



Ministry of Housing,  
Communities &  
Local Government

# Evaluation of the Fair Chance Fund

Final Report



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# Contents

<b>Contents</b>	<b>1</b>
<b>Glossary of terms</b>	<b>4</b>
<b>Executive summary</b>	<b>1</b>
Programme Overview	1
Programme performance and outcomes achieved	2
Influence and impact of the SIB and payment by results (PbR) arrangements	5
Key learning and recommendations for the future	6
<b>1 Introduction</b>	<b>9</b>
1.1 The Fair Chance Fund	9
1.2 The social impact bond (SIB) arrangement and payment by results (PbR)	11
1.3 Evaluation methodology	12
1.4 Structure of the report	13
<b>2 The Fair Chance Fund Projects</b>	<b>15</b>
2.1 Organisational and funding arrangements	15
2.2 Key features of the delivery models	15
<b>3 Referral and engagement</b>	<b>22</b>
3.1 Referral and recruitment	22
3.2 Securing and sustaining engagement	23
3.3 Exiting the Fair Chance Fund	25
3.4 Summary	26

<b>4</b>	<b>Entering and sustaining accommodation</b>	<b>28</b>
4.1	The accommodation outcomes	28
4.2	Programme/project performance against targets	28
4.3	Working well and challenges experienced	30
4.4	Young people's experiences	32
4.5	Summary	33
<b>5</b>	<b>Education and training</b>	<b>35</b>
5.1	The education and training outcomes	35
5.2	Programme performance	35
5.3	Working well and challenges	37
5.4	Young people's experiences	38
5.5	Summary	40
<b>6</b>	<b>Volunteering</b>	<b>41</b>
6.1	The volunteering outcomes	41
6.2	Programme/project performance	41
6.3	Challenges and working well	42
6.4	Young people's experiences	43
6.5	Summary	44
<b>7</b>	<b>Gaining and sustaining employment</b>	<b>45</b>
7.1	The employment outcomes	45
7.2	Programme/project performance	45
7.3	Challenges and working well	47
7.4	Young people's experiences	50
7.5	Summary	51

<b>8</b>	<b>Further outcomes and benefits attributable to the Fair Chance Fund</b>	<b>53</b>
8.1	Outcomes for young people	53
8.2	Outcomes for providers	55
8.3	For the wider system	56
8.4	Summary	57
<b>9</b>	<b>Costed Case Studies</b>	<b>58</b>
9.1	Methodological approach	58
9.2	Case studies	63
9.3	Concluding comments	72
<b>10</b>	<b>Working with the SIB and payment by results</b>	<b>75</b>
10.1	Social Impact Bonds	75
10.2	The impact of the SIB model on project implementation	76
10.3	Summary	81
<b>11</b>	<b>Conclusions and key learning for the future</b>	<b>83</b>
11.1	Conclusions	83
11.2	Key learning for future provision	89
<b>Annex 1</b>	<b>References: costed case studies</b>	<b>92</b>

# Glossary of terms

Social Impact Bond (SIB)	Financial instruments where government agrees to pay and reward investors if defined social outcomes are achieved. The investors pay for social interventions, and if the outcomes are not achieved stand to lose all or part of their investment.
Social investors	Individuals or organisations who invest in charities and social enterprises with the intention of receiving a return on their investment and of supporting positive social change.
Special Purpose Vehicle (SPV)	A legal entity that is created solely for specific and sometimes time limited purposes, for example a charity or social enterprise delivering a contract.
Payment by Results (PbR)	A contract, usually with the public sector, where a provider is paid based on whether the service delivered meets a series of targets.
Management information (MI)	Data collected by organisations in the running of their service which can be used to monitor performance and outcomes
NEET	A person not in employment, education or training
Priority Need	A household will be assessed to be in priority need if it has dependent children or a pregnant woman; people vulnerable in some way (e.g. because of mental health problems or physical disability); and where applicants are: aged 16 or 17; aged 18 to 20 who were previously in care; vulnerable as a result of time spent in care, in custody, or in HM Forces; or vulnerable as a result of having to flee their home because of violence or the threat of violence.
Discretionary Housing Payment	Payment towards meeting housing costs, awarded at the discretion of local authorities, and available to those entitled to Housing Benefit or the Housing Costs element of Universal Credit.
Disclosure and Barring Service (DBS)	Enables organisations in the public, private and voluntary sectors to make safer recruitment decisions by identifying candidates who may be unsuitable for certain work, especially that involving children or vulnerable adults.

Cherry picking

Where individuals are targeted on the basis of those most likely to achieve outcomes.

# Executive summary

## Programme Overview

The Fair Chance Fund was an innovative three-year programme, funded by the Ministry of Housing, Communities and Local Government (MHCLG) and the Cabinet Office / Department for Digital, Culture, Media and Sport (DCMS), and designed to improve accommodation, education and employment outcomes for homeless young people aged 18 to 24.

The programme targeted homeless young people not in education, training or employment (NEET), defined as not being in priority need according to the homelessness legislation and facing a range of barriers to securing and sustaining accommodation and employment. It was funded on a 100% payment by results (PbR) basis, with projects being backed by social impact bonds (SIBs) following a competitive bidding process. Social investors funded project providers to set up and deliver services, recouping their investments as and when outcomes were achieved, and triggering payments against a set of specific metrics and tariffs.

The programme was launched in January 2015 for a three-year period ending in December 2017, with referrals being restricted to the first year to allow time for outcomes to be achieved (and payments claimed) before programme end. Local authorities played a central role in referring participants through their involvement in local 'referral gateways', to avoid the risk of cherry picking/efforts focussing on those most likely to achieve outcomes.

ICF was commissioned to evaluate the Fair Chance Fund (FCF), in association with the Centre for Housing Policy at the University of York and Crunch Consulting. The evaluation aimed to assess whether this type of intervention is effective in improving outcomes for (homeless) young people<sup>1</sup>. It followed a mixed methods approach, which included the analysis of project management information, three rounds of case study fieldwork with providers, local authorities and young people, consultations with investors and intermediaries, and a set of costed case studies.

### **The Fair Chance projects**

Seven projects were funded under the programme, and were granted flexibility in designing and implementing their own intervention approaches. Each established their own delivery model, informed by the pattern of existing provision and the specific challenges presented by local housing and employment markets. Key commonalities across the seven projects included:

- Intensive holistic support – delivered by an identified key worker in six of the seven projects and by a team approach in the seventh;
- A 'housing-led' approach – with accommodation as the foundation for achieving other outcomes;

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<sup>1</sup> The final report was preceded by two interim reports, available at: <https://www.gov.uk/government/publications/fair-chance-fund-evaluation-interim-reports>



- A similar participant journey, including opportunities to engage with education, training and employability provision, voluntary placements and support to find and sustain work;
- Specialist staff to support achievement of the education/training and employment outcomes, most often appointed in Year 2.

## Programme performance and outcomes achieved

### Referral and engagement

A total of 1,910 young people were recruited by the seven projects during the Year 1 recruitment period, having been allowed to overrecruit on their initial targets by 10% to allow for drop-out. Projects highlighted the importance of immediate contact with young people on referral, and of showing that the FCF represented a trustworthy and long-term offer of support. Key to maintaining engagement was the development of trust, and interviewees stressed how long this could take.

The minority of young people permanently dropping out of the programme most commonly did so for one of three key reasons: relocation out of the area; a long-term prison sentence; or because the young person either no longer wanted, or considered they needed, support. The majority maintained engagement, although this varied and was generally dependent on the intensity of the support they required or wanted.

In the final year, projects largely focused attention on young people likely to achieve further outcomes but who still required support to do so; and those whose lives continued to be chaotic and who required sustained support beyond the lifetime of the programme. For the latter, exit plans were put in place, although some project staff expressed concerns over the capacity of mainstream services to provide the level of support some young people needed.

### Accommodation outcomes

Projects could claim outcomes for entry to accommodation, and sustained accommodation for three, six, 12 and 18 months. Analysis of programme management information (MI) showed that during the programme period:

- 1,657 young people, or 87% of **all** participants, entered accommodation, of whom;
- 93% achieved a 3-month sustained outcome (81% of all participants);
- 86% achieved a 6-month sustained outcome (74% of all participants);
- 73% achieved a 12-month outcome (63% of all participants); and
- 62% achieved an 18-month sustained outcome (53% of all participants).

While 87% successfully entered accommodation, this does not necessarily mean that the 13% who did not but were initially recruited then remained homeless.

The strong accommodation performance evidenced the effectiveness of the housing-led approach followed by all seven projects, which included accommodating young people not ready for independent living in supported housing until ready to move on.

The ease with which projects could source accommodation, beyond their own stocks where relevant, was largely dependent on local housing markets, which will always

present challenges to a greater or lesser extent. Projects with recourse to their own properties or in areas with a good supply of social and affordable PRS housing were at an advantage, and relationship building and partnership working with landlords and local authorities was key for widening access to housing options.

The appointment of staff with specialised housing remits was also an important success factor, taking roles including sourcing accommodation, acting as advocate for young people, and supporting them to maintain their properties and avoid eviction. Financial management and preventing young people from going into rent arrears was critical, and local personalisation funds – small funds that could be spent directly on meeting young people’s needs - were used to support this.

The majority of young people consulted in Year 3 were housed in their own flats, spoke with pride about their homes, and reflected that without FCF they would probably still be homeless.

## **Education and training outcomes**

Projects were able to claim outcomes for entry to education and training, and for the achievement of entry level, level 1 and level 2 qualifications, provided a required number of guided learning hours was met.

Overall 1,042 young people, 55% of all participants, achieved an entry to education or training outcome, most commonly short, internally delivered life skills or pre-employability provision. Of these:

- 32% achieved an entry level qualification (representing 17% of all participants);
- 35% achieved a Level 1 or equivalent qualification (19% of all participants); and
- 5% achieved a Level 2 or equivalent qualification (3% of all participants).

Young people engaging with the FCF were less interested in taking up education and training opportunities than originally anticipated, and most projects re-profiled their education outcomes downwards to reflect lower than projected demand.

Projects described three challenges to achieving their education and training outcomes: limited participant interest based upon negative early experiences of education; poor attendance once enrolled; and the number of guided learning hours needed to claim an outcome, which many were unrealistic for the cohort. They also noted that young people were more interested in work than education, and that employment offered a better protective factor as it provided the opportunity to earn, develop improved social skills, and so develop their resilience further.

Later in the programme performance improved as challenge from investors led to adaptations in delivery models and an enhanced focus on education. These included creating new specialised posts and/or bringing provision in-house, enabling courses to be delivered in a way that was more suited to the client group.

## Volunteering and employment outcomes

Projects could claim outcome payments for both volunteering and employment outcomes. For **volunteering**, payments were based on sustained periods of volunteering, for a minimum of six hours per week, of:

- Six weeks – achieved by 252 young people, representing 13% of all participants;
- 13 weeks – 160 young people, or 8% of all participants;
- 20 weeks – 107 or 6% of all participants; and
- 26 weeks – 78 or 4% of participants.

While volunteering was less of a popular option for participants, where it worked well positive outcomes such as improved self-esteem and reduced social isolation were reported. In a small number of cases a volunteering experience had resulted in an offer of employment on a paid basis.

However, moving into **employment** proved to be a more popular pathway for most young people than entry into education or training, and performance in terms of entry to and sustained employment opportunities exceeded the projects' initial expectations. A total of 623 young people secured an entry to employment outcome, representing 33% of all participants, most commonly in entry level posts in the retail, hospitality, construction and manual trades.

Performance was also strong in terms of sustained employment outcomes, and particularly full-time opportunities. Of the 623 young people finding work:

- 57% sustained full-time posts for 13 weeks (representing 19% of all participants);
- 40% sustained full-time posts for 26 weeks (13% of all participants);
- 10% sustained part-time posts for 13 weeks (3% of all participants); and
- 4% sustained part-time posts for 26 weeks (1.5% of all participants).

Performance against the employment outcomes was impressive given the characteristics of the cohort and the barriers they faced and the nature and complexity of their needs (commonly combining low self-esteem/confidence, no/low level qualifications, no previous work experience; substance use, mental health problems and histories of offending). They also faced structural barriers, primarily the affordability of rents once in work, the nature of the employment options open to them, and negative employer attitudes. In response, the projects developed a range of support strategies, including appointing staff with specific remits to deliver in-house employability courses and help young people with job applications, CVs, interviews and getting to and from work; and establishing relationships with local employers who understood the needs of the Fair Chance target group.

## Additional outcomes

In addition to accommodation, education and training, and volunteering and employment outcomes, a range of additional outcomes were attributed to the programme. These included:

- For young people - the programme filled an important gap in provision for young homeless people who typically 'fall through the net' due to the complexity of their needs. Additional non-funded outcomes commonly reported included improved mental health, reduced substance misuse and reduced offending and anti-social

behaviour, achieved through the development of strategies for promoting improved mental health and resilience. 'Soft' outcomes, such as improved confidence and reduced social isolation, were also commonly reported, and represented key building blocks for the achievement of education and sustained accommodation and employment outcomes.

- For providers - organisational outcomes identified included a better skilled workforce more able to address complex needs and promote resilience, enhanced organisational capacity and capability, a commitment to deliver more holistic services with a focus on employment, and improved systems for monitoring and performance management.
- For the wider system - included the contribution made to local authority performance on homelessness, improved networking between local authorities and housing providers, a wider and more sustainable range of housing options for young people, and a greater understanding of, and confidence in, the SIB funding model amongst some local authority commissioners.

### **Costed case studies**

The costed case studies were intended to provide illustrative examples of costs that young people with similar characteristics can incur in the absence of FCF, and the savings and social value that can result from their participation in the programme.

As would be expected, the estimated costs, cost savings and social value varied considerably between each individual, reflecting their different starting points and achievements during the programme. Comparing the estimated total cost of participation with the cost savings and social value resulting in the final year, five of the case study individuals already showed a positive balance (i.e. savings and social value exceeded costs), with the reverse being the case for the remaining three.

While it is not possible to extrapolate potential savings and social value in future years, the examples provided suggested that each individual was on a positive trajectory at the end of their projects and that additional benefits would result in subsequent years.

### **Influence and impact of the SIB and payment by results (PbR) arrangements**

SIB the projects' views of the SIB/PbR mechanism evolved over time, with initial concerns over set-up costs, complexity and administrative burdens being replaced in most cases by an appreciation of the benefits of the model and the delivery flexibilities inherent with outcomes based contracts. There was a common view that the structuring of the target regime and the need to report regularly to their Boards had spurred delivery forward and led to outcomes ahead of expectations.

Over the course of the programme relationships between providers and investors also strengthened, so that by Year 3 most were characterised by high levels of trust and mutual confidence in each other's expertise. Levels of investor engagement varied between projects, and providers spoke most positively of those investors who were closest to their projects.

There is clear evidence that the SIB and PbR funding arrangements enabled providers to take an adaptive approach to delivery, evolving their models to meet

challenges and priorities as they emerged. This supports the contention that SIBs can promote innovation, although in this context innovation is best understood as the application of better solutions to problems rather than the delivery of something new or transformational.

While innovation may have been driven by the PbR arrangements rather than the SIB per se, there is evidence that the level of financial scrutiny and challenge bought by investors helped drive performance and enabled more effective targeting of the client group. Some providers also felt that the commercial rigour and focus on outcomes had helped challenge a perceived complacency in the sector, and changed how front-line workers were prepared to engage with the client group. The combination of accommodation, education and employment outcomes also supported providers to focus on new areas and achieve more stretching outcomes for participants.

PbR provided an incentivising mechanism for achieving outcomes, although both providers and investors were clear their primary concern was with the welfare of participants. Providers recognised that a focus on outcomes carried with it the potential for 'creaming and parking', but argued that the client group presented little opportunity for 'cherry picking' and stressed the primacy of a client-led approach. In the final year of the programme projects had stratified their cohorts and were focused on two key groups: those who with support might achieve further outcomes and those who remained in crisis. While this cannot be said to equate to 'cherry picking', the disincentive of focusing effort on those unlikely to achieve further outcomes was recognised.

The SIB was pragmatically welcomed as providing funding for a programme that would not otherwise have been funded. The three-year duration was seen as critical for working with the target group, for whom longer term support was essential. However, concerns were also voiced about the complexity of the SIB and the value for money it offered in terms of set-up costs, funding intermediaries and providing investor returns, over alternative funding models.

## Key learning and recommendations for the future

The programme, and the individual projects, offered a range of support to participating young people, many of whom had multiple and complex needs. Consultations with project staff, stakeholders and young people found that participants faced a range of challenges, both individually and serially, the level of which often exceeded the expectations of project staff at the outset.

The projects displayed a high degree of creativity in working with their cohorts, and changed their delivery arrangements on the basis of experience, the characteristics of their areas and the needs of their clients. The flexibility offered by the programme SIB funding and PbR arrangements was central in promoting this. They also filled critical gaps in local provision, and helped address the needs of young people who routinely 'fall through the net' due to the complexity of their needs.

The evaluation identified a series of key learning points to inform future provision for this and similar target groups, with the following features being key to the effectiveness of the programme:

- **Dedicated key workers providing holistic bespoke support:** through their abilities to engage with young people, develop trust, and act as advocates. Participants clearly valued the sustained, responsive, emotional and practical support received, often in contrast to support received previously.
- **A housing-led approach:** which established a robust platform for progression towards education and employment outcomes - although a minority not ready for independent living needed time in supported housing before moving on.
- **The three-year duration of the project:** combined with the restriction of recruitment to Year 1, allowed time for trust to be established and for the long-term support required for progression.
- **Flexibility of approach:** the combination of funding arrangements and organisational ethos allowed flexibility in how projects worked with young people, and the scope to add new provision or staff with specialist accommodation, education or employment remits.

## Lessons for future SIB provision

While different views of the 'added value' of the SIB and PbR elements of the programme were reported, by programme end reflections were positive, and both elements were considered be responsible, at least in part, for the successes achieved. Some concerns remained over the initial cost, time and complexity of establishing a SIB, and in some quarters over the ethics of 'making a margin' on homeless services, but overall interviewees were positive and set the scene for future involvement in SIBs in the future. While the outcome metrics were considered broadly fit for purpose, future arrangements should:

- Ensure payments are always linked to the costs of inputs – e.g. in this case where no payment was made for placing volunteers despite the effort taken; and
- Carefully consider the needs and demands of the cohort in calibrating outcomes and evidence – e.g. the number of guided learning hours needed for an education and training outcome when much provision was short course based.

Finally, and recognising the associated challenges, consider including 'softer' outcomes as payment triggers.

## Key recommendations

Building on learning from the evaluation, a series of recommendations to inform the design and delivery of future interventions were produced, including:

1. Replicating the housing-led approach in future initiatives, while also allow for the use of supported housing for those not ready for independent living.
2. Providing funding for a three-year period (or longer when working with groups with particularly complex needs), following the 'fixed cohort' model to ensure attentions focus on outcomes after an initial recruitment period, and allowing projects to over-recruit in this to account for early drop-out.
3. Following a key worker approach to provide the necessary intensity of support and to develop relationships of trust with participants, with well managed moves between key workers to avoid dependency and promote resilience.
4. Considering whether staff with 'specialist' remits (e.g. for housing management, education/training and employment support) should be included, based on the specific aims and objectives of the intervention.

5. Including or encouraging allocations of funding to provide small payments on a discretionary basis to help participants secure and sustain outcomes.

For future SIB-based opportunities, consideration should be given to:

6. Taking steps to make the SIB development and funding stage as simple, transparent and streamlined as possible, while maintaining the necessary levels of due diligence and challenge.
7. Ensuring outcome payments reflect the resources required to achieve them – for example including payments for volunteering entries to acknowledge the cost of arranging placements.
8. Ensuring that outcome metrics fully reflect the intended policy effects – for example including additional outcomes such as improved mental health and positive behavioural influence (e.g. reduced offending).

# 1 Introduction

The Fair Chance Fund was an innovative three-year programme designed to improve accommodation, education and employment outcomes for homeless young people aged 18 to 24. It targeted young people defined as not being in priority need according to the homelessness legislation, but with a range of support needs that represent barriers to securing and sustaining accommodation and employment. The programme was funded by the Ministry of Housing, Communities and Local Government (MHCLG) and the Cabinet Office / Department for Digital Culture Media and Sport (DCMS) on a 100% payment by results (PbR) basis, with each project backed by a social impact bond (SIB).

In March 2015 ICF was commissioned by MHCLG to undertake an evaluation of the Fair Chance Fund. The evaluation team worked in association with sector experts at the Centre for Housing Policy at the University of York, and Crunch Consulting. This is the final report of the evaluation and is preceded by two interim reports.<sup>2</sup>

The overarching aim of the evaluation was to: *“Provide a comprehensive assessment of whether this type of Government intervention is effective in improving outcomes for (homeless) young people”*, with key areas of investigation including the rationale for, and effectiveness of, the delivery models followed; their performance in terms of recruitment and progression against expectation; and the influence of the funding model and PbR element on achievement and innovation.

## 1.1 The Fair Chance Fund

The Fair Chance Fund (FCF) set out to achieve accommodation, education and employment outcomes for a group of young homeless people, aged 18 to 24, whose support needs were poorly met by existing services due to the complexity of their needs and circumstances. Provision under the Fund was intended to be additional, either wholly new or designed to complement or enhance existing services for homeless young people.

### 1.1.1 Eligibility criteria

The programme established a number of eligibility criteria to ensure that young people who were typically ‘falling through the net’ of existing support were targeted. To be eligible for inclusion participants were required to be:

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

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<sup>2</sup> Both interim reports are available at: <https://www.gov.uk/government/publications/fair-chance-fund-evaluation-interim-reports>



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

### **1.1.2 Commissioning model and objectives**

The programme was commissioned directly by MHCLG on a payment by results basis. Social investors funded providers to set up and deliver the services, recouping their investments as and when outcomes were achieved, triggering payments by MHCLG. As the evidence base on 'what works' for young people in the target group is limited, the Fund was also intended to stimulate learning on innovative approaches (including the use of the SIB funding model) to supporting vulnerable and homeless young people. It had two key objectives:

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

Following a competitive bidding process, seven geographically distinct providers were successful in receiving Fair Chance funding, and the programme was launched in January 2015 for a three-year period ending in December 2017. Referrals could be made to the projects for a period of 12 months (from January to December 2015), to allow sufficient time for outcomes to be achieved (and payments claimed) before the end of the programme. Local authorities played a central role in the referral and recruitment of participants through their involvement in local 'referral gateways' and/or their own referral arrangements, and the referral process was designed to ensure 'sign off' of each referral to avoid the risk of cherry picking/efforts focussing on those most likely to achieve outcomes.

### **1.1.3 Delivery models**

While the programme established a set of common outcome measures projects were granted flexibility in designing and implementing their own intervention approaches. Given this flexibility each provider established their own delivery model informed by the pattern of existing provision and the specific challenges presented by local housing and employment markets. Despite these local differences the seven projects demonstrated some key commonalities of approach, including:

- Intensive holistic support – delivered by an identified key worker in six of the seven projects and by a team approach in the seventh;
- A housing-led approach – with accommodation as the foundation for achieving other outcomes; and
- Specialist staff to support achievement of the education/training and employment outcomes, most often appointed in Year 2.
- Further detail of the seven delivery models is provided in Section 2.

## 1.2 The social impact bond (SIB) arrangement and payment by results (PbR)

The FCF was a payment by results (PbR) programme, whereby providers are paid for the outcomes they achieve against a set of agreed tariffs. The FCF outcomes for which payments could be made, and the tariffs set for each, are set out in Table 1.1 below. While MHCLG provided a set of 'standard' tariffs at the outset, projects were offered the opportunity to propose discounts to standard rates (apart from the Assessment outcomes), with the projects offering weighted average discounts of between 1% and 18% on individual or across all outcomes.

