



Department for
Communities and
Local Government

Fair Chance Fund Evaluation

Interim Report – Emerging findings from year one

ICF International

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Department for Communities and Local Government



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Executive Summary

This is the first interim report of the evaluation of the Fair Chance Fund, an innovative three year programme designed to improve accommodation, education and employment outcomes for homeless young people aged 18 to 24 not in priority need according to the homelessness legislation but with a range of support needs which present barriers to securing, and sustaining, accommodation. It 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.

In March 2015, ICF International (ICF) was commissioned to undertake an evaluation of the programme, working in association with sector experts at the Centre for Housing Policy at the University of York, Crunch Consulting and the University of Lincoln.

The evaluation is exploring the rationale for, and effectiveness of, the delivery models followed by each provider, 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. It is being implemented through three rounds of qualitative fieldwork alongside the collection and analysis of performance data. 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, intermediaries and investors.

In addition to the analysis of performance data for the first three quarters of delivery (to end September 2015¹), this report is based on a programme of qualitative fieldwork featuring consultations with over 140 individuals, comprising:

- Staff with management and delivery responsibilities, and partners, in each of the seven projects;
- 70 participating young people (in the first of three longitudinal interviews across the study); and
- Project investors and intermediaries.

The original planned methodology for the evaluation also included impact and value for money elements, but significant methodological challenges uncovered during feasibility assessments mean that it is not possible to go ahead with these.

This report will be followed by a second interim report in 2017, and a final report in 2018 after programme end.

¹ As this was the latest available performance data at the time of reporting.

The Fair Chance Projects Overview and Update

The fieldwork with the projects explored any actual or planned changes to their delivery models on the basis of the first nine months of delivery. Each of the projects follow a 'housing led' approach, and featured the use of key workers to provide the intensive support required by the programme target group. Each reported broadly similar 'participant journeys', with variations to account for local circumstances and the capacity and capability of the lead and key delivery partners. Common key steps in the delivery models included referral and engagement /recruitment; assessment and individual action planning; the provision or facilitation of services to secure outcomes; and the provision of intensive support (through key workers²) throughout.

The overall approaches followed by the projects had changed little in the first nine months of delivery, although some developments were made or proposed in response to their experiences. These included extending the range and nature of their referral agencies; taking on additional specialist staff/suppliers to support accommodation, volunteering and employment outcomes as attentions changed from recruitment to securing and sustaining outcomes; and changing key worker arrangements to maximise efficiency.

All referalls were made in the first year, so in Years 2 and 3 projects' attentions will focus wholly on securing education, training, volunteering and employment outcomes, alongside helping clients to sustain their accommodation. This will present both new opportunities and challenges for delivery, and require on-going high levels of support for many clients.

Performance in Year 1(January to September 2015)

Expected performance:

In their applications for the Fair Chance programme, providers were requested to provide profiles for referral and outcomes achieved over time. These were established based on providers', and their partners, best estimates of the number of young people fitting the Fair Chance criteria, and the share of these likely to be engaged by and secure outcomes from the projects. These profiles were used as the basis for assessing performance in the first year of delivery.

The initial applications from the seven projects showed a total of 1,609 expected referrals, of which:

- 1,429 (89% of all referrals) were expected to enter accommodation, with over 1,000 (62% of referrals) sustaining for 18 months;
- 892 (55% of referrals) entries to education/training, with over 1,000 Entry level or NVQ Level 1 or 2 qualifications being achieved;
- 418 (26% of referrals) to experience a period of volunteering sustained for 13 (16%), 20 (4%) and 26 weeks (3%); and
- 564 (35% of referrals) entries to part or full-time employment, with 493 (31%) sustaining for 13 weeks and 376 (23%) for 26 weeks.

² Note that while projects use various titles to describe the key worker role we employ the generic term 'key worker' throughout this report.

The projects profiled their respective outcomes across the three year Fair Chance delivery period, with the first year focusing primarily upon referrals and recruitment, initial and subsequent assessments and entry into, and early sustained, accommodation – reflecting the ‘housing led’ approach adopted. Even so, some ‘earlier than expected’ successes were reported in terms of education/training, volunteering and employment outcomes achieved in the first three quarters of delivery.

Actual performance to date:

On the basis of the Fair Chance programme data to the end of September 2015:

- Performance at the programme level was above profiled target for:
 - Referrals: 1,321 individuals, +5% of profiled target;
 - Completed assessments: 2,150 completed assessments, +21% of profiled target; and;
 - Entry to employment: although numbers are comparatively small at 77 individuals, +235% of profiled target.
- Performance was close to profiled target for entry to accommodation: at 819 individuals (-1% of profiled target).
- Performance was however below profiled target for:
 - Sustained accommodation (544 cases of accommodation sustained for 3 or 6 months, -21% of profiled target);
 - Entry to education/ training (205 individuals, -10% of profiled target) and qualifications achieved: (20 individuals, -59% of profiled target); and
 - Volunteering: 54 individuals sustained for 6 weeks (-54% of profiled target) and 15 individuals sustained at 13 weeks (-66% of profiled target).

The programme level figures mask considerable variations between the projects – both positive and less so – reflecting the challenges of forecasting outcomes for this target group over a short period of time. Just one project appeared to be at risk of not achieving its expected referral numbers³.

Payments under the Payment by Results (PbR) regime at both programme and individual project level reflected performance to date. At the programme level payments were just 1% below profile, although at the project level payments ranged from 71% above profile to 29% below.

Investor perceptions of performance

Overall, the investors were broadly happy with performance in Quarters 1 to 3, although some concerns were raised regarding referral numbers and potential drop-out (eased by the Department for Communities and Local Government’s (DCLG) confirmation of the contract’s flexibility on recruitment levels), the characteristics of the young people in terms of higher than expected level and complexity of need, and the availability of accommodation.

³ Since this report was written final referral data has become available showing that all projects have exceeded their referral targets.

Each recognised that Year 2 will be crucial to the success of the programme, where employment and education/training outcomes will be the focus of project activity. Several wondered whether the projects' provision, and that available in their catchment areas, would be sufficient to support a cohort which may have exhausted existing services already.

Perspectives on Implementation

Providers' experiences of implementation, achieving the programme outcomes and the influence of the SIB/PbR regime were explored in the project fieldwork; the key findings are described below.

Securing referrals

Referral to the Fair Chance projects is primarily through local gateways, although there are multiple alternative routes, with many projects describing using additional routes to those in their applications. While in the majority of local authority areas projects were filling gaps in support for the target group, in some where existing provision was available staff reported that the more challenging cases were being referred to Fair Chance. In general, the projects reported higher levels of need amongst their cohorts than were initially expected. Key factors in promoting effective referral practices included active networking with other agencies, collaboration and clear communications to establish and re-iterate what the Fair Chance projects are able to offer.

Early engagement following referral was consistently found to be critical in establishing trust between key workers and young people, and in ensuring the young person takes up the offer of Fair Chance support. This was particularly the case given the range, and commonly the complexity and multiplicity, of support needs of those referred. The Outcome Star⁴ was generally perceived as a useful tool for use in assessment and action planning processes, although projects described how it needs to be used when the young person is ready.

Securing and sustaining accommodation

Securing and sustaining suitable accommodation for young people was widely seen as a prerequisite to progressing towards education, training, volunteering and employment outcomes, further emphasising the centrality of the housing led approach.

However the ease with which accommodation outcomes are achieved is contingent upon the local housing market and the provider's own position as a housing provider - where there is a paucity of appropriate and available housing options securing outcomes has proved particularly challenging. Individual factors also present challenges, such as high levels of existing housing arrears, histories of anti-social or offending behaviour, and existing levels of debt/poor credit ratings.

In many cases the projects have developed multiple strategies for overcoming these challenges –for example supporting sustained tenancies by providing independent living skills courses, helping with claims for housing benefit and to address arrears/debt, helping

⁴ The Outcome Star is a suite of tools used to measure and support progress for service users in a range of contexts, which can be adapted for work with different client groups. All versions consists of a series of scales based on an explicit model of change, using graphical representation to allow the service user and worker to plot where the service user is on their journey. See <http://www.outcomesstar.org.uk/>

reduce social isolation and providing emotional support, and focussing attention on those most at risk.

Education and training

While there are some notable successes in supporting young people into education and training there are challenges in achieving these outcomes. Many clients have negative histories and experiences of education, and are more interested in progressing directly into employment.

In some cases while Entry and Level 1 qualifications were considered achievable by many cohort members, Level 2 qualifications were considered beyond the reach of the majority. Negative perceptions of education also meant that many were prepared to join short rather than longer courses.

Effective strategies to support the achievement of education and training outcomes included: paying expenses and providing a financial incentive to attend college, the close monitoring of attendance by key workers, offering internal training opportunities, and working closely with both mainstream and more specialist training providers.

Volunteering

While the volunteering outcomes are proving challenging to achieve, and were reported as less popular with young people, in a small number of cases volunteering has been used effectively to promote self-esteem, social engagement and other protective factors. Examples were also cited where volunteering had led to employment or apprenticeship places following successful placements.

Employment

Fair Chance participants were described as being “at different stages and different distances from the job market”, and while some had achieved earlier than anticipated employment outcomes the majority will require considerable support with other more pressing issues before employment can be explored as a goal. This is reflected in the profiled employment outcomes in the first three quarters of the year, and that employment outcomes will be a greater focus of attention in Years 2 and 3 of the programme.

The influence of the SIB and PbR structures

Preliminary evidence shows that the PbR model appears to be incentivising staff towards achieving outcomes for young people, and there is currently no evidence of perverse incentives for the achievement of quick wins. Delivery staff stressed the paramount importance of putting clients’ needs at the centre of all they do, and will work with young people irrespective of the initial likelihood of them achieving an outcome. There is some evidence that this may change in Year 2 as achievement of education and employment outcomes comes to the fore.

Providers recognised the value of monitoring, evidencing and reporting progress as internal controls and to ensure payments are made, although the time required for compilation was frequently raised. In many cases detailed performance management information is used on a daily basis to identify gaps and focus support – either on a ‘single worker’ basis or more collectively. While several considered their existing monitoring procedures were sufficient for Fair Chance purposes, others found the additional requirements helpful.

There is clear evidence to date yielded from the qualitative interviews with providers and staff that the PbR model has afforded flexibility to most projects to allocate resources and alter provision in response to needs. Providers generally felt that PbR has allowed them to be more creative than traditional contracting arrangements. For delivery staff, the PbR and associated enhanced scrutiny was seen as having an influence on delivery.

Finally, project interviewees reported mixed experiences of Special Purpose Vehicles (SPVs) – the organisations set up by social investors to contract with DCLG and the delivery bodies and some on-going tensions. A common concern was the frequency and intensity of reporting requirements and the amount of work this entailed. Two projects felt that they had been over-managed by their SPVs, although this has been a developing picture as relationships have evolved and stabilised.

Young People's Experiences of the Fair Chance Fund

The evaluation methodology features the exploration of participating young people's experiences of Fair Chance through a programme of longitudinal semi-structured interviews, comprising three rounds of consultations across the study period. This stage of fieldwork featured the first round of 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. The group is by no means homogenous, but illustrates the range and depth of the support needs that young people present with.

Key findings from these initial interviews were as follows:

- Each of the young people had experienced some form of family breakdown, which for the majority was the primary reason for their becoming homeless;
- They consistently reported positive experiences of the first contact with their key worker, and how this was an important factor in motivating them to engage with the programme;
- The Outcome Star was generally described by the young people as being a useful tool, and it was clear that for some the ability to measure progress was very important;
- Securing accommodation emerged as the primary reason for engaging with their project for the majority of young people. Many had previous experience of failed tenancies, often due to rent arrears or behavioural issues;
- The majority had also experienced a disrupted education, with many (but not all) leaving school with few or no qualifications. They described multiple barriers to taking up education or training opportunities, including low self-esteem and poor mental health; and
- Many of the young people did not feel ready to start thinking about employment, and recognised that they faced a number of barriers to this in the short to medium term. There were exceptions however, and some were keen to find work as quickly as possible.

The experiences and perceptions of the young people interviewed confirmed the value of an intervention approach that provides flexible, personalised and long-term provision. Positively, the support provided by the Fair Chance projects generally compared very positively to support the young people had received previously from other services.

Investor and Intermediary Perspectives on Developing the Programme

Investor and intermediary experiences of the development of the programme were explored through a series of qualitative interviews. Each of the intermediaries had previous experience of SIBs, whereas the investors ranged from having significant experience to Fair Chance being the first such investment in their portfolios.

In all but one of the projects, intermediaries played a key role in assisting providers in developing their bids and in raising investment. Most intermediaries worked with investors with whom they had existing relationships.

The competitive commissioning process, whilst ensuring that high quality providers won contracts, was regarded as involving too many organisations (over 70 being invited to submit bids following an initial expression of interest process). This meant that considerable resources were expended amongst the voluntary, community and independent sector (VCIS) organisations on unsuccessful bids, and that investors were unsure of who to back and reluctant to commit resources to the due diligence process.

Once the successful bids were announced, there was limited time for deals to be finalised, with the intermediaries playing an important role in helping providers through the process and preparing the information required by the investors.

The Fair Chance Fund was considered as high risk – for reasons including working with a small cohort of difficult to engage clients with multiple and complex needs; a lack of an evidence base for interventions proved to be effective; and concerns about the availability of suitable accommodation. Nevertheless the investors were highly motivated by social outcomes, and were keen to learn from their SIB experiences, although concerns were raised over the sustainability of the services, and the outcomes they achieve, following the end of the programme.

Six of the seven Fair Chance SIBs used an SPV structure, with investors citing advantages of this model including providing a structure for collaboration around a shared focus. A range of investment structures were identified, and the investors and intermediaries agreed there was no 'perfect' structure for a SIB with influencing factors including the nature of the contract, providers and the commissioners. Some intermediaries and investors thought providers should share the risk by investing their own equity (as is the case with two of the projects); whereas others thought VCIS providers did not need a financial stake to incentivise performance.

Performance management arrangements across the seven projects varied, with several SPVs having contracts with a performance manager acting on behalf of the investors (SPVs) to gather and report performance data. This was seen as important in mitigating risk, and offered the additional benefit of building capacity within providers with little or no experience of working under PbR and SIB regimes.

Interim Recommendations

The report provided a series of recommendations to inform the implementation of the Fair Chance projects, and wider lessons for similar programmes in the future. These included:

- For DCLG:

- As planned, encouraging projects to re-profile their outcome forecasts⁵ on the basis of their experience of Year 1, with a similar re-profiling exercise at the end of Year 2.
- Considering modifications to/ or shortening the duration of the volunteering outcome.
- Establishing more formalised networking approaches between the projects to allow the lessons from Year 1, and subsequently Years 2 and 3, to be shared.
- For the projects:
 - Considering, if not doing so already, how their experience of Year 1 can best inform their plans going forward – such as requirements for additional specialist provision (particularly in ‘new’ areas for some such as education/training and employability provision).
 - Starting to explore Year 2 potential opportunities and ways in which their activities can be sustained at the end of the programme.
 - Ensuring that they have robust exit procedures in place – for young people completing and for those dropping out early - to ensure the benefits of participation are not lost and that positive trajectories are maintained.
 - In some cases continuing to apply the learning from any performance management support received more widely throughout their organisations.
- For future SIB development
 - Exploring how to minimise wasted effort (and resources) amongst organisations selected to bid after successful EoIs, and to allow intermediaries to focus on bids with most chance of being taken forward.
 - Considering allowing more time between investment deals being finalised and the start of project implementation, to allow preparatory activities to be completed prior to the start of delivery.
 - Considering whether the performance management support provided by the intermediaries in the first year of delivery should be made available in subsequent SIB supported interventions – particularly for providers with limited experience of PbR and other outcome based contracts.
 - Including outline plans for sustainability in project applications – including for the sustainability of participant outcomes and of project activities.

⁵ Which will be used in the evaluation- to report on progress for the remainder of the delivery period.

1 Introduction

The Fair Chance Fund is an innovative programme designed to improve accommodation, education and employment outcomes for homeless young people aged 18 to 24. It targets young people defined as not being 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 a three year programme delivered by seven local projects and delivery began in January 2015. It 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).

In March 2015 ICF International (ICF), was commissioned by DCLG to undertake an evaluation of the Fair Chance Fund. The evaluation team is working in association with sector research experts at the Centre for Housing Policy at the University of York, Crunch Consulting and the University of Lincoln. This is the first interim report, providing details of findings from the first round of fieldwork undertaken with the seven Fair Chance Fund projects, intermediaries and investors alongside analysis of available MI data.

1.1 Evaluation aims and objectives

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 rationale for, and effectiveness of, the delivery models followed by each provider, their performance in terms of recruitment and progression against expectation, 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.

1.2 Methodology

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

This report explores:

- Delivery and performance of the Fair Chance Fund in its first year of delivery (to the end of Quarter 3 2015);
- Experiences and perspectives of a representative sample of the young people receiving support;
- Experiences and perspectives of senior and front line staff involved in the delivery of the seven Fair Chance Fund projects; and
- Experiences and perspectives of intermediaries and investors

1.2.1 Data collection and analysis for this report

The research activity that this report is based on has involved:

- Collection and analysis of the cumulative MI data available at the time of writing (year 1 quarters 1-3),
- Case study fieldwork in each of the seven Fair Chance Fund local projects
- Qualitative interviews with intermediaries and investors

The fieldwork was undertaken in September and October 2015, with the range and number of individuals interviewed being provided as Table 1.1 below.

Table 1.1 Qualitative interviews undertaken

Group	Stakeholders	Number of interviews
Social investors*	CAF Venturesome, Bridges Ventures, Big Issue Invest, Montpelier Foundation, Northstar Ventures, Big Society Capital, Barrow Cadbury Trust	7
Intermediaries	Social Finance, Numbers4good, Triodos	4
Delivery staff: senior	Senior management in each of the seven FCF projects	18
Delivery staff: frontline	Project management and delivery staff in each of the seven FCF projects	42
Participants	Young people - representative sample drawn from monitoring data (Quarters 1 and 2 2015)	70
Total		141

** The representative of the Key Fund was unable to be interviewed but will be contacted in subsequent stages of the study.*

1.3 The Fair Chance Fund

The Fair Chance Fund (FCF) aims to deliver accommodation, education and employment outcomes for young homeless people, aged 18 to 24, whose support needs are poorly met by existing services due to the complexity of their circumstances. Participants in the Fund must meet a number of eligibility criteria; namely that they 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 a priority for local authority support but unable to be accommodated in a supported housing scheme for a range of reasons, including complexity of needs and previous eviction.

The programme is delivered by seven, geographically distinct local projects. Projects receive referrals for 12 months following inception (from January – December 2015) largely through local gateway referral arrangements. Projects then work with young people for up to three years in locally responsive ways to meet a set of defined accommodation, education and employment outcomes. Provision

under the Fund is intended to be additional, either wholly new or designed to complement or enhance existing services for homeless young people.

1.4 Social investment structure

The FCF is a payment by results (PbR) scheme whereby providers are paid for the outcomes they achieve against a set of tariffs (covering initial and sustained accommodation, education/training, and volunteering and employment outcomes). Achieving these outcomes takes time meaning that providers need to expend resource delivering the service before they receive payments. The social investment market was engaged to support the resulting financing need: one of the Fund's key objectives is to support the development of the social investment market, and the capacity of smaller delivery organisations to participate in payment by result schemes⁶.

SIBs are one product in a growing social investment market that receives active political and policy support. The Open Public Services White Paper (HM Government, 2011)⁷ 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.

Although there are variations in SIB models, a typical structure usually involves an investor-owned Special Purpose Vehicle (SPV)⁸, which takes on the PbR contract and sub-contracts to a service provider(s) - the Service Delivery Organisation (SDO). Social investors may include private funders, foundations, trusts, social banks or philanthropic investors, providing the finance for the SDO's set-up and delivery costs via the SPV. The SPV usually hosts a Performance Director or Board responsible for monitoring SDO performance.⁹ In this way, the risk in the PbR contract is transferred away from the provider to the investors. If it appears performance is falling short, the SPV can provide additional support or put in place remedial actions.

1.4.1 Payment by Results (PbR)

A key component of the SIB 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. PbR contracts mark a shift towards paying providers

⁶ See <https://www.gov.uk/government/publications/fair-chance-fund-full-bid-specification-and-application>.

⁷ Open Public Services White Paper. 2011. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255288/OpenPublicServices-WhitePaper.pdf.

⁸ A special purpose vehicle is an off-balance sheet vehicle comprised of a legal entity created by the sponsor or originator to fulfil a temporary objective of the sponsoring firm. SPVs can be viewed as a method of disaggregating the risks of an underlying exposure held by the SPV (in this instance, a provider contract) and reallocate them to investors willing to take on those risks. (PwC. 2011. 'Creating an understanding of Special Purpose Vehicles'.)

⁹ Social Market Foundation. 2013. *Risky Business*. <http://www.smf.co.uk/research/public-service-reform/risky-business-social-impact-bonds-and-public-services/>

for the outcomes they deliver in markets that have traditionally purchased activities measured by outputs. PbR contracts have begun to be widely used in UK public policy (outside of SIBs).

The move towards SIBs and PbR can be located within a broader approach to transformation in the public sector, focusing upon achieving better outcomes for the public purse through greater efficiency and innovation in delivery. The Open Public Services White Paper (2011) outlined a commitment to increasing use of PbR, arguing that the principles of open public services would switch the default from one where the state provides the service itself to one where the state commissions the service from a range of diverse providers. The White Paper identified SIBs as an innovative opportunity to access new forms of external finance for the delivery of services. As the latest stage of a move away from conventional delivery of services, SIBs were seen to allow government to effectively transfer financial risk and incentivise delivery of innovative services.

1.5 The structure of this report

The remainder of this report is structured as follows:

- Chapter 2 provides an update on the delivery models and interventions provided by the Fair Chance projects, and reviews the performance of the programme and individual projects for the first three quarters of Year 1 of delivery;
- Chapter 3 provides an analysis of interview data with FCF management and delivery staff focused around achievement of the key outcomes and the impact of the SIB/PbR funding arrangement on governance, performance and management;
- Chapter 4 presents findings from the first round of qualitative interviews with young people accessing each FCF provider to explore their experiences and perceptions of support received and the short term impacts of support on their lives;
- Chapter 5 provides an overview of social investment in the FCF. It explores the intermediaries' and investors' perspectives on the development of the programme through the commissioning of local FCF projects;
- Chapter 6 presents interim conclusions and recommendations.

The report is supported by the following annexes:

- Annex I - Logic models for each of the seven projects; and
- Annex II - Topic guides for the qualitative interviews with each stakeholder group

2 The Fair Chance Fund: Progress and Performance

Chapter Summary

This chapter provides an update on the delivery models and interventions provided by the Fair Chance projects, and reviews the performance of the programme and individual projects for the first three quarters of Year 1 of delivery¹⁰.

Project Characteristics and Delivery Models

- The report provided an updated description of the Fair Chance projects, their characteristics and delivery models. Each are third sector led, follow a 'housing led' approach, and use key workers to provide the intensive support required by the Fair Chance Fund target group.
- The approaches followed had changed little from the initial visits, although some developments were made in response to experience of Year 1. These included extending referral agencies, taking on additional specialist staff/suppliers to support accommodation, volunteering and employment outcomes, and changing key worker arrangements to maximise efficiency.
- A similar 'participant journey' was apparent in each case, with variations to account for local circumstances and provider capacity/capability, which included referral and engagement /recruitment, assessment/action planning, providing/facilitating services to secure outcomes and offering intensive support throughout.

Performance to end Quarter 3 2015

- On the basis of their initial applications, the seven Fair Chance projects are intended to receive 1,609 referrals (with additional recruitment of up to 10% to account for drop-outs). Of these:
 - Over 1,400 are expected to enter accommodation, with over 1,000 sustaining for 18 months;
 - Almost 900 to enter education/training, with over 1,000 qualifications being achieved;
 - Over 400 to experience a period of volunteering; and
 - Over 560 to enter part or full-time employment, over 350 sustaining for 26 weeks.
- Performance against expected outcomes for the first three quarters at the programme level was positive for referrals (+5%), completed assessments (+21%), entry to accommodation (-1%) and entry to

¹⁰ As this was the latest available performance data at the time of reporting.

employment (+235% - although numbers comparatively small). It was however less positive for sustained accommodation, entry to education/training, qualifications achieved and volunteering.

- Broadly the performance figures illustrate the focus of the projects on referrals and securing accommodation in Year 1 – with some unexpected early employment outcomes being reported.
- The programme level figures mask considerable variations between the projects – both positive and less positive - reflecting the challenges in forecasting outcomes for this target group over a short period of time. For the immediate future, just one project appeared to be at risk of not achieving its expected referral numbers.

This Chapter draws on the findings of the qualitative fieldwork with each of the seven Fair Chance Fund (FCF) projects and the analysis of FCF monitoring data up to and including quarter 3 (end September) 2015, and provides an update on the characteristics of each project and any changes to their delivery approaches before reviewing their performance to the end quarter 3. Chapter 3 reviews projects' experiences of implementation in detail, structured around the specific FCF outcomes.

2.1 The Fair Chance projects – overview and update

2.1.1 Findings from the Preparation stage

Table 2.1 below provides a summary overview of the key characteristics of each project, setting out their lead and other delivery partners, local authority areas covered, funding sources and recruitment targets (to be achieved by end December 2015). Annex I provides individual logic models for each of the seven projects, developed in the early stages of the study and which will be updated throughout it.

Each of the projects covered multiple and contiguous **local authority areas** (although in one case combining authorities in North West England with one London Borough), with a total of 39 Unitary, County and District authorities being covered. In some cases these included a combination of urban and more rural areas, which in some cases was found in the recent visits to have led to challenges in terms of how to most effectively deploy their staff.

The projects varied in size in terms of the **value of their bids/project budgets, the amount of investment received and expected recruitment**. As Table 2.1 below describes, project budgets ranged from £2.9 million for Ambition to £1.3 million for Local Solutions. In terms of funding, the investment secured under their individual SIB arrangements ranged from over £1 million in the case of St Basil's to £310,000 for Aspire. While the detail of the investment arrangements is discussed in Chapter 5, it is worth noting that:

- Only two of the projects, Ambition and Aspire – both lead by P3 – featured investment from the lead and other significant partners (who took a position of first loss); and
- The same investors invested in several of the projects – for example Big Issue Invest in Local Solutions, St Basil's and Ambition; Key Fund investments in

Ambition, Fusion, Local Solutions and St Basil's, and Bridges in Depaul, Fusion, and St Basil's.

Expected **recruitment** varied between 340 young people in the case of Ambition to 137 for Local Solutions, based on estimates of the number of young people meeting the Fair Chance eligibility criteria in their areas assembled in collaboration with local 'referral partners' and similar stakeholders. Subsequently the projects were given, and welcomed, confirmation of the contract's flexibility on recruitment levels to allow for more young people 'dropping out' than originally projected. While the projects were keen to hold places open for recruits who disengaged to allow them to return later, this followed the recognition that in some cases young people either no longer wished to participate or had left the project area on a permanent basis (termed 'hard drop outs' by one project).

The **project partnerships** were found to be dominated by third sector/charitable organisations. Each project is third sector led, with one organisation, P3, leading on two projects (Ambition in the East Midlands and Aspire in Gloucestershire). Each of the lead partners have considerable experience of working with a range of vulnerable groups and young people, and of providing specialist housing support for homeless individuals. This focus of activity was also reflected across the other members of the project partnerships.

In many cases the project partnerships built upon existing relationships in place locally. However in some cases new relationships needed to be established, prior to the submission of the initial applications, either to extend geographical coverage or to ensure the necessary range of provision was in place to support the progression of the target group.

Subsequently, as identified in the recent project fieldwork, several of the projects described extending their partnerships further to meet the needs of their clients, either as these needs became more apparent or as attentions turned towards achieving employment and education outcomes. This also included in some cases extending actual and potential referral sources to ensure that their recruitment targets are achieved.

Table 2.1 Overview of the Fair Chance Projects

Project	Lead Partner	Delivery Partners	Local Authority Areas Covered	Funding and Source	Referrals
Ambition	P3	YMCA Derbyshire, The Y (YMCA Leicestershire)	Leicester City Council, Leicestershire County Council (including Blaby District Council, Charnwood Borough Council, Harborough District Council, Hinckley & Bosworth Borough Council, Melton Borough Council, North West Leicestershire District Council and Oadby & Wigston Borough Council), Derby City Council and Derbyshire County Council (11)	Value of bid - £2,944,525 Investors: Big Issue Invest, Key Fund Investments and private investors/SITR. Providers – P3, The Y and YMCA Derbyshire. Total investment = £600,000	340
Aspire	P3	CCP	Gloucestershire County Council and its six districts – Tewkesbury, Forest of Dean, Stroud, Cheltenham, Gloucester City and Cotswold (7)	Value of bid - £1,451,250 Investors: CAF Venturesome, private investors/SITR, and providers P3 and CCP. Total investment = £310,000	150
Depaul.	Depaul	N/A	Three local authorities in the North West of England - Manchester City Council, Oldham Borough Council, Rochdale Borough Council – and one in London – Royal Borough of Greenwich (4).	Value of bid - £1,654,340 Investors: Bridges Social Impact Bond Fund LP, Bridges Social Entrepreneurs Fund LP, Montpelier Foundation Limited and Big Issue Invest Social Enterprise Investment Fund. Total investment = £620,000	187
Fusion	Fusion Housing Kirklees Ltd	Connect Housing; C&K Careers; Wakefield Rent Deposit Scheme; Pennine Housing; Fresh Horizon; Riverside; SmartMove	Metropolitan Borough of Kirklees, Metropolitan Borough of Calderdale and City of Wakefield Council (3)	Value of bid - £2,513,800 Investors: Bridges Ventures and Key Fund. Total investment = £840,070	250

Project	Lead Partner	Delivery Partners	Local Authority Areas Covered	Funding and Source	Referrals
Home Group	Home Group	Depaul, Your Homes Newcastle, Oasis Aquila, Changing Lives, and 'Framework Partners'	Newcastle City Council; Northumberland County Council; South Tyneside Council; North Tyneside Council; Gateshead; Durham County Council; and City of Sunderland (7)	Value of bid - £1,995,206 Investors: North Star Ventures – on behalf of NE Social Investment Fund, funded by Northern Rock Foundation, Big Society Capital, Esmee Fairburn Foundation Total investment = £498,000	230
Local Solutions	Local Solutions	Oakmere Training	Liverpool City Council and Knowsley Council (2)	Value of bid - £1,338,350 Investors: Big Issue Invest, Big Society Capital and the Key Fund. Total investment = £550,000	137
St Basil's	St Basil's	N/A	Birmingham City Council, Coventry City Council, Solihull Metropolitan Borough Council, Walsall Council, and Wyre Forest District Council (5)	Value of bid - £2,622,375 Investors: Bridges Ventures, Charities Aid Foundation, Key Fund, Big Issue Invest Ltd, Barrow Cadbury Trust Total investment = £ 1,030,000	315

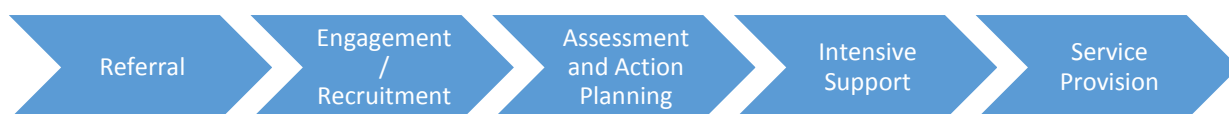
2.1.2 Interventions and delivery models

Each of the projects developed their delivery models on the basis of the characteristics of the local target group populations, their own services and those of other providers in their areas, and the challenges posed by other local factors such as local housing provision and the availability of appropriate work and education/training opportunities. Consequently each project developed their interventions and delivery models around recognised need, and where relevant with the intent of filling gaps in local provision (a key strength of the programme in the view of the local authorities consulted).

