Department for Communities and Local Government

Evaluation of the Fair Chance Fund

Second interim report

Contents

Executive summary

This is the second interim report of the evaluation of the Fair Chance Fund, an innovative three year programme, launched in January 2015 and ending in December 2017, and designed to improve accommodation, education and employment outcomes for homeless young people aged 18 to 24. The programme is targeted at young people who are not in priority need according to the homelessness legislation but who have a range of support needs which present barriers to securing, and sustaining, accommodation. The Fair Chance Fund is funded by the Department of Communities and Local Government (DCLG) and Cabinet Office on a 100% payment by results (PbR) basis with each project backed by a social impact bond (SIB).

The payment by results approach involves payments being made to providers on the verified achievement of specific outcomes with young people. Each have Social Impact Bonds (SIBs) in place, through which social investors have invested up front funding to pay for the early delivery of the services and take on the main financial risks in return for projected returns on their investments. Delivery of the programme began in January 2015 following a competitive bidding process.

The evaluation

In March 2015, ICF was commissioned to undertake an evaluation of the programme. The evaluation aims to assess the effectiveness of the delivery models implemented by providers, their performance in terms of referral and progression against expectation, and the influence of the funding model and payment by results element on achievement and innovation.

The evaluation is being delivered through three rounds of qualitative fieldwork and the collection and analysis of performance data submitted by projects to the DCLG. Each stage involves data collection from a wide range of stakeholders including providers in each of the seven local projects, young people receiving support, local authorities, and investors.

This report is based on the analysis of performance data for the first two years of the programme (to end December 2016) alongside evidence from the second phase of qualitative fieldwork comprising:

- Face to face interviews with senior and front line staff in each of the seven projects (n=28) ;
- The second of three rounds of longitudinal interviews with a sample of young people participating in the programme (n=35). Ten of these will be the focus for a set of costed case studies in the final stage of the evaluation; and
- Telephone interviews with project investors and local authority stakeholders (n=15) ;

Please note that the data contained in this report are not the final programme performance figures; these will be published in the final evaluation report after the programme has ended.

Delivery and performance

Local delivery models

Qualitative fieldwork explored the key changes projects made to their delivery models during the second year of implementation as they adapted to new challenges and learning[1]. Each of the projects continues to follow a 'housing led' approach, with key workers providing tailored support to participants. However most have remodelled elements of their approach to meet evolving priorities and challenges. Common changes include: the appointment of specialist staff with remits for housing and/or education and employment; stratification of project cohorts to enable them to target individuals and refine support; for two projects the development of a hub-type structure enabling young people to access a range of support from a single location; and the introduction of specialised support and activities to promote mental well-being.

Re-profiling

At the end of 2015 DCLG enabled projects to re-profile their annual outcomes for the remaining two years of the contract based on their experiences of delivery in year 1.This was welcomed by the projects, allowing them to respond to increased knowledge of their clients' needs, capabilities and interests. Investors described re-profiling as a necessity on the basis that the original targets had been set without concrete knowledge of either referral numbers or the make-up of the final cohort.

All but one of the projects chose to re-profile the numbers of outcomes expected by category. Main areas of change were:

- **Assessments**: all projects increased the number of assessments in line with increased referrals;
- **Accommodation**: two projects increased entry and sustained accommodation outcomes and three reduced targets for some or all accommodation outcomes;
- **Education/training**: five projects reduced their expected education and training outcomes, one increased their 'entry' targets and one made no changes;
- **Volunteering**: the majority of the projects reduced at least one of their volunteering outcomes. However, in some cases where sustained volunteering outcomes had been set very low these were increased;
- **Employment**: the majority of projects increased their expected outcome numbers for entry to and sustained employment. One project reduced their 13 and 26 week part-time outcomes, while substantially increasing their sustained full-time outcomes.

Performance against key programme outcomes

A total of **1,909** young people had been recruited by the end of December 2015, with each of the projects exceeding their initial forecasts. Once the recruitment period was closed the focus of attention moved towards supporting young people to sustain their accommodation outcomes, and make progress towards or achieve education/training, volunteering and employment outcomes. Investors were pleased with the performance of providers and

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[1] Descriptions of each of the projects are included in the first interim report.

reported that their confidence in provider ability to meet targets has grown over the two years.

Analysis of Fair Chance monitoring information shows that:

- **Accommodation**: by December 2016 1,637 young people had entered accommodation representing 86% of all those participating across the programme. Of those entering accommodation, 91% had achieved a 3 month sustained tenancy (n= 1,491); 81% a 6 month sustained tenancy (n=1,331); 55% a 12 month sustained tenancy (n= 908); and 18% an18 month sustained tenancy (n= 297).
- **Education and training**: in general young people proved to be less interested in education and training than projects had predicted at the outset. Hence only four of the projects met or exceeded their year 1 entry forecasts. In year 2 overall numbers entering education/training fell by almost 10%, although in year 2 five of the projects achieved their revised entry forecasts. In years 1 and 2 entry to education and training outcomes were claimed for 868 young people, representing 45% of all those participating and with the year 2 total being slightly lower than year 1. Of these young people, 23% achieved an entry level qualification, 23% a Level 1 qualification and less than 2% a Level 2 qualification.
- **Employment**: projects have performed well in terms of entry into and sustained employment outcomes. 25% (n=486) of all young people referred into FCF had entered employment by the end of year 2. Of those entering employment in years 1 and 2, at the end of year 2, 48% had achieved a 13 week full-time sustained outcome and 28% a 26 week full-time outcome. Far fewer young people had entered part-time employment with only 9% achieving a sustained 13 week P/T employment outcome and 3% a sustained 26 week outcome.

Provider perspectives on implementation

Interviews with providers explored their experiences of working with the target group to meet programme outcomes. Since the closure of the referral window at the end of December the focus for providers has shifted from recruitment and securing accommodation to sustaining accommodation outcomes and achieving longer term education and employment outcomes. Interviews explored challenges, enablers and successful approaches; the key findings are summarised below.

MAINTAINING ENGAGEMENT AND KEEPING IN TOUCH

In the first round of fieldwork with projects delivery staff predicted that maintaining engagement would be a key challenge in year 2, in particular for those young people who had primarily engaged in order to secure accommodation. A common strategy developed by providers has been to stratify their cohorts according to levels of need, degree of engagement and likelihood of achieving outcomes enabling them to focus effort and fine tune responses. This process of stratification has identified three broad levels of engagement:

- Those who engage sporadically and for one of two reasons: 1) for immediate support with a pressing need or 'crisis' – for example eviction or reversion to drug use; 2) for support in pursuit of an opportunity - for example for help in making a job application;

- Those who are in regular, but not frequent contact and show achievement of or progression towards outcomes. Keeping in contact with these young people is important for securing evidence of sustained outcomes; and
- Those who are fairly chaotic and require sustained intense support: These young people have more complex needs that are unlikely to be resolved in the short to medium term and will need sustained support beyond the life of the programme.

Providers gave different estimates as to how many of their cohort fell into each category. Providers were also focusing their efforts in different directions with some reporting spending the majority of their time with those with the most complex needs and others reporting a keener focus on those making steady progression who were most likely to achieve an outcome.

Delivery staff have developed a range of strategies for keeping in contact with young people including the use of social media, texting and regular phone calls. Two providers have developed a drop-in hub-type approach that has proved successful in drawing young people in and enabling them to provide a broad range of support on a 'one-stop-shop' basis.

ACCOMMODATION

Securing and sustaining suitable accommodation for young people continued to be described as a prerequisite to progressing towards education, training, volunteering and employment outcomes. Challenges in securing accommodation were reported to have persisted in those areas where housing proved difficult to source in year. These challenges were geographical rather than project specific and key problems pertained to affordability and availability. As in year 1 there were also a number of young people for whom it had been particularly difficult to accommodate commonly because of high levels of rent arrears, histories of offending, anti-social behaviour and high levels of debt. Projects have appointed specialist housing staff who have built close working relationships with social and private landlords to help overcome these issues.

Challenges faced by projects in supporting young people to sustain tenancies pertain to a range of issues including: rent arrears built up because of problems in paying rent; behavioural problems such as causing damage to the property and disturbing neighbours; a reluctance to share or difficulty in sharing; and young people not being 'tenancy ready'. Successful strategies in overcoming these barriers include: delivery of in-house training to support young people to cope as tenants; acting as an intermediary between landlord and young person to seek solutions to problems as they arise; working closely with housing benefit staff to prevent problems escalating ; and providing practical hands-on support with managing a home.

EDUCATION AND TRAINING

As in year 1 providers report that education and training outcomes have been challenging to achieve, with some feeling that expectations had been set at an unrealistic level at the outset. The majority of projects had re-profiled their education and training targets downwards because of a lack of demand from young people coupled with poor attendance by those who enrolled on courses. Several interviewees reported that the number of guided learning hours needed to claim an outcome was unrealistic for their clients pointing out that many courses accessed by participants fall under the number of required hours

and are therefore not recognised as achievements. Projects typically reported that their key successes had revolved around the delivery of internal courses and some had recruited their own trainers to support and enhance the achievement of education and training outcomes. Project staff described the majority of their young people as more interested in working and felt that employment was a better protective factor than engagement in either education or training.

VOLUNTEERING

Achieving volunteering outcomes has not been a priority for projects as this has not proved a popular option with young people. Interviewees also felt that the time and effort required to establish and maintain a volunteer placement was not reflected in the outcome payment and therefore not worth pursuing. Nonetheless there were some examples given of placements with positive outcomes for young people and with the potential to lead to employment. Placements were more likely to be successful where they were matched to the young person's area of interest and in a field in which they wanted to work. However providers described this as difficult to achieve as most volunteering opportunities were in charity shops and warehouses or with a retail employer.

EMPLOYMENT

Entry into and sustained employment has been a key focus for projects in year 2, and an area where performance has been strong across the programme. Providers described three inter-related challenges to achieving sustained employment outcomes. These were: 1) lack of work readiness of the cohort; 2) labour market barriers such as low pay and zero hours contracts; and 3) the impact of employment on housing benefits.

Ensuring that both young people and employers are properly prepared was identified as key to success. Strategies for ensuring this were: the appointment of dedicated staff with employment remits; making links with employers who are sympathetic to the target group; having re-course to in-house employment opportunities; and ensuring that young people were 'work ready' through delivery of employability training.

Looking ahead

Providers were beginning to look ahead to project end and to consider exit strategies both at the strategic and client levels. They reported that they were likely to be left with an active cohort of young people with higher levels of more complex need as those who have stabilised and achieved outcomes move on. Some projects were targeting support at young people least likely to achieve outcomes with a key aim of ensuring sustained accommodation outcomes are secured for this group. Collecting evidence of outcomes achieved and sustained by young people who have moved away from the project was also described as important.

Client profiling processes have provided a mechanism for identifying young people who are likely to need longer term support. Providers felt that there would be a number of participants requiring intensive multi-agency support post-programme. Liaising with external agencies to develop exit strategies for these young people was identified as an important task for year 3.

Young people's experiences of engaging with the Fair Chance Fund

The evaluation is exploring young people's experiences of the Fair Chance Fund through a series of longitudinal semi-structured interviews, comprising three rounds of consultations across the study period. The first stage of fieldwork involved interviews with 70 young people, 10 from each project, drawn from a representative sample selected on the basis of age, gender, ethnicity and experience of the care system. In this, the second round, follow on interviews were achieved with 35 of this original sample. A sub-set of this group were interviewed in greater depth and data from these interviews will be used to inform a series of costed case studies providing evidence of the financial impact of the programme.

Key findings from the second round of interviews were:

- **Engagement**: Young people were very positive about the relationships they had developed with their key workers and other FCF staff. Engagement was linked to the level of support that individuals felt they required so that some interviewees reported regular contact with key workers and others less frequent;
- **Accommodation**: The majority of interviewees were living in single occupancy flats with the length of tenancy ranging from two weeks to eighteen months. Many of these had spent a short period of time in temporary hostel or supported accommodation before moving into their flats. The majority were very pleased with their accommodation describing a sense of pride and achievement in being able to successfully manage their new home. A minority continued to live in supported accommodation by choice as they did not feel ready to take on the challenge of independent living.
- **Education and training**: Most interviewees had engaged in some form of education or training - although not necessarily leading to a qualification. The majority of these had completed a short in-house course covering pre-employability and independent living skills. A minority had completed or were still engaged on NVQ courses, mostly at Levels 1 or 2 but also at Levels 3 and 4. Commonly reported barriers to taking up education included substance use and/or poor mental health.
- **Employment**: Half the young people we spoke to were either in, or about to start work, in a full time apprenticeship, had worked in the past year or completed a work placement. The majority reported that they had been supported and encouraged by their key worker and other FCF staff to achieve this.
- **Wider needs and well-being**: The majority of our interviewees had made considerable progress since their first interview and reported improvements in self-confidence, mental health and general wellbeing. Others reported needing additional support to deal with on-going mental health issues, substance use and personal crises and for these young people progression was a slower process than for others.
- **Perceptions of support**: Interviewees continued to describe the support received through FCF in very positive terms highlighting the importance of a flexible, responsive, holistic and informal approach. A key theme arising from the interview data was the value of sustained support. Simply having someone to talk through problems with was valued as was the quality of the relationships young people had established with their key workers and other staff at their FCF project.

Provider and investor perspectives on working with FCF and the SIB

Investor experiences of working with the FCF and SIB were explored through a series of qualitative interviews. Interviews with providers also covered their experience of the SIB and any impact it was felt to have on implementation.

GOVERNANCE AND ACCOUNTABILITY

Six of the seven FCF SIBs continues to work through a Special Purpose Vehicle (SPV) structure that provides the governance and accountability arrangements for the project. The seventh project, Home Group, has a single investor who meets regularly with senior staff. As in year 1 SPVs were continuing to meet on a monthly basis although some were planning to reduce the frequency of meetings. Four projects were receiving support with data management and reporting from an intermediary while the others were meeting data collection and reporting demands internally.

Both providers and investors described a growing respect for each other's expertise and relationships on the SPV that felt more comfortable and productive than in year 1. The level of investor engagement on the SPV ranged from 'silent partner' to active 'hands on' involvement. Most providers valued investors' financial and performance management expertise. They were also appreciative of their growing understanding of the challenges and complexities of working with the FCF target group and their commitment to a needs-led approach.

LEARNING FROM THE FCF AND SIB

Investors more frequently reported learning from the FCF than the SIB and highlighted the following:

- A keener understanding of the complexity of need amongst the client group and the challenges faced by providers in supporting young people to achieve outcomes;
- The importance of a housing-led approach and the need for young people to be in secure accommodation before achieving education and employment outcomes; and
- The importance of geography and other local contingencies so that outcomes may be more easily achieved in some areas than others.

Some investors also commented on the importance of ensuring that wider lessons are learnt about how to design and implement a SIB.

Providers reported that they had learnt a lot about how to work within a SIB funding arrangement and felt that this learning would put them in good stead to participate in future SIB-supported programmes. Some, but not all providers felt they had learnt a lot about the importance of good data collection and evidencing, including how data can be used to map need and fine tune responses. Providers also appreciated the opportunity to use budgets flexibility enabling them to be responsive to needs and challenges as they arise. However they also commented on the complexity and transaction costs associated with the SIB (such as fees paid to intermediaries, staff time and information requirements to comply with due diligence), feeling that these should be reduced in future as SIBs mature.

LOOKING AHEAD AND SUSTAINABILITY

Providers were beginning the process of exit planning supported by their investors. The priority for the former was to ensure that robust arrangements with partner agencies are in place for those young people who will need on-going support.

Both providers and investors felt that the programme had demonstrated there was a gap in provision for the target group and that it had successfully filled that gap. Nonetheless they were not optimistic that funding to sustain the intervention was likely to be forthcoming either locally or nationally.

Local authority stakeholders

Local authority stakeholders also described the FCF as plugging an important gap in provision and were very positive about the outcomes achieved by their local projects. In particular they were impressed with the accommodation outcomes achieved which were described as having released some of the pressure faced by local authorities who struggle to secure tenancies for this target group.

Interviewees had had varied degrees of engagement with their local projects. Those who had been closely involved described positive learning both about effective approaches to working with the cohort and working with PbR. While describing the FCF as a valued resource they were doubtful that future local authority funding would be available to support sustainability.

1 Introduction

The Fair Chance Fund aims to improve accommodation, education and employment outcomes for homeless young people aged 18 to 21 (up to 24 if care leavers). It targets young people defined as not being in priority need according to the homelessness legislation, but who have a range of support needs that present barriers to securing and sustaining accommodation. The programme is funded by the Department of Communities and Local Government (DCLG) and Cabinet Office for three years on a 100% payment by results (PbR) basis, with each project backed by a social impact bond (SIB). It is delivered through seven local housing and homelessness specialist providers.

In March 2015 ICF was commissioned by DCLG to undertake an evaluation of the Fair Chance Fund. This is the second interim report, providing details of findings from the second round of fieldwork undertaken with the seven Fair Chance Fund projects, young people accessing the programme, investors and local authority stakeholders alongside analysis of available monitoring information (MI). Details of each of the projects are provided in the first interim report.

1.1 Overview of the Fair Chance Fund

The Fair Chance Fund aims to achieve accommodation, education and work outcomes for a group of young homeless people, aged 18 to 24, whose support needs are poorly met by existing services due to the complexity of their circumstances.   Underpinned by a social finance and payment by results (PbR) model, the fund is intended to stimulate innovative approaches to supporting vulnerable and homeless young people from which future lessons can be learnt. It has two key objectives:

- Objective 1 – to deliver support to help young homeless people not in employment, education or training, helping them achieve positive accommodation, education and employment outcomes; and
- Objective 2 – to support the development of the social investment market, and the capacity of smaller delivery organisations to participate in payment by result schemes.

The programme established a number of eligibility criteria to ensure the Fund was appropriately targeted, namely that participants are:

- aged 18-24; not in employment, education or training (i.e. NEET);
- homeless as defined in the homelessness legislation but not in priority need under that legislation; and
- deemed a priority for local authority support but unable to be accommodated in a supported housing scheme – for example due to previous eviction, security and safety issues, or where individuals' needs are considered too complex to manage within a supported housing scheme.

Young people in priority need under the homelessness legislation, but found to be intentionally homeless, can also be supported at the discretion of the local authority.

The Payment by Results (PbR) model is intended to promote innovation amongst the Fair Chance providers. A key component of the social investment model is the PbR contract

and the direct link between achievement of specified outcome metrics and the payment of providers with linked financial return for investors. Payments under the model are made on the verified achievement for up to three assessments per participant, and the following outcomes:

- Accommodation outcomes - entry to, and sustained accommodation at 3, 6, 12 and 18 months;
- Education/training outcomes - entry to education/training, and the achievement of first Entry level, NVQ Level 1 or equivalent and NVQ Level 2 or equivalent qualifications;
- Volunteering outcomes - sustained participation in volunteering at 6,13, 20 and 26 weeks; and
- Employment outcomes – entry to full- or part-time employment, and for full- or part-time employment sustained at 13 and 26 weeks.