**Table 1.1 Fair Chance Fund outcomes and standard tariffs per outcome**

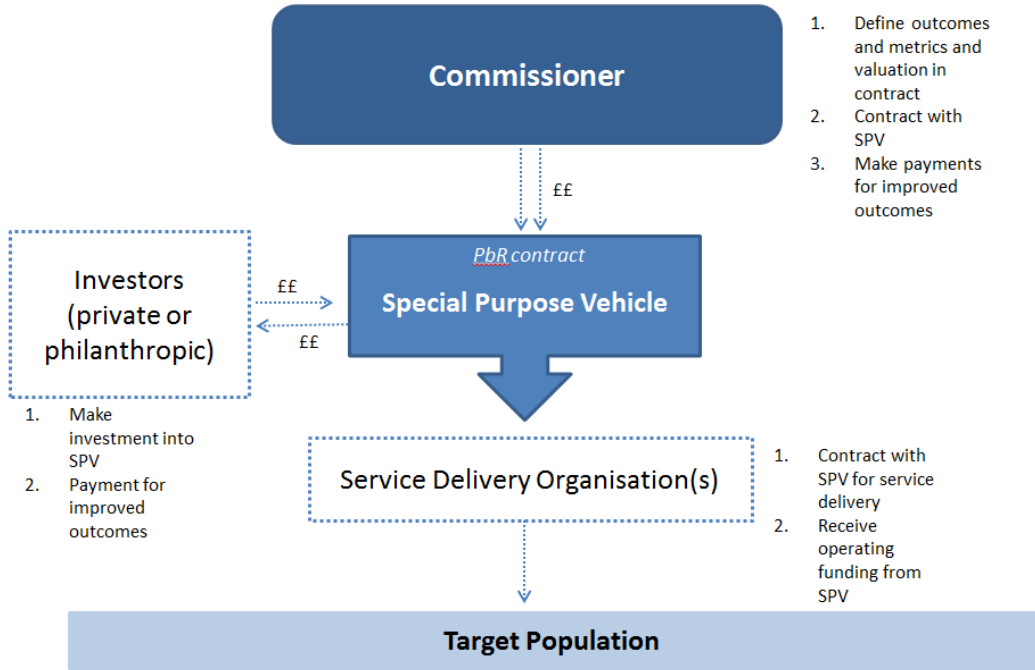
<b>Outcome Group</b>	<b>Outcome</b>	<b>Rate, £</b>
<b>Assessments</b> – up to three assessments of needs/progress with each client, to be claimed within nine months of registration	Initial assessment fee	500
	Second assessment fee	500
	Third assessment fee	200
<b>Accommodation</b> – entry to accommodation, and accommodation sustained for 3 to 18 months	Move into accommodation	500
	Accommodation sustained for 3 months	1,500
	Accommodation sustained for 6 months	1,500
	Accommodation sustained for 12 months	1,500
	Accommodation sustained for 18 months	1,500
<b>Education/training</b> – entry to education/training, and the achievement of qualifications at each level, dependant on achieving the required number of guided learning hours.	Entry into education or training	500
	First Entry Level qualification (incl. Maths and/or English), minimum 45 guided learning hours	1,500
	First level 1 qualification (e.g. NVQ), minimum 120 guided learning hours	2,500
	First level 2 or equivalent qualification, minimum 325 guided learning hours	3,500
<b>Volunteering</b> – sustained volunteering of 6 to 16 hours per week for 6 to 26 weeks. NB no payment for entry to volunteering.	6 weeks volunteering	500
	13 weeks volunteering	500
	20 weeks volunteering	250
	26 weeks volunteering	250
<b>Employment</b> – entry to employment, and for sustained part or full-time employment for 13 and 26 weeks.	Entry into employment	500
	13 weeks part-time employment	3,000
	26 weeks part-time employment	2,000
	13 weeks full-time employment	4,500
	26 weeks full-time employment	3,500

Achieving these outcomes takes time, meaning that providers needed to expend resources in delivering the service before they received payments. The FCF was supported by a social impact bond (SIB) funding arrangement to support the resulting financing need. SIBs cover the cash flow deficit of an organisation but do so without placing the risk of repayment on the provider or commissioner. Instead, the upfront costs of service provision are covered by external investors for whom repayment (and a return on their investment) is dependent on achieving the projected outcomes. SIB finance providers are most frequently socially aligned investors and are therefore able to provide additional support to providers to help deliver the outcomes.

While SIBs take a variety of forms, a SIB structure may involve an investor-owned Special Purpose Vehicle (SPV), which takes on the PbR contract and sub-contracts to the delivery organisation, as summarised in Figure 1.1 below. Social investors may include private funders, foundations, trusts, social banks or philanthropic investors, providing the finance for the provider's set-up and delivery costs via the SPV. The

SPV usually hosts a Performance Director or Board responsible for monitoring performance. In this way, the risk in the PbR contract is transferred away from the provider and commissioner to the investors. If it appears performance is falling short, the SPV can provide additional support or put in place remedial actions – for example by requiring performance improvement plans are developed or providing advice on targeting resources to maximise outcomes. SIBs are sometimes, but not always, supported by an intermediary organisation that may help match providers with investors, structure the financial deal and monitor the programme as it is implemented.

**Figure 1.1 SIB with SPV arrangement**



Six of the seven FCF projects worked through an SPV and reported regularly to a Board with an independent Chair. The seventh (Home Group) had a single investor to whom they reported directly, and so did not follow the SPV model. All seven had contracts with an intermediary at some point in the programme, with four also paying for additional support for performance management, MI analysis and reporting to their Boards during delivery.

### 1.3 Evaluation methodology

The evaluation followed a mixed methods approach, combining the collection and analysis of qualitative and quantitative data following an initial scoping stage.

The process evaluation involved three rounds of qualitative fieldwork commencing in September 2015 and repeated annually, with the final round taking place in September/October 2017. In-depth interviews and focus groups were carried out with the following stakeholder groups:

- **FCF providers:** a combination of face to face and focus group interviews with senior management, project managers, key workers and other front-line staff allocated to FCF teams (n = 108);

- **Young people:** longitudinal face to face interviews with a representative sample of young people accessing the FCF projects. A cohort of 70 young people, 10 from each project, were interviewed in the first round of interviews, selected on the basis of age, gender, ethnicity and experience of the care system. These were followed up in Years 2 and 3, where targets were set lower to account for attrition, with a sample of n = 35 being achieved in Year 2 and n = 20 in Year 3. Eight of the young people interviewed were also selected to be included as 'costed case studies' (see below);
- **Local authority staff:** telephone interviews with managers and team leaders with remits for homelessness/vulnerable adults (n = 26);
- **Referral gateways:** in Year 1 telephone interviews were undertaken with staff involved in referring young people to FCF and working in homelessness referral gateways (n = 18); and
- **Investors and intermediaries:** telephone interviews with investors represented on project SPVs and, in Years 1 and 2, with intermediaries supporting FCF implementation (n = 18).

The original evaluation methodology also included impact and value for money elements, but significant methodological challenges, primarily relating to the ability to establish an appropriate comparison group, uncovered in the scoping stage meant that it was not possible to proceed with these. A number of alternatives were proposed to the evaluation Advisory Group, and a preference expressed for a series of in-depth qualitative costed case studies. The aim of the costed case studies is to explore the influence of participation in Fair Chance on a sample of young people, including identifying the associated costs and benefits resulting from their participation. The case studies drew upon three key sources of information: face-to-face interviews with a small sample of participants; interviews with their key workers; and the review of relevant data on individuals held by their projects.

The evaluation has also involved the collection and analysis of programme performance data to establish the outcomes achieved and review performance against forecast. The data presented in this report is taken from the MHCLG database, and includes outcomes for which a partial payment was made.<sup>3</sup> This data may vary slightly from that in the previous interim reports, as it includes any outstanding payments for outcomes secured in Years 1 and 2 of the programme.

## 1.4 Structure of the report

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

- Section 2 provides an overview of the FCF projects – detailing the key characteristics of their delivery models; delivery partners; geographical coverage and funding;
- Section 3 reviews the process for referral to the FCF projects, the challenges associated with maintaining participant engagement, and mechanisms for overcoming these;

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<sup>3</sup> Projects were allowed to claim up to £17,000 for outcomes achieved for each young person they worked with, after which partial payments were made.

- Sections 4–7 present an analysis of the evidence on projects' achievement of the key accommodation, education/training, and employment outcomes, drawing on qualitative and quantitative data sources;
- Section 8 presents evidence for the achievement of further outcomes attributable to the FCF – drawing on the analysis of qualitative interviews with providers, participants and investors;
- Section 9 presents the costed case study analysis;
- Section 10 explores the experiences of providers and investors of working within the SIB funding arrangement – and the learning that has been drawn from this;
- Section 11 presents a summary of key findings and a set of final conclusions.

The report also includes one annex: providing the references for the costed case studies.

## 2 The Fair Chance Fund Projects

This section provides a description of the FCF projects; the key characteristics of their delivery models; their delivery partners; geographical coverage; and funding. The projects commonly enhanced their delivery models to reflect evolving priorities, and in response to challenges as they arose, based on a more informed understanding of the capabilities of their respective cohorts.

### 2.1 Organisational and funding arrangements

Table 2.1 below provides a summary of the key organisational arrangements for each of the projects. It sets out their lead and delivery partners, the local authorities covered, the potential value of outcomes claimable, and their funding and investors.

Each of the projects covered multiple and contiguous local authority areas (with the exception of Depaul's project 'Your Chance', which included authorities in North West England and one London Borough). Between them the seven projects covered a total of 39 Unitary, County and District authorities. In some cases these included a combination of urban and more rural areas.

The value of project budgets and scale of investment received varied, as illustrated in Table 2.1 below. The value of outcomes available ranged from £1.3 million for Local Solutions (known locally as Aims) to £2.9 million for Ambition. In terms of funding, the investment secured under their individual SIB arrangements ranged from £310,00 for Aspire to over £1 million in the case of St Basils. Ambition and Aspire (both led by P3) were the only two projects where a share of the investment was made by the lead provider and partners. As Table 2.1 shows, some investors invested in multiple projects, for example Big Issue Invest in Local Solutions, St Basils, Depaul and Ambition; Key Fund investments in Ambition, Fusion, Local Solutions and St Basils, and Bridges in Depaul, Fusion, and St Basils.

### 2.2 Key features of the delivery models

Each of the seven projects developed their own intervention approach. Delivery models were built around the pattern of existing provision, existing resources available locally, the challenges and opportunities presented by the local housing and employment markets, and the needs of the young people referred.

While project delivery models varied according to these factors, each were underpinned by partnership arrangements and exhibited a series of commonalities:

- A housing-led approach – whereby acquiring stable and secure accommodation was seen as the foundation for progression towards education/training and employment outcomes.
- The use of a 'key worker' model by six of the seven projects – who provided a single point of contact to guide the young person from the start to the end of their homeless journey, unlike typical support worker models, and providing bespoke support at an intensity according to need. The seventh project, Fusion, operated a team approach, although in practice participants might have worked with a specific individual more intensely over the period of engagement and considered this person to be their main point of contact.

**Table 2.1 Overview of project structure and funding**

<b>Project/lead</b>	<b>Partners and intermediaries</b>	<b>Local Authority areas covered</b>	<b>Funding and investors</b>
Ambition/ P3	YMCA Derbyshire, The Y (YMCA Leicestershire) Intermediary: Triodos Bank UK	Leicester City Council, Leicestershire County Council (including Blaby DC, Charnwood BC, Harborough DC, Hinckley and Bosworth BC, Melton BC, NW Leicestershire DC and Oadby and Wigston BC), Derby City Council and Derbyshire County Council	Value of outcomes =£2,944,525 Total investment = £600,000 Investors: Big Issue Invest, The Key Fund, Retail Investors, P3, The Y, YMCA Derbyshire
Aspire/P3	CCP Intermediary: Triodos Bank UK	Gloucestershire County Council and six district councils – Tewkesbury, Forest of Dean, Stroud, Cheltenham, Gloucester City and Cotswold	Value of outcomes = £1,451,250 Total investment = £310,000 Investors: CAF Venturesome, private investors/SITR, and providers P3 and CCP.
Depaul/ Your Chance	Intermediary: Social Finance	Manchester City Council, Oldham Borough Council, Rochdale Borough Council – and London – Royal Borough of Greenwich	Value of outcomes = £1,654,340 Total investment = £620,000 Investors: Bridges Fund Management, Montpelier Foundation and Big Issue Invest
Fusion/ Fusion Housing	Connect Housing, C&K Careers, Wakefield Rent Deposit Scheme, Pennine Housing, Fresh Horizon, Riverside, and SmartMove Intermediary: Numbers for Good	Metropolitan Borough of Kirklees, Metropolitan Borough of Calderdale and City of Wakefield Council	Value of outcomes = £2,513,800 Total investment = £840,070 Investors: Bridges Ventures and Key Fund.
Home Group	Depaul, Your Homes Newcastle, Oasis Aquila, Changing Lives, and 'Framework Partners' Intermediary: Numbers for Good	Newcastle City Council; Northumberland County Council; South Tyneside Council; North Tyneside Council; Gateshead; Durham County Council; and City of Sunderland	Value of outcomes = £1,995,206 Total Investment= £498,000 Investors: North Star Ventures
Aims/ Local Solutions	At Inception Oakmere Training – decommissioned end Year one Intermediary: Social Finance	Liverpool City Council and Knowsley Council	Value of outcomes = £1,338,350 Total investment = £550,000 Investors: Big Issue Invest, Big Society Capital and the Key Fund
St Basils	Intermediary: Social Finance	Birmingham City Council, Coventry City Council, Solihull Metropolitan Borough Council, Walsall Council, and Wyre Forest District Council	Value of outcomes = £2,622,375 Total investment = £1,030,000 Investors: Bridges Ventures, Charities Aid Foundation, Key Fund, Big Issue Invest Ltd, Barrow Cadbury Trust

- A similar 'participant journey', characterised by the following stages:
  - Referral – via local authority led 'independent gateways', ranging from multi-area panel models to single mechanisms covering individual local authority areas;
  - Recruitment and engagement – commonly including checking eligibility criteria and encouraging engagement amongst young people referred;
  - Assessment and individual action planning – through first and subsequent assessments, the development of individually tailored action plans, and use of the Outcome Star and similar tools to assess progress;
  - The provision of intensive support by both the 'key worker' and other specialist staff as appropriate – based on relationships of trust established with the participant, and case-managed to allow a balance between on-going support and 'crisis interventions' required by participants;
  - The delivery of a range of support towards the achievement of the accommodation, education/training, volunteering and employment outcomes;
  - The inclusion of a budget line for personalised funding – commonly used to help participants progress towards outcomes, for example to make small purchases such as household goods or work clothing; and
  - The three-year funding period, which allowed at least two years to secure outcomes for the target group after the end of recruitment in Year 1, and compared favourably to other funding with a shorter duration.

Table 2.2 below summarises the key features of each of the seven projects.

### **2.2.2 Key changes over the lifetime of the Fund**

While the key worker and housing-led elements remained consistent throughout the programme, most projects remodelled elements of their approach in response to evolving challenges and priorities. In Year 2 several projects had re-profiled their teams to include staff with more specialised and focused remits to help secure accommodation and/or employment, training and volunteering outcomes. Projects had also developed a range of interventions for promoting mental well-being and building resilience, with examples including access to psychological therapies, therapeutic art-based activities and a running club. Two projects had developed more of a hub-type arrangement with one of these allowing participants access to a range of support on a drop-in basis.

In order to sharpen their focus and work more efficiently FCF projects had typically used project data to manage the flow of work with young people by establishing four broad groups of participants:

- Those who had disengaged completely and were therefore very unlikely to achieve an outcome;
- Those requiring minimal support to continue to sustain achieved outcomes;
- Those who could still achieve outcomes but with targeted support; and
- Those, who being more chaotic, required considerable support although the likelihood of achieving further outcomes was small.



The influence of this segmentation of participants, and the potential for 'parking and creaming', is returned to in the conclusions in Section 11.1.

In Year 3 of the programme attention primarily focused on securing final, often sustained outcomes (particularly employment outcomes) and preparing remaining participants for the end of the project. This meant that delivery models remained largely unchanged, but there were significant reductions in staff teams and caseloads in line with plans established at the outset. Projects reported that while their active caseloads had reduced fairly dramatically, remaining participants tended to be amongst the most vulnerable of their cohorts, with particularly complex needs and requiring fairly intensive support. Some projects were making focused efforts to contact any participant that had disengaged but that might still achieve an outcome so that payments could be maximised.

**Table 2.2 Key features of project delivery models**

<p><b>Aspire</b></p>	<p>Project partners: <b>Leader partner P3, in partnership with CCP.</b>  Region: <b>South West</b>  <b>Referral routes:</b> Referrals were mainly via the START gateway, which operated across Gloucestershire and the district authorities of Tewkesbury, Forest of Dean, Stroud, Cheltenham, Gloucester City and Cotswold, and with which the project worked closely during the Year 1 recruitment period. The project also took referrals of young people awaiting release from prison.  <b>Accommodation sources:</b> Accommodation was sourced primarily through the private rented and social housing sectors via P3's property and maintenance division and a local provider. Support was provided with all aspects of securing a tenancy from submitting an application to moving in and sustaining accommodation. A tenancy support officer function was in place, although key workers also contributed to ensuring tenancies were sustained and rents were paid on time. P3 leased the properties from the local provider, giving landlords comfort that rents would be paid and properties not damaged, and that they had a single contact point if otherwise. The project was also able to provide small amounts of funding to help young people settle into their properties.  <b>Delivery model:</b> Each participant was allocated a Link Worker, who provided a single point of contact and practical and psycho-social support throughout the programme. The project followed a housing-led approach aiming to place clients (within 3 months of start) into permanent independent tenancies, with intense support offered to ensure tenancies were successfully sustained. The project also employed an external trainer, following concerns that their forecast education and training outcomes would not be met, who trained the link workers to deliver training alongside mainstream provision as appropriate. They also promoted a link worker to lead on education, training and employment, which included brokering and supporting employment opportunities for participants, allowing link workers to focus on their core roles of supporting the young people.</p>
<p><b>Ambition</b></p>	<p><b>Project partners:</b> Lead partners were P3, in partnership with the YMCA Derbyshire and The Y (YMCA Leicestershire), who were responsible for provision in Derbyshire, Derby City and Leicester / Leicestershire respectively.  <b>Region:</b> East Midlands  <b>Referral routes</b> Ambition was the largest of the seven projects, with an initial target of 340 participants across a wide area, covering four local authorities (City and County Councils), each with their own referral gateways/single points of contact. Participation targets were set for each partner on the basis of the forecast eligible young people in their respective local authority areas.  <b>Accommodation sources:</b> Each partner had their own arrangements for identifying and securing accommodation, which combined in two cases the providers' owned or leased housing stock, including hostel provision for use if required, as well as properties leased to them by a local housing association. The third partner had no housing stock in place and used a variety of sources.  <b>Delivery model:</b> The three partners followed very similar delivery models, with individual outcome targets and internal resources available to meet them. In each area key workers provided intensive support to participants, with the project following a housing-led approach as in its sister project Aspire. Each partner developed locally appropriate strategies for delivering their outcomes, including across the partners: engaging an external education provider to address the challenges of participation in traditional education and training environments, employing an ETE specialist to source appropriate opportunities, and externally contracting out volunteering and employment opportunities.</p>
<p><b>Depaul (Your Chance)</b></p>	<p><b>Project partnership:</b> Depaul was the sole provider for their FCF project known as 'Your Chance'.  <b>Region:</b> North West and London  <b>Referral routes:</b> Referrals were received through youth homeless gateways in the four local authorities covered (Greenwich, Oldham, Manchester and Rochdale). All gateways were delivered through VCSE providers commissioned by the respective local authorities, and a range of other agencies including</p>

	<p>the Police and Probation Service.</p> <p><b>Accommodation sources:</b> Accommodation was sourced and secured through a combination of Depaul’s own supported housing and links with social housing providers and PRS landlords. The balance of accommodation sources varied according to LA area with most housing in Greenwich being in the PRS in contrast to the other three LAs where social housing was more readily available. Support was provided with applications and associated administration, and to secure benefits, deposits and white goods. Young people were supported to sustain their tenancies through practical help, e.g. with budgeting and emotional support. A personalisation fund provided rent bonds, household goods and part payment of rents in some instances. The project also supported participants to move back home where appropriate. At project closure a small number of participants – those with more complex support needs- remained in supported housing.</p> <p><b>Delivery model:</b> This followed Depaul’s Values in Practice approach which draws upon theories of psychologically informed environments, ladders of change, attachment theory and social pedagogy. Participants were allocated a support worker to provide intensive support as required through their time with the project. Following an initial assessment and the development of an individual action plan, support worker introduced participants to the range of training and employability support available through both mainstream services (e.g. the Work Programme and other Jobcentre Plus provision) and community-based provision. Depaul also used their own learning and employability provision, including workshops and taster sessions, and existing links with local training providers. Your Chance placed a particular emphasis on promoting mental health and resilience establishing a number of activity-based groups and bringing in therapeutic support.</p>
<b>Fusion</b>	<p><b>Project partnership:</b> Fusion were the lead provider working in partnership with Connect Housing, C&amp;K Careers, Wakefield Rent Deposit Scheme, Pennine Housing, Fresh Horizon, Riverside, and SmartMove.</p> <p><b>Region:</b> Yorkshire and the Humber</p> <p><b>Referral routes:</b> Each of the three local authorities covered by the project (Metropolitan Borough of Kirklees, Metropolitan Borough of Calderdale and City of Wakefield Council), had 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 were also taken from a range of other organisations in each locality. These referrals were then passed on to the appropriate gateway for verification.</p> <p><b>Accommodation sources:</b> Social housing/housing association and PRS. Tenancy Sourcing and Management Workers were responsible for sourcing accommodation and taking a ‘tenancy management’ role with each participant. A bond guarantee was available for those in private sector tenancies, while furniture and white goods were sourced through recycling schemes. Furniture and other items were also purchased through their Fair Chance flexible fund.</p> <p><b>Delivery model:</b> The Fusion delivery model was based on a team approach with staff members specialising in different aspects of the support package offered to young people. Following referral Intervention Workers provided holistic and informal support to individuals throughout the programme, with Tenancy Sourcing and Management Workers responsible for accommodation issues. Education, training and employment opportunities were facilitated through Education and Employment Workers, who worked to build confidence and self-esteem, and develop individual action plans/pathways. Provision offered included accredited workshops around tenancy 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 were provided through community organisations, youth groups and community cafés.</p>
<b>Home Group</b>	<p><b>Project partners:</b> Home Group were the lead provider working with multiple partners at different stages of the programme including: Depaul, Your Homes Newcastle, Oasis Aquila, Changing Lives, and ‘Framework Partners’.</p> <p><b>Region:</b> North East</p> <p><b>Referral routes:</b> The project covered the seven local authority areas (Newcastle City Council, Northumberland County Council, South Tyneside Council,</p>

	<p>North Tyneside Council, Gateshead, Durham County Council and the City of Sunderland), each with their own gateway referring into the project.</p> <p><b>Accommodation sources:</b> Own supported accommodation services plus a combination of PRS and social housing.</p> <p><b>Delivery model</b> Life Coaches engaged with each young person on referral, undertaking a needs assessment using the Outcomes Star, and developing an action plan identifying steps to be taken and interventions agreed. Life Coaches were provided by Home Group and a range of partners, co-located for part of the week with the local authority housing team. Home Group performance managed these partners' contracts. The approach built upon the organisation's Jumpstart model (developed in Bradford), which included 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 was also facilitated, and deposits and bond guarantees provided as appropriate.</p> <p>Education, training and employment opportunities were provided through the providers' internal training and employment support and external provision. This included the OCN Home Achievement Programme, with Changing Lives offering employment programmes and work/training places, and other provision available locally. The project's personalisation fund was used flexibly and according to individual needs.</p>
<p><b>Local Solutions (Aims)</b></p>	<p><b>Project partners:</b> No formal partners in Year 3 but Oakmere college were partners at inception. The project was known locally as AIMS.</p> <p><b>Region:</b> North West</p> <p><b>Referral</b> A single gateway, Mainstay, ensured referrals were identified independently and provided a standardised assessment of supported housing need across Liverpool City Council and Knowsley Council.</p> <p><b>Accommodation sources:</b> Social landlords, private rented sector, own hostel accommodation and supported housing. Appointed a dedicated post holder to source housing options and support young people with their tenancies. Developed a Housing Passport scheme for young people to demonstrate their tenancy readiness.</p> <p><b>Delivery model:</b> Clients were allocated an Intensive Mentor, a single contact point throughout the programme who delivered personalised support, based on individual action plans developed following an assessment of needs, across multiple services. Local Solutions developed a hub-type structure in Year 2 bringing a range of support services (including psychological and specialised employability and housing support) together from a single point of contact. In Years 2 and 3 Local Solutions developed and delivered a range of in-house courses to participants. Throughout the three years Intense Mentors made use of a personalisation fund to meet individual needs and as an incentive.</p>
<p><b>St Basils</b></p>	<p><b>Project partners:</b> St Basils were the sole delivery agent.</p> <p><b>Region:</b> West Midlands</p> <p><b>Referral:</b> Key referral routes were through a series of five local authority gateways, and self-referral through the provider website.</p> <p><b>Accommodation sources:</b> St Basils appointed a dedicated 'Home-Finder' who worked with local authority and other housing providers to secure accommodation. The project faced different challenges in sourcing accommodation across its five local authorities (Birmingham City Council, Coventry City Council, Solihull Metropolitan Borough Council, Walsall Council, and Wyre Forest District Council).</p> <p><b>Delivery model:</b> Participants were provided with a Support Worker, acting as a source of intensive, practical and psycho-social support throughout the programme on the basis of individually tailored action plans. St Basils delivered their own accredited life-skills course, to prepare participants for independent living, Existing links with education and training providers, and employers, and the provider's own internal provision, enabled access to a range of education, training and employment opportunities. In Year 3 the project recruited volunteer Community Coaches to provide additional on-going support to participants.</p>

### 3 Referral and engagement

This section reviews the evaluation findings from previous years on referral and recruitment, and how projects maintained engagement with participants in Year 3 of the project and supporting their transition out of the project and handover to other services if required.

