



**Social Impact Bonds in the UK homeless sector:
Perspectives of front-line link workers**

Journal:	<i>Housing, Care and Support</i>
Manuscript ID	HCS-08-2020-0011.R1
Manuscript Type:	Research Paper
Keywords:	Homeless, Homelessness, Services, Social Impact Bonds, Welfare, Link workers

Social Impact Bonds in the UK homeless sector: Perspectives of front-line link workers

Abstract

Purpose – Social Impact Bonds (SIBs) have become a favoured way to fund public services, including housing, prison and homelessness projects, in an era of austerity.

In a growing critical literature on SIBs, a largely absent voice is that of the link worker. The report focusses on the views of link workers in a SIB funded project which works with long term entrenched rough sleepers in the East of England.

Design/ Methodology/ Approach – Interviews with link workers were conducted with a thematic analysis echoing many of the views expressed in the critical literature about the problems, but also some of the advantages that SIBs offer to this type of project.

Findings – Three key themes were: discomfort with the funding mechanism; flexible and innovative interventions that SIBs make possible; and problems with the outcome measures that trigger payments. We conclude that if SIBs are to achieve their promise of providing funding which leads to effective solutions to deeply ingrained social problems, there needs to be more careful evaluation of their true benefits in comparison to publicly funded projects, adoption of more appropriate and project specific outcome measures; and a much clearer explanation and justification of the way in which SIB funding works.

Originality – Few studies have specifically explored the perceptions of link workers in the homelessness service. This study highlights the concerns but also benefits associated with the use of SIB as a funding mechanism within the homelessness sector.

1
2
3 **Key Words** Homeless, Homelessness, Services, Social Impact Bonds, Social,
4 Welfare, link workers.
5

6
7 **Paper Type** Research Paper
8
9

10 11 12 **Background** 13

14
15
16
17 Social Impact Bonds (SIBs) are a variant of 'payment by result' whereby a
18 government contracts an organisation to design and deliver a welfare or social
19 project and is subsequently paid based on achieving specific milestones or
20 outcomes within the contract (Cabinet Office, 2012). In essence, SIBs aim to attract
21 investors to bring increased spending on projects offering financial returns which are
22 payable when social outcomes are achieved. As investors are only paid when
23 agreed positive outcomes are achieved, the SIB funding is designed to transfer risk
24 away from the public sector, providing greater freedom for organisations to be
25 innovative, driving towards better performances through financial incentives (Brest *et*
26 *al.*, 2018). In theory, by increasing spending on preventative services, the
27 interventions funded by SIBs can prevent greater spending on costly health and
28 social care interventions further down the line, consequently providing a cost saving
29 for the government. Across many countries, SIBs have become an increasingly
30 common feature of social policy in the first part of this century. To date, the USA and
31 the UK have been the most enthusiastic implementers, with 58 examples in the UK
32 (Carter *et al.*, 2018). Examples of social issues in the UK which have been tackled
33 using SIBs include youth reoffending, prisoner recidivism and homelessness
34 reduction (Nicholls and Tomkinson, 2013; Mason *et al.*, 2017). Advocates of this
35 mechanism point out that, given the total financial assets which exist in the hands of
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 private investors, the potential amounts of capital available to invest in social
4 problems are significantly greater with the use of SIBs than what can be brought to
5 bear by governments, charities and not-for-profit organisations (Leventhal, 2013).
6
7
8 The argument is made that if SIBs help to bring some of these assets to the funding
9
10 of social projects which achieve positive outcomes, then this can only be a good
11 thing which enhances what is already being done. This new approach brings extra
12 resources and allows for innovation.
13
14
15
16
17
18
19
20

21 However, the SIB model of funding remains contested, and the rationale, and
22 ideology behind this way of funding interventions has been the subject of much
23 academic debate. Ethics, efficacy, and evidence base have all been heavily
24 scrutinised and questioned (Fraser et al., 2020). Reviews suggest that, to date, there
25 is little evidence that the model leads to any better or different outcomes than more
26 traditionally funded programmes (Fraser et al., 2018a).
27
28
29
30
31
32
33
34
35
36

37 The UK was a pioneer in establishing the foundations of SIBs globally. In March
38 2010, HMP Peterborough Offending Service, in collaboration with the UK Ministry of
39 Justice and local charitable trusts became the world's first pilot SIB (Disley *et al.*,
40 2011). Delivered over a seven-year time period, the SIBs aim was to offer 3000 adult
41 prisoners serving a short-term sentence of less than 12 months, intensive support
42 both inside prison and after release helping them to resettle and reintegrate back into
43 the community (Strickland, 2010). The specific innovation of the SIB, beyond usual
44 offender support programmes was the intensity and breadth of support offered with
45 police, probation, integrated offender management teams, the prison, the local
46 authority, local statutory providers, training providers and the voluntary sector all
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 offering support services, and the whole managed by one agency (Social Finance,
4 2017). Although the findings suggested positive changes through a reduction in
5
6 recidivism and private investors were therefore repaid, the reductions were not
7
8 sufficient to lead to savings on public spending by the Ministry of Justice (Ogman,
9
10 2016). Furthermore, whilst the project appeared to have worked well initially, it was
11
12 much less effective in its latter stages due to a wider programme of policy changes
13
14 e.g. *Transforming Rehabilitation*, which led to an unexpected early termination of the
15
16 recidivism scheme (Disley *et al.*, 2011; Ogman, 2016; Roy *et al.*, 2017).
17
18
19
20
21
22

