Mental Health and Employment Partnership evaluation for the Life Chances Fund

BLAVATNIK SCHOOL OF GOVERNMENT

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GOVERNMENT OUTCOMES LAB

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About the Government Outcomes Lab

The Government Outcomes Lab (GO Lab) is a research and policy centre based in the Blavatnik School of Government, University of Oxford. It was created as a partnership between the School and the UK Government and is funded by a range of organisations. Using qualitative, quantitative and economic analysis, it investigates how governments partner with the private and social sectors to improve social outcomes.

The GO Lab team of multi-disciplinary researchers have published in a number of prestigious academic journals and policy-facing reports. In addition, the GO Lab hosts an online global knowledge hub and data collaborative and has an expansive programme of engagement and capacity-building to disseminate insights and allow the wider community to share experiences with one another.

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ii. GLOSSARY

Cohort The targeted population of beneficiaries, participants, or service users.

Commissioning The cyclical process by which entities assess the needs of people in an area, determine priorities, design and contract appropriate services, and monitor and evaluate their performance. This term is used widely in the UK public sector context, but less so elsewhere. It is sometimes used interchangeably with "contracting".

DCMS The Department for Digital, Culture, Media and Sport (DCMS) is a department of the United Kingdom government. It hosts the Civil Society and Youth and Public Sector Commissioning Team (formerly the Centre for Social Impact Bonds), which holds policy responsibility for this area within UK central government. In 2016, DCMS launched the Life Chances Fund (LCF), within which it acts as the central government outcome payer.

Intermediary Impact bonds are often supported by experts that provide specific advice. These are typically all referred to as "intermediaries" but this term can encompass at least four quite different roles: consultancy to develop business cases, social investment fund managers, performance management experts, and special purpose vehicles.

Investor or Social Investor An investor seeking social impact in addition to financial return. Social investors can be individuals, institutional investors, and philanthropic foundations, who invest through their endowment. In UK SIBs, these assets are often managed by 'investment fund managers' rather than the original investing institutions or individuals who provide the capital.

Life Chances Fund (LCF) The LCF was launched as an £80m outcomes fund committed in 2016 by UK central government (DCMS) to tackle complex social problems. It provides top-up contributions to locally commissioned outcomes-based contracts involving social investment, referred to as Social Impact Bonds (SIBs).

Outcome (outcome metrics/outcome payment triggers) The outcome (or outcome metric) is a result of interest that is typically measured at the level of service users or programme beneficiaries. In evaluation literature, outcomes are understood as not directly under the control of a delivery organisation: they are affected both by the implementation of a service (the activities and outputs it delivers) and by behavioural responses from people participating in that programme. Achieving these outcomes 'triggers' outcome payments within an outcomes contract or SIB arrangement.

Outcome-based contract A contract where payments are made wholly or partly contingent on the achievement of outcomes. Also known as an outcomes contract.

Outcome fund Outcome funds pool capital from one or more funders to pay for a set of pre-defined outcomes. Outcome funds allow the commissioning of multiple impact bonds under one structure. Payments from the outcomes fund only occur if specific criteria agreed ex-ante by the funders are met.

Outcome payer The organisation that pays for the outcomes in an impact bond. Outcome payers are often referred to as commissioners.

Outcome payment Payment by outcome payers for achieving pre-agreed outcomes. Payments may be made to investors in an impact bond or to service providers in other forms of outcome-based contracts.

Service provider Service providers are responsible for delivering the intervention to participants. A provider can be a private sector organisation, social enterprise, charity, NGO, or any other legal form.

Service users See Cohort.

Social Impact Bond (SIB) A type of outcome-based contract that incorporates the use of third party social investors to cover the upfront capital required for a provider to set up and deliver a service. The service is set out to achieve measurable outcomes established by the commissioning authority and the investor is repaid only if these outcomes are achieved. Increasingly, SIBs are also referred to as Social Outcome Contracts (SOCs).

Special purpose vehicle (SPV) A legal entity (usually a limited company) that is created solely for a financial transaction or to fulfil a specific contractual objective. Special purpose vehicles have been sometimes used in the structuring of impact bonds.

The National Lottery Community Fund (The Community Fund) The Community Fund, legally named the Big Lottery Fund, is a non-departmental public body responsible for distributing funds raised by the National Lottery. The Community Fund aims to support projects which help communities and people it considers most in need. The Community Fund manages the Life Chances Fund on behalf of DCMS.

Top-up fund(ing) An outcomes fund may provide a partial contribution to the payment of outcomes where the remainder of outcomes payments are made by another government department, local government, or public sector commissioner. In the LCF the partial contribution from DCMS ‘tops up’ the locally funded payment for outcomes and is intended to support the wider adoption of social impact bonds (SIBs) commissioned locally.

1. EXECUTIVE SUMMARY

Introduction

This is the first report of the Mental Health and Employment Partnership (MHEP) evaluation for the Life Chances Fund (LCF), undertaken by the Government Outcomes Lab (GO Lab) at the University of Oxford. The LCF is a £70 million outcomes fund to support locally commissioned social impact bonds (SIBs), launched by the Department for Digital, Culture, Media & Sport (DCMS) in 2016. MHEP is supported by the LCF and involves five place-based outcomes contracts (i.e., five SIB projects) that support people experiencing mental health issues or learning disabilities to find and remain in competitive, paid work in the UK. Each of the five SIB projects supports the delivery of an intervention known as 'Individual Placement and Support' (IPS). IPS is based on 'place then train' principles and evidence suggests it is more effective than traditional approaches such as vocational training and sheltered work (Modini et al. 2016).

In the MHEP SIBs, an outcomes contract is led by a local authority/clinical commissioning group, and payment is contingent on the achievement of pre-specified, measurable outcomes: engagement of users, job entry, and job sustainment.

MHEP is an intermediary that is multi-faceted, offering:

1) **support** to develop and implement outcome-based contracts at a local level, delivered by Social Finance;
2) **finance** since it brings together third-party investment through a social impact bond and facilitates the pooling of government funding from central outcome top-up funds (Life Chances Fund) and local co-commissioners (local authorities and/or clinical commissioning groups); and
3) an **intervention** as it facilitates access to IPS services, specialists and technical resources.

Method

The primary research questions for the overarching longitudinal MHEP evaluation are:

- Did the MHEP Social Impact Bonds make a difference to the social outcomes achieved, compared to alternative commissioning approaches?
- Through what mechanisms do specific aspects of the MHEP SIB mechanism contribute to these impacts?

MHEP is a promising longitudinal evaluation project because the delivery arrangements bring the ability to assess the SIB commissioning mechanism in comparison to other IPS services which are funded through more traditional contracting arrangements. Additionally, the relatively large number of intended programme participants (compared to other LCF projects) and clear routinised data collection amongst delivery teams offers the potential for detailed quantitative impact analysis.