However, while each project has their own unique features, they also exhibited a series of commonalities. These included:

- Following a 'housing led' approach – where acquiring stable and permanent accommodation is seen as the key to helping individuals address the issues they face and make progress towards education/training and employment outcomes.
- The use of a 'key worker' model by six of the seven projects - to offer a single point of contact to guide the participant through the project and provide intensive support, on a flexible basis, as and when required. The seventh project, Fusion, operates a team approach, although in practice a young person might work with a specific individual more intensely over the period of engagement and may consider this person to be their main point of contact.
- A similar 'participant journey', as shown as Figure 2.1 below, with stages including referral; engagement and recruitment (including checking eligibility); assessment and individual action planning (through the 'first assessment' and use of the Outcome Star¹¹ and similar tools); the provision of intensive support via the 'key worker' or others as appropriate; and the delivery of services to achieve the accommodation, education/training, volunteering and employment outcomes.

Figure 2.1 Summary Features of the Participant Journey



Individual logic models were developed for each project as part of the Scoping and Feasibility stage of the study, which have been updated where necessary based on the fieldwork findings and are provided as Annex 1.

2.1.3 Interventions and changes since the Scoping and Feasibility stage

Table 2.2 below provides an updated summary description of the key features of each of the seven projects' delivery models. While all the projects have remained largely the same in terms of their delivery approach, some have evolved slightly to accommodate particular challenges with achieving their accommodation and employment outcomes. For example:

¹¹ See <http://www.outcomesstar.org.uk/> for further details.

St Basil's are employing a second Home Finder to focus on identifying and securing accommodation in two of their local authority areas which for a number of reasons have very little in the way of suitable and available accommodation options.

- Aspire have employed a Tenancy Support Officer (and are seeking to recruit two more) to provide specific support and help ensure tenancies secured are sustained – and have moved to six day opening to allow clients in learning or at work to continue to have access.
- Three projects have expanded or plan to expand their capacity to provide specialist support to young people with securing employment through appointing new staff or bringing in external employability support.
- One project (Home Group) will be recruiting a volunteer coordinator to focus specifically on volunteering.

Table 2.2 Summary of Interventions by Project

Key Features and Changes
<p>Aspire</p> <ul style="list-style-type: none"> ▪ Project partnership - P3 are lead partner, in partnership with CCP. ▪ Delivery model - on referral participants are allocated a Link Worker, providing a single point of contact and support, and undertaking an initial assessment and action planning exercise (Outcome Star used, and in subsequent assessments). The project follows an 'housing led' approach, aiming to place clients within 3 months into permanent independent tenancies and offering intensive support to ensure they are sustained (via Link Workers and a recently employed Tenancy Support Officer). ▪ Referral routes - All project referrals come through the START gateway, providing a single referral point across Gloucestershire. More recently, the project has started to engage with young people awaiting release from prison. ▪ Accommodation is supplied through properties sourced through the P3 property team (c. 90% so far) and other providers. P3 are exploring options to purchase properties in areas where shortages exist (and so potentially providing a long term legacy). So far securing sufficient accommodation has been the key issue for the project. ▪ Support provided - a range of support was proposed to secure education/training, volunteering and employment outcomes. <ul style="list-style-type: none"> - To date numbers entering education have been low, almost all into mainstream college provision, although they expect to use 'spot purchasing' arrangements in Years 2 and 3. - The project partners, CCP, lead on local volunteering opportunities, with a range of placements available and access to others across the third sector locally. Recognising volunteering not always attractive to young people, they also offer integrated volunteering/training/work placement activities set in a real print shop. - Employment support is currently provided internally, although

external employability provision is expected to be used in Years 2 and 3 (currently engaged with Learn Direct, and looking for work opportunities with local employers around placements and apprenticeship options).

▪ **Developments in year 1:**

- Appointing a Tenancy Support Officer (with plans for two more);
- Reorganising the Link Workers to operate by District – saving travel time and providing more flexible support in rural areas (and improving local intelligence);
- Opening on a six day a week basis – to allow access for clients in volunteering, learning or employment

Ambition

- **Project partnership:** lead partners are P3, in partnership with the YMCA Derbyshire and The Y (YMCA Leicestershire), who are responsible for provision in Derbyshire, Derby City and Leicester / Leicestershire respectively.
- **Delivery model:** as in Aspire, key workers provide intensive support to participants.
- **Referral routes:** received from single referral points in two areas, and from individual authorities in Derbyshire, with additional referral routes being developed in Year 1. Challenges in securing referrals have been an issue in one area, accompanied by staff turnover, although the other partners have helped ensure referrals are above expectation. As existing housing support services in Derbyshire take the lower need groups, referrals concentrate on those with higher level needs – although client needs have become more complex overall as potential referrers find out about the project.
- **Accommodation:** each partner has their own arrangements for identifying and securing accommodation (a mix of providers' own and alternative stock)
- **Support provided:** again each partner has their own arrangements:
 - **Education/training and employment opportunities** – with a combination of partners' on-site provision and external provision being used/proposed. Interest in employment support is high, and will be a focus in Years 2 and 3.
 - **Volunteering** – has proved to be a less attractive option for many participants. However the project has directed volunteering activities towards those claiming Employment Support Allowance (ESA) and with complex issues, with a view to leading to part or full-time work opportunities.

Depaul

- **Project partnership:** Depaul is the sole provider of the project, known locally as 'Your Chance'.
- **Referral routes:** Referrals are received from youth homeless gateways in each of the four local authorities covered, all of which are delivered through third sector providers. A range of other providers also refer in including the probation service and police.
- **Delivery model:** The delivery model follows their Values in Practice approach which draws upon theories of psychologically informed environments, ladders of change, attachment theory and social pedagogy. Young people are allocated a Support Worker who provides holistic tailored support through their time with the project. Following an initial assessment using Outcome Star and the development of an individual action plan.
- **Accommodation:** Depaul take a housing-led approach so that the first priority is to source and secure accommodation through Depaul's existing networks and relationships with housing providers. Local availability of housing options varies across each local authority area. Support is provided with applications and associated administration, and to secure the appropriate benefits, deposits and white goods. Young people are subsequently supported to sustain their tenancies through practical help for example with budgeting and emotional support.
- **Support provided:** Once settled in accommodation Support Workers work at the young person's pace to enable them to access a range of **training and employability** support available through both mainstream services and community-based provision. Depaul also use their own learning and employability provision, which includes workshops and taster sessions. Help to find employment is also offered by the Support Worker. Young people are also supported to identify and take up **volunteering opportunities** where appropriate.

Fusion

- **Project partnership:** Fusion are the lead provider working in partnership with Connect Housing, C&K Careers, Wakefield Rent Deposit Scheme, Pennine Housing, Fresh Horizon, Riverside, and SmartMove
- **Referral routes:** Each of the three local authorities covered by the project have their own referral gateway arrangements, with Assessment and Outreach workers engaging with young people and assessing their needs and aspirations using the Outcomes Star. Referrals also come from a network of other organisations that are aware of the project in each locality. These referrals are passed on to the gateway for verification.
- **Delivery model:** The Fusion delivery model is based on a team approach with staff members specialising in different aspects of the support package offered to young people. Following referral Intervention Workers provide holistic and informal support to individuals throughout the

programme supported by the wider team.

- **Accommodation:** Intervention workers facilitate meetings between the client and “specialist workers” from the wider team. Tenancy Sourcing and Management Workers source **accommodation** and taking a ‘tenancy management’ role with each participant. A bond guarantee is also available for those in private sector tenancies, while furniture and white goods are available through recycling schemes. Furniture and other items are also purchased through a Fair Chance flexible fund.
- **Support provided:** Education, training and employment opportunities are facilitated through Education and Employment Workers, who work with clients to build their confidence and self-esteem, and develop individual action plans/pathways. Provision offered includes accredited workshops around tenancy, debt and living on low incomes, Level 1 independent skills curriculum and mainstream provision through college and training providers, Fair Chance Work Clubs and in-work support. **Volunteering opportunities** are made available to young people through links with community organisations, such as youth groups and community cafés.

Home Group

- **Project partnership:** Home Group is the lead provider work delivering ‘Your Chance’ in the North East. They work in partnership with DePaul, Your Homes Newcastle, Oasis Aquila, Changing Lives, and ‘Framework Partners’
- **Referral routes:** The project covers seven local authority areas, each with their own gateway, who refer young people into the project. Support Co-ordinators are co-located for part of the week with the local authority housing team in order to promote referral. On referral Support Co-ordinators engage with each young person, undertake a needs assessment using the Outcomes Star, and develop an action plan identifying steps to be taken and interventions agreed.
- **Delivery model:** The overall approach builds upon the organisations Jumpstart model (developed in Bradford), and begins with addressing issues of previous arrears/debts and behaviour issues, and securing suitable accommodation through existing links with a range of housing providers. Access to supported accommodation is also facilitated, and deposits and bond guarantees provided as appropriate.
- **Support provided:** Education, training and employment opportunities are offered through the providers’ internal training and employment support as well as external provision. This includes the Open College Network (OCN) Home Achievement Programme, and local partner Changing Lives offering employment programmes and work/training places. A personalisation fund is available to support individuals to meet their goals.
- **Developments in year 1:** The project plans to recruit a volunteer coordinator as this has proved a challenging outcome to achieve.

Local Solutions

- **Project partnership:** Local Solutions are the sole provider of the Fair Chance Fund (known locally as AIMS) in Liverpool and Knowsley.
- **Referral routes:** Referrals are through a single referral gateway, Mainstay, which ensures that young people are identified independently and provides a standardised assessment of supported housing need.
- **Delivery model:** On referral young people are allocated an Intense Mentor, who provides a single contact point delivering holistic and personalised support, based on individual action plans developed following an assessment of needs, across multiple services. The project takes a housing led approach and the Intense Mentors prioritise securing accommodation through use of their own supported housing options as well as through other local providers.
- **Support provided:** The **education and training** aspect of the project is delivered through Oakmere College that has recently become part of Local Solutions. The college specialises in delivering a range of courses to young people who have not previously engaged well with education. With **employment** becoming an increasingly important outcome, the focus has shifted from vocational to employability training.
- **Developments in year 1:** Local Solutions have also appointed an employment officer dedicated to supporting young people into employment and apprenticeships. As demand for his support is growing Local Solutions will shortly be appointing a support worker to help out with the increased caseload of young people seeking employment.

St Basil's

- **Project partnership:** St Basil's (known locally as Rewriting Futures) are the sole provider of FCF in the West Midlands.
- **Referral routes:** Referrals are through five gateways serving each of the local authorities, and self-referral through the provider website.
- **Delivery model:** Participants are allocated a Support Worker, who is a source of intensive, practical and psycho-social support throughout the programme – on the basis of individually tailored action plans informed by completion of the Outcomes Star and Risk Tracker. The project is also building a team of Community Coaches in each local authority area to provide additional support to participants. The complexity of need with which young people present mean that this support is designed to come later in the participant journey.
- **Support provided:** St Basil's provides their own life-skills course, to prepare participants for independent living, and has a dedicated 'Home-Finder' who works with local authority and other housing providers to secure accommodation for their clients. Existing links with education and training providers, and employers, and the provider's own internal provision enable access to **education, training and employment** opportunities.

- **Developments in year 1:** Sourcing accommodation is a particular challenge in three of the local authorities covered by the project and so St Basil's are appointing a second Home Finder to focus on these difficult areas.

2.2 Performance to date

In their applications for the Fair Chance programme, providers were requested to provide profiles for referral and outcomes achieved over time. These were established based on providers', and their partners, best estimates of the number of young people fitting the Fair Chance criteria, and the share of these likely to be engaged by and secure outcomes from the projects. These profiles were used as the basis for assessing performance in the first year of delivery. This section reviews the performance of the Fair Chance projects against these original performance profiles for the first three quarters of implementation – i.e. from January to end September 2015. It draws upon the monitoring data held centrally and upon which payments to the projects under the PbR system are made. As these payments, and the accompanying consolidation and verification of the outcomes claimed, takes place quarterly, this data provides the most up to date and verified view of performance across the programme before the final Year 1 performance data is available in January 2016.

In their initial applications each of the projects provided detail of the number of outcomes they intended to achieve across the life of the programme, profiled by quarter, with accompanying tariffs determining the payments expected to be made through the PbR system. Table 2.3 below provides an overview of the expected outcomes for each project for the duration of the programme, as set out in their initial applications. Consequently the referral figures are based on the recruitment targets set out in their respective applications. Table 2.3 shows that to the end of the programme in December 2017:

- A total of 1,609 **referrals** were expected across the projects, of which 99%, 87% and 76% are expected to receive a first, second and third **assessment** respectively.
- 1,429 young people were expected to enter **accommodation** and 1,003 to sustain this for 18 months – representing 89% and 62% of the referrals and reflecting the emphasis on the housing led approach followed across the projects.

Table 2.3 Projected Outcomes by Project

Project	Referrals	Assessment			Accommodation – Entry and Sustained (months)				Education/Training – Entry and Qualifications Achieved				Volunteering ¹² - Sustained (weeks)				Employment – Entry, Part or Full-time Sustained (weeks)					
		A1	A2	A3	Entry	3 mths	6 mths	12 mths	18 mths	Entry	1 st Entry level qual	NVQ L1 or equiv	NVQ L2 or equiv	Vol 6 wks	Vol 13 wks	Vol 20 wks	Vol 26 wks	Entry	P/T 13 wks	P/T 26 wks	F/T 13 wks	F/T 26 wks
Ambition	340	340	272	245	274	249	237	210	201	153	54	98	61	141	93	0	0	125	25	18	94	67
Aspire	150	150	121	106	129	122	122	106	106	66	20	41	37	32	32	0	0	75	12	13	47	39
Depaul	187	168	161	157	163	150	146	142	138	67	34	25	18	17	7	0	0	75	18	12	35	23
Fusion	250	250	238	225	250	238	225	200	175	150	25	50	10	100	60	30	30	120	80	60	40	35
Home Group	230	230	207	136	220	216	189	172	113	139	124	109	20	61	29	27	23	55	25	20	25	20
Local Solutions	137	137	116	103	116	103	96	89	76	96	69	50	29	35	26	4	1	35	15	11	15	11
St Basil's	315	315	284	252	277	221	204	204	194	221	84	89	41	32	16	0	0	79	42	33	20	14
Programme total	1,609	1,590	1,399	1,224	1,429	1,299	1,219	1,123	1,003	892	410	462	216	418	263	61	54	564	217	167	276	209
% of referrals achieving	100%	99%	87%	76%	89%	81%	76%	70%	62%	55%	25%	29%	13%	26%	16%	4%	3%	35%	13%	10%	17%	13%

Source: Project Applications

¹² NB – there is no outcome payment for entry to volunteering

- 892 (55% of referrals) were expected to enter **education and training**, and to achieve over 1,000 Entry level or NVQ Level 1 or 2 qualifications - 25% expected to gain a first Entry level qualification, 29% an NVQ Level 1 and 13% an NVQ Level 2 (or equivalents).
- 418 were expected to undertake a six week **volunteering** placement – representing 26% of referrals, with 16% sustaining a 13 week placement and just 4% and 3% sustaining for 20 and 26 weeks respectively. Just three of the seven projects proposed outcome payments for the 20 and 26 week volunteering outcome.
- 564 (35% of referrals) were expected to enter **part or full-time employment** – with 217 (13%) and 276 (17%) sustaining part or full-time work for 13 weeks respectively, and 167 (10%) and 209 (13%) sustaining for 26 weeks.

The remainder of this chapter reviews the performance of the programme, and the individual projects, against the expectations set out in the initial project applications. Several points are worth considering in interpreting the findings:

- The outcome profiles expected reflect the early stages of delivery, and so for the most part focus on referral/recruitment, initial and subsequent assessments and entry to and sustained accommodation for three and six months – reflecting the housing led approach adopted by the projects.
- In many cases education/training, volunteering and employment outcomes were scheduled to be achieved later in Year 1 and throughout Years 2 and 3. However in many cases outcomes in these areas were reported in advance of expectation.
- The fieldwork with the projects found that while attentions had increasingly focussed on collecting the information required to verify the outcomes claimed, in some cases outcomes had been achieved which were yet to be reported and verified. Evidencing employment outcomes, and the reliance on employers to provide the required information, was identified as a particular area of difficulty.
- The opportunity to re-profile the nature and timing of outcomes secured, against the initial expectations set out in their individual applications, was welcomed by many of the projects as they looked towards Years 2 and 3 of the implementation. While some had already undertaken re-profiling exercises at the time of the fieldwork (for example a number had re-profiled their volunteering outcomes), others expected to do so in future as they learnt from their experiences of the first year of delivery.
- Finally, the review of performance illustrated many of the challenges of establishing outcome profiles for medium-term projects, particularly those working with young people with the characteristics of the Fair Chance participants. As suggested above, the ability to re-profile their outcomes was welcomed by the projects, particularly as this allowed lessons from Year 1 to influence profiles for achievement in Years 2 and 3. This also emphasises the importance of robust performance monitoring procedures, with the ability to respond when slippage is identified.

The remainder of this chapter sets out the outcomes achieved compared to expectation, while Chapter 3 provides further detail on how these outcomes were achieved.

2.2.2 Referrals

Referrals to the programme, and to the majority of the projects, was ahead of expectation at the end of Quarter 3. Some 1,321 young people had been referred against an expectation of 1,257, 5% above expectation and representing 82% of the total referral target of 1,609. On this basis it appears that the programme overall is set to achieve its referral targets with one quarter of recruitment remaining. Table 2.4 summarises performance against expectation for the programme and by project to the end of Quarter 3.

Table 2.4 Referrals by Project

Project	Expected Referrals				Actual Referrals				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	108	98	84	290	99	120	77	296	+6	+2%
Aspire	50	40	40	130	48	51	41	140	+10	+8%
Depaul	48	48	50	146	44	56	53	153	+7	+5%
Fusion	63	63	63	189	69	88	86	243	+54	+29%
Home Group	58	58	57	173	43	64	43	150	-23	-13%
Local Solutions	23	37	38	98	21	32	40	93	-5	-5%
St Basil's	73	78	80	231	67	70	109	246	+15	+6%
Total	423	422	412	1,257	391	481	449	1,321	+64	+5%

Source: Fair Chance Monitoring Data

Looking at **referrals by project**, a degree of variation emerges:

- **All but two of the projects have exceeded their referral targets**, by 5 or 6% in most cases but by almost 30% in the case of Fusion.
- However in **two projects referrals were below expectation** – Home Group were 13% behind target (representing 23 individuals), and Local Solutions were 5% behind (representing five individuals).

In terms of progress towards the individual projects' referral targets as set out in their bids:

- **Most were close, or very close, to their targets** - with Fusion needing just seven referrals and Aspire just 10; and the Ambition, Depaul, and St Basil's projects needing only to replicate their average quarterly performance in Quarter 4.

- However in the two projects where referrals were below expectation a different picture emerges, raising questions of their ability to achieve the expectations set in their bids by the end of December 2015:
 - To achieve their overall referral targets, Local Solutions would need an additional 44 referrals in Quarter 4, which would represent their best performance per quarter so far, although referral numbers have ramped up steadily in the preceding quarters.
 - In the case of the Home Group, the project would need an additional 80 referrals in Quarter 4, which would represent their highest quarter for referrals by some way¹³.

It is also interesting to note the extent to which the different expectations of referral numbers over time, as reflected in the initial profiles in the project applications, have been reflected in reality. In the majority of cases the projects suggested broadly flat profiles, with referrals being distributed fairly evenly across the four quarters of the year. In others such as Ambition and Aspire referrals were front loaded, while in Local Solutions a steady build-up of recruits was expected over the year. It is worth noting that the degree of variation between expected referral numbers in each quarter across the projects was limited.

2.2.3 Assessment

Payments can be claimed by the projects for up to three assessments for each young person participating in the programme. While, in common with many other outcomes, achievement is inextricably linked to the profile of referrals received across year 1, Table 2.5 below sets out the number of first, second and third assessments completed, per quarter and in total, against expectation to end September 2015.

Before reviewing the data, it is important to note that the assessments for which payments are received do not represent the only assessment activity envisaged by the projects with each young person they work with. Instead each described assessment processes which would follow the young person to the end of the programme.

As Table 2.5 shows, almost all the projects had exceeded the number of first, second and in some cases third assessments completed. Only Home Group were below expectation for all three assessments, although Depaul were also below expectation for the number of second assessments completed.

¹³ Since this report was produced final end of year data has become available. This shows that there have been a total of 1,921 referrals into the FCF programme as a whole. This breaks down on a project by project basis as follows: Ambition 411; Aspire 170; Depaul 218; Fusion 352; Home Group 277; Local Solutions 139; and St Basil's 354 showing that all projects have exceeded their projected annual referrals and ranging from plus 2 (Local Solutions) to plus 102 (Fusion).

Table 2.5 Assessments Completed by Project

Project	Expected Number of Assessments				Actual Number of Assessments				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition										
1 st assessment	50	98	84	232	40	130	78	248	+16	+7%
2 nd assessment	0	86	78	164	0	101	89	190	+26	+16%
3 rd assessment	0	0	0	0	0	8	91	99	+99	N/A
Aspire										
1 st assessment	108	40	40	188	95	57	36	188	0	0
2 nd assessment	0	41	32	73	0	51	44	95	+22	+30%
3 rd assessment	0	0	0	0	0	7	48	55	+55	N/A
Depaul										
1 st assessment	6	47	43	86	34	35	45	114	+28	+33%
2 nd assessment	0	5	45	50	0	13	29	42	-8	-16%
3 rd assessment	0	0	5	5	0	0	11	11	+6	+120%
Fusion										
1 st assessment	63	63	63	189	67	86	86	239	+50	+26%
2 nd assessment	0	69	60	129	0	60	71	131	+2	+2%
3 rd assessment	0	0	19	19	0	7	51	58	+39	+205%
Home Group										
1 st assessment	43	48	47	138	36	72	35	143	+5	+4%
2 nd assessment	25	42	42	109	0	21	24	45	-64	-60%
3 rd assessment	0	19	27	46	0	2	13	15	-31	-67%
Local Solutions										
1 st assessment	3	25	37	65	21	33	40	94	+29	+45%
2 nd assessment	0	2	22	24	0	10	27	37	+13	+54%
3 rd assessment	0	0	2	2	0	0	19	19	+17	+850%
St Basil's										
1 st assessment	18	68	78	164	52	63	91	206	+42	+26%
2 nd assessment	0	15	62	77	0	48	40	88	+11	+14%
3 rd assessment	0	0	13	13	0	0	33	33	+20	+153%
Total	316	668	799	1,773	345	804	1,001	2,150	+377	+21%

Source: Fair Chance Monitoring Data

2.2.4 Accommodation - entry and sustained

Each of the seven projects described following a housing led model, where securing safe, appropriate and sustained accommodation for the Fair Chance

clients marks the first step in their progression and provides a stable basis to be built upon. Consequently outcomes, and payments, can be claimed for:

- Entry to accommodation; and
- Sustained accommodation at the three, six, 12 and 18 month points.

2.2.4.1 Entry to accommodation

Table 2.6 below shows the number of young people entering accommodation in the first three quarters, by project and for the programme overall, and compared to expectation. Across the seven projects a total of 819 young people entered accommodation, just three short of the expected 822.

Table 2.6 Entry to Accommodation by Project

Project	Expected Entry to Accommodation				Actual Entry to Accommodation				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	43	76	69	188	24	120	57	201	+13	+7%
Aspire	86	34	34	154	70	54	20	144	-10	-7%
Depaul	5	42	42	89	13	31	25	69	-20	-23%
Fusion	34	54	54	142	31	54	51	136	-6	-4%
Home Group	28	48	48	124	21	53	26	100	-24	-19%
Local Solutions	0	14	29	43	14	19	25	58	+15	+35%
St Basil's	0	31	51	82	17	46	48	111	+29	+35%
Total	196	299	327	822	190	377	252	819	-3	-1%

Source: Fair Chance Monitoring Data

However performance at the programme level again masks variations between the projects. As the table shows three projects exceeded their expectations (Ambition, Local Solutions and St Basil's – by 35% in the cases of Local Solutions and St Basil's), while the remainder failed to meet the expected numbers. Of particular concern are Depaul (who underperformed by 23%) and Home Group (by 19%). As the following section illustrates, early slippage against projection for entry into accommodation was often reflected in the achievement of the sustained accommodation outcomes.

2.2.4.2 Sustained accommodation

Outcomes and payments can be claimed for accommodation outcomes sustained for three, six, 12 and 18 month points. Only the three and six month sustained accommodation outcomes are relevant at this stage of the programme, and are shown as Table 2.7 below.

The table shows that a total of 544 young people had achieved sustained accommodation outcomes at three or six months – with 420 sustaining for three and 124 for six months. This was below the programme level target – where 487 were expected to be sustained for three months (86% of which was achieved) and 199 for six months (62% of which was achieved).

Table 2.7 Sustained Accommodation by Project – 3 and 6 Months

Project	Period sustained	Expected Accommodation Sustained				Actual Accommodation Sustained				Variance	
		Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	3 months	0	78	69	147	0	60	66	126	-21	-14%
	6 months	0	0	75	75	0	0	48	48	-27	-36%
Aspire	3 months	0	41	32	73	0	22	45	67	-6	-8%
	6 months	0	0	41	41	0	0	15	15	-26	-63%
Depaul	3 months	0	5	38	43	0	16	27	43	0	0
	6 months	0	0	4	4	0	0	10	10	+6	+150%
Fusion	3 months	0	60	60	120	0	33	41	74	-46	-38%
	6 months	0	0	57	57	0	0	25	25	-32	-56%
Home Group	3 months	0	26	48	74	0	8	25	33	-41	-55%
	6 months	0	0	22	22	0	0	7	7	-15	-58%
Local Solutions	3 months	0	0	5	5	0	8	15	23	+18	+360%
	6 months	0	0	0	0	0	0	7	7	+7	--
St Basil's	3 months	0	0	25	25	0	13	41	54	+29	+116%
	6 months	0	0	0	0	0	0	12	12	+12	--
	Total	0	210	476	686	0	160	384	544	-142	-21%

Source: Fair Chance Monitoring Data

Some wide variations in performance again emerged between the projects, with the majority (four) failing to achieve their three and six month sustained accommodation targets – commonly by over 50%. Only Depaul, Local Solutions and St Basil's met or exceeded expectations, which included six month sustained accommodation results which were not expected at this point in the programme.

2.2.5 Education and training

Projects can claim outcomes and associated payments for young people who take up education and training opportunities, and who subsequently achieve qualifications (either a first Entry Level qualification, an NVQ Level 1 or equivalent, or a first NVQ Level 2 or equivalent - including an apprenticeship).

2.2.5.1 Entry into education/training

Table 2.8 shows that performance against expectation varied between the projects, entry for the programme overall was 10% below expectation.

Table 2.8 Entry into Education and Training

Project	Expected Entry into Education/Training				Actual Entry into Education/Training				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	0	0	45	45	0	15	4	19	-26	-58%
Aspire	0	0	22	22	1	2	6	9	-13	-60%
Depaul	0	0	6	6	2	11	7	20	+14	+230%
Fusion	0	16	24	40	9	11	24	44	+4	+10%
Home Group	8	18	18	44	8	16	6	30	-14	-32%
Local Solutions	0	2	17	19	0	10	16	26	+7	+37%
St Basil's	0	16	36	52	7	30	20	57	+5	+10%
Total	8	52	168	228	27	95	83	205	-23	-10%

Source: Fair Chance Monitoring Data

Again the programme figure masks variation between the projects, with four (Depaul, Fusion, Local Solutions and St Basil's) exceeding expectations - in the case of Depaul by 230% or 14 individuals.

Elsewhere expectations were not achieved, with fewer than half the expected numbers entering education/training in the cases of Ambition and Aspire.

2.2.5.2 Achievement of qualifications

Just four projects set targets for the achievement of qualifications in the first three quarters of 2015 – Fusion, Home Group, Local Solutions and St Basil's – and most commonly for first Entry Level qualifications. The remaining three projects neither set targets for qualifications achievement, nor achieved any unexpected qualification outcomes.

Table 2.9 sets out the qualification targets, and achievements, for the four projects below.

Table 2.9 Qualifications Achieved by Project

Project	Expected Number of Qualifications Achieved				Actual Number of Qualifications Achieved				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Fusion										
1 st Entry Level	0	0	5	5	0	0	0	0	-5	-100%
NVQ L1 or equiv	0	0	0	0	0	0	0	0	--	--
NVQ L2 or equiv	0	0	0	0	0	0	0	0	--	--
Home Group										
1 st Entry Level	0	2	15	17	2	7	2	11	-6	-35%
NVQ L1 or equiv	0	5	12	17	2	1	2	5	-12	-70%

Project	Expected Number of Qualifications Achieved				Actual Number of Qualifications Achieved				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
NVQ L 2 or equiv	0	1	1	2	0	0	0	0	-2	-100%
Local Solutions										
1 st Entry Level	0	0	3	3	0	0	4	4	+1	+30%
NVQ L1 or equiv	0	0	0	0	0	0	0	0	--	--
NVQ L 2 or equiv	0	0	0	0	0	0	0	0	--	--
St Basil's										
1 st Entry Level	0	0	5	5	0	0	0	0	-5	-100%
NVQ L1 or equiv	0	0	0	0	0	0	0	0	--	--
NVQ L 2 or equiv	0	0	0	0	0	0	0	0	--	--
Total	0	8	41	49	4	8	8	20	-29	-59%

Source: Fair Chance Monitoring Data

While just 49 achievement of qualification outcomes were expected across the projects by the end of Quarter 3, actual performance was below this with 20 first Entry Level and NVQ Level 1 (or equivalent) qualifications being achieved. Only Local Solutions exceeded expectations, achieving four first entry level qualifications against a target of three.

Both the expected and actual number of qualifications achieved reflected both the emphasis on referral and accommodation outcomes in Year 1 of the programme, as well as the inevitable time lags between entering education/training and achieving a qualification.

2.2.6 Volunteering

Outcome payments can be claimed for sustained volunteering of six, 13, 20 and 26 weeks duration. As Table 2.10 below shows, the majority of the projects had set targets for six and 13 week sustained placements in the first three quarters of year 1, and in some cases unexpected sustained volunteering outcomes were also reported.

Performance at the programme level was behind expectation for sustained volunteering at the six and 13 weeks by 54% and 66% respectively. However one 20 week and one 26 week sustained outcomes were achieved which were not expected.

Table 2.10 Sustained Volunteering by Project

Project	Duration	Expected Number of Sustained Volunteering				Actual Number of Sustained Volunteering				Variance	
		Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	6 weeks	0	28	35	63	0	18	4	22	-41	-65%
	13 weeks	0	0	20	20	0	4	6	10	-10	-50%
	20 weeks	0	0	0	0	0	0	4	4	+4	--
	26 weeks	0	0	0	0	0	0	1	1	+1	--
Aspire	6 weeks	0	11	8	19	0	3	4	7	-12	-63%
	13 weeks	0	0	11	11	0	0	2	2	-9	-82%
	20 weeks	0	0	0	0	0	0	1	1	+1	--
	26 weeks	0	0	0	0	0	0	0	0	--	--
Depaul	6 weeks	0	0	2	2	0	11	0	11	+9	+450%
	13 weeks	0	0	0	0	0	0	0	0	--	--
	20 weeks	0	0	0	0	0	0	0	0	--	--
	26 weeks	0	0	0	0	0	0	0	0	--	--
Fusion	6 weeks	0	4	12	16	0	3	3	6	-10	-62%
	13 weeks	0	0	8	8	0	1	1	2	-6	-75%
	20 weeks	0	0	0	0	0	0	0	0	--	--
	26 weeks	0	0	0	0	0	0	1	1	+1	--
Home Group	6 weeks	0	6	6	12	0	2	4	6	-6	-50%
	13 weeks	0	3	3	6	0	0	1	1	-5	-83%
	20 weeks	0	2	2	4	0	0	0	0	-4	-100%
	26 weeks	0	0	1	1	0	0	0	0	-1	-100%
Local Solutions	6 weeks	0	0	1	1	0	1	0	1	--	--
	13 weeks	0	0	0	0	0	0	0	0	--	--
	20 weeks	0	0	0	0	0	0	0	0	--	--
	26 weeks	0	0	0	0	0	0	0	0	--	--
St Basil's	6 weeks	0	0	4	4	0	1	0	1	-3	-75%
	13 weeks	0	0	0	0	0	0	0	0	--	--
	20 weeks	0	0	0	0	0	0	0	0	--	--
	26 weeks	0	0	0	0	0	0	0	0	--	--
Total	6 weeks	0	49	68	117	0	39	15	54	-63	-54%
	13 weeks	0	3	42	45	0	5	10	15	-30	-66%
	20 weeks	0	2	2	4	0	0	5	5	+1	+25%
	26 weeks	0	0	1	1	0	0	2	2	+1	+100%

Source: Fair Chance Monitoring Data

As the findings at the programme level suggest, the majority of the projects were behind expectation in terms of sustained volunteering.

