Research Report DCSF-RR169

Youth Sector Development Fund Evaluation

First Interim Report

GHK in association with TNS-BMRB

department for
children, schools and families

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ISBN 978 1 84775 554 4

October 2009

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EXECUTIVE SUMMARY

Introduction

GHK Consulting with TNS-BMRB have been commissioned by the Department of Children Schools and Families (DCSF) to conduct the national evaluation of the Youth Sector Development Fund (YSDF). The evaluation runs from January 2009 to March 2011. This is the first of three reports to be produced over the life of the evaluation. It provides an overview of Round 2 TSOs in terms of progress to date and experiences of early implementation.

The overall aim of the evaluation is to investigate the effectiveness of the YSDF in increasing the capacity and long-term sustainability of TSOs and in turn the reach and impact of their work on service users in terms of helping young people to stabilise their lives and improve their prospects. In terms of its scope, the focus is on Round 2 and Round 3 TSOs and will also include a section on the Pathfinders.

The evaluation has adopted a theory of change approach. The aim is to define the YSDF programme in terms of: the problem it seeks to address; the activities it employs in doing so; and, the outcomes these activities are designed to achieve.

The fieldwork for the evaluation comprises a number of stages each of which include a series of activities, and include the on-going collection and analysis of TSO monitoring information. The preliminary stage included initial meetings with DCSF, the Managing Body and Pathfinder evaluators; an in-depth literature and policy review; an in-depth document review of all 13 Round 2 TSOs; initial visits with the selected case studies; and, the development of programme level and case study level logic models. This resulted in the Evaluation Framework document, setting out in detail the evaluation plan. Stage 2 represents the bulk of the evaluation and consists of: two rounds of national stakeholder interviews; three phases of fieldwork with the six case study organisations from Round 2 and ten case studies from Round 3; and, three rounds of Managing Body interviews. It will also include a telephone survey with service user completers from TSOs across Round 2 and Round 3 and a cost effective analysis.

The YSDF Programme

The YSDF programme is concerned with building the capacity of TSOs to more effectively compete for contracts and become more sustainable. However, it takes a different approach to many of the funding support programmes currently in existence. Firstly it is targeted on supporting large, medium and small sized TSOs through a series of distinct funding rounds; secondly, in the context of the Aiming High - Ten Year Strategy (DCSF 2007), it is targeted specifically on the youth sector to deliver positive activities particularly in relation to youth crime; thirdly it takes a grant funding approach but which is tapered in the final year to incentivise TSOs to secure match funding and to encourage sustainability; finally, it combines cash revenue funding with tailored integrated support (IS), which includes a Managing Body, the use of Account Managers and TSO nominated Development Facilitators (DF); but perhaps most innovatively the use of Mentors; independent of the Managing Body, they provide one to one confidential support to the individual TSO.

Up to £100 million is available for the programme from April 2008 to March 2011. Its focus is on those TSOs in England that support young people aged 13-19 (up to 25 for those with Learning Difficulties and Disabilities) and which address the key issues set out in the PSA 14 targets i.e. reducing NEET levels, crime, illicit drug use and teenage pregnancy. There is also a clear emphasis placed on the YSDF-funded TSOs to facilitate and support the role of young people in influencing service design and delivery.

YSDF-funded services: overall progress to date

The Quarter 1 monitoring returns for January to March 2009 provide the only available performance data across the Round 2 projects.

As expected and described above, the achievements reported by the projects relate to developmental activities as they prepare for service delivery, scheduled in the majority of cases to commence in Quarter 2 and so be reported on in July 2009.

Nevertheless the data suggests that overall the projects appear to be developing broadly to the schedules set out in their milestones, and that in some cases positive achievements are reported in terms of very early outcomes and impacts. For example a number of young people moving onto positive destination and one project already successful in securing additional funding.

All of the projects have taken advantage of the integrated support offer, most commonly receiving between two and three pieces of support, although in one case five pieces had been received. At the time of writing some 27 individual packages of support had either been completed or were ongoing.

In the initial stages of the programme, support has focussed on 'business development' issues, with fewer cases of specific support to enhance commissioning capability being delivered at this point.

The Managing Body report that future support will focus specifically on assistance directly associated with the objectives of the YSDF programme. This is due at least in part to the fact that support for 'business development' could continue throughout the programme and 'crowd out' more focussed activities to improve service delivery and improve commissioning readiness.

One issue raised by both projects and representatives of the Managing Body consortium was the provision of support to projects which comprise a series of TSOs acting as consortia. Guidance from DCSF to the Managing Body suggests that partner needs should be addressed where identified. The Managing Body have opted to prioritise 'partner' support to those consortia where the consortium model is central to their YSDF objectives.

Service delivery: Early Implementation

The TSOs have adopted a range of delivery models and are expanding their services in a number of ways. For the six case studies some are developing consortiums, one has merged, one has taken their delivery approach into a new context for them (schools); and one is combining a range of previously separate projects into one delivery programme targeted at specific geographical locations.

The focus of service delivery has been on set up and overall progress has so far been good. Delays in staff recruitment and the need to develop new human resource systems has impacted for some on organisational set up, although impact on service delivery has been minimised.

The demand for services in terms of those young people targeted has so far been met, if not exceeded, expectations in some cases; strategies for how this potential 'over-demand' will be met is not yet clear in all cases.

Little evidence has emerged yet of new mechanisms for service user engagement within the particular context of YSDF delivery; but there is evidence of good practice where a TSO was previously strong in this area.

Evidence of impact is limited and will be explored more in future reporting once service delivery is fully underway. Emerging issues though include; high expectations of service user demand compared with realistic but stretching targets; and the challenge of measuring outcomes collectively across a programme that comprises a range of activities and delivery partners; and finally distinguishing YSDF related outcomes from those that may have been contributed to by non-YSDF deliverers.

Some risks / challenges raised include: staff recruitment; building relations with new delivery partners; setting up systems for Monitoring and Information data that fit with Managing Body reporting requirements; working in partnership with Local Authorities; and risks associated with the economic downturn.

Capacity development: Engagement with the Managing Body and early impacts

Developing organisational capacity for medium sized TSOs, seeking to ‘scale-up’ an innovative service, is a key requirement of the YSDF programme.

As medium sized TSOs, all the Round 2 TSOs had an existing annual turnover of over £1m and are already established as lead providers within their local geographical contexts or their specialist/niche area, with many already having strong links with Local Authority commissioners.

While no major areas of concern were identified for the case study TSOs there were a number of core developmental areas: human resources; marketing and PR; and funding and business strategies. Other areas included: governance; involvement of young people; IT systems including systems for collecting and recording MI data that fit with Managing Body reporting requirements.

The MB is offering a range of support services and development advice to TSOs which is targeted in response to organisational needs. TSOs were generally satisfied with the quality and relevance of these services.

It was accepted by all parties that the Account Manager role is crucial to the success of the YSDF programme and equally one of the most challenging roles within the team. Successful delivery of the role requires: an ability to manage the contract and an ability to provide support and encouragement.

An emerging finding is that the Account Manager role has been more demanding than was perhaps envisaged at the outset. This has to some extent been off-set by reducing demands from TSOs as they move out of project set up and into delivery phase.

For the case study TSOs the Development Facilitator role is with either the CEO, a SMT member or the project manager. On the whole TSOs considered that the role of the DF had been more time consuming than originally expected, particularly in the early stages of delivery.

For the Mentor role, eighteen matches were required in total (five for the Pathfinders and thirteen for Rounds 2s) and only three have been problematic. Some TSOs did go with a second or third choice; others yet to find one suitable or already had one.

Overall the selection process for the mentors has run relatively smoothly and the relationship between DF and mentor was strong and developing, although there was recognition that more tangible outcomes would only become apparent later in the programme.

More generally, the Round 2 projects have successfully “bought into” the concept of capacity building through the integrated support approach. A high level of demand and an “appetite” for the support available exists across the TSOs, and TSOs were generally satisfied with the quality and relevance of this support. However take-up has not been at the level initially expected. This reduced take-up is thought to be caused by some of the TSO’s limited capacity to absorb the level of input in the time required. The Managing Body have begun to adopt a more focused approach to ISP delivery requesting that TSOs link support requests more specifically to YSDF objectives. For Round 3 they will offer a core curriculum alongside a bespoke TSO offer.

The support made available has given TSOs the time and space to take stock and plan for service and capacity development. IS had helped to introduce a more 'businesslike' approach to organisational development. For some TSOs evidence of early impact was already beginning to emerge. In some cases this was in quite tangible ways as a direct result of IS received. For others, the overall impact of capacity support was having a more general effect including with some impact apparent on partner delivery organisations.

Self-referral

The third sector’s ability to engage with young people through self-referral is generally regarded as a real strength

However, the issue to be explored through this evaluation is the extent to which the use of a self referral model by TSOs poses an inevitable barrier to becoming more ‘commissioning ready’ in terms of moving to a more sustained contract based form of service delivery.

Research with TSOs showed that not all of the TSOs had considered the implications of self-referral for their project activities. A number of the case studies also considered that self-referrals would not represent a significant share of the young people they would be working with. In other cases self-referral is expected to be a key referral route from the outset.

Irrespective of the level of self-referral expected to their projects, none of the case studies expected self referral to be an issue or pose any significant challenges within the context of YSDF; partly a reflection of the fact that through YSDF TSOs are receiving grant funding. Self referral was seen as “coming with the territory”. Self-referral issues were considered more about the way in which the providers manage themselves and manage the expectations of the young people.

The ability of providers to signpost or refer young people to other or more appropriate provision was also considered key in handling excessive interest - if generated through self-referral or otherwise.

Even where concerns were raised by commissioners that the self-referral delivery model can be more risky, they all routinely commissioned such services and indeed this kind of delivery was valued and in some cases expected. One LA commissioner explained how they minimised such risks through systematic mapping of demand prior to commissioning.

Interim conclusions

Overall good progress has been made in terms of establishing the individual projects and setting up the support infrastructure provided by the Managing Body.

It is too early in the programme to identify significant impacts across the projects. However several examples of emerging benefits have been identified amongst the six case study projects. These result from both the provision of support from the Managing Body (including the integrated support provision as well as the wider support offer) and the wider 'catalytic' effect of YSDF - i.e. where participation in the programme has driven developments forward among the TSOs.

At this point the main benefits for the Round 2 projects have focused on preparation for delivery and early interventions around improving business capacity, for example strengthening and developing systems.

The projects have started to take steps towards improving commissioning readiness, mostly around establishing contacts with potential commissioners in their areas but also in terms of submitting tenders for additional funding.

There is an 'appetite' among the Round 2 TSOs for the support services provided by the Managing Body, and they are 'buying into' the capacity development component of YSDF. This is particularly encouraging as it suggests that the overall YSDF model has the potential to be both innovative and effective, and that the TSOs engaging with it recognise the potential benefits that it offers.

Recommendations

For the Managing Body the recommendations focus on the following key areas:

- Placing greater emphasis on supporting the process of staff recruitment within the TSOs;
- Communicating clearly the scope and sequencing of integrated support over the life of the programme;
- Communicating clarity on the roles of key individuals within the support infrastructure; and
- Considering the most effective ways to provide integrated support to partnership based projects.

For the Managing Body and TSOs combined, the key areas for development are:

- Strengthening relationships with commissioners;
- Supporting the collection of rigorous Management Information data;
- Supporting the involvement of young people in service design and review specifically for YSDF funded activities;
- Succession planning and broadening impacts for organisations; and,
- Ensuring sufficient time for participation of key TSO staff in the YSDF programme.

For the DCSF with the Managing Body, the key recommendations are to:

- Continue to work closely with the Commissioning Support Programme at local authority level as well as strategically; and,

- Continue to recognise and support the existing and future potential for sharing YSDF learning

1 INTRODUCTION

1.1 Introduction

GHK Consulting with TNS-BMRB have been commissioned by the Department for Children, Schools and Families (DCSF) to conduct the national evaluation of the Youth Sector Development Fund. The evaluation runs from January 2009 to March 2011. This is the first of three reports to be produced over the life of the evaluation. It provides an overview of Round 2 TSOs in terms of progress to date and experiences of early implementation. In terms of reporting on overall progress, this report is only able to refer to MI data up to end March 2009; however we were able to supplement this with more up to date information from Account Manager reports and/or our own case study fieldwork.

Our overall approach to the evaluation is both formative and summative and has been designed to allow for on-going learning for the Managing Body but also among the TSOs. Therefore while recommendations can only be tentative at this early stage, the evaluation is designed to inform and provide lessons for the on-going development and roll-out of the YSDF programme. In particular this report will be of interest to DCSF and organisations with a direct involvement in the YSDF programme - including the Managing Body, its support staff and the YSDF funded TSOs. It will also be of interest to TSOs and commissioners working in the youth sector more widely as well as to other agencies with a role in TSO capacity development.

1.2 The Evaluation - Aims and Objectives

The overall aim of the evaluation is to investigate the effectiveness of the YSDF in increasing the capacity and long-term sustainability of TSOs, and in turn the reach and impact of their work on service users in terms of helping young people to stabilise their lives and improve their prospects. In terms of its scope, the focus is on Round 2 and Round 3 TSOs. In future reports there will also be a discreet section on the YSDF Pathfinders drawing on their own evaluation activities.[1] It is also important to note that the Managing Body has responsibility for the Youth4U - Young Inspectors programme and the Home Office Tackling Knives Action Programme Fund, which, however, do not fall within the remit of this evaluation.

Specifically, there are four key areas that the evaluation addresses, namely:

- **Business Models:** the extent to which the YSDF or YSDF Managing Body has allowed TSOs to develop and deliver business models for achieving long term sustainability, and the extent to which it has allowed organisations to expand or replicate delivery of services for young people in terms of the breadth and quality of opportunities on offer.
- **Service Users:** the characteristics and needs of service users, including an assessment of the incidence of self-referral and the impact of services on young peoples' outcomes.
- **The Commissioning Environment:** the extent to which the YSDF has helped TSOs to become more commissioning ready, and better able to engage with LAs and other Children's Trust partners during the process. Key questions include what are the barriers and key drivers for successful engagement, and how the process of self-referral affects commissioning decisions and in turn the long term sustainability of organisations?

[1] At the time of writing evaluative reports from the across the YSDF Pathfinders had not yet been made available to GHK.

- **Integrated Support:** the impact that the support provided by the Managing Body has had on improving the capacity and sustainability of the TSOs.

1.3 The Evaluation Methodology

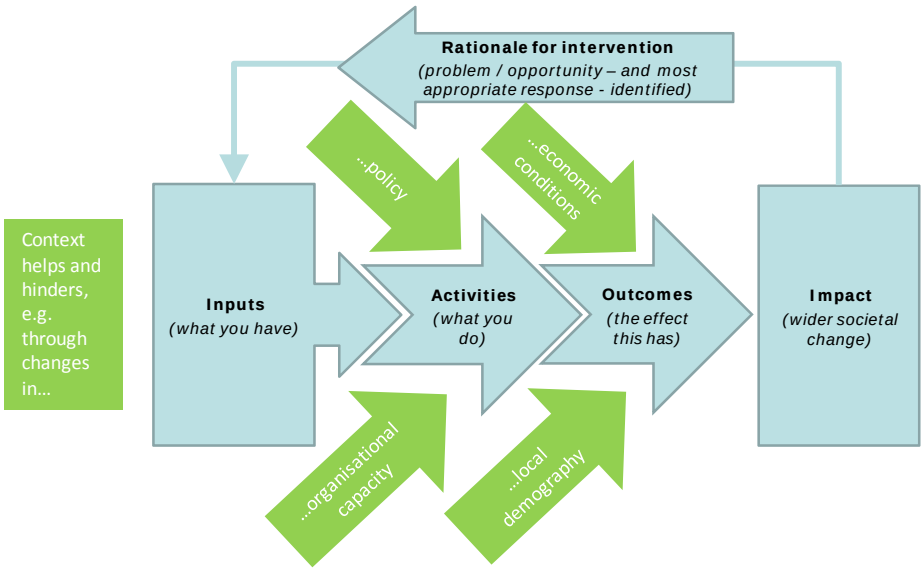
The focus for the evaluation is to explore the extent to which the YSDF has contributed to TSO level measurable outcomes in terms of enhanced quality of service provision and sustainability. As part of this GHK will quantify the net effect of the YSDF through 'additionality', predominantly in terms of the numbers of new service users reached.

The evaluation is based upon the use of theories of change. This is an approach increasingly employed in the evaluation of complex, community-based initiatives. In essence, the aim is to define an intervention in terms of: the problem it seeks to address; the activities it employs in doing so; and the outcomes these activities are designed to achieve.

Our approach also seeks to take account of the context within which interventions operate; the YSDF funded projects do not operate in a vacuum and contextual change will affect their ability to deliver services and achieve outcomes - the economic downturn for example is likely to impact on available funding sources.

Figure 1.1 below shows this schematically; the intervention itself is shown in blue and contextual conditions in green. See Annex 2 for the logic model produced for the YSDF programme.

Figure 1.1 - Model of an Intervention used for this evaluation



The fieldwork for the evaluation comprises a number of stages each of which include a series of activities, and include the on-going collection and analysis of the monitoring and evaluative data collected by the TSOs. The preliminary stage provided the building blocks in terms of setting the context and providing the basis for the TSO level fieldwork design. This stage included; initial meetings with DCSF, the Managing Body and Pathfinder evaluators; an in-depth literature and policy review; an in-depth document review of all 13 Round 2 TSOs; initial visits with the selected case studies and the development of programme level and case study level logic models. This resulted in the Evaluation Framework document, setting out in detail the evaluation plan.

Stage 2 represents the bulk of the evaluation and consists of:

- **Two rounds of national stakeholder interviews:** The first phase of interviews with 17 stakeholders has been completed. These included key policy staff in DCSF, the Home Office and the Cabinet Office, and representatives from a range of national organisations including the National Council for Voluntary Youth Services and the National Youth Agency. This also included interviews with each of the five YSDF Pathfinder organisations.

- **Three phases of fieldwork with the six case study organisations from Round 2 and ten case studies from Round 3**: The first phase of fieldwork for Round 2 TSOs has been completed and was concerned with exploring process, practice and early impact issues with reference to YSDF funding, and support in the context of their local business and commissioning environments. As well as on-going data and document reviews, this phase included face to face and telephone interviews with a range of interviewees, namely frontline and management staff involved in service delivery; the Development Facilitator; key business/finance staff, key partner staff, the Mentor and commissioning contacts (Annex 3 provides a list of the interviews conducted). Finally, in the two case studies where service delivery had started, initial interviews were undertaken with service users. The six case studies were selected in consultation with DCSF and the YSDF Managing Body to ensure a good spread of TSO, service type and geography.

- **Three rounds of Managing Body interviews:** Including the Programme Managers, Account Managers and representatives from the three consortium partners: Business to Business, PrimeTimers and Catch 22. The first round of interviews has been completed.

A key part of the evaluation will be to provide a picture at 'programme level' of service delivery and organisational capacity outputs and outcomes. This will require a number of activities, the findings from which will feature in future reports, and including: analysing output and outcome data for all Round 2 and Round 3 TSOs; analysing more in-depth MI data for the case study TSOs; incorporating evaluative findings from the Pathfinders; analysing local area statistics on the key PSA 14 topics; and finally conducting a telephone survey with service user completers from TSOs across Round 2 and Round 3. This will be conducted at two points during the evaluation: Wave 1 between December 2009 and February 2010, and Wave 2 between December 2010 and February 2011.

A key final output of the evaluation overall will be an assessment of the cost effectiveness of the YSDF initiative, undertaken by comparing the cost effectiveness of individual case study project delivery models. The analysis will consider the level of funding and business support each of the case study TSOs have received, and the impact this has had in terms of delivering their specified outcomes.

In addition to the evaluative tasks described above, the evaluation team have also prepared an 'Evaluation Management Information (MI) toolkit' to aid the collection of additional data on user characteristics and outcomes for the Round 2 projects. The toolkit has been developed with the six Round 2 case study TSOs, and will be implemented with them prior to their first information returns for the end of September quarter. It is envisaged that the toolkit will then be disseminated amongst the Round 2 projects, with a similar guide being produced for the Round 3 projects to reflect their proposed activities and target groups. The Managing Body, through the Account Managers, will take the lead role in implementing the toolkit with the projects.