#### 3.1 Referral and recruitment

Each project set recruitment targets in Year 1, based on the numbers forecast to meet the eligibility criteria and their characteristics. An initial participation target was set at 1,609 individuals, although following projects' experiences of recruitment and early disengagement they were allowed to recruit by an additional 10%. This meant that a total of **1,910 young people were recruited by the seven projects**, ranging between 139 for Local Solutions (Aims) and 410 young people for Ambition. Table 3.1 shows that most projects over-recruited by at least 10% of their initial targets.

**Table 3.1 Final Numbers Referred**

Project	Initial Referral Target	Final Referrals Achieved
Ambition	340	410
Aspire	150	171
Depaul	187	216
Fusion	250	353
Home	230	270
Local Solutions	137	139
St Basils	315	351
<b>Total</b>	<b>1,609</b>	<b>1,910</b>

*Source: Fair Chance MI database, MHCLG*

Referrals to Fair Chance projects could only be made during the first 12 months of the programme – from January to December 2015 – to allow individual cohorts to be established and worked with over the three years of the programme.

Local authorities played a key role in referral through their involvement in local 'gateways' or their own referral arrangements, which ranged from individual district authority homelessness referral gateways to referral panels which operated across all districts across a wider county area. They were also central to confirming the eligibility of potential participants to reduce the risk of cherry picking. Referrals could also come from other sources, including: the police; the probation service; direct referral from prison; statutory community based services including mental health services and drug and alcohol services; VCSE and other housing/homelessness providers.

### **Box 3.1 Inclusion criteria**

In order to be eligible for inclusion in FCF participants had to meet the following criteria:

- Aged 18-21, or 18-24 if care leavers;
- Not in employment, education or training (NEET);
- Homeless, as defined in the homelessness legislation, but not in priority need;
- A priority for local authority support but unable to be placed in supported housing due to: previous eviction; safety/security issues; needs too complex to manage; and the lack of specialist accommodation.
- Young people in priority need under the homelessness legislation, but found to be intentionally homeless, could be supported at the discretion of the local authority.

While overall the referral process worked well, projects faced some early challenges in securing referrals. Two key challenges were:

- The short lead-in time giving very limited opportunity to pre-recruit and/or market the project to partners – as projects were reluctant to recruit before their contractual arrangements were finalised; and
- Poor understanding of the FCF and its eligibility criteria amongst potential referral agencies, alongside a degree of scepticism amongst certain agencies re its capacity to deliver long-term support and meet the needs of their clients.

Networking and collaboration both proved key for promoting referral, which in some areas was slow at the outset. Several projects also located staff in gateway offices to help identify potential participants and secure early engagement. For example, one project (Aspire) sat in on multi-agency case meetings to identify potential participants, and to ensure the service would be appropriate for them.

There was a consensus view across both the projects and the stakeholder groups that the cohort of young people referred into FCF projects tended to have a high level of complex need. For many of these young people FCF represented a 'last chance' option providing strong supporting evidence for the programme's rationale.

## **3.2 Securing and sustaining engagement**

### **3.2.1 First contact**

Providers concurred that prompt first contact with a young person by a key worker, and providing a timely response with an offer, was critical to ensuring potential participants were not quickly lost from the system. All projects strove to make initial contact within 24 hours of referral or sooner where possible. As above, some projects physically located staff within gateways, while others reported meeting the young person immediately on referral.

Establishing and building trust were described as key in the development of productive relationships between participants, key workers and wider team members. This meant demonstrating from the outset that '*you are as you say you are on the tin*' because:

*‘These young people have been let down by statutory services, by their families, by voluntary services – they are sick of being let down, sick of being grassed up – the biggest challenge for us was showing we aren’t going to do that, we are not going to give up’ Key worker*

In some cases key workers described how trust could take some time to establish, and that once established could lead to further disclosures about their background and circumstances relevant to their engagement with the project.

### 3.2.2 Engagement following referral

Following referral, young people engaged with varying levels of intensity. While some dropped out completely, the projects followed a common ethos that once engaged participants could return for support at any point. Participants typically fell into one of five broad engagement types:

<b>1 Complete disengagement</b>	<b>2 Sporadic opportunistic engagement</b>	<b>3 Regular but infrequent engagement</b>	<b>4 Engaged through targeted support</b>	<b>5 Intense and sustained engagement</b>
For one of three key reasons: - Relocation out of area; - A prison sentence beyond the life of the programme; or - Through choice having asked the provider to stop contacting them for either a positive or negative reason	<i>‘Revolving door drop-outs’</i> who would engage for one of two reasons: - For immediate support with a crisis or pressing need such as eviction; or - For support in pursuit of an opportunity such as a job or college application.	This group showed achievement of outcomes and were typically housed and in either education or employment. Contact was chiefly to ensure that outcomes were maintained and to secure evidence of these for reporting purposes.	This group were making slow progress towards outcomes requiring on-going support to get there. They were the focus of effort for some projects in Year 3.	This group represented those with the most complex needs unlikely to be resolved in the medium term. In Year 3 projects reported that many of the young people they were working with fitted this profile and unlikely to achieve further outcomes.

Projects developed multiple strategies for maintaining engagement and staying in touch with young people, including regular phone calls and texts, use of social media, and the young person’s wider social networks. One project (Local Solutions Aims) evolved a hub-type arrangement that young people could drop in to while another (Depaul Your Chance) organised regular group activities from fixed sites.

### 3.2.3 Evolving practice and engagement in the final year

In Year 2 projects had begun segmenting their cohorts in terms of the engagement pattern described above and associated support requirements, built on their knowledge of the young people's capabilities and the issues and challenges they faced. In the final year this understanding enabled them to focus their efforts on two key groups: those young people needing intensive support and still in crisis; and those who were *‘getting there slowly’* and requiring a level of ongoing help to ensure they achieved as many outcomes as possible. Each of the projects described

analysing their MI data and reviewing their caseloads in order to inform decisions about where and with whom to focus effort. Through a combination of managed and unmanaged exits, projects typically reported that their caseloads had fallen to around 30-45% of their original size, and that the majority of these would need on-going support of a greater or lesser intensity. Interviewees also estimated that between 10-15% of their Year 3 cohorts would need intensive support on a long-term basis following the end of the project.

### 3.3 Exiting the Fair Chance Fund

In Year 3 project teams worked hard to develop exit plans for their remaining young people, collaborating with a wide range of statutory and VCSE organisations to help ensure that packages of future support were in place. Some projects reported better collaborative working with statutory services, and a wider network of contacts within the VCSE sector, as a legacy of work done throughout the FCF programme, including supporting onward referrals:

*'If we had referred these young people to adult social care before there would have been a fair amount of push back... We have now worked with them for three years and social services are far more likely to accept them as a referral and recognise the needs that they have. Also having been able to document things helps...we can really describe what the individual needs are.'* Project worker

Some projects had also worked proactively to support young people to access other agencies through accompanied visits to meet other workers or by inviting them to their centres. An area of common concern was where mental health was a significant issue for a young person, and interviewees reported challenges in securing support from mental health teams and having to advocate hard on a young person's behalf where they were reluctant to engage.

Most projects reported that they would be able to provide a degree of continued housing support to their more vulnerable clients, either through their own supported housing or through working with other housing providers. One project (St Basils) had provided for on-going support through a volunteer scheme as described below.

#### **St Basils volunteer support scheme**

St Basils recruited volunteers from professional backgrounds to provide responsive support to young people beyond the life of the programme. Volunteers were typically either people who had taken early retirement or who were working and wanting to volunteer in a corporate responsibility role. Care was taken to match volunteers and young people to ensure they were compatible and able to get along well.

*'The idea is to provide young people with a professional role model, someone who is interested in them - with whom they can check in with periodically, as and when...there is no time limit it will come to an end naturally when the young person doesn't need anyone anymore.'*

Support workers reported that they had spent time explaining to young people why the project was coming to an end, and that this had been made clear from the start of the programme. While the majority of participants understood and accepted that



they would have to move on – *'I know that [the project is ending] and I think I will be ok'* – some of those we interviewed were clearly very worried for the future:

*'I'm [expletive] depressed, I don't know what the hell I'll do because like when these come to an end I don't have any worker or anything. I used to have one of those people from the hospital who like, mental health workers but the last one I had got banged up in [name of hospital] and that.'* Project participant

Similarly, while the majority of participants interviewed considered that the project wind-down process had been managed well, a small number described feeling let down or 'dropped' by their project, reporting that their key workers had left some time previously and they had not received further help or support. Their narratives suggested that they felt they had ceased to be important once the project had achieved the outcomes it was able to:

*'From June I never heard anything from them...it is kind of like I have been dropped by the Fair Chance Fund, that's how I feel as I have never heard from her [replacement key worker], I don't know who she is, I have never met her.* Project participant

*'I have had absolutely no contact with them what so ever... a year I have had no contact with them...they have kind of just fobbed us off'*. Project participant

More widely, many of the participants expressed disappointment that the FCF was ending, even when they felt that they were ready to move on. These young people were very positive about the benefits they had gained, and could not understand why something so valuable would not continue to be funded, leaving other young people in a similar position to themselves with nowhere to go:

*'I am upset they are shutting down, not for me now...but what are [the other people] going to do? They are going to waste away...I guarantee that there will be a lot more young people in Liverpool feeling more hard without these'*. Project participant

*'I was quite upset because of the people I got to know...and how other people won't be able to get the support...it's really sad because they do help out a lot of people, and I know there are a lot of young people and young children that are in the same position I was in, and [name of project] were a great help and have been such a great help to other people it's just really sad that it has to finish to be honest'*. Project participant

*'They need more funds to keep going...I have even asked for them to get me a sponsorship sheet and I will go canvassing...I will ask them to take me to parliament, take me to the House of Commons'*. Project participant

### 3.4 Summary

The FCF was successful in identifying and securing referrals into the programme of young people meeting the inclusion criteria. Early challenges with referral were quickly overcome and all projects recruited above the initial targets, with the ability to over-recruit by 10% being valued by the projects as the nature of their cohorts became apparent.

Previous reports highlighted the importance of immediate contact with young people on referral and the need to provide early proof that the FCF represented a trustworthy and long-term offer of support. The most important factor in maintaining engagement was the development of trust, and interviewees stressed how long this could take.

A minority of young people dropped out of the programme on a permanent basis most commonly for one of three key reasons: relocation out of the area; a long-term prison sentence; or because the young person either no longer wanted, or considered they needed, support. The majority maintained engagement, although this varied and was generally dependant on the intensity of the support they required or wanted.

In Year 3 projects had largely focused attention on two groups of young people: those who were likely to achieve further outcomes but still required support to do so; and those whose lives continued to be chaotic and who would require sustained support beyond the lifetime of the programme. Exit plans for the latter were being put in place, but some project staff expressed concerns over the capacity of mainstream and other services to provide the level of support some young people needed.

## 4 Entering and sustaining accommodation

This section presents findings pertaining to the FCF accommodation outcomes. It brings together quantitative performance data with qualitative evidence of the challenges faced by projects and the mechanisms for overcoming these and supporting the achievement of these outcomes.

### 4.1 The accommodation outcomes

Over the lifetime of the FCF programme projects were able to claim payments against a possible five accommodation outcomes, which are listed in Table 4.1 with their evidence requirements and payment tariffs.

**Table 4.1 Accommodation Outcomes**

Outcome	Evidence Requirement per Claim	Standard Tariff
Entry into accommodation: including independent accommodation, living with friends or family, supported lodgings, hostel and supported housing.	Signed copies of licence or tenancy agreements, written agreements with landlords, exclusive occupation of own room if living with friends/family.	£500
Accommodation sustained for 3 months	Evidence required alternates between claims to reduce burden on landlords - documentary evidence (e.g. signed letter from landlord or equivalent) and self-certification.	£1,500
Accommodation sustained for 6 months		£1,500
Accommodation sustained for 12 months		£1,500
Accommodation sustained for 18 months		£1,500

All seven projects took a housing-led approach whereby secure accommodation was understood as the platform from which subsequent education, volunteering, employment and other outcomes could be achieved.

In the first year of the programme projects were largely focused on securing accommodation for their participants as the precursor for subsequent outcomes. In Year Two effort was concentrated on supporting young people to maintain their tenancies, and continuing to source accommodation for those proving the most challenging to house. In the final year of delivery projects focused on achieving their sustained accommodation targets.

### 4.2 Programme/project performance against targets

Across the three years of the programme, the projects secured accommodation for **1,657 young people, representing an impressive 87% of all participants**. As Table 4.2 below shows, the numbers sustaining accommodation was similarly positive, with over half (53%) sustaining their tenancies for 18 months or more.

While 87% successfully entered accommodation, this does not necessarily mean that the 13% who did not but were initially recruited then remained homeless.

**Table 4.2 Accommodation outcomes – number and % of all participants (n 1,910)**

Outcome	Year 1	Year 2	Year 3	Total
Entry to accommodation	1,399 (73%)	246 (13%)	12 (1%)	1,657 (87%)
3 month sustained	876 (46%)	628 (33%)	36 (2%)	1,540 (81%)
6 month sustained	452 (24%)	895 (47%)	70 (3%)	1,417 (74%)
12 month sustained	3 (<1%)	934 (49%)	269 (14%)	1,206 (63%)
18 month sustained	0 (0%)	312 (16%)	710 (37%)	1,022 (53%)

Source: Fair Chance MI database, MHCLG

In terms of the share of **participants achieving an entry to accommodation outcome**:

- 93% achieved a 3-month sustained outcome;
- 86% achieved a 6-month sustained outcome;
- 73% achieved a 12-month outcome; and
- 62% achieved an 18-month sustained outcome.

The strong performance at programme level was also replicated across the seven projects, as shown in Table 4.3. Between 83% and 94% of participants in each project entered accommodation, with between 49% and 66% of these participants securing sustained outcomes at the 18-month point.

**Table 4.3 Achievement of accommodation outcomes - number and % of participants per project**

Project	Entry to accommodation	3 month sustained	6 month sustained	12 month sustained	18 month sustained
Ambition (n 410)	370 (90%)	328 (80%)	288 (70%)	235 (57%)	201 (49%)
Aspire (n 171)	151 (88%)	143 (84%)	133 (78%)	106 (62%)	85 (50%)
Depaul (n 216)	192 (89%)	188 (87%)	179 (83%)	165 (75%)	142 (66%)
Fusion (n 353)	293 (83%)	282 (80%)	267 (76%)	235 (67%)	199 (56%)
Home Group (n 270)	231 (86%)	206 (76%)	184 (68%)	157 (58%)	132 (49%)
Local Solutions (n 139)	130 (94%)	122 (88%)	115 (83%)	99 (71%)	85 (59%)
St Basils (n 351)	290 (83%)	271 (77%)	251 (72%)	211 (60%)	181 (52%)

Source: Fair Chance MI database, MHCLG

The projects also performed well against the initial targets set in their applications and delivery plans – four safely exceeding all their accommodation targets (in one case by almost 30%), two exceeding all but their 18 month sustained targets, and one falling behind on their three and 12 month sustained targets. In the final round of interviews, project staff were keen to emphasise that there were often additional young people who had fallen short of their 18-month sustained outcome, due either to being housed late or breaks between tenancies.

The view across the projects was that, while it had taken considerable effort on the part of the key workers to support their more chaotic clients, performance in terms of accommodation, and particularly sustained accommodation, had exceeded expectation. Performance against the accommodation outcomes was particularly impressive not solely given the nature of the participant group, but also the centrality

of securing accommodation to the project model, and the concerns expressed by some projects at the outset that they had set their outcome targets too high.

## 4.3 Working well and challenges experienced

Across the evaluation period, consultations with project staff, partners and local stakeholders explored their experiences of achieving outcomes for their clients, with the final visits taking a retrospective view over the three years of the programme. A series of factors considered to be working well, and challenges faced and addressed or otherwise, were identified.

### 4.3.1 Securing accommodation

Each of the projects used a range of accommodation types which reflected the needs of the participants, whether or not project leads or partners had portfolios of properties they could draw upon, and available local accommodation options.

For the most part, social housing or housing association properties, and supported accommodation, were the main types of accommodation sourced, although in two projects private rented accommodation accounted for over 90% of all property secured. The use of hostel space was rare, accounting for below 10% of accommodation sourced in each of the seven projects, and most commonly used for clients needing to stabilise before moving into a tenancy. In some cases, and particularly where mediation approaches formed part of the Fair Chance offer, returning to live with family accounted for between 2% and 30%<sup>4</sup> of all accommodation outcomes.

Project teams developed a range of strategies for securing accommodation in response to the challenges presented, which were in part contingent upon a number of locally specific factors including:

- **Whether or not the lead provider was also a housing provider:** projects without their own properties or offering supported accommodation had to work particularly hard to secure accommodation from the private and social housing sectors. Those with access to their own supported accommodation and properties found it easier to secure and maintain places for participants, particularly in the first three months, a time seen as critical for future success.
- **The local housing market, in particular access to social housing and the availability of affordable private rented sector (PRS) housing:** this varied hugely across different local authority areas, with some having little or no social housing (e.g. in Greenwich), while others struggled to find suitable private rented accommodation and intense competition for what was available (e.g. in Birmingham, Coventry, Solihull and Manchester). The projects covered multiple local authority areas characterised by different housing pressures, and so developed multi-faceted approaches to securing accommodation.
- **Relationships with social and PRS landlords:** projects reported very different responses from landlords and in particular PRS landlords. One project reported

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<sup>4</sup> Just one project included family mediation as a specific intervention, so returning to live with family accommodation items were concentrated in this project.

that they had dealt with *'quite a few really dodgy landlords at the beginning who behaved really inappropriately with the young people'* and another that *'it was a real problem to find any landlords that would rent to these clients'*. By way of contrast a third project described some of the landlords they had worked with as *'incredibly altruistic, flexible and willing to help'*.

A further set of challenges pertained to the young people themselves and included:

- High levels of rent arrears – with landlords being unwilling to consider renting to any young person with significant (e.g. over £500) arrears;
- High levels of debt and poor credit rating – again rendering landlords unwilling to consider the young person as a tenant; and
- A history of offending and/or anti-social behaviour.

In a sense these two sets of challenges were interrelated, and relationship building with local landlords was key to overcoming them; particularly for projects without recourse to their own housing options. Some projects felt that they had enough internal housing expertise to do this without creating a specialist role. However, the majority welcomed the flexibility afforded by the SIB funding arrangement to respond through the creation of a dedicated post. These post holders typically focused on sourcing properties through all available avenues, but principally by 'making friends' with a network of landlords and building trust over time.

#### **4.3.2 Sustaining accommodation**

Interviewees described the first three months of a tenancy as critical and that *'if you could get over the three month hurdle the young person starts to feel more settled and is less likely to get evicted.'* One interviewee highlighted the challenge that a new tenancy presents to a young person who *'is 18, who has been in and out of care homes all their lives, or got used to hostel life...they're not ready for independent living'*. Access to supported accommodation options as a stepping stone to an independent tenancy was important at this early stage, as was the availability of ongoing and intense support from key workers.

Projects identified multiple reasons why a young person's tenancy might fail, including: going into rent arrears; anti-social behaviour and upsetting neighbours; poor maintenance of the property; unwillingness to share with others; and, in a minority of cases, being housed in poor quality properties. Key workers and staff with a dedicated housing remit described a number of strategies developed over the three years to help ensure sustained accommodation outcomes were achieved:

- Developing trusted relationships with landlords – and acting as a mediator between landlord and tenant when problems arose to avoid evictions. Some projects had employed specialist staff to take on this role. For example, Aims' Resettlement Officer who dealt with the administrative side of all tenancies and acted as first port of call for landlords, if a young person went into rent arrears or behaved inappropriately. She also established a 'resettlement passport' scheme given to young people on completion of a good tenant training course and recognised by housing providers;

- Developing bespoke arrangements with local authorities – for example St Basils worked with Walsall council and a local housing association to secure an eight-bedroomed property as a first tenancy for some of their most complex clients;
- Developing young people’s independent living and money management skills – Including through the delivery of ‘good neighbour’ and ‘good tenant’ learning programmes, which often included ‘assisted cleaning’ exercises where key workers provided cleaning materials and showed new tenants how to keep their accommodation tidy;
- Preventing young people from going into rent arrears – but also supporting them financially through paying back rents (including in some cases projects supporting YP to access DHPs) and rent bonds. One project also reported paying for damage done by some of their young people and paying multiple rent bonds to maintain tenancies; and
- Using the personalisation fund and alternative local small grant schemes – to buy items such as bedding, electrical and white goods which was particularly important in instilling a sense of pride and ownership, with a concomitant commitment by the client to maintain their property and not threaten the tenancy.
- Projects reported varying degrees of success in achieving the final 18 month sustained tenancy outcome in the third year of the programme. On reflection, one project felt that their target had been ‘too optimistic’ and had encountered a combination of challenges including late move-ins, drop outs and evictions. Some young people had reportedly achieved an 18-month outcome after multiple evictions (one project recorded a record total of eight) and hence multiple tenancies.

All projects reported that a minority of their young people remained in supported housing, often those with the most complex needs who were likely to need support into the future. The key learning point here was that while a housing-led approach works for many young people, moving directly into a tenancy can be counter-productive if individuals are not ready (for reasons including ongoing chaotic lifestyles, poorly developed life skills or continued behavioural issues). As one key worker described, those not tenancy-ready tended to *‘have too much going on in their lives that needs parallel attention...the leap is too big’*. This suggests the need for a longer lead in time for some young people, enabling project workers to get a fuller understanding of their individual needs and develop appropriate responses. As one interviewee expressed it: *‘what’s needed is an extended probation, getting to know you process...intelligent housing-led’*.

## 4.4 Young people’s experiences

Seventeen of the 20 young people we spoke to in Year 3 were living independently in either social housing or in the private rented sector. For some of these young people this was a continuation of a tenancy they had been in when we spoke to them in Year 2, while for others this represented a move up from temporary or supported housing. All were living in their own flats except two – one who was living in shared accommodation while the second was living in a house with her partner and new born baby. One of our interviewees was still living in supported accommodation, and did not feel ready to move on due to enduring mental health problems.

Two of the young people we spoke to were technically homeless, despite having been housed at the time of their previous interview. One of these was living in hostel accommodation having moved out of area and only recently returned to it. At the time of interview he was actively engaged with the FCF and being supported to find a flat. The second was sofa surfing and had experienced major setbacks following a bereavement, loss of employment and mental health difficulties.