2.2.7 Entry into and sustained employment

Finally, outcomes and payments can be claimed for young people entering employment, and for full-time and part-time employment sustained for 13 and 26 weeks. For the most part, the scheduling of employment outcomes by the projects reflected the assumption that these outcomes would follow the underpinning accommodation, and to a lesser extent, education and training outcomes. However in some cases employment outcomes have been achieved in advance of expectation.

It is also worth noting that the project fieldwork identified that evidencing employment outcomes was particularly challenging in some cases, due to the reliance on employers providing the necessary information, and that the verified data on entry to work was likely to underestimate the actual number of outcomes achieved.

2.2.7.1 Entry into employment

A single measure of entry of employment is used, to cover entry to both full and part-time work. Table 2.11 below sets out the outcomes achieved at programme and project levels.

In terms of performance at programme level, entry to employment expectations have been exceeded significantly, with 77 young people entering employment compared to an expected 23.

Table 2.11 Entry into Employment

Project	Expected Entry into Employment				Actual Entry into Employment				Variance	
	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	0	0	0	0	0	12	10	22	+22	--
Aspire	0	0	0	0	1	5	2	8	+8	--
Depaul	0	0	5	5	0	0	1	1	-4	-80%
Fusion	0	0	0	0	0	12	14	26	+26	--
Home Group	0	6	6	12	0	1	4	5	-7	-58%
Local Solutions	0	0	0	0	0	2	2	4	+4	--
St Basil's	0	0	6	6	0	8	3	11	+5	+83%
Total	0	6	17	23	1	40	36	77	+54	+235%

Source: Fair Chance Monitoring Data

All but two of the projects exceeded their expectations for entry into employment – either achieving outcomes before they were expected (Ambition, Aspire, Fusion and Local Solutions) or over-achieving where targets were set (St Basil's). In the case of Depaul and Home Group, both expected

to achieve entry to employment outcomes which failed to be achieved, both by over 50%.

2.2.7.2 Sustained employment outcomes

The entry to employment performance described above inevitably influenced performance in terms of sustained part and full-time employment. As Table 2.12 below shows, at the programme level:

- Part and full-time employment sustained for 13 weeks exceeded expectation, by 40% (representing two individuals) and 300% (representing 12 individuals) respectively; and
- Part-time employment sustained for 26 weeks was below target by 50% (representing just one individual) and on profile for full-time employment (just one individual).

Each of the projects set low expectations in terms of sustained employment to the end of Quarter 3 – again as employment outcomes, and particularly sustained outcomes, were widely considered to be more likely to be achieved in years 2 and 3 of the programme.

Just one project, the Home Group, expected to achieve sustained employment outcomes by the end of Quarter 3, of which none were achieved.

Given the current stage of the programme, it is not possible to comment on the extent to which individuals entering employment have sustained. As the vast majority of entry to employment outcomes were achieved in Quarters 2 and 3, only those starting work early in Quarter 2 were likely to appear as verified sustained outcomes at the end of Quarter 3. The Quarter 4, and subsequent Years 2 and 3, monitoring data will allow sustained employment as a share of entry to employment to be assessed.

Table 2.12 Sustained Full-time and Part-time Employment by Project

Project	F/T and P/T, and duration	Expected Sustained Employment				Actual Sustained Employment				Variance	
		Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Number	%
Ambition	P/T 13 wks	0	0	0	0	0	0	5	5	+5	--
	P/T 26 wks	0	0	0	0	0	0	0	0	0	0
	F/T 13 wks	0	0	0	0	0	0	2	2	+2	--
	F/T 26 wks	0	0	0	0	0	0	0	0	0	0
Aspire	P/T 13 wks	0	0	0	0	0	0	1	1	+1	--
	P/T 26 wks	0	0	0	0	0	0	1	1	+1	--
	F/T 13 wks	0	0	0	0	0	0	0	0	0	0
	F/T 26 wks	0	0	0	0	0	0	0	0	0	0
Depaul	P/T 13 wks	0	0	0	0	0	0	0	0	0	0
	P/T 26 wks	0	0	0	0	0	0	0	0	0	0
	F/T 13 wks	0	0	0	0	0	0	0	0	0	0
	F/T 26 wks	0	0	0	0	0	0	0	0	0	0
Fusion	P/T 13 wks	0	0	0	0	0	0	0	0	0	0
	P/T 26 wks	0	0	0	0	0	0	0	0	0	0
	F/T 13 wks	0	0	0	0	0	3	3	6	+6	--
	F/T 26 wks	0	0	0	0	0	0	1	1	+1	--
Home Group	P/T 13 wks	0	2	3	5	0	0	0	0	-5	-100%
	P/T 26 wks	0	0	2	2	0	0	0	0	-2	-100%
	F/T 13 wks	0	1	3	4	0	0	0	0	-4	-100%
	F/T 26 wks	0	0	1	1	0	0	0	0	-1	-100%
Local Solutions	P/T 13 wks	0	0	0	0	0	0	1	1	+1	--
	P/T 26 wks	0	0	0	0	0	0	0	0	0	0
	F/T 13 wks	0	0	0	0	0	0	2	2	+2	--
	F/T 26 wks	0	0	0	0	0	0	0	0	0	0
St Basil's	P/T 13 wks	0	0	0	0	0	0	0	0	0	0
	P/T 26 wks	0	0	0	0	0	0	0	0	0	0
	F/T 13 wks	0	0	0	0	0	2	4	6	+6	--
	F/T 26 wks	0	0	0	0	0	0	0	0	0	0
Total	P/T 13 wks	0	2	3	5	0	0	7	7	+2	+40%
	P/T 26 wks	0	0	2	2	0	0	1	1	-1	-50%
	F/T 13 wks	0	1	3	4	0	5	11	16	+12	+300%
	F/T 26 wks	0	0	1	1	0	0	1	1	0	--

Source: Fair Chance Monitoring Data

2.3 Payments to date

The payments received by each project to the end of Quarter 3 were reviewed in comparison to the projected payments in the individual project applications. The payment figures are based upon the tariffs (and discounts applied) set out in within them.

Table 2.13 summarises the payments to date, based on the performance summarised in the previous chapters. At the programme level, the table shows that **payments in the first three quarters were very close to expectation** (-1%), with a total of £2,390,107 being claimed against the projections in the individual applications of £2,417,450.

Table 2.13 Actual vs Projected Payments – to end Quarter 3 2015

Project	Quarter	Projected Payment (£)	Actual Payment (£)	Variance (%)
Ambition	1	90,550	66,450	-27%
	2	235,650	265,425	+13%
	3	336,425	302,940	-10%
Project total		662,625	634,815	-4%
Aspire	1	43,275	28,850	-23%
	2	111,900	110,650	-1%
	3	160,950	143,313	-11%
Project total		316,125	282,813	-11%
Depaul	1	5,500	25,000	+355%
	2	54,500	69,000	+27%
	3	135,500	111,200	-18%
Project total		195,500	205,200	+5%
Fusion	1	46,800	51,500	+10%
	2	175,800	167,550	-5%
	3	274,100	235,175	-14%
Project total		496,700	454,225	-9%
Home	1	37,974	20,626	-46%
	2	138,936	179,446	+29%
	3	241,090	95,142	-61%
Project total		418,000	295,214	-29%
Local Solutions	1	1,500	18,000	+1,100%
	2	21,500	36,500	+70%
	3	65,400	96,440	+47%
Project total		88,400	150,940	+71%
St Basil's	1	9,000	38,000	+322%

Project	Quarter	Projected Payment (£)	Actual Payment (£)	Variance (%)
	2	65,000	125,600	+93%
	3	166,100	203,300	+22%
Project total		240,100	366,900	+53%
Programme total		2,417,450	2,390,107	-1%

Source: Fair Chance Monitoring Data

However at the individual project level a greater degree of variation could be seen, both between the seven projects and between quarters for each project, compared to the profiles in their applications:

- Local Solutions and St Basil’s were consistently ahead of their payment profiles (i.e. overall and for each quarter), at the end of Quarter 3 by 71% and 53% respectively;
- Conversely two projects consistently received payments below the profiles established – Aspire, who at the end of Quarter 3 were 11% below projection; and Fusion who were 9% below projection;
- Depaul were ahead of profile by 5%, despite being behind profile for their Quarter 3 (and largest) payment; and
- Ambition and the Home Group were behind their profiles by 4% and 29% respectively – in each case being ahead of profile in just one of the three quarters.

Payments made against profile will continue to be monitored and reported in subsequent stages of the evaluation, with Years 2 and 3 providing a better indication of overall performance once ‘referral effects’ are reduced.

2.4 Investors’ views of performance

In the interviews with investors in the projects, reported in more detail in Chapter 5, the investors reported being broadly happy with the overall performance of their projects to date. However they identified a series of particular issues as areas of potential ongoing concern.

2.4.1 Referral and recruitment

The investors reported being reasonably happy with the progress made in terms of referral and recruitment during the first year of the programme. They described a focus on over-recruitment because of the potential dropout rate – a key concern that was widely identified. One intermediary involved with performance management explained:

“Inevitably there is going to be a dropout of people within the three years and what we don’t know is how many people we actually need to participate to be able to achieve the outcomes. As we can only recruit until December, all of the things regarding dropout rate increase the risk

when new referrals are slowing down, which makes it even more of a concern.”

Investor concerns about this risk were eased by confirmation from DCLG on the contract’s flexibility on recruitment levels.

2.4.2 The characteristics of the young people referred

Investors also raised concerns about the profile of the cohort recruited to date. Some described how the young people engaged had higher level and more complex needs than anticipated; one reported that due to initial concerns about recruitment numbers, their project took on individuals with higher levels of need than initially targeted. Another reported how the cohort were older than expected, with less interest in education and more in employment, and how resources had been moved from education to employ a specialist employment support worker in response.

Flexibility to take referrals from one or all of the Local Authorities with whom they were working meant that the balance of recruitment between them can shift on the basis of the characteristics of the young people referred. This was particularly the case where existing local provision meant that only the most difficult to work with (and so secure outcomes for) were being referred to Fair Chance. More broadly this was identified by the investors as a helpful feature in managing a balanced cohort.

2.4.3 Availability of accommodation

A number of investors were concerned about the prevalence of available accommodation in the FCF localities. Although it was recognised that providers were doing all they could to source accommodation, this was a reactive process with a challenging cohort that were perceived as high risk by landlords (and therefore associated with higher bonds and deposits). A key enabling factor identified were those organisations with either their own accommodation provision or with pre-existing relationships with accommodation services (for example, P3). In these instances, investors have reported concerns over the availability of accommodation options to be less of an issue. As one investor described:

“If a program has access to a lot of supported accommodation and has it in various places, then this makes it easier as they can put them into that accommodation. Otherwise they have to build these relationships with private landlords and housing associations which they haven’t previously had and this is time consuming and challenging.”

Fieldwork with the investors in subsequent stages of the evaluation will explore the extent to which their views of the performance of the projects remains positive, and whether the concerns raised above are mitigated.

3 Provider Perspectives on Implementation

Chapter Summary

- Referral to Fair Chance Fund projects is primarily through local gateways but there are multiple alternative routes. Referral has been promoted by good communication and on-going networking with other agencies;
- Early engagement following referral is critical to establishing trust and ensuring the young person takes up the offer of FCF support;
- Young people referred into FCF have a range of support needs but the majority have complex and multiple needs;
- The Outcome Star is generally perceived as a useful tool for assessment and planning but needs to be used when the young person is ready;
- Securing and sustaining accommodation for young people is a prerequisite to progressing them towards education, training, volunteering and employment outcomes;
- Ease of achievement of accommodation outcomes is contingent upon both the local housing market and the delivery organisation's own position as a housing provider. In areas where there is a paucity of appropriate and available housing options this has proved particularly challenging;
- Challenges to tenancy sustainment are presented at both the structural and individual levels. Projects have developed multiple strategies for overcoming these challenges;
- While there are some notable successes in supporting young people into education and training there are challenges in achieving these outcomes. Many clients have negative histories of education and are more interested in moving straight to employment;
- The volunteering outcomes are proving challenging to achieve. However in a small number of cases volunteering has been used effectively to promote self-esteem, social engagement and other protective factors;
- FCF clients are described as being "at different stages and different distances from the job market". This has meant that while some had achieved an earlier than anticipated employment outcome a lot of young people will require considerable support with other more pressing issues before employment can be explored as a goal;
- Working within the SIB and PbR framework is perceived as offering both advantages and disadvantages. While PbR has provided structure and motivation internally projects have not always experienced monthly

reporting requirements and scrutiny as helpful.

This chapter provides an analysis of interview data with FCF management and delivery staff focused around achievement of the key outcomes and the impact of the SIB/PbR funding arrangement on governance, performance and management.

3.1 Method and approach

Fieldwork visits were undertaken at each of the seven local FCF projects. During these visits interviews were completed with senior staff, managers with direct responsibility for the day to day management of the project, key front line staff and staff involved in monitoring and data management. 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.

Interviews with the different staff groups covered the following key themes:

- Views on the delivery of FCF: recruitment of young people to the programme, the participant journey and progress to date against each of the outcomes – successes and challenges
- Perspectives on the SIB funding model, and associated management and governance arrangements
- Perspectives on the impact on programme delivery and performance management of PbR and its associated metrics
- Learning to date and expectations and challenges for next year

3.2 Securing referrals

While the majority of referrals are made to projects directly from the gateway delivery staff also reported a number of third party organisations referring in, many of which were in addition to those referred to in the originals bids. These included:

- The Probation Service
- Direct from prison
- Police
- Community Safety teams
- Statutory community based services including mental health services and drug and alcohol services
- Local and national homelessness providers including local hostels and foyers, Salvation Army, Crisis, YMCA etc.
- A range of other third sector providers
- Friends and family

3.2.1 Challenges

All projects have experienced some degree of challenge with securing appropriate referrals from gateways and other agencies. However the degree and nature of challenge differed both between and within projects and reflects the different geographies of local authorities, their gateway arrangements, the local pattern of services and the position of the FCF delivery partners within that provision. Some projects covering a large and diverse geographical area with multiple gateways reported different challenges in their different local authorities. These included:

- Local authority back logs in processing homeless applications and reaching priority decisions
- Initial scepticism in some cases from other providers and gateways about the capacity of FCF to deliver an appropriate service to the target group
- The FCF provider not having a high profile/history of provision in an area
- Existing services targeting the same cohort with a similar offer already in place within a local authority
- Small number of the right young people fitting the eligibility criteria turning up at gateway
- Lack of acknowledgment that homelessness is a problem in some rural areas and dispersed local authority services
- Lack of collaboration arising where a referral partner had been unsuccessful in the SIB process

Common challenges reported by the majority of projects included:

- The short lead in period to the project providing limited opportunity for marketing FCF to potential referral partners.
- Persistent lack of awareness and understanding of FCF – the offer and eligibility criteria
- Gateways anticipating that the project would only deliver in the short rather than long term

3.2.2 Networking, collaboration and communication have been key to promoting referrals

Given the set of challenges described above the key strategy for promoting referrals has been on-going networking and communication both with gateways and agencies working with the target group. Delivery staff noted that without persistent communication referrals would not have been forthcoming:

“We did loads of networking when we kicked off, loads of team meetings. And I think what we found was we had to keep going back really to them. Because I think people are so used to services being around maybe for six months and then disappearing. So we turn up at team meetings and then they’d be like, we’ve got these people to refer, but they wouldn’t have if we hadn’t been there because they thought [we] weren’t around anymore”.

For one project that suffered a drop of in referrals a major re-launch to both gateways and potential referral agencies proved effective in bringing referrals

back on target. The exercise also revealed the challenge of ensuring that information permeates through organisations to those people that have the day to day contact with the target group:

“So the need was very much around referrals and making sure the referrals come through. So we had a re-launch in each of the areas locality by locality, in partnership with the local authorities. ...With some of them it was like, oh I wish I knew about this before and you think, well somebody in your organisation did, but it didn't necessarily filter through or it wasn't their priority or whatever”.

A number of projects have physically located staff with gateway teams either on a permanent or rota basis. This has proved most efficient in larger gateways where higher numbers of young people present as homeless. One project with a single referral gateway mechanism ensures a member of the FCF team attends meetings of the local authority young persons' referral panel, to raise and maintain awareness of the project, help identify potential recruits and ensure they are able to engage with them rapidly.

Senior project staff also discussed the importance of developing more strategic partnerships with other agencies to take a more joined up approach to identifying and working with the cohort:

“One of the areas that we are already exploring and developing is the relationship with the CRCs and the Probation Service around their restructuring... they've got objectives around accommodation and sustaining accommodation, so I think working together more so that we can use our collective resource ...I think people see something like Fair Chance and they go, phew, you have them, you sort them out so we can end up with it all. But we've got limited resource so we can make it work much better if you can put a bit of yours in as well”.

3.2.3 Young people referred have complex and multiple support needs

There was a consensus across all projects that the majority of those young people referred into the FCF represented those with a high level of complex support needs. While a minority were perceived to need light touch support to get their lives back on track the majority had need for on-going support to deal with both pressing crises and the factors that had led to those crises in the first place. Not only were clients described as “*high end*” but they had also commonly “*rattled around the system*” and many had experienced multiple exclusions from other services:

“[They are] complex, and genuinely the hardest young people that are being referred, there's no masking the fact that actually there are quite extensive services in some of the areas that we are working in and, therefore, the young people that are being referred are those that have fallen out of everybody's services including our own, so they are really, really challenging”.

The observation that many young people were effectively facing a “*last chance*” option provides a clear endorsement of the rationale underpinning the FCF programme. Programme staff and local authority stakeholders were unanimous in describing the FCF as filling a gap in provision for a particularly vulnerable group of young people:

“Genuinely I do that think this is a transformation option for young people that there would have been nothing for and they would have just kept going through the revolving door, so the multiple exclusions that some of them have experienced...maybe been in prison or been in the Criminal Justice System. So you have to have really quite complex needs not to fit in somewhere”.

“For those that either, they’ve either had to be excluded from services or are unable to access those services in order to qualify for the Fair Chance, so they will be those that have got either very high risk and can’t go into supported housing, been evicted a number of times, probably got offences that make it impossible”

3.3 Engagement and assessment

3.3.1 First contact

Delivery staff across all seven projects stressed that contact with the young person as soon as possible after initial referral by the gateway or other agency was critical to ensuring engagement. Staff noted that if left for even a relatively short period of time they would quickly lose contact with the young person. All projects reported trying to make contact within 24 hours but preferably at the same time in which the referral was made. Projects reported different strategies for ensuring early contact including maintaining a staff presence at the gateway, driving directly to meet the young person on referral, calling the young person on their mobile or texting:

“So we would try to make contact with them within 24 hours. So initially trying to make contact via phone to arrange to meet up with them, and we do try to do that quite quickly because there have been times when maybe information has lagged a couple of days and then it’s very difficult to find that young person again or get them back in”.

In some cases, where the young person is leaving prison, key workers visit and engage with them whilst still in prison, introduce the project and even carry out an initial assessment in situ. This allowed provision, including accommodation, to be offered as soon as possible on their release.

3.3.2 First and subsequent assessments

Establishing trust on first meeting and building this subsequently was described as key. This was perceived as important for securing engagement and establishing a long term relationship with the project/key worker but also for building a realistic picture of the young person and their needs.

Interviewees stressed the importance of progressing at the young person’s pace and that this might mean leaving the formal assessment using Outcome Star and other tools until later so as *“not to overwhelm them on the first day”*. They noted that young people often present with a crisis that needs to be dealt with immediately before further progress can be made:

“It can vary depending on the young person because it might be that they’re in crisis at that point and they need something sorted out there and then and therefore you would support them with whatever needs dealing with there and

then, just prioritise that and then go back to doing the Outcomes Star. So you have to gauge it on the needs of that person at that time really”.

Interviewees explained that the Outcome Star takes a long time to complete if done properly. It also requires an established relationship between the young person and the key worker if it is to be filled in honestly and constructively. Interviewees frequently reported that it was common to fill in the Outcome Star knowing that the answers given did not really represent a true picture of that person’s position hence underlining the importance of undertaking further assessments at a later date:

“Some people are an open book and tell you everything but others are completely closed so you are doing an assessment but you know it’s not based on fact...they will score themselves higher than they should be on things. So it depends on how open the individual is really”.

Delivery staff also noted that many of the young people they work with have a long experience of assessment and there is a need to ensure that the more formal processes are not undertaken until the client has had a chance to experience the actual or potential benefits of engaging with the service:

“Because I think what we find as well is if you get young people who’ve been through services, and generally a lot of them have, they’re so sick of filling in forms and they just want you to do something for them because they’ve turned up, they’re in crisis. They might not have any benefits, they might be street homeless. And for you to just sit down and go, well actually we just need you to fill in this colourful chart, they’re like, well hang on”.

Interviewees also commented that for some young people, particularly those with a history of the care system, the Outcome Star could be met with scorn and rendered ineffective as an assessment tool:

“I’ve done an Outcomes Star with a young person who said, give me that, I know how to do this, I’ve done so many. Tick, tick, tick, tick. And he knew, he actually did know what every single one of them meant in terms of the points on it because he had done that many. I think he’s 21 now and he’d been in services for 16 so he’d done that many Outcomes Stars there’s no value really in that situation for him...So it’s varied, its success really”.

The key message from interviewees however was that the response from young people varies. While for some it may prove a worthless exercise for others it is perceived as useful and constructive:

“Some of our young people really like it and it enables a conversation to open out. They like seeing the progress they’ve made, it provides an incentive”.

While the outcome metric prescribes three formal assessments the staff we spoke to often undertake a larger number of assessments so that some form of assessment is more or less on-going with those clients with whom they are in regular contact. However there was a consensus view among interviewees that it is useful to have scheduled “formal” meetings with clients using the Outcome Star to make sure that these conversations are future orientated and cover the “bigger picture” as opposed to “getting bogged down on small day-to-day issues” or problems that might be the subject of other less formal contacts. This on-going assessment and review process will continue in Years

2 and 3 of the programme, and beyond the three assessments for which payments can be claimed.

Interviewees noted that it is also useful to have more formal catch-ups with clients who are mostly “sorted” and do not need such intensive support to ensure they are on track and are achieving the sustainment outcomes.

In general subsequent formal assessments were reported to be going well in all projects. However staff noted that for those young people who have dropped away from the project it could be challenging to get back in contact with them:

“It can be a nightmare getting back in contact. If they need money the first thing they will sell is their mobile phone so it can be a nightmare trying to get hold of them especially if they are not accommodated. If they are in accommodation it’s a lot easier”.

3.4 Securing and sustaining accommodation

There was a consensus view across the projects that securing and sustaining accommodation for young people represents a prerequisite to progressing them towards education and training, volunteering and employment. On referral clients’ first priority is to enter more stable accommodation, and achieving housing outcomes has thus been the key focus for projects in this first year of implementation.

Projects have taken different approaches to structuring their staff teams to support meeting accommodation outcome targets. Some have appointed housing specialists or accommodation officers either from inception or as the programme has evolved and the need to be more proactive in sourcing accommodation has emerged. These staff are dedicated to identifying suitable accommodation from a combination of the private rented sector (PRS), registered social landlords (RSL), supported accommodation and the providers own accommodation options. Some also play a key role in dealing with housing applications, housing benefit, any existing housing arrears, and sorting out deposits. In other projects sourcing accommodation and the associated support to young people to move in part forms of the generic role played by the key worker. Two projects are served by the provider’s central property team that secures tenancy agreements on behalf of the FCF key workers.

3.4.1 Sourcing and securing accommodation presents geographically contingent challenges

Fieldwork in the seven FCF projects saw significant differences in the availability of local and appropriate accommodation. The relative ease with which providers are able to achieve accommodation outcomes are in part contingent both on the local housing market and their own position as a housing provider. The degree of challenge in securing accommodation also differs within projects and according to local authority area. Hence, for example, St Basil’s face significant challenges in three of their five local authorities, and for different reasons including a large student population in one and a lack of affordable PRS accommodation and social housing options

in two others. Depaul, covering three local authorities in the Manchester area and one in London, also face different challenges in each of these areas; within their London borough the only option open is the PRS, and in Manchester a lack of appropriate social housing presents a challenge to moving young people on from supported housing options. In other projects challenges were identified in securing accommodation options in rural compared to more urban areas within their catchments.

Most projects had pre-existing relationships with local hostels and supported housing providers as well as providing some of this accommodation themselves. These relationships had been reinforced by active, and in some areas, intense networking since the FCF inception. Awareness that the young person will be supported by a FCF key worker frequently acts as a facilitator to securing hostel and supported housing places for clients. However three projects reported problems of resentment and lack of cooperation from some third sector housing organisations following their unsuccessful bidding to be a FCF provider.

Projects reported varied success with securing properties in the PRS and with RSLs. In some areas there was a heavy reliance placed on a single private landlord. Where one landlord owns multiple properties in a particular area projects reported that numerous properties can become unavailable if the landlord is upset by the noisy or disruptive behaviour of an individual client. Individual clients can also be rejected if the landlord (both RSLs and in the PRS) has previous experience of them as a tenant. Some projects report that housing associations are not willing to take on tenants under a certain age:

“A lot of the housing associations were just saying we’re not having anyone under 35 because you’re a nightmare, essentially... they’d had their fingers burnt quite a lot with young people who’d come through supported accommodation and weren’t ready to be given their own tenancy. The flat’s trashed, they’re out within two, three months and there’s thousands of pounds worth of damage”.

High bond guarantee levels are also a barrier and in some areas these are set particularly high by both private and registered social landlords as FCF clients are perceived as high risk. Some projects have had some success in negotiating these downwards in those areas where landlords wish to avoid having vacant properties.

Several projects are taking a more strategic approach to identifying and securing housing places through partnership working at a senior level with local PRS and RSL providers. The lead provider for two of the Fair Chance projects (P3) is in the process of negotiating a financial deal to buy properties in areas where there are particular problems in sourcing places.

3.4.2 There are additional challenges in securing accommodation for particular clients

In addition to the structural barriers faced by projects in securing accommodation there are also those at the level of the individual. These include finding tenancies for young people who:

- Have high levels of housing arrears which FCF is unable to pay off;
- Are ex-offenders or have a long history of anti-social behaviour (ASB);
- Have high levels of debt or bad credit rating. Interviewees reported that some clients resort to high interest loans and credit cards and are referred into FCF with very high debt levels often pursued by debt collectors.

For these clients resort to the PRS can sometimes be the only option if housing associations cannot be persuaded to accept them. Delivery staff report that helping young people to sort out their debts and providing lessons on budgeting are critical before placing them in accommodation. Wider experience also suggests that in some cases young people may be reluctant to enter the PRS because of the influence on any existing local authority housing applications.

Interviewees frequently expressed fears that impending changes to benefits payments will pose future problems. It was anticipated that with Universal Credit and the direct payment of benefits including the housing element to the young person, key workers will have to be diligent in ensuring clients spend the money on rent rather than other things.

3.4.3 Sustaining accommodation is often a staged process

While all projects follow a housing led approach it is recognised that enabling a young person to take up an independent tenancy is often a staged process. Interviewees pointed out that on referral some young people are not adequately prepared to enter a tenancy and require considerable support to be ready to take this step. A commonly followed strategy is to first move the young person into some form of supported housing where pressing issues including mental health and drug use can be stabilised. During this time clients are typically enabled to access an independent-living or life-skills course covering issues such as budgeting, bill payment and cooking. Projects varied with respect to the percentage of young people first accommodated in supported housing; for example one project reported placing about 50% of their clients into supported housing or hostels on referral while another had a policy of placing all clients into supported accommodation before finding longer term solutions. In areas where this is not an option a client might be moved directly into the PRS or housing association property.

Clearly the degree of pre-tenancy support needed varies between clients. Some young people will opt to stay longer in supported housing or a hostel while for others this does not represent an acceptable option. One project reported using the promise of a secured tenancy further down the line as a carrot to prevent clients dropping out when an immediate offer is not possible. Interviewees reported that for those young people who have found work quickly after joining the programme the PRS or social landlords are a

preferable option as hostels do not like accommodating employed young people because of the loss of housing benefit entitlement.

Once suitable accommodation is identified for a young person key workers will typically visit the property with the young person to see if they are happy with it and then help them with the practicalities of moving in.

3.4.4 Supporting young people to sustain accommodation

Sustaining as well as securing accommodation poses challenges at the client level largely related to their capacity and willingness to sustain a tenancy, which in turn reflects the complexity of support needs that many FCF clients have. Delivery staff report that sustaining accommodation will be hardest for young people with the most complex needs including progressing these clients towards independent living and away from supported housing options.

“It’s not so much supply, it’s more about sustainability because they have had so many issues, so many problems, the tenancy breakdowns they’ve had. Some of them, the [key workers] are almost having to live with the young person because they’ve just no idea how to sustain or, so for all sorts of need issues they can break down”.

Key challenges largely relate to ensuring that tenants have the skills to live independently and avoid eviction either because of ASB or falling into rent arrears. The challenge of ensuring that tenants can pay their rents on time was anticipated to become a more significant problem as clients move off benefits into paid employment. Interviewees were concerned that zero hour contracts and agency work, will pose particular risks as it is possible to lose a job suddenly without adequate funds for the immediate rent. Maintaining contact with all clients – including those in work and with lower support needs will therefore be important in achieving the sustained accommodation outcomes. One project described moving to a six day a week model of opening to allow contact with their clients who are in full-time work, volunteering and education and training.

Delivery staff reported that young people often have high or unreasonable expectations of the sort of property they are likely to move into. In particular young people are often reluctant to enter shared accommodation, expecting to have a flat of their own. Shared accommodation is sometimes the only option and key workers report doing substantial work with clients to persuade them of the necessity of sharing. One project reported the downside of shared living which in one case had supported high levels of alcohol and drug use resulting in a breakdown of the tenancy.

Projects reported various strategies to help support tenancy sustainment, commonly including the following:

Strategies to support tenancy sustainment

- Offering bespoke in-house independent living skills courses covering daily living skills, budgeting and coping on a low budget, health and safety, health and hygiene, advice and tips on house-sharing;
- Undertaking benefit calculations and support to apply for housing

benefit;

- Using the maintenance grant to cover moving costs, purchase of start-up small items and white goods;
- Reducing social isolation through matching young people in shared properties and facilitating opportunities for socialising;
- Emotional support through frequent visits and other contact from the key worker, often involving out of hours working;
- Practical support for example with decorating and housework;
- Supporting young people to furnish their accommodation through applying for grants and use of the maintenance budget¹⁴ “making it homely, making it work”
- Linking in with tenancy support workers and tenancy neighbourhood officers and facilitating multi-agency meetings to find joint solutions to problems arising through the tenancy;
- Helping to sort out rent arrears including ‘match funding’ payments;
- Identifying and focusing effort on clients who are at risk of losing their tenancy and in some cases moving them into more suitable places;
- Promoting protective factors that might be more fundamental in helping an individual sustain a tenancy – for example ensuring they are engaged in meaningful activity including employment or training, as well as having access to a phone and IT

3.5 Education and training

Projects have taken different approaches to meeting this target in terms of how they have structured their staff teams and entered into partnerships or contracts with specialist providers.

One project (Fusion) has a locality based “learning team” providing peripatetic support to the other two locations. In addition to working with young people on their CVs and directing them to employment, volunteering or learning opportunities they also deliver 1:1 tutoring for some clients on basic/functional skills, ESOL, employability, and independent living.

FCF in Liverpool and Knowsley, known locally as AIMs is now a partnership between Local Solutions and Oakmere College. The latter is an education and training provider that specialises in working with young people with behavioural issues, additional support needs and negative previous experiences of education. Project staff estimate that almost 50% of their clients are in some form of education, although they are slightly behind the curve in terms of outcomes, because of the time it takes to deliver and evidence these. The College offers employability and vocational courses

¹⁴ This refers to a flexible pot of funding that project staff can use without high level sign off to support achievement of individual outcomes

including hair and beauty, catering, car mechanics and child care mainly at Level 1 but also at Level 2.