1.4 Components of the Interim Report

This report contains the following sections:

- Section 2 sets out and discusses the YSDF programme, including the policy context and rationale for it; the YSDF model and the delivery structure including an overview and timeline of the funding rounds.

- Section 3 presents an overview of progress for the YSDF funded services, including take up by TSOs of integrated support drawing on quarterly returns/milestones for up to end March 2009 and information provided by the Managing Body.

- Section 4 assesses service delivery implementation in more detail, drawing on the first phase of Round 2 case study activity and the first round of interviews with the Managing Body.

- Section 5 explores the capacity development aspect of the YSDF programme drawing on the case study fieldwork completed to date. It includes an overview of the key contextual issues including the base line capacity of the TSOs and their experiences of engaging with the Managing Body, including any early impacts.

- Section 6 addresses the question of self-referral and its perceived impact on service delivery and on commissioning strategies.

- Section 7 presents our interim conclusions and preliminary recommendations.

The report also contains six annexes:

- Annex 1 provides a list of references used in this report;

- Annex 2 provides the logic model for the overall YSDF programme;

- Annex 3 provides an overview of the interviewees for the Round 2 TSO case studies;

- Annex 4 provides an overview of the YSDF Pathfinders;

- Annex 5 provides an overview of the Round 2 TSOs; and

- Annex 6 describes the integrated support taken up across the Round 2 TSOs.

2 THE YSDF PROGRAMME

This Section discusses the YSDF programme, including the rationale underpinning it, the policy context within which it is set, and the YSDF model and its associated delivery structure (including an overview and timeline of the funding rounds).

2.1 Policy Context and Rationale

> *The government wants to ensure that the third sector is at the heart of reforms to improve public services as contractors delivering services, as campaigners for change, as advisers influencing the design of services and as innovators from which the public sector can learn. This will require a new approach to commissioning and procurement, embracing the sector's multiple roles in shaping and delivering services, and particularly in working with users to ensure that services meet their needs.* (HM Treasury, 2006)

In this sub-section we establish the policy context for the YSDF, including the linkages between the YSDF and wider research, policy and practice. It includes an analysis of the rationale for the Programme and, more specifically, the distinctive grant unding and business support made available through it. This draws on a literature review conducted for the evaluation together with a series of national stakeholder interviews.

2.1.1 Third Sector Skills and Competences

Commentators and stakeholders have used various terms to describe the Third Sector. Definitions abound, reflecting the scale and diversity of voluntary organisations and social enterprises. The Office of the Third Sector (OTS) defines the sector in terms of the following characteristics: 'non-governmental'; 'value-driven'; and 'principally reinvesting any financial surpluses to further social, environmental or cultural objectives'. This encompasses voluntary and community organisations, charities, social enterprises, cooperatives and mutual organisations and is not a recent phenomenon. There is a long tradition of voluntary action and service delivery, dating back to philanthropic activity of the 19th century which drove social change and paved the way for tackling illiteracy, poverty and ill-health.

The literature relating to the skills and competences of the Third Sector does, too often, rely on anecdotes rather than analysis. This was recognised in 2002, with the Treasury cross-cutting review noting that 'data problems mean that comprehensive, accurate, consistent and comparable information is not readily available.'[2] In 2006 an Audit Commission study reviewed the available data and noted that:

- the Third Sector is steadily expanding its delivery of public services;
- organisations of all sizes are delivering public services;
- the sector is also now earning much more of its income by, for example, delivering services under contract; and
- these organisations vary in their views of, aspirations for, and capacity to deliver public services.[3]

[2] The Role of the Voluntary and Community Sector in Service Delivery: A Cross Cutting Review, HM Treasury, 2002
[3] Hearts and minds: commissioning from the voluntary sector; Audit Commission, 2007

Indeed, a House of Commons report (HoC, 2008) argued that there was no robust evidence base to suggest that the Third Sector is better placed to deliver public services and therefore cautions against the mass transfer of services to the Third Sector. Furthermore, it argues that there is a lack of sufficient evidence to support the view that the Third Sector offers more specialist knowledge, expertise and innovation than other sectors.

Nevertheless Government policies for the Third Sector are based on the assumption that the sector adds value. There is little evidence either for or against the proposition that the sector provides better or worse value for money in the provision of public services than either the public or private sectors. For example the NAO's recent study, Building the Capacity of the Third Sector (2009), noted in relation to capacity support that:

> *'The failure at the outset to establish a clear baseline or criteria for measuring success meant that Government was unable to assess its effectiveness in the early years of the programme'* (NAO, 2009: 8).

In recent accounts, the significance of the sector is that it enables greater voice and campaigning on behalf of service users and communities, strengthen communities and promotes understanding, encourages social enterprise and new approaches to deliver social and environmental improvements, and is able to act as a catalyst to transform public services. This rationale for supporting the sector, expressed by the Government in 2007, was the most often quoted by national stakeholders interviewed for this evaluation.[4]

The rationale for the sector's involvement in the design and delivery of public services can be found in the innovation and change it can promote through:

- specialist knowledge, experience and skills, taking account of the direct experience of the end user;
- the organisation and involvement of people in service delivery, whether as users or self-help groups;
- its independence, the sector tends to be free of traditional structures and rules;
- the buy-in of users, as staff are considered to be independent; and
- its flexibility, being free from rigid and top-down rules and red tape.

The Government's approach to public service reform also aims to increase contestability, premised on the idea that a contestable market is more likely to achieve high quality provision. It wishes to promote greater contestability, where appropriate, as a way of stimulating high quality and choice, as well as acting as a means of securing well-focused services in the most cost-effective way.[5]

More efficient and effective public services can be created by developing the capacity of third sector organisations to both identify, and meet, public service needs. Political parties of all persuasions now share the view that a vibrant community sector, combined with security in funding, and a better understanding amongst service commissioners of the advantages of delivering services through the voluntary sector, will improve outcomes across a range of public policy domains.

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[4] The Future Role of the Third Sector in Social and Economic Regeneration: Final Report, HM Treasury, 2007

[5] The main premise of Government's approach is that the threat of other providers entering the market may force a provider to contain costs to competitive levels or maintain a specific level of quality in the service delivered, as long as the barriers to entry and exit are not significant.

2.1.2 Third Sector's Role in Public Service Delivery

Estimates of the size of the Third Sector vary. Data produced by the National Council of Voluntary Organisations in 2008 suggests that the sector numbers as many as 865,000 organisations ranging from small, local community groups to large, well established, national organisations. The sector is no longer a marginal part of the economy. Its aggregate turnover is much bigger than the car industry and, according to the UK Voluntary Sector Workforce Almanac 2007, the voluntary sector workforce included 611,000 employees - making it a larger employer than the UK's banks and building societies.

Despite the increasing size of the Third Sector, with more than 60% of medium and large charities currently delivering public services, the public sector remains the largest provider of public services. There are significant opportunities for the further involvement of the sector in delivery, and increased demand despite the recession.[6]
However support for frontline organisations has developed on a piecemeal basis and coverage overall is variable in quality. The stakeholders interviewed identified a number of barriers to increasing involvement in the delivery of public services, as shown in Table 2.1 below.

Table 2.1 - Key challenges facing TSOs

Supply Side Barriers	Demand Side Barriers
The sector is dependent on donations, loans, grants and/or short term service delivery contracts - there is often no money available to invest in organisational development.	Common to other small and medium sized organisations in the private sector, public sector contracting is often considered bureaucratic, time consuming and expensive.
Small to medium sized organisations are already delivering, or want to deliver, services but some find it difficult to compete for contracts because they lack the skills, capacity and experience to formulate successful bids.	A lack of recognition from commissioners of the advantages of delivering services through the Third Sector, and how they operate to improve outcomes across a range of services.
Some reticence exists on behalf of TSOs to bid for public sector contracts, citing pressures in reconciling their social mission and independence with multiple contract objectives.	Many smaller TSOs are unable to compete for larger contracts and are losing out to larger organisations, who are often regional or national operators.

For many of the commissioning organisations we interviewed, the lack of reliable and transparent data relating to performance provided by TSOs in tender documents made the award of contracts difficult (i.e. an inability to determine whether an organisation has the ability to provide the services).

Similarly, the evaluation of the National Programme for Third Sector Commissioning (I&DeA, 2008) found that although the Third Sector was involved in commissioning, the frequency and level of involvement varied. Large TSOs were found to be delivering more of the public services compared to smaller ones; and small TSOs reported finding it difficult to compete with their larger counterparts.

The Government has an objective to work with the Third Sector to increase its potential to be involved in public service delivery and to support the sector's role in building a stronger society, such as by campaigning and providing voice to marginalised groups. The Cabinet Office's Public Service Agreement includes the following elements:

[6] There is some evidence that indicates that the third sector is counter-cyclical. That is, many charities grow during periods of downturn.

- increase voluntary and community engagement, especially amongst those at risk of social exclusion; and

- increase the capacity and contribution of the voluntary and community sector to deliver more public services.

Both the Spending Reviews of 2002 and 2004 focused on the role of the sector in public service delivery, highlighting the need for investment and access to finance, infrastructure support and capability development to deliver services and engage with the sector, especially on contracts and full cost recovery. In pursuit of its agenda, Government has devoted considerable attention to the Third Sector in recent years, adopting two broad policy approaches:

- building the capacity of TSOs to contribute to the delivery of public services; and

- encouraging local public bodies to commission services from TSOs, where it can contribute most effectively.

Table 2.2 below provides a broad overview of some of the initiatives intended to build the capacity of TSOs to compete for public service contracts, and ongoing initiatives that focus on support for commissioners.

In addition to the capacity building and promotion of leadership skills in the Third Sector promoted by Government, specific gaps in the commissioning skills of public sector organisations have also been identified. For example, a key finding from the Futurebuilders evaluation (OTS, 2007) was that the commissioning environment was the weak link - and a much bigger threat to success than the government had anticipated. The evaluation recommended that for Futurebuilder recipients to be successful / sustainable, all of the following factors need to happen:

- the Futurebuilders investment model needs to support its investees to develop their organisations and services sustainably;

- the recipient organisation needs to deliver high quality public services to meet a defined need; and

- services need to be commissioned by public sector purchasers in an intelligent, informed and fair way.

The evaluation found that TSOs often had to operate without secure contracts, and without fee incomes on appropriate terms, which are preventing sustainability. Indeed, research by the Finance Hub (2008) argues that there is little evidence of a coherent, co-ordinated approach to the funding of Third Sector capacity building.

Table 2.2 - Support for the Third Sector : An Overview

Capacity Building	ChangeUp and later CapacityBuilders, with the role of improving support services by providing funding through a range of programmes to strengthen and co-ordinate the activities of support providers at national, regional and local levels. Futurebuilders, making investments in frontline Third Sector organisations to help them develop the capacity to win more public service delivery contracts. Programmes and funding from Government Departments and NDPBs, providing grants and support to develop the capacity of TSO. For example, the Big Lottery Fund includes capacity building funding through its funding, by the provision of various forms of pre-grant and on-going support.
Reform of Government	The Government created the Office of the Third Sector (OTS) within the Cabinet Office in May 2006. It seeks to coordinate government activity, most notably through: commissioning; procurement; learning from Third Sector innovation and accountability. The Government created the Commission for the Compact in 2006, as an independent organisation to oversee the relationship between government and the voluntary sector.
Policy Reviews	HM Treasury and Cabinet Office review of the future role of the third sector in economic and social regeneration, part of the Comprehensive Spending Review 2007. The Quirk Review on asset transfer to communities (May 2007), investigated barriers to the transfer of land and buildings from local authorities and other public sector agencies to the community sector, and how best to overcome them. Third Sector Strategy for Communities and Local Government, Defra and other government departments. Reviews, policy papers and guidance produced by the Charity Commission and others on how TSOs should plan to deliver services under a funding agreement with a public authority. Building on the Government's 2002 Social Enterprise Strategy, the Social Enterprise Action Plan was launched by OTS in November 2006. It set out the Government's cross-departmental commitment to create the conditions for more social enterprises to thrive.
Procurement and Commissioning Guidance and Support	The creation of the Compact on Relations between the Government and the Voluntary and Community Sector in England (in 1998), setting out the principles and undertakings to be adopted by government and the Third Sector in dealing with each other. Its purpose is to promote effective partnership working between the two sectors in order to achieve improved policies, programmes and services and, ultimately, increased public benefit. The Joint Compact Action Plan (2008-09) which sets out targets to be delivered jointly by Compact Voice (which represents the views of the VCS) and the Commission for the Compact which oversees delivery. The National Programme for Third Sector Commissioning, developed by the Improvement and Delivery Agency (I&DeA) for Local Government, providing coordinated guidance and support to the Third Sector. The Commissioning Support Programme jointly funded by DCSF and the DoH, which has a focus on providing tailored support to children's trusts to improve their commissioning capacity. The CSP and the YSDF programmes have been designed to explicitly complement each other.

However, the NAO report (2009) on the impact of the ChangeUp and Futurebuilders programme did find that where organisations used investments to improve governance, strategy and premises, these resulted in an increased ability to compete for contracts.

The OTS summarised the principles of good commissioning and procurement through a set of eight principles:

- develop an understanding of the needs of users and communities, by ensuring that, alongside other consultees, they engage with Third Sector organisations as advocates, to access their specialist knowledge;
- consult potential provider organisations, including those from the Third Sector and local experts, well in advance of commissioning new services, working with them to set priority outcomes for that service;
- put outcomes for users at the heart of the strategic planning process;
- map the fullest practicable range of providers with a view to understanding the contribution they could make to delivering those outcomes;
- consider investing in the capacity of the provider base, particularly those working with hard-to-reach groups;
- ensure contracting processes are transparent and fair, facilitating the involvement of the broadest range of suppliers, including considering sub-contracting and consortia building where appropriate;
- seek to ensure long-term contracts and risk sharing wherever appropriate as ways of achieving efficiency and effectiveness; and
- seek feedback from service users, communities and providers in order to review the effectiveness of the commissioning process in meeting local needs.

The OTS is investing in skills training for commissioners, through its National Programme for Third Sector Commissioning. This seeks to engage with up to 2,000 commissioners working across the public sector to increase awareness of the contribution the Third Sector can make in commissioning of public services. In addition, in recent years several Government departments have sought to build capacity and skills in relation to commissioning and procurement, for example:

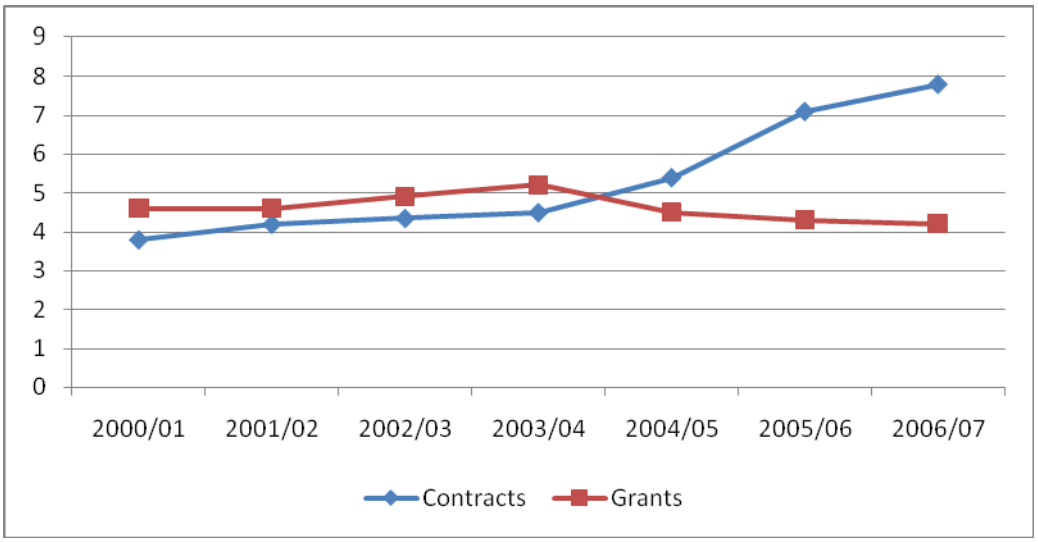
- the former Department for Education and Skills and the Department of Health collaborated to produce the Joint Planning and Commissioning Framework for Children, Young People, and Maternity Services;
- the Department of Health Third Sector Commissioning Task Force identified barriers to cost-effective commissioning, and issued guidance on how to commission from the third sector; and
- the CLG published a framework for effective, on-going engagement with the Third Sector.

Finally, DCSF and DoH are also investing in the Commissioning Support Programme (CSP). Launched in November 2008 and running until April 2011, the CSP has been designed to help Children's Trusts achieve better outcomes for children and young people through improved strategic commissioning. Support is tailored to individual needs of the Children's Trust and delivered through a 'commissioning champion' within the local authority. The CSP provides a key complement to the YSDF programme in terms of building capacity on the demand side. Some strategic links have already been made between the two programmes, with plans in place to co-deliver a series of regional workshops on commissioning during 2009-2010.

2.1.3 YSDF - Key Drivers

It is important to situate the YSDF programme within an understanding of current trends in TSO funding sources. A variety of different means are available to the public sector to procure services, including grant funding, service level agreements or contracts. Figure 2.1 below plots the growth of statutory funding to the sector since 2000.

Figure 2.1 - State funding for the third sector (£bn)[7]



There is a long-running debate about the relative merits of grants and contracts as the means of funding TSOs for service delivery. The Government recognise the importance of retaining a choice of funding mechanisms, suggesting that there is a:

> *'benefit to maintaining a mix of grant funding open to small community organisations, alongside the increasing availability of opportunities for third sector organisations to contract with government for the delivery of public services. Many small organisations are not in a position to compete for public service contracts nor do they see formal public service delivery as part of their core function.'*[8]

Consultations with the DCSF as part of this study identified that the decision to provide grant funding through the YSDF for positive activity provision was based on the Feinstein, et al., (2006) research and the PWC report (2006). Feinstein et al. (2006) showed that young people who engaged in structured activities had better outcomes later in life. After accounting for class, they were more likely to be happy, have good qualifications, earn a decent living and be in stable relationships. The research also showed that young people who attended

[7] NCVO, GuideStar Data Services
[8] The Future Role of the Third Sector in Social and Economic Regeneration: Interim Report, HM Treasury, 2006

unstructured youth clubs (and which attracted the more disadvantaged young people) were more at risk of negative outcomes. The PWC (2006) report estimated that charities funding of youth work equated to £53.5 million per annum. It noted that while TSOs deliver a significant amount of activities across most areas of publicly funded provision, the sector played only a limited role in providing youth services. The sector's capacity to respond to opportunities would be increased by addressing concerns about performance management and accountability. Central Government could, potentially, play a role by providing longer term funding to facilitate more strategic planning of service delivery and enable greater investment in capacity building of services on the ground. Within this context, the YSDF programme is concerned with building the capacity of youth sector TSOs to more effectively compete for contracts and become more sustainable.

2.2 The YSDF Programme

The YSDF programme takes a different approach to many of the funding support programmes currently in existence:

- Firstly it is targeted on supporting large, medium and small sized TSOs through a series of distinct funding rounds;
- Secondly, in the context of the Aiming High - Ten Year Strategy (DCSF 2007), it is targeted specifically on the youth sector to deliver positive activities particularly in relation to youth crime;
- Thirdly it takes a grant funding approach but which is tapered in the final year to incentivise TSOs to secure match funding and to encourage sustainability; and
- Finally, it combines cash revenue funding with tailored integrated support, which includes a Managing Body, the use of Account Managers and TSO nominated Development Facilitators; but perhaps most innovatively the use of Mentors; independent of the Managing Body, they provide one to one confidential support to the individual TSO.

Up to £100 million is available for the programme from April 2008 to March 2011. Its focus is on those TSOs in England that support young people aged 13-19 (up to 25 for those with Learning Difficulties and Disabilities (LDD)) and which address the key issues set out in the PSA 14 targets, i.e. reducing NEET levels, crime, illicit drug use and teenage pregnancy. There is also a clear emphasis placed on the TSOs to facilitate and support the role of young people in influencing YSDF-funded service design and delivery.