All our interviewees were very positive about the support they had received in helping them to find their flats and to decorate and furnish them. They clearly attributed their success to their key worker or FCF housing officer:

*'I would be struggling, I wouldn't have my own flat, I wouldn't be able to find a job. I would be nowhere.'*

*'[Name of key worker] helped me to move...he bought me everything – a couch, bed, cutlery, and microwave. I have got everything absolutely sorted now...it's a proper home now.'*

*'I wouldn't have been able to do it without these. They helped me more than I can probably repay them... without [name of FCF project] I would still be in a hostel or living with my brother which was not fun, we had very bad fights'.*

Interviewees spoke with pride about their homes, and in most cases were confident about their ability to continue to live independently. However, it was evident from some young people's accounts that there was a risk of them encountering future problems. For example, two interviewees hinted at the possibility of getting into rent arrears: *'I get a lot of letters through the door from the council...I'm scared of anything that's a bill or if they sanction me'*, while another was clearly nervous about living independently having recently moved from supported housing:

*'It's a bit stressful for me as I have never had my own property before, it is a bit stressful the first time but [name of project] are filling all the gaps at the moment'.*

## 4.5 Summary

The FCF has been highly successful in achieving entering and maintaining accommodation outcomes. Across the seven local projects a total of 1,657 young people entered accommodation representing 87% of the total cohort. By the end of Year 3 62% had sustained an 18-month sustained outcome, and this figure would certainly have risen beyond the lifetime of the programme as young people continued to sustain tenancies secured during it.

The strong performance on accommodation provides evidence of the effectiveness of the housing-led delivery model adopted by all seven projects. As one interviewee pointed out, this represented an 'intelligent housing-led' approach, whereby those young people not yet ready for independent living were accommodated in supported housing until ready to move on.

The ease with which projects could source accommodation, beyond their own stocks where relevant, was largely dependent on local housing markets, which will always present challenges to a greater or lesser extent. Those projects which had recourse



to their own properties and/or covered local authority areas with a good supply of social and affordable PRS housing were at an advantage. Relationship building and partnership working with landlords and local authorities, including at a more strategic level, proved critical for widening access to housing options.

The appointment of staff with specialised housing remits was an important factor in success in some cases. These staff took a broad range of roles, including sourcing accommodation, acting as advocate and intermediary between the young people and landlords, and supporting young people to maintain their properties and avoid eviction. Financial management and preventing young people from going into rent arrears was critical, and in a few cases local personalisation funds were used to support this.

Most of the young people we spoke to throughout the evaluation were housed in their own flats and spoke with pride about their homes. Many reflected that without FCF they would probably still be homeless.

## 5 Education and training

This section presents findings on the FCF education and training outcomes, based on quantitative performance data and evidence from qualitative interviews with project staff, young people and investors.

### 5.1 The education and training outcomes

Projects were able to claim payments against a possible four education and training outcomes: listed in Table 5.1 with their evidence requirements and standard payment tariffs.

**Table 5.1 Education and training outcomes**

Outcome	Evidence Requirement per Claim	Standard Tariff
Entry into education or training	Signed letter from education/training provider that skills assessment completed, learning agreement is in place, registered on course and attended a session.	£500
Entry Level qualification (incl. Maths and/or English) - at least 45 guided learning hours.	Qualification Certificate or signed letter from education/training provider.	£1,500
First level 1 qualification (e.g. NVQ) - at least 120 guided learning hours.		£2,500
First level 2 or equivalent qualification – at least 325 guided learning hours.		£3,500

In previous reports we noted that young people engaging with the FCF were less interested in taking up education and training opportunities than originally anticipated. On reflection, some project staff felt that outcome targets had been set unrealistically high, and this was reflected in a lower number of claimed outcomes by the end of Year 2 than predicted. The majority of the projects had re-profiled their education outcomes downwards to reflect this lower than projected demand.

Project staff consistently described three challenges to achieving education and training outcomes for the FCF cohort: a lack of participant interest underpinned by negative early experiences of education (a common feature for cohort members with particularly complex needs)); poor attendance once enrolled on a course; and the number of guided learning hours needed to claim an outcome, which many providers thought placed unrealistic expectations on FCF participants. Furthermore, some of the most popular training provision (e.g. to gain a Construction Skills Certification Scheme (CSCS) card fell below the required number of guided learning hours. They noted that young people were more likely to be interested in working than education, and that employment offered a better protective factor as it offered the opportunity to earn, develop improved social skills, and so develop their resilience further.

### 5.2 Programme performance

Despite the variable and often limited interest in education and training reported across the participants, and the challenges experienced securing outcomes by the projects, **1,041 participants (55% of all participants) started some form of**

**education or training** in their time with the projects. Table 5.2 shows the distribution of entries to education/training, and each qualification outcome, by year across all seven projects.

**Table 5.2 Education/training outcomes – number and % of all participants (n 1,910)**

Outcome	Year 1	Year 2	Year 3	Total
Entry to education/training	454 (24%)	417 (22%)	170 (9%)	1,041 (55%)
Entry level qualification	43 (2%)	163 (9%)	124 (6%)	330 (17%)
Level 1 qualification	38 (2%)	167 (9%)	164 (8%)	369 (19%)
Level 2 qualification	4 (>1%)	14 (>1%)	32 (2%)	50 (3%)

Source: Fair Chance MI database, MHCLG

As the table illustrates, of the share of **participants achieving an entry to education/training outcome**:

- 32% achieved an entry level qualification;
- 35% achieved a Level 1 or equivalent qualification; and
- 5% achieved a Level 2 or equivalent qualification.

Table 5.3 shows the number and share of **all** participants in each project achieving an education and training outcome. The table illustrates the difference in emphasis placed on the education and training outcomes across the projects – for example, over 80% of participants in the Local Solutions (Aims) and St Basils projects entered education or training, compared to 37% in Ambition and Aspire.

**Table 5.3 Achievement of education/training outcomes (no and % of participants per project)**

Project	Entry to education/training	Entry level qualification	Level 1 qualification	Level 2 qualification
Ambition (n 410)	152 (37%)	46 (11%)	35 (9%)	5 (1%)
Aspire (n 171)	63 (37%)	27 (17%)	36 (21%)	1 (1%)
Depaul (n 216)	91 (42%)	23 (11%)	11 (5%)	1 (<1%)
Fusion (n 353)	172 (49%)	33 (9%)	9 (3%)	9 (3%)
Home Group (n 270)	158 (59%)	122 (45%)	131 (49%)	27 (10%)
Local Solutions (n 139)	113 (81%)	48 (35%)	56 (40%)	0
St Basils (n 351)	292 (83%)	31 (9%)	91 (26%)	3 (1%)

Source: Fair Chance MI database, MHCLG

Qualifications achieved were concentrated in Entry Level and Level 1, although one in ten Home Group participants achieved a Level 2 qualification. The Home Group and Local Solutions projects stand out in terms of the share of their participants achieving qualifications – combined they achieved 26% of all entrant outcomes, 52% of all entry level qualifications, 51% of all level 1 qualifications and 54% of all level 2 qualifications.

The high rate of entry to education and training relative to qualifications achieved reflects the fact that the majority of FCF participants were more interested in employment than working towards a qualification, as described in Section 7 below. The required number of guided learning hours coupled with low levels of literacy and negative former experiences of education were consistently described as key

barriers to the achievement of qualifications by FCF participants. Consequently, young people were more likely to complete an internally delivered, uncredited life-skills or pre-employability course than to achieve a qualification.

## 5.3 Working well and challenges

### 5.3.1 Working well

Lower than expected performance in meeting education and training targets in Years 1 and 2 had led some projects to adapt their approach. For example, following challenge from their Board regarding their education and training outcomes, Aspire created a new ETE officer post and trained their Link Workers to deliver training internally alongside mainstream provision where appropriate. This dual approach resulted in improved qualification outcomes in Year 3, attributed to the ability to deliver flexibly, at the young people's pace, and without the risk of exclusion for attendance issues.

#### **Case Study 1 Aspire**

Following concerns over the achievement of their education and training outcomes, Aspire used an external trainer to train the Link Workers so they were able to support and deliver provision directly. This was also driven by the realisation that 'conventional' E and T approaches (such as formal classroom structures) would not work with most of their client group. Recognising that something different was required, potential models were explored including developing capacity for Aspire to deliver internally.

The training syllabus developed included Maths and English for all participants, but with additional units around offending and consequences, drugs and alcohol, health and fitness, etc. Delivery was in clients' own homes or in the P3 offices, with the ETE officer and the trainer marking the work/workbooks produced. The Link Worker delivery model also offered the benefit of strengthening the links between Link Workers and clients, as it facilitated discussions about the type of work individuals were interested in and what they needed to do to secure it. Not all clients followed this route – some following more mainstream provision – but the approach was considered to have worked well with the more chaotic, distanced from learning and those considering themselves incapable of learning. Largely as a result of the new approach the number of qualifications rose significantly in the third year of the programme.

The need for flexibility and the ability to offer something that was not classroom based was emphasised by interviewees across the seven projects. They noted that the pressures of having to arrive regularly, on time, and behave in a formal group setting had led to high rates of drop out amongst young people enrolled on external courses. This meant that, by Year 3, the majority of projects were offering internally delivered courses. One project, Aims (Local Solutions), had bought their education and training offer in-house and were able to offer one-to-one support to young people who were unable to read or write. Staff there were extremely positive about their education outcomes reporting a 100% pass rate for their level 1 training courses '*which is unbelievable of these kids, who the majority never went to school*'.

Internal delivery had also lessened the problem of meeting the guided learning hour's requirements for some projects. For example, Home Group reported that

through a combination of bespoke courses delivered by their in-house training team, self-learning supported by key workers and peer learning they had met the requirement without problems. Others however continued to stress that the level 2 qualification outcome was *'ridiculously difficult to achieve in terms of the guided learning hours and expectations on young people'*.

Projects had had mixed success with level 2 apprenticeships. Interviewees stressed the need to build in incentives and support around courses to ensure young people could maintain their apprenticeships. These included paying for travel, providing packed lunches, and other financial support, as the low wage offered meant young people struggled to live independently.

Whilst the overwhelming majority of qualifications were at level 1, all projects were able to share success stories of young people who had achieved above this. A very small number of participants had moved on to university, including one young person who was studying for an HND in Animal Care and another who had moved from Newcastle to London to take up a university place there.

### **5.3.2 Challenges**

Towards the end of Year 3 projects were generally more positive about their education and training provision than they had been in previous years. Reflecting on their experiences over the lifetime of the programme, staff continued to note that young people were more interested in *'earning than learning'* and that *'entering education is not so much the challenge as keeping them there and getting the qualification'*. For some this meant *'working smarter'* to focus on supporting young people to finish courses, rather than aiming for higher numbers enrolling with subsequent high rates of drop out. Challenges in sustaining attendance were related to a number of issues, most commonly a lack of interest, moving into employment, mental health problems and substance use.

Meeting the number of guided learning hours required to claim an outcome continued to be a challenge, and was seen as unrealistic for a typical FCF participant and the type of education and training they were most interested in.

## **5.4 Young people's experiences**

In earlier reports we noted that the majority of young people interviewed had engaged in some form of education or training, most commonly a short internal pre-employability, independent living or life skills course. In the final year we spoke to young people with a broad range of training experience and outcomes, whose experiences reflect the range of challenges faced in accessing education and training and, having done so, using the skills and qualifications gained to help secure employment.

Five of our interviewees had entered into an apprenticeship, three of whom were apprenticed through their FCF provider. Of these three, one had completed his apprenticeship, but reported that there were no jobs available through the project. He had secured employment elsewhere, only to be dismissed shortly after as his employer felt *'it wasn't working out'*. Another had completed an apprenticeship and begun work with the project, but their contract was withdrawn due to a problem with

a DBS check. The third had successfully completed his apprenticeship, and was about to start a full-time job as a support worker with another organisation.

Of the two young people who had entered external apprenticeships, one had dropped out due to caring responsibilities and was looking for work in a warehouse. The final interviewee was, perhaps, the most successful, having completed his apprenticeship and secured employment – although not without challenges – as described below:

### **Case Study 2 Gurdeep**

Gurdeep finished his sales apprenticeship in December 2016. He began work immediately with the sister company of the organisation he completed his apprenticeship with, staying there for seven months. Gurdeep then moved on to work in the sales team of a large flooring company where he was working at time of interview.

Gurdeep described his apprenticeship as *'not a real job'* and felt that he was taken advantage of as it *'wasn't really a proper apprenticeship'* so that *'it was kind of a big deal that I finally managed to get a job'*. He was clearly very pleased to now be in a job where he *'works less and earns more...I really, really prefer it to any job I've had in the past'*

Gurdeep was very positive about all the support he had received from his FCF project in the past, and was keen to let his previous key worker know that he has *'a real job now'*.

As in previous reports we also heard stories of young people who had completely turned their lives around as a result of the help and opportunities given them by their FCF support worker. The following case study provides an example of how FCF has supported some young people to overcome significant challenges and complete the training they need to gain employment:

### **Case Study 3 Ben**

Ben is currently working in construction and has a new baby boy. He is living in social housing in a flat that he has been in for over a year, but is planning to move to a larger house where he can live with his partner and their baby. Prior to joining FCF Ben was sofa surfing and on probation having recently been released from prison. He initially had intense support from his key worker, but at the time of final interview this had significantly reduced to a monthly catch up phone call.

Ben reflected that the support he had received from FCF had totally transformed his life:

*'I am self-destruct kind of person, two years ago they pressed the right button and it just went off, it is turned off...I am a lot calmer and less violent....I am happy and relaxed...I am content...happy where I am with my missus, the baby, looking for houses...I wouldn't have been able to do it without these...they helped me more than I can probably repay them'*.

More specifically he reflected on how FCF had supported him to access the training that he needed to work in construction:

*'They helped me get my CSCS card...they paid for my bus fares so I could attend the courses I had to do...I had to go for an interview and [my key worker] took me...and they gave me a month [bus ticket] to get me to work'*.

One of the young people we spoke to described how she had accessed some internal short courses at her project, which inspired her to return to college and complete a performing arts degree course:

*'The courses were just brilliant...we got to go away for a few days and it was really good and really helpful, that's what made me want to get back into education...I'm doing my degree now and then I'd like to complete my dance qualification...I have just gone back to it to get a better future for [my baby] really.'*

She also ascribed a social value to attending short courses through FCF, explaining that they had given her an opportunity to '*get out of the house and socialise*' helping her to become '*much happier...much more confident*':

*'The people I met on their courses, we still speak to each other...I am in a better place than I was now than three years ago...I am wanting to socialise with other people and they have helped me develop that within myself'*

Other young people we spoke to had enduring and severe barriers to accessing education/training, or using courses completed to either find work or progress towards other outcomes.

#### **Case Study 4 Steve**

Steve has a history of substance use, self-harm and mental health problems. At the time of interview he was unemployed but still living in his own flat, a tenancy he has managed to maintain for over a year. In the third year of FCF Steve was still in fairly regular contact with his key worker and dropped into the project on a weekly basis.

At interview he was clearly struggling with his mental health, describing himself as having a '*really, really bad temper...me mood can like get better or worse*'. He described on-going drug and alcohol use, but that this had declined since he had engaged with the project and that '*If it weren't for like the people here I'd have been homeless, would have been in a really bad state of mind, probably be dead.*'

Steve had accessed multiple training courses through FCF, including an employability course and janitor training. Given his on-going mental health issues and drug use it was difficult to see how Steve would be able to secure employment in the short to medium term, and was clearly going to need on-going support beyond the life of the project.

## **5.5 Summary**

Education and training options proved less popular than employment for most young people. Nonetheless over half (55%) of all FCF participants entered some form of training, most commonly a short internally delivered life skills or pre-employability course. However, the conversion rate from entry to 'qualification outcomes' were low, with the overwhelming majority achieved being at entry level or level 1, reflecting the challenges faced by many participants to achieving education outcomes, alongside their lack of interest in education relative to employment. The number of guided learning hours required to achieve a qualification was also identified as a key challenge to meeting education targets.

Over the lifetime of the programme project performance improved as challenge from investors led to adaptations in delivery models and an enhanced focus on education. A number of projects had created new specialised posts and/or brought provision in-house enabling courses to be delivered in a way that was more suited to the client group.

## 6 Volunteering

This section details the achievements of the FCF projects in terms of volunteering outcomes, reporting quantitative performance data and findings from the qualitative fieldwork with the projects and young people.

### 6.1 The volunteering outcomes

FCF projects were able to claim payments against four volunteering outcomes: listed in Table 6.1 with their evidence requirements and standard payment tariffs.

**Table 6.1 Volunteering outcomes**

Outcome	Evidence Requirement per Claim	Standard Tariff
6 weeks sustained volunteering*	Signed letter from organisation confirming volunteering agreement and attendance	£500
13 weeks sustained volunteering*		£500
20 weeks sustained volunteering*		£250
26 weeks sustained volunteering*		£250

\*- in each case, a minimum of 6 hours per week

In Years 1 and 2 forecasts for sustained outcomes were set low by providers, reflecting the level of interest expressed by participants in taking up a volunteering placement. As described below, the projects commented that the absence of a payment for entry to volunteering failed to reflect the effort and resources commonly required to set up volunteering placements.

### 6.2 Programme/project performance

The number and share of all participants achieving sustained volunteering outcomes remained comparatively low throughout the three years of the programme. As Table 6.2 below shows, just 13% of all participants achieved a 6- week volunteering outcome, with just 4% achieving a 26-week outcome.

**Table 6.2 Volunteering outcomes – number and % of all participants (n 1,910)**

Volunteering Outcomes	Year 1	Year 2	Year 3	Total
6 weeks	94 (5%)	121 (6%)	37 (2%)	252 (13%)
13 weeks	42 (2%)	87 (4%)	31 (2%)	160 (8%)
20 weeks	19 (1%)	67 (4%)	21 (1%)	107 (6%)
26 weeks	6 (>1%)	45 (2%)	27 (1%)	78 (4%)

Source: Fair Chance MI database, MHCLG

Table 6.3 below shows the share of **all** participants in each project achieving a sustained volunteering outcome.



**Table 6.3 Share of all participants achieving sustained volunteering outcomes - number and % of participants per project**

Project	6 week sustained	13 week sustained	20 week sustained	26 week sustained
Ambition (n 410)	92 (22%)	59 (14%)	38 (9%)	23 (6%)
Aspire (n 171)	27 (16%)	21 (12%)	17 (10%)	15 (9%)
Depaul (n 216)	16 (7%)	13 (6%)	11 (5%)	10 (5%)
Fusion (n 353)	30 (8%)	17 (5%)	12 (3%)	7 (2%)
Home Group (n 270)	52 (19%)	37 (14%)	20 (7%)	15 (6%)
Local Solutions (n 139)	4 (3%)	1 (1%)	1 (1%)	1 (1%)
St Basils (n 351)	31 (9%)	12 (3%)	8 (2%)	7 (2%)

Source: Fair Chance MI database, MHCLG

As Table 6.3 shows, three projects (Ambition, Aspire and Home Group) consistently reported the highest shares of their participants achieving volunteering outcomes, although none of the projects reported double digit 26-week outcomes.

Project staff reported a limited interest in volunteering amongst their participants, with the majority again being more interested in finding paid employment and prioritising volunteering opportunities accordingly. However, it was recognised that, for certain individuals, a volunteering placement could offer a wide range of benefits, ranging from providing experience of the workplace to improved confidence and social interaction. Lessons on what had worked well, and the challenges experienced, about volunteering placements are reported below.

## 6.3 Challenges and working well

### 6.3.1 Challenges

The volunteering outcomes were not a key focus for projects throughout the lifetime of the FCF programme for two key reasons: 1) because the majority of young people were not interested in volunteering, and 2) because securing and maintaining a volunteer placement required considerable time and effort not reflected in the outcome payments. Interviewees stressed that there was no payment for entry to volunteering, but that achieving an entry could incur considerable time and resource cost. Furthermore, not only were the longer-term outcomes difficult to achieve, but they also risked displacing other activity and particularly securing employment. A compounding problem identified was that many volunteering opportunities require a clean DBS check, but many participants are not able to provide one because of past offending behaviour.

### 6.3.2 Working well

Some projects had made volunteering more of a priority than others, and were able to report positive outcomes for a small number of young people. Three projects were more enthusiastic about their volunteering successes in year three than in previous years, with one describing how they had become '*better at selling the benefits of volunteering*' to young people who had been unemployed for some time. Others reflected that while they had achieved low numbers of volunteer placements these had nonetheless been very positive for participants, especially for those unable to work for health or other reasons:

*‘Although the number of people volunteering is low it has had a very big impact on some individuals....if they have confidence or mental health issues doing some volunteering can build confidence. We have had a couple who’ve sustained volunteering positions for 13-20 weeks and it’s had a high impact by giving them something positive to do and giving them a structure to stick to’.* Key worker

There were mixed reports of volunteering providing a bridge into employment or an apprenticeship. One project reported that they had expectations of this from the outset but that they had not come to fruition. Three, however, reported that in a small number of cases volunteering had led to permanent employment or an apprenticeship. With a small number of exceptions, most volunteering placements were in retail, charity shops, community cafes or warehouses.

### **Volunteering: what worked well?**

Several elements were found to have worked well:

- Focussing attention on young people claiming ESA, for whom volunteering opportunities could provide meaningful and productive experiences.
- Using volunteering as a ‘fall back’ for clients who had tried, but couldn’t sustain, employment.
- Having recourse to internal opportunities for volunteering, for example St Basils who provided 16 volunteer placements for their young people.
- Matching placements with young people’s interests, and in the areas they wanted to work in.
- Access to dedicated staff with networks to local employers offering volunteer placements. For example, Ambition was able to draw on the YMCA participation manager, who played a key role in identifying and arranging placements on both a short term ‘taster’ basis and for the longer term, in some cases leading to employment.

## **6.4 Young people’s experiences**

In the final round of participant interviews just one young person was engaged in any kind of volunteering activity, and none of the others had had any earlier experience of volunteering. This young person had previously volunteered in a café, and had been supported from there to apply for the Richmond Fellowship volunteering scheme. His story is presented below, to show how volunteering can provide positive experiences for young people not yet ready for employment.

### **Case Study 5 Jake**

Jake had been sleeping rough and sofa surfing before he was referred to the FCF. He suffers from anxiety and has problems controlling his anger. The FCF helped him with both these through referral to a two-year support programme, where he is able to take part in a number of activities including Tai Chi and mindfulness. At time of final interview Jake had just moved out of supported accommodation and into his own flat that FCF helped him to find and furnish. He told us that he finds independent living ‘*a bit stressful*’ and that he is in regular, daily contact with his support worker to help him manage the process.

Jake was clearly not ready for work but had benefited from doing some voluntary work, and had successfully applied to the Richmond Fellowship volunteering scheme. Jake described how volunteering had helped him to build his confidence:

*‘My confidence has grown a lot from when I used to be...I used to live in a shell.’*

However, it was clear that Jake still had some way to go before he would be able to think about

employment, and was anxious that the project was coming to an end:

*'I don't want it to end, it's not fair...the government should get some funds out and just fund them...I am not leaving them just yet'*

## 6.5 Summary

Volunteering was not a popular option for the majority of young people, as reflected in the low number of sustained volunteering outcomes achieved. Three projects had made volunteering more of a priority than the other four, and, where volunteering was a success, positive outcomes such as improved self-esteem and reduced social isolation were reported.

# 7 Gaining and sustaining employment

This section reviews the evidence on the FCF employment outcomes, and, as with previous sections, brings together performance data with qualitative evidence collected in interviews with project staff, partners and young people.

## 7.1 The employment outcomes

The FCF projects were able to claim payments against five employment outcomes – for entry to employment, and sustained part and full-time employment for 13 and 26 weeks, as described below.

**Table 7.1 Employment outcomes**

Outcome	Evidence Requirement per Claim	Standard Tariff
Entry to employment	Signed letter from employer, copy of payslips or employment contract, to show individual made and accepted an offer of employment.	£500
13 weeks part-time employment	Employment for 8-16 hours/week, evidenced by signed letter from employer or copy of payslips.	£3,000
26 weeks part-time employment		£2,000
13 weeks full-time employment	Employment for a minimum of 16 hours/week, evidenced by signed letter from employer or copy of payslips.	£4,500
26 weeks full-time employment		£3,500

In all cases, evidence of number of hours worked per week must be available for audit purposes. While each employment outcome could be claimed only once for each individual, payments could be claimed for individuals moving from part-time to full-time employment outcomes. Sustained outcomes could be claimed cumulatively, i.e. gaps between periods of employment were allowed.

## 7.2 Programme/project performance

Table 7.2 below shows performance across the programme in terms of the entry, part-time sustained and full-time sustained employment outcomes achieved across the three years of the programme.