This report is the first of three planned reports within a longitudinal evaluation, and therefore aims to lay the foundations for further analysis. The aim of this report is to:

1. generate theories of change and outline the barriers and facilitators for the MHEP projects;
2. explore the distinctive contribution of MHEP;
3. analyse performance data on the key outcome metrics through time and across different sites and providers.

This first interim report is a longitudinal mixed-method evaluation. The findings presented in this report are based on qualitative interview data from 16 interviews involving 22 interviewees and aggregate performance data of projects for 1,322 service users across the five SIBs:

- Haringey and Barnet;
- Shropshire;
- Enfield;
- Tower Hamlets (Mental Health);
- Tower Hamlets (Learning Disabilities).

Interview participants included service providers from Working Well Trust, Enable, JET (Job, Enterprise & Training), and Twining Enterprise, and local commissioners from North East London CCG, Enfield Council, Tower Hamlets Council, Haringey and Barnet Council and CCG. We also interviewed members of the MHEP team, Social Finance, Big Issue Invest and the National Lottery Community Fund. Additionally, we conducted validation workshops for each stakeholder group and documentary analysis.

For the quantitative analysis of performance, we included data for people referred to the programme from April 2019 until the end of 2021, of which 1,322 people engaged (1,307 people are described as experiencing severe mental illness and 15 people experiencing Learning Disabilities). The primary outcome measure for each MHEP project is entry to and sustainment of employment. The performance data, which contains outcome achievements and payments, were collected from databases administered by Social Finance (SF) and DCMS. The COVID-19 Government Response Tracker (OXCGRT) was used as an additional dataset for further analysis.

Results

Through the Life Chances Fund, the MHEP team have successfully supported the introduction of 5 new impact bonds in the UK. MHEP has delivered evidence-based IPS services to four areas in England, provides multiple levels of support, and facilitates an aligned focus on outcomes, data intelligence and closer performance management. Performance with respect to pre-COVID targets hints at initial underperformance, but job outcome and sustainment rates have improved since the end of 2021, post-lockdown. Changes have been made to support projects through the pandemic such as

COVID-related activity payments, which are discussed in the main body of the report. MHEP was perceived to provide a range of functions across the life-cycle of each impact bond project.

Key Findings

- While all SIB projects within MHEP appear to perform below (high-case scenario) targets[1], job starts are beginning to pick up after COVID-19 disruption.

- Amongst participants with severe mental illness, the job outcome rate is 29% which is similar to the lower-end rates seen in the IPS implementation literature (generally 30-50%). This means an average of one new job start for every 3 to 4 people who engage in the programme.

- Job outcomes for MHEP have been costlier (£5,248 on average) than expected (£4,123), partly due to price and payment changes during the pandemic. However, job outcome rates are on an upward trajectory since the end of lockdown.

- Service users with learning disabilities require more intensive long-term in-work support compared to people who experience mental health issues, according to providers. The team delivering support to people with learning disabilities in Tower Hamlets did not consider themselves to be delivering IPS, but rather a supported employment service.

- There were three main mediating mechanisms agreed by all interviewees which may explain how MHEP turns inputs into outcomes:
    1) additional financial and human resources;
    2) additional performance management function; and
    3) collaborative working.

- An independent review of IPS fidelity[2] is often used as a tool for understanding performance amongst IPS providers. There is a shift in the conceptualisation of IPS fidelity at the moment. According to the interviewees, there is an acknowledgement that:
    - IPS fidelity adherence is not a guarantee of achieving employment outcomes,
    - IPS fidelity should not be the only focus for providers to ensure quality performance, and
    - IPS fidelity assessment, which typically takes a process-only-approach, could be blended with a more outcome-oriented assessment of implementation success.

[1] In the LCF administration and reporting process each project is invited to share data on three sets of targets or alternative performance scenarios: low, medium, and high. Each project stakeholder may understand these targets slightly differently and there is currently limited standardisation in interpretation. The source of these targets is discussed further in the methods section. In the LCF, the high case figures have been most thoroughly validated with stakeholders and which are therefore used to underpin the analysis in this report. Comparing actual outcome achievement (what happened) to the high case (what could have happened ideally) means that this indicator of success is somewhat conservative.

[2] Fidelity is a measure the level to which an intervention is delivered as intended and IPS fidelity is the translation of the 8 IPS principles that a service can be scored against. (Centre for Mental Health, 2021)

- Interviewees found that MHEP provided additional value compared to traditional commissioning via:
    - data analysis and intelligence;
    - a dedicated performance management function that was seen to drive additional focus on achieving outcomes;
    - more effective working culture within each local partnership.
    - identifying and successfully unlocking the LCF funding. This was understood to bring additional financial and human resources to projects.

- However, some interviewees were more cautious in describing MHEP's distinction:
    - they did not perceive its other functions to be markedly additional to existing practices and performance management procedures with local authorities.
    - due to different backgrounds and expertise, providers sometimes found MHEP's approach too theoretical and removed from the practicalities of local IPS delivery.

2. INTRODUCTION

Context

The Mental Health and Employment Partnership (MHEP) currently facilitates a range of social impact bonds (SIBs) to support people with mental health conditions and learning disabilities into work. These SIB projects each implement an evidence-led model of employment support for individuals with mental health conditions known as Individual Placement and Support (IPS). The most recent set of MHEP SIBs combine national-level outcomes funding from the Life Chances Fund (LCF) with local commissioner outcomes funding. The upfront cost of the service is covered by MHEP through investment from Big Issue Invest.

The Life Chance Fund has commissioned the Government Outcomes Lab (GO Lab) at the Blavatnik School of Government, University of Oxford to evaluate MHEP. This report presents the first interim findings, with subsequent reports to follow.

The primary research questions for the overarching longitudinal MHEP evaluation are: 1) *Did the MHEP Social Impact Bonds make a difference to the social outcomes achieved, compared to alternative commissioning approaches?* 2) *Through what mechanisms do specific aspects of the MHEP SIB arrangement contribute to these impacts?* Further questions are outlined in the Life Chances Fund evaluation strategy (Carter, 2019).

MHEP is a promising longitudinal evaluation project because the delivery arrangements allow an assessment of the SIB commissioning mechanism compared to other IPS services funded through more traditional contracting arrangements.[3] Additionally, the relatively large number of intended programme participants (compared to other LCF projects) and clear routinised data collection amongst delivery teams brings the potential for detailed quantitative impact analysis.