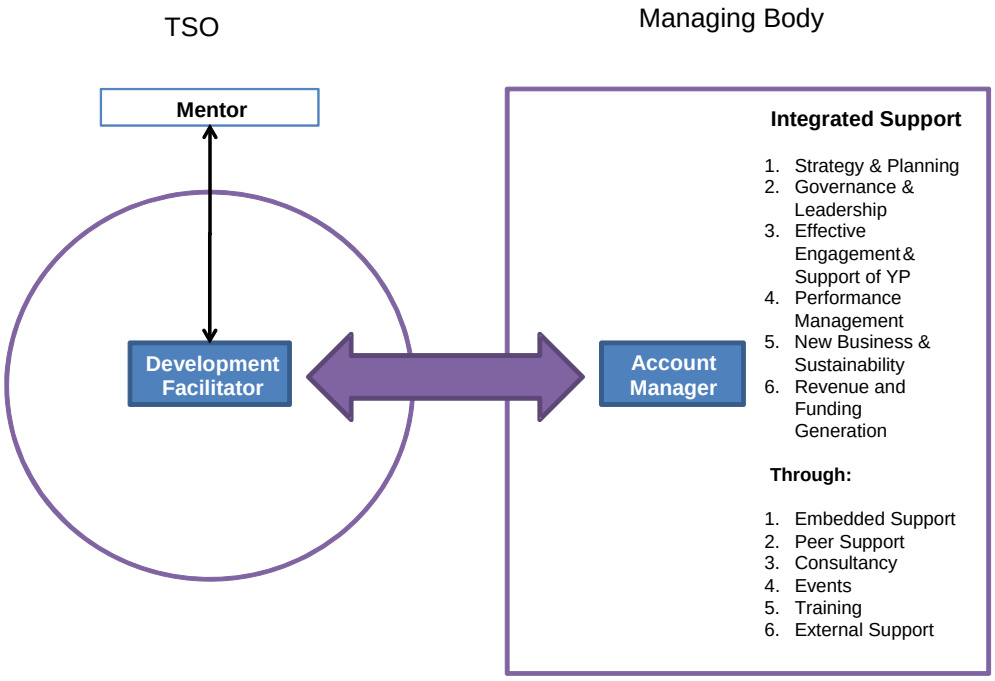
In terms of programme design DCSF were keen for the YSDF model to be more than just 'another funding stream' and instead were interested in exploring business support models. While aware of the benefits of loan based approaches, such as Futurebuilders, the Department considered that something bespoke was required for the youth sector. Up-front grant funding that is tapered in the final year is an attempt to reflect youth TSO needs, but also to build towards sustainable delivery models. Underpinning this was the pragmatic need to ensure that any such programme could be delivered within the Comprehensive Spending Review time period - hence a 3 year maximum timeframe.

The following section explains the YSDF delivery structure including the key roles of the Managing Body, the Account Managers, Mentors and TSO-level Development Facilitators.

2.3 The YSDF Delivery Structure

The YSDF delivery structure is led by the Managing Body, which reports directly to DCSF and is responsible for the delivery and management of the programme. Across the Managing Body and the participating TSOs there are a number of functions which each play a role in managing and/or supporting the TSOs to deliver and become sustainable beyond the life of YSDF. These include an integrated support programme facilitated through an Account Manager, a Development Facilitator and a Mentor. According to the proposal for the Managing Body role, this model is based on the successful PrimeTimers' approach and evidence from I&DeA, the TDA and others which demonstrates this approach as highly effective in supporting a range of Youth Sector TSOs.

Figure 2.2 - Overview of the delivery model



The Managing Body

Following a competitive tendering process, the Managing Body role was awarded to an ECOTEC Consulting led consortium (consisting of ECOTEC, Business to Business, Catch 22 and Primetimers) in July 2008. The consortium has adopted a partnership approach whereby the membership organisations are collectively responsible for the management of the programme.

Figure 2.3 - The Managing Body Consortium Members

ECOTEC Consulting - the lead agency - is an independent, employee-owned specialist programme management company with 250 staff and a network of offices throughout England. ECOTEC has extensive experience of grant management of complex national programmes, and experience of working with TSOs in delivering services to disadvantaged groups, in particular young people.

Business to Business is a company specialising in identifying new business opportunities for SMEs and TSOs. BtoB now delivers capacity building services to TSOs that identify and support access to new tendering and revenue opportunities.

Catch 22 works with more than 34,000 young people in over 150 communities across the UK. The charity works with young people, families, schools, police, local authorities and the wider community to help young people stay safe and make the most of their lives. It was formed from the merger of Rainer and Crime Concern in July 2008 and renamed Catch 22 in October 2008.

PrimeTimers is a social enterprise that places experienced business people into TSOs to bring about organisational change. With a pool of 120 'prime timers' with a wide range of business experience and a successful track record with youth TSOs, PrimeTimers is responsible for providing mentors as well as specialist placements to drive change in selected TSOs.

On behalf of the DCSF the Managing Body has overall responsibility for the delivery of the YSDF programme as well two additional programmes: the Home Office Tackling Knives Action Programme Fund[9] and The Youth4U - Young Inspectors Programme[10]. Within the context of the YSDF, the purpose of the Managing Body is to support and embed change in TSOs, so that they are able to:

- develop and implement more effective business/operational systems and quality practices to grow their provision;
- review and improve their financial and delivery models to achieve longer term sustainability - including securing a wide range of funding and finance using social enterprise models to generate income or increase fund raising capacity;
- improve their ability to demonstrate their effectiveness and efficiency through the use of robust evidence; and
- become more commissioning ready, being less reliant on funding from central Government and able to successfully compete for public sector contracts.

Specific tasks for the Managing Body include:

- managing the tendering and selection process of Round 2 and 3 TSOs including specification design, regional workshops and the assessment and selection of bids;
- undertaking diagnostic reviews of, and work planning/target setting with, Round 2 and 3 TSOs, including base line and follow up reviews;

[9] The Home Office is making £0.5 million available through the YSDF for one year, to offer additional support for the areas and communities most affected by knife crime. TSOs were invited to apply from the 13 Tackling Knives Action Programme (TKAP) areas.

[10] Between April 2009- March 2011 The Youth4U - Young Inspectors programme will work with local professionals, commissioners and young people in 36 English local authorities to develop ways that young people can effectively assess, review and inform services.

- project contracting, support, monitoring, payment and quality assurance for all TSOs including the establishment of a payment and delivery schedule against Key Performance Indicators (KPIs), setting up and managing a web based IT system for all TSOs to facilitate quarterly reporting, and the implementation of annual systems check / audits with a sample of TSOs;

- sourcing / provision of integrated tailored support and training for all TSOs;

- sourcing / provision of mentor support for Pathfinders and Round 2 TSOs;

- facilitation of network events for all TSOs;

- support with, and provision of, guidance for local evaluations for Round 2 and 3 TSOs;

- support with 'horizon scanning' in terms of pro-actively helping TSOs find match funding for their final year activities;

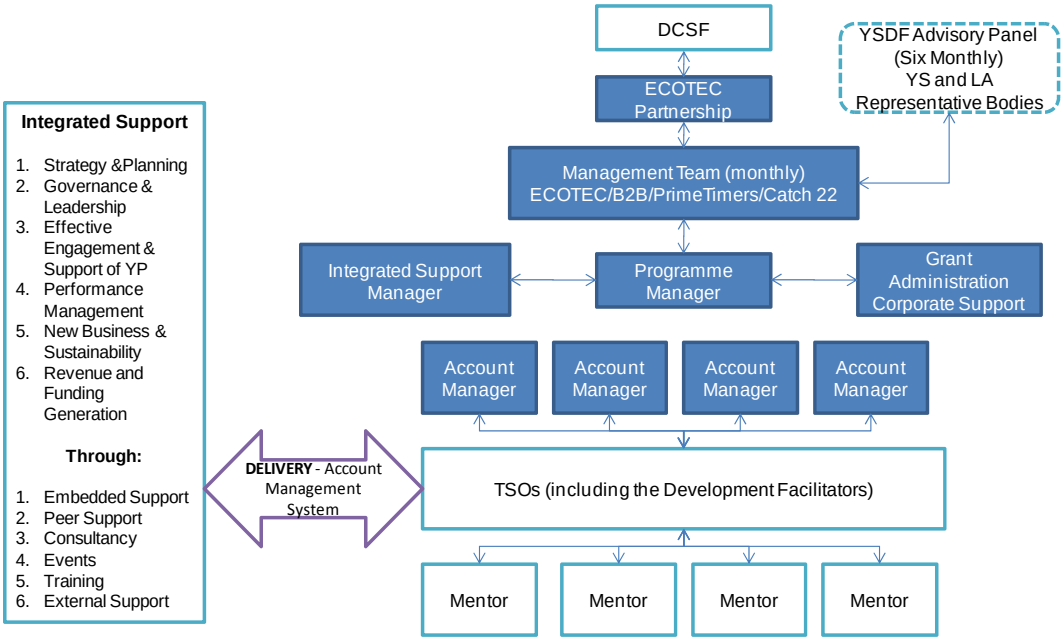
- the provision of a telephone helpline for all TSOs;

- engagement of national TSOs and wider dissemination of learning from YSDF to TSOs outside the programme including the setting up and management of an external YSDF website, organising conferences and linking with the Commissioning Support Programme; and

- the ongoing management of the programme overall including: monthly management meetings held between the consortium partners and including the Account Managers to review and discuss progress; and the submission of monthly written progress reports by ECOTEC to DCSF on a monthly basis. These cover the performance of the overall programme against key KPIs as well as performance of the Managing Body function.

Figure 2.4 below describes the organisational structure for the Managing Body.

Figure 2.4 - Managing Body Organisation



The organisations which make up the Managing Body consortium also have specific roles and responsibilities in terms of the integrated support offer to TSOs, and in this sense have a dual role to play. To date this has included the provision/sourcing of:

- assessors for the bid stages for Rounds 2 and 3;
- staff to do the diagnostics for Round 2 and 3 TSOs; and
- consultants to deliver bespoke support as part of the integrated support programme for Pathfinders and, Round 2 and 3 TSOs.

In addition to this the individual organisations make specific contributions according to their areas of specialism, e.g. Business to Business provides the specialist business input; Catch 22 provides and manages the children and young people panel to assess the bids and also advise on specific sections / issues that relate to children and young people and youth policy (including the production of monthly policy briefings) and Primetimers have a specific remit for sourcing and managing the mentors.

The Integrated Support Programme

The integrated support programme is designed to be demand led, and builds upon an initial three week intensive diagnostic process carried out with the TSOs. This process served to translate the original tender documents into KPI delivery plans, and more worked up outcomes that related to the Aiming High commitments. For some TSOs this involved reducing their targets and making them more realistic, but the process also provided an opportunity to make sure the TSOs fully understood the implications of tapered funding. The process also formed the basis of the contractual Grant Agreements. For Round 2, the diagnostic process was undertaken prior to final selection and did not involve Account Managers; for Round 3 this will now take place following final selection and will involve Account Managers.

Following the initial diagnostics, the integrated support programme is implemented. While there is some core support such as for IT and Equality and Diversity, the bulk of the support is intended to be provided one to one and tailored to the specific needs of the individual TSO. It comprises the allocation of specialist consultants (sourced mainly but not exclusively from the consortium organisations) to individual TSOs, following requests outlining their individual support needs. These requests are informed by the diagnostic reviews and facilitated by the Account Manager to ensure that the support is tailored to the needs of the particular TSO. Support is potentially hugely varied and has so far been focused on human resources, marketing, and business planning. The Managing Body has a specific budget for this aspect of the programme, so the level and nature of support given to each TSO has to be coordinated and monitored. The role of the Account Manager here is crucial and they act as gatekeepers.

In considering and responding to the support requests from the TSOs, the consortium organisations work together and collectively agree who has most appropriate expertise to lead; often working in partnership to deliver the support. A proposal is prepared by the relevant partners including CVs and fees, which is then checked and signed off by ECOTEC before going back to the TSO. Discussions then take place directly with the TSO to agree nature and scheduling of the support provision.

It is anticipated that the role of the Managing Body will expand and change as the size of the programme increases. For example as more TSOs come on board it may need to take a more structured approach to the integrated support programme. Indeed, plans are currently underway to provide a ‘core curriculum’ to the Round 3 TSOs with less emphasis on intensive one to one bespoke support.

The Account Manager Role

Sitting underneath the consortium Managing Body are the Account Managers. The role of the Account Manager is to manage the programme contracts for a number of organisations, acting as the first point of contact for the TSO. Their role provides a critical link between the TSOs and the Managing Body (MB). The aim is that the Account Managers work together with the TSO to achieve the agreed KPIs, and that together they implement remedial action where problems arise or the external environment necessitates changes. The Account Manager keeps in regular telephone/email contact with the TSOs and conducts at least one quarterly visit.

They report monthly to the MB management group. They facilitate the integrated support programme and as part of this can also signpost TSOs to sources of other support. The role of the Account Manager here is to determine what is appropriate and what should be prioritised, and to determine which will make the most difference for the TSO in terms of contributing to sustainability. The Account Managers received training for the support / monitoring aspects of their role through initial introductory and briefing sessions, and through 1:1 support where required.

The Development Facilitator

The Development Facilitator is a senior member of staff nominated by the TSO that is able to take on the role in a significant capacity. For some TSOs the CEO has taken on this role, for others it has been the programme/project manager. It was important for the success of the YSDF model that a person from within the TSO could be nominated to act as a single named contact for the Account Manager, but also to act as 'YSDF champion' within their own organisation. They have the specific responsibility however of facilitating the integrated support that is delivered to the TSO as set out in the contract drawn up between the MB and the TSO:

> *'The Development Facilitator is responsible for effective communication of specific support requirements and take-up of support that is reasonably offered by the Managing Body. The Development Facilitator is responsible for communicating with the Account Manager promptly where any aspect of the support is unsuitable'.*

Funding was made available to offset some of the costs of 'backfilling' this post, which amounted to an agreed number of days per month.

The Mentor Role

A business mentor is provided by the YSDF Managing Body for each of the TSOs "to act as a personal coach and to provide guidance to the Development Facilitator". Sourced through Primetimers, mentors are selected who have extensive experience of business management and understanding of the third sector. The Mentor supports the Development Facilitator specifically and their role is to act as a trusted advisor or 'sounding board'. The relationship is guaranteed as confidential. The Mentor does not have a contractual relationship with the TSO and does not report back to the Managing Body on the outcomes of meetings, taking a flexible approach to the support they provide in response to what is required by the mentee. The Development Facilitator (DF) is provided with some written guidance which provides an overview of the purpose of their role, the frequency of contact and the nature of the relationship. Based on this and their own preferences the DF determines the nature and frequency of contact with the mentor. It was anticipated that the mentors would spend up to four days a month with each organisation, in practice it is amounting to approximately half a day per month, in response to the demands and wishes of the TSOs. The mentoring will last for the duration of the YSDF funding.

The selection process is designed to ensure a good match between mentor and mentee. Primetimers meet initially with the TSO and discuss with them their needs and wishes, then offer a mentor or choice of mentors and set up what are described as 'chemistry' meetings, where both parties meet for the first time in a neutral setting. Both mentors and mentees have the option to decline following this. Mentors are required to submit monthly timesheets/invoices (signed by the TSO) to Prime Timers, but otherwise there is no documentation held centrally (e.g. action plans) - it is for each mentor/mentee to define the limits and purpose of their relationship.

2.3.1 The YSDF Funding Rounds

The YSDF programme comprises three funding rounds: a Pathfinder round (April 2008-March 2011) for larger TSOs; a second funding round for medium sized TSOs (December 2008-March 2011) and a third round of funding for smaller 'grassroots' TSOs (April 2009-March 2011[11]). While each funding round has a different focus and remit there are some key common principles which underpin all three:

- only TSOs working with the most disadvantaged young people (aged 13-19 or up to 25 with LDD) and with a focus on current youth priorities (e.g. preventing young people being drawn into crime or substance misuse; reducing youth homelessness; reducing the number of young people not in education, employment or training; and reducing teenage pregnancy) were eligible;

- TSOs had to demonstrate in their bids that they were either: expanding or replicating highly innovative approaches; embedding and demonstrating quality practices and approaches; becoming more commissioning ready; developing innovative and alternative sustainable funding strategies and sources; further developing an innovative solution to working with young people; and/or applying proven methodologies to a larger client group;

- all receive grant funding, which is paid quarterly up front and is allocated on a tapered not for profit basis (i.e. the proportion of grant funding will decrease during the final year of the YSDF funding period). Grant funding is for revenue costs only and does not cover capital expenditure;

- the grant funding is complemented by business support, with the stipulation that TSOs are required to work with the Managing Body and demonstrate a desire to achieve a step change in TSO; and,

- A payment profile is agreed with the TSO to provide quarterly funding in advance. Payments are calculated to take account of unspent funds remaining, and income that has been secured to offset grant funding. A delivery profile is developed with each TSO to translate proposals into outputs, outcomes and milestones that are monitored quarterly: Performance review meetings are triggered in cases of underperformance, in cases of significant underspend, or failure to achieve income targets to offset grant funding. Delivery profiles outputs, outcomes and milestones are subcategorised according to the measures below; to track progress against the overall objectives of the programme.

[11] At the time of writing, the successful TSOs for Round 3 had yet to be formally announced.

Figure 2.5 - Delivery Profile Measures

A. Expanding or replicating (innovative or proven) approaches to working with the most disadvantaged young people

B. Developing sustainable funding strategies, including becoming commissioning ready

C. Embedding and disseminating high quality practices (across the sector)

Pathfinder Round (April 2008 - March 2011)

A competitive tendering process for the Pathfinders took place in 2007-09, which invited TSOs to bid for grant funding of between £1m - £5m per year over either one or three years, on a not for profit basis. The focus for this initial funding round was on supporting larger TSOs working with the most disadvantaged young people, with a focus on current youth priorities. The focus of the Pathfinder round was to fund TSOs which could disseminate learning to other organisations from future funding rounds. In March 2008, the following five YSDF Pathfinders were announced, with a total funding allocation of £27,116,000 (See Annex 4 for more background information).

Figure 2.6 - The YSDF Pathfinders

- **Kids Company**: YSDF funding will help Kids Company become a centre of excellence, enabling them to disseminate informed educational packages for service users and providers, and continue with their successful direct wrap-around delivery to young people.
- **UK Youth**: YSDF funding will be used to set up 10 Youth Achievement Foundations which will provide non-formal alternative learning and support services, based on UK Youth's established curriculum to support young people at risk of exclusion or who are NEET.
- **Fairbridge**: The YSDF will fund expansion across Fairbridge's regional teams to achieve optimum operating capacity and delivery in their 11 offices, enhance and develop the quality of support to young people, and enabling them to raise their aspirations and change their lives for the better. Fairbridge will also develop a tracking model to map long term outcomes for young people.
- **Speaking Up**: The YSDF will fund the organisation to help 7,000 (by 2011) disabled young people make the transition into adulthood with the confidence skills and independence to achieve. This will include replicating and growing existing services, disseminating toolkits and applying proven methodologies.
- **LEAP**: The YSDF funding will grow the organisation's impact regionally nationally by replicating successful programmes for disadvantaged young people with proven outcomes. Leap will also tackle rising youth conflict, crime and violence by developing more skilled young leaders.

Round Two (December 2008 - March 2011)

The total available funding for Round 2 was up to £2.5 million for each TSO over the 26 month period to March 2011. It was estimated that 12 TSOs would be funded. Medium sized TSOs were targeted for this Round, defined as having annual turnovers of between £1 million and £5 million. It was felt important that the TSOs would be of a size capable of absorbing this size of budget.

In line with the Youth Crime Action Plan and wider government strategies on safer communities and cutting crime, Round 2 had a specific focus on TSOs concerned with preventing young people from committing crime, becoming involved in anti-social behaviour, gun or gang crime, and in particular those TSOs working with young offenders to prevent re-offending or facilitate restorative justice solutions.

Partnership and consortium bids were invited along with single providers. Over 70 organisations applied to join Round 2, and in December 2008 it was announced that 13 TSOs were to receive funding. Just over £24 million was distributed to support positive activities for over 18,000 young people, across 46 local authority areas from Southampton to Cumbria. In the experience of the Round 2 TSOs, the application and appraisal process ran smoothly, although delays were experienced in the final approval process.