Home Group in the North East is a training as well as housing provider and hence well placed to achieve education and training outcomes. They have designed a number of client centred bespoke modules including independent living, coping on a budget, health and safety, and hygiene. Depending on how many modules a young person completes these can lead to either an Entry Level or Level 1 qualification. They also have internal apprenticeship opportunities and have forged partnerships with local specialist employability providers.

In other projects the focus on referrals and securing accommodation in Year 1 meant that education and training has been less of a focus so far. Hence provision could range from in-house or external provision to spot-purchasing and the use of mainstream college provision.

3.5.1 Challenges and facilitators

Several interviewees considered that while achievement of Entry and Level 1 qualifications was possible for the majority of their clients Level 2 was beyond the reach of all but the minority. They noted that the average age of clients was slightly higher than originally anticipated and this, combined with a lack of motivation and poor previous educational experience, means that many clients express a reluctance to consider education or training options or are unable to identify what they might be interested in. The consequence of this is that staff typically find it relatively easy to get clients onto short courses but much harder to get them to sign up to longer courses that they were unlikely to sustain.

As with the achievement of other progression outcomes, stabilising clients in a tenancy was described as the foundation for moving forward. The primary motive for the majority of young people to engage with FCF is to secure accommodation, and one project reported that some of their clients will agree to attend college believing that this will further their chances in this regard. Key workers however stressed the importance of ensuring that meeting education and training targets should be client led in terms of readiness and willingness to engage.

Once in college interviewees reported that many young people are poor attenders and that key workers can find it difficult to motivate clients to maintain attendance:

“One challenge is motivation. Most of my clients are housed now, so my next big challenge is getting them through their training. I’ve got a few that have started their training, a few that start in January, it’s getting them to keep that motivation to just let them get on with it and to keep them going and to keep the tenancy going at the same time, and not fall behind on rent and things”.

In a few cases however interviewees described highly motivated individuals who wanted to take up high quality training opportunities in order to advance their employment prospects.

A number of facilitating factors were described, as summarised in the box below.

Strategies to support achievement of education and training outcomes

- Attendance allowance schemes whereby young people are financially rewarded on an incremental scale to attend college;
- Paying for bus fares and lunches while at college;
- Key worker vigilance over attendance – texting and calling to ensure they are up, and following up on any non-attendance;
- Offering bespoke internal training opportunities;
- Securing apprenticeships (including internal apprenticeships) and training opportunities offering a realistic prospect of future employment;
- Offering internal apprenticeships supported by specialist work placement teams;
- Establishing service level agreements with specialist employability organisations and working closely with third sector homeless training providers such as Crisis Skylight;
- Establishing links with mainstream colleges and other providers – with key workers being available to intervene should any issues arise.

3.6 Volunteering

Delivery staff in all projects reported that the volunteering outcomes represented a less important or realistic achievement for their clients. Interviewees pointed out that volunteering is not a popular route for the majority of young people and sometimes, even where individuals have taken up an opportunity *“they tend not to last as they have the mentality of why should I do something for nothing?”* Most young people are reported to be more interested in gaining employment, and in some areas this has been easier to achieve than originally expected rendering volunteering a less attractive option. Some projects have re-profiled their volunteering targets where they had been originally set too high.

There were a number of notable exceptions to this general picture and staff in all projects reported getting a small number of young people into successful volunteering placements. Delivery staff stressed that volunteering can provide opportunities for meaningful occupation as well as work experience and that placements need to be attractive to young people so that they don't feel they are *“doing something for nothing”*. Features of successful placements include: work tailored to the young person's interests; being treated with respect and *“like an adult”*; being provided with a meal while working; support with transport; rewards like day trips and other social events; and the potential for future employment following on from the placement.

“I've got one young person he is building furniture, building bikes, moving furniture, furniture restoration, and he loves it. He's got use of computers, he gets his meals, they pick him up, and they drop him off. So that's really working”.

There was also one example of a young person volunteering before securing a tenancy:

“I’ve got one that is having major problems with living anywhere, can’t get him to settle anywhere, I’ve housed him three times, but he’s continuing to do his volunteering. So he doesn’t know where he’s going to be sleeping that night, but he’s still going to his volunteering because he knows that while he’s doing the work he gets the meal as well”.

Interviewees also reported cases of young people progressing to employment, apprenticeships or training following successful placements.

In common with supporting young people to move into education, training and employment key workers explained that they often have to engage on a daily basis with clients to ensure they attend their volunteer placement:

“Monday morning I was out at 7.15am to go and make sure that two of my young people were up and they’d got their bus fares and they were getting ready to their volunteering. And they were, they were up, but it’s just doing that extra bit to help them because otherwise they’d stay in bed all the day”.

Opportunities for volunteering vary across projects and are in part dependant on the relationship of the FCF provider with the local volunteering community. Some providers have good tie-ins with third sector organisations locally meaning they can quickly source an opportunity if a young person shows interest. Some teams are also creating in-house opportunities. One project (Home Group) is planning to appoint a volunteer co-ordinator as this has been a challenging outcome to achieve.

3.7 Employment

Young people were described as being “*at different stages and different distances from the jobs market*”. While some had achieved a very quick employment outcome others were some way from being able to secure employment, with more pressing issues taking priority before employment could be explored as a goal.

As with other outcomes projects have established and evolved different staffing arrangements to focus on employment. For example Fusion has an employment specialist based within each local team, and Local Solutions has an employment officer - both dedicated to supporting clients into employment and apprenticeships through help with CV writing, interview skills and job searching. The employment officer at Local Solutions also delivers a pre-employment training course to young people with no previous work experience.

Other projects who currently lack specialist staff have entered or intend entering into contractual agreements and partnerships with external employability providers and employment agencies to provide bespoke support to clients.

3.7.1 Challenges and facilitators

Common challenges facing young people include disrupted school experiences, having few qualifications and no or limited employment histories,

in addition to the risk factors associated with their becoming homeless in the first place.

On a structural level several interviewees highlighted the potential knock on effect of employment on housing and other benefits. Some projects offer young people a 'better off' calculation to assess the balance of salary versus benefits and form of accommodation to illustrate *"that work does pay"* and to incentivise clients to take up employment.

Interviewees noted that local job markets are currently relatively healthy and that there are a number of low pay, low skill manual and retail opportunities available. Examples were given of young people securing employment in range of settings including bars and restaurants, care homes, car valeting, building sites, retail and small factories. A minority reported that some of their job entries have been into 'good quality' jobs. One of the key challenges however – and one that will be a greater challenge in the coming year - is supporting clients to maintain employment:

"It is, it is difficult, I think the hardest one is work, because realistically you're there to put a person in housing, training and employment, and it's the employment one that's really hard because it's getting them to get off benefits, making sure they get up in the morning and keep in the job, and that's what we're finding hard".

Strategies to support achievement of employment outcomes

- Taking advantage of internal expertise and apprenticeships;
- The use of the maintenance budget to support moves into employment – for example to buy clothes for interview or a bus pass to get to work in the first month;
- And making strategic links with local employers.

Interviewees anticipated that achievement of employment outcomes will become a far bigger focus in the coming year.

3.8 Working with PbR and the SIB

3.8.1 Governance and accountability

With the exception of Home Group all FCF projects have a Special Purpose Vehicles (SPV) in place. While provider experiences of their individual SPV varied there were some commonalities across projects in terms of the perceived advantages and disadvantages of working with an SPV arrangement. In general projects felt that the members of their SPV had an interest in the "bigger picture" and were concerned that outcomes were achieved, not only for financial expediency but because they were concerned with the welfare of the target group: *"they are interested in the people, not just the money"*.

However, interviewees across projects spoke of their SPV as *"a mixed blessing"* bringing advantages in terms of performance management and financial expertise but also tensions over the degree of control exerted by the

SPV, the impact of the SIB and related processes for accountability. This is an evolving picture and providers described the relationship between themselves and their SPV as one that is developing as trust builds and expectations and roles are clarified. Indeed the management of the relationship with the SPV members was described as a unique feature of working within a SIB arrangement and one that projects were experiencing as a steep learning curve:

“It’s taken a long time to really understand each other, what our interests, expectations, capabilities are and start to build that mutual regard and respect. I think part of the challenge for us was coping with that. Not only is your programme manager trying to manage the programme, support staff, deal with multiple relationships, open up opportunities and do all of that, but also manage the relationship with the investors and the SPV, and Social Finance as well, because they’re a part of, they contribute a lot, but they also require a lot of time”

Three projects described a degree of on-going tension between themselves and their SPV. Some of this tension revolved around expectations of the degree of control and influence held by the SPV over the day to day management of the project, which in two cases had extended to decision making over staffing arrangements.

However the most commonly described tensions pertained to the role of and responses to data collected for monitoring and performance management purposes. Performance management arrangements across the seven schemes vary. A number of SPVs have or have had contracts with a performance manager who acts on the investors’ behalf to gather and report performance data while in other projects the role is an internal one¹⁵. All programmes have established sophisticated client management platforms and collect detailed performance management information on a daily basis. In general those projects that had been supported by an external performance management function were appreciative of the financial and monitoring expertise that they had bought and with the support received in producing reports for monthly SPV meetings. Projects also valued the role played by investors and intermediaries in negotiating with DCLG over target re-profiling:

“We are new to this; they [the investors and the intermediary] are more experienced, it was useful to have someone else doing the negotiations on re-profiling.”

Across all six projects with an SPV reporting on performance is at monthly Board meetings. At these meetings, the provider or performance manager presents a detailed report or board pack reporting performance against targets. Interviewees were keen to stress that they understood the importance of data collection and reporting and that they valued the expertise that has been bought into the programme through the role of the intermediary and investors. However some questioned the frequency and intensity of reporting and the way data was interpreted and responded to by SPV members. Interviewees in all projects described the process of reporting to the SPV as

¹⁵ For further detail please see Chapter 5

time consuming and labour intensive and in some cases questioned its value in driving performance:

'It's not like a board meeting I've ever attended before. I understand a PbR contract but the level of scrutiny that we have every month is crazy. I don't see how that drives performance. It's me and the team that drive performance not a massive board pack with a thousand KPIs¹⁶'.

Interviewees also felt that the frequency of SPV meetings means that there is a focus on the immediate rather than longer term picture. Hence some questioned the helpfulness of the response of SPV members to the data that they were presenting, highlighting that there can be an over emphasis placed on monthly (or even weekly) achievements against targets. This was described as precipitating a skewed or knee jerk response and putting pressure on teams to focus on short rather than longer term goals:

"One week of under-referrals can have a massive impact on projected investment returns which leads to panic and actions to make up the shortfall. This stretches the teams because they need to make up for last weeks' shortfall and also achieve the current weeks' target".

"They will look at one target we haven't quite reached one month and then they'll just focus on that and say, do whatever you can to look more into that. So it is based on what we may be lacking in at that moment".

For one project a focus on the short term had raised more fundamental questions for the SPV including reshaping the programme, a response that senior provider staff found unhelpful:

"One of the challenges was that because the SPV was happening every four weeks you didn't have time to analyse and understand what's happening yourself before you're sitting in front of that SPV and reporting into them and they're saying, well what are you doing about this, what are you doing about that, ...and you go ... we need to have an opportunity to think through this and not just be reacting... probably as early as March, I'd got investors saying, well do we need to resize the programme?"

Interviewees discussed SPV members' responses to data in terms of a degree of perceived naivety on their behalf over what it takes to achieve outcomes for the client group and a lack of understanding generally of the challenges of project implementation:

"And so when they put pressure on us for something and we know it's going to be fine, it's just about reassuring them...sometimes I have to really bite my lip and just think, don't tell me that, I know this, this is what I do...but as long as we can show that we've taken on board their worries and we're putting more things in place then they're usually fine with it".

However there were also positives ascribed to the level of scrutiny and challenge presented by the SPV. For example some projects reported that members of their SPV bought valuable insights through their involvement in other SIBs, FCF projects and related areas of provision:

¹⁶ KPIs - key performance indicators

“Sometimes, because they have that experience with other providers, other agencies, other SIBs or whatever piece of work they’ve done, they can bring stuff to the table that you think, oh yeah, yeah, that is valid”.

3.8.2 Internal performance management: influence of PbR and working to outcomes

3.8.2.1 PbR and the outcomes framework provide structure and motivation

While projects reported tensions with the influence of the PbR at SPV level, the principle of working to outcomes and payment by results was generally perceived as a force for good at the level of implementation. Project managers described the outcomes framework as *“providing structure in a pretty unstructured sector”* and that tight timescales mean that there is an emphasis on achieving more ambitious outcomes more quickly for clients:

“That gives much more focus to driving those outcomes forward, or working towards those outcomes much more quickly. And probably you have more engagement with the client than you would have if it was an outcome from it you might just meet them once a week or once a fortnight, and it’d be more touchy, feely, whereas this is much more business like focussed. And the clients are benefiting from that because it gives it much more structure and direction I think. Whereas the other way round things could have the potential to drift”.

However there is clearly a balancing act to be performed between delivering to target outcomes and working at the pace of clients. Delivery staff were keen to stress that it is neither desirable nor possible to achieve outcomes with young people unless they are ready to do so and that they will put clients’ needs in front of the expediency of meeting targets:

“Anything we do it’s about trying to make the young person go on to achieve their full potential and that’s the whole point of support planning process. So it looks at making them become better neighbours, better tenants, able to sustain stuff..., I think we always were focused on that but it does sharpen the focus I think, definitely. And the Employment Coordinator. We probably wouldn’t have that post if it wasn’t, because we needed to get X amount of young people into employment. I think it does sharpen the focus but I think, unless those young people are ready for that change, it doesn’t...because unless those young people are ready to access that, or to obtain that, we can’t make them do it”.

Providers described a degree of both stress and competition that the PbR framework had brought to the day to day delivery and management of local projects. Managers had set out to both protect front line staff from the pressure of working to targets and to use them to consciously inject a degree of competition. All projects had established weekly or bi-weekly staff meetings where targets for the week were discussed. Projects also used detailed ‘real time’ monitoring information to track activity and brief teams and individual staff members about gaps and where they should be focusing effort on particular clients:

“I think it becomes quite a stress for support workers because they’re aware obviously of these outcomes that need to be achieved. [Name] does some

really good reports so workers can see who needs to do what for their young people, where they're up to. So clearly saying they've done this assessment, they need to do the second on this day, the third this day".

While interviewees recognised the importance and value of evidencing their inputs this was also experienced as time consuming. Interviewees frequently reported working late and at weekends to ensure that all their monitoring information had been uploaded to client management systems.

Some front-line staff described feeling “driven” by the PbR framework and two projects had created an element of competition by sharing information on the individual achievements of staff members:

“We have a weekly newsletter that gets circulated with who is achieving what. I get really competitive about it, I like it but guess some people might not”

At the same time, other projects described taking a more collective approach to communicating the targets and their achievement, to provide insights into how the project was ‘stacking up’ financially, and so promoting an awareness of their collective targets.

Staff had different levels of experience of working under PbR contract arrangements. Some senior managers described extensive former experience of PbR while for the majority of front line staff this represented a new way of working. Some initial suspicion of and resistance to PbR was described but by this stage in the programme there was a consensus that all staff were now fully ‘signed up’ to the principle of PbR:

“I think the staff really get it now, I think the staff really understand that. They struggled with it at first because particularly most of my staff are experienced support workers that have always worked in a commissioned service so they've never really worked in a payment by results programme so I think, initially, they were kind of like, I don't get it. Because we should do this and get paid anyway. It's changed our mind-set”.

Some projects had taken additional steps to ensure front-line staff understood the financial implications of meeting targets including briefings and team away days.

Senior staff were keen to stress that working to targets should not change the quality of support offered to clients and could actually improve the service delivered by motivating staff to work harder:

“If anything they'll probably get more of a service, actually, because there's a motive behind it. When your support worker's sitting with them, they know, I'm actually going to achieve something ... and then it's being measured and it's working towards something”.

“I'm very keen that the support is at forefront of minds, not concerns over the targets, but they all need to be aware of them and how their work contributes towards them. This means no excuses – no more ‘too chaotic to meet, or do this or that’ – and no more ‘a week later won't make a difference”.

However a mixed picture emerged from the different narratives of front line staff. While the majority of staff reported that PbR and the associated metrics had not qualitatively changed their approach others expressed different views:

“I need to be able to justify what I’m providing to clients and reinforce the need for them to stick to commitments. If clients do not honour the commitments which have cost the scheme money they might be informed that future provision may be withheld if certain conditions are not met”.

This raises interesting questions about the potential for PbR to promote an approach that supports client agency while also carrying the suggestion of the potential exclusion of more ‘hard to help’ young people from receiving appropriate levels of support.

3.8.2.2 PbR contracting was described as supporting flexibility and creativity – but not always

Interviewees had different experiences with regard to the degree of freedom and flexibility afforded them to design and implement their model of delivery. In theory PbR gives a freer rein to providers to determine how they meet prescribed outcomes. Staff in some projects gave positive accounts of how the PbR focus on outcomes has allowed them to use resources flexibly to achieve them. This was described as working well with a mixed cohort of clients, some of whom require a lot of intensive support while others are more ‘light touch’. The PbR contract was also described as allowing teams to work flexibly and creatively to help clients progress and was compared favourably to payments-for-outputs based contracts:

“I think what has been great with this is that we have been able to work more creatively. And with the personalisation fund it’s allowed us to do things that we wouldn’t have been able to do before but we’re doing it because we’re thinking this is going to help us achieve those outcomes”.

However this was not always the case and by way of contrast one project in particular described being “micro-managed” by their SPV, having to take detailed plans for re-profiling resources and staffing to the Board for approval:

“I’m not used to having to go to my Board for every single thing, to check everything out. I hadn’t realised that there is an expectation from the SPV... and I had to really work hard with the SPV to get the agreement to go for an appointment to the new Programme Manager”.

3.8.2.3 Downsides to working within a PbR framework were also described

Front-line staff frequently raised the concern that targets could mask the amount of work that lay behind their achievement, an issue also raised by senior staff represented on SPVs:

“The system is blind to the background work which is needed to be done before a person is able to obtain a tenancy... There is no reflection within this system of the amount of work that is it is not shown as an output on paper”

“The recognition is not as robust as it should have been for the amount of work that is in there”.

Critically providers were also concerned that they were working with young people whose needs were so complex that they were unlikely to ever achieve an outcome as defined by the PbR metrics. The intensity of support these clients require mean they absorb a lot of resource without pecuniary return:

“I’ve got a young person who is drinking bleach and self-harming and has abused alcohol since she was 13. Can’t sustain anything in terms of accommodation, never really, I’m sure, within the lifetime of our project is going to be able to sustain a job. I’m doing my best, I’m at A&E¹⁷ with them till eight o’clock at night, and I’m not going to get any outcomes with this young person... [She] is getting a hell of a lot of support but we’re probably not going to get much back from them”.

All providers agreed that there were outcomes they were working on or achieving that were not recognised by the outcome metrics. Those most frequently discussed pertained to supporting young people with mental health and substance use as well as preventing re-offending:

“Mental health is the big outcome we are missing, because nearly all have some sort of issue. We also for example work with offenders who have an addiction. And part of that role is to provide support so they don’t access the higher level Tier 4 services. So there could be something round that, we’re supporting them in such a way that they are not needing to enter psychiatric units or whatever”.

Some interviewees also felt that the education targets could usefully include the completion of non-accredited which can represent a major achievement for some young people:

“There should be payments for lower qualifications or maybe if they’re not accredited but they’ve done twelve weeks of a programme and they’ve been doing, six, ten hours a week, because that’s a big thing. But if it’s not accredited, if it doesn’t include English and maths, we don’t get a payment for that. And the same with volunteering as well, maybe less than six hours a week sustained for a longer period of time...so those achievements are really big achievements for those young people but they’re not being recognised because they’re not certificated”

While there was a consensus that FCF was filling an important gap in provision for homeless young people some interviewees felt that the referral criteria were prescribed wrongly and that this meant that young people who had very similar profiles and support needs were being turned away from the project:

“The referral criteria are far too tight, and we’re turning away so many young people who are desperate for support but who are, as I say, coming through and working but desperately need that support and if we don’t find that support for them they’re going to lose their job anyway”.

3.9 Looking ahead

At the time of fieldwork projects were clearly focused on maximising the number of referrals and over-recruiting where possible. A common concern for the forthcoming years pertained to the number of potential drop-outs and the impact of these on the ability of projects to meet year two and three targets.

¹⁷ A&E - Accident and Emergency

The key challenge therefore was identified as maintaining engagement and ensuring clients do not drop out before their full potential can be realised:

“Well I guess we will have our cohort. Who we have on the 1st January is who we’ll have for the rest of the time really. So it’s keeping those young people engaged and focusing on those outcomes with them really and trying to bring anyone back, I suppose, who has disengaged or isn’t that bothered with the service. So just trying to keep the numbers up and be aware of the impact, I suppose, if a certain number aren’t engaging, what that looks like for the end targets”.

Providers discussed a number of priorities for the following year of implementation including:

- Ensuring tenancies are sustained, with the key focus on supporting clients through the first six months, keeping them out of rent arrears and avoiding benefit sanctions;
- Developing in-house capacity to meet education/training and employment targets as well as maintaining and extending external partnerships and networks with specialist providers and employers;
- Developing different strategies and approaches with clients who are at different stages of progression. This was described in terms of effectively triaging clients into ‘fast, medium and slow track lanes’ and focusing intensely in the short term on clients who were able to achieve earlier outcomes while working longer term with those with higher support needs.

4 Young People's Experiences of the Fair Chance Fund

Chapter Summary

- Semi-structured interviews were undertaken with 70 young people accessing Fair Chance Fund projects;
- A representative sample of young people was chosen based on age, gender, ethnicity and experience of the care system. This group however is by no means homogenous but illustrates the range and depth of the support needs that young people present with;
- The young people interviewed had all experienced some form of family breakdown and for the majority this was the primary reason for their becoming homeless;
- Young people reported positive experiences of first contact with their key worker and this was clearly an important factor in motivating them to engage;
- The Outcome Star was generally described as a useful tool and being able to measure progress was very important for some of the young people;
- Securing accommodation was the primary reason for the majority of young people to engage with the project. Many had previous failed tenancies often because of rent arrears or behavioural issues;
- The majority of the young people we spoke to had experienced a disrupted education with many leaving school with few or no qualifications. They described multiple barriers to taking up education or training opportunities including low self-esteem and poor mental health
- Many of the young people we spoke to did not feel ready to begin thinking about employment recognising that they faced a number of barriers to this in the short to medium term. There were exceptions however and some were keen to find work as quickly as possible;
- The experiences and perceptions of young people interviewed confirm the value of an approach that provides flexible, personalised and long-term provision;
- Interviewees valued the ability of the key workers to establish trusting, respectful and personalised relationships;
- Support received through FCF projects generally compared very positively to support received from other services.

This chapter presents findings from the first round of qualitative interviews with young people accessing each FCF provider to explore their experiences and perceptions of support received and the short term impacts of support on their

lives. Their experiences and perceptions confirm the value of an approach that provides flexible, personalised and long-term provision. The case studies provided illustrate the way in which key workers are supporting young people to achieve or work towards achieving accommodation, education and employment outcomes.

4.1 Method and approach

A total of 70 young people (across the seven projects) were interviewed as part of this stage of the evaluation. The majority of interviews were held on a face-to-face and one-to-one basis with a small minority held by telephone. A representative sample of young people was identified from the Fair Chance monitoring database. The sample was structured to reflect the profile of young people participating in each project based on age, gender, ethnicity and experience of the care system. The young people selected had all been recruited to the programme in quarters one and two.

Where staff indicated that a young person had dropped out or was unable for any reason to take part in an interview an appropriate matched replacement was identified. There were various reasons why some of the identified sample were unable to be interviewed, with the most commonly cited reason being that the young person was in prison. Mental health issues were also significant.

Young people in the agreed sample were contacted by their project/key worker and asked to take part in the study. In preparing for each interview the project/key worker was consulted to identify any potential issues regarding the individual's participation, and any specific considerations for the conduct of the interview. Participants were given a written introduction to the study explaining its aims and objectives, processes for ensuring confidentiality and anonymity, the right to withdraw and details of the incentive payment.

Interviews with young people covered the following themes:

- General background and experience of homelessness
- Reasons for referral to the project and experiences of initial engagement and assessment
- Expectations and experiences of support received to date including, where relevant support with accommodation, education and training, employment and other needs
- Perceptions of what has worked well for them – aspects of support that they value
- Benefits and outcomes achieved to date
- Perspectives on the support received from FCF compared to other support received
- Expectations and ambitions for the near future

The intention is to undertake a further two rounds of interviews with the same cohort of young people in years 2 and 3 of the Fair Chance Fund programme providing a longitudinal analysis of their experiences and progress throughout

the programme lifetime. At time of interview participants were asked for their written consent to be contacted again and asked to fill out a 'permission to locate' form to enable them to be reached in future.

4.2 Characteristics of the young people interviewed

The key characteristics of the 70 young people interviewed are summarised below:

- Gender – 47 of the interviewees were male, and 23 were female;
- Age – 20 of the interviewees were aged 18-19, 27 were 20-21, 17 were 22-23 and 6 were 24-25;
- Ethnicity – 62 interviewees were White British, 7 were Black African / Caribbean, and 1 was Asian;
- Experience of care – 7 interviewees had experience of the care system, and 63 had not or did not disclose;
- Time spent in prison/working with the probation service – 20 had such experience (although this number is likely to be higher as information was disclosed rather than asked for) and 50 had not/did not disclose; and
- Mental health / substance abuse – 32 interviewees self-reported a mental health issue, 45 self-reported drug and/or alcohol use, and 28 self reported both.

The young people we interviewed while all fitting the criteria for inclusion in the FCF were by no means a homogenous group but had a diversity of backgrounds and support needs. They frequently had multiple and complex needs and our sample included:

- Young people with a history of acute mental health needs including one with a diagnosis of schizophrenia and another psychosis. Several of those interviewed were receiving on-going counselling and/or were receiving support from a community psychiatric nurse (CPN);
- Six young people who had tried to commit suicide or overdosed and several others who reported a history of self-harm¹⁸;
- A majority of young people with some other form of mental health problem typically including depression, anxiety and problems with anger management;
- Young people with either a history of, or on-going problems with alcohol and /or drug use. They reported use of a wide variety of drugs including cannabis, cocaine, heroin, legal highs and crack. Some described having got into debt due to drug use and several cited drug use as their reason for involvement in crime;

¹⁸ It is with sadness that we report that one of our interviewees has committed suicide since taking part in an interview for this evaluation.

- Several young people who reported that one or both their parents had a history of substance misuse;
- Two young people whose fathers had committed suicide;
- Young people experiencing long term health conditions including for example, epilepsy and diabetes;
- Several interviewees with experience of prison while others had been involved in criminal activity including burglary, theft, selling drugs and violent crime;
- Several young people who reported a past history of violence including domestic violence involving a partner; and
- Three young people (one male, two female) with very young children who were currently in care and a further two who had recently become pregnant.

4.3 Participant journey: referral and initial engagement

4.3.1 For the majority of young people breakdown in family relationships was the primary reason for homelessness

All the young people we interviewed had experienced some form of family breakdown and for the majority this was the primary reason for their becoming homeless in the first instance. A minority cited breakdown in a relationship with a boyfriend or girlfriend as the reason for their homelessness, although this had commonly followed an earlier family breakdown. Many young people described their family background as chaotic and not getting on with either a parent, grandparent or Mother's new partner was frequently cited as the reason for leaving home, or, more commonly "*getting kicked out*".

The length of time that young people had been homeless varied from a few weeks to five years. They typically had experience of sofa surfing at friends' and relatives' houses, living in temporary bed and breakfast and hostel accommodation with a minority having had spent time rough sleeping. One of our interviewees had spent several months living in a tent, moving from place to place until the cold weather had encouraged him to look for somewhere warmer.

Case Study 1 Matt

Matt is 21. He lived with his Mum until he was thrown out at age 16. He felt that as a middle child he was neglected and this led to him towards drug use and involvement in crime:

"I was the one that got the beatings, always got grounded, I was always the one in trouble. My mum never really paid attention – she always paid attention to my older sisters and younger brother because he is autistic. I never got the attention I wanted so I ended up going down the wrong route, and mixing with the wrong people and I ended up smoking weed, chilling out, doing burglaries, getting in trouble doing the wrong stuff. I got kicked out of my mums when I was 16"

Matt was homeless for 2 ½ years until he was 19. He had a severe case of depression and had suicidal thoughts. At this point, a friend said “*I have got an easy option for you – sell drugs*”. Matt was caught selling class A drugs and came out of prison in December 2014. On release from prison Matt was supported by a number of organisations but he says that none of these worked out well for him:

“I have been in [Names of three criminal justice charities], I have been in loads of different organisations but they didn’t work out because of the people that they put me in with. I suffer from anxiety and schizophrenia, and depression, and anger is a really big issue.”

Matt finally heard about FCF through the probation service who referred him to the project

“Finally, I am with [name of local FCF project] and I have got everything I have asked for – I have got a flat that I am in now and that I am able to look after, I am in the Prince’s Trust and going to college after”

4.3.2 Breakdown in tenancy in PRS, hostel or supported accommodation was a common reason for referral to FCF

Voluntarily leaving or experiencing eviction from the PRS, hostel or supported accommodation was commonly cited as the reason for referral to FCF.

Reasons for eviction varied but those most commonly cited were rent arrears and episodes of violent or unacceptable behaviour. In some instances the young person had made themselves intentionally homeless as they were unhappy with the accommodation they were in or did not feel it was suitable. Here one young woman describes why her hostel accommodation place failed:

“I was in a female only lodging house and they had a curfew of 9pm. They kicked me out as I wasn’t really staying there because of the curfew at nine and if I wanted to be out late I’d stay at my friend’s house...so I wasn’t really staying there’.

For many young people FCF represents a ‘last chance’ and some even referred to the programme by name as *Last Chance*:

“I lost my place at [name of foyer project] cos I moved in with my girlfriend and then she chucked me out. The hostel wouldn’t have me back. So I came to [young people’s hub] and they said the council couldn’t help me as I’d made myself homeless so they sent me to Last Chance”.

4.3.3 First contact

The young people we interviewed had been referred to their local FCF project through a variety of routes. The majority any had come either direct from their local gateway or via the accommodation provider they had been with previously. A significant minority reported that they had come direct from prison or the probation service (n=14) and a small minority had come direct from a psychiatric unit (n=2). Some had been referred by another third party agency including, for example, the police, Jobcentre Plus (JCP) and the ‘Troubled Families’ initiative. A few reported that they had heard of the project

through a relative or friend who in some instances had contacted the project directly on their behalf.

Young people reported positive experiences of first contact with the project. The first meeting was frequently described as an informal process of getting to know their key worker, or a project worker who subsequently moved them onto their key worker. Many of our interviewees commented on how well they got on with their key worker at first meeting which was clearly an important factor in motivating them to engage:

“We went for something to eat we just got talking and worked out what to do... I was in a rough state. I felt like I was on my own and [key worker] gave me someone to open out to”.

For many of the young people we spoke to their first meeting was described as presenting an opportunity to escape from a situation which had become intolerable and they were no longer able to cope with:

“[Key worker] came across as a big personality. Someone I could talk to straight away which was kind of nice. I felt like I could trust him quite soon... Getting a support worker is really helpful. Mainly because I was in a bad place (mentally) and didn't have anywhere to go bar my friends' houses... it was just a life line. It was nice to be able to have someone that cared that much even though they didn't know me”.

For many young people the first meeting was described as an information giving session whereby the key worker explained what the project could offer and, importantly, what they wanted the project to help them achieve. This was contrasted to other support that the young people had received that was often described as one-way and directive.

“When I first met [name of key worker] he just explained how he could help me. He spoke to me about where I wanted to live and what I'd like to do in the future and now he's helping me to do that”.

‘Support in the past has been, well they just support with you with what they think you need not what you think you need. They never sat with me and talked to me properly like [name of key worker] did’.

4.4 Assessment and progress planning

4.4.1 The majority of young people were positive about the Outcome Star as an assessment and planning tool

The Outcome Star was generally described as a useful tool that enabled the young person to see graphically where they were, where they wanted to be and what they needed to work on to get there. Being able to see progress was very important for some of the young people we spoke to especially for those who had low self-esteem and a sense that they had never progressed or achieved anything in the past.