**Table 7.2 Employment outcomes – number and % of all participants (n 1,910)**

Employment Outcomes	Year 1	Year 2	Year 3	Total
Entry to employment	228 (12%)	277 (15%)	118 (6%)	623 (33%)
P/T 13 weeks	13 (>1%)	22 (1%)	27 (1%)	62 (3%)
P/T 26 weeks	3 (>1%)	12 (>1%)	13 (>1%)	28 (1%)
F/T 13 weeks	71 (4%)	189 (10%)	94 (5%)	354 (19%)
F/T 26 weeks	15 (>1%)	129 (7%)	103 (5%)	247 (13%)

Source: Fair Chance MI database, MHCLG

The outcomes achieved illustrate both the young people's interest in finding employment and the projects' abilities to prepare them for work, assist in sourcing suitable opportunities, and help sustain employment once secured.

A total of **623 young people entered employment during their time with their projects, representing 33% of all participants**. While the type of employment secured varied, with the majority tending to be entry level posts in the retail, hospitality, construction and manual trades, the numbers entering and sustaining full-time work safely exceeded the number sustaining part-time work. In terms of the share of **participants achieving an entry to employment outcome**:

- 10% sustained part-time posts for 13 weeks;
- 4% sustained part-time posts for 26 weeks;
- 57% sustained full-time posts for 13 weeks; and
- 40% sustained full-time posts for 26 weeks.

These results are particularly impressive given the nature and characteristics of the target group – both in terms of employment entry and, perhaps more so, the share of full-time jobs that were successfully sustained at the three and six-month points.

Performance **varied between the projects**, with between 19% and 43% of participants in each entering employment. This ranged from over 40% of participants in the Aspire and Fusion projects to 19% for the Home Group.

Table 7.3 below summarises the performance of each project in terms of employment outcomes achieved. The table again emphasises young people's success at sustaining full-time employment with support from their projects, with between 11% and 26% of participants achieving full-time 13-week sustained outcomes and between 7% and 20% achieving 26-week outcomes.

**Table 7.3 Share of all participants achieving employment outcomes - number and % per project**

Project	Entry to Employment	P/T 13 weeks	P/T 26 weeks	F/T 13 weeks	F/T 26 weeks
Ambition (n 410)	141 (34%)	21 (5%)	6 (1%)	68 (17%)	46 (11%)
Aspire (n 171)	73 (43%)	6 (4%)	4 (2%)	43 (25%)	29 (17%)
Depaul (n 216)	57 (26%)	2 (1%)	0	30 (14%)	20 (9%)
Fusion (n 353)	153 (43%)	18 (5%)	13 (4%)	93 (26%)	70 (20%)
Home Group (n 270)	52 (19%)	3 (1%)	1 (>1%)	31 (11%)	20 (7%)
Local Solutions (n 139)	46 (33%)	6 (4%)	1 (1%)	26 (19%)	19 (14%)
St Basils (n 351)	101 (29%)	6 (2%)	3 (1%)	63 (18%)	43 (12%)

Source: Fair Chance MI database, MHCLG

The project staff interviewed during the evaluation expressed a degree of surprise, and took considerable pride, in the employment outcomes they achieved, notably where young people had passed the 26-week sustained outcome and were, to all intents and purposes, now in 'permanent' work. In this context, and despite the successes achieved, many reflected that the initial targets set at the start of the programme for employment outcomes had been too optimistic. All but two of the projects achieved the sustained employment targets in their initial bids, with any under-performance related to part-time outcomes in most cases being balanced by over-performance in terms of full-time targets. As the section below describes, these achievements were made despite the challenges facing the young people, many of whom had not worked before, and required considerable support to prepare for, attend and remain in work.

## 7.3 Challenges and working well

Employment outcomes, particularly sustained employment, continued to be a high priority for projects in Year 3. Even where projects had fallen short of their targets they were pleased with their achievements given the challenges associated with securing employment outcomes for the young people in their cohorts:

*'I have never seen that number of people with complex needs go into employment – and I don't know how we have done it – it's been a lot of pulling my hair out'* Key worker

In Year 2 projects reported that it was easier for a young person to enter employment than it was for them to sustain it. While this remained true for many FCF participants, project staff expressed a degree of surprise at how many of their clients had managed to sustain employment for 26 weeks and beyond:

*'...twenty-four young people have been in work for 26 weeks – it doesn't happen – it's higher than the work programme. This is the target never in a million years we thought would get into work – it just shows what you can do'*

*'A key success has been the sustainability of jobs. We have a very high percentage sustaining employment for more than 6 months...for both part time and full time we've exceeded our expectations on sustainability. Given that many of our young people won't have worked before or have only worked in temporary jobs this is amazing... I'm proud of that'*

Projects reported that the types of jobs secured by participants were a 'mixed bag' but in general tended to be entry level jobs in retail, hospitality, call centres, construction and other manual jobs, cleaning, warehouses, factories and social care. There were, however, some exceptions, for example one young person had started working in a call centre at entry level, but had been promoted to a supervising role and another had a supervisory job with a food manufacturer.

### 7.3.1 Challenges

A number of challenges to meeting employment targets were identified, including challenges at the individual and structural levels, further emphasising the successes achieved. From the project perspective, problems were reported in some cases in producing the evidence of employment required to receive remuneration for these outcomes:

**Individual-level challenges:** these related to participants' needs, behaviours, past histories and personal circumstances that taken together represented significant obstacles to gaining and sustaining employment. The FCF target group typically had a combination of alcohol/drug use, mental health problems, low self-confidence, histories of offending and disrupted education, few or no qualifications and limited or no previous work experience. Project staff also described a range of behaviours that could lead to a young person losing their job, including: not understanding the consequences of missing days off work – *'if I don't turn up, that's OK, I'll just not get paid'*; responding negatively if problems arose either at work or at home; and general inappropriate behaviour such as swearing or picking arguments with other staff members. Interviewees stressed that employers often did not have time to deal with

the sorts of behavioural challenges presented by young people or *'to do the motivational stuff that shows them their contribution matters'*.

**Structural-level challenges:** These included broad social and economic factors, most significantly housing affordability, welfare provision and employment market barriers, which combined could serve to dissuade participants from considering employment opportunities. The high rents associated with supported housing were reported to be a significant barrier to young people unable to live independently. Projects had tackled this issue by moving young people into permanent accommodation before supporting them into employment, with one working with their local council to make use of discretionary housing payments (DHP) to help fund housing costs for young people with higher support needs, enabling them to stay in supported housing and work at the same time.

The transition period between welfare benefits and employment had also acted as a disincentive to entering employment, with young people having to wait a month between coming off benefits and getting paid. Project staff also noted a tendency among their participants to not pay rent with their first month's pay leading to rent arrears. One project reported paying rent arrears for some young people provided they stayed in work for 26 weeks.

As in previous years, interviewees described local job markets as relatively lively. However, the majority of young people had gained employment in low skilled jobs on minimum wage and were sometimes on zero hours contracts. Two projects felt that the quality of jobs had improved in Year 3, with fewer zero hours' contracts and a greater level of job security on offer. Projects reported problems with agency working, and young people being laid off once they had been working for six months so that employers could avoid classing them as employees. The low wages associated with apprenticeships were also problematic, as was negative employer attitudes towards the FCF target group.

**Process-level challenges:** All projects reported challenges in evidencing employment outcomes. In most cases this was because young people had disengaged from the project or were reluctant or embarrassed to ask for and provide pay slips. Interviewees said that they had spent a lot of time chasing young people and in some cases offered incentives, such as payment of rent arrears, to encourage them to provide evidence.

### **7.3.2 Mechanisms supporting achievement of employment outcomes**

Over the three years of the evaluation a series of specific mechanisms and activities were identified which supported the achievement of employment outcomes:

**Creating dedicated employment support posts:** Most projects had created specialist employment posts in the second year of the programme, with post holders running employability courses, supporting young people with applications and interview skills, developing networks with employees and generally co-ordinating, brokering and supporting employment opportunities. Once a young person was in employment these post holders provided continued support, ensuring they turned up every day on time and acting as intermediary between the young person and employer if problems arose.

**Developing employability skills:** Most projects also offered in-house employability training courses or workshops as well as one-to-one support. Courses covered making a job application, interview and general workplace skills. Interviewees reported that attendance had also helped those with anxiety and/or depression, and encouraged connection with others and reducing feelings of social isolation.

**Working at the pace of the individual:** Interviewees concurred that it was important to work at the pace of the individual, and to ensure that young people were work ready before encouraging them to look for employment. They also stressed the importance of matching individuals to 'the right job' wherever possible.

**Ameliorating financial barriers to paid employment:** Projects reported encouraging clients on ESA to work part-time so they could still claim benefits. Two projects had run workshops on Universal Credit to explain benefit changes to clients on JSA and ESA, but also as a way of encouraging those who didn't expect to work to change their mind set and consider the potential benefits of employment.

**Working on resilience and raising aspirations:** to ensure young people did not *'fall at the first hurdle'*, or could carry on if they did. Many interviewees commented on how strongly their young people could react to critical feedback or unsuccessful job applications, and some had worked with participants on techniques for responding to feedback and dealing with set-backs to build resilience and help maintain employment. Key workers also pointed out the importance of raising aspirations *'...getting them to see that if they've a history of unemployment, low attainment, to realise they have potential and don't need to just accept that they will have a life on benefits as the way ahead'*. Interviewees discussed the need to *'change the mind-set... they have been in hostel life, third or fourth generation unemployment – it was changing the way they think...now I need to change my life'*. However, they also stressed the parallel need to manage expectations *'...being better off in work is a challenge so we have had to manage their expectations'*.

**Using personalisation funds and giving support in the first weeks:** Projects had made use of the personalisation funds to ensure that young people had the necessary clothes to attend interviews and carry out their jobs. For example, one project had supplied a participant with work boots and another had paid for clothes to enable the young person to *'fit in with the company dress code'* as he was feeling anxious and embarrassed about his clothes. One project had established links with a clothing retailer who had donated smart work and appropriate clothing. Support workers described a number of strategies for ensuring young people turned up for work in the first few weeks. These included waking them up in the morning, ensuring they had money for bus fares and lunches, calling them daily to talk through any problems and ensuring they were motivated to keep going into work.

**Availability of internal employment opportunities:** or access to provision such as the Big Lottery funded Talent Match programme in the East Midlands, which seeks to improve the skills and employment prospects of young people across the region.

**Choosing the right employers and working in partnership:** One project reported that their post-holder had successfully made links with a university who ring-fenced a number of jobs for their young people, while another had secured permanent employment for two young people at a building company contracted to refurbish their



hostel accommodation. Interviewees described some local employers as having 'a good social conscience' being willing to take on their clients and 'give them chances where others wouldn't'.

## 7.4 Young people's experiences

The young people we spoke to in the final round of fieldwork described different and highly personalised journeys towards, or into (and out of), employment. Twelve of the twenty were unemployed, three because they were pregnant or had just had a baby and the others due to a combination of enduring mental health and substance misuse problems. Of the eight who were employed, six were working in a range of largely temporary or insecure jobs including in a call centre, a warehouse, as a cleaner, in construction and as a care worker. Two had relatively secure and better paid jobs; one as a managing operator in a biscuit factory and the other as part of the sales team for a flooring retailer. Five had undertaken an apprenticeship, three of whom had been apprenticed through their FCF provider. Of these five, three were unemployed and two were working – one in a sales job and the other as a support worker, with both jobs allied to their respective apprenticeships.

All the young people we spoke to had accessed support from their key workers and/or a member of the FCF team specialising in employability. This support included help with interview skills, CV writing, job applications, attending Ready to Work or other pre-employability courses, money for bus fares to and from work, and clothes for interviews. Nearly all interviewees were positive about the support they had received, and even if not working were able to describe areas of progression, such as improved confidence or feeling less chaotic and more secure.

The following case studies illustrate the challenges faced by individuals and project staff in securing and maintaining employment. As previously described the majority of FCF participants were at some distance from the labour market, and many of those who entered employment did not experience this as a smooth or linear pathway. David's story is a successful one, but might not have been without the ongoing support from FCF after his first job ended and to help him maintain the jobs he was doing at time of final interview.

### **Case Study 6 David**

At the time of second interview (2016) David was unemployed after having completed some temporary work at a social club. At final interview (2017) David reflected on this period in his life describing himself as having felt '*stuck, couldn't do anything*' and explaining that '*last year when you saw me was a bad year for me, a very bad year for me*'. He contrasted this with how he was feeling in the third year of the programme, saying '*I have come a long way in the past year*' and reporting that he was now doing three cleaning jobs bringing him up to more than full time employment. David was clearly very pleased to be in work, and described the on-going support he received from FCF that was helping him to stay in employment and smooth his journey towards independent living:

*'I see [name of support worker] quite a bit still. He messages me every Friday to see how I'm getting on. Sometimes he gives me the bus fare to get to work or picks me up or drops me off. He's helped me with loads...like I needed my birth certificate to start work and he helped me open my bank account cos I didn't have photo ID and [name] wrote to the bank for me.'*

Some of those who were unemployed at final interview had had short periods of employment, and Andy's story illustrates some of the challenges faced by the FCF target group in maintaining employment for a sustained period of time. In the final year of interview Andy felt he would have benefited from continued support from his FCF key worker, but had not received the level of support he would have liked:

### **Case Study 7 Andy**

Andy was unemployed and sofa surfing when he first made contact with FCF. In Year 2 he was working as an apprentice concierge with his FCF provider and living in his own flat. At final interview Andy was unemployed and living with his partner with whom he had recently had a baby girl. Andy reported that he had completed his apprenticeship six months previously but had not been employed as *'there were no jobs on offer'*. In the meantime Andy had been employed for a short time with a company dealing in second hand clothing, but had been sacked when the company's book keeping indicated that someone had been stealing money. Andy described how he felt he that he been *'made a scape goat'* and that he thought the money had been stolen by another employee as *'she had a personal drug habit...she had dilated pupils...and white dust on her nose'*. Andy was feeling slightly let down by his FCF project when we spoke to him, and had not had any real contact with them once his original support worker had left several months previously:

*'I have had absolutely no contact with them what so ever... a year I have had no contact with them...it would have been nice to have some sort of contact with them to have some support...I have always had very low self-confidence when it comes to interviews like that...so it would have been things to help with confidence and stuff like that...I would not have been asking way too much of [FCF] but I [now] can't really ask for anything'*

Three of our interviewees had not yet secured any form of employment due to the complexity of the challenges they faced. Charlie, who experienced on-going problems with mental health and substance use, provided an illustration of this:

### **Case Study 8 Charlie**

Charlie had been homeless and unemployed when he was first referred to FCF. He had a history of drug and alcohol misuse and serious mental health problems. In his final interview Charlie was living in his own flat, but appeared to still be using drugs and alcohol and explained that he been seeing a psychiatrist who was helping him with his *'mood which can be good or can be bad'* and with anger management problems *'I have a really, really bad temper'*. Charlie was pleased, however, that he had not self-harmed for over a year and that overall he was *'doing really well'* and felt *'happier and more relaxed'*. Charlie had been on a number of courses with his FCF project, including an employability course but, while he expressed an aspiration to work, he was claiming ESA and was still a long way from the labour market. Charlie was very positive about the support he had received at FCF *'They're dead nice, genuinely nice, sweet people...I've never had any problems that like weren't addressed that needed to be sorted'* and reflected that:

*'If it weren't for like the people here I'd would have been homeless, would have been in a really bad state of mind, probably be dead'*.

## **7.5 Summary**

Moving into employment proved to be a more popular pathway for most young people than entry into education or training. The FCF achieved very impressive employment outcomes for young people given the barriers to employment facing them. Performance varied between projects with the percentage of young people entering employment ranging from 19% to 43% and the percentage of young people achieving a 26-week sustained outcome ranging from 9% to 20%. It is not possible

to describe the reasons for this variation. However, it is likely to be the result of a combination of different variables including those pertaining to local employment markets, the emphasis placed by projects on employment versus education and training and other outcomes at different time points and the particular characteristics of project cohorts.

Barriers to progression into employment were identified at both the structural and individual levels. Young people accessing the FCF typically had complex needs that presented challenges to entering and sustaining employment. These commonly included a combination of low self-esteem and confidence; disrupted education; no or low-level qualifications; no previous work experience; substance use; mental health problems and a history of offending. Structural barriers principally pertained to: the affordability of rents once in work; and the nature of the employment options open to the cohort, which in the main were limited to low paid, insecure jobs often under zero hours contracts. Negative attitudes amongst employers were also identified as a challenge.

Projects had developed a range of effective strategies for supporting young people into employment. Most projects had appointed a post holder with a specific remit for employment. These post holders typically delivered in-house employability training courses and supported young people with job applications, benefits, CVs, interviews and getting to and from work. Building relationships with local employers who understood the needs of the FCF target group was also key.

## 8 Further outcomes and benefits associated with the Fair Chance Fund

While the previous sections reviewed performance in terms of the outcomes for which payments were made, this section explores the additional outcomes and benefits identified that providers and participants attributed to the FCF.

### 8.1 Outcomes for young people

As in previous rounds of fieldwork project staff and investors highlighted the complexity of need presented by the FCF cohort. The young people engaged with the programme were described as a *'challenging client group with a very high level of need...more complex even than we had originally anticipated'*. Participants were typically described as facing a wide range of profound challenges and issues, often in tandem, and including: *'high end mental health problems'*; histories of or on-going substance abuse; experience of family breakdown and domestic violence; early disengagement from school and low educational achievement; offending histories including time spent in prison; behavioural problems; life trauma; low self-esteem and confidence; and concomitant chaotic lifestyles. The complexity and extent of these problems was often revealed over time, as young people disclosed additional challenges and issues as trust became established with their key workers.

The level of mental health problems was particularly highlighted. One project felt that it had become *'a dumping ground for young people who weren't being supported by mental health services'*, and that in hindsight they should have rejected some of their referrals as not suitable for the programme given the complexity of their mental health needs. Problems accessing specialist mental health services were widely reported, and projects felt that they were picking up the pieces left by a lack of suitable provision:

*'Mental health is the biggest obstacle we come across. It's at the forefront of everything we do and there are no services. We see it every day and we are now the first stop'*. Project staff

Given the level of need and the lack of alternative provision for the client group, providers, investors and local authority stakeholders were in agreement that the rationale underpinning the FCF was well founded – as one stakeholder described:

*'The rationale is absolutely proved. There is no provision for these young people. They fall through all the nets. No one has an obligation to work with them... they have been swirling round the system – including the care system - and have fallen out and not landed anywhere.'* Local authority stakeholder

Project staff were clear that accommodation and education, training and employment outcomes could only be achieved alongside work to address issues of self-confidence, mental health, social isolation and general well-being. Key workers described a wide spectrum of practical and emotional support that they gave to participants, including for example:

- Meeting up for a cup of tea and a chat on a regular or need led basis;
- Accompanying young people to medical and dental appointments;
- Attending child protection review meetings, and court hearings;
- Taking participants to food banks, to buy clothes for interviews and household items;
- Sourcing and delivering furniture;
- Referral to other agencies including safeguarding teams; domestic violence support; and crisis mental health teams;
- Direct work with probation;
- Family mediation; and
- Visiting young people in hospital and prison.

Two projects had also bought in additional mental health and addiction services to work on-site with their young people and another had set up a number of activity groups that focused specifically on promoting positive mental health and well-being. These included walking, running and yoga groups as well as working with a group of 12 who undertook volunteering and fund-raised for a trip to Bratislava.

Staff across all projects felt their young people had achieved a number of outcomes in addition to their 'tariffed outcomes', including soft outcomes such as increased resilience, better communication skills, and improved confidence and self-esteem, as well as harder outcomes such as improved mental health and reduced substance abuse, through the individualised support they had provided. While recognising that these outcomes are difficult to measure and evidence, they still felt that their achievement should have been recognised in some way through the PbR framework.

Two projects reported a reduction in offending behaviour amongst their cohorts in terms of both frequency and seriousness of offence. Three projects also reported that they had worked with individuals that had children in care or on the edge of care to support them in keeping their children.

For many interviewees the key benefits for young people transcended the four main outcome areas to encompass real and lasting change in their life chances. Interviews with young people provided clear evidence of the value they attached to the broad range of support they had received from their key workers and the far-reaching impact this had had on their lives:

*'Just knowing I can actually go and do stuff. If I have a debt then I can solve it by ringing up and phoning for a payment plan, so sorting situations. Or say I have a job interview I have the confidence – it's helped with that'.*

*'They have had such a big impact on me...I have come to learn that I can be on my own and I don't need anybody else to help me out with that'.*

*'My confidence has grown a lot from when I used to be...I used to live in a shell'.*

*'I give a lot of thanks to [name of project] as they have helped me become who I am and helped me become a good mum'.*

## 8.2 Outcomes for providers

### 8.2.1 Key learning for staff

Project staff and key workers commonly reported that they had learnt a lot from working in an intensive support environment, which provided extensive experience of working with the target group and provided them with a range of transferable skills.

*'It's been a massive learning curve... my specialism was NEET and welfare to work with 1% knowledge of homelessness. Now we have gained so much knowledge of what affects the homeless person – it's the result of dealing with numerous problems'.* Key worker

Interviewees described how the FCF had enabled them to work in ways that they had hitherto been unable to. In particular they appreciated the opportunity to work more autonomously and creatively than in the standard funded areas of their organisation, and some were reluctant to return to their former roles. One provider reported that their FCF team had won an internal award and commented that their sickness levels had been very low as a reflection of high staff satisfaction.

### 8.2.2 Organisational learning and benefits

**Working with PbR and managing a SIB contract:** This was described as 'a massive learning curve', by project managers and senior staff, and one that had reaped dividends for future social investment opportunities. Two providers were involved with second SIBs and were able to bring their experience of the FCF to bear in their negotiations with commissioners and partner contractors. Others felt that their new links with social investors and their experience of managing a SIB would give them both a reputational and practical advantage going forward.

**Focus on employment:** The FCF yielded important learning for providers about 'what works' in achieving employment outcomes. Employment was a new focus for the majority of the seven FCF providers and four reported that they would bring employment into their wider service offer. One provider was considering reconfiguring their non-FCF teams to bring housing and employability support staff together. Providers also described how they had developed a new appreciation of the importance of having stretching targets for their clients that went beyond housing and focused on making sustainable changes to young people's life chances.

**A more holistic approach:** Some providers also reported that they would be looking at how to make their approach more holistic bringing the skills they had developed in mental health and building resilience into their wider, non-FCF service provision.

**Enhanced organisational capacity and capability:** Project managers reported that remaining staff were now more experienced and better able to work with young people with complex needs. FCF staff were also supporting provider organisations to embed outcomes-based working in other parts of their organisations *'Our Fair Chance team are now ambassadors, working alongside other staff as communicators to promote the benefits of working in outcomes focused ways'*. In some cases projects had also provided key workers with the opportunity to further extend their skills and experience by taking on additional roles, such as the creation

and internal sourcing of staff to work as employment, education and training leads, and through additional training provided to deliver training to clients themselves.

**Enhanced housing provider function:** One provider reported that they had taken on the lease for some properties that had previously been privately let and was now renting them as managed tenancies. At the time of fieldwork this provider was also hoping to launch a new social lettings agency, working with an intermediary to develop a business plan and supported by a Big Potential grant.

**Better systems for monitoring and performance management:** Three providers reported that they now had improved performance management systems as a result of FCF. One provider described how they had changed their data monitoring systems for all staff so that it is now easier to measure impact across the wider organisation. Others, including those who considered their MI systems fit for purpose at the outset, commented that they had more effectively used participant data to target their resources.

### 8.3 For the wider system

**Contribution to local authority performance on homelessness:** Both providers and local authority stakeholders acknowledged the contribution that the FCF had made to local authorities' performance on homelessness, both by delivering accommodation outcomes and by freeing up capacity in Housing Options teams. Local authority stakeholders noted the success of the FCF in achieving sustained accommodation outcomes, which meant that they were not seeing the same young people re-enter the system when a tenancy failed.

**Enhanced networking and collaboration between FCF providers, local authorities and landlords:** Six of the seven projects reported that they had established wider networks and better relationships with both PRS and social landlords. The success of FCF projects in supporting young people through their tenancies was reported to have improved access to the rented sector for all young people *'as [FCF] has addressed chaos and made them more attractive applicants which landlords are now more willing to accept'*. Five projects had established closer partnership working with the local authorities covered by their FCF project. Two had had sustained input from their relevant local authority housing leads, who reported that they had greatly expanded their stock of housing options of young people as a result of FCF. One local authority had redesigned their access to housing services in light of learning from FCF, and commissioned the FCF provider to deliver part of the pathway. Two others reported that they were working with landlords to reduce bond guarantees and introduction fees as a result of working with their FCF provider.