23
24 Homelessness remains a significant social problem, and there was a sustained
25
26 increase in homelessness and a 141% rise in rough sleeping in the UK in the period
27
28 from 2010 to 2019 (Wilson and Barton, 2020). London, with a rapidly growing
29
30 population and particularly unaffordable housing, was the epicentre for
31
32 homelessness, with 27% of all of the rough sleepers recorded in England (CHAIN,
33
34 2019).
35
36
37
38
39

40 As a response to the homelessness crisis in November 2012, the Thames Reach
41
42 Housing Association and St Mungo's launched the world's first homeless SIB (Tan *et*
43
44 *al.*, 2015). The aim was to provide a personalised service pathway for a cohort of
45
46 415 entrenched rough sleepers and reduce the number of homeless individuals
47
48 experiencing rough sleeping in London. There is no agreed definition of entrenched
49
50 rough sleeper, but agencies accept that it refers to someone who has frequently
51
52 slept outside over a period of months or years (Mackie *et al.*, 2017). Raising over
53
54 £1million, this SIB provided a navigator approach, whereby key workers adopted a
55
56 personalised and flexible approach, supporting the cohort to access a range of
57
58
59
60

1
2
3 services; with targets to move individuals into sustained accommodation for at least
4
5 12 months. According to the Ministry for Housing, Communities and Local
6
7 Government (MHCLG, 2019) there was a reduction in rough sleeping, with a move
8
9 towards stable accommodation, sustained reconnection, reduction in accident and
10
11 emergency admissions and progress towards employment, education or
12
13 volunteering. The welcome reduction in homelessness and improvements to
14
15 individuals may not only reflect the success of the SIB but also other changes which
16
17 were introduced by The Homelessness Reduction Act 2017 and a manifesto pledge
18
19 from the incoming government to eliminate rough sleeping by 2027 (Conservative
20
21 Party, 2017). The timing of these early SIB projects (2010 for the offending project
22
23 and 2012 for the homelessness one), coincide of course with an era of austerity and
24
25 a clear government policy of significantly reducing public spending. The neo liberal
26
27 response to the financial crisis of 2008, to further shift responsibility for social
28
29 problems away from government, and on to individuals played out in a range of
30
31 initiatives. As Maier et al. (2018) have shown the New Public Management theory
32
33 and similar ideas predicated on this shift from public to private have contributed to
34
35 the cultural climate that led to the birth of SIBs.
36
37
38
39
40
41
42
43

44
45 The new homelessness legislation in 2017 was also accompanied by a number of
46
47 start-ups of homeless SIBs across the UK. In that year a SIB was commissioned in
48
49 Lincolnshire, known as ACTion Lincs Project, and delivered by *P3* a National charity
50
51 and social enterprise who provided housing, financial and employment support. The
52
53 Lincolnshire SIB, worth £1.3 million and funded by MHCLG, was one of eight
54
55 successful SIB sites across the country. The *P3*-led project was the trailblazer
56
57 project and is the result of a successful and innovative partnership with various
58
59
60

1
2
3 providers including borough, district, city and county councils; a mental health
4 foundation trust; an offender management service; and an addiction treatment
5 provider. The project aims to be different in offering long-term intensive support,
6 access to housing provided by local councils, whilst working more closely with a
7 range of relevant public services.
8
9
10
11
12
13

14
15
16 The ACTion Lincs project is tasked with achieving a set of specific multifaceted
17 outcomes for 120 entrenched homeless individuals aged 18+ years, with complex
18 and co-occurring needs. The outcomes include facilitating and maintaining access to
19 accommodation; extensive mental and physical health support; access to drug and
20 alcohol treatment services; and help with access to training, education and
21 employment. Available data suggests that the project has achieved positive
22 outcomes (ACTion Lincs, 2020). Recruitment achieved was more than the target of
23 120. The 135 individuals who were supported had over 500 years of rough sleeping
24 between them, and the majority were supported into secure tenancies. Fourteen
25 moved away and 12 opted out; the remainder were all housed at September 2020.
26 Fifty-eight had measurably improved health outcomes after being helped to engage
27 with treatment for epilepsy, Hepatitis C, HIV or COPD. The team were clear that
28 these outcomes would not have been achieved with a more standard homelessness
29 project.
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

51 The mushrooming number and range of programmes which are funded by SIBs has
52 been followed by a burgeoning critical literature which addresses a number of
53 aspects of their nature and implementation. A recent review of this literature found
54 87 papers published between 2009 and 2015 (Fraser *et al.*, 2018a) and noted a
55
56
57
58
59
60

1
2
3 number of clear limitations and caveats evident from the available data. Reviewers
4
5 noted that 'across all active SIBs, there has been very little rigorous counterfactual
6
7 comparison of SIBs versus alternative methods of finance to deliver the same
8
9 service ... and thus a lack of evidence of costs and benefits compared with the
10
11 alternative approach to procurement' (Fraser *et al*, 2018a, p16; Fraser *et al.*, 2018b).
12
13
14
15

16
17 In this growing SIB literature, it is evident there is little published work which offers
18
19 any indication of the link worker's perspectives on the impact of this approach to
20
21 funding, organising and evaluating homeless services. That gap provided the
22
23 rationale for this study, which sought to privilege the perspectives of link workers.
24
25
26
27

28
29 The overall aim of the research project was to investigate front-line link workers
30
31 views about the process and outcomes of the innovative Lincolnshire SIB, through a
32
33 series of one-to-one interviews and a focus group. A recent publication described
34
35 and assessed the general experiences and perceptions of staff in relation to this
36
37 project, based on the same data (Rogers *et al.*, 2020). This paper will focus
38
39 specifically on their perceptions of the SIB funding mechanism.
40
41
42
43
44
45
46
47
48
49
50