“The first time I did it, I didn't think it was going to help. But obviously, you do one and then you do another one and you can see the difference. No matter what I've got going on positive, if I think negative [about something] , then

that's it, that's what I focus on. But when I have it visually in front of me... when I look at them and see the big difference, it helps".

"I can see what I have achieved, see what I've done and how far I have come. It has helped me a lot it shows me my progress since when I started and now"

One young woman who had had a diagnosis of acute mental health needs felt that it was useful aide to discussion enabling her to explore what she needed to focus on with her key worker:

"People with mental health like understanding things a lot about yourself... with her asking me personal questions I can get to the root of my own problems and I know myself what I need to work on".

Several interviewees also described how the Outcome Star represented a positive way of challenging them to recognise that there were issues that they needed to address that they had not faced up to before but also providing the framework to start to work on these issues.

"The star thing was bad, because I was in a bad place – it was pretty bad...it showed stuff about needing somewhere to live but also stuff about money and drugs. It was good though because at the time I didn't really realise how bad I was, I thought I was alright, but the assessment showed I was pretty bad".

"No-one had ever really asked me about things before or even done an action plan. No it was just, if I did mis-behave they were just no and down on me. With [key worker] we sit and talk and have that respect, she listens to me and supports me a lot and I appreciate that a lot".

Not all the young people we spoke to however were positive about the Outcome Star as an assessment tool although most recognised the usefulness of establishing a progress plan. Some had experienced multiple assessments during their early adulthood, and in some cases at the same time but with different providers:

"I don't like them. They bore me. I have to do them in another support session at [name of provider] as well".

One interviewee felt that the Outcome Star itself was slightly "childish and unnecessary" while another commented:

"...it was a little bit irrelevant...you can just tell them how you are instead of just writing it down. But obviously you have to keep it on file".

4.5 Support with finding and sustaining accommodation

4.5.1 Finding and securing accommodation

As described in Chapter 3 a 'housing led' approach is fundamental to the support offered through FCF. The young people we spoke to all saw securing accommodation as their first priority and their narratives clearly identified this as the basis from which they could move on and progress towards other outcomes. As subsequent chapters explore in more detail, securing accommodation enabled young people to establish stability and routine in

previously chaotic and unpredictable lives which in turn was perceived as beneficial to mental well-being.

While the majority of interviewees were receiving support for a range of needs a minority had primarily engaged with the programme in order to access accommodation and played down both the support they felt they needed and the support they had received.

“I needed accommodation, which was the main thing I was hoping to get from the scheme.”

“I don’t really need the support, I have been pretty much living on my own for the years now, I know what I am doing, I have sorted out my own job, I am getting up every day, at the moment there isn’t much anyone can help me with”.

Many of the young people we spoke to had had negative previous experience of living in hostels or supported accommodation, including getting in with a peer group that supported a drug or alcohol habit. For these young people securing accommodation that took them away from this peer group was therefore critical for supporting them to progress towards other more positive goals. Being given a choice over the type of housing, geographical location and flat mates was important to many of the young people we spoke to.

“When I was at [name of hostel] I hit the drugs quite heavy, I went into injecting and was being quite naughty then – then when I got in my flat I came off drugs and don’t have contact with them anymore, so am sorting myself out”.

“I think the move will be good for me as in [name of town] I am always drinking and I’m always on drugs, but in [name of second town] I don’t know anybody so I won’t be able to just go up to a dealer and ask them to sort me out”.

Case Study 2 Luke

Luke is 20 years old and became homeless for the first time at 16 following a family breakdown. He has experience of street homelessness, living in temporary bed and breakfast accommodation and hostels as well as sofa surfing. He has also been in prison on two occasions. Following referral to FCF his key worker has secured him supported accommodation in his own room in a shared house. Luke explained that he has been wanting a place of his own for four years and that his experience of living in hostels had compounded his problems with stress, anger management and drug use:

“I moved out of my mums at 16 and they just kept sticking me in hostels, I was in a place with people we called crack heads, smack heads and people that take loads of drugs – there was people coming to my door trying to rob me. I got into drug debt and used to sell drugs as well. I have been in some crap holes trying to find my own place for years, and I have finally got it, I am happy”.

However when he was first offered a room in a shared flat he was worried that this would upset his girlfriend as the intention was to move a young woman into the flat as well. A pragmatic solution was found by Luke’s key

worker:

“That would have messed everything up – it would have messed up my situation. But the girl knew the person in the flat above, so [name of key worker] said the girls can move in together and I could move into the flat above. So I have finally got what I wanted and it’s all thanks to [name of local FCF project]”

The young people we spoke to had been supported to find accommodation in a variety of ways. This included sourcing the property directly on their behalf, support with on-line searching, negotiation with landlords, and being accompanied to view potential properties.

“He helped me with filling in tenancy applications, and general support, and they try to make sure that the process is as quick as possible to make sure that you get accommodation”

“[Name of key worker] came with me to see the flat which was nice because it’s hard to do that sort of thing on your own”

4.5.2 Support with sustaining accommodation

Support to avoid the reasons that accommodation had failed in the past was clearly critical to sustaining a tenancy. As discussed above many of the young people we spoke to had had previous experience of failed tenancies, often because of rent arrears or through demonstrating unacceptable behaviours. Help with budgeting, chasing up benefit claims, sorting out rent arrears and speaking to landlords on the young person’s behalf were all identified as invaluable forms of support by many of the young people we spoke to:

“Before I used to have my money and go out and spend it and then it got the end of the week and I would need something I would have no money left. [Name of key worker] said you only need so much out for whatever you need and keep what is left for if you need a new fridge or washing machine”.

“When I started college my housing benefit got stopped and I ended up in arrears. [Name of key worker] helped me, he spoke to the landlord and sorted everything out. He helped me get the right paper work together to prove that I don’t have to pay the debt and it’s all been handed in. Without [name] I wouldn’t have done it. Like I say, once I get a doubt in me that’s it, I fixate on it. I wouldn’t be in my own flat...he has helped me maintain my tenancy”.

“He’s helped me move my stuff and manage me money to pay the rent. As soon as I get [money] it goes in one hand and goes straight out the other and I just hope that [name of key worker] can continue to help us with the financial side and help us budget”.

Several young people explained that they were not yet ready to live unsupported and had been fearful of moving into a flat on their own. Some of these had also had failed tenancies due to an inability to cope with the demands of independent living. Practical support, for example with learning how to cook, getting repairs done, and going to a local food bank was consistently identified as both helpful and reassuring, enabling the young person to build confidence towards independent living. Support applying for

grants or direct financial help for buying essential household items was also cited by many interviewees as important.

“He helped me get things to fit out my new accommodation like a fridge and furniture. The thing they do to help is for things to be put in place for them as people don’t know how to do things and they need help. I can just turn up and they will help. It gives you a huge sense of security. We don’t get taught how to deal with stuff, so the extra security does help.”

Case Study 3 Ben

Ben is 21 and has a history of depression, drug use and homelessness including sofa surfing and living in temporary bed and breakfast accommodation. Ben also has epilepsy that does not appear to be well controlled and experiences seizures on a fairly regular basis.

After being referred to FCF Ben’s key worker helped him to move into a room in a shared supported house.

“They give you a range, and you get a choice – would you like to move in with this person?”

Initially Ben moved in with someone and they got on well, but another house “popped up” where he could move in on his own. Ben initially felt nervous about moving in on his own because of his epilepsy and lack of self-confidence. After discussing his fears with his key worker Ben decided to accept the offer of his own flat:

“I was getting more independence, and I was building up money of my own. I thought why not, I will have support with my support worker and that gives me the confidence to know I can do it. If something goes wrong he’ll be there to help me”.

Ben moved in a month ago and explained it is a *“really nice property and I feel quite at home. What’s more it’s near my brothers and it brings me a long and makes me feel happy – I see my nephews a lot more so it is a lot better”.*

4.6 Support to enter education and training

The overwhelming majority of the young people we spoke to had experienced a disrupted education with many leaving school with few or no qualifications. Several interviewees clearly had some form of mild learning disability and very limited literacy skills.

However this was not always the case and a minority reported having several GCSEs, level 3 and level 4 qualifications. One interviewee had started, although not completed a degree course at university.

Interviewees who had entered into some form of education or training typically described a chaotic lifestyle, lack of confidence and low esteem as former barriers. Factors facilitating young people to start or consider starting some form of education were often therefore related to support to overcome these barriers.

One young woman we spoke to was being supported to do a level 3 painting and decorating course having completed levels 1 and 2 some years previously. This interviewee explained that the course was helping her with her mental health difficulties but that she has also needed a lot of support to maintain her attendance:

“I really enjoy it, and it’s really calming... I’m really enjoying college, but it was difficult at first because there are lots of ‘kids’ there and I take it to heart if someone says something to me.

Some of our interviewees described how their key worker had encouraged them to take steps towards realising an ambition by helping them to believe in themselves as an individual capable of achievement as the following case study illustrates.

Case Study 4 Fairuza

Fairuza is 19 years old. She left home when she was 16 and her mum threw her out. She was assigned a social worker who found her hostel accommodation. She was evicted from her hostel for behavioural reasons and spent a period of time sofa surfing with friends before she was referred to FCF. She is now living in private rented accommodation. Fairuz left school at 16 after achieving 6 GCSEs and has not studied since. She explains how her key worker encouraged and supported her to think about a future career in nursing which is something she has always been interested in but never thought that she would be able to achieve

‘I want to go on to study nursing but I hadn’t really thought about it that much or how I might do it. But [name of key worker] has helped me a lot, she has helped me to concentrate on it and two days ago we went to [education provider] to see if I could study nursing and they said yes. So in January I should be starting a course to help me get there’.

Some young people had already achieved some qualifications and had been encouraged by their key worker to study to the next level. Simon is 21 years old with past experience of working in catering. He had recently been released from prison when he was referred to FCF. His key worker helped him find accommodation and encouraged him to think about going to college to study for his level 3 in professional catering having completed level 2 in prison. Many of our interviewees expressed the desire to make their key worker proud as Simon’s quote illustrates:

“I kept it a secret. He kept telling me that I could do it, and one day I just thought I’d put the application form in. I kept him out the loop until one day I got a letter saying I’d been accepted so I phoned him up and asked him to come round. When he did I put the piece of paper on the table and said read that. He just started laughing his head off but he was proud...he was pleased for me”.

Interviewees described a number of practical and emotional forms of support that they had found critical in helping them to take up and sustain a college course. These included:

- Money for bus fares and lunches whilst at college

- Support to access the additional funding costs of attending college including money for books and special equipment
- Encouragement and support to believe in themselves as capable of completing a course
- Getting a wakeup call or text from their key worker to ensure they are going into college

Case Study 5 Lauren

Lauren is 19 years old. She is currently living in supported accommodation provided by the FCF project following three years of sofa surfing and living in different hostels. She completed a level 2 qualification in public service after she left school and was subsequently employed by a leading cinema chain. She says that she had to leave this job because of moving from hostel to hostel and spent a period of time unemployed.

On being referred to FCF Lauren drew up a progress plan with her key worker that set goals on money management, staying out of debt, getting into college and maintaining her place there.

She is currently studying for a level 3 in health and social care and has ambitions to be a paramedic. Her key worker has supported her to maintain her place at college by helping her fund her additional course costs, including a uniform so that she can go on her work placement and getting funding for text books which are very expensive.

“I can budget a bit better now. I start my college placement in a couple of weeks which I wouldn't have been able to do if I didn't have support from these [FCF]. Because I don't know anywhere else I could get support...and if I didn't do my placement I wouldn't have been able to complete my course”.

For others persisting problems of low self-esteem and mental health issues continued to act as barriers towards taking up any form of formal learning or training. Several described how they had discussed options with their key worker but did not feel that the time was yet right to take that step:

[Name of key worker] has been talking to me about courses but its early days for me yet. We are thinking of doing mindfulness and relaxation. For me it's about taking baby steps... sometimes it can be two steps forward and one step back. Every time something happens, I have depression...having [name of key worker] there I think looking to the future we have been making progress in some ways by looking at courses and taking walks and discussing different ideas”

4.7 Support to take up volunteering

Only a small number of the young people we spoke to had been offered or taken up the opportunity to volunteer. For some of those who were not ready for education, training or employment volunteering offered a positive alternative that they found rewarding. The following case studies demonstrate how a well matched and organised volunteering opportunity can support social

and mental well-being and hence help lay the foundation for achieving further positive outcomes.

Case Study 6 Joe

Joe is 22 years old and has a history of sofa surfing and living in hostels after he was kicked out of home by his dad. He completed school and college where he studied brick laying to level 3. However he became heavily involved in drug and alcohol use and *“from there I went downhill and I ended up in a hostel”*.

Since being referred to FCF Joe’s key worker has supported him to begin dealing with his drug and alcohol use *“[name of key worker] has got me off drugs, she was a big help, she has supported me 100%”* The key worker also put him in touch with a peer mentor at a local college with whom he is exploring future training and learning options. In the meantime he has started volunteering once a week for YMCA doing gardening work on some allotments.

“We go on the allotments and do what we have got to do, and then we get a treat like go out somewhere like rock climbing, canoeing – basically it’s funded by YMCA and we get to go out on day trips, it’s really good fun and I have enjoyed it”

Joe is also interested in becoming a youth worker and has put his name forward to volunteer for this as well.

Case Study 7 Holly

Holly is 20 years old and has a history of mental health problems and intravenous drug use. She left home at 15 and has lived in supported housing and spent some time in prison. Since being referred to FCF Holly has moved into her own flat where she is supported by her key worker on a fairly intensive basis.

Holly has spoken to her key worker about the possibility of going back to college at some time in the future although she does not feel quite ready to do this yet. She had begun a level 2 course in uniformed public services in 2012 but had to stop this when her Nan had repeated episodes in hospital and subsequently died. Holly also has certificates in health and safety and sport.

Holly is currently volunteering by training a girl’s football team 1.5 hours per week which she finds enjoyable and rewarding:

“[Name of key worker] showed me this website and it was on there. So I thought I’d give it a shot and I got accepted for it...at first I was petrified when he responded and said I could attend and I did get really nervous because I would be meeting kids and I wondered what they would think of me. But now I am really enjoying it – it changes me when I am there, seeing the kids and seeing them having fun and smiling makes me happy”

We also spoke to young people who had a more vocational motive for volunteering seeing it as an opportunity to gain work experience. However for this interviewee this was coupled with a feeling of frustration especially as he had applied for a lot of jobs without success:

“I’m volunteering at the BHF warehouse. We had a meeting with the women who showed me all the stuff, we went and had a look – it’s not too bad, I have been there a couple of months. It’s alright but obviously its voluntary work so you aren’t getting paid, sometimes I think its real work and then do loads”.

4.8 Support with finding employment

Many of the young people we spoke to did not feel ready to begin thinking about employment recognising that they faced a number of barriers to this in the short to medium term. Barriers that our interviewees emphasised included mental health issues and not being in a stable enough life position to think about work. Having recent experience of chaos and instability meant that these young people wanted to feel stable and settled before moving onto employment.

“There are still a number of barriers that I have to overcome but as long as I have the help I can overcome them...just the day to day things of getting my life on track”

“[Name of key worker] got me on a course to get my CSCS but I don’t think I’ll be able to do all the days because I’m too busy with my baby. Once I can see my baby away from the contact centre then I can think about it and getting my card and working in the building trade”

Several of the young people we spoke to had had previous work experience but because of the life events that had led to their homelessness needed support to build their self-confidence back up and rethink possible future employment opportunities:

“They do a lot of training to build up your skills. They do confidence building, they do preparation for interviews [including] interview techniques and getting back into work. If it wasn’t for [name of key worker and training provider] I wouldn’t have managed to get this far”.

Casey left school at 15 but is now 21 with previous experience of work in construction. When he was referred to FCF he was sofa surfing after being asked to leave home by his grandparents as his behaviour became too much for them to deal with. Following referral his key worker got him into supported accommodation and helped him to get a full time plastering apprenticeship:

“I’ve got a job and I’ve moved into my own flat. [FCF] has helped me realise what I want to do and to get up and make something of myself”

Those young people that we spoke to who felt ready to begin employment described a number of features of support from their key workers that they found useful. These included:

- Overcoming fears that they would be financially worse off if they took up employment through running an earnings and benefits check: “I want a part-time job but I wanted to know how it would affect my benefits cos I got

thrown out of a hostel before. So [name of worker] sat with me and worked out how many hours I could work and still get housing benefit”;

- Building self-confidence through believing in the young person;
- Support with CV writing and job searching through universal job match etc;
- Practising job interviews sometimes through role play;
- Funds to buy clothes for job interviews; and
- Funds for bus or train fares in the first few weeks of work.

“[Name of key worker] knew I had the confidence to do something so he put my name forward for a Prince’s Trust work programme at [name of leading hotel chain], for four weeks...I went to the placement, did the four weeks and got the job. But that was all through him. He supported me, made sure I had the train fare”.

The consistently critical factor however was the holistic support that key workers are able to offer in stabilising erstwhile chaotic lifestyles primarily through securing stable accommodation and providing the necessary on-going support to ensure this would be sustained. Once this was in place young people who were ready and willing to look for employment were encouraged and supported by their key workers to do so.

Case Study 8 David

David is 19 and was homeless after his dad “*kicked me out for using drugs and a lack of respect*”. At 16 he went to college to study sport and exercise coaching and has former experience of working in retail.

When David was referred to FCF he was homeless with “*nowhere to go*”, and previous experience of failed tenancies due to rent arrears.

David completed an assessment and progress plan with his key worker “*The goals were to try and get a job. Get an interview at least. To try and get off the dole, sort myself out, [be] presentable. Things like that*”.

The first thing his key worker helped him with was to get into stable accommodation and manage his money better to avoid further rent arrears. She then supported him to attend a six week mechanical engineering course with the hope of getting a job with [name of car manufacture].

“I would never have done that before until [name of key worker] said to us, ‘what would you enjoy’. And then I thought to myself and I thought, [name of car manufacturer] would be a good company to work for”.

Following the course David was invited to attend an interview with [name of car manufacturer] but unfortunately heard nothing back from them. In the meantime his key worker has encouraged him to apply for further jobs and David was awaiting an interview at [name of manufacturer of automotive parts] the day following his interview for the evaluation.

4.9 Support with other needs

The majority of the young people we interviewed needed support to improve their confidence, sense of self-worth, mental health and general well-being. In its broadest sense promoting well-being emerged as integral to the role played by key workers both through the emotional support they were able to offer on a one to one basis and through practical support for example by accompanying a young person to doctor's appointments or brokering access to other services.

"Sometimes it's just getting through the doors...I can't do it on my own".

"I have made a hell of a lot of progress. The state of mind that I was in, the situations I was in when I first met [name of key worker]; I wasn't confident, I could barely even get out of bed in the morning. I didn't have a home; I had nothing. Now, in the last couple of months I've improved so much. I'm more confident, I'm happier, I take more pride in my appearance and in my home".

"It's a lot better [compared to other support], because of my anxiety, when I was really bad with drinking and I was messing my job and bills up, they sorted out counselling and doctor out with me, as they know I don't like going places on my own."

Allied to this was the role that key workers played with supporting the development and maintenance of social and family networks. Promoting self-confidence was fundamental to supporting young people to make friends and socialise which in turn was key to promoting mental well-being:

"One of the best things has been my improved confidence, meeting new people and making new friends".

"I used to be shy...but since meeting [name of key worker] I have completely come out of my shell. It's made us 100% more confident. I'm still shy but not as shy as I used to be. Before I would just sit in a corner and not socialise with anybody, but now when I was doing the week's trial here, I was getting involved in conversations, I was trying to make the best of my abilities and show that I am willing and capable to do anything I put my mind to".

In previous chapters we have seen that how securing shared accommodation or accommodation that is geographically close to family members can support social networking, as can a well-designed volunteering opportunity. However in some cases it was also important for the young person to be supported away from close involvement with family or peer group where this exacerbated problems as the following case study demonstrates.

Case Study 9 Callum

Callum is 18 years old, with autistic spectrum disorder and significant anger management issues. He had been homeless for two years after he was kicked out of home when his mum's new boyfriend moved who he does not get on with. His mum and her boyfriend are both drug users and the family had been part of the Troubled Families initiative.

Callum had been going home on a frequent basis but visits would inevitably end in violent arguments and Callum described how he had

difficulties managing his anger. Callum explained that the last time this happened he phoned his key worker who immediately came to meet him, calmed him down and took him to [name of fast food chain]. Callum now realises that he needs to stay away from his family in the short to medium term:

"[Name of key worker] made me open my eyes see that I needed to get away from them [his family] that I needed some time to sort things out, it's not me that's the problem it's them. Thanks to him I'm happy now I've got my own place, I've got no stress no more".

Supporting young people to reduce or stop drug and alcohol use was also common and fundamental to ensuring other positive outcomes could be achieved. Case studies in the accommodation chapter above illustrate the importance of moving young people away from a peer group that encourages substance use but interviewees also frequently reported being supported in other ways to desist from drug and alcohol use:

"I fell into the wrong crowd and used to do drugs [in the past] but now I'm off drugs and that is another thing [name of key worker] has helped me do...I didn't get any support in the past. So I think that's why I had a bit of a blip. Everything got too stressful and I was worrying constantly and I didn't know where to go or who to talk to. As soon as I met [name of key worker] I realised there was loads of people who could help me out...I'm really grateful for the support. It's made me a lot happier and made me able to deal with things".

4.10 Approaches and practices valued by young people

The quality of the relationships established between young people and their key workers emerged as a consistent theme, and one that was fundamental to engagement with FCF and the subsequent achievement of outcomes. The ability of the key worker to engender trust and respect was critical and key workers were described as more informal, personal and easier to get on with than professionals from other services and agencies.

I chat to him, because he is the only person I can chat to about certain things, he is the only person that I trust...he gets me"

"Even though I'm his client, it's more like a mate kind of thing like I'm his friend. You know your place. Obviously I know there is a professional side to it, but I can understand him, he doesn't come out with big words that confuse me".

"She has been there for us when I've needed her as a friend, not just a member of staff. If I've got my own problems, I can just give [name of key worker] a ring. Like with my dyslexia and stuff. So one of the main thing is being able to call on her when I need to...who else can I ring?"

Being young-person centred and working in partnership with the young person to identify issues and find solutions was central to establishing and demonstrating mutual respect. Young people often commented that their engagement with FCF represented the first time that they had been listened to and valued for their input and analysis of what they wanted from support.

“He’s not like other people who just tell you what to do, we work as a team. We work things out together. We work out bit by bit what needs to be done to get there and then we do it. Either way there’s no stress, nothing it just gets done”

The majority of interviewees had experienced family breakdown and lacked parental support. For many of them the relationship with their key worker was described as their first or only experience of having “someone who cares”. The importance of being a constant and reliable presence was key. Key workers were consistently described as someone who was able to be both responsive to pressing needs and available as a background reassuring presence. Being on the end of the phone and getting in touch frequently provided a reassuring back up to the majority of the young people we spoke to. Interviewees described the value of knowing that their key worker was available at any time of the day when they needed a response to a problem or specific issue but also just as a sounding board or someone to turn to for a reassuring chat or cup of tea.

“[Having]...someone to talk to if you’re feeling down, even if it’s to nip out for a brew. It just takes me away from all the problems”.

“Just him being there really. I was going through a bad patch where I was self-harming and I had texts coming through [from key worker] saying everything is going to be alright...When I was at [name of hostel], I overdosed. If it weren’t for [name of key worker] I wouldn’t be here now. He’s always there with a text saying everything will be alright”.

“If I tell him I’m feeling down, he will keep texting me saying are you ok. He will then usually call me when he’s not busy and tell me who the guy is on at night so I know who I’m calling if I call the night line”.

“[Key worker] has given me a lot more confidence than what I had. I feel better in myself because I know I’ve got someone there to talk to when I need to...he’s there 24/7...everything he has done is perfect”.

Some of the young people we spoke to reported that they were receiving support or an input from other organisations that in some cases had been identified, brokered and coordinated by their key worker. Interviewees commented that they valued the fact that their key worker was able to signpost them on to more specialist support where appropriate and in some cases physically accompany them to appointments or broker communication between them.

“It has given me a confidence boost...given me the confidence to be independent and reassurance that I have someone there who will go with me to things that I don’t want to go to...like benefits assessments and things that seem daunting like job centre interviews...there’s no way I would have been able to do it on my own”.

“My CPN [Community Psychiatric Nurse] and [name of key worker] work together, they email and ring each other. My CPN works Wednesday-Thursday-Friday and I have just started college on Wednesday-Thursday-Friday. I am finding college hard and I stopped going in, and my CPN was concerned I was doing too much. If I get really stressed, I start hearing voices,

and I am on tablets. If [name of key worker] comes to see me one day and sees I am not 100% she can get in touch with someone at the CPN”.

For those young people who were becoming more settled in accommodation, the frequency with which help was required was declining as they sought to be more independent. For some young people it was important that the key worker was able to strike the right balance between being supportive and promoting independence.

“It’s better, different – in the 24 hours support I was getting help all the time and when I am in my own flat with [key worker] I will have phone calls, emails, texts and we will meet up and its making me more independent and stronger now that I am living by myself”.

“I don’t really need that much support, but having him there when I do need him is helpful, when I don’t need it it’s alright – it’s handy to call him to say I need you for this or I need you for that”.

Allied to this was the need to be treated as an adult and allowed freedom. This interviewee had had a long experience of being in care and valued his right to be independent:

“I don’t know what will help now, I don’t really need any more support, I have been pretty much living on my own for the years now, I know what I am doing. I have sorted myself out now, I have got myself a job, I am getting up every day, at the moment there isn’t much anyone can help me with. I’ve been out of care for so long I am not used to having someone to see me once a week”.

4.11 FCF compared to other support

Support received through FCF projects generally compared very positively to support received from other services. For many of our interviewees FCF represented their first experience of being actively supported to progress and make a difference to their lives:

“Finally I am in an organisation that is doing something for me and not just listening to what I have to say, giving me some advice and just saying ‘go do it”.

[FCF] is much better. In [name of supported housing project] I didn’t really get support – we had meetings where they said you have to do this and do this but they didn’t do it with me and I ended it doing it on my own.... Like applying for jobs and general stuff”.

“When I met [name of key worker], because I had never had any support before, I was nervous. You hear from other people that they are proper strict...but when I met him he seemed like a sound guy. He told me he used to work for the prison service and thought ‘great’, but we get on and I have gone through so much self-harming, he has been there [for me] the whole time”.

Phil is 22 years old and currently on ESA because of mental health issues. Prior to being referred to FCF he had been living in supported housing. He emphasised the lack of individual care shown by the supported housing provider in contrast to the support received from FCF:

“The supported housing was rubbish really, they didn’t seem like they wanted to help me, it was more like they were there to do the job because that’s what they were getting paid for, they didn’t feel as if they were trying to move me out of there, as I was there for over a year and they told me they couldn’t move me out because I wasn’t ready, but a month later I am in my own flat from [FCF] and everything has been done well”.

Comparison with other services tended to highlight the more inflexible, limited and overly formalised nature of the support they were able to offer in contrast to the friendly, responsive and young-person centred approach taken by FCF:

“[Name of key worker] is a lot nicer, it’s a lot nicer service. The supported housing I was in was shocking because of the lack of care – the staff there wouldn’t check if you were sat in your room all day every day – they are supposed to support you instead of leaving you”.

“At [name of service provider] I had to go through the manager to get any support. It was a lot more formal and there were more steps to go through in order to get the support I needed. At [FCF], I can just ring up and it’s easy”.

“I like the fact that you get given one support worker who builds a relationship with you and gets to know you. I like how close you can get with them...I feel like I can trust them”.

“If I have to go somewhere [name of key worker] will take us there and I can just talk to her about more personal things than what I do with my social worker”.

As discussed in the chapter above, some interviewees commented on the importance of being treated like an adult and supported towards independence. This was contrasted to other forms of support that promoted dependence:

“[FCF] is different because they treat me like an adult rather than someone who is in supported housing...They give you more freedom. I can do something myself rather than being lazy and letting someone else do it, otherwise I would be lazy and let someone else do it”.

Many of the young people interviewed reported that they did not know where they would be without support from FCF. Some had repeatedly failed to hold down previous tenancies, had persistent problems with substance use and mental health and felt they had burnt their bridges with other providers or just simply did not know where else they could turn to for help.

“If it wasn’t for Last Chance and [name of key worker] I don’t know what would have happened to me, I’d probably be in prison...I’ve been in prison before. He has really helped me out. I’d be in prison if it wasn’t for [name of key worker] but I’d rather be in prison than on the streets”.

“I’d say I’ve made a drastic improvement. Without [name of key worker’s] help I don’t know where I would be; I’d be struggling quite a lot. But with her help I’ve improved. I have been able to pay my rent, feed myself, and pursue my army career. If I didn’t have her to help me out, I’d struggle because I have my sanction in place and I wouldn’t be able to afford to get anywhere”.

“He is just a brilliant help and without him I don’t know where I’d be. I’ve got my own place now, and so there is not so much trouble with my family now because they miss you when you’re not there so there’s not so much chaos and trouble when I go there. So it’s really helped my relationship with my family and it’s really helped my relationship with my girlfriend”.

“If [FCF] weren’t around, I think I’d be on the streets to be honest...because the hostel I was living in but you can only stay there for so long. The only good news I have at the minute is I have my own flat”.

4.12 Looking ahead

Interviewees expressed a range of aspirations for the future. They also described differing levels of support that they felt they would need to meet their goals underlining the importance of key workers going at the pace of their clients. Some had clear ideas about where they wanted to be in the near future and had set employment goals into their personal plans:

“I want to be able to work for the council or some housing associations when I finish – I have got my little goals on the Outcome Stars and that is one of them – to work with the housing team.”

For others however it was clearly difficult to think in the long term and wanted to just take things “step by step” with continued support from FCF:

“Until I’m properly settled I need someone to help me, I can’t do it on my own. I have problems controlling my anger, I can’t calm down. Someone can say something to me and it hits my buttons and I can’t hold it in”.

Others felt more ready to progress with relatively little support but with the knowledge that they had their key worker in the background to support if things went wrong:

“I just want him to be there if I was in a crisis or be there if something goes wrong because it’s always good to have a lifeline and I didn’t have this when I was homeless. The communication with someone is nice because they always keep you updated to make sure you’re okay and if anything was to go wrong they would be there to help you sort it out”.

And then there are the others who want to stay in touch with their key worker to make them proud:

“100% I will be in contact with [name of key worker] next year, I want to make her proud of me”.

5 Intermediaries and Investor Perspectives on the Development of Fair Chance Fund

Chapter Summary

This chapter provides an overview of social investment in the Fair Chance Fund (FCF). It explores the intermediaries' and investors' perspectives on the development of the programme through the commissioning of local FCF projects.

- The intermediaries involved have all had experience of SIBs in the past. In contrast, investors ranged from significant experience to the FCF being the first in their portfolio.
- In all but one of the projects, intermediaries played a key role in assisting providers with their bids and raising investment. Most intermediaries worked with investors they already had relationships with.
- The competitive commissioning process, whilst ensuring that high quality providers won contracts, was regarded as involving too many organisations. This meant that a lot of voluntary, community and independent sector (VCIS) resources were used in unsuccessful bids; and, investors were unsure of who to back and reluctant to commit resources to due diligence.
- Once successful, there was limited time for deals to be finalised. Intermediaries helped organisations through the process and prepared the information investors required.
- FCF was considered as high risk – a small cohort difficult to engage and with complex problems; a lack of evidence base for effective interventions; concerns about the availability of accommodation; and an external risk that reduced funding allocations to local authorities and cuts to welfare spending could place a strain on support services.
- Six of the seven FCF schemes use a Special Purpose Vehicles (SPV) structure and one does not. Nonetheless all investors with an SPV cited clear advantages of an SPV including providing a structure for collaboration around shared focus. There is a range of investment structures. All investors and intermediaries agreed there was no 'perfect' structure for a SIB and it depended on the contract, providers and the commissioners.
- Some intermediaries and investors thought providers should share the risk by investing their own equity (as is the case with two of the projects); whereas others thought VCIS providers did not need a financial stake to incentivise performance.
- Performance management arrangements across the seven schemes

vary, although several SPVs have contracts with a performance manager who acts on the investors (SPV's) behalf to gather and report performance data. This was seen as important in mitigating risk; and also to build capacity within providers with no experience of PbR and SIB contracts.