The programme was launched in January 2015 following a competitive bidding process. Referrals could be made to projects from inception for a period of 12 months – meaning the referral window closed at the end of December 2015. Local authorities and homelessness gateways played a central role in the referral and recruitment of participants to the Fair Chance projects', to ensure that only those meeting the eligibility criteria, and with appropriately high levels of need, were referred.

1.2 Overview of the social investment structure

The Fair Chance Fund is funded on a 100% PbR basis with each project backed by a social impact bond (SIB). SIBs are a product in the social investment market that receives active political and policy support. The Open Public Services White Paper (HM Government, 2011) identified SIBs as an innovative opportunity to access new forms of external finance for the delivery of services as well as promoting the increase of PbR. SIBs cover the cash flow deficit of an organisation but do so without placing the risk of repayment on the provider. Instead, repayment is dependent on achieving the projected outcomes. SIB finance providers are typically socially aligned investors and therefore provide additional support to providers to deliver the outcomes.

Social investors can include private funders, foundations, trusts, social banks or philanthropic investors, providing the finance to the Service Delivery Organisation (SDO) for set-up and delivery costs. The Social Investor will not be paid a return on their investment, if the SDO does not achieve the projected outcomes. In this way, the risk in the PbR contract is transferred away from the provider to the investors. A SIB structure may involve an investor-owned Special Purpose Vehicle (SPV), which takes on the PbR contract and sub-contracts to an SDO. The SPV usually hosts a Performance Director or Board responsible for monitoring SDO performance. If it appears performance is falling short, the SPV can provide additional support or put in place remedial actions. Six of the seven FCF schemes use a SPV structure, the seventh has an unsecured loan arrangement with a single investor with no SPV.

1.3 Evaluation aims

The overarching aim of the evaluation is to "*provide a comprehensive assessment of whether this type of Government intervention is effective in improving outcomes for (homeless) young people*". It aims to explore the effectiveness of the delivery models

followed by each provider, their performance in terms of achievement of outcomes against targets, and the influence of the funding model and PbR element on achievement and innovation.

In addition, the study also seeks to add to the evidence base on the use of SIBs, other social investment mechanisms and PbR schemes, through the exploration of provider and investor experiences and their influence on provider behaviour.

1.4 Data Collection and analysis for this report

The evaluation is being implemented through three rounds of qualitative fieldwork at each of the seven FCF projects, a series of 'costed case studies' of service beneficiaries and the collection and analysis of provider performance data. This report is the second of two interim reports, and provides detail on the following:

- Performance of the FCF based on the analysis of performance monitoring data available up to the end of December 2016;
- Findings from the second round of case study fieldwork undertaken at each of the seven FCF projects involving a series of semi-structured qualitative interviews exploring the perspectives and experiences of senior and front line staff involved in implementing the second year of Fair Chance Fund (n=28)
- Progress made by and experiences of young people receiving support based on a series of second, follow up interviews with a representative sample of young people accessing the service (n=35).
- Experiences and perspectives of stakeholders based on a series of qualitative interviews with investors (n=5) and local authority stakeholders (n=10).

1.5 Structure of the report

The remainder of this report is structured in the following way:

- Chapter 2 provides an update on key changes to the FCF delivery models and reviews the performance of the programme and individual projects for the period ending December 2016. It also includes a section on investor perspectives of performance.
- Chapter 3 provides an analysis of interview data with project staff delivering the FCF exploring what is working well and what challenges are being faced in year 2 of the programme. This chapter also presents providers views on what lies ahead for the final year of the programme.
- Chapter 4 presents findings from the second round of longitudinal interviews with young people accessing the Fund exploring their experiences and perceptions of support received and the medium term impacts of this support on their lives.
- Chapter 5 explores the governance and management arrangements of local projects from the perspective of investors and providers. It presents their views on working within the SIB funding arrangement and the learning that has been drawn from this. Finally this section looks ahead to future challenges and sustainability.
- Chapter 6 examines the FCF in the local context drawing on qualitative interviews with strategic local authority stakeholders. It presents their perspectives on the strategic fit of the FCF and reports on their learning from involvement in the programme.
- Chapter 7 presents a summary of key findings and a set of interim conclusions.

2 The Fair Chance Fund: delivery and performance

Summary of key findings

Delivery models: Providers have maintained a housing-led approach, with support delivered primarily through key workers, and have remodelled elements of their delivery to meet evolving priorities and challenges. Changes identified in the second round of fieldwork include: the appointment of specialist staff with remits for housing, education and employment; the stratification of project cohorts to better target individuals and refine support; the development of hub-type structures enabling young people to access a range of support from a single location; and the introduction of specialised support and activities to promote mental well-being.

Re-profiling: Providers have welcomed the opportunity to re-profile their annual outcomes for the remaining two years of the programme. The main areas of change resulting from the re-profiling were: an increase in assessments in line with increased referrals; a reduction in expected education, training and volunteering outcomes; and an increase in expected employment outcomes.

Recruitment: A total of 1,909 young people were recruited by the end of December 2015, with each of the projects exceeding their initial forecasts.

Assessment outcomes: Projects either met, or in the vast majority of cases exceeded, their year 1 profiles for first and second assessments, and all but three exceeded their third assessment profiles. By the end of year 2, 97% of all young people recruited had received a first assessment, 82% a second assessment, and 67% a third.

Accommodation outcomes: In total 1,637 young people entered accommodation across the projects, representing 86% of all those participating. Of all those entering accommodation at the end of year 2, 91% had achieved a 3 month sustained tenancy (1,491 young people); 81% a 6 month sustained tenancy (1,331 young people); 55% a 12 month sustained tenancy (908 young people); and 18% an 18 month sustained tenancy (297 young people).

Education and training: Participants appeared to be less interested in education and training than anticipated. While targets were commonly set low, only four projects met or exceeded their year 1 entry forecasts. In year 2 the numbers entering education/training fell by almost 10%, although five projects achieved their revised entry forecasts. In years 1 and 2 entry to education and training outcomes were claimed for 868 young people, representing 45% of all those participating. Of those entering education or training, 23% achieved an entry level qualification, 23% a Level 1 qualification and less than 2% a Level 2 qualification.

Volunteering: This has proved to be an unpopular route for FCF participants and projects have re-profiled their volunteering outcomes accordingly. At the end of year 2, 203 young people achieved 6 weeks sustained outcomes, and 49 achieved 26 week outcomes.

Employment: In both years 1 and 2 the projects performed well in terms of entry into and sustained employment outcomes. 25% (486) of all young people referred into FCF

had entered employment by the end of year 2. Of those entering employment in years 1 and 2, at the end of year, 48% (233) had achieved a 13 week full-time sustained outcome and 28% a 26 week full-time outcome. Far fewer young people had entered part-time employment with only 9% achieving a sustained 13 week P/T employment outcome and 3% a sustained 26 week outcome.

Investor views on performance: Investors were generally pleased with the performance of providers and reported that their confidence in provider ability to meet had grown over the two years. The importance of using experience gained through implementation to re-profile outcome targets was stressed.

2.1 Introduction

The scoping and first interim reports provided detailed descriptions of the delivery models of each project. In this chapter we provide an update on approaches to delivery, describing the key changes projects have made as they have adapted to new challenges and learnt more about the characteristics of the young people they are working with[2]. This is followed by a review of performance presented overall and by project for each outcome type. The final section presents a review of investor perspectives on performance.

The chapter draws on evidence from the second round of qualitative fieldwork undertaken with FCF projects and investors and the analysis of DCLG performance data.

2.2 Delivery models in the second year of the Fair Chance Fund

Two key features of the original delivery models have remained broadly the same in the second year of delivery: **A 'housing led' approach**: whereby securing stable and appropriate accommodation is seen as the foundation for enabling clients to progress; and responsive and flexible support delivered primarily through a named **key worker**.

However most projects have remodelled elements of their approach in response to the evolving priorities and challenges faced in year 2:

- A number of projects have re-profiled their staff teams to include specialist staff with remits including tenancy support and/or employment and training, where these posts had not existed before. Interviewees commented that before this key workers had been acting as a 'jack of all trades' and that this was not only stressful for them but also risked failure to meet certain targets.
- Two projects have developed a hub-type structure enabling young people to access a range of support from a fixed location and on a drop-in basis. In one project generic key workers and staff members with specialised remits work together to provide holistic daily support on a needs-led basis as well as proactive key worker contact. Most projects were also trying to reduce dependency on individual support workers, with staff numbers set to drop in the final year of the programme as funding ends.

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[2] For detailed description of local authority areas covered, delivery partners and funding sources please see the first interim report

- One project has taken a much sharper focus on developing group activities to promote social connectivity and mental well-being. These include a running club and therapeutic arts based activities.
- Two projects have included the offer of psychological support including cognitive behavioural therapy delivered on an appointment basis.
- Some projects have also implemented processes for stratifying their cohorts to sharpen their focus. For example one project reported that they had adapted their key worker approach as staff were struggling with large caseloads of young people with complex needs, while feeling pressurised to work to project imposed targets as well as deliver and evidence outcomes. As a response the project manager has implemented a client profiling system whereby young people are categorised according to need, outcomes achieved and responsiveness to support. This has enabled workers to focus on those whose needs are most pressing and are willing to be supported.
- Two projects have recruited volunteer coordinators to develop volunteer capacity to support young people. Volunteers are generally used to provide the sort of informal support that was time-consuming for key workers but needed by more dependent clients – for example meeting for a chat and cup of tea.
- One project has introduced cash incentives to encourage their hardest to help clients to achieve and sustain outcomes, for example for completing courses and achieving qualifications. Spending of these incentives is supervised so that money is not wasted.
- A couple of projects have bought elements of provision in-house that had previously been delivered by commissioned partners.

2.3 Performance to end December 2016

This section reviews the performance of the Fair Chance projects across the four main outcome areas to the end of year 2 of the programme (i.e. December 2016). It draws on the project level MI collected by DCLG, to review the outcomes achieved and performance in terms of achievement against the forecasts in their individual outcome profiles.

2.3.1 Re-profiling

At the end of 2015 each project was invited by DCLG to re-profile their annual outcomes for the remaining two years of the contract. While tariffs for individual outcomes set at the outset could not be changed or the overall financial envelope for the contract exceeded, each project could amend their outcome profiles based on their experience of year 1. This was welcomed by the projects, allowing them to respond to emerging evidence of their clients' needs, capabilities and interests, and to re-schedule outcomes on an informed basis after the first year of delivery.

All but one of the projects chose to re-profile the numbers of outcomes expected by category, although one kept their totals but re-scheduled their achievement. The main areas of change were:

- Assessments – the majority of the projects increased the number of assessments forecast, in response to performance (and the 10% over recruitment) in year 1.
- Accommodation – here the picture was mixed, with two projects increasing entry and sustained accommodation outcomes, two who made no change to the numbers, and three where targets were reduced for some or all accommodation outcomes.

- Education/training – here the majority of projects reduced their expected education and training outcomes, although one increased their 'entry' targets and one made no changes. This reflected the earlier finding that demand for education and training provision amongst the young people was limited, and that the number of guided learning hours required was commonly in excess of the most popular forms of provision.
- Volunteering – the majority of the projects reduced at least one of their volunteering outcomes, again to reflect demand. However, in some cases where sustained volunteering outcomes were set low, sustained outcome numbers were increased.
- Employment – in contrast to education/training and volunteering, the majority of projects had increased their expected outcome numbers for entry to and sustained employment. One project reduced their 13 and 26 week part-time outcomes, while substantially increasing their sustained full-time outcomes, based on year 1 experience.

2.3.2 Review of Performance against Key Programme Outcomes

This section describes the outcomes achieved by the individual projects, and compared to the outcomes expected in their original and revised outcome profiles. Although a summative assessment of performance will be provided in the final evaluation report, comparing outcomes to profiles serves as a useful proxy for assessing progress across the key outcome areas. As the previous interim report focussed on the first nine months of delivery, this section reports performance by outcome for years 1 and 2.

In year 1 the focus of project activity was firmly on referral and recruitment to the projects, and securing initial accommodation outcomes. Each project was offered the opportunity to over-recruit by up to 10% of their initial targets to allow for early leavers.

Table 2.1 shows that **1,909 young people** were recruited by the end of December 2015, with each of the projects exceeding their initial forecasts (and all but one[3] exceeding their forecasts plus 10%).

Table 2.1 Final Referral Numbers - end December 2015

Project	Initial Referral target	Referrals Registered (incl. 10%)
Ambition	340	410
Aspire	150	170
Depaul	187	216
Fusion	250	353
Home	230	270
Local Solutions	137	139
St Basils	315	351
Total	**1,609**	**1,909**

Source: Fair Chance MI, DCLG, to end December 2016

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[3] Local Solutions

Following the end of recruitment, in year 2 the focus of attention moved towards supporting young people to sustain their accommodation outcomes, and progress towards/achieve education/training, volunteering and employment outcomes.

The following sections review achievement against profile by outcome type, starting with the assessment outcomes, by year and cumulatively to the end of year 2.

2.3.3 Assessment outcomes

Projects could claim payments for up to three assessments per young person across the duration of the programme. Table 2.2 sets out the number of first, second and third assessment outcomes reported in years 1 and 2, across all seven projects.

Table 2.2 Assessment outcomes by year

	Year 1	Year 2	Total
1st assessment	1,786	68	1,854
2nd assessment	1,063	505	1,568
3rd assessment	592	681	1,273

Source: Fair Chance MI, DCLG, to end December 2016

Table 2.3 breaks the programme level data down to show the assessment outcomes reported by project, including the profiles for years 1 and 2, assessments completed and the variance between forecasts and achieved. As the table shows, the projects either met, or in the vast majority of cases exceeded, their year 1 profiles for first and second assessments, and all but three exceeded their third assessment profiles.

Table 2.3 Assessments - Year 1 and Cumulative Year 1 and 2 Outcomes

Project	Assessment	Year 1 Outcomes			Year 2 Outcomes			Total Yrs.1 and 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Ambition	1st	340	**397**	57	0	**10**	10	**407**
	2nd	232	**266**	34	85	**85**	0	**351**
	3rd	77	**173**	96	148	**128**	-20	**301**
Aspire	1st	150	**160**	10	9	**5**	-4	**165**
	2nd	105	**127**	22	20	**26**	6	**153**
	3rd	36	**93**	57	44	**48**	4	**141**
Depaul	1st	139	**193**	54	29	**16**	-13	**209**
	2nd	92	**112**	20	69	**70**	1	**182**
	3rd	49	**46**	-3	108	**80**	-28	**126**
Fusion	1st	250	**325**	75	1	**20**	19	**345**
	2nd	180	**209**	29	86	**85**	-1	**294**
	3rd	76	**128**	52	124	**141**	17	**269**
Home Group	1st	104	**267**	163	45	**0**	-45	**267**
	2nd	55	**120**	65	56	**90**	34	**210**
	3rd	73	**50**	-23	63	**105**	42	**155**
Local	1st	104	**139**	35	34	**0**	-34	**139**

Project	Assessment	Year 1 Outcomes			Year 2 Outcomes			Total Yrs.1 and 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Solutions	2nd	55	**78**	23	61	**47**	-14	**125**
	3rd	21	**41**	20	82	**64**	-18	**105**
St Basils	1st	245	**305**	60	7	**17**	10	**322**
	2nd	148	**151**	3	97	**102**	5	**253**
	3rd	68	**61**	-7	168	**115**	-53	**176**

Source: Fair Chance MI, DCLG, to end December 2016

In year 2 the number of assessments claimed reduced, as expected, from 3,441 in year 1 to 1,254, as participants progressed through the programme. By the end of year 2, 97% of all recruits had received a first assessment, 82% a second assessment, and 67% a third.

2.3.4 Accommodation outcomes

Table 2.4 shows the accommodation outcomes (entry, and 3, 6, 12 and 18 months sustained) achieved by the seven projects in years 1 and 2.

Table 2.4 Accommodation outcomes by year

	Year 1	Year 2	Total
Entry to accommodation	1,396	241	1,637
3 month sustained	870	621	1,491
6 month sustained	446	885	1,331
12 month sustained	2	906	908
18 month sustained	0	297	297

Source: Fair Chance MI, DCLG, to end December 2016

The projects' focus on securing accommodation for their clients as a precursor to subsequent education, volunteering and employment outcomes is illustrated by the year 1 performance data. In Year 1, 1,396 young people entered accommodation (representing 73% of all recruits), with additional year 2 outcomes resulting in a total of **1,637 young people entering accommodation** across the projects, representing **86% of all those participating**.

Performance was also strong in terms of **accommodation outcomes sustained** in years 1 and 2, providing a firm footing for further sustained accommodation outcomes in year 3. Of all those entering accommodation, at the end of year 2:

- **91%** claimed 3 month sustained outcomes (1,491 young people);
- **81%** claimed 6 month sustained (1,331 young people);
- **55%** claimed 12 month sustained (908 young people); and
- **18%** claimed 18 month sustained (297 young people).

Performance across the accommodation outcomes by project is shown in Table 2.5. In year 1 each project exceeded their **entry to accommodation** forecasts, and while performance was more variable in year 2 (with all but one project reporting below forecast) this should be considered in the context of the over-performance in year 1.

Table 2.5 Performance - Accommodation Outcomes Vs Profiles for 2015 and 2016

Project	Outcome	Year 1 Outcomes			Year 2 Outcomes			Total Yrs. 1 and 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Ambition	Entry	274	**328**	54	44	**41**	-3	**369**
	3 month sustain	209	**216**	7	110	**109**	-1	**325**
	6 month sustain	142	**118**	-24	177	**156**	-21	**274**
	12 month sustain	0	**1**	1	180	**186**	6	**187**
	18 month sustain	0	**0**	0	97	**84**	-13	**84**
Aspire	Entry	129	**132**	3	32	**20**	-12	**152**
	3 month sustain	122	**93**	-29	45	**48**	3	**141**
	6 month sustain	73	**60**	-13	84	**67**	-17	**127**
	12 month sustain	0	**0**	0	95	**80**	-15	**80**
	18 month sustain	0	**0**	0	44	**33**	-11	**33**
Depaul	Entry	130	**172**	42	33	**18**	-15	**190**
	3 month sustain	81	**117**	36	69	**68**	-1	**185**
	6 month sustain	42	**56**	14	103	**119**	16	**175**
	12 month sustain	0	**1**	1	114	**140**	26	**141**
	18 month sustain	0	**0**	0	40	**43**	3	**43**
Fusion	Entry	196	**226**	30	58	**65**	7	**291**
	3 month sustain	180	**143**	-37	88	**134**	46	**277**
	6 month sustain	114	**76**	-38	123	**180**	57	**256**
	12 month sustain	0	**0**	0	161	**172**	11	**172**
	18 month sustain	0	**0**	0	40	**54**	14	**54**
Home Group	Entry	172	**183**	11	48	**43**	-5	**226**
	3 month sustain	121	**105**	-16	95	**86**	-9	**191**
	6 month sustain	64	**47**	-17	125	**109**	-16	**156**
	12 month sustain	0	**0**	0	134	**105**	-29	**105**
	18 month sustain	0	**0**	0	41	**24**	-17	**24**
Local Solutions	Entry	75	**120**	45	41	**10**	-31	**130**
	3 month sustain	28	**59**	31	75	**59**	-16	**118**
	6 month sustain	2	**28**	26	89	**81**	-8	**109**
	12 month sustain	0	**0**	0	32	**74**	42	**74**
	18 month sustain	0	**0**	0	0	**19**	19	**19**
St Basils	Entry	150	**235**	85	87	**44**	-43	**279**
	3 month sustain	64	**137**	73	125	**117**	-8	**254**
	6 month sustain	23	**61**	38	146	**173**	27	**234**
	12 month sustain	0	**0**	0	98	**149**	51	**149**
	18 month sustain	0	**0**	0	38	**40**	2	**40**

Source: Fair Chance MI, DCLG, to end December 2016

While overall performance in terms of **sustained accommodation outcomes** was strong, performance by project was variable in year 1, with delays securing accommodation leading to three failing to meet their 3 month, and four their 6 month, sustained forecasts.