Social challenge and policy context

Employment gaps — the difference in employment rate experienced by people with different characteristics and experiences — are a crucial indicator for understanding inequality (Baumberg Geiger et al., 2017). In the UK, there is ongoing concern surrounding the persistent 'disability employment gap' where a person is understood

[3] Previously, MHEP has supported other SIB projects and evaluation material includes previous reports produced as part of the Commissioning Better Outcomes Fund Evaluation: one report from Behavioural Insights Team (Gadenne et al., 2020) and two reports from ATQ consultants and Ecorys (National Lottery Community Fund, Ecorys, ATQ Consultants, 2016; 2019). The three previous reports focus only on MHEP SIBs funded under Commissioning Better Outcomes Fund and do not explicitly compare to non-SIB IPS implementation.

as disabled if they have a physical or mental health condition or illness that has lasted or is expected to last 12 months or more, that reduces their ability to carry-out day-to-day activities, including employment (DWP, 2021; ONS, 2022a)[4].

People with severe or specific learning difficulties, autism and mental health conditions have the lowest employment rates in the UK (ONS, 2022a). According to the Office for National Statistics (ONS), in the first quarter of 2021, people with mental illness had an employment rate that was 28.8 percentage points lower than the general population (ONS, 2021). Furthermore, only ~8% of people in contact with secondary mental health services are in paid work, despite studies showing 30-50% being capable of work (Schneider 1998; Scheider et al., 2003; Waddell and Burton, 2006).

However, employment is strongly associated with good physical and mental health and well-being, including for people with mental health issues and disability (Waddell and Burton, 2006). It helps promote recovery and reduces the risk of long-term incapacity. In addition, employment is understood to promote full participation in society, reduce poverty, and improve quality of life (Waddell and Burton, 2006). Conversely, unemployment increases the risk of developing mental health problems, and is associated with increased rates of depression and suicide, as well as higher use of health services and hospital admission. Therefore, there is a broad consensus that people with mental health conditions should be supported to remain in work where individual circumstances allow.

Despite the advantages and desire to work, people with mental illness face a number of barriers and difficulties finding and sustaining employment (Boardman, 2003; Bambra et al., 2005). It is difficult to assess the effectiveness of employment support schemes for people with health conditions and disabilities since available studies isolating the employment impact of schemes are limited (Bambra et al., 2005). Nonetheless, there are concerns that mainstream ‘welfare to work’ programmes may have pushed participants with mental health conditions and disabilities further from paid employment rather than towards workplace inclusion (Scholz and Ingold, 2020). Commentators indicate limitations with status quo provision in UK support programmes that tend to focus on initial entering into the labour market and less on remaining in work (Gardiner & Gaffney, 2016). There is also a need for programmes to account for the needs and aspirations of people with existing mental health problems and tailor support to individual circumstances (Health Foundation, 2021).

Research has established that Individual Placement and Support (IPS), a specific strategy that first places users into jobs and then provides in-work training, has

[4] To define disability, we follow ONS and refer to the Government Statistical Service (GSS) harmonised “core” definition. This identifies a person as disabled when they have a physical or mental health condition or illness that has lasted or is expected to last 12 months or more, which reduces their ability to carry out day-to-day activities.

superior labour market outcomes when compared with more conventional, vocational rehabilitation programs for people with severe mental illness (SMI) (de Graaf-Zijl et al., 2020). IPS is the service that is delivered in each MHEP SIB project.

What is the Mental Health and Employment Partnership?

The Mental Health and Employment Partnership was set up in 2015 to drive a large-scale expansion of high-quality supported employment programmes for people with mental health issues and other groups with health conditions and disabilities (Government Outcomes Lab, 2022; Gadenne et al., 2020). As seen in Table 1, MHEP is a special purpose vehicle run by Social Finance, backed by investment from Big Issue Invest. Since its establishment in 2015, MHEP has supported a series of impact bond projects involving a range of local commissioners, service providers and centrally administered 'top up' funding for outcome payments, including from the Commissioning Better Outcomes Fund (Ronicle et al., 2019). With support from the Life Chances Fund, MHEP implements five impact bonds, involving four service providers and four local outcome payers.

MHEP is a multi-faceted intermediary, offering:
1) **support** to develop and implement outcome-based contracts at local level via Social Finance;
2) **finance** since it brings together third-party investment through a social impact bond and facilitates the pooling of government funding from central outcome top-up funds (Life Chances Fund) and local co-commissioners (local authorities and/or clinical commissioning groups); and
3) **an intervention** as it also facilitates access to IPS services, specialists and technical resources.

Table 1: Key Characteristics of MHEP

Key Characteristics	Mental Health Employment Partnership (MHEP)
Project objective	Help people with serious mental health issues or learning disabilities find and sustain competitive, paid employment
Year first MHEP SIB launched	2016: First MHEP SIB project launched with Social Outcomes Fund (SOF)/ Commissioning Better Outcomes Fund (CBO)'s outcome funding
Year first LCF MHEP SIB launched	2019
Initial investment and Investor	£400,000 Big Issue Invest
Local outcome payers under LCF	Haringey Council and CCG Tower Hamlets CCG/Council Enfield Council Shropshire Council
Central 'top up' outcome funds deployed through MHEP	From 2015 to present: Commissioning Better Outcomes Fund (CBO) and Social Outcomes Fund (SOF) From 2018 to present: Life Chances Fund (LCF)
Service Providers under LCF	Working Well Trust JET Enable Twining Enterprise
Intermediary and managers of the MHEP Special Purpose Vehicle	Social Finance UK

Source: INDIGO Impact Bond dataset[5]

[5] GO Lab (2022). Impact Bond Dataset. University of Oxford, Blavatnik School of Government. DOI number: 10.5287/bodleian:6RxneM0xz Available online.

The IPS service within MHEP

The service provided through the Mental Health and Employment Partnership (MHEP) is based on the Individual Placement Support (IPS) model, which has been subject to rigorous national and international research demonstrating impact and is underpinned by a well-defined operating model (Frederick & VanderWeele, 2019; Burns, White & Catty, 2009). The service is based on a 'place then train' model, which is thought to be more effective than traditional approaches such as vocational training and sheltered work that are mainly formed around a 'train and place' model (Areberg & Bejerholm, 2013; Modini et al., 2016). IPS involves the integration of vocational adviser specialists within health teams to optimise return-to-work. IPS services do not exclude people on the basis of diagnosis, symptoms or substance misuse, on the principle of zero exclusion, unlimited support and integrated services (Table 2). The IPS service within MHEP predates and operates in addition to the national commitment to expanding IPS services in the NHS, as outlined in the Long Term Plan (January 2019). The broader adoption of IPS in England has been supported by 'IPS Grow' which was commissioned by NHS England and Department of Work and Pensions and is managed by Social Finance.