**FCF has provided a blueprint for future provision:** Providers and local authority stakeholders described the FCF as leaving a legacy delivery model that could, and should, be replicated or upscaled in future. Interviewees agreed that the key features of the model, such as the provision of intensive support for an extended period as needed, and the inclusion of support for education, training and employment as well as housing outcomes, represented best practice in working with homeless young people with complex needs. One local authority reported that they were keen to replicate the pathway model established by FCF, and would be recommissioning their housing support services to reflect this.

**Local authority learning re. SIB funding model:** Local authority interviewees demonstrated different levels of understanding and confidence in the SIB funding arrangement. Some appeared to remain unaware that FCF was funded via a SIB, and one provider expressed frustration that their local authority commissioners were '*not more open to SIBs*'. Others however reported that they were more willing to engage with future SIB opportunities because of their FCF experience, including three who had applied to the MHCLG Rough Sleeping SIB programme. In the case of Gloucestershire, interviews with the local authority lead identified that their involvement in the SIB, and communications with the provider as part of its development process, had helped raise awareness of the SIB model and influenced the authority's view on commissioning using PbR approaches. Key learning included the importance of accurate demand estimates in the PbR context, effective due diligence and, perhaps most importantly, "*removing the fear from SIBs*" that had existed previously in some quarters and so encouraging active engagement.

## 8.4 Summary

The FCF clearly filled an important gap in provision for young homeless people who typically 'fall through the net' due to the complexity of their needs. Interviewees identified a range of benefits and outcomes for young people attributable to the FCF that went beyond the prescribed accommodation, employment, volunteering and education outcomes. The achievement of 'soft' outcomes, such as improved confidence and reduced social isolation, were identified as key building blocks for the achievement of education and sustained accommodation and employment outcomes. Additional non-funded outcomes, such as improved mental health, reduced substance misuse and reduced offending and anti-social behaviour were also reported, which represented significant barriers to progression for many participants, through the development of strategies for promoting improved mental health and resilience. Nonetheless it should be noted that many FCF participants experienced on-going problems and issues that presented challenges to them moving forward. This meant that in the final year of delivery key workers were working intensely with some of their cohort to establish exit plans that would enable them to receive future support from different agencies.

As well as additional outcomes for young people a range of organisational outcomes were also identified. These included a better-skilled workforce more able to work with complex needs and promote resilience; enhanced organisational capacity and capability; the intention to continue to deliver more holistic services that included a focus on employment; and better systems for monitoring and performance management. Benefits for the wider system were also described including: the FCF's contribution to local authority performance on homelessness; better networking between local authorities and housing providers; a wider, more sustainable pool of housing options for young people; and a greater understanding of, and confidence in, the SIB funding model amongst some local authority commissioners.



## 9 Costed Case Studies

Sections 4 to 8 of this report have described the range of benefits resulting from participation in FCF projects by young people with a range of characteristics, barriers and challenges. This section sets out the findings from a series of costed case studies of eight individual young people participating in the FCF. The aim of the costed case studies is to explore the cost impacts, and provide illustrative examples of, the potential costs and benefits of participation in the FCF. The case studies are not intended to be representative of all those that participated in the programme and therefore they do not provide an economic evaluation per se, but rather illustrate the costs that young people with similar characteristics could possibly incur in the absence of FCF, and the potential savings and social value that could result from their participation in the programme.

The case studies draw upon four key sources of information: face-to-face interviews with participants and key workers throughout the programme; a review of relevant data on individuals held by their projects; and monetary values collected from Government reports and data and published studies.

Throughout this section the case study subject names have been changed to ensure anonymity.

### 9.1 Methodological approach

The costed case study subjects were selected from the FCF participants engaged in the initial longitudinal interview sample, and followed a purposive sampling approach using characteristics not available on the main Fair Chance MI database (such as previous/current experience of the criminal justice system; experience of being in care; history of significant drug and/or alcohol abuse; and previous or current mental health issues) and ensuring an distribution across the seven projects and by age, gender and ethnicity.

There were three main tasks involved in producing the costed case studies, namely:

- Analysing qualitative interviews for the individuals selected as case study examples, to identify costs associated with their situation prior to the intervention; costs associated with the support they received; and benefits / cost savings post support;
- Collecting monetary values for the costs and benefits associated with the participants' situation and the support they received; and
- Analysing the costs and benefits for each subject included in the costed case study exercise.

Basing the estimated intervention costs on data collected in the qualitative interviews risked not capturing the full cost of the provision received. In agreement with the Ministry, the payments made for the outcomes achieved by each individual provided the basis of the cost of intervention received. Where individuals were known to be receiving other services, such as taking up apprenticeship provision or training (paid for by their employer) or receiving specific treatment for mental health and drug or alcohol problems, these costs were also included in the final costs of provision. For

illustrative purposes, financial support offered by the projects from their maintenance fund/personalisation budgets was also recorded, although these have been assumed to be covered by the outcome payments reported.

### **9.1.1 Outcomes achieved by the case study subjects**

Table 9.1 below sets out the outcomes recorded for each case study subject, and the value of the outcome payments made per individual. As the table shows:

- All eight achieved 18 month sustained accommodation outcomes – and all but one were in permanent accommodation at the time of interview.
- Education and training outcomes – reflecting the pattern shown across the programme, each of the eight case study subjects had achieved an 'entry to education/training' outcome, with five achieving a qualification outcome.
- Volunteering outcomes – three of the eight had achieved sustained volunteering outcomes – one for 26 weeks, one for 20 weeks and one for 13 weeks. Of these, one was continuing to volunteer at the time of interview.
- Employment outcomes – seven of the eight subjects achieved an entry to employment outcome, with four achieving sustained employment outcomes (all full-time employment sustained for 26 weeks). At the time of interview all but one of the four were still in work, with an additional two subjects reporting finding full-time work (making five in work in total).

### **9.1.2 Analysing the qualitative interviews**

The interviews of the selected individuals were analysed. In particular, information was extracted which showed:

- Their situation prior to the intervention, including their housing situation (hostel accommodation, sofa surfing etc.); judicial information (involved with crime, in a Young Offenders Institute etc.); employment situation and their health and well-being.
- The support they received during the programme – with the outcome payments claimed covering key worker and other support staff time, any education and training provision funded by the projects, and purchases made using the projects maintenance fund/personalisation budgets (commonly for domestic appliances and homeware, transportation and travel costs, etc). Elements of provision which were not met by the projects, such as on-going support from health/mental health services, apprenticeship costs etc, were identified and costed separately.
- Their situation in the final year of the FCF, examining the same categories as for their situation prior to the intervention.

### **9.1.3 Collecting monetary values for costs and benefits**

Following the collection of information from the qualitative interviews, the research team collected data which showed the monetary values for case study subjects' situations, the support they received and purchases that have been made. Where possible, these monetary values have been collected from national statistics, Government reports and data or published studies (for example previous evaluations). Where this was not possible data has been collected and the sources included in the case study description.

**Table 9.1 Outcomes achieved and payments made by case study subject**

Case study subject and payment	Accommodation entry and sustained					Assessments	Education/training – entry and qualifications achieved				Volunteering - sustained				Employment – entry and sustained				
	Entry	3 mth	6 mth	12 mth	18 mth	1, 2 or 3	Entry	Entry level	Level 1	Level 2	6 wks	13 wks	20 wks	26 wks	Entry	PT 13 wks	PT 26 wks	FT 13 wks	FT 26 wks
<b>Connor £8,851</b>	√	√	√	√	√	3	√				√	√	√	√	√				
<b>Holly £9,760</b>	√	√	√	√	√	3	√	√			√	√							
<b>Tamirah £15,150</b>	√	√	√	√	√	3	√								√			√	√
<b>Ryan £16,812</b>	√	√	√	√	√	3	√			√					√			√	√
<b>Lindsay £17,000</b>	√	√	√	√	√	2	√	√	√		√	√	√		√			√	√
<b>Jonathan £16,812</b>	√	√	√	√	√	3	√			√					√			√	√
<b>Jordan £12,625</b>	√	√	√	√	√	3	√	√	√						√				
<b>Tola £8,500</b>	√	√	√	√	√	2	√								√				

#### **9.1.4 Analysing the costs and benefits (avoided costs and social value) for each individual**

While the intervention costs were based upon the outcome payments claimed for each case study subject (with any not borne by the projects being included as additional), the benefits of participation were classed as either 'avoided costs' or 'social value'.

- 'Avoided costs' related to costs to the State which were reduced or eliminated following the individuals' participation in their projects – so could include the additional costs associated with living in hostel, refuge or other temporary accommodation; the costs of health provision no longer required; reduced expenditure by the criminal justice system, or savings in benefit payments; and
- 'Social value' related to the financial benefits to the individual (and to the economy), which were mainly salary payments for those in work at the time of interview but also included the estimated value of periods of volunteering.

In each case the avoided costs and social value cited should be viewed as illustrative, as they were based upon expectations of continued saving / benefit for the remainder of the year in which the final interviews took place.

##### **9.1.4.1 ACCOMMODATION SITUATION COSTS**

The individuals selected for the costed case studies presented a variety of different accommodation situations, which led to different costs. These were:

- Stable accommodation - this led to no direct housing costs to the Government, although it could lead to housing benefit payments;
- Homeless and sofa-surfing / sleeping rough – this led to no direct housing costs to the Government, although it would lead to additional social costs (captured elsewhere in the analysis);
- Homeless and in hostel / temporary accommodation – this led to a cost to the Government, estimated to be an average of £250 per week (Crisis and University of York, 2015);
- Youth Offenders Institute accommodation – this led to a cost to the Government of £1,100 per week (Ministry of Justice, 2017);
- Prison accommodation – this led to a cost to the Government of £700 per week (Ministry of Justice, 2017); and
- Accommodation in a Mental Health facility – this led to a cost to the Government of £3,100 per week (PSSRU, 2017 – cost of low level stable services).

The cost of each type of accommodation was multiplied by the estimated length of time the individual spent in the type of accommodation (taken from the qualitative interviews).

##### **9.1.4.2 HEALTH SITUATION COSTS**

There are healthcare costs associated with an individual being homeless (in addition to the healthcare costs associated with mental health accommodation). These include:

- Healthcare costs associated with an individual having problems with alcohol addiction (estimated to be £70 per person with increased / high risk of alcohol problems per year; NHS Digital, 2017);
- Healthcare costs associated with illicit drug use (estimated to be £310; NHS Digital, 2017); and
- Healthcare costs associated with mental health problems (estimated to be £1,600 per year (NHS England, 2017)).

Some individuals received support to help them address health problems, such as problems with alcohol and illicit drug use. These interventions are assumed to be Cognitive Behaviour Therapy type courses, and is estimated to last 10 weeks and cost £70 per session (total cost £700, <https://www.nhs.uk/conditions/cognitive-behavioural-therapy-cbt/how-it-works/>).

#### **9.1.4.3 JUDICIAL SITUATION COSTS**

There are judicial costs associated with homelessness, which have been costed in the case study examples. These include:

- Where a case study subject has described criminal activity, this has been costed using the unit cost of crime (Home Office, 2018); and
- Where an individual has stated that they are in contact with probation service, this has been costed (annual cost per contact with the probation service: £2,600 / £4,600 for an individual on licence / with a community order; Ministry of Justice, 2012).

#### **9.1.4.4 EMPLOYMENT SITUATION**

Employment status has an effect on whether an individual is a cost to the Government (through benefit payments) or contributing to the economy (through paid employment or voluntary work).

- Where an individual is employed, it has been assumed that they are beginning their career, and therefore their earnings are estimated to be the 20<sup>th</sup> percentile of earnings in the sector in which they are employed (ASHE, 2016). Their earnings are estimated to be their contribution to the economy. The earnings are divided by the number of hours the individual works and the duration they have been in employment.
- Where an individual is in voluntary work, their contribution to the economy is estimated to be the minimum wage multiplied by the number of hours' voluntary work they undertake.
- Where an individual is unemployed, they are assumed to have a cost to the Government. This has been assumed to be the equivalent of the JSA payment for people aged under 25 (£58 per week, DWP, 2018). Some individuals may have been able to claim ESA, however it is not always clear which benefits individuals are claiming, and therefore the more conservative JSA benefit value has been used.

#### **9.1.4.5 PROVISION AND ASSOCIATED COSTS**

As described above, the payments claimed for the outcomes achieved by each case study subject were used to provide an estimate of the cost of provision received, with

any additional costs not met by the projects (such as for apprenticeship provision) being shown as additional costs.

In addition, data was also collected on items purchased by the projects for the case study subjects through their maintenance funds/personalisation budgets, to illustrate their importance in helping individuals secure and/or sustain the outcomes reported. These most commonly included:

- **Purchases of domestic appliances/homeware** - many of the case study subjects described that their projects had used funds to help them buy furniture a range of household appliances, which were costed on the basis of web searches to find the lowest price for each type of appliance. In one instance, the programme provided carpet for a beneficiary, and assumed that the area being carpeted was 30m<sup>2</sup>.
- **Logistical support** - additional logistical support was also provided to some case study subjects, which included paying for travel (estimated to be £20 per week), hiring a van to help move into a flat (estimated to be £30 per day), and paying for a subject to take their driving test.
- **Other items** – purchased to support the achievement of employment and/or training outcomes, such as payment for CSCS cards, clothing and workwear for volunteering and employment opportunities, and a fork lift truck licence.

## 9.2 Case studies

The eight case studies are presented below. The estimated total cost of provision is for the subjects' total intervention costs across the three years of the project, while the avoided costs and social value are for the final year of the programme only. Clearly we would anticipate that further savings would continue beyond the one year provided and be attributable to the intervention into the future.

## Case study 1 – Connor

### Before intervention

Connor was excluded from school and left his family home aged 15. From 2008 to 2015 he had recurring periods of homelessness and served time in prison. During this time of instability, he was sectioned and diagnosed with bipolar disorder, whilst suffering from drug and alcohol addiction. Upon leaving prison aged 22, Connor was put in touch with FCF by the probation service.

Before joining his project Connor was living in a hostel (£12,800 per year, Crisis 2015). He had also spent time in a Young Offenders Institute (£56,500 a year, Ministry of Justice 2017) and in a mental health facility (cost £161,300 per year, PSSRU, 2017). Connor received unemployment benefit for four months (£1,000). He also suffered from drug and alcohol addiction, at an estimated cost to the NHS of £300 for drug use and £70 for alcohol use per year (NHS, 2018 & Home Office, 2017).

### Interaction with the FCF

Connor's FCF key worker helped him into supported housing, visiting him weekly and speaking most days by telephone. In 2016, with help from his key worker, he moved to a one-bedroom rented flat, obtained a CSCS card to enable him to work in construction, and completed a 12-week forklift operating course. During this time Connor was also supported by drug and alcohol services.

During his time with FCF Connor achieved the following outcomes – he was in sustained accommodation to the 18-month point, entered education, volunteered for 26 weeks and entered employment (cost of outcomes paid for £8,851).

Connor also received support via the project's personalised budget for van hire (£30 Budget Care Hire, 2018), a CSCS card (£30, CSCS, 2018) and a forklift truck license (£750, Fork Lift License, 2018). In addition to support from his Fair Chance key worker, Connor also received support from drug and alcohol services, valued at £1,400.

### Final year of FCF

At the time of final interview, Connor was in stable accommodation, and about to begin work as a forklift truck driver with an annual salary of £22,100 (ONS, 2017). He was no longer using the drugs and alcohol service, but continued to receive support from mental health services (12 weekly bipolar disorder and mental health checks, at a continued cost of £480). He has not returned to prison.

Cost (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) - in final year	
Outcome payments (incl personalised funding £810)	£8,851	Avoided cost - No longer needing hostel accommodation (2 months)	£2,100
Drug and alcohol service	£1,400	Avoided cost - No longer in YOI (4 months)	£18,800
		Avoided cost - No longer in Mental Health facility (4 months)	£53,800
		Avoided cost - No longer using drugs and alcohol (avoided costs to NHS of drug and alcohol addiction)	£370
		Continued cost - 12-week mental health check-up	-£480
		Social value – employment resulting in income	£22,100
		Avoided cost - No longer claiming JSA	£1,000
<b>Estimated total cost</b>	<b>£10,251</b>	<b>Avoided cost total</b>	<b>£75,590</b>
		<b>Social value total</b>	<b>£22,100</b>

## Case study 2 – Holly

### Before intervention

Before referral to FCF, Holly was homeless and sofa surfing, having run away from home repeatedly between the ages of 12 and 18. She had had contact with a young offender's service and had been in a number of unstable and abusive relationships.

Before the intervention Holly was homeless and sofa surfing and was in an abusive relationship (estimated cost £2,200 per year, Walby, 2009). Holly had contact with a young offending service (estimated cost of £2,600).

### Interaction with the FCF

In 2016 Fusion helped Holly to enrol on a number of courses such as a 3-week film making course. In 2017 Holly had a child and after a period in a bedsit, and her project helped them to move in to a two-bedroom house, bought her a cooker, sofa and some presents for her baby. She had support from a key worker initially once a month and then less frequently over time. Holly feels like she can call if she ever needs help. Holly also went on a performing arts course and a number of short courses run by FCF (estimated cost £300 per course).

In her time with the project Holly achieved an 18-month sustained accommodation outcome, entered education and achieved an entry level qualification, and volunteered for 13 weeks.

### Final year of FCF

Holly has now gone back to college to finish studying performance arts which she had previously dropped out of, and would like to complete a dance qualification which she previously started. She is also volunteering at a youth centre and wants to become a dance teacher after she finishes studying.

Following the support from FCF Holly is in stable accommodation. She is now in education and is volunteering, which is estimated to contribute £1,900 to the economy<sup>5</sup> (GOV.UK, 2018b). She is no longer in an abusive relationship and is no longer supervised by youth offending services.

Cost (public sector)		Monetised benefit (Avoided Cost and Social Outcomes) – in final year	
Outcome payments <i>(Incl. personalised funding £850)</i>	£9,760	Avoided cost - No longer in abusive relationship (12 months)	£2,200
		Avoided cost - No longer in contact with justice system (12 months)	£2,600
		Social value – Volunteering (12months)	£1,900
<b>Intervention costs total estimate</b>	<b>£9,760</b>	<b>Avoided cost total</b>	<b>£4,800</b>
		<b>Social value total</b>	<b>£1,900</b>

<sup>5</sup> Estimated as volunteering for 5 hours per week. Figure given is based on national minimum wage.



### Case study 3 – Tamirah

#### Before intervention

Tamirah moved to England due to an arranged marriage in 2012. Her husband was abusive and she was taken to a refuge by police in 2014 after being made homeless. She suffered from anxiety and depression and was referred to her project in 2015.

Before the intervention Tamirah was living in a refuge (estimated cost £12,700 per year) and was receiving benefit payments of £3,000 per year (GOV.UK, 2018). She suffered from anxiety and depression (estimated to cost the NHS £1,600 per year (House of Commons, 2018; NHS, 2014 & ONS, 2018).

#### Interaction with the FCF

Tamirah received support to get divorced and move in to her own flat. She had fortnightly contact with her support worker, but later contacted them infrequently. She attended ESOL classes, English and Maths assessments, a 6-week cooking class and had a driving test. She is now employed in a factory and volunteers with Oxfam. Tamirah said her mental health has improved and she no longer feels that she needs support.

During the intervention Tamirah received items for a flat including; a carpet at furniture and a TV, as well as a TV license. She took part in various courses at a cost of £620 (English UK, 2018; Prospect, 2018) and the project also paid for her driving test (£85, GOV.UK, 2018c). They also paid for her travel costs to sign divorce documents and to collect her belongings before moving into her own flat.

#### Final year of FCF

Following support from FCF Tamirah is in stable accommodation, has part-time employment and undertakes voluntary work (and no longer claims employment benefits). Her health and wellbeing has improved, and she no longer needs NHS support for her anxiety and depression.

Costs (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) – in final year	
Outcome payments (Incl. personalised funding £1,415)	£15,160	Avoided cost - No longer in a refuge (12 months)	£12,700
		Avoided cost - No longer receiving benefit (12 months)	£3,000
		Avoided cost - No longer requires NHS support for mental health issues (12 months)	£1,600
		Social value - Employment in a factory (17 hours per week)	£8,500
		Social value - Volunteering (four hours per wk)	£1,500
<b>Estimated total cost</b>	<b>£15,160</b>	<b>Avoided cost total</b>	<b>£15,900</b>
		<b>Social value total</b>	<b>£10,000</b>

## Case study 4 – Ryan

### Before intervention

Before engaging with the FCF, Ryan was homeless and had experienced suicidal thoughts. He was living in a hostel at a cost of £12,700 per year (Crisis, 2015) and received unemployment benefits at £3,000 per year (GOV.UK, 2018).

### Interaction with the FCF

During his time with FCF, Ryan moved on from the hostel to a flat, which he rented with his partner and daughter, and was provided with white goods (valued at £110) through the project's personalised budget. Initially he received daily support from his keyworker, which reduced to weekly before stopping completely.

Ryan undertook an apprenticeship with his FCF provider (cost to the employer - £9,000), which led to a short period of employment (and a saving in unemployment benefit).

He also achieved the following outcomes – he was in sustained accommodation to the 18-month point, received training and achieved a Level 2 qualification, and achieved at 26-week full-time employment outcome (cost of outcomes paid for £16,812).

### Final year of FCF

At the time of interview Ryan was living in stable accommodation with his partner and child, was claiming JSA and actively looking for work as a chef, and would like to train as a support worker following his experience of FCF.

Cost (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) - in final year	
Outcome payments <i>(Incl. personalised funding £110)</i>	£16,812	Avoided cost - No longer in hostel accommodation (12 months)	£12,700
<b>Cost (employer)</b>		Avoided cost - Reduced benefit payments due to employment (5 months)	£1,200
Apprenticeship (cost to employer – fees, supervision costs etc.)	£9,000	Social value – Employment post-apprenticeship (20 weeks)	£4,900
<b>Estimated total cost</b>	<b>£25,812</b>	<b>Avoided cost total</b>	<b>£13,900</b>
		<b>Social value total</b>	<b>£4,900</b>

## Case study 5 – Lindsay

### Before intervention

On referral to FCF Lindsay was at risk of homelessness as she was in the process of being evicted from her rented accommodation due to anti-social behaviour. She was also on probation for fraud and had issues with alcohol.

Before the intervention Lindsay was unemployed at a cost of £3,000 in JSA (GOV.UK, 2018). She was on probation at a cost of £2,400 (GOV.UK, 2018e) having committed fraud (estimated cost of crime £1,300, Home Office 2018) and had issues with alcohol at an estimated cost to the NHS of £70 per year.

### Interaction with the FCF

Through FCF, Lindsay moved in to a council flat and was helped through the FCF personalised budget with household items including a cooker and washing machine (£360, Curry's, 2018), as well as two monthly travel passes (£140, TAS), a mobile phone (£15, Tesco Mobile) and £50 worth of clothes. She spent time with a key worker in person every 2-3 weeks and was supported once a week over the phone. She completed a 16-week training course with Crisis Starlight Café, who then offered her a job at the café.

### Final year of FCF

Following the programme Lindsay was in stable accommodation, and employed full-time which contributes £15,194 to the economy each year (ONS, 2017). She no longer has problems with alcohol and no longer claims unemployment benefit.

Cost (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) – in final year	
Outcome payments <i>(Incl. personalised funding £565)</i>	£17,000	Avoided cost - No longer claiming unemployment benefit (12 months)	£3,000
<b>Cost – employer</b>		Avoided cost - No longer committing crime or in contact with probation (12 months)	£3,900
Crisis Skylight café 16-week training course	£300	Avoided cost - No longer has alcohol issues (12 months)	£70
		Social value - Employment with Crisis café	£15,200
<b>Estimated total cost</b>	<b>£17,300</b>	<b>Avoided cost total</b>	<b>£5,660</b>
		<b>Social value total</b>	<b>£15,200</b>

## Case study 6 – Jonathan

### Before intervention

Before the intervention Jonathan was unemployed, homeless, living in a Salvation Army hostel and using cannabis. The hostel cost £12,700 per year (Crisis, 2015), Jonathan received benefits estimated to be £3,000 (GOV.UK, 2018), and his drug use is estimated to have cost the NHS £310 per year (NHS, 2014).