51 **Methodology**

52
53
54
55

56 Focus groups provide one of the best methods for allowing individuals to share and
57
58 compare their experiences with each other and to explore issues of shared
59
60

1
2
3 importance (Bowling and Ebrahim, 2005). Additionally, focus groups allow for the
4 explicit use of group interactions as research data, as well as individual participant
5 responses to researcher prompts and questions (Morgan, 1998).
6
7
8
9

10
11
12 The focus group involved 10 participants, eight front-line link workers and two
13 managers. There was an even split of five males and five females. The managers
14 absented themselves for the latter part of the focus group discussion to enable for a
15 freer expression of views by the link workers. The age of the participants ranged
16 from 28 to 55 (mean=42). Working experience in the homelessness sector ranged
17 from one to over 20 years.
18
19
20
21
22
23
24
25

26
27
28 Semi-structured interviews include a set of fixed questions, but few or no response
29 codes, and are designed to ensure standardisation of questions for all participants,
30 but also to allow the interviewer to probe and ask additional questions, and for the
31 interviewee to raise additional issues (Bowling and Ebrahim, 2005). The interviews
32 were conducted by one researcher (TG), audio-taped and transcribed verbatim. The
33 interview guide and schedule used for this process was developed by the
34 researchers following a comprehensive review of the literature, familiarity with the
35 aims and context of the project, and findings from the focus group.
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

51 **Ethical Approval**

52
53
54

55
56 Permissions for the study were given by the University of Lincoln School of
57 Psychology Research Ethics Committee (Code: PSY171821). All participants gave
58
59
60

1
2
3 written permission for their data to be used, following provision of detailed participant
4 information sheets.
5
6
7
8
9

10 **Data Analysis**

11
12
13
14 Thematic analysis was used to assess the total data set gathered from the focus
15 group and individual interviews. This approach is suited to questions relating to
16 people's experiences and to the ways in which people construct meaning from their
17 experiences. Its purpose is to identify patterns of meaning across a data set (Braun
18 and Clarke, 2006). To ensure the credibility and reliability of coding, transcriptions
19 were independently reviewed and coded by both the first and third author and
20 discrepancies were explored and resolved before key themes were agreed.
21
22
23
24
25
26
27
28
29
30
31
32

33 **Findings**

34
35
36
37 After independent scrutiny of the data by two researchers (TG and JR), and with the
38 aid of NVivo software, three key themes emerged from the dataset: 1) Discomfort
39 with the funding mechanism; 2) What SIBs make possible; 3) Problems with the
40 outcome measures that trigger payments. The following section elaborates on these
41 themes with selected statements from participants in the focus group (e.g. FGP1) or
42 from interviews (e.g. IP2).
43
44
45
46
47
48
49
50

51 *1. Discomfort with the funding mechanism*

52
53
54
55
56 Discomfort with the nature of SIBs was expressed by a number of link workers
57 across the one-to-one interviews forming a key element of discussion in the focus
58
59
60

1
2
3 group session. 'I think ... the funding mechanism that's behind this project is I feel
4
5 uncomfortable with it' (FGP3), and 'I don't support people making money ... off other
6
7 people's misery' (FGP7) were two of many comments on the issue.
8
9

10
11
12 Several individuals elaborated on this in interviews.
13
14

15
16 "I am personally not keen on ... payment by results ... I think we can almost be
17
18 blindsided by those targets and I think there is a worry there that people are
19
20 going to start to work on ... what the companies ... needs are rather than
21
22 those of the clients sat in front of you". (IP10)
23
24

25 "Part of the discomfort is a concern ... with the explicit focus on payment by
26
27 results ... the funding mechanism....has an impact on the work, the relationship
28
29 between the client and link worker from day one is almost transactional by
30
31 nature ... we do brilliant work breaking down barriers by getting someone to be
32
33 engaged and then once every three months we put a piece of paper in front of
34
35 somebody and say you are worth £1200 to me today so can you sign that ...
36
37 we have had exampleswhere clients are saying 'well you only want to see
38
39 me because I am worth money to you". (IP2)
40
41

42
43 These experiences appear to confirm the fears of a number of critics of approach to
44
45 funding welfare services who contend that SIBs blur the boundaries between public,
46
47 private and non-profit sectors (Miller *et al.*, 2008) and translate social issues, such as
48
49 homelessness, into business opportunities that will provide a financial return on
50
51 investment (Cooper *et al.*, 2016).
52
53

54 55 56 2. *What SIBs make possible* 57 58

59 A second, more positive theme, was about the funding mechanism. Despite
60
discomfort and reservations, many link workers highlighted the achievements made

1
2
3 possible for service users as a result of the way that the project had been structured.
4
5 They recognised that the ability to work intensively and to do what was necessary to
6
7 achieve outcomes for service users, was afforded and enabled by the SIB.
8
9
10
11

12 “The funding mechanism it is the first social impact bond that has
13 looked at this particular problem ... this genuinely feels like a
14 partnership collaboration across both housing and health, and whilst
15 there are and have been frustrations still ... we have been able to
16 unpick a lot of those because of ... those partnerships we have”. (IP4)
17
18
19

20 “....one of the primary reasons why it has been successful is the ability
21 to follow a person wherever they may be on their journey and not
22 restricted by whether they be on the streets, in someone’s home, in
23 their own home, in prison, in hospital it has enabled them to uncover
24 and unpick some of the complexities we didn’t even know existed”.
25 (IP4)
26
27
28
29

