge, skills and experience needed to find their purpose and fulfil their potential.

What's the impact?

- Use of gamification and contextualisation brings learning to life for disadvantaged young people and raise aspirations, engagement and enjoyment of learning.
- Extends 1D learning (knowledge acquisition) to 4D (knowledge application and real world experience) to better cater for diverse learning styles.

What difference did the Young Academy make?

- Doubled their reach to young people and schools.
- Obtained a better understanding of how to measure social impact.
- Supported by a financial mentor to increase the robustness of financial forecasting.
- Provided the opportunity to test products in schools.
- Secured grant funding and investment.



“The Young Academy helped us to demonstrate and communicate our social impact and really moved us along in our journey to secure major investment.”

Jon Maiden, Co-founder, Panjango



OBJECTIVE 2

INCREASE VENTURES' ACCESS TO CAPITAL THAT WILL HELP THEM SCALE

Social finance, in the form of grants or repayable investment, allows ventures to make their plans a reality and achieve impact.

We measure how successful ventures are at accessing social finance after their participation in the programme, how much of this finance is obtained from the Young Academy investment fund, and the entrepreneurs' views on the role that the programme played in enabling access to it.



£4.5M

Ventures accessed over £4.5M of social finance



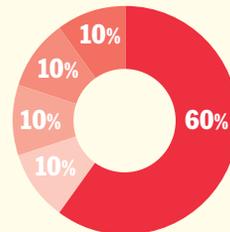
£500K

Invested from the Young Academy Fund



74%

Of ventures raised grants or investments following the programme



60%

Investment portfolio by legal structure

● CLS ● CLG ● CIC ● CIO ● Charity

INSIGHTS

The diversity of legal structures the Young Academy fund has invested in to date demonstrates that the ‘impact-first’ approach to investment is possible. Young Academy investment amounts to date have ranged from £10,000 to £120,000, with the average investment amount being £50,000. Ventures typically use the investment to increase team capacity, expand services or fund product development.

In several cases, Young Academy investment acted as a bridge to further investment or as a means of leveraging investment from other sources. For instance, Think for the Future and Infused Learning secured match funding grants from UnLtd’s Big Venture Challenge programme using investment from the Young Academy.

Ventures’ suitability for and interest in accessing repayable capital varied. Some ventures applied for investment from the fund immediately following the incubator, many needed 6–18 months following the incubator to come forward, and some concluded that investment from the Young Academy fund was not the appropriate route for them.

Typically the more commercial ventures and entrepreneurs who had received some form of investment in the past moved more quickly to access investment, with the more charitable ventures tending to require more time to work with their trustee boards to proceed.



“We found our Chief Executive – a volunteer mentor from Bank of America Merrill Lynch – through the programme and he has been really significant for our growth.”

Carl Dawson, Founder, Proversity



INCREASING ACCESS TO CAPITAL: WHAT NEXT?

Maintain a balance between group learning and one-to-one support

As well as being long, the venture development process is not linear, with many dead ends and ‘pivots’ along the way to accessing investment and scaling. We have therefore come to think of it as a process of building up blocks in a number of pillars. Supporting this process requires a trade-off between a group-based approach that casts the innovation net wide, enables invaluable peer learning, and is more cost-effective to deliver, versus one-to-one support that helps to build venture capacity in a more tailored and targeted way. Future Young Academy programmes will retain a significant workshop component for activities where it really adds value such as collective problem solving, but this will be complemented with more tailored support that may enable ventures to access investment more quickly. Pro bono mentors will therefore play an even more crucial role and we will continue to develop the programme’s pool of mentors, particularly in areas such as app development and digital marketing.

Continue exploring the most effective form of flexible, early-stage finance

Demand for Young Academy support and investment has come from all organisational forms and continues beyond the pilot phase of the programme. From an investor perspective, the CLN enables the Young Academy to manage investments in all types of entity consistently. However, for entrepreneurs the open-ended nature of the instrument can be off-putting. In some cases the CLN can overcomplicate terms and negotiation in what would otherwise be more straightforward investments. Although the CLN is relatively straightforward to administer at the time of investment, it requires ongoing, proactive investment management to handle conversion well. Dividing investments into tranches, with release of funds linked to achievement of milestones, has been one way of better aligning the interests of investor and investee. It is still too early for the Young Academy to give any definitive statements of impact or clear indications about the financial returns that can be made from investing in early-stage education ventures, if any financial returns can be made at all. As the fund develops, we may consider commercial and charitable investments differently. What is certain is that, at least in the medium term, the fund will continue to require grant subsidy until the model is more fully proven.