### Interaction with the FCF

During the intervention, Jonathan attended a six-week training programme with Nissan, and achieved a Level 2 qualification in mechanical engineering (at a cost of £680, which was met by his employer). He also received help from a FCF key worker who helped him to write a CV, prepare paperwork, apply for jobs and attend interviews.

Jonathan was also helped into supported housing, although he was subsequently evicted for not paying his rent and for using cannabis. He also lost his job due to low attendance.

### Final year of FCF

At the time of interview Jonathan was in stable accommodation. Having been unemployed for three months (at a cost of £750 in JSA (GOV.UK, 2018)), he had found part-time employment which contributed £7,600 per year to the economy (ONS, 2017). His use of cannabis continues, at a cost of £310 per year (NHS, 2014).

Cost (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) – in final year	
Outcome payments	£16,812	Avoided cost - No longer in hostel accommodation (12 months)	£12,700
Level 2 qualifications in mechanical engineering	£680	Avoided cost - Reduced unemployment benefit payments (3 months)	£2,300
		Social value - Part-time employment	£7,600
<b>Estimated total cost</b>	<b>£17,492</b>	<b>Avoided cost total</b>	<b>£15,100</b>
		<b>Social value total</b>	<b>£7,600</b>

## Case study 7 – Jordan

### Before intervention

Prior to FCF Jordan had been involved in a gang, drug dealing, had been arrested numerous times and had spent time in a young offender's institution. He had left London to escape his previous situation, and just before joining FCF was homeless and staying in a night shelter.

His time in the night centre cost £10,700, and received £3,000 per year in unemployment benefit (JSA). His criminal convictions had an estimated cost of £10,600 (Home Office, 2018), and his time in the Young Offenders' Institute cost £9,400 (MoJ).

### Interaction with FCF

Having left his home in London, Jordan didn't feel that he could go to anyone for help. FCF helped Jordan when he first arrived, supporting his immediate expenses from the project's maintenance grant. He met with a key worker weekly, and was helped to complete several courses in food hygiene, catering and health and safety. He also had access to a computer at FCF.

Jordan was supported by FCF to move into stable accommodation, where he remained for nine months. Although he left this accommodation to go back to London, he decided to return and was living at a YMCA hostel at the time of interview. He was in employment, and was no longer drug dealing.

### Final year of FCF

At the time of interview Jordan had been living in a YMCA hostel for three months, having been in stable accommodation for nine months before returning to London.

Jordan was initially unemployed for three months (estimated benefits payment of £750), although he was in work for nine months (earning an estimated £11,400). He has also avoided further criminal offences, and is no longer involved in gang activity.

Cost (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) – in final year	
Outcome payments	£12,626	Avoided cost - No longer in a YOI (2 months)	£9,400
		Avoided cost - Reduced time spent in a hostel (9 months in stable accommodation)	£7,400
		Avoided cost - No longer receiving unemployment benefits (3 months)	£2,300
		Avoided cost - No further criminal offences (12 months)	£10,600
		Social value - Employed (9 months)	£11,400
<b>Estimated total cost</b>	<b>£12,626</b>	<b>Avoided cost total</b>	<b>£29,700</b>
		<b>Social value total</b>	<b>£11,400</b>

## Case study 8 – Tola

### Before intervention

Prior to joining her FCF project Tola had recently dropped out of university, had become homeless, and was sofa-surfing with friends.

She was claiming unemployment benefit (JSA, at a cost of £3,000 per year, GOV.UK, 2018), and had problems with anxiety and depression (cost of £1,600 to the NHS per year, NHS, 2014; House of Commons Library, 2018).

### Interaction with the FCF

Tola met with a key worker once a week, who supported her to claim housing benefit and address issues with student finance. FCF helped her to complete a photography course, and also assisted her application to study photography further at college.

She was helped with a sofa and microwave, at a cost of £190, from the project's personalised budget, and received support from her key worker for an average of two hours per week for a year. Tola was also supported with two photography courses at a cost of £3,650<sup>6</sup>.

### Final year of FCF

At the time of interview Tola was in stable accommodation, and was completing her photography HNC Level 4 qualification. She was also volunteering for four hours per week in a home for people with learning disabilities (estimated contribution of £1,500 to the economy (GOV.UK, 2018b)), and continued to receive support from her doctor with her mental health issues.

Cost (public sector)		Monetised Benefit (Avoided Cost and Social Outcomes) – in final year	
Outcome payments <i>(Incl. personalised funding £340)</i>	£8,500	Avoided cost - Reduction in costs to the NHS (12 months)	£1,460
HNC photography college course (not funded by the programme)	£3,500	Social value - Voluntary work	£1,500
<b>Estimated total cost</b>	<b>£12,000</b>	<b>Avoided cost total</b>	<b>£1,460</b>
		<b>Social value total</b>	<b>£1,500</b>

<sup>6</sup> Based on price of photography courses at a range of colleges include Barking and Dagenham College <http://www.barkingdagenhamcollege.ac.uk/en/courses-for-over-19s/courses.cfm/page/0000006864/level/1/course/IntroductiontoDigitalPhotography10WeekEveningClass> and Burnley College <https://www.burnley.ac.uk/themis/training/p/ncfelevel1awardindigitalphotography>

## 9.3 Concluding comments

### 9.3.1 Summary

The analysis of the estimated costs, potential avoided costs and social value for the eight case study individuals showed that:

- The costs for each of the eight individuals ranged from **£9,760 to £25,812**; and
- The potentially avoided costs ranged between **£1,460 and £75,590** for the final year of the Fund, with social values being between **£1,500 and £22,100**.

On this basis, the balance between the costs for the three years of engagement with FCF and the avoided costs and social value resulting in the final 12 months:

- Was positive for five of the case study subjects; while
- The costs outweighed the avoided costs and social value in three cases.

### 9.3.2 Findings

The eight case study examples show a range of estimated avoided costs and social value, which alongside individual histories illustrate and reflect the mix of vulnerabilities and needs presented by FCF participants.

- **Avoided costs** included where individuals: no longer needed to use hostel or other temporary accommodation; had not spent further time in prison/youth offender institutes; were no longer using alcohol or drugs to a problematic level; or had received benefit payments as they were not in work; and
- **Social value** related to either employment resulting in income, or from the value attributed to periods of volunteering.

The case studies also illustrate the nature of the outcomes and wider benefits resulting for participants, across sustained accommodation and, for the majority, employment outcomes. However, it must be emphasised that the case study subjects were not intended to form a representative sample of Fair Chance Fund participants, and so the potential avoided costs and social value reported are indicative and should not be used as the basis for wider conclusions.

Table 9.2 shows the estimated cost of the intervention, and the avoided costs and social value resulting, for each case study subject.

**Table 9.2 Intervention costs, potential savings and potential benefits to the economy for each case study subject**

Case study subject	Total cost estimate	Avoided cost total	Social value total
Connor	£10,251	£75,590	£22,100
Holly	£9,760	£4,800	£1,900
Tamirah	£15,160	£15,900	£10,000
Ryan	£25,812	£13,900	£4,900
Lindsay	£17,300	£5,660	£15,200
Jonathan	£17,492	£15,100	£7,600
Jordan	£12,626	£29,700	£11,400
Tola	£12,000	£1,460	£1,500

As the table shows, based on the outcome payments claimed and any associated costs not met by the project, the estimated total costs for the eight individuals ranged between **£9,760 and £25,812**.

The estimated avoided costs for each individual ranged between **£1,460 and £75,590** for the final year of the Fund, with social values (associated with employment and volunteering) being between **£1,500 and £22,100**. The avoided costs identified would benefit a range of organisations including local authorities, the NHS and the criminal justice system.

Comparing the estimated avoided costs and social values for a 12- month period with the total intervention cost (covering all three years of the intervention), a **positive balance can already be seen** for five of the eight case study subjects (Connor, Tamirah, Lindsay, Jonathan and Jordan). For the remaining three individuals, (Holly, Ryan and Tola) the **costs outweighed the avoided costs and social values** estimated for the final year with their projects.

While it is not possible to provide estimates of future saving in subsequent years, it can be assumed that these would continue for the individuals where avoided costs and social value already exceed the costs identified, and were overall savings resulting over time for the remaining three individuals.

While we cannot be certain that the positive trajectories identified amongst the case study subjects will continue, and so cannot extrapolate the savings and social value in future years, at the time of final interview:

- All but one of the subjects reported being in stable accommodation – and while not necessarily in the same accommodation for which their sustained outcomes were achieved, they were settled suggesting an increased resilience to homelessness. One subject (Jordan), who had been housed but decided to move out of the area, had recently returned and was staying at a YMCA hostel.
- Five of the eight were in work – Connor, Lindsay, and Jordan on a full-time basis and Tamirah and Jonathan on a part-time basis.
- Three reported undertaking voluntary activity (Holly, Tamirah and Tola), with Tamirah combining part-time work with volunteering with Oxfam.
- Two were in education/training – Holly is completing a performing arts course she had had to leave previously (alongside voluntary work at a youth centre), and Tola is completing a photography course (alongside volunteering at a home for people with learning disabilities).

In addition, several of the case study subjects reported positive change, or at least had started to address, some of the deep-rooted challenges which had limited their ability to progress. It was here that some of the greatest savings (and potential benefits) lay – Connor for example reported significant change in his alcohol use, drug taking and offending behaviour, which led to the large savings cited, and despite ongoing treatment for bipolar disorder. Similarly, Jordan reported no longer being involved in gangs and drug dealing, leading to savings by no longer offending and not returning to a YOI.

However, the journey through the period through their FCF provision also illustrated the ongoing challenges faced by several subjects, for which long -term, on-going support is likely to be required. These included mental health conditions (both formally diagnosed



and otherwise) and continued drug or alcohol use in a small number of cases, which had started to be addressed during their time with their projects but would need continued support to address fully.

The largest savings were identified where individuals who have engaged extensively with services in the past have been accommodated, supported to move away from drug or alcohol use and prevented from re-entering the criminal justice system. Given that many of the FCF participants were sofa-surfing at the point of referral to their projects, and so were not incurring additional accommodation costs, their potential for (accommodation) cost savings were limited. Nevertheless, the largest savings, in cases where offending histories or health-related inputs aside, was found where individuals had moved from hostel or supported housing and into stable rented accommodation.

Assuming that these achievements are built upon, and given the increased resilience shown by the majority, it can be assumed that additional savings and benefits could be realised over subsequent years.

# 10 Working with the SIB and payment by results

This chapter provides detail of the perspectives and experiences of stakeholders' involvement in the SIB, and considers the perceived impacts of the SIB and associated PbR arrangements on project implementation and outcomes. It begins with a short overview of the SIB model and summarises the potential advantages a SIB offers over alternative funding arrangements.

## 10.1 Social Impact Bonds

Social impact bonds (SIBs) are a form of payment by results (PbR) contract that lever funding from external finance providers to pay for the upfront delivery costs of targeted services. SIB finance providers are most commonly socially aligned investors, who can provide additional support and expertise to service delivery organisations to help achieve outcomes. The social investor is paid a return on their investment contingent upon the achievement of a set of pre-defined outcomes, for which payment tariffs are set.

SIBs are typically employed to provide funding to cover the costs of the initial implementation of targeted interventions designed to prevent the escalation of entrenched social problems experienced by defined groups, until outcomes are achieved and outcome payments are received.

A SIB structure may involve an investor-owned Special Purpose Vehicle (SPV), which takes on the PbR contract and sub-contracts to the delivery organisation. The SPV usually hosts a Performance Director or Board responsible for monitoring provider performance. If it appears performance is falling short, the SPV can intervene to provide additional support or put in place remedial actions.

SIBs are purported to offer a number of benefits over traditional contracting arrangements by:

- Enabling the sharing or transference of financial risk to the social investor;
- Delivering better value for money as payment is tied to clearly defined and measurable outcomes;
- Providing better evidence of 'what works', as measurement of outcomes and performance is inherent in the model;
- Promoting innovation in delivery as payment is tied to outcomes rather than a prescribed set of inputs and outputs;
- Supporting the achievement of better social outcomes through enabling innovation and encouraging improved service design; and
- Helping to stabilise funding for providers, particularly VCS organisations.<sup>7</sup>

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<sup>7</sup> See for example: Bridges Ventures (2016) Better Outcomes, Better Value: the Impact of Social Outcomes Bonds in the UK, London: Bridges Ventures LLP. Cabinet Office (2016) Social Investment: a force for social change: 2016 strategy.

SIBs are a product in the social investment market that receives active political and policy support. The main impetus for the growth of the SIB market as a vehicle for outcome-based commissioning has, arguably, been central government support. This has included direct support via the Commissioning Better Outcomes, Social Outcomes and Life Chances Funds, wider initiatives to boost the investment readiness of social ventures (providers), and the establishment of the Centre for Social Impact Bonds.

The FCF was funded on a 100% PbR basis with each project backed by a SIB. Six of the seven FCF projects had an SPV structure in place, providing governance and accountability arrangements. The seventh (Home Group) had an unsecured loan arrangement with a single investor with whom monthly meetings were held.

## 10.2 The impact of the SIB model on project implementation

### 10.2.1 Focus on outcomes and supporting innovation

There was broad agreement amongst providers that a shift to outcomes over output and process measurement was *'a good thing'*, and had contributed to the success of their projects. The outcome structure and targets were described as having set a clear agenda for what was required, and so provided a focus for activities and priority setting *'the stricture of the outcome payment regime gave us absolute clarity about what we had to achieve'*. Working to outcomes also meant less attention was paid to meeting more traditional targets, such as paper reviews and tracking process points, which *'mean more to admin than they do to young people'*.

Providers identified the ability *'to work creatively and flexibly...to do things differently within the budget'* as one of the key benefits afforded by the outcomes focus. One project manager described how the PbR funding model had supported them to change internally *'it's made us think outside the box...to think ok, this isn't working, how are we going to change things, and what are we going to do differently?'* Concrete examples of this most commonly included the creation of new posts once it became clear that generic workers were not best placed to undertake more specialist accommodation, employment and training, and education roles.

There was also evidence that key workers had pushed young people to achieve more than they thought they were capable of at the outset, and went the extra mile to ensure that they did. For example, staff in one project described how it had changed the way they worked with participants, particularly by encouraging them to challenge young people more than they would have done in the past:

*'It's helped key workers see they have to challenge young people as well as agree with them. Staff are now more likely to think in terms of working with a young person on a progression of outcomes and challenging as well as supporting them to take chances and do things'*.

Overall key workers reported that they found it positive to work to specific targets. The PbR arrangement was described as *'more dynamic'* allowing staff *'to think on their feet'* while putting the young person's needs first and foremost: *'Because of the nature of these clients, staff know they have to put the client at the heart of what they do to get positive outcomes'*. Across all projects staff described how they had found inventive ways of

responding to individual challenges and barriers to achieving outcomes. These ranged from small things, such as buying a carpet for one young person with mental health problems who vacuumed at 4am (*'the person underneath wasn't happy...the carpet meant the noise below wasn't as noticeable so he didn't get evicted'*), to more substantial interventions such as the establishment of job clubs and flexible pathways to employment:

*"I have never seen that amount of people with complex needs go into employment – and I don't know how we have done it. It's been a lot of pulling my hair out... 24 young people have been into work for 26 weeks – it doesn't happen – it's higher than the work programme. This is the target never in a million years we would get into work – it just shows what you can do".* Project staff

### **10.2.2 Investor challenge, support and expertise**

There was considerable debate amongst providers over whether the PbR structure was the *'active ingredient influencing performance'* or whether the SIB arrangement bought additional benefit. In the first year of fieldwork interviewees were more likely to state that the SIB was no different to any other PbR contract, and that the impact of the SIB was minimal. Furthermore, tensions were described over the degree of control exerted by the SPV, and arrangements for reporting performance were often described as onerous. However, as relationships between providers and investors matured both groups of stakeholders painted a picture of more productive and collaborative working, with each benefiting from the expertise of the other.

In the final year of the programme FCF staff had had time to reflect in depth on the influence of the SIB arrangements on implementation and performance. Opinion differed between services, and was contingent in part on the degree of active involvement of investors and the challenge they brought to meetings. The input of different investors also varied *within* projects, with some being described as particularly active and knowledgeable of the sector while others *'hardly spoke up at all'* or were interested in specific issues such as how outcomes were being evidenced. One project felt that they would have liked more involvement from their investors, describing sporadic attendance at Board meetings and an almost total lack of interest in the achievements of young people. Others however described the growth of highly productive relationships, praising the ethical motivation of some investors and their commitment to socially responsible investment.

Interviewees from six of the seven projects felt that their investors had pushed them to focus on performance, and concluded that this had contributed to the achievement of better outcomes: *'Working with him is like working with a critical friend, he brings a financial eye'*. A number of interviewees reported that the more commercial focus of their investors, and the fact that achieving outcomes *'represented cash flow'*, challenged them to *'do things differently when we failed to meet a target'*. One project manager described feeling under pressure to attend monthly Board meetings to report on performance, saying that this *'drove us to ensure performance was high all the time'*.

### **10.2.3 Performance monitoring and intelligence gathering**

Six of the seven projects had had contracts with an intermediary at some stage of their delivery to support the gathering and reporting of performance data. Two projects terminated this arrangement early on preferring to deliver this function internally. A third project reflected that while they could see the benefit of their intermediary support this *'had*

*felt clunky at times*, and was not something they would need in future. Two commented that they had benefited considerably from the support provided by their intermediary, and that it had helped them to develop internal performance management expertise and processes.

In Year 3 the frequency of SPV/investor meetings had fallen from monthly to quarterly reflecting the increased confidence of investors in providers' ability to both deliver outcomes and monitor performance. This was experienced as something of a relief by project managers, who described the *'intense performance management aspect'* of the SPV as *'the downside of the SIB contract'*.

Nonetheless the monitoring requirements of the FCF SIB were recognised as important not only for measuring outcomes but for also supporting the more refined targeting of the client group, enabling projects to better understand their needs and plan responses against these. In Years 2 and 3 projects had started to use participant demographic data in more sophisticated ways, for example to identify specific groups such as care leavers or offenders and to tailor their approaches accordingly. Holding data on sub-groups, and learning how to better analyse and present results, was also described as important at Board level as it *'makes it concrete to investors what issues we are dealing with, not just anecdotal'*. Project managers described how they had used data to estimate how many hours of support specific groups might need in order to move them into employment or education. One provider described how *'the collection of really rich data'* had *'enabled us to unpick things'*, making them realise that *'the Outcomes Star didn't really work for our purposes'*. This led them to commission a specific tool for their service to measure soft outcomes in a more useful and meaningful way. Another project manager reflected that the detailed knowledge they now held on their client group, particularly around substance use and mental health, would help them establish the business case for future funding from different commissioners.

#### **10.2.4 Stability of funding and building capacity within the VCS**

**Longer term funding:** Providers were clear that the FCF three-year funding commitment, and the fixed cohort following recruitment during Year 1, had allowed young people to be supported consistently, enabling the achievement of incremental and sustainable outcomes. The flexibility afforded by longer term funding was described in contrast to normal short-term arrangements that can restrict providers' abilities to make a lasting difference to clients' lives:

*'The three years has really allowed us to take the longer view and really address the longer-term sustainability of individual outcomes...it's allowed us to do something a bit different to the normal service that these young people would normally receive and that doesn't really work for them'*.

Given the complexity of the client group this longer-term funding was seen as critically important in delivering better outcomes. However, evidence from providers suggested that for the most complex of their cohort – those that were still engaged in Year 3 – support would continue to be needed beyond the end of the projects.

**Investment to make the project happen:** Providers recognised that without the SIB investment the FCF would not have been funded and hence implemented. This alone meant that project managers were, on the whole, supportive of SIBs, as *'what the*

*investors gave us was money, what they gave us was the means to get running'. However, this was caveated by a recognition of the stresses and potential organisational risk that a SIB might represent: '100% PBR is stressful for staff and managers. As well as the financial consequences of not meeting targets there was a big reputational risk to us if it had gone wrong'.*

**Impact of 'private sector' techniques, principles and processes to help build capacity:** All seven projects felt they had benefited from the additional scrutiny and push that investors bought through the SIB: *'it was useful in tightening up discipline, especially around the need to forecast outcomes better to plan repayment'*. Project managers also described how their participation in the SIB had enabled them to develop organisationally, and better equip them to compete for future social investment funding opportunities. All projects reported that they would consider working with a SIB contract in future, describing social investment as a new and complementary route to other funding sources:

*'As an organisation we have learnt a lot; we are open to different kinds of financial models. We are more equipped to look at social investment programmes.'*

*'FCF has helped us to get to grips with the social finance benefits for us as an organisation. It is harder and harder to get grant funding especially for a large organisation when the process can take so long. We are still going for grants and contracts but are now pursuing social investment as a third funding stream'.*

*'We are pretty good at telling a story which grant funders want; we now feel confident in telling a social impact story and measuring social impact... We have a track record now so can show success.'*

### **10.2.5 Challenges and potential dis-benefits of implementing FCF through a SIB**

**Ethical concerns over delivering a SIB:** Projects experienced early challenges with both the principle and practicalities of implementing the SIB. Interviewees described how it had taken time to *'win over hearts and minds to the idea of the SIB'*, with some staff expressing ethical objections to the principle of social investment and the idea that an investor could or would make a return on their investment.

*'The whole idea of a SIB was seen as contentious at first, so a lot of internal work had to be done to convince people of the need to take it on... There were also some moral challenges to the idea of getting payments on the outcomes, so the mind set to overcome was the payment structure as we were working with young people in the way we always have done'.*

*'There was some concern among staff at the beginning, who thought it wasn't appropriate that with this type of provision that investors should get a financial reward'.*

**SIB complexity:** Some senior managers and investors described the SIB as an overly complicated and expensive funding tool. For some providers the rate of return delivered to investors was perceived as *'cutting into the resource for delivery'*, effectively moving Government money away from service beneficiaries to investors:

*'Delivery agents' resources can be squeezed too much. It's called social investment but it is really a new market that investors are looking at, and they will seek to raise returns to meet risks. That means money is moved from the front-line'.*

Concerns over the rate of return paid to investors had led two providers to consider internal investment arrangements:

*'[Name of provider] would be interested in being a co-investor. We didn't invest in FCF but now we have the knowledge and would want to co-lead. This would give us a seat at the table and allow us to shape the model more'.*

Not all investors interviewed were convinced that SIBs offered advantages over alternative funding models. Two raised questions over the complexity of the FCF SIB, suggesting that there were different performance based options that *'could achieve similar results...and prevent investors spending an inordinate amount of time trying to determine the cost of each particular outcome metric which creates a great deal of complexity'.*

**Managing the relationship between investors and providers:** In the final year of fieldwork providers reflected back over the lifetime of the programme, discussing the length of time it had taken to establish productive working relationships between themselves and SPV members. Six of the seven projects described early challenges in meeting investor anxieties over performance, saying they had felt *'micro-managed'* on both delivery and reporting, and that this had impeded rather than supported progress. Three providers reported being particularly challenged over their ability to deliver and felt that their SPVs had demanded too significant an influence over day to day implementation:

*'It's been quite shocking how investors can sometimes be too critical of delivery staff. They thought they knew better than we do how to do this work...with our track record we should have been given more respect, we should have been listened to more at the beginning.'*

However, relationships while challenging at first had matured along with the programme, and by the final year tensions had largely been resolved and given way to mutual respect and trust. In the final visits, and on reflection, all seven providers reported that they were more likely to highlight the benefits rather than the challenges of working with their investors, whilst also acknowledging that SIBs were not necessarily the only approach that could be applied in their circumstances.

**Administrative burden:** Providers also discussed the administrative burden they had felt under in Years 1 and 2, saying that this had lessened as trust grew and monthly SPV meetings were reduced from monthly to quarterly.

*'The intense data expectations, monthly board meetings and the problems inherent in the relationship, these were all more or less overcome towards the end of year two and year three has been a lot better'.*

Whilst acknowledging the importance and value of performance monitoring, the heavy emphasis on data and evidence collection was described as excessive by some providers and not particularly useful in all dimensions. Interviewees reported early unease and difficulties in securing evidence of the achievement of outcomes, both from the young people themselves and from other agencies and employers. Collecting evidence was

described as labour intensive, and interviewees pointed out that these difficulties had meant late payment for some outcomes.