30 Advocates of SIBs point to their utility as a novel approach to unlocking solutions to
31
32 social problems (Wooldridge *et al*, 2019) and participants suggested that there was
33
34 evidence of this in the project.
35
36
37
38

39 “First and foremost, the opportunity that presents itself to even look at
40 doing something because there is money available ... to do something
41 very different. We had a group of people that were experiencing ...
42 complex and multiple needs, not having access to development
43 support services and actually we needed to do something different to
44 ... meet their needs and this project ... enabled us to look at some of
45 the problems across the system ... it gave us an opportunity to draw
46 everybody together to ... try and put something in place to try and
47 address this complex and wicked issue ... So that is a huge positive,
48 without that we wouldn’t have had this.” (IP6)
49
50
51
52

53 The autonomy granted to workers can be seen as a function of the structure of the
54
55 project but also seems to have been made more possible by the approach and
56
57 attitude of the senior management towards the programme.
58
59
60

1
2
3 “Where I feel fortunate is right from Day one, I was given clear
4 instructions from our senior management that we make sure that we
5 do the right thing for that person and hopefully that should ensure
6 we trigger the outcomes that enable us to get paid but if that doesn’t
7 then it is our job to feed that back to those that are commissioning us
8 to deliver this project”. (IP7)
9
10

11
12 The flexibility of SIB funding was considered by interviewees as innovative. In
13 contrast to other funding sources where decisions about spending could be slower
14 and more constrained, SIB resources were said to be made available quickly, in
15 response to pressing service user needs. A certain amount of discomfort with the
16 funding mechanism is balanced by a recognition of the advantages it may bring to
17 the working practices of link workers, and in facilitating desired outcomes for service
18 users. However, there is a further issue with SIBs, at least as they have been applied
19 so far in the housing/homeless sector, which was articulated by a number of
20 participants in this study below.
21
22
23
24
25
26
27
28
29
30
31
32
33
34

35 *3. Problems with the outcome measures that trigger payments*

36
37
38
39

40 The third and final theme relates to the suitability of outcome measures. Earlier,
41 participant’s views about the SIB funding mechanism were detailed. Discomfort was
42 expressed at the way in which the payment by results mechanism within the SIB
43 structure, led to a very explicit awareness on the part of service users and workers
44 that funding for the continuation of the work carried out by project staff was
45 contingent on the achievement of specified outcomes. Beyond the discomfort with
46 the whole mechanism of payment by results was unhappiness with certain specific
47 outcome measures which were seen as inappropriate, and/ or insensitive.
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 Key outcomes measures which had been set and which triggered payments for this
4 project, related to: achieving secure accommodation at key time points from 3 to 24
5 months; improvements in wellbeing, as measured by standardised assessment tools;
6 entry into and sustained engagement with mental health and/or with alcohol misuse
7 treatment; continuing with volunteering at 13 and 26 weeks; and continuing with part
8 time or full time work at 13 and 26 weeks. These measures were selected and
9 dictated by the MHCLG, and therefore local partners had no influence over these.
10
11
12
13
14
15
16
17
18
19
20

21 Participants commented on a number of these measures but in particular the scale
22 selected to measure wellbeing as being inappropriate and possibly
23 counterproductive.
24
25
26
27
28
29
30

31 "I haven't got any disagreements with [measures relating to securing
32 accommodation] because it is good for us to keep track as well that is
33 a nice little output, ... the only one I really have a proper grievance
34 with is the Warrick-Edinburgh Wellbeing Assessment". (IP9)
35
36

37 Several other link workers also commented on this particular measure and some
38 suggested alternatives that might be more useful to focus on.
39
40
41
42
43
44

45 "I don't think the Warrick-Edinburgh Scale it is a true reading of
46 someone's feelings. I think there are better things to be paid for so
47 results such as if they said they want to take their life in the last week
48 that is a real result if they haven't". (IP6)
49

50 One participant was clear about the difficulties caused by the inclusion of this scale
51 as an outcome measure:
52
53
54
55

56 "What we required from staff ... we know that things like the Warrick-
57 Edinburgh Scale Assessment is much of a nonsense. We are asking ...
58 people things ...that are just weird. 'On a scale of 1-5 do you feel
59 loved?' 'I have been sleeping on streets for 10 years mate, I still am
60

1
2
3 what do you think'. We know the impact of that might have on the
4 relationships that they are trying to build with people who historically
5 have been through trauma who have struggled to build those
6 relationships and it makes those relationships transactional". (IP10)
7
8
9

10 As noted above, key outcomes of the SIB included measures of wellbeing and
11 engagement with mental health services. The absence of any measures relating to
12 physical health seems to be a notable omission, as the extant literature is clear that
13 the physical health of the homeless is significantly worse than average (Local
14 Government Association, 2017; Weber *et al.*, 2017; Cromarty *et al.*, 2019). The
15 health needs of the users of the service in this study were obvious to those working
16 with them. Such issues formed a significant part of their work and they commented
17 on the absence of any reference to this in the outcome measures.
18
19
20
21
22
23
24
25
26
27
28
29
30

31 "There is no recognition and you will obviously know this from the
32 health audit that we have done, there is no recognition in terms of
33 payment for physical health and there is a huge amount of work that
34 goes on in terms of physical health". (IP4)
35
36
37
38
39
40
41
42
43
44
45
46
47
48

49 **Discussion**

50
51
52
53

54 Ambivalence towards, and a lack of a detailed understanding of, the SIB funding
55 mechanism were evident among many of the link workers. There was also some
56 scepticism and discomfort about SIBs as a method of funding. In a review of
57
58
59
60