Table 2: IPS principles

IPS practice principle	Explanation
Competitive Employment	A focus on competitive employment as an attainable goal for clients with serious mental illness
Zero Exclusion	Eligibility based on clients' choice
Integrated services	Integration of vocational rehabilitation and mental health treatment teams
Worker preferences	Services are based on clients' preferences rather than providers' judgements
Benefits Planning	Personalised benefits counselling is provided
Rapid Job Search	Rapid job search rather than lengthy pre-employment training, within four weeks even if client has been off work for years.
Time Unlimited Support	Time-unlimited and individualised support
Systematic Job development	Systematic job development (employment specialists build an employer network developing relationships with local employers)

Source: Adapted from IPS Grow Website[6].

[6] IPS Grow. (2022). IPS is based on 8 evidence-based principles. Social Finance (London). For more information, see IPS grow website.

Under the IPS "place then train" model, specialists help clients get a job as quickly as possible, then support them for an extended period to sustain their employment. IPS is intended to operate with low caseloads of 20-25 people per employment specialist (NHS, 2022; Rinaldi et al., 2008), allowing specialists to provide intensive, individualised support. Employment specialists (ESs) serve as the key frontline staff on the IPS services as part of the MHEP projects.

The SIB mechanism within MHEP

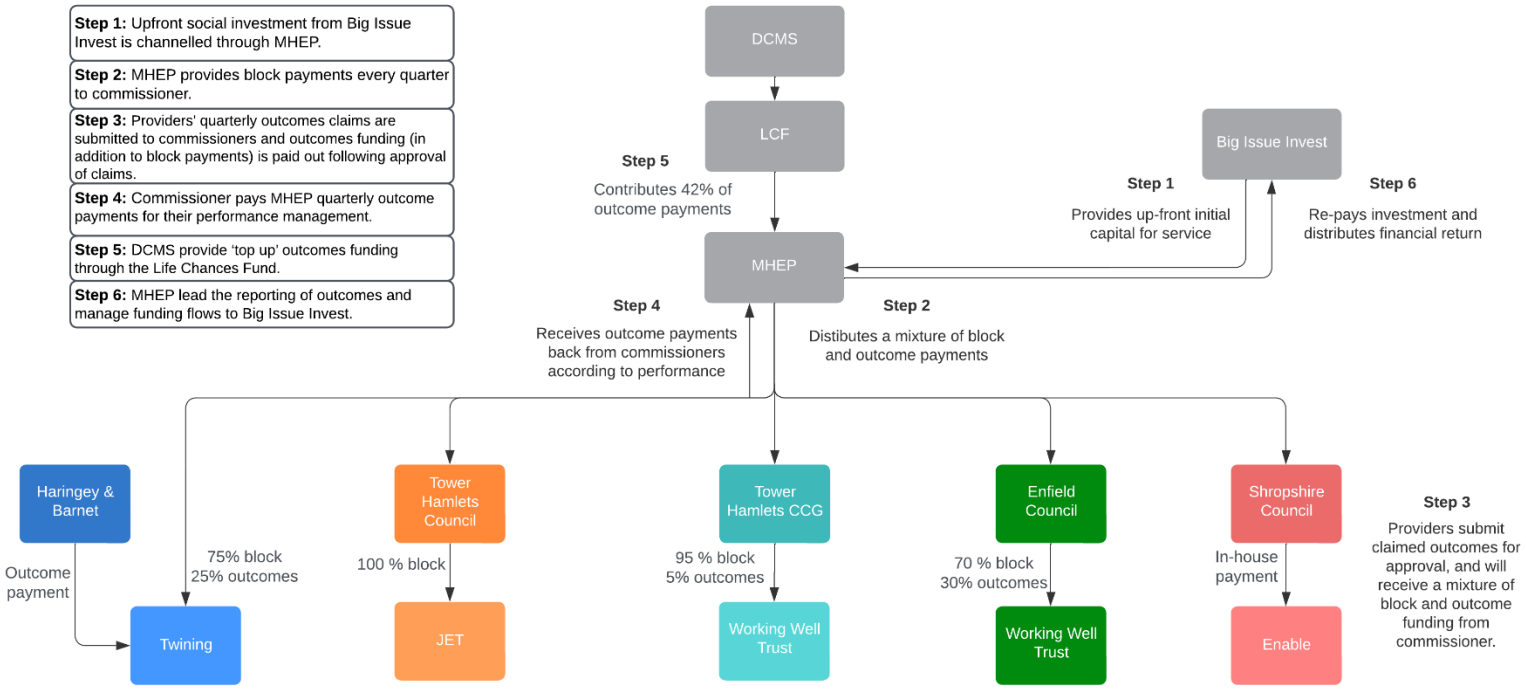
MHEP facilitates the roll out of IPS through 5 local SIBs. These projects each meet the definition of an impact bond used by the International Network for Data on Impact and Government Outcomes (INDIGO and see Carter, 2020 for discussion of definition). Impact Bonds are understood as a contractual relationship that includes two core factors:

- Payment for social or environmental outcomes achieved (i.e., an outcomes contract)
- Up-front repayable finance provided by a third party, the repayment of which is (at least partially) conditional on achieving specified outcomes.

In the MHEP SIBs, an outcomes contract is led by a local authority/clinical commissioning group and payment is made contingent on the achievement of pre-specified, measurable outcomes: engagement of users, job entry, and job sustainment. Unlike other SIBs that adopt a 'black box' model (i.e., the service is not specified inside the 'box' and service delivery teams have considerable discretion in defining the service offer), here there is an expectation that each project will deliver IPS as a prescribed intervention. Big Issue Invest acts as fund manager and provides working capital to MHEP to allocate to SIB projects.

Originally backed by outcome fund support from the Commissioning Better Outcomes Fund and Social Outcomes Fund, Social Finance UK established MHEP to support three SIBs in Tower Hamlets, Haringey, and Staffordshire. Currently, there are five MHEP SIB projects supported by the LCF outcomes fund and which are in scope for the current study (as seen in Figure 1). These are: Haringey and Barnet, Shropshire, Enfield, Tower Hamlets (Mental Health), and Tower Hamlets (Learning Disabilities).