Figure 2.7 - The 13 Round 2 TSOs

- **Bolton Lads and Girls Club**: YSDF will fund a creative programme of emotional and practical support and 1:1 ENHANCE mentoring for 400 young people in Years 10 and 11 of five Bolton schools who are NEET / at risk of NEET.
- **Brathay Hall Trust**: YSDF will fund a 12 week community based programme including group work and ongoing support, a 5 day residential course for personal development, and a leadership programme for vulnerable and disadvantaged young people aged 13 - 19
- **Coventry and Warwickshire YMCA**: YSDF will fund targeted provision for 3,000 young people involved or at risk of being involved in crime and anti social behaviour through; outreach work, music events, life skill programmes delivered in schools; sports / leisure provision; and support and resettlement of young people leaving prison.
- **London Youth**: YSDF will fund capacity building, outreach work, personal development and employability training for 1,000 young people (13-19) in or at risk of joining gangs.
- **NIA Project**: YSDF will fund signposting, intensive behavioural support, group work and accredited qualifications to 928 young people at risk of committing violent crime.
- **Oakmere Community College**: YSDF will an increase in provision, new positive activities around sailing and diving, and fund outreach work, working with 1,500 young people who are NEET / at risk of NEET including LLDD, ex-offenders, homeless, and substance abusers.
- **Pupil Parent Partnership**: YSDF will fund personal development, peer mentoring, accredited training for those who are NEET / at risk of NEET, and the expansion of existing services and development of networks.
- **Renew Leeds Ltd**: YSDF will fund IAG and support, young peoples' conflict resolution and outreach work with disadvantaged and disengaged young people.
- **Salford Foundation**: YSDF will fund 33 new staff to extend and develop existing services to include work based learning and training opportunities, personal development, peer engagement and outreach to 1,800 additional young people.
- **The Salmon Youth Centre in Bermondsey**: YSDF will fund additional school clubs, tailored support including mentoring, adventure activities and residentials, and alternative education including DoE, Youth Achievement Awards and ASDAN to young people at risk or who are NEET / at risk of NEET.
- **V6/Single Homeless Accommodation Project**: YSDF will fund life skills courses, media training / reality TV project, counselling, literacy and numeracy support, and work placements for 1,050 young people who are NEET / at risk of NEET.
- **Wheatsheaf Trust**: YSDF will fund an integrated pathway to access services from consortium members for 700 young people in total who are at risk of becoming NEET, engaging in offending and criminal behaviour, risk taking behaviour and disengaging with the community.
- **Youth at Risk**: YSDF will fund education, employment and community coaching for 2,050 vulnerable young people in schools, and training for community delivery agents.

Round Three (June 2008 - March 2011)

The total funding available for the third and final funding round is between £400,000 and £600,000 for each TSO from April 2009. It is expected that up to 25 TSOs will receive funding. TSOs with an annual turnover of less than £1m were eligible to bid. The focus of this Round is on TSOs providing positive activities for young people on Friday and Saturday nights. An emphasis was also placed on preventative approaches, reducing the numbers of young people involved in a range of negative outcomes, including youth crime and ASB, and increasing the number of young people acquiring broader social and emotional skills from engagement in high quality provision outside formal learning. At the time of writing, the successful TSOs had yet to be announced.

2.3.2 Measuring Impact: What Will Success for YSDF Look Like?

Above and beyond TSOs achieving their individual KPIs in terms of sustainability, delivery and reach, DCSF defines overall success for YSDF as the provision of good quality services (through new or an expansion or replication of existing working models) that demonstrate improved outcomes for young people - in parallel with participating TSOs becoming more commissioning ready and so more able to sustain themselves. Ultimately the vision is for a strong and healthy Third Sector, which is responsive to change and better prepared for sustainable commissioning in a contested market, and which in turn leads to a sector that delivers quality work that results in better outcomes.

In terms of service user outcomes, YSDF sits within the context of Aiming High and thus is charged with contributing to PSA 14 targets, i.e. increasing the number of young people on the path to success, in particular:

- a reduction in the % of 16-18 year olds not in education, employment or training (NEET) (indicator 1);
- more participation of young people in Positive Activities (indicator 2);
- reduction in the proportion of young people frequently using illicit drugs, alcohol or volatile substances (indicator 3);
- reduction in the under-18 conception rate (indicator 4); and
- reduction in the number of first time entrants to the CJS aged 10-17 (indicator 5).

The evaluation will focus on short and medium term outcomes as indicators of success relating to these longer term goals. At a programme level a number of service user outcomes have been agreed:

- **more disadvantaged young people are engaged in positive activities** (Measure: Number of additional young people defined as disadvantaged engaged in (and enjoying) positive activities (MB provided MI data));
- **young people have increased protective factors at the individual level** (Measure: Number of additional young people with increased protective factors (i.e. increased confidence, self esteem, ability to make positive plans) (MB provided MI data plus additional TSO provided data); and,
- **more young people including those NEET are going into positive destinations** (Measures: Number of additional young people (including specifically those NEET) going onto positive destinations (education, training or employment) (MB provided MI data; telephone survey;); and Number of additional young people (including specifically those NEET) achieving qualifications (TSO provided MI data).

In terms of enhanced TSO capacity, success will in part be reflected in the outcomes achieved for young people resulting from enhanced service quality to a greater number of disadvantaged young people. However it will also be important to measure organisational changes made within the TSOs themselves, in terms of increased business capacity and scope for sustainability. Ultimately it is intended that YSDF will contribute to increased competition on the supply side of youth services market - i.e. with increased innovation and improved service quality, and that offers better value for money. In the interim and as part of this evaluation the following measures have been agreed:

- **TSOs have better knowledge of their own strengths and weaknesses** (Measure: Number of TSOs with increase in organisational strengths as identified by the TSOs/MB through the diagnostic process (MB provided diagnostic data);

- **TSOs are more aware of local/national commissioning contexts and opportunities** (Measure: % of income from new sources i.e. in new geographical areas and/or from new clients (additional TSO provided data);

- **TSO staff are more skilled in key areas including service delivery and business planning** (Measure: Enhanced ability among TSOs to monitor and report on service user outcomes (MB provided data);

- **enhanced capacity of TSOs** (Measure: % change in income (measured relative to the sector as a whole) (additional TSO provided MI data);

- **enhanced sustainability of TSOs** (Measure: TSOs have secured match funding for final year and funding to continue service post 2011); and,

- **TSOs are commissioned more to deliver statutory services and less reliant on short term grant funding** (Measure: % of income from commissioned services (measured before and after YSDF) (additional TSO provided MI data).

3 YSDF FUNDED SERVICES - OVERALL PROGRESS TO DATE

3.1 Introduction

This Section provides a summary of the progress achieved by all thirteen Round 2 projects to date, based on currently available programme monitoring data and interviews with the Managing Body and other informers. This Section first describes the performance monitoring requirements for the Round 2 projects, before providing an analysis of project performance data to the end of March 2009. As the section describes, this represents the most recent data available, and understandably refers primarily to project set-up tasks rather than the delivery of services to young people. It is followed by two sections, which, drawing on the case study fieldwork and interviews with the Managing Body, then look at progress made in more detail in terms of service delivery and capacity development including engagement with the Managing Body.

3.2 Performance Management

The Round 2 projects report on their progress, and the milestones, outputs and outcomes achieved, to the Managing Body on a quarterly basis. A series of outputs and outcomes have been developed by the Managing Body to reflect the key achievements of the projects. These are summarised in Table 3.1 below.

The projects also report the development milestones achieved over the period, with the milestones, and outputs and outcomes, for the individual projects being set out in their YSDF Grant Agreement Schedules. Projects also report on expenditure against profile, with an on-line management information system being developed by the Managing Body to allow projects to submit their returns directly.

The projects have submitted returns for their first quarter of operation (to end March 2009), which for the most part focussed on the achievement of milestones and 'developmental' outputs rather than service delivery. However, the Managing Body report the process of submitting the first quarterly reports to them has been challenging, at least in part due to the requirement for both financial and performance data to be agreed and signed off before the data can be 'logged' onto the system. This has led to delays in the reporting of Quarter 1 performance, exacerbated by the end of financial year reconciliation process, and in future the Managing Body propose that performance and financial data be signed off separately to allow projects' achievements to be reported more rapidly.

The second quarterly returns, covering the period April to end June 2009, are due to be submitted by the projects in mid-July, although the Managing Body expect that it may be some time after this before the performance data is agreed and entered into the database. These data will, however, provide the first insights into service delivery (in the form of data on numbers recruited, etc) and potentially early outcomes for initial service users.

3.2.1 Project Performance to End March 2009

The Quarter 1 performance information suggested that the projects were making progress in terms of the milestones, outputs and outcomes set out in their Grant Agreement Schedules. As would be expected given the stage of implementation of the programme, the project reports focussed on initial developmental tasks (such as recruiting staff, etc) rather than service delivery and outcomes. The key achievements of the Round 2 projects, as reported in the Quarter 1 monitoring reports, are summarised below.

Table 3.1 - Milestones, Outputs and Outcomes

Milestones	
MSA1	Staff recruited / seconded
MSA2	Delivery consortium established / expanded
MSA3	Steering groups established
MSA4	Project management
MSA5	Engagement strategy
MSA6	Involvement of young people in decision making
MSB1	Review of integrated support in line with Delivery Profile
MSB2	Business strategy and planning
MSB3	Research / analysis of additional need / demand
MSC1	Evaluation of project
MSG2	Progress reports
Outputs	
OPA1	Number of young people engaged / details of specific target groups
OPA2	Number of courses / placements / groups established / sessions run
OPA3	Number of attendees on courses / placements / groups established / sessions run
OPA4	Number community peers / volunteers recruited and trained
OPB1	New relationships with identified funders
OPB2	Number / value of tenders submitted
OPB3	Fundraising activity
OPB4	Piloting of new business streams
OPC1	Development of quality assurance
OPC2	Creation strategic links
OPC3	Staff training
OPC4	Development of new partnership links
Outcomes	
OCA1	Number of young people moving to positive destinations
OCA2	Number of young people showing increase in protective factors / soft outcomes
OCA3	Number of young people achieving qualifications or completing training
OCA4	Number of young people giving positive exit evaluations
OCA5	Number of young people trained as peer mentors / youth workers
OCA6	*Outcome related to local impact of project*
OCB1	Contracts won
OCB2	Funding secured
OCC1	Dissemination of high quality practices
OCC2	Take up of practices / recommendations across the sector
OCC3	Number of professionals trained

Milestones

The Quarter 1 data indicates the degree to which the Round 2 projects have met the milestones set for them, with three meeting all and three meeting around three quarters of their milestones. In the remaining seven cases the TSOs had reached over half of their agreed milestones.

The projects reported particular success in terms of achieving milestones relating to:

- Partnership / consortium working - with all eleven setting milestones in Quarter 1 reporting their achievement;
- marketing and related activities - similarly all eight of the TSOs setting milestones achieved them;
- project management activities - were achieved in all but two cases;
- reviewing integrated support requirements - with all twelve of the projects setting a milestone for Q1 achieving them; and,
- preparing for internal evaluation - with eight of the nine projects achieving milestones in this area.

In some areas the achievement of set milestones was more variable across the projects, for example:

- establishing steering and stakeholder groups - with 12 of the 13 projects setting Quarter 1 milestones in this area, but just seven reporting achievements in this area;
- involving young people in decision making - with five of the seven organisations setting a milestone for this activity reporting success in this area. In addition to this, one TSO reported involving young people in project decision making, bringing forward a milestone expected for Quarter 2; and,
- business strategy and planning - with five of the seven projects meeting relevant milestones set for Quarter 1 in this area.

However, perhaps the most significant area where performance was mixed, and some projects struggled to achieve their Quarter 1 milestones, was **staff recruitment**. As would be expected, all 13 projects set Quarter 1 targets for staff recruitment, with their expectations ranging from recruiting one or two staff to over 30. These were distributed as follows:

- Three TSOs were planning to recruit between 1 and 2 new staff
- Three TSOs between 3 and 5 new staff;
- Three TSOs between 6 and 10 new staff;
- One TSO between 11 and 20 new staff;
- Two TSOs between 20 and 30 new staff; and,
- One TSO were planning to recruit 34 new staff.

Seven projects managed to achieve their targets for staff recruitment, with two over-achieving their targets and recruiting an additional five and two staff respectively. However six failed to meet them - including the four projects with expectations of recruiting the largest numbers of staff (all planning to recruit 11 or more staff, perhaps suggesting that their initial expectations were unrealistic) - with the TSO seeking to recruit 34 staff in Q1 actually recruiting fewer than half that proposed number.

Outputs and Outcomes

As would be expected at this early stage of the programme, fewer projects set targets for the achievement of outputs and outcomes for the first quarter of activity. However all but one project had set targets for **outputs** to be achieved in Quarter 1, with the majority setting one or two targets (commonly around the maintenance of existing or development of new strategic links (as distinct to new relationships with funders), and staff training and development activities), with one being more ambitious setting nine targets across six broad activity areas. In terms of achievement, 10 projects achieved all their expected outputs, one met one but fell short of another and one TSO achieved just five of their output targets.

In line with their Quarter 1 milestones, the majority of the outputs expected related to developmental activities. For example:

- four projects set targets for the development of quality assurance procedures - three of which achieved them;
- seven set targets in relation to the creation of strategic links, with six reporting positive achievements in this area; and,
- five set targets for staff training, four of which achieved them. The one project failing to meet their training target also failed to achieve their staff recruitment target.

Very few projects set targets for outputs relating to recruitment of young people and service provision in Quarter 1. Two TSOs did set targets for engaging young people, both of which exceeded their targets. One TSO engaged 68 young people against a target of 50 and another engaged with an additional 22 young people. Further investigation showed that the project had engaged successfully with young people that are ex-offenders / at risk of offending and young people at risk, although they had not engaged with as many young people from the NEET group as expected. Only one project had agreed Quarter 1 outputs for service delivery, with one TSO setting a target in relation to young people attending courses / places / groups. This target was achieved.

Similarly few projects set targets for outputs around the commissioning theme in Quarter 1, although three TSOs reported developing new relationships with potential funders and one TSO submitted two tenders for service delivery. In the case of the other two TSOs, which reported building new relationships with funders and the development of a fundraising strategy respectively, these initial outputs were achieved earlier than expected.

Fewer projects still set targets for **outcomes** in Quarter 1, with five setting targets over five indicators. Two TSOs achieved outcomes where no targets had been set: for one they reported that 18 young people had moved on to positive destinations, and for the other TSO that 40 adults had been trained to support young people through programme practitioners/volunteer coaches / parents.

Elsewhere one of the TSOs met their target for moving five young people on to positive destinations, although they were less successful in terms of young people showing an increase in protective factors / soft outcomes.

Two projects had agreed on Quarter 1 outcome targets in relation to securing funding from additional sources, with one TSO over achieving in terms of the number of sources accessed, while the other organisation failed to achieve their target within this quarter.

3.2.2 Integrated Support Take-up

A key feature of the YSDF programme is the provision of packages of consultancy support to help the TSOs achieve their service delivery and capacity development outcomes. Each TSO has a 'support plan', developed from the initial diagnostic reviews undertaken early in the programme, and intended to provide a 'prioritised agenda' for the scheduling and nature of development activities and support provision offered. The effectiveness of this diagnostic process is explored in Section 5. In terms of provision and overall take up of integrated support, Table 3.2 below shows that all the projects have taken advantage of the integrated support offer, most commonly receiving between two and three pieces of support, although in one case five pieces had been received. At the time of writing some 27 individual packages of support had either been completed or were ongoing. See Annex 6 for a more detailed description of the IS received to date.

Table 3.2 - Integrated Support Take-Up across the Round 2 TSOs

TSO	Integrated support Provided (completed and on-going)
1.	HR / Organisational Development Support (on-going) Support in branding / licensing / copywriting (on-going) Support with PR and Marketing (on-going)
2.	HR admin support (completed) IT advice and guidance (completed)
3.	HR guidance (completed) Development of the strategic marketing plan (on-going)
4.	Commissioning / building relationships with LA's (on-going)
5.	Business development support (completed)
6.	Support developing HR capacity (completed) Support to explore the potential to expand the social enterprise (completed) Support to understand the requirements of LA commissioners (ongoing)
7.	Support around the development of the business model (on-going) Guidance on the systemisation of existing practice (on-going) Guidance on the development of formalised performance management system (completed)
8.	To review the current policies on cost allocation (on-going) To assist the organisation in modernising accounting/bookkeeping (completed) Review and modernise governance arrangements (on-going) Attendance at an event by the MB on health commissioning (on-going) Advice on what HR IT would be most appropriate to purchase (on-going)
9.	Support to develop new commissioning opportunities on recruitment and mentoring (completed) Branding and marketing support (completed)
10.	Branding and marketing support (completed)
11.	Guidance on developing effective management processes (on-going) Support to develop measures to demonstrate the effectiveness of YSDF funded project delivery (on-going) External support and research to feed into marketing plan (on-going)
12.	Financial health check (on-going) Support with establishment of an appropriate Project Management Structure (on-going)
13.	Support with development of a marketing strategy (on-going) HR support (completed)

The nature of the integrated support received understandably varied between the projects, with the most common broad areas of activity including support with:

- **Marketing** - ranging from the development of strategic marketing plans to advising on identifying and articulating unique selling points, issues of branding and the production of copy and marketing materials. Also including legal issues around licensing, franchising and copyright (7 of the 27 packages);

- **HR development** - including the development of discrete HR systems where none had existed previously, support with 'personnel' related aspects of YSDF-funded expansion, support to update existing HR policies and practices and advice on appropriate IT systems (5 of the 27 packages);

- **Business development** - including market and marketplace analysis, developing full cost recovery models, the development of franchising models, development of overall TSO business models, and the systematising existing business models (3 of the 27);

- **Finances** - including conducting a financial health check with resulting recommendations for introducing an improved system, reviewing policies on cost allocation to ensure that all costs are being recovered, and improving approaches to accounting and bookkeeping. (3 of the 27);

- **Developing management and project management approaches** - including advising on appropriate structures and structures for project management, and developing appropriate procedures for the management of consortia projects. Also includes advice on appropriate governance structures, in the context of the anticipated YSDF developments (3 of the 27);

- **Development of performance management systems** - including organisation-wide systems and approaches to better evidence the effectiveness of both service delivery and the operation of the organisation (2 of the 27);

- **Effective commissioning** - including advising on specific 'target' areas for expansion (e.g. health), the use and recruitment of business development staff, and the potential contributions across the organisation to support improved commissioning effectiveness (3 of the 27); and,

- **IT systems and capabilities** - including improving current IT systems to cope with changes under YSDF, introducing new client management systems (1 of the 27).

While the support packages offered often covered several areas (with the list above focussing on the main area of assistance), it is clear that in the initial stages of the programme at least support has focussed on 'business development' issues, with fewer cases of specific support to enhance commissioning capability being delivered at this point. While this may reflect the main areas of need for the projects, and help ensure a firm base for future support to build upon, the Managing Body report that future support will focus specifically on assistance directly associated with the objectives of the YSDF programme. This is due at least in part to the fact that support for 'business development' could continue throughout the programme and 'crowd out' more focussed activities to improve service delivery and improve commissioning readiness. Consequently projects must now clearly define the justification for, and objectives of, any support received in the context of the YSDF objectives - for example "*at the end of X days the support will produce a product to help market the TSO in new areas*".

One issue raised by both projects and representatives of the Managing Body consortium was the provision of support to projects which comprise a series of TSOs acting as consortia. Here the dilemma is whether integrated support should be provided to other members of the consortia (a potentially significant draw on programme resources), or risk the failure of the individual consortium due to unaddressed weaknesses within it. While guidance from DCSF to the Managing Body suggests that partner needs should be addressed where identified, the initial diagnostic process applied to lead partners only. Consequently the Managing Body follow an approach where 'partner' support is prioritised to those consortia where the consortium model is central to their YSDF objectives. This should allow a distinction to be drawn between projects featuring 'partners working in partnership' and projects where the establishment of more formal consortia are key to their proposed development.
Examples of individual project experiences of integrated support provision, and the benefits resulting from them, amongst the Round 2 TSOs are explored in more detail in Section 5. However the Managing Body and wider consortia interviews reported high levels of satisfaction amongst the projects with the support received. Although recognising that it remains early days, the view of the support infrastructure was that the Round 2 TSOs were already showing the benefits of the provision received in terms of their ability to progress from a more solid base.