1
2
3 challenges experienced in relation to commissioning SIB's, Wooldridge *et al* (2019)
4
5 note that a key issue for commissioners was suspicions and ideological concerns
6
7 about SIB's on the part of stakeholders. They suggest most concerns are misplaced
8
9 reflecting a lack of understanding of how SIBs work and the long-term benefits they
10
11 provide. However, such scepticism about the process on the part of link workers
12
13 echoes the majority view within the academic literature (Arena *et al.*, 2016; Dowling,
14
15 2017; Maier and Meyer, 2017; Maier *et al.*, 2018).
16
17
18
19
20

21
22 Despite the rapidly growing use of SIBs across a range of services which offer
23
24 crucial interventions to some of the most vulnerable members of society, there
25
26 remains a lack of evidence of their effectiveness and a range of concerns about their
27
28 ethics and efficacy. A recent international review of the use of SIBs suggests that
29
30 there is a paucity of concrete evidence about outcomes, where much of the
31
32 reportage on SIBs is commentary and speculation (Fraser *et al*, 2018b). In terms of
33
34 ethics, some academics have reported how SIBs within homelessness charities on
35
36 occasion have ended up supporting some uncharitable behaviours (Cooper *et al.*,
37
38 2016). The first SIB for homelessness in the UK, discussed earlier in this paper,
39
40 involved, in some cases, investors receiving cash for the removal of foreign rough
41
42 sleepers. In this case, the outcome measures were weighted towards removal of
43
44 individuals from the streets rather than valued outcomes for the individuals
45
46 themselves. '*Supporting clients into sustained reconnection to a country where they*
47
48 *enjoy local connections*' was a contracted outcome used to justify sharing
49
50 confidential information with the Home Office and the use of charity staff to
51
52 accompany individuals on deportation flights (Cooper *et al.*, 2016, 71). This example
53
54
55
56
57
58
59
60

1
2
3 illustrates in a very clear way the consequences which can follow from introducing
4 such forms of conditionality into the funding of welfare programmes.
5
6
7
8
9

10 Several paradoxes have been identified in relation to SIBs. One is that many
11 involved with them talk about both fidelity to evidence-based interventions and
12 prescribed models but also a very flexible approach to meet the needs of service
13 users. Of 51 SIB practitioner reports reviewed by Maier et al. (2018), 34 contained
14 this paradox of 'evidence-based flexibility'. Perhaps this is not surprising. Lipsky
15 (1980) first used the term 'street level bureaucracy' to highlight the way that front-line
16 workers navigate the complexities and sometimes contradictory imperatives of
17 policies and funders directives, and how in practice they have a degree of autonomy
18 which they use to meet the needs of service users. This idea resonated and has
19 been explored and confirmed in other studies. Hupe and Hill (2007) for example
20 have explored the complexities of accountability that front-line workers have and
21 suggest that "within the web of these multiple accountabilities which produce
22 possibly contradictory action imperatives, street-level bureaucrats constantly weigh
23 how to act" (290).
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

45 In deciding on actions, attempts to balance accountability to service users with that
46 owed to employing agencies and funding agencies were certainly in evidence in our
47 study of front-line workers.
48
49

50 Despite reservations expressed by participants in the present study, for most
51 participants a pragmatic view prevailed, and link workers recognised that the SIB
52 facilitated a service and a way of working which would not otherwise exist. There
53 were reservations about the development of more transactional types of
54
55
56
57
58
59
60

1
2
3 relationships; with further reservations about funding for the work being linked to an
4 investment from which some persons or organisations might profit. Nevertheless,
5 most interviewees were prepared to 'hold their nose', as it were, and accept the quid
6 pro quo which enabled them to help service users achieve valued goals relating to
7 accommodation, work, managing substance use and a range of other personal
8 goals. The workers would aim to meet the outcome goals prescribed by the SIB but
9 would use their street level knowledge to intervene in ways which would best meet
10 outcomes that they and the service user deemed most relevant and valued.
11
12
13
14
15
16
17
18
19
20
21
22
23

24 In a separate paper the authors have shown how, despite performing a stressful and
25 demanding role, link workers in this project report high levels of job satisfaction, and
26 compared to sector averages, very few workers withdrew from the project (Rogers *et al.*,
27 2020). Individuals largely attributed the satisfaction to the degree of autonomy
28 and decision latitude which they were afforded in their role and to the ability to work
29 long-term and intensively with a selected group of service users. It was the particular
30 way the project was set up that enabled this, and the link workers recognised that it
31 was, to a significant degree, the SIB that afforded and enabled this project to happen
32 (Rogers *et al.*, 2020). These findings support existing literature about staff wellbeing
33 and retaining a skilled and flexible workforce (Cream *et al.*, 2020, 43).
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48

49 The other major theme which was developed by participants related to the inclusion
50 of specific outcome measures, and the absence of others. The Warwick-Edinburgh
51 Mental Wellbeing Scale (WEMWBS) was the target of particular criticism. The
52 wellbeing scale is well validated across a range of general adult populations and
53 cultures (Lloyd and Devine, 2012) and in specific groups such as adolescents and
54
55
56
57
58
59
60

1
2
3 secondary mental health service users (Bass *et al.*, 2016). However, it has not been
4 validated for use with a homeless population and the evidence from this study
5 suggest that at least some aspects are not appropriate and have questionable
6 validity. Once funding is made dependent on outcomes, the relevance, reliability and
7 validity of those outcomes becomes particularly important. The metrics used to
8 measure outcomes in contemporary homelessness projects have been scrutinised in
9 several studies and sometimes found to be lacking in relevance and validity
10 (Johnson and Pleace, 2016).
11
12
13
14
15
16
17
18
19
20
21
22