In year 2 performance against forecast for sustained accommodation outcomes continued to be variable across the projects, with some not achieving their forecasts while others over-performed.

2.3.5 Education and training

The first interim report identified that participants appeared to be less interested in education and training opportunities than initially expected. This was reflected in the numbers of participants entering education and training in years 1 and 2, as summarised in Table 2.6.

Table 2.6 Education and training outcomes by year

	Year 1	Year 2	Total
Entry to education/training	453	415	868
Entry level qualification	43	160	203
Level 1 qualification	38	165	203
Level 2 qualification	4	10	14

Source: Fair Chance MI, DCLG, to end December 2016

In years 1 and 2 **entry to education/training outcomes were claimed for 868 young people**, with the year 2 total being slightly lower than year 1 and representing **45%** of all those participating.

Qualification outcomes, were low to the end of year 2. Of the 868 young people entering education/training, just **23% achieved an entry level qualification**, **23% a Level 1 qualification** and **less than 2% a Level 2 qualification** (this excludes current students entering education who are yet to complete their studies).

Table 2.7 sets out **performance against the education/training outcomes by project** for years 1 and 2 of the programme. As described above, participants appeared to be less interested in education and training outcomes, and while targets were commonly set low just four of the projects met or exceeded their year 1 entry forecasts. In year 2 overall numbers entering education/training fell by almost 10%, although in year 2 five of the projects achieved their revised entry forecasts.

Table 2.7 Performance – Education/Training Outcomes Vs Profiles for 2015 and 2016

Project	Outcome	Year 1 Outcomes			Year 2 Outcomes			Total Yrs. 1 & 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Ambition	Entry	85	**48**	-37	66	**72**	6	**120**
	Entry level qual	15	**0**	-15	26	**20**	-6	**20**
	Level 1 qualification	0	**3**	3	19	**19**	0	**22**
	Level 2 qualification	0	**1**	1	6	**2**	-4	**3**
Aspire	Entry	39	**14**	-25	28	**37**	9	**51**
	Entry level qual	6	**0**	-6	7	**0**	-7	**0**
	Level 1 qualification	0	**0**	0	9	**0**	-9	**0**
	Level 2 qualification	0	**0**	0	2	**0**	-2	**0**

Project	Outcome	Year 1 Outcomes			Year 2 Outcomes			Total Yrs. 1 & 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Depaul	Entry	19	**52**	33	35	**33**	-2	**85**
	Entry level qual	0	**8**	8	20	**13**	-7	**21**
	Level 1 qualification	0	**5**	5	12	**3**	-9	**8**
	Level 2 qualification	0	**0**	0	8	**1**	-7	**1**
Fusion	Entry	64	**77**	13	47	**60**	13	**137**
	Entry level qual	10	**0**	-10	17	**31**	14	**31**
	Level 1 qualification	15	**0**	-15	12	**3**	-9	**3**
	Level 2 qualification	3	**0**	-3	8	**1**	-7	**1**
Home Group	Entry	62	**55**	-7	64	**75**	11	**130**
	Entry level qual	32	**27**	-5	57	**55**	-2	**82**
	Level 1 qualification	29	**25**	-4	48	**63**	15	**88**
	Level 2 qualification	4	**3**	-1	8	**5**	-3	**8**
Local Solutions	Entry	43	**68**	25	53	**42**	-11	**110**
	Entry level qual	18	**7**	-11	51	**28**	-23	**35**
	Level 1 qualification	0	**5**	5	40	**35**	-5	**40**
	Level 2 qualification	0	**0**	0	23	**0**	-23	**0**
St Basils	Entry	101	**139**	38	80	**96**	16	**235**
	Entry level qual	19	**1**	-18	50	**13**	-37	**14**
	Level 1 qualification	0	**0**	0	35	**42**	7	**42**
	Level 2 qualification	0	**0**	0	13	**1**	-12	**1**

Source: Fair Chance MI, DCLG, to end December 2016

The number of **qualification outcomes** claimed overall was low at the end of year 2, ranging from none achieved by 51 training entrants[4] to 178 qualifications achieved by 130 young people[5]. While these figures do not include young people currently working towards qualifications, they suggest that the challenges described at section 3.2.3 are influencing both entry into and achievement of education/training outcomes.

2.3.6 Volunteering

Volunteering also emerged as an area of limited interest for the young people, and less of a priority for the projects, in year 1. Forecasts for sustained outcomes (i.e. 6, 13, 20 or 26 weeks) were set low, and in some cases no 20 or 26 week sustained outcomes were forecast for years 1 and 2.

Table 2.8 sets out the volunteering outcomes achieved in years 1 and 2. While the Fair Chance tariffs do not include the numbers starting a work placement, the share of all participants achieving a 6 week sustained placement stood at 11% at the end of year 2, down to 3% for 26 week placements.

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[4] Aspire
[5] Home Group

Table 2.8 Volunteering outcomes by year

	Year 1	Year 2	Total
6 weeks	91	112	203
13 weeks	40	82	122
20 weeks	19	64	83
26 weeks	6	43	49

Source: Fair Chance MI, DCLG, to end December 2016

Table 2.9 shows the volunteering outcomes **achieved by each project in total and against the profiles** set for them. In year 1, although profiles were set low, only one project[6] achieved their 6 and 13 week volunteering targets. In year 2 performance improvements could be identified across all the outcomes, with three projects[7] achieving their six and 13 week sustained volunteering targets (although again these were set low).

Table 2.9 Performance – Volunteering Outcomes Vs Profiles for 2015 and 2016

Project	Outcome	Year 1 Outcomes			Year 2 Outcomes			Total Yr 1 & 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Ambition	6 weeks	96	**39**	-57	52	**36**	-16	**75**
	13 weeks	38	**17**	-21	26	**26**	0	**43**
	20 weeks	0	**9**	9	2	**17**	15	**26**
	26 weeks	0	**2**	2	0	**15**	15	**17**
Aspire	6 weeks	27	**13**	-14	15	**8**	-7	**21**
	13 weeks	19	**7**	-12	16	**9**	-7	**16**
	20 weeks	0	**3**	3	2	**9**	7	**12**
	26 weeks	0	**1**	1	1	**9**	8	**10**
Depaul	6 weeks	5	**2**	-3	10	**14**	4	**16**
	13 weeks	1	**1**	0	5	**12**	7	**13**
	20 weeks	0	**0**	0	0	**11**	11	**11**
	26 weeks	0	**0**	0	0	**2**	2	**2**
Fusion	6 weeks	28	**14**	-14	19	**13**	-6	**27**
	13 weeks	20	**5**	-15	16	**8**	-8	**13**
	20 weeks	9	**3**	-6	6	**8**	2	**11**
	26 weeks	0	**1**	1	3	**5**	2	**6**
Home Group	6 weeks	18	**19**	1	24	**25**	1	**44**
	13 weeks	9	**10**	1	12	**19**	7	**29**
	20 weeks	7	**4**	-3	10	**13**	3	**17**
	26 weeks	4	**2**	-2	10	**7**	-3	**9**
Local Solutions	6 weeks	9	**3**	-6	26	**1**	-25	**4**
	13 weeks	1	**0**	-1	24	**1**	-23	**1**

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[6] Home Group
[7] Home Group, Depaul and St Basils

Project	Outcome	Year 1 Outcomes			Year 2 Outcomes			
		Profile	Achieved	Variance	Profile	Achieved	Variance	Total Yr 1 & 2
	20 weeks	0	**0**	0	3	**1**	-2	**1**
	26 weeks	0	**0**	0	0	**1**	1	**1**
St Basils	6 weeks	9	**1**	-8	12	**15**	3	**16**
	13 weeks	1	**0**	-1	4	**7**	3	**7**
	20 weeks	0	**0**	0	0	**5**	5	**5**
	26 weeks	0	**0**	0	0	**4**	4	**4**

Source: Fair Chance MI, DCLG, to end December 2016

2.3.7 Employment

Year 1 saw strong performance in terms of entry to and sustained employment outcomes, with young people showing a preference for employment over education/training or volunteering opportunities. Table 2.10 shows that this continued in year 2, with 486 young people **entering employment** in years 1 and 2 (**25%** of all those referred).

Table 2.10 Employment outcomes by year

	Year 1	Year 2	Total
Entry to employment	226	260	486
Part-time 13 weeks	16	27	43
Part-time 26 weeks	3	12	15
Full-time 13 weeks	65	168	233
Full-time 26 weeks	15	123	138

Source: Fair Chance MI, DCLG, to end December 2016

Similarly **sustained employment** exceeded expectation in year 1, continuing into year 2, and highlighted that young people had been particularly successful in finding full-time employment. Of those entering employment in years 1 and 2, at the end of year 2:

- 9% claimed a 13 week part-time sustainment;
- 3% claimed a 26 week part-time sustainment;
- 48% claimed a 13 week full-time sustainment; and
- 28% claimed a 26 week full-time sustainment.

Table 2.11 below shows the employment outcomes achieved by project, showing how in year 1 the majority of the projects either did not expect to achieve any employment outcomes or set their targets low.

Consequently all but one exceeded their **entry to employment** forecasts[8], in several cases by a considerable margin. In year 2, however, the position was reversed, with just two projects achieving their year 2 entry targets, even though several had increased their entry profiles based on their year 1 experience.

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[8] With the remaining project, Home Group, just one outcome below profile

Table 2.11 Performance – Employment Outcomes Vs Profiles for 2015 and 2016

Project	Outcome	Year 1 Outcomes			Year 2 Outcomes			Total Yr 1 & 2
		Profile	Achieved	Variance	Profile	Achieved	Variance	
Ambition	Entry	0	54	54	68	50	-18	104
	PT 13 weeks	0	8	8	20	5	-15	13
	PT 26 weeks	0	1	1	11	2	-9	3
	FT 13 weeks	0	16	16	45	28	-17	44
	FT 26 weeks	0	3	3	36	21	-15	24
Aspire	Entry	0	25	25	34	34	0	59
	PT 13 weeks	0	2	2	10	4	-6	6
	PT 26 weeks	0	0	0	10	4	-6	4
	FT 13 weeks	0	5	5	25	25	0	30
	FT 26 weeks	0	0	0	19	18	-1	18
Depaul	Entry	16	20	4	46	29	-17	49
	PT 13 weeks	1	0	-1	10	7	-3	7
	PT 26 weeks	0	0	0	6	0	-6	0
	FT 13 weeks	2	5	3	21	13	-8	18
	FT 26 weeks	0	1	1	12	9	-3	10
Fusion	Entry	27	63	36	52	58	6	121
	PT 13 weeks	0	4	4	23	4	-19	8
	PT 26 weeks	0	2	2	6	4	-2	6
	FT 13 weeks	0	21	21	25	41	16	62
	FT 26 weeks	0	7	7	11	31	20	38
Home Group	Entry	21	20	-1	24	22	-2	42
	PT 13 weeks	8	0	-8	9	2	-7	2
	PT 26 weeks	4	0	-4	10	0	-10	0
	FT 13 weeks	7	2	-4	10	19	9	21
	FT 26 weeks	3	0	-3	7	15	8	15
Local Solutions	Entry	1	11	10	32	22	-10	33
	PT 13 weeks	0	1	1	10	3	-7	4
	PT 26 weeks	0	0	0	3	1	-2	1
	FT 13 weeks	0	3	3	10	14	4	17
	FT 26 weeks	0	1	1	3	8	5	9
St Basils	Entry	15	33	18	68	45	-23	78
	PT 13 weeks	1	1	0	6	2	-4	3
	PT 26 weeks	0	0	0	5	1	-4	1
	FT 13 weeks	0	13	13	33	28	-5	41
	FT 26 weeks	0	3	3	23	21	-2	24

Source: Fair Chance MI, DCLG, to end December 2016

Similar differences were identified for sustained employment outcomes against profile in years 1 and 2 – with all but one project exceeding their sustained employment profiles,

many of which were set at zero, in year 1. In year 2 the position was reversed, with the revised 2016 profiles not being met for all variables by any of the projects, although the full-time 13 and 26 week outcome profiles were achieved in three projects[9].

2.3.8 Payments

Table 2.12 summarises the payments made to each of projects for years 1 and 2 of the programme. It also shows the total payment available to each of the projects (the 'payment envelope' established in their initial applications), and the percentage claimed to date.

Table 2.12 Payments to Date

	2015 Payment (£)	2016 Payment (£)	Payment to Date (£)	Total Payment Available to Project End (£)	% of Total Financial Envelope Claimed
Ambition	1,103,693	1,115,416	2,219,109	**£2,944,525**	**75%**
Aspire	463,427	531,709	995,136	**£1,451,250**	**69%**
Depaul	592,090	795,580	1,387,670	**£1,654,340**	**84%**
Fusion	883,900	1,237,875	2,121,775	**£2,513,800**	**84%**
Home Group	611,597	876,267	1.487,864	**£1,995,206**	**75%**
Local Solutions	390,225	650,115	1,040,340	**£1,338,350**	**78%**
St Basils	806,450	1,200,234	2,006,684	**£2,622,375**	**75%**

Source: Fair Chance MI, DCLG, to end December 2016; tariff rates from project financial data; financial envelope from project applications

As the percentage of financial envelope claimed column suggests, the projects had received between 69% and 84% of their respective payments at the end of year 2, with the majority receiving 75% or more.

2.4 Investor views on performance

All the investors we spoke to reported that they were happy with the performance of their providers, with some expressing this more strongly than others. The majority described their providers as working hard to achieve the targeted outcomes and taking 'ownership of performance'. They commented positively on the flexibility of providers in responding to challenges, for example by taking on specialist staff to focus on challenging outcomes.

"I am very happy with the current performance of the project. The providers are doing everything they can to achieve the outcomes we expected…they are willing to put together strategies to demonstrate and improve certain areas. For example they have realised the need to employ a specialist person looking at employment that can speak with employers and find opportunities for the young people. So they put someone in place toward the end of last year who is now showing really good results".

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[9] Fusion, Home Group and Local Solutions

Having confidence in the project manager to assume responsibility for performance and implement appropriate remedial action in the face of problems was highlighted as critical. This confidence has grown over time:

"The project manager has demonstrated that they understand the cohort composition, that they understand the outcomes as well as how they are going to achieve them in the next year with the resources available".

Different investors described different levels of intervention in directing provider responses to performance, with one describing a more hands on approach than others:

"We are still working with them to make sure they get to the final outcomes that they are projecting… There are always a lot of challenges and difficult conversations… as investors, we try to add the management support and pressure around the metrics, which is exactly what is needed as it is a payment by results project".

2.4.1 Investor experiences of re-profiling

All investors discussed their involvement in re-profiling target outcomes. One interviewee described two key reasons for re-profiling:

"Overall, there are two reasons why you re-profile targets: to get a more updated view of what we can achieve within the project and to explore the assumptions made behind the targets… by exploring in detail the makeup of the cohort, what can we expect going forward and what we can realistically expect from the resources we have".

Re-profiling was described as a necessity on the basis that the original targets had been set without concrete knowledge of either referral numbers or the make-up of the final cohort. Investors noted that different providers faced different challenges that were contingent upon a number of factors, including: rates of referral at different points in the first year; the performance of partners commissioned to deliver outcomes; the state of the local housing market; the composition and specialist skills of delivery teams; and the particular profile of the young people they were dealing with. Hence, for example, for some projects sustaining accommodation was proving more challenging due to limited housing supply in their areas, while for others the nature of the cohort had made meeting employment targets more difficult than anticipated.

One investor described the importance of using the experiential knowledge of the front-line staff to achieve a granular understanding of the needs of different segments of the cohort, and using this to make strategic decisions about where and how to focus effort and re-profile.

Investors also reported different levels of input into the re-profiling exercises, with some projects re-profiling more or less alone and reporting what they had changed to the SPV.

Three outcomes (volunteering, education and training and employment) were reported to have been more likely to be re-profiled that the others. In a number of cases referrals had been re-profiled as service uptake had been initially slow. This had resulted in over-recruitment by six projects as referrals gained in momentum as projects matured.

Education outcomes had also been re-profiled by five projects in reflection of both the relative apathy for entering education or training shown by the cohort, and the greater than expected work readiness of young people in some projects. The payment mechanism for education outcomes was also criticised by investors, who reported that the guided learning hours attached to education outcomes was:

"…vastly in excess of what was feasible and the equivalent qualifications were not relevant for the type of jobs they could expect…we have had to ratchet back our expectations".

Strong performance with employment outcomes was described as having compensated for lower than forecast education outcomes. However there was disparity between projects in terms of how well this was being achieved and achievement was also described as driven, in part, by over recruitment making it easier to achieve absolute outcome numbers.

3 Implementation in year 2: provider perspectives

Summary of key findings

- **Engagement**: providers have typically stratified their cohorts according to levels of need, degree of engagement and likelihood of achieving outcomes so that they can focus effort and fine tune responses.
- **Keeping in touch**: strategies for keeping in contact with young people included the use of social media, texting and regular phone calls. Two providers have developed a drop-in hub-type approach that has proved successful in maintaining engagement. Frequency of contact is dependent on both the level of need and the degree to which a young person wishes to participate. Frequency and intensity ranges from daily phone and/or weekly face to face contact to a monthly 'check in'.
- **Disengagement**: young people leaving provision on a permanent basis did so for one of three key reasons: relocation out of the area; a long term prison sentence; or because the young person either no longer wants, or considered they need, support.
- **Accommodation - challenges**: Providers reported that they were meeting accommodation targets but that there were some persistent challenges. The ease with which providers are able to source and secure tenancies for their clients continues to be largely contingent upon local housing markets and their own position as a housing provider. Some clients are particularly difficult to house and support in maintaining their accommodation. This is often due to behavioural issues and/or problems with debt and rent arrears.
- **Accommodation – working well**: Building close working relationships with social and private landlords has been key. A number of projects have reconfigured their staff teams to include a specialist housing officer who has led on sourcing accommodation and ensuring young people are equipped for independent living. One project has had a focus on family mediation to support young people to live back at home where appropriate.
- **Education and training – challenges**: Providers felt that the education and training outcome targets had been set too high making them difficult to achieve. Four key challenges were identified: 1) a lack of demand on behalf of the client group; 2) poor attendance once enrolled on a course; 3) an unrealistic number of guided learning hours needed to achieve an outcome; and 4) low wage apprenticeships making independent living very difficult.
- **Education and training – working well**: in-house training courses; productive relationships with external providers; a flexible approach with learning delivered outside formal environments; focusing on what young people are interested in; and offering incentives.
- **Volunteering**: this has not been a priority for projects as it is not a popular option for most young people.
- **Employment – challenges**: Four interrelated challenges to achieving sustained employment outcomes were identified: 1) lack of work readiness of the cohort; 2) labour market barriers such as low pay and zero hours contracts; 3) both the former give rise to problems sustaining employment; and 4) the impact of employment on

housing benefits.