3.3 Overall Progress: Summary Points

- The Quarter 1 monitoring returns for January to March 2009 provide the only available performance data across the Round 2 projects.

- As expected and described above, the achievements reported by the projects relate to developmental activities as they prepare for service delivery, scheduled in the majority of cases to commence in Quarter 2 and so be reported on in July 2009.

- Nevertheless the data suggest that overall the projects appear to be developing broadly to the schedules set out in their milestones, and that in some cases positive achievements are reported in terms of very early outcomes and impacts.

- All of the projects have taken advantage of the integrated support offer, most commonly receiving between two and three pieces of support, although in one case five pieces had been received. At the time of writing some 27 individual packages of support had either been completed or were ongoing.

- In the initial stages of the programme support has focussed on 'business development' issues, with fewer cases of specific support to enhance commissioning capability being delivered at this point.

- The Managing Body report that future support will focus specifically on assistance directly associated with the objectives of the YSDF programme. This is due at least in part to the fact that support for 'business development' could continue throughout the programme and 'crowd out' more focussed activities to improve service delivery and improve commissioning readiness.

- One issue raised by both projects and representatives of the Managing Body consortium was the provision of support to projects which comprise a series of TSOs acting as consortia. Guidance from DCSF to the Managing Body suggests that partner needs should be addressed where identified. The Managing Body have opted to prioritise 'partner' support to those consortia where the consortium model is central to their YSDF objectives.

4 SERVICE DELIVERY - EARLY IMPLEMENTATION

4.1 Introduction

This section focuses on the service delivery aspect of YSDF funded activity drawing on the six case studies selected for Round 2 as examples of some of the issues currently faced by the TSOs. In line with their agreed delivery schedules, three of the six case studies were scheduled to begin delivery with young people in May and the rest from June onwards. Therefore the focus of this section is primarily on progress against project set up and activity milestones and expectations of impact.

4.2 Service Delivery: Overview of Progress to Date

Across the six case studies, and in line with the specification of requirements, we have seen evidence of TSOs implementing a range of new delivery and organisational models. For example, for one of the TSOs the coming together of six organisations to form a consortium represents a particularly interesting example of how YSDF funding is being used to provide a more holistic support offer to young people. This is a new way of working for all the TSOs involved, and YSDF is allowing them to test out a more formal partnership approach to delivery with a view to building capacity of some of the smaller partners and providing a more holistic service for young people (see example below).

Case Study Example - A consortium model

This case study is a consortium of six TSOs led by one of the member organisations. Each member has areas of expertise which form the focus of the YSDF project such as support for substance mis-users, young people NEET, young homeless people, looked after children and the provision of learning and progression. The rationale for a consortium approach was to develop a critical mass amongst the VCS in this niche area in order to more effectively respond to commissioners' requirements in the local and surrounding area. There are particular expectations of impact that arise from this model of delivery in terms of a significantly increased level and quality of service provision (at the individual organisational level), but also more effective cross referrals between the services.

Progress against Milestones

As reflected more widely in Round 2, the focus of activity to date has been on project set up. In this respect nearly all the case study TSOs are hitting their activity milestones, and in some cases are over-achieving on their targets. As would be expected there have been a few minor exceptions. Evidence from the case studies identified that where there has been slippage it has tended to be due to delays in staff or delivery partner recruitment or the loss of existing staff. Indeed, the impact that delayed recruitment has had on some TSOs shows the extent of the additional work that is required as part of YSDF, and in turn how there is the need for the TSOs to be able to absorb this additional activity at least in the interim.

For example one TSO has experienced delays in service delivery as a result of the longer than planned lead in times required for the recruitment of Local Authority (LA) partners. While LA 'buy-in' to YSDF activity remained unchanged, the protocols for agreeing participation have been more protracted in the light of: emerging external economic factors that have impacted on other areas of LA service delivery and activity; and, in the case of one LA, political imperatives as a result of identified service failure which resulted in the withdrawal from YSDF participation entirely. The TSO identified these issues early on with their Account Manager, and re-profiled delivery plan has been produced to reflect changes in planned delivery start points; although no changes to overall throughput have been made or

are anticipated. Arguably, to have secured the participation of all but two of the identified LAs in this period of time is a significant achievement; and also perhaps suggests that the original targets were overly ambitious.

This same organisation has also faced challenges in terms of internal staffing, which they have responded to in a number of positive ways. For example, with the delay to the recruitment of a senior post the TSO has appointed a consultant paid on the advertised salary to avoid 'slippage' in salaries expenditure and to maintain continuity in the business development department. Similarly with the recent loss of the internal evaluation post, the TSO has used their local evaluators to fill gaps and provide support specifically on MI data.

Two other case studies have experienced delays in recruiting project managers which has impacted on internal capacity. For one this has led to a delay in detailed project planning, while the other a delay in the take up of integrated support. For the former, the subsequent appointment of the project manager has led to an increased focus on the detail on service delivery, particularly the structuring of activities around the new outreach service, although delivery is still intended to start as scheduled. For the latter, opportunities were being explored with the Managing Body for the deployment of other staff to this role as an interim measure; and the start of delivery has not been affected.

Two of the case studies are currently ahead of schedule and over achieving in some areas. For one this is mainly in the areas of commissioning readiness (in terms of a higher than expected number of proposals being submitted) and new strategic relationships established. The other TSO had been able to factor in an additional pilot phase to the project, which they were planning to administer over the summer (see example below).

Case Study Example - Introduction of pilot phase

This case study TSO is aimed towards reducing and preventing violent offending by young women by improving their life opportunities and increasing the skills of professionals working with them. Over nine hundred young women and men at risk of committing violent crime are to be targeted across four Boroughs of London with a focus on identifying and tackling links between sexual exploitation and violent behaviour. The service offer consists of one to one work with young women and group work with young women and young men aged 13-18 years. Full delivery was due to start in September, however with the successful recruitment of the four London Boroughs already and with the support of a well-attended, enthusiastic advisory group, they were able to schedule in a pilot phase in the summer term. It is expected that each project worker will recruit five individuals and one group to work with, i.e. 35 service users. The pilot phase will be an opportunity to test out partnership working, referral forms, initial assessments and allow the project workers to develop an approach that works for engaging young people. The summer break will then be used as a period of reflection, where the delivery partners and main referral partners will jointly review progress and make changes as required.

For another case study project delivery is currently running to schedule despite delays in the recruitment of a dedicated project manager, and accessing schools taking much longer than expected (see example below).

Case Study Example - Successful service delivery set up

This case study TSO is aimed at engaging young people NEET or those at risk of NEET with learning, training or employment through the allocation of a Pathway Coordinator to five high NEET producing schools. All five members of the delivery team are now in place, and the TSO are impressed by the skills and commitment of the team - they have been able to hit the ground running. Despite some initial delays in getting access to the five schools, they have met their targets of achieving 20 Y10 pupils referrals from each school (100 in total) and were on target to have the other 100 by the end of June.

Finally, where recruitment has commenced, the case studies appear to have accurately predicted the demand for their services - indeed in some cases demand is already proving greater than planned for. Given the target groups TSOs are working with, and those proposing to follow outreach approaches, the issue for delivery may become whether the service will be able to meet the demand. In another TSO, where delivery was yet to begin, all the interviewees agreed that there was no shortage of demand for their services, and that the external economic conditions were strengthening their position.

Involvement of Young People

The evaluation is keen to explore whether YSDF has any effect on enhancing the ability of TSOs to engage young people in the design and ongoing development of their services. So far evidence of YSDF specific young people engagement is fairly limited, although this aspect will develop and become clearer as delivery gets more underway. For example, one of the case studies currently have one young person (a beneficiary of a different project) sitting on their advisory group, and their local evaluation has been designed to actively engage young people and so ensure they will have more of a role through this. For another project, however, no plans are currently in place to formally involve young people in design or delivery of the YSDF funded activity beyond a reactive approach, where young people's views on service delivery will be sought.

More generally TSOs on the whole have a good track record of engaging young people in their service delivery and in some cases robust structures for participation are already in place. Where TSOs are involving young people this seems to be based on existing mechanisms rather than any newly established ones. For example, one of the case studies have advanced and embedded systems for involving young people, and while participants from a previous pilot project were consulted in the design of the YSDF funded project, it is not yet clear whether young people currently engaged will have a similar opportunity. For another TSO, an existing structure is being used and developed further, with an 'involvement group' of young people being consulted and the YSDF project being included as a standing item on this group's agenda. The intention is for these young people to participate in different groups within the YSDF project, including the project board, and also to bring YSDF project service users through to this group.

With one of the TSOs young people have a key role in the delivery of YSDF services as peer mentors, and outreach workers, and plans are in place to provide training and accreditation for these roles (see example below).

Case Study Example - Involvement of young people

This case study TSO has a strong tradition of engaging young people in both the design and delivery of their services which is being used to good effect with the YSDF funded activities. One of the projects has a Steering Group made up of young people which is driving the project. This involves a group of young people who meet regularly to discuss what elements should be involved in the project, and provide feedback on issues and points raised within their local youth centres. This has specifically involved input into the design of one it key activities. Service users also have a role in the delivery of YSDF services, which includes; running the Lost the Plot Life Skills Awareness programme, and performing a mentoring role within the Break Out/Street Talk projects (e.g. teaching young people how to use equipment, delivering detached youth work services).

The young people who were playing an active role in the projects valued the role they played and the impact they felt they had. The added value from involving young people in the delivery of Lost the Plot was acknowledged by all of the service users involved. One interviewee stated in relation to the life skills awareness programme *'it is very effective, especially when you are delivering. At my age people know where I am coming from, also it is from me to them, as opposed to an adult. We are on the same wavelength, we get more respect'.* Another interviewee explained the positive impact this role has had on him as an individual: *'I have learnt my skills, gained more confidence and I can talk to people and stand up to an audience and take them through the programme'*

4.2.1 Service Delivery - Expectations of Impact

Given that the Round 2 TSOs are still in the early stage of delivery, data on impact is not yet available and so findings in this area are inevitably limited in this preliminary report. However, some issues are beginning to emerge, which will be important to track as part of the evaluation. The case study TSOs have relatively high expectations on what can be achieved, with many seeing the resources available for service delivery through YSDF as relatively high. For one case study project for example, based on achievements made with the pilot programme the senior project leader is realistically expecting at least 80% of the young people to go onto positive destinations, even though the delivery payment schedule states an expected 45% (i.e. 180 out of the 400 young people referred). Similarly for another project while the agreed target for number of young people recruited to the project is 3,000, they expect the actual number to exceed this. Indeed in some cases, the preparation of the KPIs with the TSOs did lead to the scaling down of targets, and at least one TSO is using shadow targets. For one of the TSOs, however, which is working on particularly sensitive issues, the setting of realistic but stretching targets is seen as a key strength of the project. While the TSO intends to build partnerships with commissioners and to draw on them for referrals, beyond achieving the planned outputs there is little expectation of wider impact beyond the beneficiaries engaged in the project.

For those TSOs using a partnership or sub-contracting delivery model, it will be important to look at how partners are linking up, cross-referring and operating collectively and in turn how impact across the YSDF funded ‘project’ can be measured meaningfully. For example, for one TSO the funded activity is in effect a collection of different projects, where the links between the projects are yet to be formalised, and cross referrals are expected to grow as the projects develop.

For those projects where there may be overlaps with existing provision, it will be important that collaborative working practices are developed, but that also the YSDF element is clearly defined, so that impact and added value of YSDF can be identified and measured.

There is some evidence of early impact and added value. For example the schools for one of the TSO programmes are located outside the normal catchment area for the TSO, and the intervention is already serving to introduce new young people to their services with many of them accessing them for the first time. It will be important to see whether these young people continue to use their services and its additional resources in the long term. Also, as highlighted in the case study example, impacts are already apparent among the young people involved in the delivery of the various projects.

Key challenges to service delivery raised so far by the case study TSOs can be summarised as follows:

- Staff recruitment to key delivery posts - still an on-going issue for some TSOs;
- Building relationships with new delivery partners, which in the case of Connexions and current high levels of staff turnover is proving a challenge;
- Setting up the systems to rigorously collect and record MI data on the service users that fit with Managing Body reporting requirements was highlighted as a challenge by some, but not all the case study TSOs;
- Working in partnership with LAs has proved challenging for two of the TSOs in terms of having to work at a slower pace and having to be flexible about the delivery model to reflect different contexts and clients; and,

- Risks associated with the economic downturn were raised by some of the case study TSOs as well as by DCSF. For those committed to sourcing work placements for young people, there is a perceived risk with the recession that this will become much harder.

More generally concerns have been raised about securing new funding in an increasingly tight and competitive market. For DCSF, the current economic climate is potentially the biggest challenge to the delivery of the YSDF programme.

4.3 Service Delivery - Summary Points

- The TSOs have adopted a range of delivery models and are expanding their services in a number of ways; some are developing consortiums, one has merged, one has taken their delivery approach into a new context for them (schools); and one is combining a range of previously separate projects into one delivery programme targeted at specific geographical locations.

- The focus of activity to date has been on set up and overall progress has so far been good. Delays in staff recruitment and the need to develop new human resource systems have impacted for some on organisational set up, although impact on service delivery has been minimised.

- The demand for services in terms of those young people targeted has so far been met, if not exceeded, expectations in some cases; strategies for how this potential 'over-demand' will be met is not yet clear in all cases. This will be explored alongside the future issue of self-referral in the later stages of the evaluation.

- Little evidence has emerged yet of new mechanisms for engaging service users in YSDF specific activity; but there is evidence of good practice around service user engagement for non YSDF specific services.

- Evidence of impact is limited so far, and will be explored more in future reporting once service delivery is fully underway. Emerging issues include; high expectations of service user demand compared with realistic but stretching target setting; the challenge of measuring outcomes collectively across a programme that comprises a range of activities and delivery partners; and finally distinguishing YSDF related outcomes from those that may have been contributed to by non-YSDF deliverers.

- Some risks / challenges raised include: staff recruitment; building relations with new delivery partners; setting up systems for MI data that fit with Managing Body reporting requirements; working in partnership with LAs; and risks associated with the economic downturn.

5 CAPACITY DEVELOPMENT - ENGAGEMENT WITH THE MANAGEMENT BODY AND EARLY IMPACT

5.1 Introduction

This Section examines the capacity development aspects of the YSDF programme, drawing on the case study fieldwork together with available management information, interviews with Account Managers and representatives of the Managing Body consortium. While the final evaluation report will describe the overall effectiveness of the managing body and the extent to which the integrated support increased the capacity of TSOs, at this early stage we can begin to explore some early engagement patterns and experiences from the perspective of both the Managing Body and of the individual TSOs.

5.1.1 Existing Capacity of the TSOs

From available information and data, it is possible to identify a number of key features that describe the baseline capacity for the six case studies:

- All the TSOs had an existing annual turnover of over £1 million, and so were already relatively stable organisations. YSDF funding is just one of a number of funding streams/projects for the TSO - and the ability to handle growth was a pre-requisite for the Round 2 funding.

- There were no major areas of concern identified in the diagnostic reviews. All the TSOs were, to varying degrees, already established as leading providers within their local geographical contexts or their specialist / niche area.

- A number of core developmental areas, however, were identified across the six case studies. Support needs were identified regarding:

  - Human Resources, e.g. some recognised the need to formalise performance management systems as their staff size grows; some, for example, lacked a dedicated HR function or more generally were lacking in formal staff supervision and support and appraisal frameworks; and in some cases were managing teams where staff were formally employed by different consortium members;

  - Marketing and PR - with many of the TSOs being strong on delivery, but less so in terms of identifying, quantifying and marketing their ‘product’, and many not having formal marketing plans.

  - Funding and Business Strategies, e.g. while many had strong links with existing funders, not all were geared up to forward business planning around new funding targets especially beyond 2011; and many did not have business plans.

- Other developmental areas isolated to one or two TSOs included the need for support with developing more effective governance, particularly in relation to the Governing Board; the need for better involvement of young people in decision making, design and delivery; and the need to develop more effective IT systems.

- Although not explicitly addressed in the diagnostic reviews, a key development area identified by TSOs themselves is the issue of systems for collecting and recoding MI date relating to young people’s outcomes. Indeed, as part of the evaluation process GHK consulted with the case study TSOs about the data they already collect and the data collection tools they currently use. The level and detail of data collected was found

to vary between the TSOs; and for those involving a range of delivery partners/sub-contractors there was additional work to be done to harmonise the data collection tools used and develop a common data storage system. The monitoring data demands from the Managing Body and for the evaluation will stimulate developments in this area, and progress on this will be assessed as part of the evaluation.

5.1.2 The Commissioning Context

The objective of the Managing Body is to promote and support change in each TSO, so that over the life of the programme they become more commissioning ready and less reliant on grant funding from central and local Government. This includes, through new business systems and quality practices, successfully competing for and delivering public sector contracts.

As medium sized organisations, the Case Study TSOs already had established lines of communication with a range of public sector partners, most notably local authorities. Indeed, for one of the organisations such the YSDF funding has allowed it to work across a large number of local authorities.

The key issues that emerged from the first round of interviews with commissioners were that:

- public sector commissioners tended to believe that a fully developed market for youth sector services had not been achieved and that there were only a small number of competent organisations;
- as a result, they tended to rely upon third sector providers who were well known to them and had an established track record;
- there has been some rationalisation of contracting arrangements across local authorities, partly to avoid duplication, with a movement towards larger contracts;
- the frequency, level and depth of commissioning activity varied significantly between TSOs;
- the approach taken by local authorities to commissioning services varied considerably, although most had formal agreements or networking arrangements in place;
- very few had an established strategic dialogue about their needs or the ability of the third sector, or any other sector, to deliver public services (i.e. as a result very few TSOs felt that commissioners understood their skills, competences and capacity); and,
- at a sub-national level, the public sector rarely provided capacity building support to the third sector.

Public sector commissioners recognised the ability of TSOs to engage with hard-to-reach groups and the flexibility they had to deliver innovative and ‘fit for purpose’ services. The delivery of both effective and efficient services was becoming an increasingly important issue, with commissioners underlining the need for robust management information.

5.2 Engagement with the Managing Body

As Section 2 described, the Managing Body has responsibilities for the delivery of the YSDF programme and the provision of support to the YSDF-funded TSOs. This features four core 'components', namely:

- the Account Manager;
- the Development Facilitator;
- the Mentor; and
- the provision of integrated support.

This section reviews the level, nature, and key issues associated with the operation and effectiveness of each of these components from the perspective of both the Managing Body and the TSOs.

An initial question for the evaluation was the extent to which the individual TSOs would actively engage with the support options available to them - particularly in terms of the mentor and integrated support provision - and how the Account Manager and Development Facilitator roles would work in practice. Overall, key factors in stimulating engagement with the Managing Body appear to include:

- the ability to establish positive working relationships and trust - notably between the TSOs and their Account Mangers and Mentors;
- the ability to evidence the value of the support available through the achievement of 'quick wins' - applying both to Mentors and to the integrated support provision; and
- the ability for the Managing Body to be flexible in the scheduling and nature of any support issued - to meet TSO needs both as they emerge and as the TSOs have the capacity and capability to manage the change resulting.

5.2.1 The Account Manager Role

It was accepted by all parties that the Account Manager role is crucial to the success of the YSDF programme and equally one of the most challenging roles within the team. Successful delivery of the role requires:

- an ability to manage the contract, including project management skills, holding TSOs to account for their performance and ensuring regular reporting; and,
- an ability to provide support and encouragement, acting as a sounding board, providing guidance and facilitating integrated support.

The interviews with the Account Managers identified that this dual role could, in the initial stages of the programme, be confusing and potentially off-putting for the TSOs, although once relationships had been developed, and importantly trust established, this duality became less of an issue. Indeed, case study TSOs were generally positive about the role played by the Account Manager. They cited the supportive and helpful attitude of the Account Manager providing advice when required. TSOs valued the support made available, commenting that the Account Manager was the first point of contact, being available to answer questions promptly and accurately. As a result, lines of communication were

effective. However some concerns were raised about changing expectations raised by guidance and new requirements which have been delivered with little notice, placing what was believed as unnecessary pressure on the TSO. Examples include:

- new instructions on how TSOs report back on finance / MI data; and,
- the provision of a new formula for working out over-head costs, which was signalled early but only recently provided.