23
24 In relation to physical health, current UK government policy emphasises the need for
25 multi-disciplinary working and the need for all involved in health and social care to be
26 alert to the physical needs of homeless populations. Recent guidance includes
27 targets such as checking that homeless patients are registered with a GP and
28 receive primary health care, vaccinations and screening programmes, and helping
29 them to register when they are not. It also refers to providing holistic screening and
30 health assessment, using tools such as the Queen's Nursing Institute (QNI) health
31 assessment guidance (Public Health England, 2019). Such a policy was developed
32 as a result of the increasing awareness of significant health inequalities between
33 people affected by homelessness and other populations. Homeless populations have
34 higher rates of acute and chronic health conditions (Local Government Association,
35 2017), and some 40% of the homeless are thought to have a long-term condition
36 (Schanzer *et al.*, 2007). Homeless individuals also have higher rates of emergency
37 and acute hospital admissions, higher unmet health needs and elevated risks for a
38 range of health conditions (Weber *et al.*, 2017). All of this is reflected in the
39 significantly lower life expectancy for a person affected by homelessness in England
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 and Wales in 2018: 45 years for men and 43 for women, in comparison for an
4 average of 76 years for men and 81 years in women in the wider population
5 respectively (Local Government Association, 2017; ONS, 2019). Given this policy
6 imperative, it is somewhat surprising that some targets relating to physical health
7 were not included in the outcomes measures for this programme. As noted above
8 the first SIB for the homeless sector aimed to develop outcomes relating to health
9 and used A&E admissions as a relevant proxy measure (Government Outcomes
10 Lab, undated). It is unclear why any such measures were not included in the project
11 that was the focus of this study
12
13
14
15
16
17
18
19
20
21
22
23
24
25

26 Beyond the specific issue of outcome measures relating to physical health, there are
27 more general questions and problems relating to measurement and outcomes in
28 projects of this nature. In a review of SIBs, McHugh *et al.*, (2012) noted that social
29 outcomes are notoriously difficult to measure, particularly those that relate to health
30 and well-being as these types of outcome tend to be continuous rather than
31 categorical. However, as the payment of financial returns is conditional on outcomes,
32 in SIB funded projects, agreement and precision in relation to outcomes are required
33 to avoid disputes.
34
35
36
37
38
39
40
41
42
43
44
45

46 This study has provided useful insights into the views of front-line link workers in a
47 SIB funded project but is subject to several limitations. The first is that the data is
48 limited to the views of one relatively small group of link workers in a single SIB
49 funded project. As noted by Fraser *et al.*, (2017) there is significant heterogeneity
50 across SIB projects and the findings from this study cannot therefore be generalised
51 to all SIB funded projects in this sector. The present study focussed on the attitudes
52
53
54
55
56
57
58
59
60

1
2
3 and perceptions of staff, and a further limitation is that the views of service users
4 themselves are not included. However, as noted at the outset, the existing literature
5 on SIBs contains very little of the voice of staff working at the front-line of services,
6 and this study makes an original contribution by offering a detailed understanding of
7 the views of a staff group working in a flagship SIB project in the homeless sector.
8 This perspective, from those who witness the realities of life for service users on a
9 daily basis, is a vital one and adds nuance and detail to our understanding of the
10 issues. These empirical perspectives can help to inform the rapidly evolving use of
11 SIBs in work with people experiencing homelessness and in other public services.
12
13
14
15
16
17
18
19
20
21
22
23
24
25

26 **Conclusion**

27
28
29
30 The study demonstrated that in an innovative homelessness project, front-line link
31 workers had mixed feelings towards the SIB that underpins it. The workers were
32 suspicious of a model perceived as offering a financial gain to investors on the back
33 of vulnerable members of society who are affected by homelessness. The workers
34 were also concerned about inappropriate outcome measures; but fundamentally
35 valued the work that this funding made possible. It is clear that the project achieved
36 positive outcomes for most of the 135 individuals who were supported, with stable
37 tenancies and improved health outcomes. The team were clear that these would not
38 have been achieved with a more standard homelessness project. This contrasts with
39 the review of published studies by Fraser *et al* (2017) found little evidence of any
40 significantly different outcomes from SIB funded programmes compared to more
41 traditional programmes. The same review suggests that studies of SIBs in the UK
42 and elsewhere frequently point to the difficulties in reaching agreements as to what
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 should be measured in the contracts. There does not yet seem to be the knowledge
4
5 base or practice wisdom to develop appropriate agreements on the most appropriate
6
7 outcome measures for SIB projects in particular areas of practice, especially in third
8
9 section agencies such as homeless charities (Fraser *et al.*, 2019; Fraser *et al.*,
10
11 2020). As shown in this paper, front-line workers had clear and well-informed views
12
13 about which of the mandated outcome measures were appropriate. The involvement
14
15 of experienced staff in the co creation of outcomes measures may be a useful way
16
17 forward for the development of future projects.
18
19
20
21
22

23
24 New evidence emerging in relation to outcomes from UK SIB funded projects is
25
26 pointing to some reasons why commissioners may continue to pursue SIB models.
27
28 In an evaluation of trailblazers SIBs in health and social care, the question of why
29
30 commissioners might opt to pay the known higher transactions costs associated with
31
32 SIBs was raised (Fraser *et al.*,2020). The answer given was that, “in the context of
33
34 austerity, a SIB offers access to new financial streams and increased (non-financial)
35
36 support for management and delivery of services up-front” (203).
37
38
39
40
41