- The investors are highly motivated by social outcomes. One concern raised was in relation to the sustainability of the services, and the outcomes they achieve, following the end of the programme.

This chapter provides an overview of social investment in the FCF. It explores the intermediaries' and investors' perspectives on the development of the programme through the commissioning of local FCF projects. This includes: the role of intermediaries in making contact with providers and investors; the process of securing and negotiating investment; and the structuring of the SIB deals.

5.1 Background

FCF investors and intermediaries

The intermediaries involved with FCF projects have all had significant involvement with SIBs in the past. They have experience with assisting voluntary, community and independent sector organisations through the bidding process, securing and negotiating finance, setting up the SPVs (if relevant) and with performance management.

In contrast, the investors involved with the FCF projects were varied in their previous experience with SIBs. A number of investors had significant experience whereas others had far less and for one the FCF project was the first SIB in their social investment portfolio.

The table below provides an overview of the investors, intermediary, investment amount and structure for each of the Fair Chance Fund projects.

Table 5.1 Overview of investors, intermediary and investment structure

Project	Investors	Investment amount	Investment structure	Intermediary
Ambition	<ul style="list-style-type: none"> ▪ Key Fund ▪ Big Issue Invest ▪ Private investors ▪ Provider funding (all 3 partners) 	<ul style="list-style-type: none"> ▪ £125,000 ▪ £155,000 ▪ £100,000 ▪ £120,000 ▪ £30,000 per provider <p>Total £600,000</p>	The providers have made an equity investment and investors have put in a fixed return loan, with an element of performance based return. Private	Triodos

Project	Investors	Investment amount	Investment structure	Intermediary
			investors benefit from SITR ¹⁹ .	
Aspire	<ul style="list-style-type: none"> ▪ CAF Venturesome ▪ Private investors ▪ Provider funding (P3 & CCP) 	<ul style="list-style-type: none"> ▪ £205,000 ▪ £45,000 ▪ £60,000 - £30,000 per provider <p>Total £310,000</p>	CAF Venturesome have used loan funding, with the providers making an equity investment. Private investors benefit from SITR.	Triodos
Depaul	<ul style="list-style-type: none"> ▪ Bridges SIB Fund ▪ Bridges Soc. Ent Fund ▪ Big Issue Invest ▪ Montpelier Foundation 	<ul style="list-style-type: none"> ▪ £258,000 ▪ £52,000 ▪ £100,000 ▪ £210,000 <p>Total £620,000</p>	Investment structure a combination of equity and debt. All investors have made an equity investment into the SPV structure set up.	Social Finance
Fusion	<ul style="list-style-type: none"> ▪ Key Fund ▪ Bridges Ventures 	<ul style="list-style-type: none"> ▪ £210,018 ▪ £630,052 <p>Total £840,070</p>	Investment structure a combination of equity and debt. Investors have made an equity investment, and a SPV structure established.	Numbers 4 Good
Home Group	<ul style="list-style-type: none"> ▪ Northstar Ventures 	<ul style="list-style-type: none"> ▪ £498,000 <p>Total £498,000</p>	Northstar have issued an unsecured loan agreement. No SPV structure.	Numbers 4 Good
Local Solutions	<ul style="list-style-type: none"> ▪ Key Fund ▪ Big Issue Invest ▪ Big Society Capital 	<ul style="list-style-type: none"> ▪ £150,000 ▪ £300,000 ▪ £100,000 <p>Total £550,000</p>	Key Fund and Big Issue Invest made an equity investment into the SPV structure set up, and Big Society Capital made a part-equity and part-loan investment.	Social Finance
St Basil's	<ul style="list-style-type: none"> ▪ Bridges Ventures ▪ Key Fund ▪ Big Issue Invest 	<ul style="list-style-type: none"> ▪ £555,000 ▪ £100,000 ▪ £150,000 ▪ £100,000 	Investment structure a combination of equity and debt. All investors have	Social Finance

¹⁹ The Social Investment Tax Relief (SITR) encourages individuals to support social investment, and was introduced by the government to encourage new investment into charities and social enterprises (including SIBs). The individuals make bond investments into the SIB and benefit from the SITR on this investment.

Project	Investors	Investment amount	Investment structure	Intermediary
	<ul style="list-style-type: none"> ▪ Barrow Cadbury Trust ▪ CAF 	<ul style="list-style-type: none"> ▪ £125,000 <p>Total £1,030,000</p>	made an equity investment into the SPV structure set up.	

Source: ICF Analysis

5.2 Initial involvement

The intermediaries played a key role in assisting providers in their bids to DCLG, as well as linking providers and investors across almost all of the funded projects (as well as those providers who were short listed and submitted full bids but were not successful). There was only one deal identified where the intermediaries played a limited role.

In the initial stages of the programme DCLG circulated a list of potential intermediaries to all bidders. In the majority of cases, the intermediaries became involved with providers they had pre-existing relationships with. For example, Triodos had worked with P3 on an unrelated activity, and this relationship was key to their involvement in Aspire and Ambition; and, Social Finance had established contacts at both St Basil's and Depaul. In other cases, intermediaries made contact via other means. For example, in the case of Local Solutions, Social Finance were referred by a third-party consultant during the second round of applications.

Similarly, intermediaries sourced and secured investment from investors with whom they already had a relationship with. The intermediaries described how they were already working closely with a number of the investors on other projects; they have investor relation officers responsible for maintaining this relationship and flagging any potential investment propositions (such as the Fair Chance Fund). One intermediary reported launching a presentation day to connect investors with the providers. This involved getting 10 to 12 investors together, with the leads of the projects giving a presentation on their delivery model. Interested investors could then engage with providers and this was considered by them an efficient way for investors to assess different projects and how they might compare.

Investors described the importance of the intermediary role in facilitating the SIB market and how their role in bringing opportunities to investors and facilitating the markets for providers is vital, particularly in the early stages of involvement:

“The providers are often inexperienced in the [PbR and SIB] sector and it’s very complex. The intermediaries help the organisations along this journey. They also help investors get comfortable enough to provide in-principle agreements and help the delivery bodies draft their final bid application.”
(Investor)

One particular challenge identified by both intermediaries and investors, in reaching investment decisions, was the number of providers bidding for FCF funding. Over 153 expressions of interest were received, from which 76 were invited to submit a bid, with competition across local authorities as some

featured in more than one proposal (depending on the geography of local schemes). This was seen by intermediaries and investors to be far too high a number and compared it to other SIBs with smaller shortlisted providers by the time they are seeking investment. This feature of the commissioning process created resource constraints, particularly for the intermediaries and they had to make a swift judgement based upon limited evidence:

“It was impractical for us to familiarise ourselves with everyone so it comes down to our initial perceptions of which organisation has a compelling track record and an innovative intervention model.” (Intermediary)

Investors described how this competitive element and the resultant high level of uncertainty around which provider would win the contract, made them hesitant to dedicate resources to due diligence or familiarising themselves with the providers prior to the award of contract. One investor reported the in-principle agreement issued as part of the providers’ bid reflected this, with significant clauses included which undermined the commitment made so that it was *“not really worthwhile”*. However, another investor saw advantages to the process in ensuring that the *‘best provider’* won.

Nonetheless, there was an appetite amongst investors and intermediaries to be involved in the FCF because of the potential social impact: the fact that the fund targeted a particularly entrenched and difficult client group was a key facilitator of the deal.

5.3 Securing and negotiating investment

Again, the role of the intermediaries once the successful providers had been announced was also highlighted by investors as vital in all but one deal. Intermediaries described the central functions that they played in securing and negotiating investment. At this stage, the intermediary assists in preparing the due diligence pack for investors and to ensure the providers are ‘investor ready’. One intermediary said:

“In terms of the operational model, we go in with an investor mind-set. If we are introducing it to investors, we need to be pretty confident it’ll get through their due diligence. We will ask the hard questions ourselves before investors go in so we make sure it all stacks up. Our role is to get them to a point where what they give investors is investment ready... What we don’t want is for the investors due diligence [after the proposition] to be a platform for negotiations.”

During this process, in anticipation of investors’ concerns, the intermediaries look for hard evidence regarding the providers’ track record, such as:

- Whether they’ve undertaken any similar contracts in the past (particularly PbR);
- What their track record and experience is; and,
- The size of the proposed contract relative to their existing scope.

Other softer considerations were also cited as important, such as considering whether provider relationships seem sound and whether the providers’ senior executive teams would be able to develop partnerships with the investors.

These qualitative judgements on softer aspects of the provider models were also cited as important by investors, reflecting the intermediaries' judgement.

All the intermediaries said the majority of the time they invested was spent on testing assumptions, particularly regarding success rates:

"In some places, there was good evidence and in other places we had to take things that they had done that were similar in the past and extrapolate. In some other areas, we had to acknowledge they didn't have a great track record and had to recognise the risk around that." (Intermediary)

The process involved sense checking the internal consistency of assumptions and examining the degree to which circumstances may vary to the base case. It was recognised by both the intermediaries and the investors that this was a new and innovative program and evidence and track record could only be relatively limited.

Investors saw the role of the intermediary in supporting providers' engagement as very important:

"The intermediaries help the organisations along this journey. They help them understand how the investment works, how the governance would work and help them get to grips with different programs. A lot of organisations need help in understanding the implications of taking on social investment, which is new to a lot of them. It is important for the providers to feel like they have someone on their side." (Investor)

The due diligence undertaken by the investors was often run concurrently to some of the due diligence being undertaken by the intermediary. The investors have multiple stage processes for due diligence, but all involve the following steps:

1. Gathering of evidence and track record from the providers and intermediaries;
2. presenting this evidence to the investment committee; and,
3. Going through a formal investment committee process to get the investment approved.

The investors described how the work undertaken by the intermediary meant that they could work with the evidence gathered during their first step, often simply 'sense checking' the outcomes. In the case of multiple investors, a collaborative model was developed with the investors operating as a 'consortium' to undertake this sense checking. Some benefits in regards to the risk profile were cited by two investors as a result of this:

"This makes it easier to get comfortable with the risk. Some organisations bring possibly a slightly higher level of due diligence than we would because of their specific skills. So it gives you comfort knowing you're making an investment alongside an organisation like that."

Delays were cited in securing the investment in some of the projects, particularly in those where the provider and investor had limited experience with SIBs. For example, one investor new to SIBs cited their lack of knowledge around SIBs and PbR contracts as a barrier:

“It was understanding the mechanics of it – we were basically project lending and we didn’t have any recourse to [the provider] after the conclusion of the contract. It was getting our head around this aspect of it. The main barrier was understanding exactly what was in the contract and the implications of the SIB and where the risk truly lay with it. The metrics were fine because this was relatively easy to follow and to challenge whether we felt they could deliver on that.”

Another challenge was linked to bids which involved multiple providers. These involved a complex syndicate with different delivery partners and different payments for services. Due diligence (for the deal) required testing of different assumptions with their respective track records which duplicated the work for intermediaries and investors.

There was limited time for deals to be finalised and this compounded these issues. Other barriers included: the 12 month referral window, with investors seeing this as quite restrictive and some concerns were raised around this; the lack of solid evidence base (reflecting the innovation in the models); concerns about the availability of appropriate housing and accommodation; and, an external risk that reduced funding allocations to local authorities and cuts to welfare spending could place a strain on support services.

Both intermediaries and investors explained that engagement with all stakeholders was frequent and ongoing throughout this stage of the process. There was also some engagement with DCLG where questions arose. For example, one investor said they agreed with DCLG a risk-sharing arrangement with the provider which differed to the bid – DCLG agreed to this, which enabled the deal to go ahead. While the providers maintained primary responsibility for the relationships with local authorities, some investors also met with councils to understand their commitment to the programme and in particular how they would support referrals and accommodation.

The perceived risk profile

FCF was seen as structurally risky i.e. a small cohort meant the statistical chance of missing the referrals or targets were higher. The nature of this cohort also added to the risk profile, with a much higher chance of non-willingness and a significant overlap with offending, mental illness and alcohol and drug abuse.

These issues elevated the risk for investors, however it was regarded by them as an important social issue. One intermediary reported:

“Investors, I think, have gone into these projects with a realisation that the financial returns they could possibly earn are relatively low in comparison to the risk they’re taking on. So relatively high risk with a limited potential upside. This is accepted because of the social impact and the fact that homelessness is seen as a route to solve many other things.”

One way that investors mitigated these risks was through strong governance arrangements (returned to below).

5.4 Structuring the investment

The investors reported to the evaluation team that they had little involvement in the investment structure, with the intermediaries (or providers, having worked with intermediaries) coming to them with a proposed structure. Very little changed after this point. One investor said that although this worked well, they would like to be involved at an earlier stage in future investments:

“The intermediaries approached us with a structure they’d set up and I don’t think we changed much. We would probably want to be more involved in future ones as we now have informed opinions on what works well”.

All investors and intermediaries agreed there was no ‘perfect’ structure for a SIB and it depended on the contract, providers and the commissioners. One investor explained, for example, that some providers are able, and want, to take on more risk and are confident in doing this while others are not. The commissioner also might have a preference for the risk-sharing arrangement. The remainder of this chapter outlines the key issues highlighted by investors and intermediaries when structuring the FCF SIB investments.

5.4.1 SPV structure

Six of the seven FCF schemes use an SPV structure and one (Home Group) does not. Intermediaries summarised the key issues when considering the need for an SPV as two aspects:

- Does the delivery body want to take on any risk or wish to control the contracting vehicle?
- Are there many investors, i.e. a need to create a centralised structure for investors?

Investors were keen to point out the advantages of the SPV. One explained how it brings performance management expertise to the provider:

“I think charities have got a lot to learn from that level of rigour. Hopefully they’re going to take some of these lessons into their future way of working. That’s what I like about an SPV – the external input they’re getting. Although they might find it a pain, we (the investors) get a lot more comfortable with it over time.”

Enabling collaboration was an advantage of SPVs cited by a number of investors who contributed to the evaluation. Although it was recognised this sort of dialogue could be facilitated without this contracting arrangement, it was felt the SPV structure simplified the arrangements and made it clear that collaboration between the investors and providers was necessary. It also, importantly, provides the structure for performance management (returned to below).

In the case of the FCF scheme without an SPV, the investor reported they felt it was overly complex for the needs of Home Group. Home Group were already considered to be strong in their monitoring. The advantage of this was lower costs compared to setting up an SPV, although the investor must be

very confident the delivery body will deliver. If there is any underperformance, there is no scope (beyond underperformance clause in the contracts²⁰) for the investor to remove the delivery body. The relevant investor said this was very much a function of it being right for this deal. If smaller organisations were involved, or multiple investors, there would be different considerations. This project had the least intermediary involvement, once they had facilitated links with the investor.

Both investors and intermediaries did however warn against the use of SPVs in every SIB deal. They felt commissioners needed to be more involved in understanding the benefits of using an SPV in a particular case. This is because sometimes the structures were more complex than they could or should be, with unequal sharing of the risk.

5.4.2 Provider investment

There were two different ‘schools of thought’ in regards to the importance of provider investment in the SIBs. Some intermediaries and investors thought this was very beneficial in lowering the perceived risk for investors and giving them confidence. It also aligned incentives between investors and providers, enabling the providers to have a stake in the risk. A number of investors said this model had worked well for them in the past. If the provider takes a financial stake in the risk, this differs from the original and most common SIB model in which charities are subcontracted suppliers on a fixed price contract (with no financial risk themselves). A number of investors and intermediaries felt this potentially misaligned motivations with not enough stake in the upside (as well as the downside):

“We take the view, as an advisor, that having some of their own money goes a long way in aligning risk and interest. It works quite well for the investors because they have a buffer below their investment. It also means the investors get more comfortable more quickly and can also lower their expected returns. So this lowers the costs of capital which is beneficial for the charities.”

However, this view was not shared by all, with a financial stake not always regarded as necessary to incentivise providers.

“Most charitable delivery bodies will want to do the best they can anyway, because they believe in the social impact. I don’t know if you’re additionally motivated by an additional financial stake. I think it’s quite nice they do get some of the upside if it’s very successful but I don’t think they necessarily need to have an investment in it itself.” (Investor)

5.4.3 Loan versus equity funding

A mixture of investment structures have been used across the seven FCF schemes. This was a function of the type of deal, the level of risk the various parties wanted to take and how the intermediary structured the deal. For example, where the provider made a direct investment (in the case of Aspire

²⁰ In the case of underperformance, the investor is able to call for a remedial plan to be put into place. If underperformance continued, this could then manifest as a default, which would put the risk back to the provider.

and Ambition), these were structured to reflect the ownership of the SPV. In other cases (for example, St Basil's and Depaul), the investors have made equity investments. An investor explained that this type of equity structure does not equate to an ownership structure, rather the risk-type for the investor. In these cases, the investment is not secured (for example, against an asset) and the return is entirely performance based; if it doesn't go well, the provider is under no obligation to repay the investors. This reflects the traditional SIB model.

In the case of Home Group, there is no SPV (as discussed above). As such, the investment is a loan directly to the charity on the part of the investor. In this case, the investor said that they chose this type of structure as they wanted to maximise the return as they went along, rather than wait for any profit at the end of the deal.

5.5 Performance management and engagement

Performance management arrangements across the seven schemes vary, although several SPVs have contracts with a performance manager who acts on the investors (SPV's) behalf to gather and report performance data. In the cases of Depaul and St Basil's, Social Finance (who acted as intermediary) has an ongoing role with their performance management (focusing on capacity building the providers). Fusion had performance management provided by Numbers 4 Good and Cross Performance Management. Aspire and Ambition had initial contracts with Triodos to fulfil this function, with the provider now taking this role forward themselves in the case of Aspire but involvement continuing with Ambition. In the case of Local Solutions, they have recently brought someone in to build capacity to do this internally. Home Group undertake this internally, with the investor happy with them having the necessary capacity and experience. Investors described this role as essential in supporting providers with no experience of PbR and SIB contracts, as the reporting demands are resource intensive and complex. Providing capacity building support, rather than a performance management contract for the length of the SIB contract, was seen as appropriate in promoting sustainability.

The providers' ability to provide sufficient performance management reporting from the outset was identified as some investors as a risk; contracting a performance manager on behalf of the SPV mitigated the risk whilst building provider capacity for the future. This risk was compounded by the structure of the FCF contracts in having a year for recruitment, limiting flexibility and making performance management particularly important from the outset (as early poor performance had limited time to be subsequently addressed). A lot of work has been done to date on reporting systems and the analytics to actually collect and report information. Whilst a tactic to mitigate risk, for others this capacity building was identified as driver in the deal.

“This was one of the attractions of doing the deal – it's about capacity building rather than intermediaries earning fees over a few years.” (Investor)

Across all six projects with an SPV reporting on performance is at monthly Board meetings. At these meetings, the provider / performance manager presents a report detailing their performance and how the intervention is

working. There are various arrangements across the six projects in regards to governance and the Board. These are briefly detailed in the table below.

Table 5.2 Governance arrangements across the Fair Chance Fund projects

FCF projects	Governance arrangement
Ambition	<ul style="list-style-type: none"> ▪ Big Issue Invest has a voting position on the Board
Aspire	<ul style="list-style-type: none"> ▪ CAF Venturesome have observation rights on the Board
Depaul	<ul style="list-style-type: none"> ▪ Bridges Ventures, Montpellier Foundation, Social Finance, one other investor and an independent chair have a voting position on the Board
Fusion	<ul style="list-style-type: none"> ▪ Bridges Ventures, Key Fund, Numbers 4 Good and an independent chair have a voting position on the Board
Home Group	<ul style="list-style-type: none"> ▪ No SPV ▪ Regular monthly meetings with Northstar Ventures
Local Solutions	<ul style="list-style-type: none"> ▪ Big Issue Invest has a voting position on the Board
St Basil's	<ul style="list-style-type: none"> ▪ Bridges Ventures, Big Issue Invest, Social Finance, one other investor and an independent chair have a voting position on the Board

Source: ICF analysis

Many of the investors felt involvement with the Board required a significant time commitment which was disproportionate for the size of their investment. Some also felt that the performance management required is too demanding on providers for the size of the contract, but again is an essential feature of mitigating risk and ensuring outcomes and a return are achieved.

5.6 FCF within the broader SIB market

Overall, the intermediaries and investors said they felt the market was more confident with SIBs. The amount of dialogue required for SIB investments has fallen and structuring them has become easier. There was a perception the market was much more agile with structuring SIBs and investors were more comfortable with this sort of investment. This had also affected the perception of risk around SIBs. One investor said:

“The perception of risk, not the actual risk, has changed. People have seen it work and realise it’s a workable model. From an investor point of view, the funds and other bodies are more comfortable in investing in it. Although there’s no real track record yet, there is enough of one for people to see payments are made.”

A number of investors wanted to emphasise that the sustainability of the social outcomes of a SIB should be a priority during the commissioning stage of projects. They felt that beyond the time frame of the project, there was little funding or focus on what happened after its expiry. The sustainability and continuation of support was something they felt should be a focus for commissioners in the future. A number identified a concern about the

sustainability of the FCF scheme they invest in and exit strategies for providers and the young people they support.

Overall, all investors and intermediaries were keen to point out they were passionate about the social impact off these investments and, ultimately, this was what they wanted to evidence and this was the key enabler for these types of investments.

6 Interim Conclusions and Recommendations

This chapter provides our interim conclusions and recommendations, based on the findings from the Scoping and Feasibility stage and the first round of evaluation fieldwork.

6.1 Interim conclusions

This first interim report focuses on the process aspects of the evaluation, based upon the first three quarters implementation. It also explores performance against the profiles for achievement in Year 1 of the projects' initial bids, and the influence of the Social Impact Bond and Payment by Results model.

The process evaluation will be key in developing an understanding of how the programme outcomes have been achieved, and providing learning on 'what works, for whom and in what circumstances' to inform the existing limited evidence base. Although too early to provide definitive evidence of good or effective practice, a series of facilitators were identified in this report which can be developed further in subsequent fieldwork and reporting.

Our conclusions, structured to reflect the chapters of this report, are set out below.

6.1.1 The Fair Chance projects

The Fair Chance programme features seven projects, each operating in defined geographical (local authority) areas and led by, and featuring partnerships between, voluntary and community sector organisations. They vary in scale in terms of target participant numbers (between 137 and 340 individuals) and funding secured (from £310,000 to £1.03 million – including contributions from lead and other partners in two cases). In total, the projects intend to recruit 1,609 young people, and each has taken advantage of the contract's flexibility on recruitment levels to account for drop-out and to help ensure that the forecast outcomes are achieved.

While each project is unique, and designed to reflect the characteristics and needs of the areas within which they operate and the young people they serve, common features across all seven include:

- Following a 'housing led' approach – with securing stable and sustainable accommodation being the key to moving participants towards education/training, volunteering and employment opportunities;
- Using a 'key worker' model to provide intensive support to participants where required, and guide them through the project services available to them;
- The use of robust and ongoing assessment and action planning processes to identify needs, propose responses and assess progress on an ongoing basis; and

- Provision to enable progression towards the achievement of the prescribed accommodation, education/training, volunteering and employment outcomes – either using the project partnerships' internal resources or those of other local agencies.

The projects have focussed their Year 1 activities on recruiting their cohorts and securing accommodation, with education/ training, volunteering and employment outcomes expected to become more of a focus for Years 2 and 3. There were few substantive changes to their delivery models or overall approaches at the time of the latest fieldwork (September and October 2015), although in some cases new posts were created to help identify accommodation and support young people once housed. Others described plans to either recruit or source external expertise around volunteering and employability provision – again emphasising the focus on these areas of activity in the future.

Evidence collected across the study confirms that the Fair Chance projects are 'filling gaps' in provision for homeless young people, and that the services they provide are widely regarded amongst wider stakeholders as being of value in this regard. Although each project had faced challenges in securing appropriate referrals, and many had extended their 'referral networks' in response, the referral process appeared to be effective in terms of the characteristics of the young people and the programme eligibility criteria.

One of the issues emerging as the projects recruited their cohorts is that in some areas where higher levels of existing provision exists, referrals to Fair Chance may comprise individuals with the most challenging characteristics and barriers, and for whom previous integration approaches have been unsuccessful.

As the interviews with participating young people identified, while the Fair Chance cohort features individuals with varying intensities of need, the majority require intensive support which will make supporting the achievement of the Fair Chance outcomes challenging. In general the projects reported receiving more referrals with higher levels of need than was initially expected, and later stages of the evaluation will explore the extent to which, and how, the projects are able to meet the progression needs of the cohort and achieve the forecast learning and employment outcomes.

6.1.2 Performance in Year 1 (January to September 2015)

The focus on referral/recruitment and securing accommodation in Year 1 is reflected in the performance of the projects. Performance was reviewed on the basis of the profiles set by the projects for verified referrals and outcomes achieved to the end of Quarter 3 2015, at the programme and project levels, and found that:

- Referrals – referrals were ahead of profile, with 1,321 referrals being made to the programme overall, 5% ahead of profile and suggesting that the overall referral targets were likely to be met (even considering the 10% additional recruitment allowance).

However, as with many of the other outcomes, performance by individual project varied considerably, ranging from 29% over profile (leaving just

seven individuals to be recruited) to 13% under profile (requiring an additional 80 referrals in the last quarter, representing the highest quarter for referrals and putting target achievement in doubt).

- Assessments – the number of completed assessments was also ahead of target, with 2,150 being completed compared to a profile of 1,773, with just one project falling behind profile. It is important to note that whilst third assessments had been completed for 290 young people, the projects described the intention to continue their assessment processes throughout Years 2 and 3.
- Entry to and sustained accommodation – a total of 819 entries to accommodation were achieved across the programme, just 1% (three young people) short of profile, and representing 62% of the young people recruited at end Quarter 3. Given the importance of securing accommodation under the housing led approach, this represents good progress and provides a firm foundation for Years 2 and 3. However programme performance masked considerable variation between the projects, with three exceeding their profiles (by over one third in two cases) with the remainder falling behind.

Performance for sustained accommodation was less easy to assess at the current stage of the programme, although overall fewer outcomes were achieved than profiled at the programme level, with 86% of the 3 month and 62% of the 6 month sustained profiles being achieved. At the project level three projects met or exceeded their profiled sustained accommodation outcomes, including several six month sustained outcomes reported ahead of profile. A clearer picture of sustained outcomes will be available early in Year 2, when the influence of time lag between recruitment, entry to accommodation and accommodation sustained will be minimised.

Although less of a focus of attention in the early stages of delivery, profiles were set for entry to education / training and qualifications achieved, volunteering and employment outcomes in Quarters 1 to 3:

- Education and training – 205 young people entered education/training activities, 10% below the expected profile of 228. Achievement varied considerably between the individual projects, with four reporting entries above profile (one by 230%, 20 individuals against a profile of 6) with the remaining three being below profile (two by over half).

Just four projects had profiles for the achievement of qualifications in the first three quarters of 2015, and performance was behind profile by 59%, with 20 qualifications being achieved against a profile of 49. Just one project met or exceeded their qualification profile, with the remainder either achieving no qualifications or below expectation. Again, the achievement of qualifications will be best assessed in Year 2, to allow for the time between entry and achievement and compare success rates to entry.

- Volunteering – some 76 young people had completed a 6, 13, 20 or 26 week volunteering placement, compared to the 167 profiled, with the

majority being at the six week point. Each project was also behind their expected profiles.

- Employment – performance against profile for entry to and sustained employment outcomes was strong, with the comparatively low expectations expressed in the profiles being exceeded at programme level. Some 77 young people entered employment compared to a profile of 23 (more than three times the numbers expected), although two projects failed to meet their profiles. Much of the over-performance was accounted for by four projects where no employment outcomes were expected, and one where performance exceeded profile.

Performance in terms of sustained employment outcomes also exceeded expectation, with 25 sustained outcomes (part and full-time employment sustained for 12 and 26 weeks) against an expectation of 12. As the single project which forecast sustained employment outcomes by the end of Quarter 3 failed to achieve them, all the outcomes reported were concentrated in five projects where such outcomes were not expected.

Each of the projects considered that while Year 1 had focussed on establishing and embedding their activities and on referral, recruitment and accommodation outcomes, Years 2 and 3 would allow them time to focus on sustaining accommodation and achieving and sustaining learning and employment outcomes. Although views on limiting recruitment to the first 12 months of the programme varied, DCLG's confirmation of the contract's flexibility on recruitment levels was welcomed. The projects also welcomed the opportunity for Years 2 and 3 to focus on progression rather than recruitment – with the duration of the programme being both unique and a major strength in allowing the time required to move their clients forward.

Overall performance at the programme level thus far is positive, particularly in terms of referrals, entry to accommodation, and entry to and sustained employment (although numbers are small) outcomes, when compared to expected profiles. Conclusions on the other outcomes are best made later in the programme, and variations in performance between the projects will be better judged in Years 2 and 3 once attention focuses on working with the young people recruited to achieve longer term sustained outcomes,

Two further points emerge from the review of performance:

- First, how slippage in the early quarters has an incremental effect downstream, in terms of delaying the achievement of both 'sustained' (e.g. accommodation and employment) and 'progression' outcomes (e.g. education/training, employment), and will have an effect on outcome and payment profiles in Years 2 and 3.
- Second, this assessment of performance is based on comparing verified outcomes (which may be below 'actuals' due to evidencing issues) to the profiles set by the projects. As the differences in performance at the programme and individual project levels shows, forecasting the achievement of outcomes for this target group brings particular challenges.

These effects are exemplified by the findings for payments made to date, which showed that while payments at the programme level were within 1% of

profile, those for the individual projects ranged from 29% below target (a deficit of over £122,000) to 71% over profile (an excess of over £62,000 – although the highest excess payment was for over £126,000).

Consequently, we strongly support the proposal by the DCLG for the projects to re-profile their outcomes, and corresponding payments, at the start of Year 2. Our recommendations below provide additional suggestions in this regard.

6.1.3 Experiences of delivery

Chapter 4 described the project delivery staff experiences of implementation to date, and the challenges and facilitators for the achievement and sustainability of the Fair Chance outcomes.

6.1.3.1 Staffing

Projects have established different staff team structures in order to achieve the Fair Chance outcomes. All provide intensive key worker support (although this is not so clearly prescribed in the case of Fusion). In six of the seven projects key workers play a generic role, but are differently supported by additional staff providing specialist inputs for meeting the accommodation, education and employment outcomes.

The structure of teams has continued to evolve in Year 1 as projects respond flexibly to emerging needs. Despite these differences front line staff have evolved similar strategies for supporting their clients, with the challenge going forward being to sustain the relationships established with the young people and support their progression.

6.1.3.2 Referral and recruitment of young people

Extensive and on-going networking with referral gateways and other agencies has been key to promoting understanding of the FCF, its referral criteria and scope. Having an established provider profile in a locality has been a facilitator in this regard, and where FCF staff are co-located in referral gateways this has also proved an effective strategy to promote referrals.

Several other facilitators for effective referral and engagement approaches were also identified, including the importance of immediate or very early engagement with clients on referral to ensure successful engagement with the projects. Building rapport and trust with young people is central to the success of Fair Chance, and it has therefore been important for projects to recruit staff who are skilled and experienced in working with vulnerable young people.

6.1.3.3 Accommodation

Securing appropriate accommodation is a key feature of effective practice and in the majority of cases a prerequisite for supporting young people to progress towards further outcomes. Availability of suitable accommodation varies from local authority to local authority, and it has proved very challenging in some areas to secure tenancies for clients. The appointment of specialist dedicated staff, strategic negotiation with housing providers and property acquisition are strategies that have been developed by some projects.

Supporting clients to sustain accommodation has become and will continue to be an increasingly important feature of Fair Chance delivery. While some young people require minimum input the majority need intensive and/or on-

going support. This includes dealing with practical issues such as budgeting and cooking, providing social and emotional support through daily contact, and intervening when tenancies are at risk.

6.1.3.4 Education/training, volunteering and employment

Although less of a focus thus far, the review of performance showed variable achievement of the education, training, volunteering, and employment outcomes. Many young people referred into FCF have a number of pressing support needs and concerns that require remedial action before these outcomes can be explored as realistic goals. Stabilising chaotic lifestyles through support to find accommodation, dealing with mental health and substance use, and developing independent living skills provide the bedrock to progression.