Figure 1: MHEP's SIBs supported by the LCF



The five MHEP SIB contracts bring together stakeholders from across the voluntary, private, and public sectors. As illustrated in Figure 1, this involves five main groups of stakeholders:

- Central government co-commissioner providing a minority contribution to outcome payments (DCMS)
- Local commissioners providing the majority of outcome payments (local authorities and CCGs)
- Service providers (Enable, Working Well Trust, Twining Enterprise, and JET)
- The investment fund manager (Big Issue Invest)
- MHEP (co-commissioner, intermediary, and special purpose vehicle)

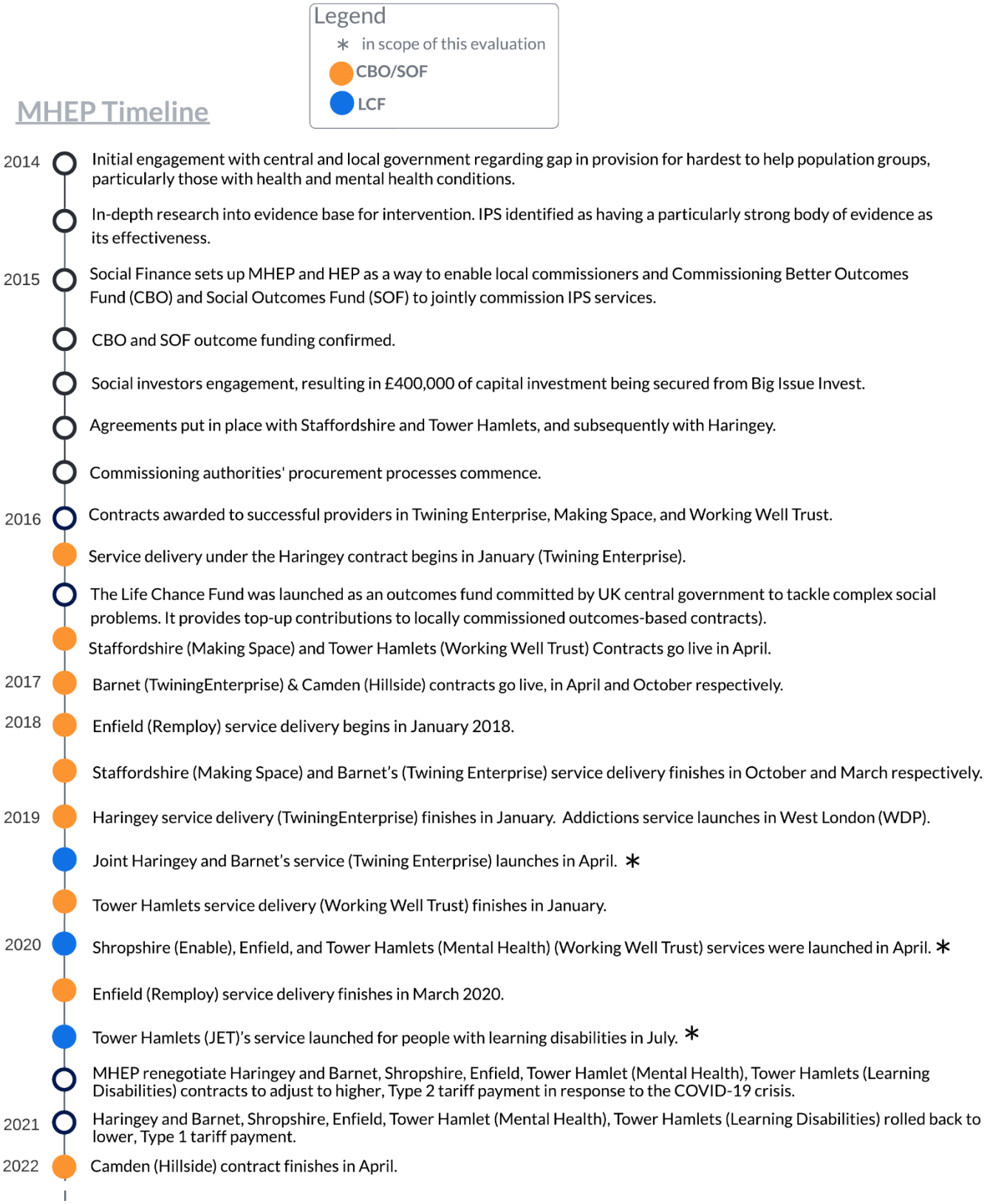
All five SIB projects are coordinated by the MHEP team. The central government commissioner (DCMS), investment fund manager (Big Issue Invest), and MHEP are associated with all five projects. Table 3 below, shows that while all five SIB projects are supported by MHEP under the management of Social Finance UK, they have unique components. A narrative description of each site can be found in Appendix I.

Table 3: Key characteristics across LCF MHEP projects

Key Characteristics	Haringey and Barnet	Shropshire	Enfield	Tower Hamlets Mental Health	Tower Hamlets Learning Disabilities
Policy Focus	Severe Mental Illness	Severe Mental Illness	Severe Mental Illness	Severe Mental Illness	Learning disabilities
Service delivery launch	Apr-19	Apr-20	Apr-20	Apr-20	Jul-20
Targets: Referral	985	582	674	3644	411
Targets: Engagement	799	419	546	1954	370
Targets: Job starts	379	197	181	712	182
Targets: Job sustainment	206	122	110	551	57
Service Provider	Twining Enterprise	Enable	Working Well Trust	Working Well Trust	Tower Projects Job Enterprise and Training Services (JET)
Local commissioner	London Borough of Haringey & Barnet	Shropshire Council (Local Authority)	Enfield Council (Local Authority)	Tower Hamlets Clinical Commissioning Group	Tower Hamlets Council (Local Authority)

*Indicates high-case scenarios and does not include COVID-19 adaptations. All targets cover the full duration of service delivery and have been provided by individual projects themselves through the DCMS Data Portal for the Life Chances Fund. In the LCF administration and reporting process each project is invited to share data on three sets of targets or alternative performance scenarios: low, medium, and high. Informal conversations with project stakeholders reveal that the 'low' case is typically consistent with the outcome performance required to break even (i.e., the cost of service delivery is matched by the payment for successfully achieved outcomes) and as such is the lowest permissible performance level for some actors. The medium case is understood by many to be the likely performance of a well-functioning project and therefore some stakeholders indicate that achievement in line with the medium case should still be regarded as a success. The high case scenario represents an upper bound in terms of potential outcome payment levels. If outcome performance exceeds the 'high case' level, it will not be paid for through the LCF outcomes fund contribution. This high case is therefore understood – particularly by fund managers and delivery teams – to represent exceptionally high performance. From a public budgeting perspective, the high case holds particular importance for financial planning as commissioners must budget for this scenario and be able to pay fully for outcomes achieved up to this level. In the LCF, it is the high case figures that have been most thoroughly validated with stakeholders and which are therefore used to underpin the analysis in this report. Comparing actual outcome achievement (what happened) to the high case (what could have happened ideally) means that this indicator of success is somewhat conservative. We plan to run relevant analysis using the other two case scenarios in future reports. This measure doesn't facilitate comparability beyond MHEP SIBs because of the bespoke nature of target setting under the LCF.

Figure 2: Timeline of MHEP development and sites service delivery



3. RESEARCH APPROACH

This report is the first output from a longitudinal mixed methods evaluation (Figure 3) that seeks to investigate whether and how MHEP Social Impact Bonds make a difference to the social outcomes achieved, compared to alternative commissioning approaches.