- **Employment – working well:** ensuring that both young people and employers are properly prepared was identified as key. Strategies for ensuring this were: dedicated staff with employment remits; links with employers who are sympathetic to the target group; re-course to in-house opportunities; and ensuring young people are not set up to fail.
- **Looking ahead**: challenges for year 3 and project end include: achieving outcomes for a reduced caseload with more complex needs; transitioning young people who will need on-going support to other agencies; and coping with reduced staff numbers.

3.1 Introduction

This chapter provides an analysis of the data collected from interviews with FCF management and delivery staff, which focused around strategies for maintaining engagement and achievement of key year 2 outcomes, and explored provider perspectives on performance. The final section looks ahead to implementation challenges for the final year of the project and reflections on programme end.

Provider data reported here was collected during fieldwork visits undertaken at each of the seven local FCF projects. During these visits interviews were completed with senior staff, managers with responsibility for the day to day management of the project, and front line staff working face to face with young people (n=28). One-to-one interviews were undertaken with senior staff and project managers and a combination of one-to-one and focus group interviews with front-line staff, dependent on availability and work schedules.

3.2 Provider experiences and perspectives

In our first interim report the focus of attention for projects was on promoting referrals from gateways, initial engagement and relationship building with young people, assessment, and sourcing and securing accommodation. Outcomes were starting to be achieved for volunteering, education and employment with the anticipation that these would come more to the forefront in year 2. Since the closure of the referral window at the end of December this focus has indeed shifted, with sustaining accommodation outcomes and achieving longer term education and employment outcomes becoming increasingly important. Providers also predicted that maintaining engagement would be a key challenge, in particular for those young people who had primarily engaged in order to secure accommodation. It is therefore in reference to engagement and to these outcomes that this section is principally concerned.

3.2.1 Engagement

In discussing engagement providers typically divided their cohorts into four broad groups:

- **Those who had disengaged completely**: This was usually for one of three key reasons: relocation out of the area; a prison sentence that continued beyond the life of the programme; and proactive disengagement in the sense that they had asked the provider to stop contacting them for either positive or negative reasons. Some providers noted that their highest rates of drop out came from young people who had engaged at the beginning of the programme and had *"already been through the system*

and been failed by other services". These were described as some of the hardest to engage and those who were least likely to achieve outcomes. By way of contrast those referred later in year 1 tended to be easier to engage and had accessed FCF through a variety of referral routes. These young people were described as less likely to have previous engagement with homelessness services and more receptive to support.

- **Those who engage sporadically**: referred to as *"revolving door drop outs"* by one provider. These young people were identified as engaging for one of two reasons: 1) for immediate support with a pressing **need or 'crisis'** – for example eviction or reversion to drug use; 2) for support in pursuit of an **opportunity** – for example specific support to access a course or apply for a job.
- **Those who are in regular, but not frequent contact and show progression towards outcomes**: described by one provider *as "the main people you want on the programme"*. These young people were securely housed and had typically settled into employment or education. Regular but less frequent contact was on-going to ensure that they were continuing to do well and to secure evidence of sustained outcomes.
- **Those who are fairly chaotic and require sustained intense support**: These young people have more complex needs that are unlikely to be resolved in the short to medium term. These clients were described as more at risk of becoming dependant and less likely to achieve a full range of outcomes. Providers highlighted the future difficulty of needing to secure alternative, multi-agency support for this group towards the end of year 3.

Providers made different estimates as to percentage of young people they thought they had falling into any one group. Hence some providers felt their largest group was the 'regular but not frequent contact' while others felt that the majority of their young people required intensive support. Providers also reported different rates of engagement but this depended in part on how they were conceptualising this. As such reports ranged from 40-50% engagement *at any one time* to overall engagement at 80-90% (i.e. across the project lifetime).

There were also different reports as to where providers were focusing their efforts. One provider reported they were mainly focused on those who were showing steady progression while being *"much tougher"* on those who were *"most difficult to deal with"*. Another reported that approximately 40% of their caseload had medically recognised mental health problems, and that the majority of their time was focussed on providing intense support to young people with complex needs.

Commonly reported strategies for keeping in contact with young people included the use of social media, texting and regular phone calls. Those providers who had established a hub structure described this as an effective way of maintaining engagement. Some providers reported actively trying to reach out to those who had gone 'off radar' through the use of social networks, the homelessness 'grapevine' and other agencies to track down young people. Others had taken a more 'hands-off' approach seeing this as part of the process for developing resilience and reducing dependency.

Providers reported having different levels of contact with clients that were usually dependent on the need of the young person. Key workers were commonly in daily phone and weekly face to face contact with those requiring more intensive support. With clients who were more stable contact was a lot less frequent - typically monthly. One provider had

formalised the frequency of contact they have with clients by setting minimum expectations.

Providers all reported that they continued to undertake informal reviews on a fairly regular basis. Most had continued with some form of more formal assessment and review with those young people with whom they were in regular contact. Four reported that they were still using the Outcome Star[10], although one had adapted this to reduce the number of outcomes assessed. Staff had mixed views on the continued value of the Outcome Star, some noting that it was not a particularly effective measure of progression given that many young people experience disrupted trajectories for a variety of reasons.

3.2.2 Supporting young people to secure and sustain accommodation

In our first interim report we highlighted the central importance of a stable tenancy in suitable accommodation as a prerequisite for supporting young people to progress towards further outcomes. The ease with which individual projects were able to source and secure tenancies for their clients varied, being largely contingent upon local housing markets and their own position as a housing provider. In some areas this had proved particularly challenging and projects were investing in appointing specialist dedicated staff as well as seeking more long term solutions, for example through strategic negotiation with housing providers and through property acquisition.

In this second year of delivery the focus has been on supporting those young people who are already in accommodation to maintain their tenancies and in continuing to seek accommodation for clients for whom it has proved particularly challenging to house.

3.2.2.1 SOURCING ACCOMMODATION: CHALLENGES AND WORKING WELL

Challenges in securing accommodation were reported to have persisted in those areas where housing had proved difficult to source in year 1. These were chiefly problems of availability in particular areas, and hence geographical rather than project dependent. Poor access to both social and supported housing was a still a significant problem in a few areas with a subsequent need to build and maintain relationships with private landlords. Two providers however reported that they had struggled to forge productive relationships with private landlords who were described by one interviewee as *"an almost complete disaster for us"* with *"no appetite for dealing with the difficulties that can arise, for example with benefit sanctions"*.

Finding affordable accommodation continued to stretch some projects, in particular in more affluent local authorities with high rates of owner occupation and/or high demand for rented property by other groups such as students and employed professionals.

For two projects this had resulted in a struggle to achieve early accommodation targets especially as they were reluctant to place young people in poor grade cheaper properties *"just to achieve an outcome"*, preferring to hold out for viable housing options that were *"better for the client and us in the longer term"*. One of these projects has re-profiled their accommodation targets to ensure they reflect the longer lead in time they have needed to accommodate some of their young people.

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[10] See http://www.outcomesstar.org.uk/ for further details

There are also a number of young people who it has been particularly difficult to house. These include:

- Young people with **high levels of rent arrears** – typically housing providers will not take young people who are over £500 in rent arrears, and interviewees reported that some are way in excess of this before they disclosing the fact to FCF staff;
- Young people with a **history of offending** and/or have a history of anti-social behaviour; and
- Young people with **high levels of debt** or with poor credit ratings.

All providers reported that the key to successfully sourcing accommodation was through intense relationship building with both private and social landlords. This was particularly important for those providers who do not have their own supported housing or hostel options to fall back on.

Depaul who deliver FCF (named 'Your Chance') in the North West and the London borough of Greenwich have developed a focus on supporting young people to move back home where this is deemed appropriate.

Your Chance - Family mediation

Your Chance in the North West is delivered by Depaul who support young people to rebuild and maintain positive relationships with family members. Where appropriate Your Chance supports FCF clients, on a voluntary basis, to reconnect and return home to live with their families. A trained mediator (all Your Chance support workers are trained in mediation) works with both the young person and their parents/carers over a period of time to identify and seek solutions to problems.

Paul was supported by Your Chance to live back with his grandparents with whom he has been for six months. Staff began working with him when he was still in custody and undertook some family mediation work before release. This was successful and Paul was able to stay with his grandparents following his release, enabling his support worker to focus on other issues including his mental health concerns. Since then Paul has managed to keep to all his grandparents' house rules and so has been able to stay with them for longer than initially thought, contributing to him feeling more settled.

3.2.2.2 SUSTAINING ACCOMMODATION: CHALLENGES AND WORKING WELL

Providers identified a number of challenges in supporting young people to sustain their accommodation. The most commonly reported problems were:

- **Rent arrears**: this was a common problem across all projects. Young people were reported to get into rent arrears for a number of reasons: a reluctance to pay rent on gaining employment preferring to spend the money on other things; being sanctioned by their Jobcentre and having benefits stopped; and problems covering the two week rent arrears window when coming off benefits and entering employment. Providers reported that young people typically did not inform their key worker when going into rent arrears, meaning that considerable debts could be built up before FCF was able to step in and help resolve the problem.

- **Behaviour problems**: Some young people were described as not 'tenancy ready' due to their behaviour. Behaviours that threaten tenancies typically include causing damage to properties and disturbing neighbours late at night: *"…the way they behave…not being tenancy ready. They say the all right things but how they behave when they get there is completely different."*
- **Problems with sharing**: Much available accommodation is multi-occupancy and many young are reluctant or struggle to share. Tenancies sometimes breakdown when young people are unable to get along with their house mates.
- **Supported accommodation**: Some young people have been reluctant or not ready to move out of supported accommodation. For these young people meeting rent costs are a barrier to moving into employment or full time education. Finding 'move on' accommodation for young people who ready to leave supported accommodation has also been challenging for some projects.

The problems described above meant that some young people had been housed multiple times, and experienced breakdowns in these arrangements, before settling into a longer term tenancy. These also included young people who were initially housed in hostel or supported accommodation and then moved into their own or shared flats.

Sustaining tenancies: what works?

- Preventing rent arrears by getting young people to address problems as they arise rather than waiting for them to spiral out of control.
- Incentivising young people to attend training courses in exchange for paying off rent arrears (using personalisation/maintenance funds) to the level at which a housing provider will accept them as tenant.
- Liaising closely with housing benefit agencies to ensure young people are claiming the right housing benefits and to resolve crises when they arise.
- Acting as intermediary between landlord and young person to seek solutions to problems as they arise.
- Promoting protective factors that help a young person sustain a tenancy – for example through provision of training on money management and independent living skills.
- Giving direct support with managing a home – for example undertaking 'assisted cleans' whereby the client is shown how to clean, what materials to use etc.
- Frequent visits to monitor how the young person is maintaining their accommodation and behaving and taking restorative action when necessary.
- Ensuring that the young person is supported onto a rehabilitation programme where drugs or alcohol is the key problem.
- Trying to meet preferences in house sharing versus living alone. One project has supported young people to share with friends or family that are not part of FCF.

The following practice case study provides an example of a strategy that has worked well for one FCF provider.

AIMS: Specialist housing mentor and 'resettlement passport scheme'

AIMS in Liverpool has recruited a specialist housing mentor to support young people in sustaining their tenancies. She deals with all the administration associated with a

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tenancy and acts as an intermediary between tenants and landlords. Hence if a problem arises – for example with rent arrears – the landlord will contact her in the first instance and she will work with both the tenant and landlord to seek a solution. She also liaises with probation and housing services to ensure that any young person coming out of prison is housed appropriately.

Last year the housing mentor established a 'resettlement passport scheme'. This involves young people attending a training course that covers all aspects of maintaining a tenancy – from managing rent payments to behaving appropriately. On completion of the course the young person receives a 'resettlement passport' which is recognised by all housing providers:

"All our housing providers have bought into it, they recognise it's worth and will consider a tenant more favourably if they have the passport"

3.2.3 Supporting young people into education and training

Providers consistently report that that education and training outcomes have been challenging to achieve, with some feeling that expectations had been set at an unrealistic level at the outset. Interviewees stressed that it was important to:

"…sit back and ask whether something is the right thing to do rather than try to pursue a target. So is it right to try to get a young person through a level 2? Does a young person want to achieve a Level 1? How useful will it be?"

Consequently the majority of projects had re-profiled their education and training targets downwards on the basis of their year 1 experiences.

Four commonly reported challenges in achieving education and training outcomes were:

- **Lack of demand** on behalf of young people underpinned by: poor early educational experiences; perception that there is a low value placed on training in the context of getting a job; not wanting to appear 'thick' in front of peers in the classroom; low levels of basic literacy and numeracy; and enduring mental health barriers to learning.
- **Poor attendance** by those who were enrolled on courses. One interviewee described getting their young people to regularly attend courses as *"impossible, like pulling teeth"* going on to explain that despite incentivising attendance, paying for bus fares and lunches and calling for them in the morning *"they still don't go"*.
- **Guided learning hours**: several providers felt that the number of guided learning hours needed to claim an outcome was unrealistic for their clients. Many courses accessed by FCF clients fall under the number of required hours and are therefore not recognised as achievements. These include, for example the training component for CSCS cards, and some Level 1 in-house courses run by providers.

  "I've asked the question, where did [these guided learning hours] come from and it's 'oh, this is what the DWP says an average 16 year old might achieve', but an average 16 year old is in school. These are young people who can't sit still for 5 minutes so to have guided learning hours of 120 hours is crazy…"

- **Low wage apprenticeships**: Apprenticeships are paid at £3.30 an hour, making independent living very challenging. Some projects reported that they were subsidising young people on apprenticeships with money for bus passes but that *"clients still have to pay housing and council tax – we do budgeting with these people and we don't know how they do it"*.

Projects reported that their key successes had revolved around the delivery of internal courses. A number of projects that had previously relied solely on external training providers had bought some of this in-house, recruiting their own trainers to support and enhance the achievement of education and training outcomes. These post holders were typically employed to take either a housing or employment lead and deliver short courses on related issues such as money management, Lifeskills, and pre-employability skills as part of their remit.

Interviewees reported that the majority of their young people were more interested in working and described employment as a better protective factor than engagement in either education or training. Mentoring and pre-employment training that covers soft skills and issues such as the importance of time keeping and turning up at work every day were described as more important than formal qualifications.

The majority of clients were described as unlikely to achieve qualifications above Level 1, but all projects were able to give examples of young people who represented exceptions to this rule. A tiny minority were reported to have moved onto university courses, typically those who were already on a trajectory towards this before encountering problems and becoming homeless.

Supporting young people into education and training: what works?

- **In-house training courses**: delivering bespoke pre-employability, and independent living courses at level 1
- **External partnerships**: with specialist providers of pre-employability training who have access to employers offering work placements. Partnerships with local colleges and other third sector organisations such as the Prince's Trust are also important.
- **A flexible approach with training delivered outside of formal classroom environments**: interviewees stressed the importance of delivering courses in environments where young people feel comfortable led by trainers who understand the particular needs and circumstances of the FCF cohort.
- **Focus on what young people need and are interested in**: providers reflected that the majority of young people are principally interested in pre-vocational provision.
- **Hooking young people into popular short courses for example**: onto the training requirement for a CSCS card and encouraging them to do another course to reach the guided hour's requirement; or bringing people in to do boxing or football and then introducing employability.

3.2.4 Supporting young people into volunteering

Achieving volunteering outcomes has not commonly been a priority area for attention across the projects. While most had set low profiles at the outset, those setting higher profiles revised these downwards after meeting them proved challenging in year 1.

Interviewees felt that the time and effort required to establish and maintain a volunteer placement was not reflected in the outcome payment and therefore not worth pursuing.

Furthermore, as in year 1, interviewees reported that volunteering was not a popular *option for the overwhelming majority of young people. One interviewee explained that*

"It's rare for young people to understand the benefit of volunteering, particularly coming from a deprived background…they can be resistant to the idea of working for free, which is how they see it".

There were some exceptions to this, with examples given of placements that had the potential to lead to employment. These were more likely to be successful where the placement was matched to the young person's area of interest and in a field in which they wanted to work. However this could be difficult to achieve, and the majority of suitable volunteering opportunities were described as fairly mundane being mostly in charity shops and warehouses or with a retail employer.

One provider reported that they targeted volunteering activities at young people claiming ESA as these individuals were unlikely to succeed in employment. Internal placements, such as helping with maintenance at the provider's properties or delivery sites, were offered to these young people for six hours per week in order to achieve an outcome.

Ambition: participation coordinator

One of the three partners in the Ambition project draw on their existing Participation Team to support the ongoing engagement of young people with the project and to provide volunteering opportunities. The Participation Coordinator has played a key role in brokering placements, drawing upon their existing network of employers who are prepared to consider placements with more challenging young people, and with whom they have arranged effective placement opportunities previously.

This has allowed a wider selection of opportunities to be offered than provided elsewhere, which range from internal placements and tasters to engagement with a volunteering/work placement scheme with a large local vehicle manufacturer, which can lead to full-time, and well paid, work opportunities. While their involvement has required a significant degree of commitment from the Coordinator and their team, it has led to this partner achieving 20 and 26 week sustained volunteering outcomes ahead of forecast.

3.2.5 Supporting young people into sustained employment

Entry and sustained employment has been a key focus for projects in year 2, and an area where performance has been strong across the programme, including high levels of 'un-profiled' outcomes reported in year 1.

Young people were described as requiring a spectrum of support to enter and sustain employment. At one end there were examples of young people who had secured employment on their own initiative and could be relied on to "*turn up every day and get on with the job".* At the other there were young people who had to be actively encouraged into employment and given on-going support to make a success of it - for example through lifts into work and phone calls to ensure they were up on time.

Four interrelated challenges to achieving sustained employment outcomes were identified:

- **Lack of work readiness:** interviewees described a lack of job readiness amongst many of the young people in their cohorts and explained that this had grown in prominence during year 2. For some providers achieving employment outcomes had been "*a real hard slog, because so many of them were a million miles away from being work-ready.*" The FCF target group face common challenges to employment including disrupted education, few or no qualifications and limited or no previous work experience. Providers also described a range of behaviours illustrative of poor work readiness including: turning up late for work; dressing inappropriately; disagreements with other staff members; becoming angry and picking fights; and taking days off without permission.
- **Employment market barriers:** while local employment markets were described as relatively buoyant in terms of availability of work, low pay, zero hours contracts and a limited range of achievable opportunities contributed to young people falling in and out of employment. The majority of jobs secured by FCF participants were low skilled and commonly included those in retail, warehouses, call centres, care homes, and the hospitality sector. Sometimes these jobs did not meet the expectations that young people had for them, and in these cases failure to sustain was common. Providers also reported that zero hours contracts could pose problems in claiming outcomes.
- **Impact of employment on housing benefits:** interviewees stressed the potential impact of gaining employment on housing benefits, primarily in terms of bridging the gap between leaving benefits and receiving their first salary payments.