One interesting early finding is that generally the young people recruited appear to be more interested in securing employment, rather than education/training or volunteering, outcomes. While these ambitions may not always be realistic, in the short term at least, the fact that the majority of clients fall into the 21 and over age bracket may explain their interest in employment rather than learning outcomes.

Education, training and employment outcomes will become a significant focus for the projects in the second year of the programme, and are identified as a key challenge going forward. Projects are gearing up to meet this challenge in a number of ways, including the appointment of dedicated staff and entering into contractual arrangements with specialist providers.

Despite not being a key focus of activity so far, the projects reported some notable early success with supporting clients into employment. Most employment secured has been in relatively low skilled jobs, although there are some exceptions to this. Although the general level of client support needs has been higher than expected, two projects reported that their client group is closer to the labour market than they had anticipated. However the wider policy and economic climate presents additional barriers to achieving employment outcomes, including zero hours contracting and changes to housing benefits.

Strategies that have proved successful in supporting young people to enter and sustain employment include:

- Working at the young person's pace and supporting them to identify areas of interest;
- Providing practical support with job searching, CV writing, interview skills and transport;
- Providing emotional support and promoting a sense of self-worth and self-belief;
- Taking advantage of internal opportunities and apprenticeships;
- Developing links with local employers – and exploiting links in place already; and
- Using the maintenance grant to pay for work clothes and bus fares.

The volunteering outcomes have, so far, proved to be the most challenging and least realistic outcome of all the PbR metrics. Although performance to date should be viewed with caution as a future predictor, the view emerged that the young people were less interested in volunteering, which was perceived by some as “doing something for nothing”. Project staff also considered the duration of volunteering required to claim the 20 and 26 week outcomes was too long, and several described how the absence of an ‘entry’ payment and some clients inability to sustain for even six weeks as a disincentive (and as participants often failed to meet even the six week target). More broadly, the comparatively low payment for sustained volunteering, which could require equally high levels of support to achieve as other outcomes, does little to improve this.

However many interviewees considered that volunteering could play an important role in providing experience of the workplace, and the requirement to attend on a regular basis, provided valuable experience for some of their clients. In one case the project described focussing volunteering activity on clients claiming ESA, and others described how well structured placements, attractively promoted and in some cases combined with training, could be both attractive and beneficial to their clients. In some cases volunteering was reported as being more successful in promoting social and emotional well-being than in preparing young people for employment

An additional facilitator was the emphasis on volunteering as a step towards employment (including potentially with the placement provider) – although gearing payments towards this ‘step’ was the 20 and 26 week expectations and where the link to potential employment opportunities was emphasised.

6.1.3.5 The influence of the SIB and PbR structures

Preliminary evidence shows that the PbR model appears to be incentivising staff to strive towards achieving outcomes for young people. There is currently no concrete evidence of perverse incentives or the achievement of quick wins. Delivery staff stressed the paramount importance of putting clients’ needs at the centre of what they do, even when an outcome may not be deemed achievable for a young person. There is some evidence that this picture may change in the forthcoming year as achievement of education and employment outcomes comes to the fore.

Although the time required for their compilation was frequently raised, the providers recognised the value of monitoring, evidencing and reporting progress both as internal controls and to ensure payments are made. In many cases detailed performance management information is used by providers on a daily basis to identify gaps and focus support – either on a ‘single worker’ basis or more collectively. While several considered their existing monitoring procedures were sufficient for Fair Chance purposes, others found the additional requirements helpful.

There is clear evidence that the PbR model has afforded flexibility to most projects to allocate resources and tweak provision in response to needs as they arise. Providers generally felt that PbR has allowed them to more creative than traditional contracting arrangements. For delivery staff, the PbR element of the programme was seen as having an influence on delivery, with the SIB component having less of a direct influence for them.

Finally, project interviewees reported mixed experiences of SPVs and some on-going tensions. As suggested above, a common concern was the frequency and intensity of reporting requirements and the amount of work this entailed. Two projects felt that they had been over-managed by their SPVs, but this has been a developing picture as relationships have evolved and stabilised.

6.1.4 Experiences of young people participating

While early in the life of the programme, the experiences and perceptions of the young people interviewed provided compelling evidence of the perceived value of an approach that offers bespoke, flexible and, importantly, long term provision. All the young people we spoke to had experienced family breakdown and often described feeling alone, unsupported and ill-equipped to deal with independent living. The one-to-one support they received from key workers and other project staff was contrasted favourably with previous experiences of provision, and was often perceived to offer a 'last chance' offer of help.

Interviewees had commonly experienced failed tenancies, often due to a combination of factors including rent arrears, feeling unsupported or unequipped to deal with independent living, failing to comply with the expectations of supported housing providers, or falling in with a peer group that supported substance use and/or other forms of anti-social behaviour. Recourse to FCF was often described as a last resort with interviewees having "*burnt their bridges*" with other providers.

Although not directly asked, many of the young people interviewed disclosed histories of mental health problems and drug and alcohol use, and clearly understood that these presented major challenges to moving forward. Some had received, or were still receiving, support from statutory services, but valued the more informal and flexible relationships they were able to establish with their Fair Chance key worker.

6.1.4.1 Accommodation

Securing a tenancy was the primary reason that the majority of young people engaged with their projects. Some felt that they were not ready to take the step into unsupported accommodation, and appreciated the opportunity to live in supported housing. Others felt confident of their ability to cope alone and were content for their key worker to take a more hands off approach. This underscores the importance of being able to offer alternative housing options to individuals based on their particular circumstances – including supporting progression between supported and unsupported housing – an advantage that not all projects were able to claim.

Where accommodated, the interviewees described facing problems with budgeting and other more practical issues such as organising repairs; they placed considerable value on the support they were given by their key workers in dealing with these issues. They commonly described their key worker as someone who offered emotional support and built confidence. These emerged as critical factors in supporting them towards tenancy sustainment.

6.1.4.2 Education and training

Many young people interviewed described negative experiences of school and college, and faced significant barriers to re-entering any form of education or training. Barriers included poor mental health, chaotic lifestyles, lack of confidence and low self-esteem. Where interviewees were able and willing to take up educational opportunities their key worker had typically provided support with overcoming their barriers. Having somebody believe in them and provide encouragement were found to be of paramount importance.

6.1.4.3 Employment

Similar barriers were identified to gaining employment. Many interviewees were clearly some way from the labour market, and recognised that they had some way to go before employment was possible. A significant minority however were keen to progress towards employment, with making their key worker 'proud' being a driver.

6.1.4.4 Key worker relationships

In addition to the support provided with specific outcome areas, the interviewees clearly valued the ability of their key workers to establish trusting and informal relationships that were based on mutual respect. Being listened to and negotiating shared solutions to problems were identified as central to their willingness to engage with the programme.

Key workers were valued for providing consistent support that was both responsive to pressing needs and there as back-up support and champion when problems had been resolved and lives stabilised. This is likely to remain an important feature of key worker support as the programme matures into its second year.

6.1.5 The SIB and PbR model – development and experiences of implementation

The consultations with intermediaries and investors identified considerable interest in and goodwill towards the programme. The investors are keen to achieve social outcomes, understand the needs of the target group, and see much merit of investing in them for social goals. At the same time the investors and intermediaries (as well as providers and wider stakeholders) showed much interest in learning about SIBs, which proved to be a key facilitator of involvement and final deals for all parties. This included learning about SIBs as a motivator and driver of improved performance.

Interestingly the lead and key delivery partners across the projects are larger third sector organisations²¹, who by virtue of their size are more able to cover the development costs required to establish a SIB. Although unsuccessful bidders were not consulted as part of the evaluation, these costs may preclude the direct involvement of smaller organisations in lead roles. While the internal capacity available within larger organisations may be necessary for large, multi-area projects, this does raise the question of whether the organisations selected really needed the investment provided to be able to participate in the

²¹ Note that while providers varied in size they are all relatively large by sector standards

programme (although there may be other reasons why providers may consider SIB funding). This issue was raised by senior staff members in several of the projects and will be returned to in later stages of the study.

6.1.5.1 Development of the Fair Chance SIBs

In all but one case intermediaries played a key role and worked with each project to help develop their applications and raise investment – largely through investors with which they had existing relationships. In many cases the intermediaries also had pre-existing relationships with the providers. While the report details the processes followed from initial engagement, securing investment and developing appropriate investment/governance structures, to supporting performance management, a series of key findings emerged.

- While the DCLG application process had resulted in a series of high quality projects, the intermediaries and investors considered the numbers invited to submit bids following a successful expression of interest was too high. This caused resource constraints for the intermediaries, and meant initial decisions were made on limited evidence. It also made investors reluctant to dedicate resources to familiarisation and due diligence exercises prior to the award of contract. Views on the status and value of the in-principle agreements issued also varied between the investors consulted.
- Once the successful providers were announced the intermediaries played a central role in developing due diligence materials, including evidencing previous track records and testing assumptions about success rates. Given the innovative nature of the programme, the evidence base for due diligence exercises was limited. Multiple provider models, and investors and providers with limited knowledge of SIBs, could cause delays.
- The limited time available for deals to be finalised compounded these issues, particularly in terms of responding to investor issues around the availability of resources to achieve the outcomes set, the perceived short (12 month) referral window and limited cohort size, and concerns over the influence of external factors.
- Six of the seven Fair Chance projects followed an SPV structure, which was considered to provide a series of advantages in terms of providing a centralised structure, facilitating collaboration and providing a structure (and support) for performance management.

The majority of the projects contracted (through their SPVs where these were in place) with external performance managers, commonly from or via their intermediary, who act on behalf of the SPV to collect and report performance data. In other cases, performance management capacity was either considered adequate or new staff were recruited. This function was considered to be key by the investors in mitigating risk – but also as a means of developing capacity amongst providers with limited experience of SIB or PbR arrangements (supported by the provider fieldwork).

6.1.5.2 Investor perceptions of performance in Quarters 1 to 3

Overall, the investors and intermediaries described being broadly happy with performance in Quarters 1 to 3, although some concerns were raised

regarding referral numbers and potential drop-out (eased by the confirmation of the contract's flexibility on recruitment levels), the characteristics of the young people in terms of higher than expected level and complexity of need, and the availability of accommodation.

Each did, however, recognise that Year 2 will be crucial to the success of the programme, where engagement with employment and education/training provision, and achieving the associated outcomes, will be the focus of project activity. Some questioned whether the providers' services, and those available in their catchment areas would be sufficient to support a cohort which may have exhausted existing services already.

6.2 Interim recommendations

This chapter provides our recommendations, based on the findings of this report, to inform the implementation of the Fair Chance projects for the remaining two years of delivery and wider lessons for similar programmes in the future.

6.2.1 For DCLG/ Cabinet Office

- Re-profiling – we endorse plans to allow projects to periodically review and re-profile their forecasts for outcomes, and associated payments, within the existing financial envelope. This is particularly important as it will allow the projects to build upon the lessons from their experiences, and consider the characteristics and needs of their final cohorts.
- The PbR metrics – the metrics overall were considered by the projects, and the evaluators, to be well cast, to capture the outcomes for participants and as yet no examples of perverse incentives have been identified.
- However, and as part of the re-profiling exercise, DCLG may wish to consider the volunteering outcome, where the duration (i.e. the 20 and 26 weeks sustained outcomes) and comparatively low payment (where inputs required to sustain may be similar to other outcomes) are a potential disincentive. We recommend exploring the potential for changing the metric to reduce the duration of placements and increasing the level of payment for more achievable 6 and 13 weeks.
- To allow the benefits of learning from Year 1, and subsequent Year 2 and 3 activities, to be realised, the Department may wish to consider establishing more formalised networking opportunities between the projects. These would build on the existing bilateral relationships and to allow for more active sharing of learning (e.g. what works well with individuals with different characteristics) in Years 2 and 3.
- Finally, several projects reported instances where outcomes achieved in one quarter could not be evidenced before the quarter end date, so influencing their apparent performance and associated payments. The Department may wish to consider extending the deadline for the receipt of evidence for four or five days after the quarter end, to allow for evidence to be presented for outcomes achieved within the quarter.

6.2.2 For the providers

- The projects should also consider, if not doing so already, how their experience of Year 1 can best inform their plans going forward. This includes considering their internal resources, additional specialist provision, and how the often complex needs of their cohorts can best be met. Local factors in terms of available provision and challenges posed by specific geographies can also be considered.
- This is particularly relevant for the learning and employment outcomes, which may be new areas of concentrated activity for some providers and where additional provision may need to be planned, secured and delivered.
- Sustainability – the projects should consider in Year 2 how their activities can be sustained following the end of the Fair Chance programme, and what opportunities exist to inform and mobilise opportunities for sustainability. We understand that one of the projects has been negotiating with local authority commissioners to continue providing their Fair Chance services thereby providing a potential route to sustainability prior to the end of the programme.
- The projects should also ensure that they have robust exit procedures in place – both for young people as they complete their engagement with Fair Chance and for young people dropping out early - to ensure the benefits of participation are not lost and that participants continue along the positive trajectories established.
- For some of the projects the additional support around performance management has provided useful capacity development and lessons for future activity. Providers may wish to consider how this learning can be applied to the monitoring and review of performance for their other activities to share experience throughout their organisations.
- Finally, while the monthly meetings and performance review have been useful in many cases during Year 1, projects and their SPVs may wish to consider moving these meetings and associated reporting – subject to performance - to a quarterly basis once Year 2 and 3 activities have stabilised.

6.2.3 For future SIB development

The evaluation fieldwork explored experiences of developing the Fair Chance SIBs, and identified learning which should be considered for the development of future SIB schemes. This included considering:

- How to minimise wasted effort (and investment) amongst organisations selected to bid after successful EoIs, and to allow intermediaries to focus on bids with a higher chance of being taken forward.
- Allowing more time between investment deals being finalised and the start of project implementation, to allow preparatory activities to be completed prior to the start of delivery. This would allow the initial pre-recruitment activities initially envisaged for Fair Chance, as projects and referral partners would be confident that the proposed activities would take place.

- Whether the performance management support provided by the intermediaries in the first year of delivery should be made available more widely – particularly for providers with limited experience of PbR and other outcome based contracts.
- Including initial plans for sustainability in project applications' bids – including the sustainability of outcomes for participants (exit strategies, continued support, etc.) and, although likely to be less clear at the outset, of the project activities and how routes to sustainability will be explored.

6.2.4 Later stages of evaluation

Finally, the project fieldwork identified a series of issues and themes which could be explored in subsequent stages of the process evaluation. These include exploring:

- The sustainability of both outcomes and project activities, and the steps taken to ensure these, after the end of the Fund – in terms of planning for sustainability in Years 2 and 3 and achievement in Year 3.
- How key worker support is evolving as the programme matures – and as the focus of attentions changes from recruitment and initial accommodation to progress and the achievement of sustained learning and employment outcomes – and what needs to be in place to support progress for those with greatest need.
- How individual resilience and protective factors are being developed amongst the participants – and how projects are balancing the need for intensive support for many of their cohorts to avoiding dependency and supporting individual independence and resilience.
- Which approaches are most effective in sustaining tenancies, particularly for those where arrangements have broken down previously, as well as key facilitators for sustaining the additional Fair Chance outcomes. Closer analysis of MI data to explore variations between local authorities and types of tenure.
- How barriers to education and employment are being overcome – including the importance of partnerships with specialist providers and employers where these are required. What the sector is learning with regard to achieving these outcomes.
- Use and role of the maintenance fund in achieving and sustaining outcomes
- The influence of changes in policy, benefit mechanisms etc. on project participants and approaches – for example the requirement for rent payment to be made to individuals rather than landlords under Universal Credit, and the effect this has on potential arrears and promoting personal responsibility.
- Closer analysis of the MI held by the projects to identify the characteristics of young people who are most difficult to engage and achieve outcomes for, and of young people dropping out of the programme.

- How the involvement and influence of the investors/ SPV has changed following the change in focus of project activities in Years 2 and 3 compared to Year 1, and what the impact on local delivery is. Whether there is any evidence of perverse incentives due to the PbR metrics, for example of projects focusing more effort on participants that they can achieve outcomes for.
- If and how learning from the projects is being extended to influence other agencies in their areas, particularly amongst local authorities, as implementation continues. This will be explored in telephone interviews with a sample of local authorities in the later stages of the study.