The focus of this report is to lay the foundations for further analysis, and it draws only on data relating to MHEP SIB projects. Potential comparator sites – that is, projects which are delivering IPS but through a non-SIB commissioning model – are being investigated by the research team and will feature in future reports. This report seeks to establish the potential mechanisms through which MHEP influences the achievement of outcomes and reports on interim performance.

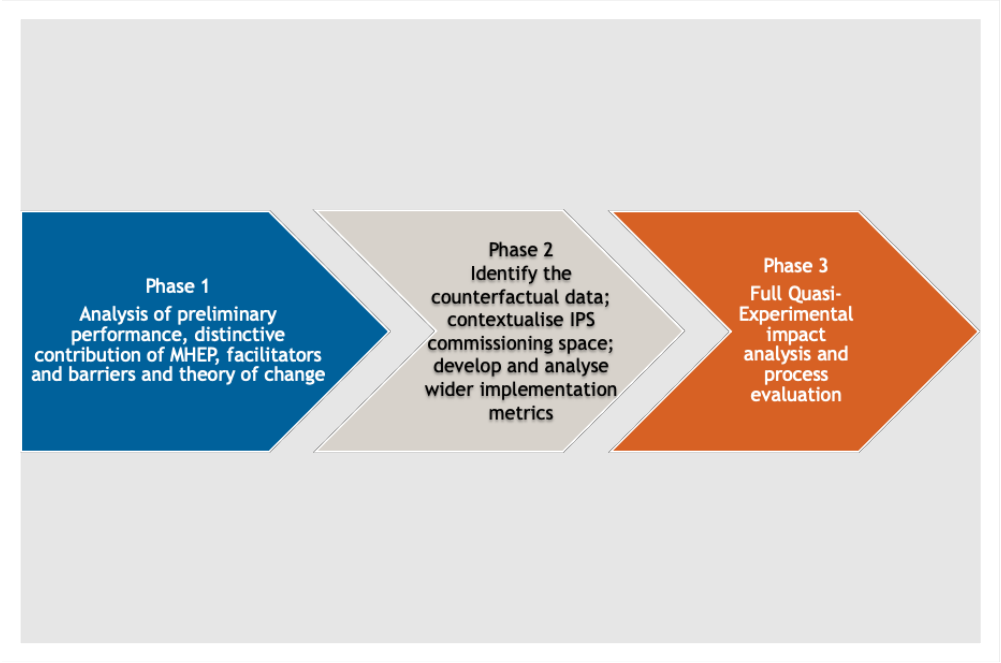


Figure 3: Phases of key MHEP evaluation reports

This report is based on both qualitative data (from interviews, documentary analysis and workshops) and quantitative data (from aggregate performance information from Social Finance and DCMS, supplemented with detail on policy announcements via COVID-19 Government Response Tracker).

MHEP SIBs bring unique research opportunities since:

i) MHEP sites implement an established, fidelity-led intervention (IPS);
ii) IPS is also delivered through non-SIB contracting structures, including in trials supported by central government; and

iii) MHEP sites are comparatively large SIB projects, they unlock a range of analytical opportunities.

Though contingent on the availability of suitable granular data, this research brings the opportunity to investigate both IPS-SIB and IPS non-SIB delivery and to conduct comparative analysis across a range of differently structured IPS SIB projects. There is strong enthusiasm around exploring these elements further and this has led to a collaboration between the delivery team, intermediary (Social Finance) and the evaluation team (GO Lab).

Aims of this report

The aims of this report are to:

- generate theories of change and outline contextual factors (barriers and facilitators) which serve as external influences on the MHEP projects;
- explore the distinctive contribution of MHEP;
- analyse performance data of the key outcome metrics through time and across different sites and providers.

Qualitative analysis

The qualitative analysis is informed by a combination of interviews, documentary analysis, observation, and theory of change workshops and is used to respond to aims 1 and 2.

Documentary analysis was undertaken in early 2021 to understand the MHEP projects and their stakeholders. The DCMS data portal for the Life Chances Fund was used to explore project structures, stakeholder relationships, original targets, performance information, and adaptation to COVID-19 for each of the five projects. In addition, researchers observed service provider performance reviews in summer 2021 and two MHEP board meetings (November 2021 and May 2022). Fortnightly project meetings with the MHEP team helped researchers build a nuanced understanding of project documents and gather information on live service delivery.

Building on the documentary analysis, we conducted 16 semi-structured interviews of 22 individuals between June 2021 and January 2022. These interviews were used to gather insights from key stakeholders and inform the bulk of our analysis for this report, as well as to outline the theories of change for the five MHEP SIB projects. The interviews covered all main stakeholders across the five SIB projects, including local authority commissioners, service providers, MHEP, the investment fund manager and the LCF management team (Table 4). Interviewees were purposively selected for their experience of setting up, delivering, or managing the MHEP contracts. We have not involved service users as research participants in this report as we wanted to first establish the foundations of the research with the delivery teams, but plan to involve people participating in services in future phases of the evaluation.

Table 4: The distribution of interviews across stakeholder groups

	Service providers	Commiss -ioners	MHEP/SF	TNLCF	Investor (Big Issue Invest)	Total
Total number of interviewees	**6**	**5**	**8**	**1**	**2**	**22**

Based on interviews with stakeholders, we compiled three separate but complementary theories of change corresponding to three groups of stakeholders:

- The MHEP team
- Local commissioners and
- Service providers

Each theory of change connects inputs to eventual outcomes but is centred on the theory of change for MHEP SIBs (as complementary but distinctive to the theory of change for IPS). It also explores intermediary mechanisms (or activities) which help transform diverse resources into both short-term and long-term outcomes. Finally, it outlines contextual factors (barriers and facilitators) which serve as external influences on the projects.

These theories of change were validated and refined through workshops with each of the stakeholder groups and helped researchers build on the insights gained through interviews. Identifying information was redacted from the final interview transcripts, i.e., names were replaced with anonymous interview IDs. Participants who are directly quoted in this report have seen the quotes and are comfortable with their use. Ethics approval can be found in Appendix II.

Quantitative analysis

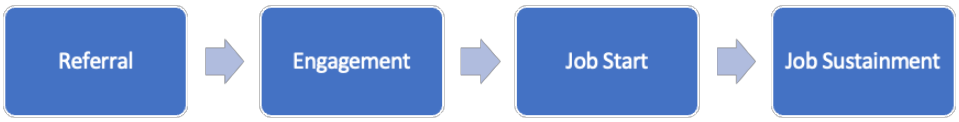
At this early stage of project implementation, the quantitative analysis is restricted to descriptive project-level outcome analysis. The analysis draws on SIB project-level performance data from the start of the second quarter of 2019 (Q2-2019) to the end of 2021 (Q4-2021). We describe performance to date through time and across different SIB projects within the MHEP programme. There are three key outcome indicators that feature in the MHEP outcome payment models and which form the basis of the analysis:

- Engagement: individual engages with the programme and completes the vocational profile;
- Job start: individual spends one full day (or 4 hours for part-time work) in paid competitive employment;

- Job sustainment: individual sustains paid competitive employment for at least 13 weeks.