An emerging finding is that the Account Manager role has been more demanding than was perhaps envisaged at the outset. Whilst the challenges of the role were acknowledged from the start, the resulting time inputs and the intensity of support required exceeded expectations. This has to some extent been off-set by reducing demands from TSOs as they move out of project set up and into delivery phase.

Current case loads, comprising Pathfinder and Round 2 projects, are between five and seven TSOs per Account Manager, with two Account Managers also being responsible for two additional programmes - the Home Office Tackling Knife Crime Programme and the NCB Young Inspectors programme. The Round 3 projects will inevitably place an additional burden on some of the existing Account Manager complement, although two are not expecting to have any involvement in Round 3 with new staff being recruited to focus on these TSOs. Where one existing Account Manager will have a role with Round 3, the interviewee expects the intensity of their work with their Round 2 TSOs to reduce.

The frequency of contact between the Account Managers and their TSOs has exceeded the minimal requirement for quarterly visits, with each contacting their TSOs on at least a monthly basis either by telephone or by visit. In the majority of cases contact is with the TSO Development Facilitator (DF) - which has led to some inconsistency as contacts change as the DFs are ‘appointed’. In the majority of cases the Account Managers described establishing positive relationships with their Round 2 TSOs, although in one case the Account Manager described ongoing difficulties in maintaining contact with one of their TSOs.

The range of skills and experience required of the individual Account Managers has proved to be considerable, needing to combine project management experience with strategy and business planning expertise. While the current Account Managers possess a range of skills and experience of relevance to their roles, including providing technical assistance and working with voluntary and community sector organisations, their initial experiences emphasise the importance for ensuring a clarity of role both for the individual Account Managers and the TSOs they work with.

5.2.2 The Development Facilitator Role

The DF plays a vital role, ensuring that the needs of the TSO are translated into a Development Plan, and then working with the Managing Body to ensure the benefits of the Integrated Support Package are captured. For the Managing Body this ensures accountability and a single channel of communication.

The DF should be a senior member of the TSO’s staff, playing a significant role in the management and development of its services. The Managing Body have sought to avoid this role being placed with the Chief Executive Officer. Among the case study TSOs, only one had placed the DF role with the CEO. Most are either with other senior management team members or with the Project Manager. However, in practice, we found that difficulties in

recruiting project managers, and then delays due to notice periods, meant that CEOs or other members of the SMT tended to be ‘gap filling’ for longer than expected.
On the whole TSOs considered that the role of DF had been more time consuming than originally expected, particularly in the early stages of delivery. Given that for many of the TSOs, YSDF is just one of many of many funding streams/projects in practice, this has meant that they have had to divert their time / resources away from other areas of work. A number of explanations were given. These included:

- difficulties in recruiting other members of staff, with the DF covering a number of roles;
- the inevitable demands of project set-up, which many feel will now ease of as they move into service delivery; and,
- the unanticipated levels of demand from the Managing Body in terms of monitoring requirements and front loaded integrated support provision.

5.2.3 The Mentor Role

The role of the mentor is to act as an independent and confidential ‘sounding board’ for the DF at every stage of development, through whatever transitions occur or may be anticipated. All TSOs recognised the experience and status of the mentor in their given field. They are highly qualified and often had knowledge of the ‘mentoring’ role, having mentored or coached other organisations and / or individuals previously. TSOs expressed some concern about the appropriateness of a mentor without direct experience of the Third Sector. However the majority of TSOs recognised that the mentor brought ‘transferable skills’, which are applicable in any sector. Eighteen matches were required in total (five for the Pathfinders and thirteen for Rounds 2s) and only three have been problematic. Some TSOs did go with a second or third choice; others yet to find one suitable or already had one.

Overall the selection process has run relatively smoothly and the relationship between the DF and the mentor was strong and developing, although there was recognition that more tangible outcomes would only become apparent later in the programme. Both parties recognised that it takes many months to fully develop the mentoring relationship. The mentor role is new to the TSOs, and some were unsure about what role it would play in relation to other aspects of support made available through the MB and also whether the support from the Mentor was primarily to them as individuals or whether the support was for the benefit of the wider organisation. For example:

- this led to some early confusion, with the mentor and DF having different expectations about the relationship (i.e. mentors tended to see the role as one of facilitation, DF were often looking for more direct instructions); and,
- there is a danger of duplication of support, particularly when accessing other DCSF funding, which applies a similar model of funding and business support. At least one TSO for example already has a mentor or has been mentored previously.

TSOs suggested some guidance at the outset, a note explaining the mentor’s role and how this is distinct from other support available through the YSDF. While a briefing note has been produced by the Managing Body, it seems this was not available from the outset. Two mentors suggested more informal networking sessions between mentors, although this view was not shared by all (i.e. citing other work commitments and uncertainty about the ‘added value’ of sharing such a unique relationship). Others requested the need for greater clarity on the exact parameters of confidentiality; some Mentors were treating this aspect of their role more strictly than others. Currently there does not appear to be Managing Body guidance on limited confidentiality, e.g. with respect to child protection or misconduct issues.

However, progress was generally good, facilitated through the early ‘chemistry session’, when the DF and the mentor met for the first time. This provided an opportunity at an early stage to assess the compatibility of the two individuals. Early mentoring sessions have focussed on developing and better understanding the issues raised through the diagnostic review. Whereas most TSOs feel they are often reacting to events, the mentor is able to provide more strategic advice, ‘blue skies’ thinking. Looking forward, both mentors and DFs recognised that there would be more contact at times of particular personal or organisation need, and the relationship was flexible enough to take account of this.

5.2.4 The Integrated Support Programme

Following on from Section 3, which provided a descriptive overview of the IS provision and take up to date for Round 2, this section explores how the MB and the case study TSOs have experienced this aspect of the programme to date.

Diagnostic Reviews

The diagnostic reviews had a key role in terms of benchmarking the TSOs, identifying areas for development and formulating responses in the form of individual support plans. On the one hand, while the accuracy and relevance of these reviews were seen to be crucial in setting the agenda for future capacity development activities, on the other hand they were recognised as a starting point requiring regular reviewing and updating.

The Round 2 diagnostic reviews were undertaken before the participating TSOs had grant agreements in place, and did not involve the Account Managers. While pragmatic given the timings involved, this was not considered to have been as effective as it might have been, and for Round 3 the Account Managers will be involved in the diagnostic process, which will take place once grant agreements are in place and more time can be dedicated to them.

The accuracy, representativeness and overall quality of the diagnostic reviews was widely considered to have been high - as supported by each of the Round 2 case studies and the Managing Body representatives interviewed. However, two issues emerged:

- the diagnostics tended to be stronger on the area of business strengths and weaknesses than on commissioning readiness - leading to the Managing Body developing a ‘commissioning toolkit’ for use with the Round 3 TSOs to ensure this area is covered; and,

- a tendency for the resulting proposals for support packages to be more intensive than expected, raising issues of the TSOs capacity and capability to handle them. For Round 3, the Account Managers will be involved more with the TSO in the formulating of support requests.

In addition, the Managing Body reported that while the diagnostic review could illustrate an area of specific weakness in a TSO, further detailed investigation may identify that the weakness was a symptom of an underpinning need, and one that had to be addressed before further progress could be made. However this is inevitable, and emphasises the importance of flexibility in the provision of integrated support.

The intention is for the diagnostics for the Round 2 TSOs to be reviewed at some point in the programme, although a date for this has not been set. However the Account Managers are in effect ‘updating’ the diagnostic reports through their contacts with the TSOs and knowledge of their specific needs, challenges and developments.

Integrated Support Provision and Take up

In the view of the Managing Body and the partners in the consortium, and as shown in Section 3, the Round 2 projects have successfully "bought into" the concept of capacity building through the integrated support approach. A high level of demand and an "appetite" for the support available exists across the TSOs, although interestingly take-up has not been at the level initially expected following the diagnostic reviews. In the view of the Managing Body, and supported by the case study TSOs, this reduced take-up is caused by some of the TSO's limited capacity to absorb the level of input initially envisaged. There may be many reasons for this, including:

- The scale of the input and the implications for the management of change within the TSO;
- a tendency for TSOs to try to maximise their take-up of available resources, and only considering the implications of implementation later;
- the scheduling of the support not being considered by the TSOs at the outset - and leading to re-scheduling or delays; and,
- waiting for new staff to be in place - for example newly recruited project managers who were to take a specific piece of support forward.

In addition, the very process of producing final specifications for integrated support may also identify additional needs, which were not identified in the diagnostic stage but are key underlying issues and which may require a separate intervention to address. The evaluators' experience with the case study projects also suggests that for some a period of time to *"get our house in order"* may have led to delays in the timetable for external involvement.

Few issues were raised about the Managing Body consortium's ability to source sufficient numbers of consultants to provide support to the programme, either by the members or by the Round 2 projects. All of the case study projects were positive about the support received to date. Some issues were raised however, with feedback suggesting that:

- there is a risk of 'supplier led demand', based upon the competences of the MB rather than the needs of the TSOs themselves;
- Integrated Support (IS) is too 'front loaded' and there was not always a clear rationale for why support was provided at particular stages of development;
- there is a need for more transparency and communication about what support is available and the availability of it;
- there is a perception, from one TSO, that the MB, and as a result IS, was 'over stretched and under resourced'.

However, those that have accessed IS report that it is of a high quality and appropriate to their needs. Some concern was raised about the timing of the IS, with one TSO reporting that they felt 'overwhelmed' by the volume of support made available. Others suggested that, while they valued the support, it has placed extra pressure on the capacity of the DF.
It is clear, however, that the Managing Body has learnt lessons from its experience to date in providing integrated support - and that these lessons have influenced their proposed approach to the delivery of support to the Round 3 projects. Given that the TSOs for Round 3 will be much smaller and that Round 2s have had to work hard to absorb the level of support required, the Managing Body have developed a new approach for Round 3.

For Round 3, there will not be a mentor or Development Facilitator role. Instead the Managing Body intends to supply an individual for each TSO - entitled a Business Advisor - who will be a mix of a DF, Mentor and Business advisor. There will be a 'core curriculum' for the integrated support programme, comprising monthly sessions with space to address specific needs. The Business Advisor will then follow up and implement the learning when back at base with the TSO. The plan is that the Business Advisor will spend one day per week at the TSO initially taking on a 'doing' role and gradually changing to a mentoring role prior to handover.

5.2.5 Other Support Provided by the Managing Body

In addition to the initial launch event in December 2008, two networking events have been held so far, with a further two scheduled for later in the year (September, in Birmingham and December, in London).

Networking events are organised by the Managing Body and are open to all participating TSOs, providing an opportunity to share experiences and learning. Topics are decided upon in consultation with the TSOs; the primary purpose of these events however is to facilitate networking among the Round 2 TSOs and with the Pathfinders. As Round 3 comes on stream, such events will also include these TSOs. As Table 5.1 below shows, the events have so far been well attended and response very positive. TSOs on the whole agree with the frequency of quarterly events.

Table 5.1 - YSDF Networking events

Event details	Attendees feedback
Influencing Commissioning: Key Messages from YSDF *26th February 2009, London* Topics covered: The Commissioning Support Programme; What new Commissioning arrangements mean for YSDF Discussion Groups, *the experience to date: Barriers to Commissioning; The Hard Sell; Responding to Need*	Representatives from most of the Round 2 TSOs attended and from two of the Pathfinder TSOs. Most of the attendees rated the event as excellent Some suggested improvements included: more facilitated networking and more information in advance of the event.
Measuring and Demonstrating Impact *London, 4th June 2009* *Topics covered:* Social Return on Investment; Long Term Tracking; Application of IT to Monitoring Systems	Representatives from most of the Round 2 TSOs attended and from two of the Pathfinder TSOs. Most of the attendees rated the event as excellent. Some suggested improvements included: more detail provided about other projects, more case study presentations and learning shared from the Pathfinders.

In addition to this, the YSDF Managing Body with support of the Commissioning Support Programme and the Department for Children, Schools and Families hosted The National Young People's Commissioning Forum, which took place at the Emirates Stadium on Tuesday 12 May 2009. It was a high profile national event attended by 207 delegates made up of 119 delegates from the Third Sector and 71 officers from Children and Youth Service

departments across England. The purpose of the event was to discuss key issues that both parties faced in the commissioning process. A conference report was produced which is available on the YSDF website. Some key issues raised by the delegates included the need for:

- more investment in longitudinal studies;
- support for success in commissioning for TSOs;
- increased appreciation of the benefits and draw backs of partnering; and,
- greater clarity of language used by commissioners and providers alike.

The Managing Body also produce a monthly Policy Briefing via email to participating TSOs. Feedback from the events suggested that those who received it, found it useful, but that not everyone received it. In terms of the telephone helpline and the YSDF website, these have received most traffic during the pre-application stages, with around 2 or 3 calls per day being made to the helpline. It is expected that as Account Manager relationships become established most queries will be directed to them and so expect traffic to decrease. The website is envisaged as being more about promoting YSDF to the wider sector.

5.3 Capacity Development - Expected Impact

As the introduction showed, the level of existing business capacity and commissioning readiness among the six case studies varied, with some already showing some propensity to sustainable income generation whereas others were still working within traditional short term grant giving contexts.

It is worth noting that it will take time for the benefits of investment in capacity development to become fully evident and realised. A question remains as to whether this support will be sufficient for organisations to realise the sometimes transformational changes they are seeking. In some cases this is because the support made available is only just giving rise to services. In some cases it will take time for TSOs to test and demonstrate the value of new services, and their capacity to deliver, to public purchasers.

In summary, we found that the support made available had given TSOs the time and space to take stock and plan for service development. IS had helped to introduce a more 'businesslike' approach to organisational development, achieved through:

- the DF, a demanding role that allows organisations the time and space to take stock and plan for service development;
- the Account Manager brought transparency and accountability (i.e. clear lines of reporting, a first point of contact for advice and support);
- the MB, building on the diagnostic of each TSO and providing relevant and appropriate support services; and,
- the Mentor, who is able to provide an independent perspective, focussed on the needs of the individual and organisation.

For some TSOs evidence of early impact was already beginning to emerge. For some this was in quite tangible ways as a direct result of IS received.

Case Study Example - Positive impact of HR support

For this case study TSO in light of the increase in staff a key priority was the need to establish for the first time a full HR capacity and to update their HR policies, including the benchmarking of jobs / salaries and the recruitment of an HR officer. Support from the ISP was requested and delivered on this topic. They found the consultant - formerly an HR manager with the BBC - *"to have done well and done a good job"*; she was felt to have the right set of skills and aptitude for the tasks required. The support was close to completion, with around 12 hours remaining to complete the salary benchmarking, job evaluations and job roles. The support was *"very useful"* - particularly in developing an HR infrastructure– and was considered to have had the greatest impact of all support received to date.

Similarly:

Case Study Example - Positive impact of HR support

The support received by this case study TSO on Human Resources was considered good quality: *"It was brilliant. She was hands on and practical and sensitive to our needs. She identified gaps and provided mentoring for our HR administrator".* The support they have received has had an impact on capacity by making their HR policies more robust. Specifically, they have established a recruitment process that will ensure consistency. In July, they will re-launch their performance management systems. This will help them to move closer to obtaining the Investors in People award. Although these changes are likely to have happened without the Integrated Support, YSDF has accelerated the process.

For others, the overall impact of capacity support was having a more general effect. For example, an interviewee from one of the TSOs observed that, overall

> *"YSDF has opened our eyes strategically- it has made us think about what our vision is - where do we want to be?"*

This has led the TSO to re-organise their staff structure and has also highlighted the need to update their HR policies. It has also facilitated them to become more able to move much more quickly and to respond to new opportunities. For example, they are now looking into environmental issues as part of the development of their holistic package. Indeed, while the designs of the programmes / activities were already there, it is the visionary aspect of the YSDF programme that is new for them. They see their organisation now as a business not just about service delivery. Ultimately the DF recognises that if they want to be self-sustaining then they have to be much more proactive in terms of their income generation. They are evidently doing this and have already had some big project wins. They have also begun to receive support from Business to Business with developing a marketing strategy and have an agreed plan in place focused on identifying new funding sources. The DF has found this input extremely fruitful. For example support has included advice on scoping the potential for providing training to NEET young people using existing training suites - potentially a huge new market for them. In terms of changes to organisational capacity there seems to be evidence of positive changes here. For example a key focus of the support is to the DF and enhancing their role to make it more strategic. Both the Mentor and the DF believes that the Mentor role and that of business support is having some impact here. The DF is now much more effective at delegating responsibility within the team so freeing up capacity for a more external strategic role.

Where a TSO is formally engaged with partners as part of the delivery model, there is also some evidence that capacity development is impacting on partners; evident more so where a sub-contracting model has been adopted. For example, in the context of YSDF, one TSO has now set up service level agreements with their partners with clear outputs and outcomes, as one of their partners put it *"they have upped their game"*. For one partner organisation in

particular it has encouraged them to think more about their own business and to undertake a re-branding exercise.

In comparison for another TSO the impact of capacity development on its consortium members is yet unclear. Currently, the lead organisation is the point of contact for the Managing Body. With the exception of some director-level contact and the setting up of a link worker in each organisation, the lead organisation has been the primary recipient of support from the Managing Body. To date this does not appear to be an issue - given the focus on getting services up and running - but it may well feature as delivery goes on and the other organisations in the consortium focus more on capacity building element and their future sustainability.

5.4 Capacity Development: Summary points

- Developing organisational capacity for medium sized TSOs, seeking to 'scale-up' an innovative service, is a key requirement of the YSDF programme.

- As medium sized TSOs, all the Round 2 TSOs had an existing annual turnover of over £1m and are already established as lead providers within their local geographical contexts or their specialist/niche area, with many already having strong links with Local Authority commissioners.

- A number of core developmental areas were identified for the TSOs. These were support for: human resources; marketing and PR; and funding and business strategies. Other areas included: governance; involvement of young people; and IT systems including systems for collecting and recording MI data that fit with Managing Body reporting requirements.

- The MB is offering a range of support services and development advice to TSOs which is targeted in response to organisational needs.

- The Account Manager role is crucial to the success of the YSDF programme and equally one of the most challenging roles within the team. Successful delivery of the role requires: an ability to manage the contract and an ability to provide support and encouragement.

- An emerging finding is that the Account Manager role has been more demanding than was perhaps envisaged at the outset. This has to some extent been off-set by reducing demands from TSOs as they move out of project set up and into the delivery phase.

- For the case study TSOs the DF role is with either the CEO, a SMT member or the project manager. On the whole TSOs considered that the role of DF had been more time consuming than originally expected, particularly in the early stages of delivery.

- For the Mentor role, eighteen matches were required in total (five for the Pathfinders and thirteen for Rounds 2s) and only three have been problematic. Some TSOs did go with a second or third choice; others yet to find one suitable or already had one.

- Overall the selection process for the mentors has run relatively smoothly and the relationship between DF and mentor was strong and developing, although there was recognition that more tangible outcomes would only become apparent later in the programme.

- More generally, the Round 2 projects have successfully “bought into” the concept of capacity building through the integrated support approach. A high level of demand and an “appetite” for the support available exists across the TSOs, and TSOs were generally satisfied with the quality and relevance of this support. However take-up has not been at the level initially expected. This reduced take-up is thought to be caused by some of the TSO’s limited capacity to absorb the level of input in the time required. . The Managing Body have begun to adopt a more focused approach to ISP delivery requesting that TSOs link support requests more specifically to YSDF objectives. For Round 3 they will offer a core curriculum alongside a bespoke TSO offer.

- The support made available has given TSOs the time and space to take stock and plan for service and capacity development. IS had helped to introduce a more 'businesslike' approach to organisational development. For some TSOs evidence of early impact was already beginning to emerge. For some this was in quite tangible ways as a direct result of IS received. For others, the overall impact of capacity support was having a more general effect including some additional impacts on partner delivery organisations.