42
43 However, if SIBs are to achieve their promise of providing funding which leads to
44
45 effective solutions to deeply ingrained social problems, and to avoid them being
46
47 resented by staff and service users who work within the services that are
48
49 underpinned by SIB funding, several developments are required. There needs to be
50
51 more evidence of their true benefits in comparison to publicly funded projects,
52
53 adoption of more appropriate and project specific outcome measures; and a much
54
55 clearer explanation and justification to all stakeholders of the way in which SIB
56
57 funding works.
58
59
60

References

- ACTion Lincs (2020) Data on ACTion Lincs project [personal communication] e-mail to: T George, 12th September 2020.
- Arena, M., Bengo, I., Calderini, M., and Chiodo, V. (2016). "Social Impact Bonds: Blockbuster or Flash in a Pan?" *International Journal of Public Administration* 39: 927–39. [doi:10.1080/01900692.2015.1057852](https://doi.org/10.1080/01900692.2015.1057852).
- Bass, M., Dawkin, M., Muncer, S., Vigurs, S., and Bostock, J. (2016) "Validation of Warwick-Edinburgh Mental Well-being Scale (WEMWBS) in a population of people using Secondary Care Mental Health Services." *Journal of Mental Health* 25(4): 323-329. [doi:10.3109/09638237.2015.1124401](https://doi.org/10.3109/09638237.2015.1124401).
- Bowling, A., and Ebrahim, S. (2005) *Handbook of Health Research Methods: Investigation, Measurement and Analysis*. London: McGraw-Hill (UK).
- Braun, V., and Clarke, V. (2006) "Using thematic analysis in psychology." *Qualitative Research in Psychology*. 3(2), 77-101. [doi:10.1191/1478088706qp0630a](https://doi.org/10.1191/1478088706qp0630a).
- Brest, P., Gibson, R.J., and Wolfson, M.A. (2018) "How investors can (and can't) create social value." *Journal of Corporation Law* 44:205.
- Cabinet Office. (2012). *Social impact bonds*.
- Carter, E., FitzGerald, C., Dixon, R., Economy, C., Hameed, T., and Airoldi, M. (2018) *Building the tools for public services to secure better outcomes: Collaboration, Prevention, Innovation*. Government Outcomes Lab, University of Oxford, Blavatnik School of Government.
- CHAIN (2019) Combined Homelessness and Information Network London: CHAIN Annual Report Greater London 2018- 2019.
- Conservative Party (2017) Forward, Together Our Plan for a Stronger Britain and a Prosperous Future. The Conservative and Unionist Party.
- Cooper, C., Graham, C., and Himick, D. (2016) "Social Impact Bonds: The securitization of the homeless." *Accounting, Organizations and Society* 55:63-82. <https://doi.org/10.1016/j.aos.2016.10.003>
- Cream, J., Fenney, D., Williams, E., Baylis, A., Bahir, S., and Wyatt, H. (2020) *Delivering health and care for people who sleep rough: Going above and beyond*. The King's Fund.

- 1
2
3 Cromarty, H., Johnston, N., Kennedy, S., Powell, T., and Barton C. (2019) *Rough*
4 *sleepers: access to services and support (England)*. Briefing Paper Number 07698.
5
6 London: House of Commons.
7
8 Dowling, A. (2017) "In the wake of austerity: social impact bonds and the
9 financialisation of the welfare state in Britain." *New Political Economy*, 22:3, 294-310.
10 [doi:10.1080/13563467.2017.1232709](https://doi.org/10.1080/13563467.2017.1232709).
11
12 Disley, E., Rubin, J., Scraggs, E., Burrowes, N., and Culley, D. (2011) *Lessons*
13 *learned from the planning and early implementation of the Social Impact Bond at*
14 *HMP Peterborough*. London: Ministry of Justice.
15
16 Fraser, A., Tan, S., Lagarde, M., and Mays, N. (2018a) "Narrative of promise,
17 narrative of caution: A review of the literature on Social Impact Bonds." *Social Policy*
18 *and Administration*. 52(1), 4-28. [doi:10.1111/spol.12260](https://doi.org/10.1111/spol.12260).
19
20 Fraser, A., Tan, S., Kruithof, K., Sim, M., Disley, E., Giacomantonio, C., Lagarde, M.,
21 and Mays, N. (2018b) *Evaluation of the Social Impact Bond Trailblazers in Health*
22 *and Social Care Final Report*. Technical Report. Policy Innovation Research Unit.
23
24 Fraser, A., Tan, S., and Mays, N. (2019) "To SIB or not to SIB? A comparative
25 analysis of the commissioning process of two proposed health-focused Social Impact
26 Bond financed interventions in England". *Journal of Economic Policy Reform*: 1-16.
27 [doi:10.1080/17487870.2019.1572508](https://doi.org/10.1080/17487870.2019.1572508)
28
29 Fraser, A., Tan, S., Boaz, A., and Mays, N. (2020) "Backing what works? Social
30 Impact Bonds and evidence-informed policy and practice." *Journal of Public Money*
31 *and Management* 40(3): 195-204. [doi:10.1080/09540962.2020.1714303](https://doi.org/10.1080/09540962.2020.1714303).
32
33 Government Outcomes Lab (undated) *London Homelessness Social Impact Bond*
34 *(Thames Reach)*
35
36 Hupe, P. and Hill, M. (2007) Street-level bureaucracy and public accountability.
37 *Public Administration*, 85: 279-299 <https://doi.org/10.1111/j.1467-9299.2007.00650.x>
38
39 Johnson, G., and Pleace, N. (2016) How do we measure success in homelessness
40 services? Critically assessing the rise of the Homelessness Outcomes Start.
41 *European Journal of Homelessness*, 10(1): 31-51.
42
43 Leventhal, R. (2013) "Effecting progress: Using social impact bonds to finance social
44 services." *NYU Journal of Law and Business* 9(2):511-534.
45
46 Lloyd, K., and Devine, P. (2012) "Psychometric properties of the Warwick-Edinburgh
47 Mental Well-being Scale (WEMWBS) in Northern Ireland." *Journal of Mental Health*,
48 21(3), 257-263. [doi:10.3109/09638237.2012.670883](https://doi.org/10.3109/09638237.2012.670883)
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 Local Government Association (2017) *The impact of homelessness on health. A*
4 *guide for Local Authorities.*