Providers described how it was frequently easier for a young person to find employment than it was for them to sustain it. This was often a reflection of their lack of work readiness but was also felt to relate to the market barriers described below. In some cases young people had fallen just short of the sustained period. While this was not a problem for claiming outcomes, as time spent in employment can be carried over, losing a job was described as very disheartening for the young person.

Achieving successful and sustained employment was described as reliant on both employers and young people being properly prepared: i.e. that the young person was 'work ready' and that the 'right' employer was ready for the young person.

Supporting young people into sustained employment: what works?

Staff with dedicated employment remits: a number of projects have created specialist posts to support young people to move closer to, and into employment. Post holders typically deliver pre-employment support and have networks with employers offering apprenticeships, work placement and employers.

Forging links with employers who understand the client group: as above projects have built partnerships with potential employers over the past year taking care to ensure that these understand and are sympathetic to the client group. Examples of positive relationships include: Your Chance who work closely with Manchester University who offer entry level apprenticeships; Home Group who have access to a range of employers offering work placements including Marks and Spencer's, Barclay's Bank and Virgin Money; and Ambition through the input of the Participation Coordinator.

> **Recourse to in-house opportunities**: a small number of providers are able to offer in-house apprenticeships and work placements.
>
> **Ensuring young people are not set up to fail**: making sure that individuals are work ready before encouraging them into employment or an apprenticeship. As described in section 3.3.3, developing and delivering in-house employability courses has been an important element of this.

3.3 Looking ahead

In year 2 providers were focused on achieving, evidencing and sustaining accommodation, education and employment outcomes. However they were also looking ahead to programme end and beginning to consider exit strategies both at the strategic and individual client levels. Interviewees highlighted a common set of priorities and concerns for the forthcoming year as follows.

3.3.1 Achieving, sustaining and evidencing outcomes

There was a consensus view across providers that in the final year of delivery they would be increasingly left with an active cohort of young people requiring relatively high levels of support. The majority of providers had carried out some form of profiling exercise to stratify clients into groups according to what outcomes they had achieved and what outcomes they were still likely to achieve. These processes were being used by FCF teams to identify where to focus their efforts in year 3. Interviewees predicted that the majority of clients would require less input at around the 2.5 year point in the programme having achieved all the outcomes they were able to achieve. These clients would continue to be contacted for evidence of sustained outcomes, leaving staff to focus on both those who may yet achieve further outcomes and those whose needs were unlikely to be met in the lifetime of the programme. There was some concern expressed that the more needy profile of the remaining active cohorts would place pressure on finances with the need to *"continue to do the best for clients while ensuring that returns are maximised".*

Interviewees discussed strategies for promoting the achievement of outcomes for those who are harder to help. These included the use of incentives to motivate young people to engage in volunteering or take up training as a precursor to employment. Resolving the problem of guided learning hours was also identified as important by two providers. The key focus for the majority, however, was on ensuring that accommodation outcomes were sustained and key workers were anticipating spending more time ensuring tenancies survived. In some areas moving young people from supported housing and into affordable rented accommodation was identified as a key challenge both because of a lack of suitable accommodation and because of concerns that some clients were still not ready to move on.

3.3.2 Moving young people on and into alternative provision where necessary

Client profiling has provided a mechanism for identifying those young people who are likely to need post-programme support. Interviewees anticipated that there would be number of clients whose lives would "still be in chaos" and who would require intensive multi-agency support for an extended period of time. FCF was described as having provided the dual mechanisms of safety and direction to young people, some of whom will continue to struggle when this is taken away. As one interviewee explained:

"They will flounder without the type of support they are getting here …they don't have extended family assets, they don't have the sorts of support that other young people have to help them negotiate the adult world…their life circumstances mean they tend to engage in the sort of risk taking behaviours more characteristic of people in mid-adolescence than in their early 20s…there is a social and cognitive mismatch between the things that they are exposed to and the things that they can cope with".

Interviewees were also concerned that pressures in the housing market, exacerbated by welfare reforms, would mean less lenience shown towards those individuals with complex needs who would be more likely to fall into rent arrears or engage in anti-social behaviour without input from FCF. This would pose the threat of eviction and a reversion to former homelessness.

Providers were beginning to tackle these challenges through individual exit planning, with reviewing support plans as a starting point. The key challenge facing projects was identifying alternative provision that client would be able to access post-FCF.

3.3.3 Staff reductions

The majority of providers had begun to lose staff as they moved to alternative posts or as contracts came to an end. At time of the fieldwork project managers were already engaged in balancing demands on staff with reduced capacity, as well as trying to ensure smooth handovers for clients allocated new key workers. Different providers had different strategies for reducing staff teams, with some planning to maintain staff in post until the end of the programme and beyond. Most were confident that they would be able to redeploy staff rather than make redundancies.

As staff numbers reduce providers identified that they would need to work smarter and more efficiently while continuing to provide appropriate levels of support to complex clients. Some interviewees described the importance of building young peoples' resilience so that they would become less dependent on key workers and other FCF staff.

Working with other agencies was also identified as key, and it was anticipated that more time would need to be spent networking and using multi agency forums to ensure that both statutory and third sector health and social providers were aware of the particular circumstances of some of their clients. In some areas this had already involved proactive liaison with social care teams and drug and alcohol agencies.

3.4 Key learning

Providers reflected on what they felt had been the most important things they had learnt through the process of implementing Fair Chance Fund. Issus relating to working with the cohort are summarised in the blue box below. Learning from working with the SIB funding structure is presented in Chapter 4.

Implementing the Fair Chance Fund: key learning for providers

- The level and complexity of need of the target group which was felt to be higher than originally anticipated.
- Better understanding of the target group - supported through in-depth analysis of the data collected as part of the performance monitoring process enabling more focused responses.
- The importance of perseverance – not 'giving up' on a young person – as one key worker described *"they expected things to go wrong and that they would be told to go if they behaved badly. But they did all the things that they'd done before and we'd say 'we are really unhappy, you have really disappointed us, you have put yourself back in a difficult situation, but tomorrow we expect you to come in, because we are not going to give up on you, no matter what.'"* This is directly linked to the importance of committing to support young people in the medium to long term through a key worker approach.
- "*Recruiting for the sake of recruiting*" due to target pressures. Some providers felt that recruitment should have been a more considered process extended over a longer period of time.
- The need for dedicated specialist members of staff to help achieve outcomes.
- The need to avoid the assumption that clients do not have children. Some young people have had babies since referral while others were parents on referral - some of whom had children in care. Some projects have worked to support their young parents to maintain contact or reunite with their children. This is an outcome that is not captured[11].
- Mental well-being is a key issue and most young people have experienced some form of mental trauma. Facilitating access to statutory mental health services has been challenging, and some providers had tried to plug gaps by bringing in CBT support and then referring onwards. Again there are no outcome measures for mental health.
- Flexibility to work with young people outside the supported accommodation environment and build trust over time has been positive. Providers reported that they would build this approach into their supported housing work.

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[11] N.b. Clients were not eligible for inclusion if they had dependent children at the time of referral. Hence although some were parents their children would have been looked after at this point.

4 Participant experiences of the Fair Chance Fund

Summary of key findings

Key worker engagement: young people were very positive about the relationships they had developed with their key workers. Engagement was linked to the level of support that individuals required and as appropriate to their needs. Some reported frequent regular contact while those who felt more able to cope independently reported less frequent contact, although they valued staying in touch both as a form of safety net and because they had established a valued relationship with their support worker. A minority reported a change in key worker since referral, and in most cases this had been handled well and was not problematic.

Finding and sustaining accommodation: The majority of young people we spoke to were living in single occupancy flats - although a few were sharing - with length of tenancy ranging from two weeks to eighteen months. Many of these had spent a short period of time in temporary hostel or supported accommodation before moving into their flats. The majority were very pleased with their accommodation, describing a sense of pride and achievement in being able to successfully manage their new home. A minority described on-going problems with their tenancies and were looking to move into more appropriate accommodation in the near future. Some required on-going support with budgeting and maintaining their homes.

Education, training and volunteering: Many interviewees had engaged in some form of education or training - although not necessarily leading to a qualification - while others expressed an aspiration to do so in future. Most had completed a short in-house course, commonly covering pre-employability and independent living skills. A minority had completed or were still engaged on NVQ courses, most commonly at Levels 1 or 2 but also at Levels 3 and 4. Barriers to taking up education included continued substance use and poor mental health. Seven interviewees had engaged in volunteering for 'something to do' and to help them gain employment.

Entering and sustaining employment: Half the young people we spoke to were either currently working, about to start work, in a full time apprenticeship, had worked in the past year or had completed a work placement. The majority reported that they had been supported and encouraged by their key worker to achieve this. A small number of interviewees had taken up apprenticeships. Reported barriers to employment included: zero hours contracts, insecure and low paid employment options, and personal difficulties. These were most commonly the challenges associated with substance use and mental health issues, reflected in behaviours that present difficulties in gaining and maintaining employment.

Wider needs and well-being: The majority of our interviewees had made considerable progress since first interview, and reported improvements in self-confidence, mental health and general wellbeing. However others reported needing additional support to deal with mental health issues, substance use and personal crises. For these interviewees progression was slower than for others and could be punctuated by setbacks and new problems to overcome.

> **Perceptions of support**: Interviewees reported positive and trusting relationships with their key workers and with other members of FCF teams. The value of *sustained* support was stressed even when this was provided by more than one key worker. Practical support was valued, but simply being able to talk through problems with someone was highlighted as particularly important.

4.1 Introduction

This chapter presents the findings from the second set of longitudinal qualitative interviews with young people accessing the seven FCF projects. It explores their experiences and perceptions of how the projects have supported them and the medium term impacts of this support on their lives. Illustrative case studies are included to provide rich contextual detail, and all the names used have been changed to ensure anonymity.

4.2 Method and approach

The evaluation is exploring young peoples' experiences of the Fair Chance Fund through a programme of longitudinal semi-structured interviews, comprising three rounds of consultations across the study period. In our first interim report we reported findings from the first round of these interviews. A cohort of 70 young people, drawn from a representative sample selected on the basis of age, gender, ethnicity and experience of the care system were interviewed during this stage. Interviewees were asked for their consent to be re-contacted for a second interview and invited to fill out a 'license to locate' form giving their contact details and permission to contact them through a third party if necessary.

In this second round of interviews participants were re-contacted either through their key worker or, failing that through their license to locate details. A number of these were also selected to be included in a series of 'costed case studies' that will explore, in-depth, the impact of participation in the programme as well as identifying the associated costs and potential savings. The findings for these costed case studies will be presented in the final report.

The evaluation team experienced a number of challenges in re-contacting a number of the young people from the original sample. In the majority of cases this was because they had either moved away from the catchment area of the project, 'gone off radar' for other reasons or were serving a prison sentence. Some young people also declined to be interviewed while others were uncontactable due to mobile phone numbers being unavailable or persistently unanswered.

Despite these challenges a total of 35 young people from the original cohort were interviewed.

Interviews covered the following themes:

- A review of status at first interview including accommodation, education and work status;
- An overview of current status and exploration of what had changed over the year;

- Experiences of engagement since first interview including perceptions of what has worked well for them;
- Benefits and outcomes achieved to date including an exploration of how FCF has supported the achievement of these and contributed to overall well-being;
- Perspectives on the support received from FCF compared to other support received; and
- Any barriers to progression and expectations and ambitions for the near future.

4.3 Young peoples' experiences in year 2

4.3.1 Engagement with key worker

Interviewees reported overwhelmingly positive experiences of their key worker support, describing relationships of trust that had endured over time. The young people we spoke to were engaged with their key workers at varying levels of intensity, ranging from infrequent catch ups to regular contact on a monthly, weekly and, less commonly, daily basis with their support worker. Engagement was clearly linked to the level of support that individuals felt they required. Those who felt more stable and able to cope independently reported less frequent contact, although they valued staying in touch both as a form of safety net and because they had established a valued relationship with their support worker. Luke provides an illustrative example of someone whose contact with his support worker has declined over the last year as he has grown in confidence and achieved a number of positive outcomes. At second interview he had completed a food safety course with FCF, moved into accommodation and found work in a bar. At the start of his tenancy Luke was in regular contact with his key worker "*because I was alone… [My key worker] was that supportive base where I could ask questions, anything".* Reflecting back over the past year Luke reported that FCF has given him the support and tools to cope independently and move forward:

"I think I am in a better position now thanks to [name of project] because of the help they have given me I suppose, at this point I am kind of getting back on to my feet, I have not been needing so much support to do with how to live, how to pursue jobs and things like that, I am kind of with it more, on my feet more, more responsible because [name of project] have been giving me these guidelines over the past couple of years, so I think I can just follow on from that really and build on top of it".

This was echoed in the narratives of other young people who have achieved stability with their accommodation and more structure and direction in their lives. Nonetheless, even these participants valued having recourse to their key worker as a backup if the need arose, as this interviewee explained:

"In the first year it [contact with key worker] was quite a bit because everything was new to me, as I said I have never been homeless before, so everything was like brand new for me…I just didn't have a clue… once I got my own place it's like the hoop turned round, so everything is basically on track now and I don't need so much…but you know you can just pick up the phone and call one of the support workers, if you need someone to give you advice on something…the support I have had, as I say, has been terrific, anything you need you just pick up the phone and if they can help you they help you"

By way of contrast others reported frequent contact with their key worker who they continued to depend on for a number of reasons. These tended to be those young people who were facing enduring problems that were not easily resolved in the short to medium term. For example Tess, who is transgender and experiences mental health problems including anxiety and depression, is currently living in supported accommodation and claiming ESA. Tess sees her key worker on a weekly basis and contacts him whenever she feels she needs to for a range of different reasons, including emotional support, general advice and for issues related to her mental health:

"[Name] is amazing. He helps me with everything...he helped me get in touch with [name of mental health support service]…He took me straight in and got me signed up so hopefully I'm going to get a counsellor soon… He is a glass half full type of person and I'm sometimes pessimistic. This balances me out and he is always keen to solve the problem right away…I lack motivation and it is really important to have someone I can just call and tell him a problem and he is always keen to fix it straight away…it's amazing".

A small number of interviewees had been away from their FCF project for prolonged periods, but had stayed in touch with their key worker and re-engaged after a length of time. For example Siobhan moved back to Ireland for nine months following the death of her mother shortly after we interviewed her for the first time last year. She stayed in touch with her key worker during this time and on her recent return to England re-engaged with FCF where she continues to get support.

The majority of young people we spoke to reported that they were still working with the key worker that they had been allocated to on referral to FCF. Some reported contact with more than one key worker, describing this in positive terms as offering an even higher level of support: *"I come in once every couple of weeks for a chat with all the people here and I talk to [name of key worker] every two days or so…I get a lot of help here".*

Nine of the interviewees reported a change (or in two cases multiple changes) in key worker over the course of their time with FCF. This was for various reasons including workers being promoted, leaving the project, going on maternity leave or, in one case, because the young person was pregnant and wanted a female key worker with whom she could discuss her pregnancy. For the majority this was not experienced as problematic and they spoke positively about the new worker they had been allocated to. For three of the interviewees however, the loss of their original key worker was experienced as upsetting, with one reporting that *"I was devastated, I nearly cried…"* but expressing understanding of the situation and a willingness to engage with a new key worker

Most had been allocated a new worker fairly quickly but two discussed problems with hand over. One interviewee reported that she had had a period of four months without contact from FCF, and while this *"was ok"* it meant that the project had not recorded her employment outcome. Another reported that she was informed over the phone that her key worker had left and that this made her "*really sad…she was like my mum…I wanted to keep in contact but they said I couldn't".*

4.3.2 Finding and sustaining accommodation

Interviewees were variously housed at the time of second interview, and some had had multiple tenancies over the past year. The majority were living in single occupancy flats - although a few were sharing - with length of tenancy ranging from two weeks to eighteen

months. Many of these had spent a short period of time in temporary hostel or supported accommodation before moving into their flats. The majority were very pleased with their accommodation describing a sense of pride and achievement in being able to successfully manage their new home:

"I like this place – the property I've got is amazing…I can look at my house and say this is what I have done – with help from my support worker".

"I love it. I love having my own space…"

Interviewees described how their key workers had helped them with finding and furnishing their accommodation, and that this was a highly valued element of the support they had received:

"My key worker says I'm a model tenant… [Name of project] gave me furniture and carpets, a new carpet so I keep it clean and tidy at all times".

"[Name of key worker] actually bought them [cooker and dishwasher] for us. I am actually well chuffed with that. If I didn't have that help I would still need to fork out the extra 30-40 quid per month…I would be skint".

A minority of those in their own flats described on-going problems and were looking to move into more appropriate accommodation in the near future. Problems with budgeting and paying rent were clearly on-going problems for some interviewees who reported continued support from FCF with this aspect of independent living. The following case study provides an example of a young person who has struggled to secure and maintain suitable accommodation for a variety of reasons including problems with neighbours and going into rent arrears.

Case Study 1 - Jade

Jade (18) was pregnant at the time of second interview, with her baby being due in January 2017. She mentioned that she still experiences mental health problems. At first interview FCF had secured her a tenancy in her own flat but she told us that she had left this when her neighbour's dog attacked hers. At second interview Jade was temporarily living in a bedsit. She had planned to move in to her partner's family house, but the arrangement fell through when her partner's family were evicted. Jade says she moved into the bedsit as *"a last resort"*:

"It's like a room with a bed in it, me and my partner my dog and my cat altogether…everything is broken…the lights don't even work, the toilets broke"

FCF is currently helping Jade to find a new flat *"they are working on it"*. Jade reported that FCF had paid the rent arrears she owed to the local authority on her last property so that they will consider rehousing her. Her key worker has helped her push her case by writing letters providing evidence that the bed sit she is now in is not suitable for someone with a baby. At interview Jade was hoping to have found a flat before her baby is born in January. If this fails Jade says she will be able to live with her mum but that her mum's house is very cramped.

A small number of interviewees (n=4) were living in supported housing at second interview. Two of these reported enduring mental health problems while the other two described fairly chaotic lifestyles: one reporting that he had gambling debts worth £12,000 and the other that his previous tenancy had failed when he was *"wrongly accused of stealing and they kicked us out"*. With the sole exception of this latter interviewee these young people were happy in their supported accommodation and did not feel ready to face the challenge of moving into their own flats:

"I love it…It is supported accommodation but it is like you are living off your own rules…it's like my first proper home…it's the only proper home I have had"

"I'm happy where I am. It's where I feel comfortable. [Name of key worker] has talked about what I might do in the future but I want to stay put for now"

Two of our interviewees were living back at home following a successful mediation process facilitated by their FCF project Your Chance. This project, led by Depaul works to enable young people, where appropriate, to live at home providing family mediation and on-going support. Both these young people reported that they were happy to live at home and that they were now getting along much better with family members:

"I moved back with my mum in August. [Name of key worker] helped us. We were able to find the middle ground and are getting along much better".