**The potential for perverse incentives:** Some staff within projects were new to PbR, while others had previous experience under other contracts or in different roles with other organisations. Those new to PbR found the shift to outcomes challenging at first, and some projects reported that there had been times when *'staff felt burnt out and needed support'*. One project manager described how some of her staff had felt that the constant pressure to achieve outcomes risked taking attention away from what clients needed, thereby threatening their professional and ethical integrity. This was recognised as a tension by all providers, who discussed the risks of 'creaming and parking' inherent in PbR contracts. While acknowledging this tension however, most interviewees were adamant that outcome payments had not acted as a perverse incentive or moved their focus away from what was best for their clients.

*'Outcome payments haven't influenced how the project works with young people...they can't...the client has to come first'*

This view was tempered somewhat by the observation of one interviewee who suggested that *'There were no cherries to be picked ... but we found some rough diamonds'*, and that the project had developed a deliberate strategy to target those individuals in the final year who were most likely to achieved outcomes. A number of interviewees commented on the disincentive of continuing to work with young people for whom they had secured the maximum outcome payments:

*'One negative with PbR is that once you have maxed out the financial reward for an individual you have no incentive to work with them. In some cases I think we could do more, we might do a bit more, but the incentive isn't there'*.

There was also evidence from the final year interviews with young people in one project that they had felt shelved once they had achieved all possible outcomes:

*'The best thing about the project is that the staff that were employed were really caring, but the worst thing about the project was being so outcome driven for the business, definitely towards the end it took the support element away from people who needed it'*.

## 10.3 Summary

As the FCF programme matured, relationships between providers and investors strengthened, so that by Year 3 most were characterised by high levels of trust and mutual confidence in each other's expertise. Levels of investor engagement varied both within and between projects and providers spoke most positively of those investors who were closest to their projects.

There is clear evidence that the FCF SIB and PbR funding arrangement enabled providers to take an adaptive approach to delivery, evolving their models to meet emerging challenges and priorities. This supports the contention that SIBs can promote innovation, although in this context innovation is best understood as the application of better solutions to problems rather than the delivery of something new or transformational.



While innovation may have been driven by PbR rather than by the SIB *per se*, there was evidence that the level of financial scrutiny and challenge bought by investors helped drive performance and enabled more effective targeting of the client group. Some providers also felt that the commercial rigour and focus on outcomes had helped challenge a perceived complacency in the sector effecting a shift in how front-line workers were prepared to engage with the client group. The combination of accommodation, education and employment outcomes also supported providers to focus on areas that they would not traditionally have focused on and to achieve more stretching outcomes for participants.

PbR provided an incentivising mechanism for the achievement of outcomes and both providers and investors were clear their primary concern was with the welfare of participants rather than pecuniary advantage. Providers recognised that a focus on outcomes carried with it the potential for ‘creaming and parking’ but argued that the client group presented little opportunity for ‘cherry picking’ and stressed the primacy of a client-led approach. In the final year of the programme, projects had stratified their cohorts and were focused on two key groups: those who with support might achieve further outcomes and those who remained in crisis. While clearly this cannot be said to equate to ‘cherry picking’, the disincentive of focusing effort on those who were unlikely to achieve further outcomes was recognised.

The SIB was pragmatically welcomed as providing funding for a programme of work that would not otherwise have been funded. The three-year time scale was widely recognised as critical for working with this FCF target group, for whom longer-term support was needed for the achievement of positive and sustainable outcomes compared to traditional short-term grant funding. However, concerns were also voiced about the complexity of the SIB and the value for money it offered in terms of set-up costs, funding intermediaries and providing investor returns, over alternative funding models.

# 11 Conclusions and key learning for the future

This chapter brings together the key findings from, and presents the conclusions of, the evaluation of the Fair Chance Fund, drawing upon the findings from previous interim reports and the final round of case study fieldwork and MI analysis. It also presents a series of key learning points of relevance to projects with similar objectives going forward.

The FCF evaluation had a single aim, "*to provide a comprehensive assessment of whether this type of Government intervention is effective in improving outcomes for the target group of young people*", and three objectives:

1. To assess how, why and under what circumstances the FCF 'works', based on the process dimension of the Fund, and to identify lessons for the future;
2. Identify the impact of the Fund over and above what would have happened in the absence of the intervention; and
3. Identify the value for money of the Fund.

An initial scoping and feasibility stage found that, in the absence of a suitable comparison group to establish the counterfactual, the impact assessment and value for money assessment could not be undertaken. Instead a series of costed case studies, to show the impact of the intervention of a small sample of participants and the saving resulting, were undertaken. Consequently, this report focuses on findings from the three rounds of qualitative fieldwork, analysis of project management information to the end of the programme and the costed case studies.

## 11.1 Conclusions

### 11.1.1 Achievement of programme objectives

Two key objectives were set for the FCF, namely:

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

In terms of the **first objective**, the programme, and the individual projects within it, offered a range of support to their intended target group, which included young people with multiple, and in many cases, particularly complex needs. Although the MHCLG MI database did not capture data on individual characteristics, it was clear from consultations with project staff, stakeholders and young people that participants faced a range of challenges, both individually and serially, the level of which in many cases exceeded the expectations of project staff at the outset.

Despite this, performance across the programme and the outcomes achieved also exceeded the expectations of MHCLG, the projects and, in many cases, the participants

themselves, particularly in terms of the sustained accommodation and employment outcomes. The referral process and the involvement of local authority gatekeepers helped ensure that young people in the greatest need were recruited – meaning that opportunities for 'cherry picking' were limited, although in the final year the projects described focusing their attentions on their remaining clients with the greatest opportunity to secure outcomes. This was, in most cases, not to the detriment of clients unable or unlikely to secure additional outcomes, with the overriding project and individual key worker ethos throughout the programme being firmly on ensuring appropriate support continuing irrespective of the potential to secure additional outcomes.

The projects also displayed a high degree of creativity in working with their young people, and changing their delivery arrangements on the basis of their experience and the characteristics of their local areas and needs of their clients. The flexibility offered by the programme funding and contractual arrangements was central in promoting this.

In all cases the rationale for the local projects was found to be sound, with the projects filling critical gaps in local provision and addressing the needs of those who routinely 'fall through the net' due to the complexity of their needs. Examples of competing provision were rare, with local stakeholders confirming that in the absence of the FCF, the long term, multi-faceted support it offered would not have been available otherwise.

In terms of **objective 2**, the findings of the evaluation are less clear cut. By their exposure to the SIB regime, and the associated PbR payment mechanism, the FCF provided new experiences for some project providers, their partners and their local authorities. As detailed below, the projects' views of the SIB/PbR mechanism evolved over time, with initial concerns over set-up costs, complexity and administrative burdens being replaced in most cases by an appreciation of the benefits of the model. While this often related to the delivery flexibilities inherent with outcomes based PbR contracts, there was a common view that the structuring of the target regime and the need to report regularly to their Boards had spurred delivery forward and led to outcomes ahead of expectations. The ability to re-profile outcomes annually, within the initial funding envelope, was also considered helpful by the projects.

The extent to which these experiences had led to additional engagement with the social investment market across the seven areas at this point is not clear. However, it is worth noting that all seven of the projects reported that they would consider SIB funding routes in the future, with several having already pursued this option. In addition, several local authorities, particularly where they had remained in contact with their local FCF projects, described learning from their experience and subsequently applying for new SIB opportunities. In these cases, each local authority interviewee considered that their experience of FCF had made them more eager to explore the SIB option. In addition, the scoping stage of the study also found that the programme had engaged with new social investors.

### **11.1.2 The FCF model**

All seven projects maintained the key components of their delivery models throughout the duration of the programme, and priorities. All seven providers maintained a housing-led approach, coupled with bespoke support delivered by key workers, with the flexibility afforded by the SIB contract allowing them to recruit staff with specific housing, education and employment remits to ensure outcomes were maximised.

Many of the distinctive features of the delivery models, and the programme architecture itself, were found to have contributed towards its success, including:

- **Following a 'housing-led' approach** – where the focus was upon moving participants into accommodation was a precursor to progression to further outcomes. However, experience showed that moves into mainstream accommodation were not appropriate for all at the outset, with hostel and other short-term accommodation being used to bridge the gap. Providers also observed that in some cases sustained accommodation was only achieved after one or more tenancy breakdowns, and the clients had realised what was required of them if their accommodation was to be sustained. In addition, 'housing' could also mean a return to the family home, notably where projects included family mediation as part of their provision.
- **The use of key workers** – the role of the key worker was essential in both finding and securing accommodation and other outcomes, but perhaps most importantly in engaging positively with clients and maintaining their involvement with the projects throughout. Depending on the needs of the client, key worker roles could involve providing practical help with cleaning properties, promoting protective factors such as money management and independent living skills, as well as negotiating the provision available to them. The flexibility to bring in staff with specific remits for arranging and managing housing, education, training and employment support provision over time also meant that key workers were more able to focus on day to day support to their clients. In some cases projects described an awareness of the risks of dependency associated with the key worker model, and described deliberately changing client key workers, in a managed manner, to avoid dependency and promote resilience.
- **The FCF programme structure** – several aspects of the programme structure were found to be particularly helpful, including
  - **A 12-month recruitment period** – which was considered helpful in establishing a 'set' initial cohort, with the ability to over recruit by 10% to allow for drop out also being valued. However, plans for projects to 'pre-recruit' before start were limited, due to a reluctance to commit before final funding agreements were in place.
  - **The three-year funding period** – concomitant with the fixed recruitment period, the longer-term duration of the programme was widely welcomed, given the barriers and challenges facing many of the participants and the time required for these to be addressed. Even so, it was clear that by programme end there remained a group of young people, often with the greatest needs, for whom ongoing support was required.
  - **The SIB/PbR model** – while experience and the influence of the funding and payment model is explored in more detail below, features commonly considered to have been helpful included:
    - **Metrics used** – projects were in agreement that overall the metrics upon which payments were based were appropriate, equitable and fit for purpose. Two metrics were considered less so – the absence of an entry to volunteering outcome (when the inputs required to volunteering placements could be the same as entries to employment), and the level of guided learning hours required to claim education/training outcomes (which did not reflect the short course provision that participants seemed to prefer).
    - **The flexibilities inherent in the SIB/PbR model – discussed in more detail below, but with the ability to re-profile outcomes annually** – to reflect experience of delivery, local circumstances and client characteristics and capabilities – being widely welcomed (and most commonly leading to reductions in education and training targets).

- **Opportunities for discretionary payments** - each project used either specific personalisation budgets, or used other resources to make small payments to support or reward participants, including to pay off rent arrears, purchase white goods and items of furniture, and provide clothing and materials for work. In many cases it was clear that the payments could have influence beyond their value in terms of allowing outcomes to be achieved/sustained.

### 11.1.3 Programme and project performance

Performance against the FCF outcomes was strong overall, perhaps most importantly for entry to and sustained accommodation outcomes, which underpinned the projects' housing-led rationale. Entry to and sustained employment outcomes were also strong, with many stakeholders expressing surprise that the projects had performed so well with such a challenging target group, particularly given the additional risks faced by young people living independently when moving from benefits to work. Performance against the volunteering and education/training outcomes were less strong in most cases, and supported the reports by project staff that their young people were more interested in work (and seemingly full-time work) than volunteering or education/training.

The programme recruited a total of **1,910 participants** against an initial target of 1,609, having been allowed to over-recruit in Year 1 to account for early drop outs, with the projects overall exceeding the forecasts in their applications for entries to and sustained accommodation; entries to and sustained employment; entries to education and training (although not qualifications achieved) and volunteering sustained at 26 weeks.

While the outcomes achieved are detailed in previous sections, areas of particular strength include:

- **Accommodation outcomes:** 1,657 (87% of all participants) were housed, with:
  - 1,540 / 93% being sustained for 3 months (81% of all participants);
  - 1,417 / 86% being sustained for 6 months (74% of all participants);
  - 1,206 / 73% being sustained for 12 months (63% of all participants); and
  - 1,022 / 62% being sustained for 18 months (54%, of all participants).
- **Employment outcomes:** 623 (33% of all participants) found work, of whom:
  - 10% sustained part-time posts for 13 weeks (3% of all participants);
  - 4% sustained part-time posts for 26 weeks (1.5% of all participants);
  - 57% sustained full-time posts for 13 weeks (19% of all participants); and
  - 40% sustained full-time posts for 26 weeks (13% of all participants).

As would be expected, performance across the projects was subject to a degree of variation, although this was in most cases this was limited to below 10 percentage points for the share of participants achieving different accommodation and employment outcomes. While the reasons for variable performance are discussed in the report, education/training and volunteering provision was cited from Year 1 as being of less interest to the young people, who were more interested in finding accommodation and entering employment to help maintain it. The education and training outcomes faced additional challenges, including participants' preference for short courses which did not lead to an accreditation, their negative previous experiences of education, poor attendance

once engaged and, for the projects, the imbalance between demand//capability and the number of guided learning hours required.

Finally, project performance overall is perhaps best summarised in terms of **payment received against the value of the outcomes in their bids**. Table 11.1 shows that each project claimed either 100% of the outcome value in their bids or where within 10% of doing so.

**Table 11.1 Outcome payments claimed by project end vs available**

Project	Total outcome payments claimed	Total outcome payment available	% of total outcome value claimed
Ambition	£2,742,943	£2,944,525	93%
Aspire	£1,313,690	£1,451,250	91%
Depaul	£1,654,340	£1,654,340	100%
Fusion	£2,513,800	£2,513,800	100%
Home Group	£1,995,206	£1,995,206	100%
Local Solutions	£1,323,670	£1,338,350	99%
St Basils	£2,622,375	£2,622,375	100%

#### 11.1.4 Wider benefits and impacts

Although the initial plans for an impact assessment could not be taken forward, it was clear that the impressive range of 'formal' outcomes achieved by the projects represented only part of their overall achievements. Additional benefits and impacts for young people, project staff, their organisations and the wider homelessness infrastructure included:

- **For young people** - in the views of many of the project staff, while the outcome measures were in the main appropriate they did not capture the 'softer' outcomes achieved, which underpinned their ability to progress to more tangible outcomes in their time with the projects and beyond. For many these included improvements in confidence, motivation and resilience to set-back, and increased socialisation and reduced in anti-social or risk-taking behaviour, alongside giving a sense of direction and belief that they could achieve their ambitions. Project staff confirmed that for many of their clients these softer outcomes, and the more formal outcomes reported, represented the first achievements.
- **For project staff** – who described their experiences of working with the young people as on occasion challenging and frustrating, but ultimately rewarding. This experience was expected to continue to have value in future posts, and many had received additional training in areas which were new to them. In some cases a more fundamental change in attitude was observed, with key workers being more prepared to challenge young people while providing the intensity of support required to help them move forward.
- **Organisational benefits** also included experience of the SIB model, broadening their thematic coverage (commonly by including employment support within their offers), and enhancing both their capacities and capabilities.
- **For the wider homelessness infrastructure** – while the projects had at very least 'shared the load' in terms of supporting local homeless young people, and contributed to local authority performance on homelessness, they also provided opportunities to enhance networking and collaboration between services and housing providers. The FCF had in several areas left a legacy of a model which could be replicated, and by

enabling learning around the SIB model raised awareness and interest in it going forward.

### 11.1.5 Costed case studies

The costed case studies explored the costs and benefits of participation in FCF for eight individuals, comparing the estimated cost of participation (total outcome payments and other costs not met by the projects) to the costs avoided and social value resulting from employment or voluntary activity. The case studies were not intended to provide an economic evaluation per se, but to illustrate the costs that young people with similar characteristics might incur in the absence of FCF, and the savings and social value that can result from their participation in the programme.

For the case study subjects, the cost of participation in FCF ranged between £9,760 and £25,812, with corresponding estimated cost savings ranging between £1,460 and £75,590 and social value between £1,500 and £22,100. On this basis:

- For five of the eight case study subjects, **the estimated cost savings and social value in the final year alone had exceeded the total cost of the intervention**; while
- For the remaining three **the balance was reversed**, with costs outweighing savings and social value.

While it is not possible to extrapolate potential savings and social value in future years, the examples provided suggested that each individual was on a positive trajectory at the end of their projects and that additional benefits could result in subsequent years.

### 11.1.6 Experience of the SIB/PbR arrangements

For the majority of the providers, the FCF provided their first experience of developing and working under a SIB funding regime, although some had engaged with intermediaries previously to explore social investment opportunities, and several had prior experience of PbR.

In general, the projects' views of the SIB model changed over time. In the initial consultations attentions focussed on the process of establishing their SIBs, where the due diligence and associated pre-launch processes were understood as a 'necessary evil' the time requirements for and cost of which were raised widely.

However, over time, the common view changed as understanding and trust developed between investors and providers. While early interests focussed on performance management, the latter stages of the programme saw a wider appreciation of the benefits of the model – often in terms of new ways of using performance data to improve targeting and secure outcomes, but also around the flexibility and potential for innovation offered.

Provider experiences were influenced by the level, and nature, of investor engagement with them. In some cases contact with investors was limited, often after Year 1, to reporting progress, a disappointment for some projects who expected them to be more interested in the young people they served. In other cases investor interest was more intense – with one investor describing how they engaged with and actively challenged the projects they had invested in on an ongoing basis. The combination of enhanced financial scrutiny and challenge, seen by some projects as bringing 'commercial rigour' to their operations, was also seen to have driven steps to maximise performance. This most

commonly involved investors, via the SPV, intervening when quarterly outcomes achieved fell below their expected profile, and the development of performance improvement plans to address this. These tended to be single interventions, although in some cases within multi-partner projects had resulted in the exchange of outcome targets between partners where performance was considered unlikely to improve. More commonly, as described above, challenges to achieving certain outcomes had resulted in changes to delivery approaches, most commonly the introduction of staff with more 'specialist' responsibilities for education, training and employment outcomes.

Whether it was the SIB or the PbR arrangements that had most influence is difficult to disentangle. Certainly the 100% outcome payment regime provided a 'stick' to drive performance, as reflected in the high share of available outcome payments claimed by programme end and in consultations with project staff throughout the study. While in a few cases staff felt their project was being 'driven by the numbers', the majority recognised that this did not necessarily challenge their fundamental ethos of delivering support in a person centred and equitable manner. This could mean emphasising to staff the importance of providing evidence of outcomes secured within each quarter, to in the final year particularly focussing attentions, using the data available to them, to ensure outcomes were maximised.

Perhaps most importantly, and despite any previous concerns over cost, complexity and administrative burden, by the final consultations with projects all seven reported that they would consider using a SIB again in future, with several already pursuing this option. It is also noteworthy that while the projects appreciated the positive effect of the SIB by the end of the programme, they also recognised that investor inputs focussed on performance management and the improved use of data in forward planning, rather than 'subject specific' inputs per se.

## 11.2 Key learning for future provision

### 11.2.1 Service provision and delivery

The FCF programme provided a series of opportunities for learning to inform future provision of this type and services directed towards a similar target group. The evaluation found the following features as key to effectiveness of the programme:

- **Dedicated key workers providing holistic bespoke support:** the role of the key worker was central to the success of the FCF, through their abilities to engage with young people, develop trust, and act as an advocate, whilst also setting clear boundaries and expectations. Throughout the study the commitment and resilience of the key workers was evidenced through consultations with them and the young people supported, and it was clear that the quality of their relationships with young people was key. Participants clearly valued the sustained, responsive, emotional and practical support received, which frequently contrasted positively with support received previously.
- **A housing-led approach:** the evaluation provides strong evidence that the housing-led approach adopted established a robust platform for progressing young people towards education and employment outcomes. That said, it was clear that a minority of young people were not ready for independent living on referral, and needed to be placed in supported housing for some time before moving on. In addition, young people may require a number of 'attempts' and failed tenancies before they are able to sustain.



- **The three-year duration of the project:** which, combined with the restriction of recruitment to Year 1, allowed key workers the time to build trust with young people and provide long term support to enable them to progress towards stability and employment. While it was agreed that three years was not necessarily sufficient to achieve sustained change for all young people, it represented an improvement on previous programmes in terms of duration. The length of the programme, combined with the flexibility for young people to 'dip in and out' was contrasted with other programmes.
- **Flexibility of approach:** following the projects from start to conclusion, it was clear that the combination of funding arrangements and organisational ethos had allowed key workers to be flexible in how they worked with young people, providers the scope to use their expertise and knowledge to tailor provision to individual needs, and for projects to change the delivery approaches or introduce new provision. This flexibility also enabled providers to be adaptive in response to emerging challenges, such as recruiting staff with specialist remits for accommodation, education and employment provision.

### 11.2.2 Lessons for future SIB provision

While different views of the 'added value' of the SIB and PbR elements of the programme were reported across the study period, by programme end reflections on their influence on delivery were positive, and both elements were considered to place an enhanced focus on delivery and be responsible, at least in part, for the successes achieved. Some concerns remained over the initial cost, time and complexity of establishing a SIB, and in some quarters over the ethics of 'making a margin' on homeless services, but overall interviewees were positive and set the scene for future involvement in SIBs in the future. Secondly, while the metrics used to trigger outcome payments under FCF were considered broadly fit for purpose, it may be worth considering two areas on the basis of the FCF experience in future:

- **Ensuring payments are always linked to the costs of inputs** – in the case of FCF, only a concern regarding the volunteering outcomes, where no payment was made for placing a volunteer despite the effort taken; and
- **Carefully consider the needs and demands of the cohort in calibrating outcomes and evidence** – in the case of FCF, this referred to the number of guided learning hours required to claim a qualification outcome (when much provision was short course based, such as to receive a CSCS card or internally delivered confidence building sessions), and in future allowing a lower ceiling for this measure may be worth considering.

Finally, and recognising the challenges of accurately collecting such data to a common standard, **consider whether it is possible to include 'softer' outcomes as payment triggers**, recognising that this would add burden and lead to potential complexity in setting, and collecting data on, the standardised metrics that would be required.

### 11.2.3 Key recommendations

Following the learning for future provision, this section provides a series of key recommendations to inform the design and delivery of future interventions for this target group, based on the experience of the Fair Chance projects.

1. The **housing-led approach should be replicated** as a means of helping young people secure sustainable accommodation and progress towards education, training and employment and other outcomes. Such approaches should also **allow for the use of supported housing** as a bridge for those not ready for independent living.
2. The provision of **funding over an extended/three-year period** should also be considered, and longer when working with groups with particularly complex needs.
3. Consideration should also be given to **replicating the 'fixed cohort' model** to ensure that attentions focus on securing outcomes following an initial recruitment period. If followed, **projects should be able to over-recruit**, on the basis of early evidence of drop-out amongst their cohort, within this fixed recruitment period.
4. Reflecting the benefits identified amongst the Fair Chance projects, the **key worker approach should be followed** to provide both the high level of support required as well as to allow relationships of trust to develop between client and key worker. While projects should **ensure that staff resources are sufficient** to achieve this, **well-managed moves between key workers should be encouraged** when clients are ready to avoid dependency and promote resilience.
5. Depending on their specific objectives and intended outcomes, **consider the inclusion of staff with 'specialist' remits**, such as housing management, education/training and employment support to provide programmes of holistic support.
6. Consider the inclusion of **discretionary funding** to provide small payments to participants to help them secure and sustain outcomes.

For future SIB-based opportunities, consideration should be given to:

7. Taking steps to **make the SIB development and funding stage as simple, transparent and streamlined as possible**, while maintaining the necessary levels of due diligence and challenge.
8. Ensuring **outcome payments reflect the resources required to achieve them** – for example including payments for volunteering entries to acknowledge the cost of arranging placements.
9. The **needs and demands of the cohort in calibrating outcomes and evidence** – to ensure equity, linkage and objectives. For example, in the Fair Chance context, consider reducing the number of guided learning hours required for qualification outcomes to reflect client preference and need.
10. Ensuring that any **outcome metrics fully reflect the intended policy effects** as far as practicable – for example including additional outcomes such as improved mental health and positive behavioural influence (e.g. reduced offending).
11. Exploring the **inclusion of 'soft outcomes' as payment metrics**, such as improved confidence and motivation, to a common standard, recognising that outcomes of this type are difficult to accurately collect and could add complexity and burden.

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