5
6 Mackie, P., Johnsen, S., and Wood, J. (2017) *Ending Rough Sleeping: What Works.*
7
8 London: CRISIS.

9
10 Maier, F., and Meyer, M. (2017) "Social Impact Bonds and the Perils of Aligned
11
12 Interests." *Administrative Sciences*, 7 (3): 1-10.

13
14 Maier, F., Barbetta, G.P. and Godina, F. (2018) "Paradoxes of Social Impact Bonds."
15
16 *Social Policy and Administration*. 52(7): 1332-1353. [doi:10.1111/spol.12343](https://doi.org/10.1111/spol.12343)

17
18 Mason, P., Lloyd, R., and Nash, F (2017) Qualitative Evaluation of the London
19
20 Homelessness Social Impact Bond (SIB). Final Report. Department for Communities
21
22 and Local Government.

23
24 McHugh, N., Sinclair, S., Roy, M.J., Huckfield, L., and Donaldson, C. (2012) "Social
25
26 Impact Bonds: A Wolf in Sheep's Clothing?" *Journal of Poverty and Social Justice*,
27
28 21(3):247-257. <https://doi.org/10.1332/204674313X13812372137921>

29
30 Miller, P., Kurunmaki, L., and O'Leary, T. (2008) "Accounting, hybrids and the
31
32 management of risk. " *Accounting, Organisations and Society*, 33(7): 942-967.
33
34 <https://doi.org/10.1016/j.aos.2007.02.005>

35
36 MHCLG (2019) *Rough sleeping in England: Autumn 2018.*

37
38 Morgan, D.L. (1998) *The Focus Group Guidebook*. London: Sage.

39
40 Nicholls, A., and Tomkinson, E. (2013) *The Peterborough Pilot: Social Impact Bond*.
41
42 University of Oxford.

43
44 ONS (2019) Deaths of homeless people in England and Wales: 2018. Office for
45
46 National Statistics

47
48 Ogman, R. (2016) "Social Impact Bonds: A "Social Neoliberal" Response to the
49
50 Crisis?" In: Barbara Schönig & Sebastian Schipper (eds.): *Urban Austerity: Impacts*
51
52 *of the Global Financial Crisis on Cities in Europe*. Berlin: Theater der Zeit: 58-69.

53
54 Roy, M.J., McHugh, N., and Sinclair, S. (2017) "Social Impact Bonds – Evidence
55
56 Based Policy or Ideology?" In Greve, B. (Ed.), *Handbook of Social Policy Evaluation*.
57
58 Edward Elgar Publications, Northampton, MA.

59
60 Public Health England (2019) *Homelessness: Applying All Our Health.*

Rogers, J., George, T., and Roberts, A. (2020) "Working with individuals who have
experienced homelessness: Stresses and Successes" *Housing Care and Support*,
23 (2). <https://doi.org/10.1108/HCS-10-2019-0020>

1
2
3 Schanzer, B., Dominguez, B., Shrout, P.E., and Caton, C.L.M. (2007)
4 “Homelessness, Health Status, and Health Care use.” *American Journal of Public*
5 *Health*. 97(3): 464-469. doi: [10.2105/AJPH.2005.076190](https://doi.org/10.2105/AJPH.2005.076190)
6
7

8 Social Finance (2017) *World's first Social Impact Bond to reduce reoffending in*
9 *Peterborough*.
10

11 Strickland, P. (2010) *Social Impact Bonds – the Pilot at Peterborough prison*.
12 Parliament UK.
13

14 Tan, S., Fraser, A., Giacomantonio, C., Kruithof, K., Sim, M., Lagarde, M., Disley, E.,
15 Rubin, J., and Mays, N. (2015) *An Evaluation of Social Impact Bonds in Health and*
16 *Social Care: Interim Report. Policy Innovation Research Unit (PIRU)*.
17
18

19 Weber, J., Lee, R.C., and Martsolf, D. (2017) “Understanding the health of veterans
20 who are homeless: a review of the literature”. *Public Health Nursing*. 34(5): 505-511.
21
22 [doi:10.1111/phn.12338](https://doi.org/10.1111/phn.12338)
23
24

25 Wilson, W., and Barton, C. (2020) *Tackling the under-supply of housing in England*.
26 Briefing Paper Number 07671. London: House of Commons.
27

28 Wooldridge, R., Stanworth, N., and Ronicle, J. (2019) *A study into the Challenges*
29 *and Benefits of the Social Impact Bond Commissioning Process in the UK – Final*
30 *Report. Birmingham: Ecorys*.
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60