4.3.3 Education, training and volunteering

Many of the young people we spoke to had engaged in some form of education or training although not necessarily leading to a qualification. Others, who had not yet done so expressed aspirations for doing some sort of course in the future, when they felt more settled and had sorted out more pressing issues.

The majority of those who had accessed education or training had completed short courses delivered through their FCF provider. These included 'Ready for Work' and other pre-employability programmes, skills for life programmes, and courses designed to support successful tenancies.

A minority had completed or were still engaged on NVQ courses, most commonly at Levels 1 or 2 but also at Levels 3 and 4. The following case studies illustrate how important stable accommodation is in enabling a young person to progress and achieve education outcomes:

Case Study 2 – Vicky

Vicky (19) was about to start a level 2 course in catering at first interview. Since then she has completed her level 2 and has become pregnant and had a baby. She explained that she would like to go back to college when her baby is seven months old and complete a level 3 course. She explains that without FCF she would not have been able to study as she had been living in hostels and struggling to find suitable accommodation. She had also experienced domestic violence that FCF had helped her to deal with:

"[Name of key worker] helped me a lot because it's hard to get a property…I had been

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> *in hostels and so it was hard to get a place…but I finally got the one I wanted….going to college was all down to them [FCF], it was all of them really…they have helped me a lot, I have really been through a lot since I last saw you, I was going through domestic violence and they helped me with that"*

Case Study 3 - Lakeisha

Lakeisha (21) is now studying full time at college for an HNC in photography. At first interview she had dropped out of a different course at college and following a period spent sofa surfing had recently moved into a flat supported by FCF. In the interim year she had been supported by FCF in dealing with debt and rent arrears so that her housing situation had stabilised and she was able to study without stress.

"[Name of key worker] has helped me get through my troubles…It is all sorted now, we're just climbing the ladder now"

Six young people had not taken up any form of training and described a number of barriers to doing so, including continued substance use and poor mental health. Whilst they had had discussions with their key workers about the possibility of taking up some form of learning this was not an option that they were interested in or felt ready for:

"I couldn't be bothered mentally…I couldn't mentally do nothing…I need to get off the drugs first and then get a job"

However we also heard stories from young people who had overcome significant challenges to successfully complete a training course or apprenticeship. The following case study provides an example of someone who has managed to turn his life around since accessing FCF, completing a forklift truck course and securing a job as a result.

Case Study 4 - Tyler

Tyler (24) became homeless at age 15 when his Mum kicked him out of her house. He has had no contact with his family since then. Before referral to FCF in 2015 Tyler served three separate prison sentences for a number of offences including selling drugs, violating probation, possession of a deadly weapon and GBH. In 2014 he was sectioned and diagnosed with bi-polar disorder. When he first came into contact with FCF he was sofa surfing, having just left prison, and receiving support from drug and alcohol services to overcome an addiction to heroin. At first interview Tyler was living in supported accommodation, on a methadone programme and still on probation. At second interview Tyler had recently moved into his own one-bedroomed flat supported by FCF and had completed a twelve week forklift truck driving course and obtained a CSCS card. He was due to begin work in the next two weeks and was also engaged as a volunteer talking to other young people about his experience of homelessness, prison and being in trouble with the police.

Comparing his life now, to how it was when we first interviewed him last year, Tyler explained:

"My quality of life has1000% increased…I was in a bad place last year…in recovery and now I have just moved into a new property, going back to work in a couple of weeks, so

am in a completely different place"

Tyler has had intense support from his key worker at FCF who he speaks to everyday and sees once a week. He feels that she has:

"That understanding…they got me to where I am. They got me somewhere to live…any problems I had they have sorted them out. They have never ignored me or parred me off to another organisation…they are straight to the point and let you make your own choices… Since I've been working with [name of key worker] I've not been back to prison… [FCF project] is different [to other organisations] they come to you on a level and they are not looking down on you. Judging you".

Seven of our interviewees had done some volunteering including in a charity shop, bike shop, café, care home and bar. These interviewees had been supported by their key workers to engage in volunteering and had taken up the opportunity for 'something to do', and because they felt it would enhance their chances of future work - although only one of these was working at the time of interview. While volunteering might not lead directly to employment the following case study provides an example of how it may enhance motivation and foster a sense of direction.

Case Study 5 - Connor

Connor (23) was sofa surfing when he was referred to FCF. He had been in trouble with the police for shop-lifting and damage to property although he had not spent time in prison for either of these offences. At second interview he had been living in his own YMCA flat for eight months. Before this he had spent some time in a hostel and shared accommodation. Connor's key worker had helped him get onto a Talent Match programme run by the YMCA and for the last eight months he has been volunteering as an ambassador for the organisation advocating for the work the YMCA does and supporting other young people to engage with their services. He also sits on a planning group that organises activities for young people. Connor has ambitions to work as a youth worker and thinks that the Talent Match programme has provided him with a good foundation for doing this. He is hoping to go on an Activity Leader apprenticeship in the next six months.

4.3.4 Entering and sustaining employment

Fourteen young people interviewed for the second time reported that they were either currently working, about to start work, in a full time apprenticeship or had worked in the past year. A further three had completed a work placement. These young people had mostly been employed in low paid and insecure jobs including cleaning, and working in call centres, warehouses, care homes, retail and in factories. The majority were on either zero hour contracts or in part-time work.

All of those in employment had been supported to find and secure their jobs by their key worker, a specialist work coach or both. Some had attended Ready to Work or other pre-employability courses which they spoke about in positive terms. Interviewees had also been supported in other ways, for example with CV writing, job applications, bus fares and money to buy clothes for interview.

A minority were in full time work and had sustained this for over a year. In the following case study Chester provides an example of someone who has used FCF to re-route his life in a positive direction. Leaving London to get away from gang involvement Chester has resettled in a new city and, with the help of FCF found and sustained both accommodation and employment.

Case Study 6 - Chester

At first interview Chester (20) was living in supported accommodation having just moved to [name of city] from London where he had been living on his own since the age of 16 and involved in a gang.

"I ended up just joining a gang, to be honest with you, just never staying home…I was just getting involved in silly things, around my postcode, there are gangs in London, and it just doesn't make any sense to stay there".

At second interview Chester had been living in his own flat for six months. Over the past year he had gained a health and safety qualification, paid for by FCF, which helped him gain his first job as a kitchen porter.

'they just paid for me to do it and that helped me get a job…that helped me so much, instead of just sitting on the dole, I hate doing that, but they did that for me

Since then he has secured a new full-time job in a call centre where he has been working for a month. Chester says that:

"I enjoy it, I like going somewhere everyday…I'm there until unless I stop performing …we have to hit six deals a month".

Chester feels that his whole life has changed since moving from London and receiving support from FCF:

"it's just different, my whole life has changed – 100% it has changed…for the better …if it wasn't for this place, I probably would be in some crazy place…I didn't even know where the shop was or anything, they took me out and just showed me where to go and college and introduced me to people – they put me on a boxing course when I first moved up and I just met people"

A small number of interviewees had taken up apprenticeships. These included external apprenticeships and one internal apprenticeship with a FCF provider.

At first interview Aiden was looking for an apprenticeship in a hostel run by the housing association delivering his FCF project. At second interview Aiden had been in his apprenticeship for nearly a year, working three day shifts and one night shift a week as a concierge in a hostel. Aiden described how he had ambitions to train and become a support worker with the organisation once his apprenticeship is complete:

"I really like working in the concierge department, but with me being homeless myself I would really like to work as a support worker and support other people…as I say with me being there in that position I am probably the best person to talk to them"

Four young people had been sacked from the jobs that they had been in, while another had left of his own accord. These young people were experiencing a form of interrupted progression – appearing to progress into employment but failing when encountering

challenges. These challenges were commonly rooted in their own behaviours and personal challenges with substance use and mental health reflecting their lack of job readiness. The narratives of these young people highlight the difficulties they face in sustaining work and are illustrated in the following case studies:

Case Study 7 - Ben

Ben (23) is currently living in supported accommodation secured with help from FCF who he was referred to after becoming homeless due to gambling debts of £12,000 and rent arrears of £2,000. Ben has NVQ Level 2 and 3 qualifications in health and social care. FCF helped him to find work experience and subsequently a job in a care home. After three months however Ben was sacked from this job explaining:

" I just lost it…I had an argument with the boss in front of the families in the care home…I was using foul language"

Ben is now looking for work in another care home but will clearly struggle given this incident.

Case Study 8 - Adam

Adam (20) was sofa surfing when he first heard about FCF through the drug and alcohol service he was attending to deal with his cocaine addiction. Adam has been supported by his key worker at FCF for two years now. In this time he has moved into his own flat and gained his CSCS card to work in construction. Adam had also completed a 'Ready to Work' course with FCF – the programme provided information on how to get a job and behave at work – which he enjoyed. His key worker then helped him to find a job in a warehouse but Adam only did this for two days before getting the sack.

"I've only just been fired. I got paid money and then went out binging. So I didn't go into work for two days and they fired me. I thought they wouldn't mind about the two days…I regret it now".

Adam explained that he was worried about telling his key worker because he felt that he had let him down. However, he would like to get back into work and was optimistic about this prospect.

"Obviously he'll be disappointed, but he'll be saying you can do it, you can get back on the ladder…I'm going to work. I'm looking at going into full time work and sticking to a job. Obviously I need to find the right one, but I understand it's not about living off everyone else, going out and drinking and sniffing coke. It's about paying your way and progressing in life".

As well as facing personal barriers to employment the young people engaged with FCF also face challenges presented by the labour market itself. These include zero hour contracts and insecure or low paid employment options. Combined these can often make gaining and sustaining employment difficult as the following case study illustrates.

Case Study 9 - Iain

Iain (20) left school at 16 and spent three years dropping in and out of various college

courses. During this time he was sofa-surfing between his mum's, grandma's and friends' houses. After referral to FCF he entered supported housing where he was unhappy and has recently moved back to his mum's house with support and mediation from his key worker. Between first and second interviews Iain has had two different jobs: one in a bakery and the other in a call centre selling PPI. He reported that he had left the first of these as "*the hours were too long, they made me work night shifts and I used to get burns from the oven*" and the second because "*they were bringing in penalties, fines and it wasn't for me*". Since then Iain has attended a Work Ready programme run by FCF. He explains that the programme taught him how to apply for jobs and develop his CV. Iain says that he is eager to get back into work.

4.3.5 Additional support with wider needs and well-being

The majority of our interviewees had made considerable progress since first interview and reported improvements in self-confidence, mental health and general wellbeing. However they commonly have backgrounds of family breakdown, disrupted education, substance use, anxiety, depression and other mental health issues – barriers to progression that are not easy to resolve in the short to medium term. Young people reported needing continued support from their key workers at varying levels of intensity (as described in section 4.3.1 above).

For some interviewees progression was a much slower process than for others. Progression could also be punctuated by on-going problems or new challenges. Some interviewees had moved into education or employment and then experienced setbacks. These setbacks included both external and internal factors such as the end of a temporary contract, deterioration in mental health or renewed substance use.

The following case study illustrates the complexity of the challenges that some FCF young people face and the ways in which they are being supported by their FCF staff to overcome them.

Case Study 10 - Brett

Brett (20) has a history of rough sleeping and living in hostels. He has been supported by FCF since 2015 when he was referred to the project while living in a refuge for women affected by domestic violence. At this stage, and at first interview Brett, identified as a woman. Over the past year Brett has begun the process of transitioning after disclosing to his key worker that he is transgender. Brett's key worker has supported him throughout his transition helping him change his name officially and putting him in contact with other young people going through a similar experience:

"He encouraged me to meet with other transgender people in Fair Chance…it's helped. I feel a lot more confident than I was".

Since being referred to FCF Brett has lived in supported accommodation and with a girlfriend who he subsequently broke up with. At this point Brett began self-harming and was admitted into a secure psychiatric unit after causing serious injury to his leg. Brett was on the unit for about 2 months during which time his key worker visited him regularly. Brett described the consistency of support that his key worker has given him

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and how it important this has been to his recovery:

"I have bad mental health. One day I can be alright and then the next I can tell him to f**k off and never speak to me again. But he seems to always be there. I've never had a family situation or anyone who's always been there no matter what. And [Name] has always been there no matter what. When I was in hospital I was at my worst, trying to kill myself every day and he was still visiting telling me how much of an idiot I was and I need to sort it out. And that's what got me through it".

On leaving the unit Brett's key worker helped him move into temporary accommodation and then his own flat, where he had been living for three months at interview. Brett continues to be supported by his key worker on a practical as well as emotional level. They meet up about twice a week to catch up:

"I see him about twice a week depending on how my mental health is…he just calms me down really. Takes me for a brew and talks me through stuff".

His key worker has encouraged Brett to join the running club set up by FCF and they go running together on a regular basis. At interview Brett had recently completed his first half marathon. Brett's key worker is now helping him to find some voluntary work in a care home as he would like to develop a career in caring. He also has aspirations to run the London marathon.

4.4 Perceptions of support

As in the first round of interviews participants continued to describe the support they were receiving and had received in very positive terms. The narratives of interviewees in this round of fieldwork highlighted the continuing importance of flexible, responsive, holistic and informal support.

A key theme arising from the interview data was the value of *sustained* support, even when this was being provided by more than one key worker. Simply having recourse to someone to talk through problems was highlighted as particularly important.

"*The main benefits would be that he is there to speak to if I've got any problems…he is always* [looking out] *for what is most important for you. That's what I find about [Name], he can be there and he can give you that support that you need. It's not just like he doesn't care. He does care and he is passionate about his job. I think that is a good thing".*

"To have a sit down and go through things makes a massive difference…and they are there for you whenever you need that"

'There would be times I would ring up [my key worker] and he would be like I am very busy right now, I will ring you back in a minute, and then he would ring you back in a minute and say come up now…you know if you need something it can be pretty much instant'

"Definitely from the support aspect it's been great… I think it's easy to dig a deeper and deeper hole with things to get stressed out about if you are stressed initially. I think having that support there, that kind of anchor to pull you in, and go 'actually it's not that bad - we

can sort this out'. I think that makes a lot of difference to people, it allows them to kind of start thinking clearly and move on quicker"

It was clear from interviews that the young people valued the quality of the relationships they had established with their key workers and other staff at their FCF project. These were often described as relatively informal and it was clear that trust had grown over time providing evidence of the importance of longer term support.

"At first, I didn't really want to speak to him. But since I have known him for these two years, I have grown closer to him…as a mate. That's how I see him".

"He is just great to talk to. You can just easily talk to him about your problems and discuss them…The support has gotten better over time…the relationship has developed as I have got to know him a bit more…and have been seeing him a lot more".

"Don't look at him like a support worker – I see him as my friend, as a good mate of mine, couldn't ask for someone better…He gets a 10 star rating every time, he's a kind man, shows my house respect every time he comes in, wipes his feet. He gives me respect and I give it to him back".

As in the first round of fieldwork support received at FCF was frequently contrasted to that received from other agencies as being more holistic and responsive:

"When I went to support people about help before I was always passed pillar to post but [at FCF] I have actually had the support and help that I have actually needed".

"All they have ever done for me is help out…I will come to them for information, they are the only people I will come too, because you get a response…they don't just ignore you, you actually get a response".

"There is no messing around…they think outside the box, not like the others"

For some interviewees FCF was the only support they had ever received, while for others the quality and range of support they received at FCF meant they would not look elsewhere for help:

"She [FCF staff member] saved my life…she probably doesn't understand that but she did, she proper changed my life…I don't have no parents – I don't just have a mum I can just call they are like my left arm sometimes"

"This is the only support I have had in my life…apart from my mum, dad and my family"

"They have all the bases covered…if you ever need any support they are always there and stuff and rings us up…"

4.5 Looking ahead

Interviewees expressed a range of aspirations for the near future including enrolling on college courses, finding employment and taking up opportunities for employment. Some young people were clearly going to need a lot of support to realise these ambitions, including support to stop using drugs or alcohol and with mental health issues. For

example Tess who is transgender, and living in supported housing with enduring physical and mental health problems told us that she would "*like to do a course in makeup, special effects or maybe biology*" but that she *"lack(s) motivation I need someone to give me a push…also I need to get my health problems sorted out".* Tess also disclosed that one of her close family members had committed suicide the week before talking to us.

Others had moved to a point of relative independence and expressed confidence that their positive outcomes would be sustained:

"I am more independent than some people, so I only sort of need them when I need some advice or something like that…I'm working now, I've got a job, and my next step is to join the army because I just want to own loads of properties and it's the best way to be able to save money up to buy my own property"

"My next move is to get my own work set up…I'm going to start a gardening business…I have found that I can't work for anyone…I don't like people to be honest…I used to have a lot of time for people…but not everyone puts in what you put in…now I have gone a bit reserved…so now I thought that only way that I will be satisfied is to be self-employed…to satisfy my own need for work".

5 Working with FCF and the SIB: provider and investor perspectives

Summary of key findings

Governance: Stakeholders described a growing respect for each other's expertise which has enabled the development of constructive relationships in the six projects with an SPV. The seventh project enjoys positive and productive relationships with their single investor, who is confident in the provider's ability to deliver.

Performance management: Arrangements through SPVs have remained more or less unchanged, with most meeting on a monthly basis. Some projects continue to have support through an intermediary. Three providers reported having learnt a lot about performance management through their involvement in the SIB and its associated data collection demands. This went beyond data collection for accountability and was used to inform implementation. Others however felt that they already had good internal data management systems and had less to learn from their involvement with a SIB.

Key learning for investors: Investors were more likely to report learning from the FCF projects than learning from the SIB per se. Key points highlighted include: the high level and complexity of needs of the cohort, supporting a better understanding of the different challenges associated with meeting key outcomes; a greater appreciation of the complexity of service responses that is not necessarily reflected in the payment mechanism; and a keener understanding of the third sector.

Key learning for providers: included the respective roles of stakeholders on the SPV and how to manage these relationships; the importance of understanding that some young people will never achieve all outcomes because of their level and complexity of need; the importance of being needs-led and person-centred and not 'cherry picking'; and the creativity afforded by the funding arrangement.

Looking ahead: Providers are beginning the process of exit planning supported by their investors. A key challenge for this year will be to ensure that robust arrangements are in place for young people in need of on-going support. Investors stressed the need to raise the profile of the programme and present robust evidence of success, including demonstrating cost effectiveness and savings at central and local government levels. Stakeholders felt that they had demonstrated a need for this form of support but that funding to sustain the intervention was unlikely to be forthcoming from local government.

5.1 Introduction

This chapter explores the governance and performance management of the projects in the context of the SIB funding structure and from the perspectives of both providers and investors. It also examines the learning arising from both FCF and the SIB and the potential sustainability and legacy of the programme from different stakeholder perspectives.

The chapter draws on data from a series of qualitative semi-structured telephone interviews with investors (n=5) and well as face to face interviews with FCF providers (n=28).

5.2 Governance and accountability

5.2.1 Provider and investor engagement

With the exception of Home Group all FCF projects have a Special Purpose Vehicle (SPV) in place providing governance and accountability arrangements.