SMART SCHOOL COUNCILS

What's the approach?

Offering primary and secondary schools an easy to adopt school council model. With premium membership, schools can access the tools and resources needed to establish a school council as well as the ability to export data on student involvement and impact.

What's the impact?

- Helping children become active democratic citizens and develop soft skills such as resilience, leadership and communication skills.
- Operating in 9,500 schools across the UK and beyond.
- Raising student involvement in school councils from an average of 7% of students (before the intervention) to 45% (three months after). Many schools reach 100% involvement.

What difference did the Young Academy make?

- Moved from being grant dependent to becoming a fully trading organisation.
- Received £42,000 from the Young Academy Investment Fund.



“We now look like a different organisation...we clarified exactly what we wanted to do.”

Greg Sanderson, Co-founder, Smart School Councils



OBJECTIVE 3

IMPROVE EDUCATIONAL OUTCOMES FOR DISADVANTAGED YOUNG PEOPLE

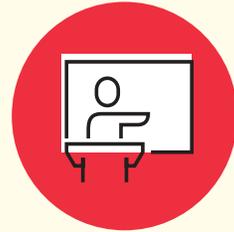
This is the ultimate goal of the programme and the reason it exists. Supporting and scaling social ventures with innovative, effective approaches to reducing inequality are the means by which the Young Academy aims to bring about this change.

We measure how many young people and educators the ventures reach and the impact of their approaches on education inequality.



153,000

Young people reached



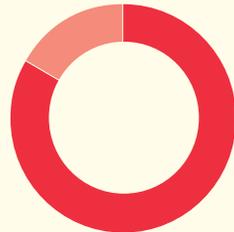
9,000

Educators reached



39%

Of ventures scaled up from their initial area of operation in the 12 months following their participation in the Young Academy



80%

Understood better how to test their social impact

INSIGHTS

The Young Academy acts as an enabler to impact on young people and others in and alongside the education system.

Of the 153,000 young people served by the ventures, a significant number were accounted for by a group of ventures whose models deliver wide-reaching impact. These include technology-based solutions such as Proversity and Panjango, and ventures whose approach supports large groups of young people in schools, such as Think for the Future and Essential Safeguarding.

The survey highlighted that ventures found the education-specific focus of the Young Academy valuable. The particular emphasis on reducing education inequality was appealing for some, but it presented a challenge to others, especially in cases where this was not an explicit goal of their organisation at the outset. Throughout the programme, ventures were encouraged to focus more specifically on how their approach could help to reduce inequality in the education system. Their feedback was that the focused, one-to-one support from NPC to refine their theory of change and develop an approach to impact measurement was an invaluable component of the Young Academy.



Young Academy venture – Moti-Lab

Education inequality is a complex, multifaceted issue. The ventures supported by the Young Academy focus on many different aspects of this challenge and the impact they have on young people and the wider system varies according to the theory of change of each. There are several ways in which the ventures' impact can be grouped or categorised.

One way that can be helpful is to consider where the impact of their work is felt: at the level of the education system itself, at the level of organisations operating within the system, and at the level of individual young people. This is summarised in the following diagram, along with ventures that illustrate each level impact:



SYSTEMIC

Impact addressing a driver of structural inequality

The Really NEET Project:

developing an innovative assessment methodology that accommodates learners who do not fit the mould of the mainstream examination system, improving equality and accessibility in exams.



CULTURAL

Impact addressing behaviours or practices of educators or professionals

Moti-Lab: a key objective of Moti-Lab's mobile laboratory for early years and primary school settings is to improve teacher confidence in science by equipping them with resources to provide inspiring and engaging lessons.



TARGETED

Impact addressing needs of individuals or a particular group

1UP Collective: works intensively with disadvantaged young people who are at risk of not achieving at school with the aims of improving behaviour, attendance and attainment, developing essential skills, and reducing rates of exclusion.