Job start is classified by MHEP as the primary outcome, sustainment is secondary, and engagement is considered an intermediary outcome. Although data on referrals is also regularly collected there is no payment trigger attached to this. We use the referral measure in some of the analysis, particularly in order to illustrate 'performance' in situations where there have been fewer participants than expected.

Figure 4. Causal chain of MHEP achievements



Using outcome payment and price data, we estimate budget impact, payment compositions and unit costs.

To measure performance, we develop two metrics to capture success beyond simple outcome counts, namely:

(i) success rate against targets is calculated as a ratio by dividing 'the number of outcomes that were achieved' by 'the number of pre-defined targets' (actual outcomes/target outcomes). Pre-defined targets can represent low, medium, and high case scenarios. While low case targets represent the 'lowest agreeable performance', medium case is assumed to reflect average expectations. High-case, on the other hand, is what ideal looks like. This is the default case for financial planning and commissioners must budget for this case scenario. The high-case is the default scenario for this study, since that it allows comparing 'what has happened' to 'what could have happened ideally'. We plan to run relevant analysis using the other two case scenarios in our future report. This measure doesn't facilitate comparability beyond MHEP SIBs because of the bespoke nature of target setting under the LCF.

(ii) outcome conversion rate is estimated as the rate that one type of outcome converts into another that follows it successively in a causal chain, e.g. engagement to job start or job start to sustainment. The order of these metrics is as above (Figure 4) and causality runs through referral to engagement, job start, and lastly job sustainment. This metric illustrates the level of success in converting intermediary outcomes into primary and secondary outcomes. This is a standardised metric and 'job outcome rate' is widely used in measuring the effectiveness of vocational programmes, including IPS, enabling comparison to other non-MHEP IPS programmes.

Additionally, we also estimate 'real prices'. This is a measure of the sum of outcomes payments that are made in relation to the achievement of a job start. For example, if 1 in 3 people achieve a job start then the 'real price' of a job outcome is 3 x

engagement payments (three people must engage in the programme) and 1 x job start payment. Real prices is a more dynamic metric compared to tariff prices, since it informs on unit payments in practice

The data used for the quantitative analysis relates to participants who were referred to the programme between April 2019 and the end of 2021. In this period, 1322 people engaged with the MHEP SIB projects (1,307 people are described as experiencing severe mental illness and 15 people[7] experience Learning Disabilities). We have extracted project performance data from Social Finance and the DCMS data portal. Additionally, an index developed by Oxford COVID-19 Government Response Tracker (OXCGRT) was employed to measure the stringency of government response to the pandemic. See further detail on these three datasets in Appendix II.

BOX 2: Treating cohort differences

In order to accurately measure the performance of all projects (given they had varying sizes and different populations), two analytical choices were made:

1. Only including outcomes that are a result of referral/engagement post SIB launch
2. Not aggregating SMI and LD cohorts

Applying IPS to a cohort of people with LD is challenging for several reasons including:

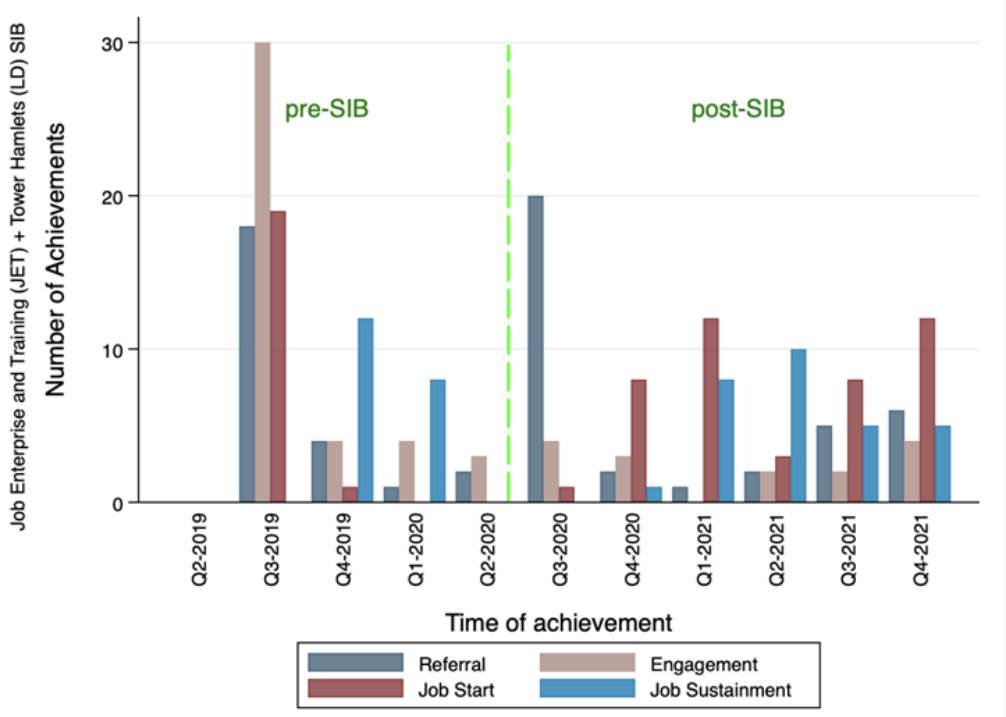
- The suitable job market appears to be thinner for people with LD.
- People with LD have the highest unemployment rates.
- The journey from referral to achieving a job start might take longer for people with LD.

To address difficulties of applying IPS to the LD cohort, MHEP allowed some people who had been referred or engaged with the provider pre-SIB into the SIB project, so they could benefit from intensive support. However, this means that there is inconsistent reporting for the Tower Hamlet's (LD) SIB since some of the individuals who have achieved primary outcomes are not accounted for in referrals/engagements. In fact, some of the primary outcomes that were achieved as part of this SIB trace back to 2019 and early 2020 (see Figure 5 below).

In order to keep analysis consistent across all projects, we focus on outcomes that are exclusive to the SIB, i.e., achieved as a result of referral/engagement activities post-SIB launch (Q3- 2020). Some of the outcome payments related to pre-SIB referral activities but were accounted as SIB expenditure, therefore we took these payments into account for our cost estimations.