In year 1 providers spoke of their SPV as a "mixed blessing" bringing both advantages and challenges to the implementation of their local FCF project. Key advantages were the financial and performance management expertise bought by investors, while tensions were described over the degree of control exerted by the SPV and arrangements for reporting performance which were sometimes perceived as onerous. Relationships between providers and investors were described as an 'evolving picture' with the hope that trust would build and tensions be resolved as the programme matured. Interviews with providers and investors provide evidence that this hope has, in the main, been borne out. Both groups of stakeholders described a growing respect for each other's expertise and relationships that felt more comfortable and productive. This had often been facilitated by "*some open and honest conversations*"

"…at times, in the early days, we really came up against each other but we all stuck with it and we now have an incredible positive, productive relationship with all our investors. It was about staying with it and it was about them respecting that, while we may be really new to social investment, we really do know our clients and we know how to run our services. They learnt to respect us as an organisation and we learnt to respect that they have an awful lot to bring if we are open to it". (Senior manager provider)

"The working relationships have changed but we are very happy with it…Overall the relationships are strong and even stronger than last year. There are still some challenges… but this is part of the process (Investor)

Providers described differences between investors in terms of their level of engagement and contribution on a spectrum from silent partner *"we don't even know who they are"* through to *"very vocal and active".* Providers frequently described the more '*hands on'* investors as bringing useful financial and performance management skills and expertise to the table. They were also recognised as being sympathetic to both the challenges of working with the target group and the target group itself:

"They are skilled…they understand what we are trying to achieve…they are more than investors they are not just putting money in…they are invested in this area, understand the challenges, ask interesting questions and are supportive".

The FCF delivered by Home Group has a single investor and no SPV. Both the provider and investor reported that working relationships between the two organisations are "*excellent*" and that trust has grown as the investor's understanding of SIBs has improved and the ability of the provider to deliver has been demonstrated. The structure of their monthly meetings were felt to provide transparency and accountability, and to allow for the

early identification of issues that could have an impact on outcomes or timely project delivery.

5.2.2 Performance management

Performance management arrangements through SPVs have remained more or less unchanged since the last interim report. One SPV was alternating face to face and phone meetings but in the majority of cases these were held in person. In the main meetings were still held on a monthly basis, although reducing their frequency had been discussed at some Boards, and in these cases interviewees suggested meetings might soon decrease to bi-monthly. This was seen as a reflection of the increased confidence of investors in provider performance demonstrated by on track project delivery and outcomes achieved.

Some changes in Board make-up were reported, usually following the movement of representatives from different investors to new posts or organisations. In the main these changes had not been problematic. However in one case the loss of valued expertise was felt and in another the necessity of "*going back to handling some naïve questions again*" was noted.

Several SPVs continue to have contracts to support the gathering and reporting performance data through an appointed performance manager. Experience of this support varies on a project by project basis:

- Both Depaul and St Basil's receive performance management support from Social Finance (who acted as their intermediary);
- Fusion continue to receive performance management support from Numbers 4 Good, an arrangement described by senior management as "*working really well*" with their performance manager acting as "*a stepping stone*" between themselves and their investors;
- Both Aspire and Ambition had initial contracts with Triodos to provide a performance management function. Aspire dissolved this arrangement after six months describing it as of "*limited use*" as they "*already had good systems in place*", and Ambition have also terminated their contract using internal capacity instead to meet reporting requirements;
- Local Solutions initially bought in someone in to build performance management capacity internally but have since paid a fee for support from their intermediary Social Finance to help refine the way they present data to the SPV Board;
- Home Group, the only provider without an SPV, undertake this internally, with the investor reporting that he has confidence in their capacity and expertise.

Investors continued to stress the advantages of the SPV arrangement in developing performance management expertise amongst third sector providers. They noted that the intensity of the support delivered through intermediaries has reduced as providers have built expertise in this area. Hence investors continue to receive Board reports in a similar format and at the same level of detail as before but these are *"largely written by providers with some on-going support from intermediaries…we are hugely supportive of this as we want to see the capacity built"*. Investors also highlighted the importance of strong lines of accountability for legal and contractual reasons delivered by detailed monitoring and reporting through the Board:

"*The directors on the Board have a legal responsibility to deliver the contract that they have signed up to and if they default on debts or are found to have been trading insolvently they will be fined by Company's House so the reason we prepare board packs is because the directors have a legal obligation to make sure they are not illegally trading. We want to maximise outcomes for children but if we get it wrong there are serious consequences".*

Three providers reported having learnt a lot about performance management through their involvement in the SIB and its associated data collection demands. This went beyond data collection for accountability and was used to inform implementation. Providers described using data collected to map need within their cohorts and plan responses against these needs. One provider reported that this has meant that support plans have become better informed and detailed and that it has enabled them to group needs together for example to look at shared barriers to achieving outcomes. For one provider this had informed their decision to run work-ready training courses and to identify things like travel time as a common barrier to work.

"We still hold to some of the things we might not totally agree on but in terms of how they use statistics and how the statistical analysis, that we had to buy in to, impacts on the way we run our services, it has been a complete eye–opener".

"We've used statistics in the past to evidence what we had done; to evidence our performance and the achievements of the people we work with. We are now using it to project a lot more about what we are going to need in the future".

Providers and investors had worked together to devise systems for monitoring the achievement of outcomes and expenditure as the basis for prioritising areas for action. A common strategy was to implement some form of RAG rating system whereby outcomes rated as red receive primary attention.

Evidencing outcomes was reported to have become an increasingly labour intensive process for providers. Some projects have employed dedicated staff to chase evidence of outcomes as this had proved very time consuming for front-line staff. Providers also reported on-going difficulties with evidencing sustained accommodation and employment outcomes, noting that this has meant that some achieved outcomes have not been rewarded.

5.3 Learning from the SIB and FCF

5.3.1 Key learning for investors

Investors were more likely to report learning from the FCF projects than learning from the SIB per se. Key learning points reported by investors were:

Working with the SIB and FCF: learning for investors

- The complexity of the client base has been greater than expected.
- A keener understanding of the different challenges associated with meeting the key outcomes, and more recently a growing understanding of the level of support required to enable young people to achieve employment outcomes.

- The importance of stable accommodation as a platform for progression.
- A greater appreciation of the complexity of service responses in supporting young people, which is not necessarily reflected in the payment mechanism.
- Most investors felt that, with the exception of the education measure, the metrics had been well designed, were easily measurable and offered a good model for future projects.
- The importance of geography and local contingencies, so that different outcomes may be achieved in different areas.
- Two investors reported a better understanding of the third sector: *"it's given us an insight into the language and the way the voluntary and charity sector communicate with each other"*.
- For one investor new to SIBs the FCF had provided an opportunity to learn about both *"investing and appraising organisational performance in a SIB contract context"*.

5.3.2 Key learning for providers

While provider learning from the implementation of FCF is detailed in Chapter 3, here we report on learning from the SIB per se. Providers reported they had learnt a lot about how to work within a SIB funding arrangement and felt that this learning would put them in good stead to participate in future SIB-supported programmes. Different providers highlighted different points of learning depending on their starting positions. A summary of points raised is provided in the box below:

Working with the SIB and FCF: learning for providers

- The role of the SPV and provider responsibility towards the Board, and the importance of managing relationships effectively.
- The importance of good data collection and evidencing, including how data can be used to map need and fine tune responses.
- The importance of being clear about the imperative to work with ALL young people and not 'cherry pick' those who are most likely to achieve outcomes.
- The importance of working at the pace of the young person and not pushing them to achieve outcomes before they are ready.
- Providers highlighted the importance of understanding that some young people will never achieve the full range of outcomes because of their level and complexity of need. For example serious problems with drug or alcohol dependency are not likely to be resolved in three years. Many young people are dealing with problems that are deeply rooted in early childhood that are likely to continue to have effects throughput a person's life.
- The ability to be creative and flexible with budgets has enabled projects to be responsive to needs and challenges as they arise. This is different to conventional contracting arrangements.

5.3.3 Perceptions of the benefits and dis-benefits of working with a SIB funding arrangement

There was a broad view amongst investors that the FCF SIB had been well commissioned and that providers were achieving *"excellent and in some cases exceptional outcomes that are having huge impacts on the local area"*.

However investors articulated different viewpoints with regard to the relative merits of SIBs over alternative funding models.

One investor felt that SIBs were not being sufficiently tested and evaluated and that lessons were not being learnt about *"what works and what doesn't work so that their design can be amended accordingly"*. This interviewee suggested that SIBs had been *"talked up a lot in the beginning as being a big solution to a lot of problems… but the extent to which they solve issues is perhaps not as significant as people first thought."*

Another investor felt that SIBs had been given undue political attention and are *"an overly complex tool that could be simplified and achieve similar results"*. He suggested that there are alternative and *"more appropriate performance based options that would work better [that] would prevent investors spending an inordinate amount of time trying to determine the cost of each particular outcome metric which creates a great deal of complexity"*.

However two investors expressed an alternative perspective suggesting that SIBs had the potential to be more significant, but, as one explained *"the main block in the market is not the attractiveness of SIBs for investors, it is the number of government commissioners who have the confidence and experience to do what DCLG do"*. This interviewee reported that as the FCF programme has matured investors have refined their understandings of what success for the cohort looks like – learning that could be taken forward to mitigate future investment risk.

Providers felt that PbR had the more significant influence on delivery and internal performance management *"It wouldn't have mattered how we got the funding…it is the PbR that is the driver here"*.

Some interviewees simply saw the SIB as a way of getting funding and that "*a single investor would have been the same"*. SIB funding was pragmatically described by one interviewee as having made something happen that otherwise would not have done:

"It's as simple as this wouldn't have happened without the SIB…we would have worked with these young people in the same way if the money had come straight from DCLG or via fundraising…[but] the money would not have been available to support this kind of project without the social investors and that's why they are important".

A reluctance to embrace SIBs for "moral reasons" was acknowledged by other interviewees, who suggested that the idea of a return on investment does not sit well generally in the sector. Some providers felt that SIBs are more attractive to investors than providers, with one interviewee describing them as *"an expensive way to borrow due to the costs associated with set up reporting and maintaining the SPV"*. Four providers felt that this cost was not justified for larger more experienced organisations who *"do not need an SPV or could potentially self-fund projects"*. One investor interviewed concurred with this position suggesting that:

"A more open discussion is needed around these organisations that don't require an SPV or support in understanding and developing outcome metrics. It might be different for smaller organisations that don't have the systems in place and need more detailed support. SIBs should be considered as just one potential tool that can help contracts come to fruition and applied to organisations that need help managing the metric monitoring that ultimately unlocks the payments".

5.4 Looking ahead and sustainability

Both providers and investors reported that they were beginning to either consider, or put together, exit plans for year 3. The key challenge for providers was to ensure that robust arrangements would be in place for those young people who will need on-going support beyond programme end. The importance of developing the resilience of all clients so that support can gradually be withdrawn was stressed.

Investors and providers felt that the programme had demonstrated there was a gap in provision for the target group and that it had successfully filled that gap. Two investors felt that local authorities had effectively had FCF "for free" but had not fully appreciated the impact it had made on local areas. This made it important to raise the profile of the programme and present robust evidence of success including demonstrating cost effectiveness and savings at central and local government levels:

"Anecdotally, the impact these projects on people's lives suggests that they have mitigated or prevented unbelievably expensive health or social service interventions that in the long run would more than pay for the projects. A detailed analysis and breakdown is needed on what it costs, what it saves the government and what the broader benefits to society are. So much of the benefits of this accrue to the Treasury and DWP, so for a local government commissioner it's hard to understand where the value is – although a lot do because they know this is the group that end up in social services, being a victim of crime or back in the homelessness system".

Interviewees discussed opportunities for sustainability through new funding at the local level. In general these were considered to be limited as local authorities continue to struggle to deliver services as a result of funding cuts:

"Our local authority partners are looking at 50% cuts…the problem is that the base is being swept away...the foundation that FCF builds on is being eroded".

However there were some exceptions. For example St Basil's reported that one of their local authorities has already commissioned them to support young people onto the Fair Chance programme on a pay-per-young person basis beyond the 2016 referral deadline.

6 Fair Chance Fund: Local authority stakeholder perspectives

Summary of key findings

Fair Chance Fund fills an important gap: Local authority stakeholders agreed that the FCF is a valuable resource that plugs an important gap in provision. They highlighted its value in working with the most vulnerable young people who local authorities often struggle to support.

The referral process: All interviewees felt that this had worked well, and reported that initial concerns about meeting referral targets and additional burdens to front-line staff had proved unfounded.

FCF outcomes: Interviewees were very positive about the outcomes achieved by their local FCF projects, in particular the sustained accommodation outcomes. These were reported to have taken some of the strain off local authorities who were no longer seeing the repeated return of individuals with failed tenancies. Interviewees were hopeful that the relationships projects had built with landlords would continue to reap benefits beyond the life of the Fund.

Alternative pathways: Interviewees reported that supporting young people that meet the FCF inclusion criteria has become increasingly challenging in the context of council budget cuts and competition for resources. In most cases the local authorities would try to support young people to find accommodation through their existing services, but highlighted the challenges associated with adequately meeting the needs of the target group. These include a lack of suitable affordable accommodation, the reluctance of landlords to house young people and waiting lists for support with wider needs.

Working with the SIB: For all interviewees this was a first experience with a SIB, although they had had previous experience of PbR. Some felt that local authorities were interested in the PbR element but felt that they needed more knowledge and experience before building this into commissioning arrangements.

Learning: Interviewees reported important learning from both the FCF and SIB. In reference to the former, general learning points pertained to the focus on outcomes and the importance of providing flexible long term support to ensure young people maintain tenancies. In one authority experience of the FCF was being used to reconfigure services for vulnerable young people. Some interviewees also felt that they had learnt a lot about SIB funding, and that they would carry this learning forward should further opportunities to be involved in a SIB arise.

Looking ahead: The majority of interviewees felt that the most important legacy of the FCF would be the outcomes that it has achieved for young people. While they felt that the Fund is a valuable resource and has demonstrated effectiveness they were doubtful that future funding would be available to support sustainability.

This chapter looks at the FCF in the local context exploring the experiences of local authority partners engaged with the Fund. It examines their perspectives on the value of

the FCF, the nature of their involvement, their views on the SIB and expectations for the future.

6.1 Fair Chance Fund in the local context

6.1.1 Engagement with the Fund

The 10 local authority interviewees reported different levels of engagement with their local FCF project. This was on a spectrum from active and on-going involvement through steering group representation to little or no engagement since the closure of the referral window.

Nonetheless local authority stakeholders interviewed presented a consensus view that FCF has been "*a highly valuable resource",* and one which is additional to rather than a duplication of existing provision. In particular it was acknowledged as providing a resource for the most vulnerable young people who local authorities sometimes struggle to support, both because of resource barriers and because current legislation means the target group fall through gaps in provision:

"It [FCF] works for people that the local authority didn't perhaps have many solutions for but who do have a need… so it fits with the Council's objectives of helping the most vulnerable people even if doesn't fit with the legislation which is why we wanted to get involved. It brings something into [local authority name] that didn't have before".

"Like other LAs, we didn't have a lot of options for younger homeless people. Fair Chance gave us something extra in the tool kit to help those young people. Firstly in terms of accommodation but then in terms of employment, training and education and to be able to settle down in their lives".

The key point of involvement by local authority stakeholders was in the initial referral process through their housing gateways. All those that we spoke to were positive about this and felt that it had worked well. Some had had initial concerns over meeting referral targets but in practice were able to meet, if not exceed, these. Some concerns were also expressed about the additional burden that might have been placed on front line staff, but again these concerns had been dissipated as implementation progressed and engagement proved straightforward. The referral process had worked particularly well where housing teams were working in close proximity to FCF teams - either in the same building or office. Local authorities had also supported projects with advice about which key partner agencies they should link to in areas that were new to them. One FCF project has on-going input from its local authorities through regular steering group meetings.

6.1.2 FCF outcomes

Those local authority stakeholders able to comment spoke very positively about the outcomes their local FCF projects had achieved, in particular the accommodation outcomes. In some areas these were much higher that LAs had anticipated. There was recognition that the work done by FCF providers to build relationships with private landlords had been key to this success, and that this would continue to reap benefits going forward:

"We don't have a lot of private rented shared accommodation that is affordable for young people. One of things [name of project] brought was their relation with local private landlords so increased capacity for good accommodation…they could have negotiations with landlords and make it affordable. This has increased the supply of accommodation for this age group".

Stakeholders also stressed the fact that these tenancies were being sustained. The length of time the FCF is able to spend supporting young people was described as contributing to this and local authorities were hopeful that tenancies would be sustained beyond the life of the programme. Sustained tenancies were also described as having reaped benefits for local authorities in that they are no longer having to cope with young people returning to them when a tenancy fails:

"Most of the challenging ones are still with the programme and are settled. The benefit for us is that the LA doesn't see them presenting to their services any more …Having three years is good….it isn't the same rules and requirements such as the former Supporting People funded programmes. [FCF] is able to do what works for people and to work quite flexibly …they have been able to overcome hurdles that young people have faced in the past in sustaining accommodation"

Interviewees were clearly aware of the time needed to support young people with complex needs and felt that the three year funding allocated to FCF was critical to supporting them to deal with entrenched problems and behaviours:

"Three year funding is a big improvement on shorter term funding. It's the least that's needed to break the merry go round of no family support, drugs, behaviour and mental health problems…[name of project] is what is needed to help these sorts of young people to start behaving in a way that's acceptable to landlords"

There was also recognition that even three years would not be enough for some of the more challenging young people who they had referred to FCF. Interviewees commented that the key area for improvement would be for recruitment to continue on a rolling basis, and for greater flexibility to support those who were likely to need support beyond programme end.

6.1.3 Alternative pathways in the absence of the FCF

Interviewees discussed what routes would have been open to the young people had they not been referred to FCF and how they are being supported now that the FCF referral window is closed. In many cases young people meeting the FCF criteria are being given support to find accommodation through local authorities' existing services, but this was reported to be increasingly challenging as councils face competing resource demands and shrinking budgets. In the majority of local authorities the ability to provide more intensive support to vulnerable young people along with progression to education, training and employment was in short supply. As one stakeholder commented:

"We have one emergency hostel, but beyond that clients with similar characteristics to FCF are referred into the shared housing market but with limited support…young people NEET may be housed by us but they are then left to their own devices".

Stakeholders discussed the challenges associated with meeting the needs of the FCF target group that included the lack of suitable affordable accommodation, the reluctance of landlords to house young people and waiting lists for support with wider needs. They also pointed out that the support that FCF is able to offer meant that landlords were more likely to consider a young person for a tenancy in the first place.

"Without [FCF] some would have been able to get into social housing but landlords apply age rules and they aren't prepared to offer much to the under 35s. Even if they had got in they wouldn't have got the support they needed to sustain the tenancy. There are agencies supporting young people out there but they all have waiting lists and are over-subscribed. If they didn't get social housing we are looking at quite poor quality shared accommodation... shared bedsit accommodation is poor quality – bottom end of the market…so the support that [FCF] can offer has made the difference to getting the tenancy in the first place and then keeping it".