ANNEXES

Annex I – Project Logic Models

Figure A1.1 Ambition Logic Model

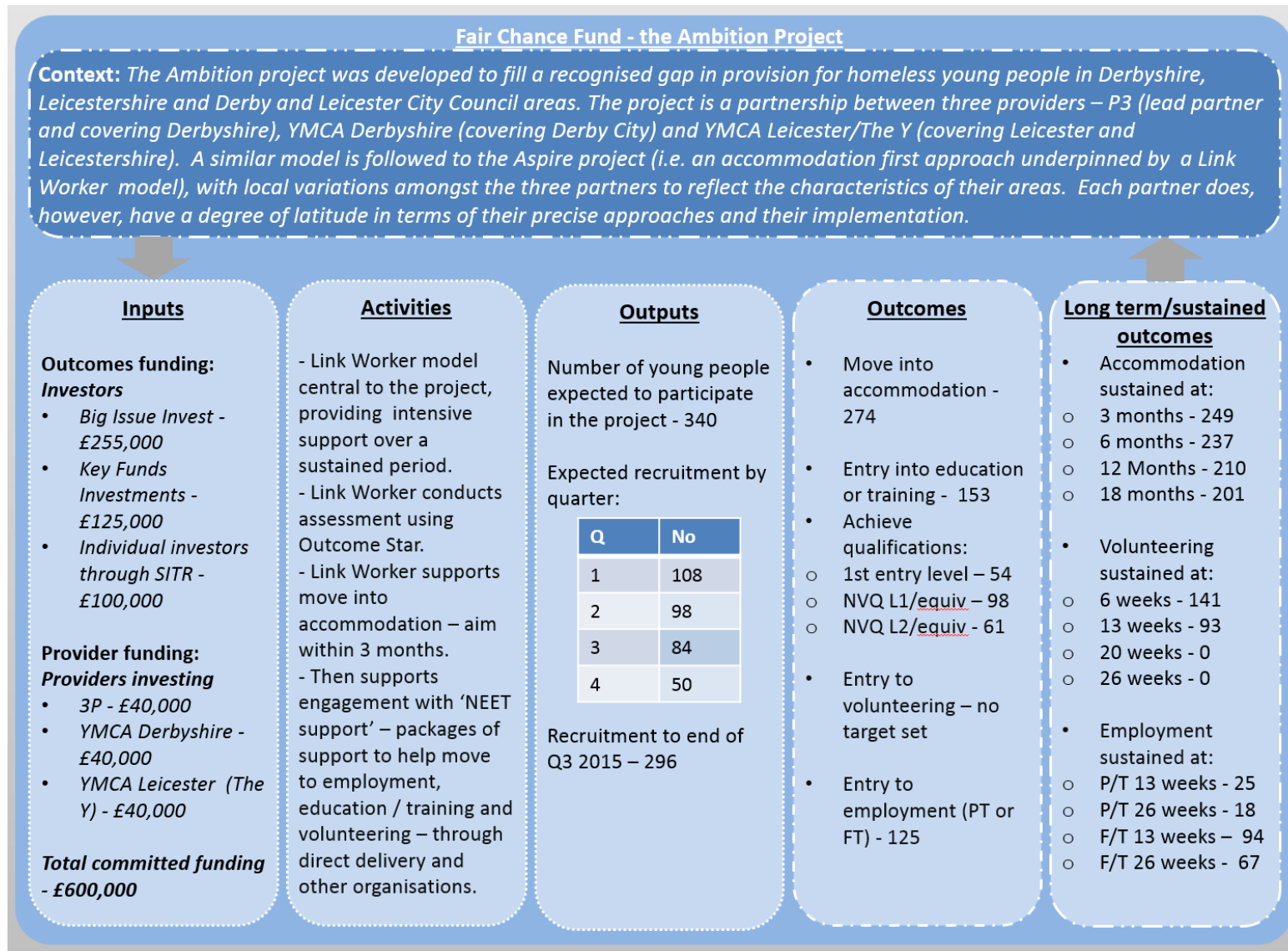


Figure A1.2 Aspire Logic Model

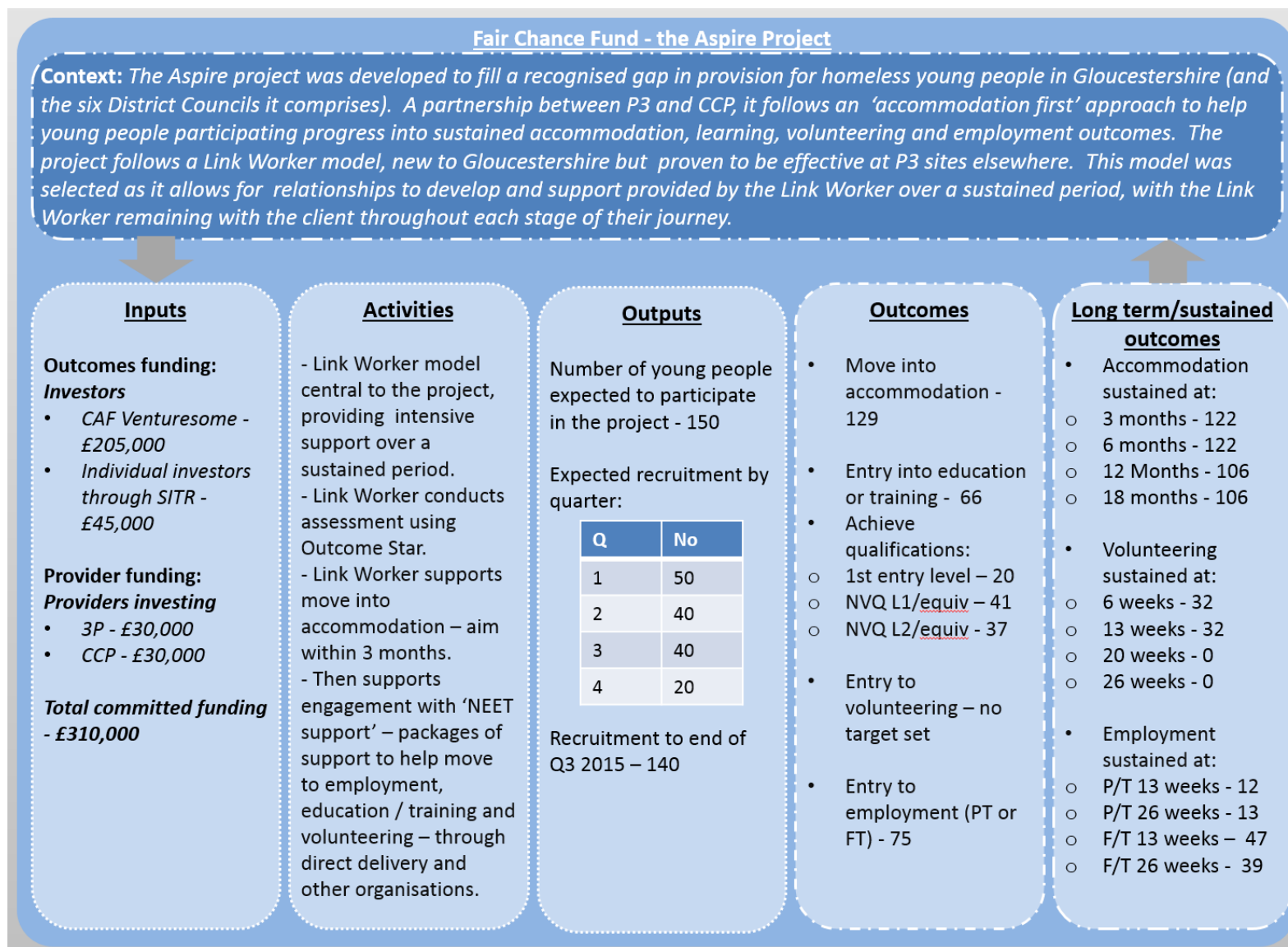


Figure A1.3 Local Solutions Logic Model

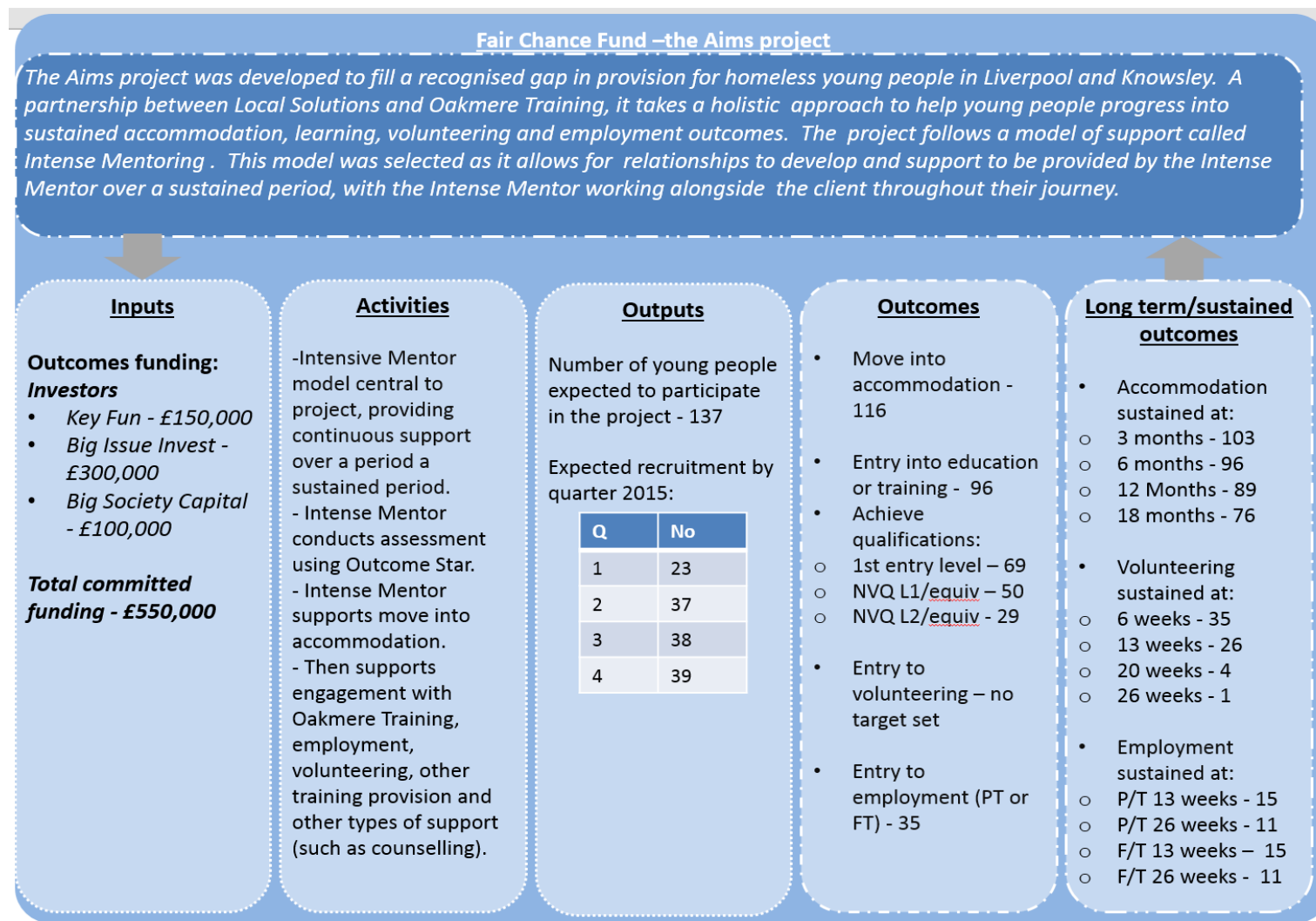


Figure A1.4 Home Group Logic Model

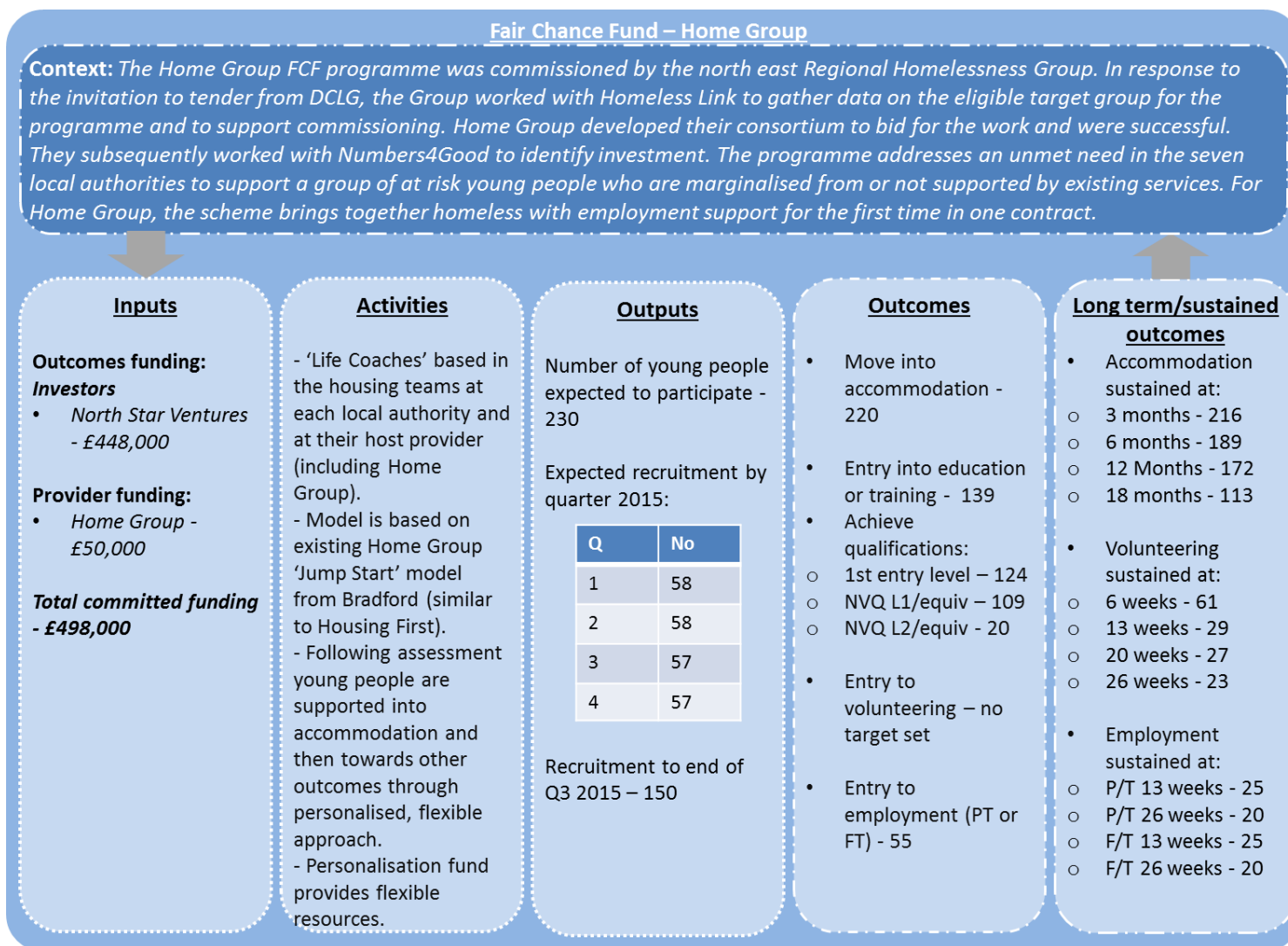


Figure A1.5 St Basil's Logic Model

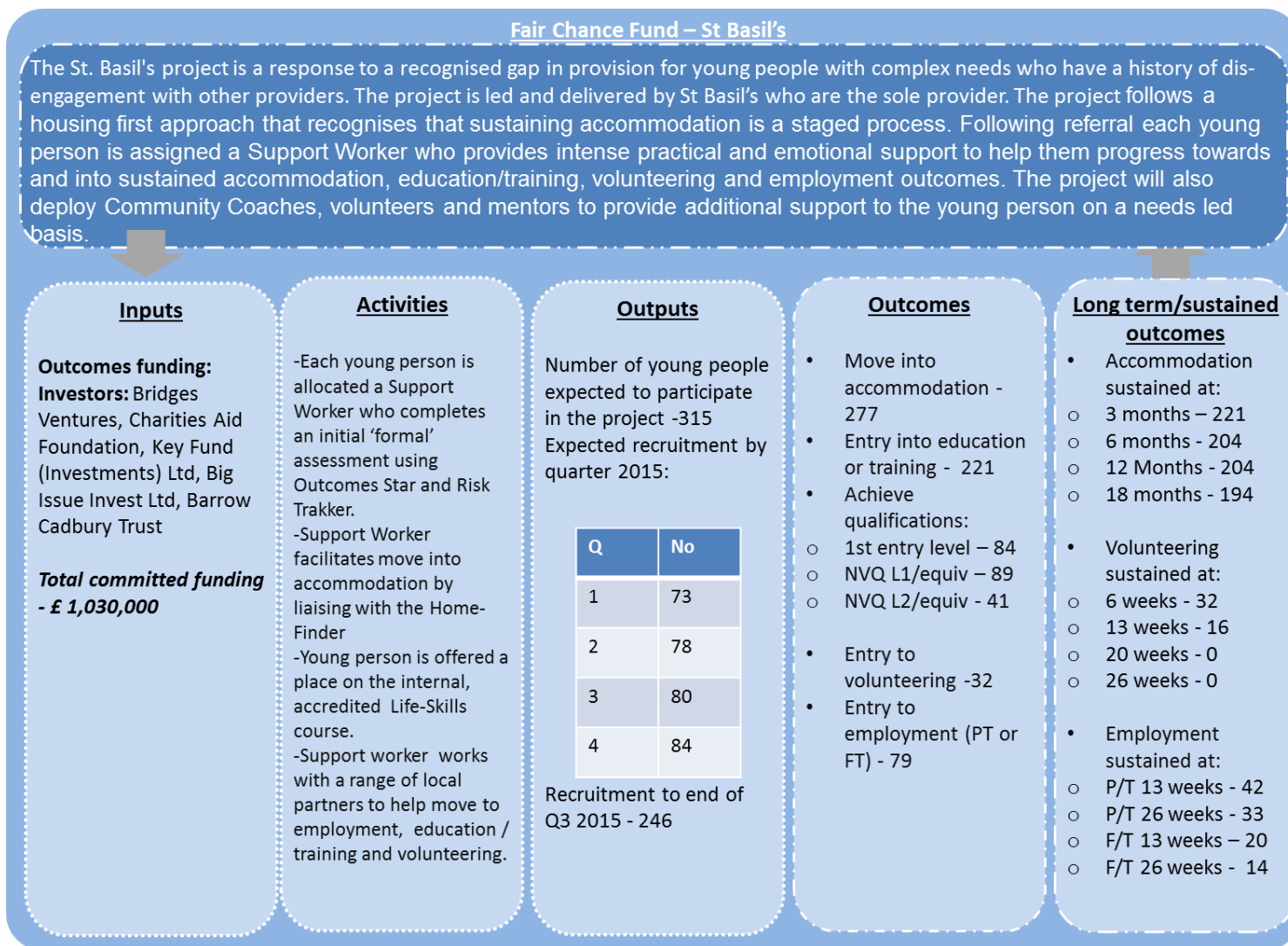


Figure A1.6 Depaul Logic Model

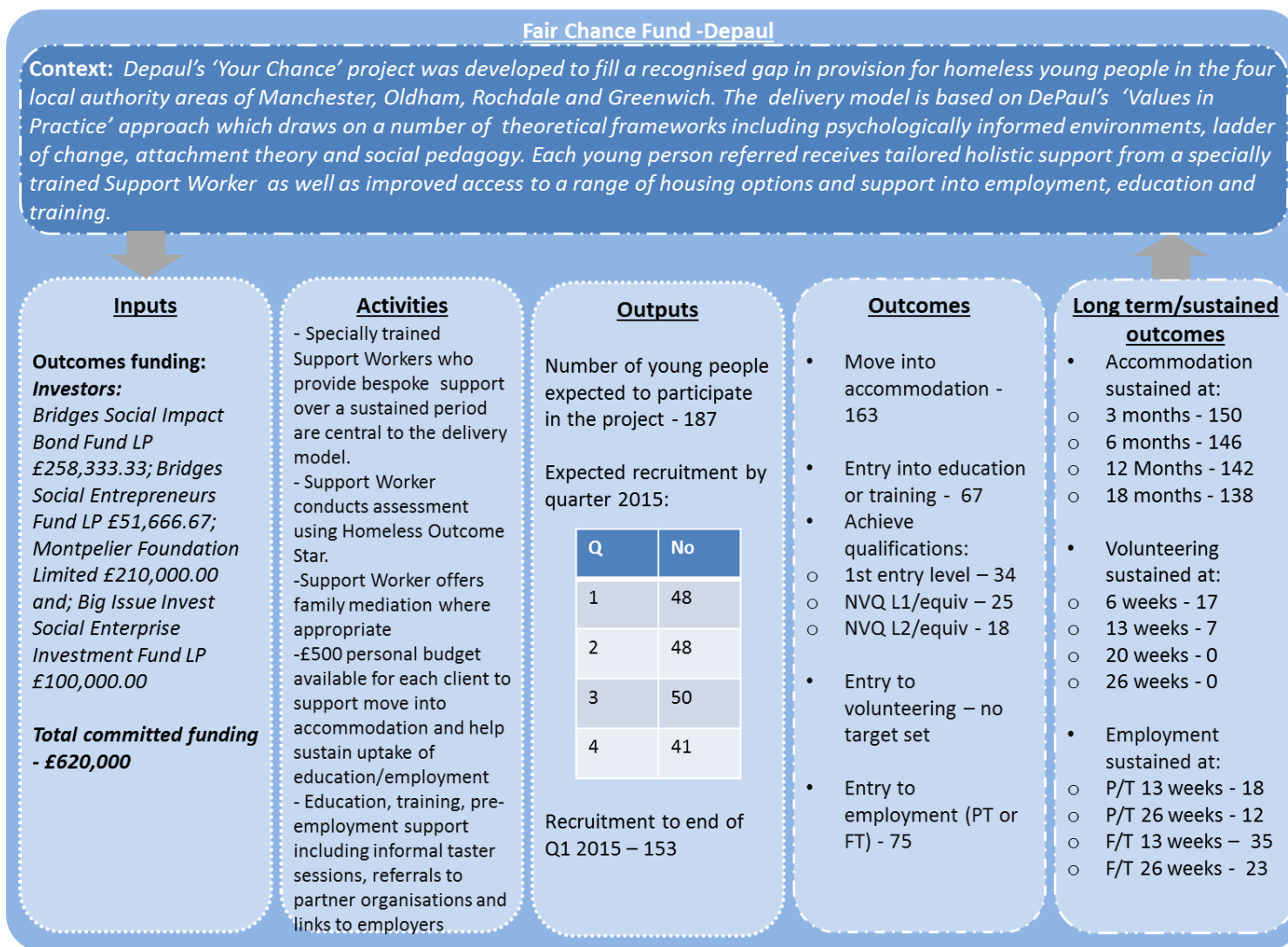
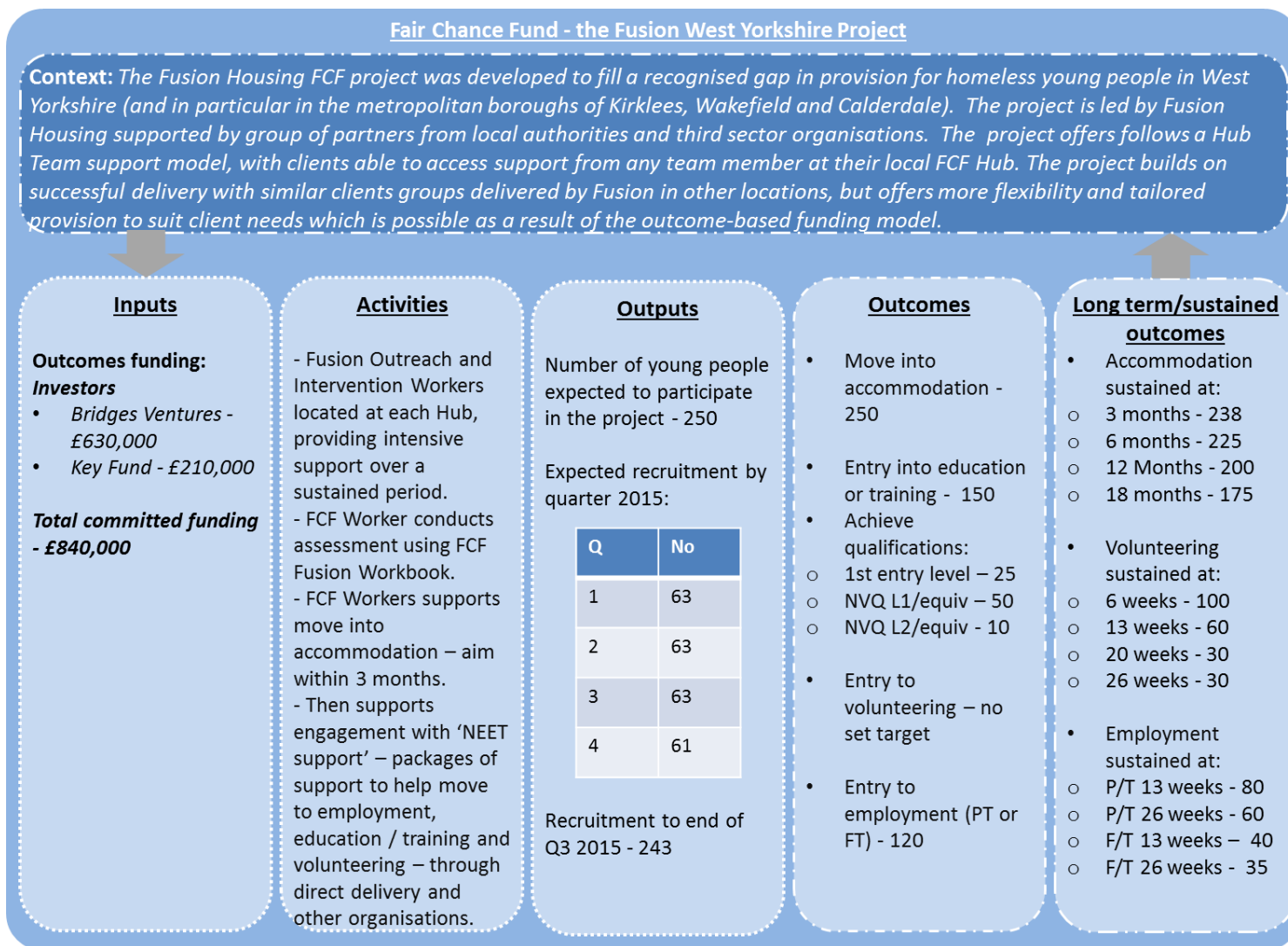


Figure A1.7 Fusion Logic Model



Annex II – Topic Guides

Fair Chance Fund Evaluation: delivery staff

Introduction

Interviewer:

Interviewee:

Date:

Organisation:

Project:

This topic guide provides key questions and associated prompts. It should be tailored to the interviewee and the provider organisation they work within.

The interview should be a conversation with a purpose that ensures key themes are covered.

The Case Study Fieldwork

The key areas to explore are:

- Interviewees' role(s) within the overall delivery of the programme
- Perspectives on the need for and overall purpose of FCF
- Views on the delivery of FCF: progress to date against each of the outcomes – successes and challenges
- The PbR/SIB funding model

The questions should be tailored to the interviewee and what we know about the provider and their delivery models. In some cases this will be confirming that previous practice has continued/capturing any significant changes.

Interviewees are being interviewed on the basis that whilst individual organisations may be identified, no individuals will be and that all quotations used will be made anonymous. This should be made clear at the start of the interview, and permission to record interviews should also be requested. Explain that the study is confidential and non-attributable.

Interviewees' role(s)

Briefly explore: interviewees' current role(s); any previous experience of working with the target group; their role in the organisation; and their role in relation to FCF (if different).

Clarify role current team structure/lines of accountability etc.

Any changes to staffing structure/composition since first visit

Overall understanding of and perspective on FCF

- *If not spoken to before:* Overall what do you think the FCF is set up to achieve?
- Does it complement or fill gaps in local current provision for young homeless people? If so how?

Progress with delivery

Referral and engagement

- Can you describe the current gateway referral process?
- How well are the following processes working?
 - External referral through to the gateway: working with other providers?
 - Internal referral through to the gateway? Via website/other?
 - Establishing eligibility – and what share of referrals are eligible?
 - Initial engagement with the client? I.e. what happens immediately after referral?
 - Are you receiving the numbers of referrals initially expected? Are any 'sources' over/under-performing, and what steps taken as a result?

Initial and subsequent assessments

- Can you describe the initial (formal) assessment process?
 - What is your view of the initial assessment process?
 - Have there been any challenges? If so, how have they been overcome?
 - What has worked well so far?
 - Do these assessments lead to an individual action plan for the participant?
- What are your views on the Outcomes Star as an assessment and planning tool?
- How are wider support needs identified, assessed and managed?
 - Health
 - Emotional/social well-being
 - Substance misuse
 - Other potential barriers to housing/education/employment?
- Can you describe the subsequent (second and third) assessment processes?
 - When do they take place? How do they fit with any individual action planning processes followed?
 - What is your view of these?

- Any challenges?
- Working well?
- Do any further assessments take place beyond those for which payment is received?

On-going support

Summarise overall performance to date, before reviewing performance against individual targets below.

Accommodation targets

- What's your overall view of the progress made towards meeting the accommodation targets?
- How achievable do you think the target is? Is it appropriate for the client group?
- What are the challenges and how are you overcoming these?
- What's working well?
 - From your/the organisation's perspective?
 - From the young peoples' perspective?
- Which partners/partnerships are important in delivering on this?
 - Where do you source your housing options from?
 - What makes them work well?
 - Have there been any challenges and how were they overcome?

Education and training targets

- What's your overall view of the progress made towards meeting the education and training targets?
- How achievable do you think the targets are? Are they appropriate for the client group?
- What are the challenges and how are you overcoming these?
- What's working well?
 - From your/the organisation's perspective?
 - From the young peoples' perspective?

- Which partners/partnerships are important in delivering on this?
 - What makes them work well?
 - Have there been any challenges and how were they overcome?

- Collect examples of education/training outcomes – subject studies, level of qualifications, etc

Volunteering targets

- What's your overall view of the progress made towards meeting the volunteering targets?

- How achievable do you think the targets are? Are they appropriate for the client group?

- What are the challenges and how are you overcoming these?

- What's working well?
 - From your/the organisation's perspective?
 - From the young peoples' perspective?

- Which partners/partnerships are important in delivering on this?
 - What makes them work well?
 - Have there been any challenges and how were they overcome?

- Collect examples of volunteering outcomes – type of placement/sector etc

Employment targets

- What's your overall view of the progress made towards meeting the employment targets?

- How achievable do you think the targets are? Are they appropriate for the client group?

- What are the challenges and how are you overcoming these?

- What's working well?

- From your/the organisation's perspective?
- From the young peoples' perspective?
- Which partners/partnerships are important in delivering on this?
 - What makes them work well?
 - Have there been any challenges and how were they overcome?
- Collect examples of employment outcomes – type of job, sector, etc

Sustaining engagement and progression

- What measures, if any, do you have in place to ensure young people stay engaged with the programme?
- What are the challenges in maintaining engagement?
- What procedures/processes are in place for participants when they reach the end of their time with the project to ensure achievements are built upon?

Working with the SIB

- Has the PBR focus on outcomes influenced the way in which support is delivered? For example by:
 - Focusing on particular young people?
 - Focusing on particular issues or needs?
 - Focusing on particular pathways?
 - Focusing on particular outcomes?
- Are there any outcomes that are being missed/overlooked?
- Has the PBR focus on outcomes changed the way in which performance is monitored and managed?
 - How is performance managed by the team?
 - What case management system are you using? How /does this differ from previous/other case management systems?
 - Has data collection improved?
- Has the involvement of social investment (the SPV) influenced the way you are delivering the programme?
 - Performance management and monitoring?

- A focus on any particular outcome(s)
- Caseloads, targeting or any aspect of delivery?
- Any contact with or feedback from investors?

Learning from FCF

Taking stock of progress to date:

- How well do you think FCF meets the needs of the target group?
 - What has worked particularly well to date?
 - What elements of the programme make a difference to delivering support to the target group?
 - What has been the key to any success?
 - What could have been better developed?
- Overall, how different is it to other schemes for young homeless people? And how different are the outcomes?

Looking forward:

- What are the challenges and opportunities you expect for the programme in the coming year?
 - Do you have any thoughts on how these could be met?

Is there anything that you would like to add/ask?

Thank you for your time.

FCF Evaluation: Management/ Senior staff-providers

Introduction

Interviewer:

Interviewee:

Date:

Organisation:

Project:

Introduce yourself and the evaluation.

Describe the purpose of the interview and the topics that you'd like to explore:

The Case Study Fieldwork

The key areas to explore are:

- Interviewees' role(s) within the overall delivery of the programme
- Perspectives on the need for and overall purpose of FCF
- Views on the delivery of FCF: recruitment, the participant journey and progress to date against each of the outcomes – successes and challenges
- Views on the SIB funding model, and associated management and governance arrangements

The questions should be tailored to the interviewee and what we know about the provider and their delivery models. In some cases this will be confirming previous practice has continued/capturing any significant changes.

Interviewees are being interviewed on the basis that whilst individual organisations may be identified, no individuals will be and that all quotations used will be made anonymous. This should be made clear at the start of the interview, and permission to record interviews should also be requested. Explain that the study is confidential and non-attributable.

The interview should be a conversation with a purpose that ensures key themes are covered.

Interviewees' role(s)

Briefly explore: interviewees' current role(s); their role in the organisation; and their role in relation to FCF (if different).

Underlying rationale

- *If not spoken to before:* What do you understand to be the underlying rationale for the FCF?
- Do you think that it complements or fills gaps in current local provision for the target group – if so how?

- *If spoken to before:* to what extent is experience of delivery to date confirming the rationale for the project?
- What are the key challenges in working with this target group?
- What are the commonalities/differences in working with the client group to working with other young homeless people?

The delivery model –detail

- Have there been any changes in your delivery arrangements since the last visit?
- Can you take me through the steps in the delivery model as experienced by participants (i.e. the participant journey)?
 - Referral and recruitment
 - Engagement/induction
 - Needs assessment and action planning
 - Service delivery
 - Monitoring
 - Supporting progression
- How many staff are involved in the project – what is the team and their roles? (Check for any changes , and get an overview of staff skills and experience)
- How appropriate is this structure given the aim of scheme/ need for any other or different staff?

Performance

- Review latest performance data (end Q2, with update from project – discuss areas of under and over-achievement).
- Has performance varied by partner?
- Pick up on areas of under-performance, and steps to rectify, when discussing outcomes below.

Progress with implementation

- What is required to achieve the target number of referrals?
 - How is the referral gateway process working?
 - What routes are YP taking to get to your FCF project? How does this compare to that expected/in application? Issues, challenges and changes?
 - Who are the key referral partners? Are numbers received from each as expected? Any change?
 - Progress to date with meeting the target? Will the total recruitment target be reached?
 - What are the challenges?
 - What is working well?

- What are the barriers?
- What is required to achieve the accommodation outcomes?
 - Who are the key agencies/partners you are working with?
 - Progress to date?
 - Where is accommodation sourced? – give rough breakdown of placements by source.
 - What are the challenges?
 - What works?
 - What are the barriers?
- What is required to achieve the education and training outcomes?
 - Who are the key delivery partners you are working with? Who provides what?
 - Progress to date? Get examples of achievements – level, subject etc.
 - What are the challenges?
 - What works?
 - What are the barriers?
- What is required to achieve the volunteering outcomes?
 - Who are the key partners you are working with to source/deliver placements?
 - Progress to date? What sort of placements – role/sector – examples?
 - What are the challenges?
 - What works?
 - What are the barriers?
- What is required to achieve the employment outcome?
 - Who are the key delivery partners you are working with?
 - Progress to date? What type of jobs are participants securing – sector, role?
 - What are the challenges?
 - What works?
 - What are the barriers?
- Are there any outcomes or areas of support that you think have been missed or overlooked?

Management and governance of the SIB

- Can you describe the current management and governance arrangements for the SIB?
 - Have these changed since first visit?
 - If performance management support received initially, has this continued?
 - If so how and why?

- How is performance managed and kept under review?
 - What are the lines of accountability?
 - How is partner performance managed?
 - Role of the SPV/Board performance manager if applicable?
 - What is the reporting structure?
 - Timing and frequency of reporting?
 - Are there any plans to consolidate the Outcome Star data collected?

- Has the PbR focus on outcomes changed the way in which performance is monitored and managed?
 - How?
 - Is a new approach required for the SIB?
 - Has there been any early learning from this for other provision?

- Has data collection been amended during the contract to date?

- Experiences of the new (DCLG) IT system – any issues?

- Are there any issues / anticipated issues with the PbR metrics?

- Are there any problems/issues with evidencing their achievement?

- Has the PBR focus on outcomes influenced the way in which support is delivered?
 - Focusing on particular individuals within the target group?
 - Focusing on particular issues or needs?
 - Focusing on particular pathways?
 - Focusing on particular outcomes?

- Has the involvement of social investment influenced the provision?
 - Performance management and monitoring?
 - A focus on any particular outcome(s)
 - Size of caseloads, targeting or any aspect of delivery?

- How involved are investors?
 - What has been their role on the SPV/Board?
 - What elements of delivery are they interested in?
 - Have they been more involved at different times or around different events?

- Are young people involved in any way?

Learning from the SIB

- What have been the advantages/worked well, in working with the SIB funding arrangements?
- What have been the main issues/challenges?
- Have you changed your practice in any way as a result of the SIB? Are there any key learning points that will impact on future work of the organisation?

Looking forward:

- What are the challenges and opportunities you expect in the coming year?
 - Do you have any thoughts on how these could be met?
 - How confident are you that the recruitment and outcome targets will be met?

And finally...

- Are there any points/issues you would like to raise that have not already been covered?

Thank you for your time

FCF Evaluation – young people topic guide

Headline topics for research with young people

There will be a brief discussion with the key worker prior to the interview so that some background knowledge can be gathered about the young person's situation and the support they have received. Consent to pass on this information will be secured by the key worker.

Interviews will be carried out as 'a conversation with a purpose'. The interviews will be tailored according to the support that each individual service user has received. The guide is not intended to be used verbatim.

Please note that:

- During the interview you should be focused on the person and the conversation, rather than reading the topic guide.
- Tailor questions to the support they are receiving and who is providing it to them; you should have some information on this in advance from the key worker.
- Remember to use the language of each service – use the local name for the project, the name of the person who is working with them, etc; use language the young person will understand (confirming with key worker prior to interview).

Introduction

- Introduce yourself and the evaluation, using the information sheet as a guide. Explain that you are a researcher and that you have been asked to find out what people think of the support they've had from [FCF project].
- Explain that there is a voucher for them as a 'thank you' for taking part. Give them the voucher as a sign of trust and to establish that they can stop the interview at any point.
- Have they talked to the key worker about the work? Have they seen the information sheet? If not give another information sheet and allow time to read. Have they got any questions?
- Ask for consent to record the interview. Explain that all interviews will be anonymised and no-one will be named in reports. Explain that they can ask for the recorder to be stopped at any time and that they can change their mind about taking part any time during or after the interview.
- Explain that the interview is confidential. The only time confidentiality won't be kept is if there is evidence of likely or actual harm to them or to another person.
- But, stress that we don't aim to ask any uncomfortable or intrusive questions. And if there is anything that we ask that they don't want to answer, then they don't have to.
- Outline the interview – we'll start by asking how they came into contact with [key worker], what support they've received, and their views on what is positive and what is negative about the support they've had. We are interested

in how it compares to other support they've had in the past. Ask 'does that sound OK?'

- Explain that the interview will last about 30-45 minutes
- Start the recorder and say 'this is X with X', state the date and location of interview, 'and can you just confirm that you're happy to be recorded?'

Background

- Confirm/ask about their background
 - Age
 - Current accommodation status
 - Briefly explore experience of homelessness
 - When they left school /still at school? ?
 - Post-school learning experiences
 - Any previous volunteering/work/employment experience?

Referral and first contact

- How did you first hear about [name of FCF project]?
- How did you come to meet [your key worker]?
- What happened when [key worker] first made contact?
 - Introductory chat and arrangement for meeting up?
 - Any choice about engaging?
 - Any alternatives offered?
 - Initial or immediate action? What, why?

Assessment

- What happened next?
 - How did [key worker] work with you to identify what help you would like?
 - Outcomes Star - views on how useful the process was? Could it have been done differently/better?
 - What sorts of things did you want [key worker] to help you with?
 - What next steps did you talk about? Any immediate, medium term, long term steps/goals discussed?

On-going engagement

- What support has [key worker] been providing you with since then?
- Help with finding accommodation?
 - Establish/confirm where they were living at the time of referral
 - Explore what and how.

- Help with accessing training/education?
 - Explore what and how.
 - Explore previous educational experience here – did they go to school locally? Did they leave with any qualifications?

- Help with getting a work placement or volunteering?
 - Explore what and how?
 - Explore in more detail any past experience of work placements or volunteering

- Help to get a job?
 - Explore what and how
 - Explore any previous work experience

- Establish broad timeline of when support was provided. Also frequency/intensity of support and whether happy with this
 - How happy have you been with the overall approach/ attitude of the worker?

- What have you achieved, what progress have you made?

- What has only just started?

- What problems have you faced?

- Anything that could have been done better/differently?

- Are there **any other services** or sources of support that you have been accessing with the help of [key worker]? E.g. health services, counselling, leisure opportunities etc
 - What, and why? Explore timeline/pathway
 - Have you accessed any of these in the past? What, when?
 - Have you accessed anything similar in the past? What when?
 - Anything that you would have liked to access but weren't able to?

Looking ahead

- What support would you like from [key worker] from now on/in the future?

- Anything you'd like support with, that they can't help with? What / why?
- Looking ahead, do you feel that [key worker] support will make a difference for you? How?
 - If not, why not?

Views on FCF and FCF compared to other support

- What do you think are the main benefits of being involved with [name of project]?
- Overall, what do you think of [FCF provision]
 - They way in which [key worker] supports you?
 - Best things?
 - Anything you'd change?
- What other sorts of help/support have you had in the past/before [FCF/ name of local project]?
- How does working with [name of project/key worker] compare to the other support you have had in the past?
 - What's different?
 - Is anything better?
 - Anything worse?

Finally

- Anything to add?
- Any questions for me?

Fair Chance Fund Evaluation

Topic Guide: SIB Investors

Interviewer:

Investor:

Interviewee:

Date:

Investor Fieldwork

- The first round of interviews will explore with each investor:
- The place of their investment in their wider portfolio?
- How they became aware of the Fair Chance Fund and how they became involved in the SIB?
- When their investment decision was made and why?
- Their perspectives on SIBs as a structure for social investment?
- Their views on the SIB and performance to date?

Introduction

- Introduce yourself and the evaluation.
- Explain that the evaluation is non-attributable.
- Ask for consent to record the interview.
- Outline the content of the interview.

Role and background to investment

- Job title, role and responsibilities
- Organisational / Individual background

- Aim of organisation
- Core activities – i.e. investment philosophy/ what do they do?
- Organisation type – e.g. legal structure, bank, foundation, SIFI with own funds/managed funds, CSR arm, etc.
- Organisation size

The SIB as part of their portfolio

- What other social investments does your organisation make (e.g. grants, equity, secured grants etc.)?
- How does the SIB fit into their portfolio – and what has been the trend over the past year or two?
 - Their first SIB investment?
 - Part of a growing SIB portfolio?
 - Has the level of their investments (SIB and other investments) changed over the past year or two?
 - What are the broad proportions of investment types and are these changing?
 - For the past year:
 - a) How many investments were made?
 - b) What was the total value?
 - c) Spread of investments – SIBs, secured lending, equity, grant.

Initial Involvement with the SIB

- When did you first hear about the FCF and how?
 - Approached by intermediary/intermediaries, provider/providers?
 - Broader market awareness/monitoring?
- What were your initial thoughts?
 - Opportunity?
 - High risk?
 - In line with investment vision?
 - Attracted by outcomes/target group?
- How did you find out more?
 - Approached or initiated discussions/sought out stakeholders?
 - Material from intermediary/intermediaries?
 - Discussions, and with whom?
 - Presented with specific investment proposition(s) from the outset?

The decision to give agreement in principle

What was the process from this initial awareness and discussion to formal propositions to consider?

- If approached with firm proposition – more than one? More than one intermediary?
- Considering a range of propositions – from a single or multiple intermediary?
- High level due diligence – difference in what intermediaries provided?
- Engagement directly with provider(s)?
 - Due diligence with provider?
 - Prime with supply chain?
- Any engagement with local authorities?
 - What was their role/influence?
- Review of outcomes profile?
 - What was the extent of the review of outcome metrics and the performance profile?
- How many proposals were supported (given an agreement in principle) and why?
 - On what basis were they selected?
 - What ruled each in and out?
- How much time was available to make the decision?
 - Was it sufficient?
 - Why/why not?
- What was the internal process for reaching the decision to agree to invest in principle?
 - Internal decision making boards
- What level of investment was committed in principle
 - Across more than one investment?
- Were all proposals considered equally likely to receive investment?
 - Any particularly strong or with a recognised weakness?
- What role(s) did intermediaries play?
 - Did they fulfil their expected functions?

Award of FCF funding and final investment decision

- When was the decision received of the proposal(s) success?
- What were the steps taken to agree the investment?
 - Due diligence with provider?
 - Work with intermediary?
 - Contracting?
 - Review of outcomes and payment profile?
 - Internal decision making process?

- What was the view of the risk profile and rate of return?
- How was the investment priced
- What facilitated the agreement? / What were the barriers to agreement?
 - Timeline
 - Risk profile
 - Pricing / rates of return
 - Transaction costs
 - Confidence in provider
 - Role of other investors' decisions
 - Role of intermediary
 - SIB as an innovative product?
 - Outcomes/target group?
 - Supply chain?

- When was agreement reached?
- Did the level of investment change from that agreed in principle?
 - On what basis?

SIB Governance

- What are the governance arrangements?
 - SPV and membership?
 - Performance manager (independently contracted, provided by intermediary, other)?
 - Role of intermediary?
 - Direct involvement with provider (e.g. place on Board)?

- When was the governance agreed?

- As part of agreement in principle?
- Post-award of FCF funding?
- What was the rationale for the agreed governance?
 - Part of proposition?
 - Contested/debated?
- How does the governance work?
 - Regularity of meetings?
 - Stakeholders/membership?
 - Format?
- Views of governance?
 - Working well?
 - Role of performance manager (including any changes and why)?
 - Any initial, ongoing or arising problems?
 - In comparison to governance for any other SIB investments?
- Any direct links with provider?
 - Visits?

Performance of the SIB

- How is performance reviewed?
 - Through governance?
 - Any additional forms/routes?
- What is your view of performance to date?
 - Are you happy with the performance of the provider?
 - Views on progress
 - Recruitment?
 - Against each of the outcomes?
- Have any interventions been required to address a performance issue?
 - Do you think the intervention – the navigator model – is effective?
- Have amendments been required for the final year of delivery?
 - To reach particular groups within the cohort?

- To achieve particular outcomes?
- Are your expectations being met in terms of your investment?
 - Are you confident you will receive a return?
 - Do you think this will be of a similar size to what was initially thought and forecasted?
 - If this has changed, why?
- Are your processes of performance oversight similar to other investments you have made?

Final reflections

- What are your overall views on the investment commissioning process that took place for the FCF SIB?
 - Based on your experience, is there anything you would do differently/any additional considerations for the decision making process?
- What are your overall views on SIBs?
 - Do you think they offer opportunity in other policy areas?
 - Do you think there is enough attractiveness for investors?
 - Have you invested in, or will you invest in, other, SIBs?
- What has been key learning to date?
 - Overall drivers
 - Overall barriers and challenges
 - Satisfaction with the outcome
- Anything further to add?
- Any questions?

Thank for time and close