A proviso to this categorisation of impact is that a venture's impact may be made on more than one level of the education system. Many ventures we support have built this objective into their long term plans, perhaps

working from a more targeted starting point towards wider cultural and systemic shifts, or developing plans to ensure the systemic change they generate disproportionately benefits a particular target group.

MOTI-LAB

What's the approach?

An interactive, mobile laboratory designed to engage and inspire all children aged 2–11 years in STEM education regardless of ability.

What's the impact?

FOR STUDENTS

- Providing 1000 primary-aged and Special Educational Needs pupils per year with practical learning opportunities to help them to engage with STEM learning topics and increase their engagement.

FOR TEACHERS

- Providing 100 educators a year with resources to help them deliver relevant and engaging lessons, which improves their confidence and helps them become better practitioners.

What difference did the Young Academy make?

- Enabled the team to progress the concept beyond water-based experiments to a broader model which now supports hundreds of lessons.
- Taught the team key skills in financial forecasting and project management.
- Secured funding from a private investor, philanthropic donation from a local firm, and £120,000 from the Young Academy Investment Fund.



“The Young Academy opened my eyes to the world of social enterprise...I was going for the wrong type of investment...I realised that social impact does not conflict with business development.”

Richard O'Neill, Founder, Moti-Lab



IMPROVING EDUCATIONAL OUTCOMES: WHAT NEXT?

More can be done to help schools commission innovative products and services effectively

The Young Academy has focused to date on developing ventures' ability to provide schools and other customers with innovative products and services that reduce inequality in education. Throughout the programme, we have found that engaging and working with schools is one of the biggest challenges that education ventures face. We recognise that more can be done to support school leaders as they become increasingly autonomous and able to commission external specialists to meet the needs of particular groups within schools.

As a first step, The Young Foundation is creating a guide for schools on how to commission innovative products and services, so that they are well equipped to understand need and implement solutions that are effective and good value for money. We will publish the guide in early 2018.

There is a huge opportunity for innovation to accelerate improvements in both equity and quality in education

The connections that the Young Academy has created between schools and innovators have been an integral part of the programme. The opportunity for ventures to test their ideas in schools and other settings has enabled the entrepreneurs to take leaps forward in understanding their impact and developing highly effective products and services. Schools are facing many pressures, but their involvement in the programme has brought them multiple benefits, such as being inspired by new energy and ideas, solving entrenched problems and being supported to achieve improved and more equitable outcomes. Taking forward what we have achieved in the pilot, our long-term vision is for the Young Academy to achieve systematic engagement and collaboration between the education system and social innovators, acting as a catalyst in addressing the attainment gap and other imbalances and thereby reducing inequality on the widest scale.



INFUSED LEARNING

What's the approach?

A non-profit social enterprise providing a route to higher education, and obtaining a degree, to adult learners who face barriers to continuing education and career progression. Flexibility of delivery and tailored support are at the core of the model.

What's the impact?

- Inspires individuals to reach their full potential, improving employability and career options.
- Commended for the quality of their provision and the very high rate of distinctions achieved by students in their assignments.

What difference did the Young Academy make?

- Increased turnover from under £10,000 to over £110,000 in the most recent year.
- Doubled their number of students.
- Secured grants and investment, including £50,000 from the Young Academy Investment Fund to expand the delivery of their services.



“Social Business Model Canvas was vital...from identifying our USP and target market, to clearly and concisely listing how people benefit from our service. We felt much more focussed.”

Tara Askham, Founder, Infused Learning

5 WHAT NEXT?

We have achieved and learned a lot during the pilot phase of the Young Academy. Our research and experience indicate that the Young Academy approach is an effective means of stimulating and scaling innovations that improve education outcomes. We would like to thank the funders, ventures, partners, schools, colleagues and supporters who have made the programme possible.

We are now building on what we have achieved to date and taking forward the insights summarised in this report, in order to help more innovative ventures realise their potential to reduce education inequality. We also have much more to say than we can fit on to 32 pages! To learn more about the Young Academy, let us know what you think about our work and its impact, and to find out how you can get involved in the programme – as an entrepreneur, advisor, volunteer, school or supporter – please contact the team at incubator@youngfoundation.org.

YOUNG ACADEMY VENTURES

			
			
			
			
 <p>Inspiring Social Cohesion</p>			
			
		<p>Visit www.theyoungacademy.org for a full list of our ventures and how to contact them.</p>	

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