6 SELF-REFERRAL

6.1 Introduction

This Section explores the issue of self-referral in the context of TSOs providing services for young people, drawing on the experiences of the Round 2 TSO case studies, interviews with national stakeholders, and consultations with the YSDF Managing Body.

As service delivery is yet to commence on any scale at the time of writing, this section provides initial insights into:

- The extent to which the case study TSOs expect young people to engage with their activities on a 'self-referral' basis;
- The extent to which the TSOs expect self-referral to be an issue in terms of service provision; and
- The views of the national stakeholders and the Managing Body on the issue of self-referral, and their expectations of the issues self-referral will cause for both the TSOs and organisations commissioning their services.

The issue of self-referral will continue to be explored as the evaluation progresses in order to capture and disseminate learning more widely.

6.2 Self-Referral - The Issue

While the third sector's ability to engage with young people through self-referral is generally regarded as a real strength, the issue to be explored through this evaluation is the extent to which the use of a self referral model by TSOs poses an inevitable barrier to becoming more 'commissioning ready' in terms of moving to a more sustained contract based form of service delivery. One view for example is that self-referral - or demand led services - can make the planning of service delivery more complicated, in comparison to more traditional cohort recruitment approaches; it requires a greater degree of flexibility of providers and their services and in turn of commissioners. As one stakeholder interviewee put it:

> *"if a TSO has no surplus resources and is doing demand led services with highly disadvantaged children - how is this reconciled?"*

Do funding anxieties indirectly impact on a TSO's ability to deliver? Do commissioners find it more challenging working with such TSOs? Specific questions that the final evaluation will seek to address with respect to the YSDF funded projects regarding self-referral include as stated in the original tender document are:

- What is the incidence of self referral?
- What are the needs of service users that self-refer - and how do these differ from other young people involved in the projects?
- How are the needs of clients who self refer currently being met (including self referral by clients living or registered outside the area in which they self-refer)?
- What affect does self-referral have on commissioning decisions and in turn the long-term sustainability of organisations?

In addition to this, the evaluation will seek to highlight examples where self referral is in operation, and explore how it is done. Through the exploration of these questions, the study should be able to provide recommendations for how the needs of those who self-refer can be better met.

6.3 Self-Referral - Case Study TSO Experiences and Expectations

The initial fieldwork and consultations with the six Round 2 case study TSOs included an initial exploration of self-referral, including the extent to which they expected their YSDF participants to be recruited on a 'self-referral' basis, whether they had previous experiences of self-referred recruitment models, and what issues, if any, self-referrals were likely to pose to their YSDF programme delivery.

6.3.1 Expected Levels of Self Referral

Although for the most part delivery had not begun at the time of interview, each of the six case study TSOs described having different expectations of the level of self-referral they expected to experience. Not all of the TSOs had considered the implications of self-referral for their project activities, for example one of the TSOs commented that only one of their partners would have sufficient capacity to cope with large numbers of young people turning up without warning. However, the project also considered that the chances of large numbers of young people self-referring were small, as although they will be targeting 'hard to reach' individuals with complex needs the project considered that "it would be hard to imagine thirty hard-to-reach young people turning up here en mass".

A number of the case studies also considered that self-referrals would not represent a significant share of the young people they would be working with. One TSO, for example, expected few self-referrals, although some degree of 'snowballing' was expected as their clients brought their friends to the project. Another TSO described how their recruitment is based on referrals from schools, although they recognise the potential for self-referral in the future and intend to market directly to young people through posters in school and by promoting an open door policy. For them, an increase in the level of self-referral would suggest that their promotional activities were working.

In other cases self-referral is expected to be a key referral route from the outset. One TSO, for example, reported that over 50% of young people engaged with their existing vocational provision self-referred, both through word of mouth and as a result of open days and other promotional activities. As their YSDF project included the significant enhancement of the range of positive activities they were able to offer, the College considered that at least a similar share of their YSDF clients would be likely to self-refer.

In another case, where the TSO had already started to recruit young people to their services, much of the recruitment to their services had been on a self-referred basis - alongside referrals from the Police, the Youth Offending Service and Youth Services. Interviews with a sample of participants found that in almost all cases the young person had self-referred, either after recommendations from friends or after hearing of the project from youth clubs and similar sources. As one of the project workers described *"...word soon gets around and young people come along and self-refer*".

6.3.2 Implications of Self-Referral

Irrespective of the level of self-referral expected to their projects, none of the case studies in the context of YSDF expected self referral to be an issue or pose any significant challenges; perhaps partly a reflection that YSDF constitutes grant funding and therefore the pressures that come with contract delivery do not necessarily apply in the same way. Indeed, a range of different views were expressed on the issues associated with self-referral, with:

- Self referral being seen as "*coming with the territory*", and being a common practice which providers routinely handle;

- Self-referral issues being considered more about the way in which the providers manage themselves (including reviewing case loads and demand patterns), manage the expectations of the young people seeking to engage with them, and being able to be flexible in the timing, scheduling and scaling of provision; and,

- The ability (and preparedness, in financial terms) of providers to signpost or refer young people to other or more appropriate provision being considered key in handling excessive interest - if generated through self-referral or otherwise. However this required the providers to know what other options were available and ideally to have links with other providers to ensure the referral process worked effectively.

In one case, the TSO did not expect there to be any implications resulting from self-referrals as their delivery model was considered sufficiently flexible to deal with fluctuations in demand by changing and / or increasing the number of nights they operate and as more mentors received training. However, the project reported that increases in demand are not restricted to self-referrals, and that they had received more referrals from the probation service and from the YOS than had been planned.

For another TSO, the nature of their project and their proposed target group meant that self-referral was likely to be limited. In their case, raising the necessary awareness of the project to generate self-referral carried significant risks - not least that peers may find out about their involvement and that delivery locations cannot be widely publicised. More broadly, they considered that referral models can be preferable as:

- Referral agencies can be useful for projects such as theirs if sufficiently well informed and briefed to ensure that referrals are appropriate - to ensure the project remained focussed and saving them having to 'filter and prioritise' referrals, and signpost them elsewhere and to follow them up if their service was not appropriate; and,

- Young people need services which are well integrated with local networks and linked with other service partners - to ensure they receive appropriate support, which is easier managed through a referral rather than a self-referral model.

Finally, little reference was made by the case study projects to the views and expectations of commissioning bodies in this regard, and where comment was made it suggested that self-referral was not an issue for most commissioners. The limited number of contacts with the case study TSO's existing commissioning bodies allowed this to be explored further, as summarised below.

6.4 Self-Referral - the Commissioner Perspective

Interviews with commissioners revealed that they all see self-referral as valuable delivery models. For one LA commissioner, they did consider self-referral or 'open-access' provision as a more risky model in terms of the provider being able to achieve outcomes and demonstrate impact against targets. However they still routinely commissioned provision based on self-referral. For another commissioner, self-referral was to be expected and was seen as a major strength of any provision targeting 'non-mainstream' clients. For another LA commissioner, they were actually taking the lead in developing systems that could better anticipate demand and in turn counter issues associated with self-referral such as fluctuations in demand. For example through safer neighbourhood groups, the commissioning team could now pick up issues, identify young people at risk and gauge the level of local demand. Coupled with active intention mapping conducted every two weeks they are now able to coordinate a response using the most up to date info and are able to do quite specific forward planning. They then commission against this.

6.5 Self-referral: Summary Points

- The third sector's ability to engage with young people through self-referral is generally regarded as a real strength

- However, the issue to be explored through this evaluation is the extent to which the use of a self referral model by TSOs poses an inevitable barrier to becoming more 'commissioning ready' in terms of moving to a more sustained contract based form of service delivery.

- Research with TSOs showed that not all of the TSOs had considered the implications of self-referral for their project activities. A number of the case studies also considered that self-referrals would not represent a significant share of the young people they would be working with. In other cases self-referral is expected to be a key referral route from the outset.

- Irrespective of the level of self-referral expected to their projects, none of the case studies expected self referral to be an issue or pose any significant challenges within the context of YSDF; partly a reflection of the fact that through YSDF they are still receiving grant funding. Self referral was seen as "coming with the territory". Self-referral issues were considered more about the way in which the providers manage themselves and manage the expectations of the young people.

- The ability of providers to signpost or refer young people to other or more appropriate provision was also considered key in handling excessive interest - if generated through self-referral or otherwise.

- Even where concerns were raised by commissioners that the self-referral delivery model can be more risky, they all routinely commissioned such services and indeed this kind of delivery was valued and in some cases expected. One LA commissioner explained how they minimised such risks through systematic mapping of demand prior to commissioning.

7 INTERIM CONCLUSIONS AND RECOMMENDATIONS

This section provides the interim conclusions and some preliminary recommendations resulting from the first stage of the evaluation. Evaluation activities have focused on progress to date drawing on the Round 2 TSOs (particularly the six Round 2 case studies), the analysis of available management information data, interviews with the Managing Body and interviews with national stakeholders. The recommendations are designed to inform the forward development and implementation of the YSDF programme. Based on the information gathered by Account Managers and early monitoring of outputs and milestones, the Managing Body has begun to address at least some of the recommendations presented below. The purpose of this Section of the report is to support this process while highlighting additional areas for development.

7.1 Interim Conclusions

- Overall good progress has been made in terms of establishing the individual projects and setting up the support infrastructure provided by the Managing Body.

- It is too early in the programme to identify significant impacts across the projects. However several examples of emerging benefits have been identified amongst the six case study projects. These result from both the provision of support from the Managing Body (including the integrated support provision as well as the wider support offer) and the wider 'catalytic' effect of YSDF - i.e. where participation in the programme has driven developments among the TSOs without directly funding them.

- At this point the main benefits for the Round 2 projects have focused on preparation for delivery and early interventions around improving business capacity, for example strengthening and developing business systems.

- The projects have started to take steps towards improving commissioning readiness, mostly around establishing contacts with potential commissioners in their areas. Some have also already begun to submit tenders for additional funding.

- There is an 'appetite' among the Round 2 TSOs for the support services provided by the Managing Body, and they are 'buying into' the capacity development component of YSDF. This is particularly encouraging as it suggests that the overall YSDF model has the potential to be both innovative and effective, and that the TSOs engaging with it recognise the potential benefits that it offers.

7.1.1 The Round 2 TSOs

- The Round 2 TSOs have developed a diverse range of approaches to their YSDF activities, with many introducing what are for them wholly new approaches, often around new or extended outreach arrangements but also increasing the range of positive activities they offer. Some are based on partnership working and in some cases formal consortia based approaches have been developed. This breadth of approach is a strength of the programme, in that it allows the potential for wider learning being applied to the Third Sector.

- The focus for many of the projects appears to be primarily on young people NEET rather than on young people in crime or at risk of crime - as was stipulated in the original specification for this funding round. Once service delivery commences it will be important to monitor the extent to which, in practice, the TSOs are targeting this group.

- The projects are also required to ‘evidence’ their improved capacities and capabilities through the tapering of funding in the final year of the programme. However the current economic climate suggests that the scale of the challenge facing the projects in ensuring their sustainability may be greater than initially expected.

- In terms of progress to date, Round 2 projects have focused on initial set-up and preparatory tasks, with service delivery to young people expected to start in earnest in the June to September period.

- Referring to monitoring data for the first quarter (Dec-March 09), the Round 2 projects had met the majority of their milestones and were on the whole adhering to their delivery timetables.

- However there were a series of areas which had proved to be challenging. These included:

  - some TSOs struggling with staff recruitment. Indeed, this is a common challenge in new project activity, and as such the projects have performed within acceptable tolerances for similar programmes; and

  - the limited involvement to date of young people in service design/review in some cases. The majority of projects have however made commitments to involving new recruits to their programmes in service review, and progress in this area will be followed-up in the later stages of the evaluation.

- Finally, the evaluation will explore issues around the self-referral of young people, although initial findings suggest that this issue is an expectation for organisations working in this area and that its management “goes with the territory”. This will continue to be explored, particularly as service delivery steps up across the projects, in the subsequent stages of the evaluation.

7.1.2 The Managing Body

The Managing Body, and the associated support structure, provides one of the key innovative elements of the YSDF programme. The study has found that:

- The core elements of the support package are now well established, and appear to be working effectively;

- The Round 2 projects have shown considerable levels of interest in, and engagement with, the different elements of the ‘support package’ - showing there to be an appetite for their services amongst the Round 2 projects - although despite early willingness not all TSOs have been able to absorb the support up-front;

- The Round 2 case studies have described high levels of satisfaction with different Managing Body inputs to date - in terms of access, delivery and results;

- The Managing Body has shown itself to be responsive, both to the needs of the TSOs and their ability to meet them, and in terms of learning from the Round 2 experiences to inform their approach to Round 3; and,

- The integrated support provided to date has focused on the ‘business development’ of TSOs more broadly rather than on their ‘commissioning readiness’. The Managing Body have responded to this by requiring TSOs to link all future support requests to YSDF objectives with clear outputs / outcomes.

The Account Manager, Mentor and Development Facilitator roles all appear to be operating effectively. Issues for ongoing consideration include:

- The need for further clarity on the role of Account Managers; the dual role of contract managers and providers / facilitators for capacity building support has caused some initial confusion among projects;

- The need to provide further guidance to Mentors and Mentees on the mentoring role. The Round 2 case studies did not equally understand the role and mode of engagement with their Mentors at the outset including for example the issue of confidentiality; and,

- The need to review time inputs for the role of Development Facilitator - with a number of the TSOs reporting that the time required to fulfil this role being much higher than anticipated - particularly during the set up phase.

7.2 Interim Recommendations

We make a number of recommendations mainly targeted to the Managing Body and the Round 2 TSOs but also for the DCSF more broadly, with a view that learning from this can also inform plans and preparation for Round 3.

- **Supporting the process of staff recruitment** - this is a consistent challenge for new project activity, and not restricted specifically to the YSDF. We suggest that for the Round 3 projects, the Managing Body:

  - Emphasises the importance of starting recruitment effort early - particularly for key roles such as project managers;

  - Ensures that projects have realistic contingency plans should recruitment activities take longer than expected - particularly as the Round 3 TSOs will be smaller in terms of staff numbers, and so opportunities for the delegation of key roles will be limited; and

  - Considers providing integrated support specifically for the project recruitment process - this could be an initial task for the new Round 3 'Business Advisors'.

- **Communicating clearly the scope and sequencing of Integrated Support** - TSO requests for front loaded support has resulted in some TSOs not being able to absorb this level of activity. We recommend that the Managing Body:

  - Works with the TSOs to plan, and if necessary stagger, the Integrated Support over the funding period to ensure the TSOs are able to make best use of the support received.

- **Communicating clarity on the roles of key individuals within the support infrastructure**. We recommend that the Managing Body:

  - Produce guidance on the key roles within the overall support infrastructure, with examples of effective practice, the resulting benefits and how they can best be achieved. The Mentors and Development facilitators would be key roles where guidance and good practice examples would be particularly helpful.

- Specifically in relation to the role of the Mentors, establish clear 'confidentiality criteria' to include reference to child protection and the inappropriate use of YSDF funding.

- Given the Round 3 projects will be following a different support model, use the above information to provide 'in practice' examples of effective approaches in the context of the new arrangements.

▪ **Providing support to partnership based projects** - the provision of support to project 'partners' has emerged as an issue, with significant implications for resource allocation. Here we recommend that the Managing Body in consultation with DCSF and the TSOs:

  - Develop clear criteria for the resourcing of support to partners, based around the centrality of the partnership to the overall project objectives; and

  - Consider how to most effectively engage delivery partners to help raise their capacity and capability to work with lead partners. For example events specifically for partners, extending invitations to partners for existing YSDF events and supporting the cascading of learning internally within the partnership / consortium.

▪ **Strengthening relationships with commissioners** - this will become increasingly important and potentially challenging as external available funding diminishes. In light of this, we recommend that:

  - The Managing Body works with the TSOs to embed the development of improving commissioning capabilities and commissioner relationships into the process of delivery planning.

▪ **Supporting the collection of rigorous Management Information Data** - the Managing Body's early experiences of collecting MI from the projects have proved challenging, with severe delays experienced in relation to the first quarter reporting - particularly with respect to financial data. In light of this financial and performance data will be signed off separately in future. In addition to this, some interviewees have raised the issue of whether quarterly returns are sufficiently frequent to allow progress on a development programme such as YSDF to be monitored effectively. Given that the alternative would be monthly returns, which would place additional pressures on both the projects and the Managing Body, and that the Account Managers do already report monthly to the Managing Board, we do not consider at this stage that any change to reporting frequencies is necessary. However we do recommend that:

  - Performance data including Account Manager monthly reports is routinely inputted onto the IT system in a timely manner, to ensure the system can be used to best effect;

  - The trial of the evaluation MI Toolkit with the Round 2 case study projects is implemented and monitored through the Quarter 3 returns (due in mid-October 2009), and considered for wider distribution on the basis of this experience;

  - The MI requirements of the programme are introduced to the Round 3 projects as soon as possible in their implementation process to ensure appropriate data collection approaches are embedded from the outset; and

  - The importance of reporting TSO successes more broadly is communicated to the projects - not just in terms of reporting their project performance but more widely in terms of building capacity to evidence their success with actual and potential funders.

- **Supporting the involvement of young people in service design and review**. As many of the Round 2 projects have already committed to involving young people in service review activities, we recommend that:

  - The importance of young people's involvement is reinforced with TSOs, such as through Account Manager monthly reviews; and,

  - The Managing Body provide specific support to the TSOs in this area, where needed. This could be through the provision of case examples of how young people have contributed to service development within the programme to date, illustrating methodologies and successes/benefit; and/or having a networking event dedicated to this topic.

- **Succession planning and broadening impacts for organisations** - the often over-dependence on key individuals within an organisation carries with it a number of risks, not least of which is the loss of learning if the individual moves on. Within this context we recommend that the Managing Body:

  - Supports TSOs to consider effective ways of disseminating and embedding learning throughout their organisations e.g. holding events for the wider cohort of YSDF staff or non YSDF staff; and,

  - Works with the TSOs to develop succession plans, perhaps as a distinct component of integrated support focused on 'business development'.

- **Ensuring sufficient time for participation in the YSDF programme**. We recommend that the Managing Body:

  - Review the time inputs for the role of Development Facilitator with the Round 2 projects as they move into delivery; and

  - Work with the Round 3 TSOs to ensure sufficient time is allocated to the role of the Business Advisor.

Finally, in terms of wider impact, we also recommend that the DCSF with the Managing Body:

- **Continue to work closely with the Commissioning Support Programme** at a strategic level, and where possible match Commissioning Support programme activities to Local Authorities where YSDF has funded TSO activities, to ensure the potential for capacity development is maximised; and,

- **Continue to recognise and support the existing and future potential for sharing YSDF learning through effective dissemination** of learning across Government departments and wider national stakeholders.