One local authority we spoke to had commissioned a service for vulnerable single people at the same time that FCF was launched. This service had experienced reduced demand over the first year of FCF but is now at capacity as they have taken on young people who they would otherwise have referred to FCF. This LA is currently working with their FCF provider to set up a new Youth Hub, based on a Positive Pathway model, which provides an early preventative housing options service to all young people regardless of eligibility criteria or statutory duties. This stakeholder highlighted the learning from FCF that they would be using to inform the setting up of this service, incorporating elements of the FCF approach into their service model and considering taking a PbR approach to commissioning.

6.2 Perspectives on the SIB arrangement

Local authority interviewees clearly had different levels of understanding of the SIB funding model. Some appeared to have no awareness at all while a minority had actively engaged with the payment by results element and were considering how this might be applied in future commissioning arrangements. One local authority reported that had looked at extending FCF on a PbR basis but had identified too many risks and contractual complexities to make this a reality:

"There's definitely the appetite for it, people are interested and want to do it, but when you sit down and practically work out how it's going to work in an environment where budgets are set on a year to year basis…you might have a young person who is going to achieve all their outcomes but cost £50,000…it's about the certainty of being able to pay for it. You don't want to be in a position of saying to a provider 'Can you not achieve so many of these outcomes, as we now can't afford it'."

Nonetheless this interviewee described working with the FCF and SIB as an *"eye opening experience"* and felt that the PbR option was one that *"more and more people would be thinking about"* but one that needs careful consideration before building into future commissioning plans.

Those local authority stakeholders that had been more closely involved in their FCF project described their engagement with investors as a culture shift that had taken time to

get used. For all LA interviewees this was a first experience with a SIB although they had all had previous experience of PbR.

"It's quite strange as a local authority public servant having your shots called by a private investor really. It's not something I've been used to in my career. It's been something a bit different but it does work."

"I am used to elected councillors being in control or DCLG, or Government Office in the past. I wasn't used to private investors doing this. They were lovely people but it was a bit strange... I'd be less concerned in the future about that kind of approach."

Three interviewees highlighted the flexibility that the SIB had bought in terms of how their local projects were able to adapt their approach to meet client needs. This was identified as a valuable characteristic of the funding model and one that breaks with the constraints imposed by more traditional contracting arrangements.

6.3 Learning for local authorities

Local authority stakeholders reported learning from both the SIB funding model and the delivery of FCF. Learning was contingent on the degree of involvement that each LA had had with their local provider with some stakeholders having engaged far more closely than others with their local FCF.

Working with the SIB and FCF: learning for local authorities

- Local authority partners in one FCF project had had close contact with investors and the intermediary through representation on the project's steering group. This had given them insight and knowledge into the SIB funding arrangement and the role of social investors, which had been cascaded through the LA with the FCF provider and an investor delivering a talk to councillors and senior management about the model. There has been a lot of interest but so far no further work planned.
- Interviewees reported feeling less uncertain of SIBs and a willingness to consider them in future: *"It has given me an appetite to try again. I'm not frightened of it now. The worry of 'oh, what if you don't achieve' … I am less worried about it now as if we pull together we can do it".* In one case this confidence had led the authority to bid, successfully, for funding under the new DCLG Rough Sleeping Programme.
- Interviewees in one area also reported a greater willingness to work across LA boundaries: *"It has given me more of an appetite for cross-local authority work with an organisation like [name of provider]".*
- Working to financial targets was described as lending focus: "*We knew the financial success of the scheme depended on the number of referrals we put through which did focus our minds to hit the targets. It wasn't a problem but was an interesting dynamic that referrals led to financial outcomes later on".*
- In general the FCF model was described as one that 'works': "*It has shown this model can work, maybe more so than other models. The outcomes are impressive for a difficult client group….It makes you think about different ways of doing things". "A one-size-fits-all approach does not work for this group of people…it's important not just to focus on accommodation but also those things that help young people to sustain it".*

- In one authority the FCF has coincided with a change in how they are planning to implement support services for young people. Here the interviewee reported that a lot of the learning from FCF will feed into how these services are developed in the future, particularly the flexible and innovative approach taken by FCF: "*It came at a really good time for us. It's been brilliant to be involved and to be part of that learning and to help that shape how we move forward.*"
- Interviewees stressed the importance of good partnerships in delivering a SIB funded project: "*It showed the strength of the partnership that we all bought into it and we all wanted it to work. It wasn't a case of 'well that's your problem now".*
- Interviewees also highlighted that it was important to work with a trusted provider: "*We wouldn't have been so relaxed if it wasn't an organisation like [name of provider]…while there may not have been financial risks to the authority if things had gone wrong there was the reputational risk of having backed something that didn't work*".

6.4 Looking Ahead

Local authority stakeholders generally felt that the FCF had been a success and achieved excellent outcomes with a challenging cohort of young people. On this basis they felt that it should continue to be funded although they reported that it was "highly unlikely" that this funding would be forthcoming from their own budgets. Instead they felt that the key legacies of FCF would be the sustained outcomes achieved for young people, the learning generated by their involvement and an increased confidence in and willingness to embrace SIBs.

7   Conclusions

This chapter brings together the key findings and conclusions from each component of the interim process evaluation: analysis of programme data; interviews with staff in each of the seven FCF local projects; the second round of longitudinal interviews with young people; interviews with investors and local authority stakeholders.

7.1   Key messages

The focus of projects' attentions have shifted in year 2 from recruitment, securing accommodation and setting the conditions for progression to sustaining engagement and achieving sustained accommodation, education/training and volunteering and employment outcomes. While performance against the projects' individual outcome profiles has varied between the projects and by outcome, the share of young people entering/sustaining accommodation and securing employment have been impressive.

Investors report overall satisfaction with provider performance: Investor confidence has grown over the last year and the majority described providers as working hard and flexibly to achieve targets.

Outcome targets have been subject to re-profiling as implementation has progressed: Investors and providers have been responsive to fresh challenges and applied knowledge gained throughout the first two years to make strategic decisions about where and how to focus effort and re-profile outcome targets. Education and employment targets have been most commonly re-profiled reflecting participants relative apathy to engage with education compared to employment.

Projects have refined their delivery models to meet new challenges: All providers have retained a housing-led approach with support delivered by key workers but refined elements of their approach to ensure year 2 outcomes are achieved. The most common changes were recruitment of specialist staff with remits for housing, education and employment and the introduction of processes to stratify cohorts and target effort. Other changes include the development of a central-hub structure, the introduction of strategies to reduce dependency of clients on single workers and an increase in group activities to promote well-being.

Providers have developed a range of strategies for maintaining engagement: In the second year of delivery providers have increasingly focused their efforts on engaging with young people who most need, and want support to achieve outcomes. Frequency and intensity of contact was dependent on these two variables. Strategies for keeping in touch included the use of social media, texting, regular phone calls, and the use of built facilities for drop-in.

Two key strategies for successfully meeting accommodation outcomes were commonly employed by providers: Building close working relationships with social and private landlords and employing specialist housing officers to lead on sourcing housing and ensuring young people are tenancy ready. Some providers were still dealing with persistent challenges in the housing market.

While education and training targets have proved challenging, providers identified a range of factors that were working well: In general providers felt that education targets had been set too high at the outset and had re-profiled targets accordingly. Strategies that were reported to be working well included: design and delivery of in-house training courses; forging productive relationships with external providers; taking a flexible approach with learning delivered outside formal environments; focusing on areas of interest to young people; and offering incentives for course attendance and completion. Volunteering had not proved a popular option for most young people although there were a few exceptional examples of successful placements.

Providers described four interrelated challenges to achieving sustained employment outcomes and a range of strategies for overcoming them: These were: a lack of work readiness by members of the FCF cohort; labour market barriers such as low pay and zero hours contracts; the combination of these two factors which make sustaining employment difficult; and the impact of employment on housing benefits which renders low paid work an unattractive option. Making sure that young people are work ready, has been key. Providers have sought to achieve this through employing dedicated staff to lead on making links with local employers and preparing young people through a combination of in-house training and one-to-one support.

Participants report positive experiences of engagement with the FCF: In particular young people spoke very highly about the support they received from their key workers. This was often contrasted with support that they had received in the past from other services. Participants valued both the practical and emotional support provided by their key workers choosing to stay in touch even once they had stabilised their housing and employment positons.

The majority of young people we spoke to had made considerable progress since first interview: Interviewees were on a spectrum of need ranging from stable independent living to requiring intense support to cope with their tenancy as well as enduring mental health problems and substance use. Nonetheless the majority had made progress and reported feeling a lot happier and more stable than at first interview. For some progression had been linear while others had experienced setbacks in sustaining employment, multiple tenancies and/or renewed substance use. FCF staff had supported these young people in multiple ways including: supported signposting to specialist services; visiting in prison, hospital and at home; regular phone calls, cups of tea and talking; budgeting, rent arrears and benefits; and practical help with anything from writing a CV to organising household repairs.

Most young people are accommodated in their own flats with a minority opting to remain in supported accommodation or move back home: Most of those in their own flats were happy with the accommodation that they were living in describing a sense of pride and achievement in being able to successfully manage a home on their own for the first time. A minority however were experiencing challenges requiring on-going support to maintain their tenancies or find more suitable accommodation. Those who had chosen to remain in supported housing did not yet feel ready for independent living and were likely to need on-going support for some time. One project proactively supports young people to move back home through the provision of family mediation.

Many participants reported engagement in some form of short education or training course although not necessarily leading to a qualification: participants most

frequently reported completing a short in-house course covering pre-employability and/or independent living skills. A minority had completed or were still engaged on NVQ courses, most commonly at Levels 1 or 2 but also at Levels 3 and 4. Where barriers to taking up education were described these most commonly related to mental health issues and substance misuse.

Entry into employment has proved a more popular option than education and training: Half of the young people we spoke to were either currently working, about to start work, in a full time apprenticeship, had worked in the past year or completed a work placement. These young people identified the support received from key workers and specialist staff as key to their success. On-going mental health issues and substance use were most commonly reported as personal barriers while external difficulties included zero hours contracts, insecure and low paid employment options.

Many FCF participants experience on-going problems and issues that present challenges to moving forward: Participants' life histories, that commonly include family break-down, disrupted schooling, mental health problems and drug and alcohol use continue to act as major challenges to progression into stable living circumstances and employment. This means that FCF key workers are still working intensely with some of their cohort and starting to put in place exit plans for these young people who will need support from multiple agencies.

Satisfaction with the governance arrangements for the FCF and SIB has grown since programme inception: Providers and investors described a mutual respect for each other's expertise and reported the development of constructive relationships on SPV Boards. Investors reported growing confidence in the ability of providers to deliver to targets.

Performance management arrangements through SPVs have remained more or less unchanged since year 1: Most SPVs were continuing to meet on a monthly basis although some had plans to reduce the frequency of meetings in the near future. Some projects continued to receive intermediary support with meeting the performance management requirements of the SPV while others had assumed full responsibility for this.

There were mixed views on the relative merits of SIBs over other funding arrangements: Investors generally felt that the SIB had been well commissioned with provider performance giving testimony to this. Some investors and providers however felt that the design of the SIB could be improved with suggestions that it was overly complex and that a single investor model could work just as well. 'Moral' objections were also raised with the observation that a return on investment does not always 'sit well' within the sector. Providers reported that PbR has had a more significant impact on the delivery model and internal performance management arrangements than the SIB per se. PbR continues to incentivise staff to achieve outcomes for young people although staff stressed that clients' needs are paramount.

Local authority stakeholders reported different levels of engagement with their local FCF but all were very positive about outcomes achieved: Interviewees able to comment were particularly impressed with the sustained accommodation outcomes achieved by FCF providers. They identified engagement with social and private landlords and the provision of on-going support to young people as key to this success. Stakeholders reported that they were finding it increasingly challenging to meet the needs

of the FCF target group because of a lack of capacity to support wider needs alongside a paucity of suitable accommodation. Interviewees reported learning from the FCF service model and in one local authority this learning was being used to redesign services for vulnerable young people. Interviewees also reported increased understanding of PbR/SIB funding arrangements although they felt they needed more experience and confidence to build this into commissioning processes.

All stakeholders felt that FCF filled an important gap in provision and had demonstrated effectiveness: Despite this there was little optimism that funding would be found to sustain provision once the FCF ends in December 2017. Interviewees described the outcomes gained by participants and their improved life circumstances as the most important legacy of the programme. Providers were beginning to work with investors to put together exit plans for next year and in a minority of cases were exploring possibilities for sustained funding.

7.2 Conclusions

The FCF fills an important gap in provision: the FCF was set up to improve accommodation, education and employment outcomes for homeless young people who typically fall through the net of existing provision due to the complexity of their needs. Local FCF projects have successfully accessed this target group and are providing medium to long term support that would not, in the main, be available in their absence.

Key features of providers' original delivery models have been retained and there is evidence to show they work well:

- **Housing led:** There is strong evidence that the housing led approach adopted by local FCF providers provides a robust platform for achieving further education and employment outcomes for young people. In the first year of the evaluation participants were primarily concerned with securing accommodation and had typically experienced failed tenancies due to a combination of factors including rent arrears, feeling ill-equipped to deal with independent living, and failing to comply with the expectations of supported housing providers. In the second year the majority were in stable accommodation supported by their key workers to both secure and maintain their tenancies thorough working on and preventing circumstances and behaviours that had led to past failures. Participants were now either in work or education or aspiring to be so in the near future.
- **Key worker approach:** The qualitative evidence provided by interviewees gives testimony to the importance of the role of the key worker in stabilising and supporting young people to move forward. The ability of key workers to engender trust, respond flexibly and in timely fashion to young people's needs was clearly key in maintaining their willingness to engage with the programme and work towards outcomes.
- **Longer term support:** The complexity of many participants needs means that they require long term support to enable them to progress towards stability and employment. The three year timescale of the FCF has proved essential in providing meaningful support to many of the achieved cohort.

The Fair Chance projects have collectively and individually succeeded in securing entry and sustained outcomes for an impressive share of their participants: with, at the end of year 2:

- **86% of participants achieving an entry to accommodation outcome** – of which 91% had been sustained for 3 months and 55% for 12 months;
- **25% of participants achieving an entry to employment outcome** – of which 48% subsequently sustained full-time employment for 13 weeks and 28% for 26 weeks.

Outcomes achieved for **education and training and volunteering** were, however, less impressive. At the end of year 2, while 45% of participants had entered education and training, just 23% of these reported an entry level qualification, 23% a Level 1 and less than 2% a Level 2 qualification. In terms of volunteering, 11% of participants had achieved a 6 week outcome, and just 3% a 26 week outcome. These figures do not include participants progressing towards sustained outcomes (which can only be judged at programme end), but performance against the key accommodation and employment outcomes is positive given the challenging nature of many of the target group.

While performing well and achieving outcomes FCF projects still face challenges and limitations: Young people accessing the FCF target group typically have complex needs that present challenges to them sustaining tenancies and moving forward into education, training and employment. These include a combination of family breakdown and lack of support mechanisms; low self-esteem and confidence; no or low level qualifications; substance use; mental health problems and a history of offending. External challenges are also important including a lack of appropriate, affordable housing and low paid, insecure employment options. These combined make progression and in particular, gaining and sustaining employment challenging. Providers reported that a number of their young people will need longer than three years to achieve stable outcomes as some of the problems they face are not resolvable in the short to medium term. This means they will need continued support from alternative providers at programme end. It also means that projects need to continue to work with young people who will not achieve further outcomes and hence for whom they will not receive further outcome payments.

PbR continues to provide an incentivising mechanism for the achievement of outcomes without compromising the imperative of putting young people's needs at the centre of provision: It is also clear that PbR affords a great deal of flexibility to the delivery model allowing providers to adapt to changing priorities and be more creative than under traditional contracting arrangements. Both providers and investors were concerned to achieve outcomes primarily for the welfare of young people but also for financial expediency. The PbR framework has continued to provide a focus for achieving stretching outcomes within a defined time scale while retaining the need to work at the pace of clients and put their needs first. There was some concern at the end of year one that the imperative of achieving education and employment targets might mean that those unlikely to achieve these would lose out. There is no clear evidence that this is the case although some providers have developed strategies for stratifying their cohorts according to need and willingness to engage. This might mean that those most reluctant to participate are excluded from receiving support given that they are unlikely to return outcomes.

SPVs have matured to become effective mechanisms for the governance and accountability of FCF projects: Relationships between providers and investors have grown in confidence and trust since year 1 so that SPV meetings are now experienced as constructive forums for agreeing delivery priorities and strategies. Both providers and investors have benefitted from mutual learning about each other's areas of expertise, and this should be taken forward to inform future SIB opportunities.

There is important learning to be yielded about the implementation of SIB funding arrangements: SIBs are pragmatically accepted by providers as making funding available for services that are unlikely to have been delivered otherwise. However comments made by both investors and providers indicate that there are lessons to be learnt about the way in SIBs are designed and implemented. Some providers felt that the fees paid to intermediaries for support with monitoring and performance management could be reduced. They also suggested that the development and implementation of future SIBs could be made cheaper as provider expertise has developed. One investor also suggested that SIBs were 'overly complex' and that both government and investors need to critically examine current approaches.

Sustainability of services at local level is unlikely given cuts to local authority funding: While local authority stakeholders felt that the FCF had achieved impressive outcomes with a challenging target group they nevertheless reported that they were highly unlikely to pick up funding for them due to budgetary pressures. Efforts at local level were being made to extend funding but so far little has been secured. Some stakeholders felt that local authorities should have been given an obligation to contribute funding and consider sustainability from the outset. Providers were clear about the need to present evidence of project impacts and cost effectiveness in order to achieve sustained funding. However they were pessimistic that there would be a future commitment to funding the programme despite evidence of effectiveness and potential cost savings.

Sustainability of outcomes achieved beyond the lifetime of the programme will be contingent upon a range of factors. A number of the FCF cohort will no doubt continue to sustain their accommodation and employment outcomes beyond the lifetime of the programme. However there are others who will require continued support, including, in some cases, long-term, multi-agency support to sustain outcomes post-programme. There are a number of factors upon which sustainability of outcomes achieved so far depends. These include local housing markets and the ability and capacity of local services to meet the needs of young people who continue to require support. The original aim of the programme was to support homeless young people poorly served by existing services due to the complexity of their needs. A key challenge therefore, given that the pattern of service provision has not fundamentally changed, will be to ensure that robust exit plans are in place for those young people requiring on-going support.

7.3 Focus for the evaluation in the final year

The final stage in the evaluation will comprise final visits to each of the providers and interviews with key staff, interviews with young people in the longitudinal sample and those who are the focus of the costed case studies, and consultations with investors and local authority representatives. In addition, we propose to also interview representatives of the key intermediaries consulted at the outset (to explore their experiences and their views on the overall effectiveness of the FCF), and with the Chairs for each SPV.

The final programme management information will also be analysed to provide a final overview of achievements (and challenges) in terms of the outcomes achieved in the three years of delivery. This will allow comparison to be drawn between final (rather than in progress) achievements against the expectations set at the outset, in terms of the number and nature of outcomes achieved and the financial returns resulting from them.