ANNEXES

ANNEX 1 - REFERENCES

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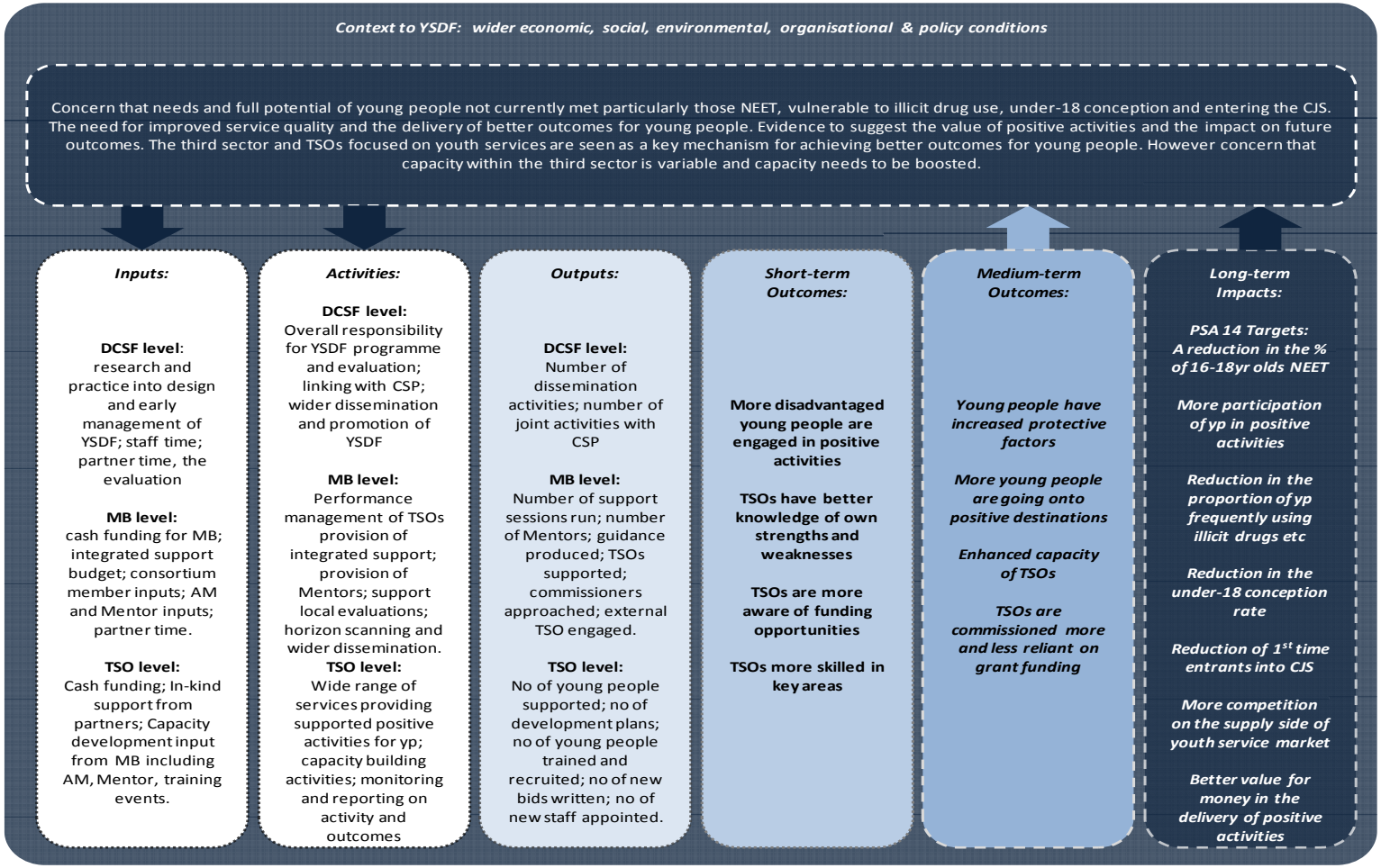
ANNEX 2 - YSDF LOGIC MODEL



ANNEX 3 - ROUND 2 TSO INTERVIEWS CONDUCTED

Case Study A	2 x Core staff: Development Facilitator and Sustainability Officer The YSDF mentor 2 x project staff: 3x Commissioners/partners
Case Study B	2 x Core Staff: CEO and Development Facilitator The YSDF mentor 4 x project staff: 1 x Partners 1 x Commissioner 11 x service users
Case Study C	2 x Core staff: Development Facilitator and Project Manager The YSDF Mentor 2 x Project staff 5 x Partners 3 x Commissioners 1 x B2B business support consultant 1 x Local evaluator 1 x YP on advisory group
Case Study D	7 x Core staff: CEO, Development Facilitator, Manager; YSDF Project Manager: Admin and Subcontractor Manager, Personnel Officer: Business Development Manager. The YSDF Mentor 1 x Project staff 1 x Commissioner 1 x Integrated Support Provider 6 x young people
Case Study E	2 x Core staff: Project Manager, CEO The YSDF Mentor 1 x project staff 2 x Partners
Case Study F	3 x Core staff: Development Facilitator; Head of Operations; and YSDF Business Development Manager; The YSDF Mentor 2 x Delivery staff 2 x commissioners

ANNEX 4 - OVERVIEW OF THE YSDF PATHFINDERS

Kids Company	Provides young people, who have often slipped through the net and whose parents are often unable to look after them properly, with somewhere to go for emotional and practical support. Based in South London, the charity has developed a way of working which is centred on the needs of the individual child. The charity's workers act like quasi parents, arranging everything from a visit to a dentist, or a new pair of shoes, to the longer-term needs of the young person such as ongoing therapy. The YSDF funding will help Kids Company become a centre of excellence, enabling them to disseminate informed educational packages for service users and providers, and continue with their successful direct wrap around delivery to young people. The organisation will develop work with the media on improving the societal attitudes to vulnerable young people.
UK Youth	Runs courses and programmes that offer accredited learning outcomes for young people that are disengaged from mainstream education. The organisation aims to builds skills that will remain useful throughout the lives of the young people they work with. They will use the YSDF funding to set up 10 Youth Achievement Foundations which will provide non-formal alternative learning and support services, bases on UK Youth's established curriculum, putting young people at risk from exclusion or are NEET back on the path to success.
Fairbridge	Engages with young people who face barriers to engagement with mainstream services, such as mental emotional health issues, substance misuse problems homelessness, enabling them to think differently. They offer a tailor-made action plan for each young person, in a safe environment that challenges negative behaviour and recognises achievement. The YSDF will fund expansion across Fairbridge regional teams to achieve optimum operating capacity and delivery in their 11 offices, which will enhance and develop the quality of support to young people, enabling them to raise their aspirations and change their lives for the better. Fairbridge will also develop a tracking model to map long term outcomes for young people.
Speaking Up	Helps create positive choices for disabled people, by helping other organisations to understand their needs and representing their views or supporting them to speak up for themselves. The YSDF will fund the organisation to help 7,000 (by 2011) disabled young people make the transition into adulthood with the confidence skills and independence to achieve in life, through replicating and growing existing services, disseminating toolkits and applying proven methodologies.
Leap	Raises awareness of conflicts facing young people in the community and helps young people to find possible solutions to the issues they face. They also train adults who work with young people to confront conflict. Leap's vision is that conflict resolution and mediation should lie at the heart of all personal and social education programmes for young people. The YSDF funding will grow the organisation's impact regionally and nationally by replicating successful programmes with proven outcomes, working with disadvantaged young people. Leap will also tackle rising youth conflict, crime and violence by developing more skilled young leaders who have conflict management skills (from target groups) who can contribute positively to their communities, building a legacy of prevention for the future.

ANNEX 5 - OVERVIEW OF THE ROUND 2 TSOS

The TSO: background information	YSDF Project aims and target group	Delivery model
Bolton Lads and Girls Club: Pathways2Success Bolton, North West	To reduce NEET levels in the LA by providing intensive support to **400** young people in Years 10 and 11 of five Bolton schools who are NEET or at risk of NEET.	A single organisation delivery model. The service offer: a creative programme of emotional and practical support and 1:1 ENHANCE mentoring through the placement of a Pathways Coordinator in each school. Delivery began in May 2009.
Brathay Hall Trust Cumbria, North West	To address the interlinked problems of youth crime, educational under-achievement and NEET by supporting **1,205** vulnerable and disadvantaged young people aged 13-19 years through flexibly delivery and workforce development.,	A single organisation delivery model. The service offer: a12 week community based programme including group work and ongoing support, a 5 day residential course for personal development, and a leadership programme
Coventry & Warwickshire YMCA Coventry and Rugby, West Midlands	To contribute to reduction of the youth crime and antisocial behaviour by providing targeted youth provision for **3,000** young people including: young people in gangs / at risk of gangs, offenders/ex-offenders and young people at risk of offending.	A sub-contracting delivery model with YMCA as the lead organisation. The service offer includes: outreach work, music events, life skill programmes delivered in schools; sports / leisure provision; and support and resettlement of young people leaving prison. Delivery from May 2009.
London Youth London	To reduce gang involvement, crime and anti-social behaviour in 15 communities in London through combination of three innovative approaches. Target group is **1,000** young people (13-19) in or at risk of joining gangs.	A partnership delivery model through a network of youth clubs. Servicer offer: outreach work, personal development and employability training including quality assuring youth clubs, training dedicated anti-gang youth workers and cognitive behavioural therapy to the young people most involved in gangs.
Nia: Safe Choices London: Hackney, Haringey, Greenwich and Lewisham	To reduce and prevent violent offending by young women by improving their life opportunities and increasing the skills of professionals. Target group: **928** young women and men at risk of committing violent crime.	A consortium delivery model with Nia as lead agency with two partners. Service offer: signposting; intensive behavioural support; group work and accredited qualifications. Delivery from September 2009.
Oakmere Community College/Glaciere Sailing Liverpool, Sefton & Knowsley, North West	To contribute to reduction in NEET and offending levels by expanding current provision. Target group: **1,500** young people NEET or at risk of NEET including young people with LLDD, ex-offenders, homeless, and young people with a history of substance abuse.	A new delivery model based on the merger between Oakmere and Glaciere. Service offer: enhanced positive activities around sailing and diving, new outreach work, initial assessment and full provision of Pas including: sporting activities, accreditation and on-site support. Delivery July 2009.
Pupil Parent Partnership London	To reduce levels of NEET in West London, beyond Ealing by extending the reach of existing alternative to school to **370** vulnerable Years 9 & 10.	A single organisation delivery model: Service offer: a full year programme of full or part-time education and support, including engagement of family members, one-to-one intensive guidance and counselling, and holistic support. Development of training for frontline practitioners and quality assurance system, to be rolled out as franchise model.
Renew Leeds Ltd Leeds: Seacroft**.**	To reduce levels of NEET in the Seacroft area of Leeds by targeting **1,500** young people at greatest risk of involvement in crime, anti-social behaviour and substance abuse.	Single organisation delivery model. Service offer: New “one-stop” shop drop-in facility offering positive activities, one-to-one support and groupwork including personal development and conflict resolution.

Salford Foundation Salford, Greater Manchester.	To deliver prevention and intervention services to **1,800** young people pre 16 and post 16 across all PSA 14 indicators in Salford, focusing on teenage parents as well as NEET.	A single organisation delivery model. Service offer: Work based learning and training opportunities, personal development, peer engagement and outreach. The programme will mainly be delivered through volunteer mentors and young people champions.
The Salmon Youth Centre London: Bermondsey	To support **1,300** disadvantaged young people in Southwark, London through the provision of an 'Extended Youth centre' which will deliver engagement, positive youth activities and provide alternative training.	A single organisation delivery model. Service offer: Expansion of youth club to Extended Youth Centre; positive youth activities and alternative training ; increased school / PRU class visits, homework clubs, Saturday supplementary school, and adventure residentials.
V6 /Single Homeless Accommodation Project, Kirklees, Yorkshire & Humberside	To reduce NEET, teenage pregnancy and homelessness by providing a range of PA services to **1,050** young people NEET or at risk of NEET.	A consortium delivery model with SHAP as lead plus 5 partners. Service offer: life skills courses; media training/reality TV project; counselling, literacy and numeracy support; work placements.
Wheatsheaf Trust Southampton, Portsmouth, Havant and Gosport.	To support **700** young people at risk of disengagement, offending and criminal behaviour into further training, employment and positive activities in Southampton, Portsmouth, Havant and Gosport through expanded YIPs.	A consortium delivery model bid led by Wheatsheaf with two delivery partners. Service offer: 5 new and 4 expanded YIPs linked to a 'whole family approach'
Youth at Risk National – England-wide.	To reduce levels of NEET in 10 LAs through delivery of community transformation programmes targeting **2,050** vulnerable young people in schools, including NEET and those at risk of crime.	A partnership delivery model with YAR as lead and LAs responsible for delivery. Service offer: education, employment and community coaching for young people; training for community delivery agents.

ANNEX 6 - INTEGRATED SUPPORT TAKE-UP ACROSS ROUND 2 TSOS

TSO	Integrated Support Provided (Completed and On-going)
1.	Three ongoing areas of support: • **HR / Organisational Development support** to provide advice on 'people policies', skills audit/training needs, guidance for the analysis of current staff and skills for the future, and providing support with a new appraisal system and developing key performance indicators and internal measures. Review job descriptions, person specifications and competencies. Training and workshops for the management team in HR issues such as embedding policies or legal updates. • **Support in branding / licensing / copyright** of the programme, to assist in identifying how to market the programme, offer advice on issues around ownership, intellectual property rights and information in relation to licensing and copyrighting the programme. Support to develop of a marketing plan. • **Support with PR & Marketing** including engaging with customers / funders; email and other marketing - writing copy, design; understanding their unique selling points, and building a marketing plan.
2.	Two completed pieces of support: • **HR administrative support**, to review job descriptions, person specs and competency grids and advise on interview questions. Support with recruitment of staff that reflect the local communities, including advertising vacancies, using intelligence to create remuneration and incentive packages. Support with conducting a Training Needs Analysis on internal candidates and use of evaluation tools to analyse core competencies and duties. • **IT advice and guidance** to improve the current IT infrastructure to cope with new staff, and improve efficiency of management systems and services offered to clients by exploring new technology. Advice on implementing a client management system to differentiate between different customer groups and a system to enable the Programme Manager and Regional Managers to track impacts on young people.
3.	Two areas of support, one completed and one ongoing: • **Support with development of the Strategic Marketing Plan** including defining the offer and USP, understanding target beneficiaries, customers and stakeholders, developing communications and engagement models for appropriate targeted groups. Advise on maximising brand presence, ownership, copyright, licensing, PR and creating a marketing plan for the product and organisation. The support will also cover aspects of communication, networking and effective use of the media. **HR guidance** to ensure they are aware and up to date with implementation of HR policies, practice and procedures in the areas of the Recruitment & Management of Volunteers, Mentors, and overall HR awareness.

4.	One area of support on-going with two planned for later in the year: • **Commissioning / building relationships with LA's (on-going)** to support Positive Change with market intelligence, work on producing a strategy for supporting the youth clubs and to make links with Local Authorities. • **IT Consultancy** • **Marketing**
5.	One piece of support delivered: • **Business development support** - including support with a marketplace analysis - including focus on potential buyers for the product, effective product development, identifying current products, market demand and planning the piloting of the product and its evaluation. Support to set up systems to manage costs during development phase; advice on product launch; including performance indicators; establish appropriate pricing levels etc.
6.	Three pieces of support, two completed and one ongoing: • **Support developing HR capacity** following expansion of staff team, new services and facilities. Key elements include a benchmarking exercise of current and new jobs/salaries, advice on a new staff structure, review staff terms and conditions and HR policies / procedures, and help developing job descriptions, providing internal training and supporting a new personnel officer. • **Support to understand and explore the potential to expand the social enterprise** elements of the merged organisation. • **Support to understand the requirements and meet the needs of LA commissioners**, how to sell effectively to them and what makes an application successful and stand out.
7.	Three pieces of support received, one completed and two ongoing: • **Support around the development of the business model** to manage in new LA areas. Support included the development of a full cost recovery model for services, and the design of the franchise model, focusing on what PPP market as part of this package including support, training and the consultancy role PPP should play in franchised services. Articulation of the above franchise package in to a marketable model Business Planning / Strategic Planning. • **Guidance on the systematisation of existing practice** across the organisation in to more formalised structures. Support to develop formalised planning processes such as risk management, business planning involving the adaption of existing practice for more structured processes that will stand up to scrutiny and be available in document form. • **Guidance on the development of a formalised performance management system** including an examination of management structures and internal processes to develop a system fit for purpose across the range of service delivery.

8.	Five areas of support, one completed and four ongoing: • **To review the current policies on cost allocation** to determine if the current arrangements are fit for purpose, to advise on changes to policies as appropriate and to oversee the implementation of the change to ensure the organisation is recovering all of its costs and passing these through the bids they are making. • **Support to assist the organisation in modernising their accounting and bookkeeping** to ensure improved quality and more timely management accounts to monitor the organisation and base management decisions. The support includes a review current arrangements and to codify the shortcomings, through consultation to make a proposal for improvements and help Renew through the decision making process with; current providers to review what options exist for an improvement in the service they provide; auditors to discuss what changes they would recommend. The support will assist with the implementation of the changes and advise on how Renew should accommodate for the lack of a qualified accountant within its organisation. • **Review and modernise the governance arrangements** so that they are fit for purpose for the next 10 years with the Board and CE. This will include advice on more updated arrangements and evidence so that the board members are able to sell the changes back in their organisations, to liaise with lawyers to ensure changes to Mem & Arts, to specify the range of skills, experience and talents which need to be represented at the new Board, to brief the recruiter and devise a suitable selection process. The support will also include guidance to design and implement the training and orientation of new Trustees. • **Attendance at an event the Managing Body** might run on health commissioning to allow the organisation exposure to health commissioning. • **Advice on what HR IT system would be the most appropriate** to purchase. Support includes an overview of the IT systems that Renew currently use. A review of HR systems including; an update of people policies, job descriptions, person specifications and competencies, supervision and appraisal processes, processes in place for managing training needs, and the recruitment and management of YP (role models developed from the project) .
9.	Two completed pieces of support, namely: • **Support to develop new commissioning opportunities and guidance on recruitment and mentoring** to maximise the effectiveness. The support will help with recruitment of Business Development Manager including job descriptions, sourcing and interviews and guidance to review overall management structure focusing on how the BDM fits with rest of the team and the co-ordination of leads generated by the other key post (researcher). • **Branding & Marketing Support** to create a recognisable brand for the organisation, a marketing plan and lead management processes to enable co-ordination and prioritisation with the Senior Management Team and the Business Development Manager.
10.	One completed piece of support, focusing on: • **Branding & Marketing Support** - including developing a Marketing strategy and Marketing Materials which evidence impact and to maximise brand presence. Guidance relating to ownership, copyright, licensing PR and a marketing plan for the product and organisation would also be provided.

11.	Three ongoing pieces of support: • **Guidance on developing effective management processes** for the consortium project capturing best practice for dissemination. The support will involve an initial briefing by SHAP and a review of the existing v6 Partnership Agreement, followed by one/two workshops with V6 management group to agree operating procedures which are necessary to deliver the YSDF project. • **Support to develop measures to demonstrate the effectiveness** of the new business model for both outreach activities and consortium working. The support will provide consultation to ensure the performance measures and methods for external evaluation are be consistent with DCSF needs, the needs of SHAP's key stakeholders (LA etc) and also the V6 partners and a brief to the external evaluation contractor. • **External support and research to feed into the marketing plan and address issues of sustainability**. The support will focus on research into the attractiveness / suitability of neighbouring geographic areas to expand service provision, including explanation of demand and current service provision / competitors. Support to define the current service offer, to establish a brand and research potential partners for the optimum consortium for each new area. Outputs for the support will be a report on these three elements, suitable for incorporation into SHAP's marketing plans.
12.	Two pieces of support, both ongoing: • **Financial Health Check.** Advice on ensuring that VAT / Corp Tax / employment of staff is treated correctly in relation to charity and trading law. Advice and guidance so that either the individual systems of the 3 members can be reconciled or adopt a simple common system that will enable them to individually record and WT to consolidate expenditure to avoid double counting and report in line with YSDF audit requirements. The system would enable rapid submission of invoices, payment and onward dispersal. Support to adopt a risk assessment matrix across the YSDF programme / consortium so that they are able to monitor risks (not just financial) and take appropriate action. • **Providing advice and support for establishment of an appropriate Project Management structure**. Tasks will include proposal regarding actual structure, remits and roles/responsibility; reporting/liaison and accountability mechanism. To refine the definition of the powers / authority of the DF to lead the team / work with recourse to the PMT only as an exception. The structure will be reviewed after 6 months · Support will also include a range of sessions on team building and communication across the consortium for key staff, to provide training for staff on Quality Measures, and secure level 4 accreditation. Provide advice on mechanism and practical implementation of a process for staff across the 3 organisations to carry out exchanges / mirror each other to enhance learning and knowledge.
13.	Two areas of support, including: • **Support with Development of a marketing strategy** which includes Maximising Brand presence, ownership, copyright, licensing and PR and Marketing plan for product and organisation. The organisation requires support as the sustainability of the organisation relies on the Community Transformation Programme sales for new local authorities, and continuation support for the growing client base. • **HR Support** to update people policies and to undertake a review of systems. This includes defining job descriptions, person specifications and competencies. A review of processes including appraisals, identifying training needs and supervision. Support to improve performance management and personal development/planning as well as recruiting a new business development team.

Ref: DCSF-RR169

ISBN: 978 1 84775 554 4

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www.dcsf.gov.uk/research

Published by the Department for
Children, Schools and Families

department for
children, schools and families