[7] Amongst the five SIBs under study, only one is focused on the LD cohort. This SIB is the smallest in size and has some unique features that are explained further in this report. The official reported number of engagements is 26, but only 15 of them began post-launch of the SIB

Figure 5: the LD cohort in Tower Hamlets referred to JET pre- and post-SIB



Note: source data courtesy of Social Finance

Limitations & Considerations

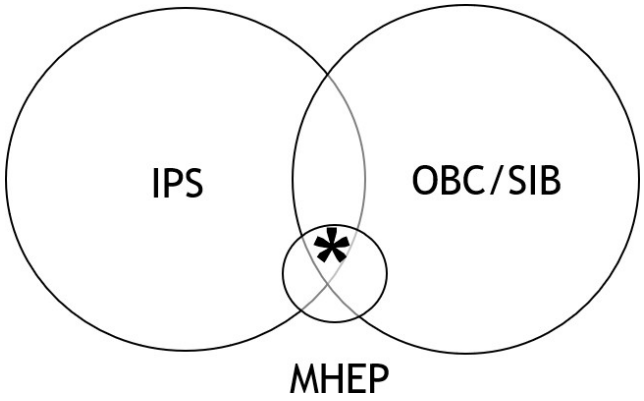
We are looking at mid-term data in this study, therefore, findings are interim and tentative. Performance may change over time and further analysis will be required to understand the implications of COVID for project performance.

This evaluation is based on in-depth interviews of MHEP stakeholders (as well as interim performance analysis), therefore generalisability to other SIBs may be limited. This evaluation also focuses on cohorts in a limited set of local contexts in England. Therefore, wider interpretation and application to other contexts requires consideration of variations in factors including societal, cultural and economic conditions. The possibility of MHEP stakeholders who volunteered to participate in the study having different answers from those not choosing to participate could not be ruled out. The interviews and development of the theory of change have been sensitive to context and format which were virtual, which may have affected the responses compared to an in-person interview format. Nonetheless, rigour was established via triangulating the interview data with the quantitative performance results and review of contract documents.

The performance and cost data employed for this study are reported in aggregate levels, on a quarterly basis for each project. This has limited our ability to run advanced statistical analysis given the size of the sample. We were also unable to

follow individuals across time to understand the temporal dimension of participant service journeys. This might reduce the accuracy of conversion rate estimates when mid-term data is utilised. We plan to overcome these issues in the next phase of research by using a larger dataset consisting of anonymised individual-level data.

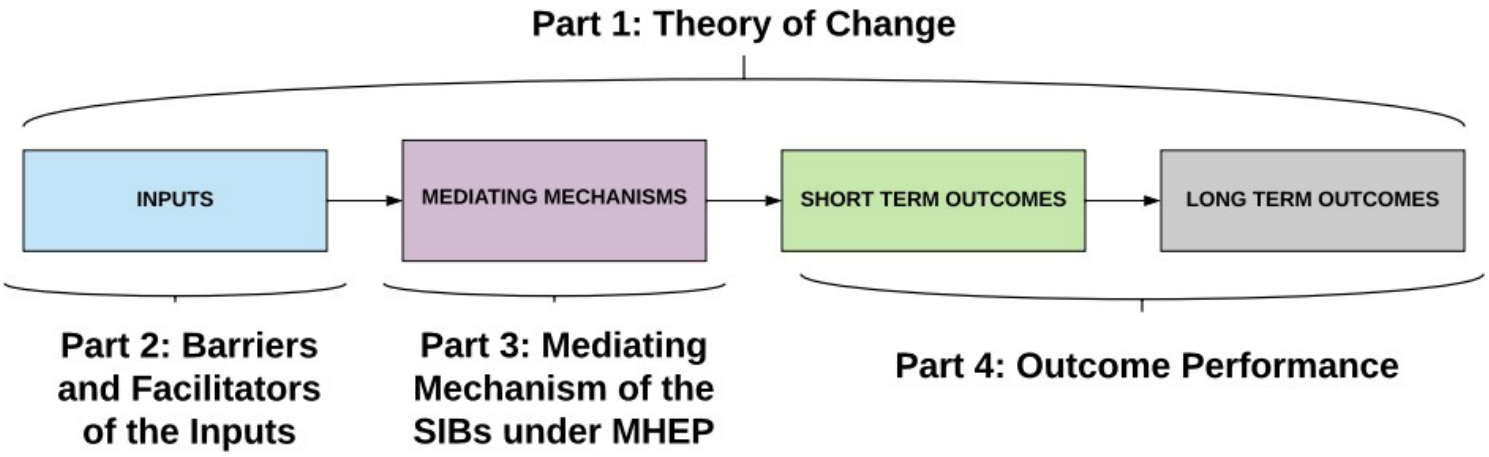
Figure 6: The intersectionality of IPS, MHEP, and the SIB/OBC.



Note: *= the point of evaluation; IPS= individual placement and support; OBC= outcome-based contract; SIB= social impact bonds; MHEP= Mental Health and Employment Partnership. This figure indicates that IPS exists both within the MHEP projects, but also there is IPS provision in the NHS, IPS grow, some Building Better Opportunities projects involve IPS, and there are also IPS national-level trials. While MHEP supports 5 place-based SIBs in this evaluation, there are 251 impact bonds globally as of 20/9/22 and even more outcome-based contracts.

As seen in Figure 6, in order to evaluate the MHEP projects, we are interested in the IPS delivery that falls within the SIBs managed by MHEP. However, the added value of SIBs that underpin the MHEP projects are difficult to analyse without considering the effect of MHEP as an intermediary and IPS as an intervention. What interviewees consider distinctive with being involved with the MHEP projects may be an effect of the MHEP team members rather than the SIB functions, or vice-versa.

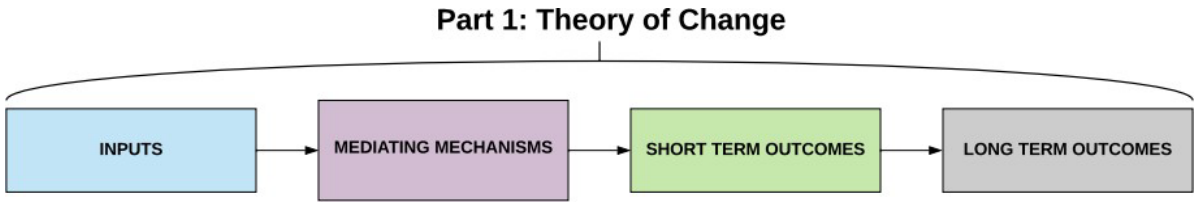
4. FINDINGS



MHEP was perceived to provide a range of functions across the life cycle of each impact bond project. The findings section is structured across four sections:

1) Overall Theory of Change of MHEP interaction with project stakeholders;
2) Barriers and Facilitators of MHEP inputs;
3) Mediating Mechanisms of the SIB under MHEP;
4) Outcome Performance.

PART 1: MHEP'S THEORY OF CHANGE

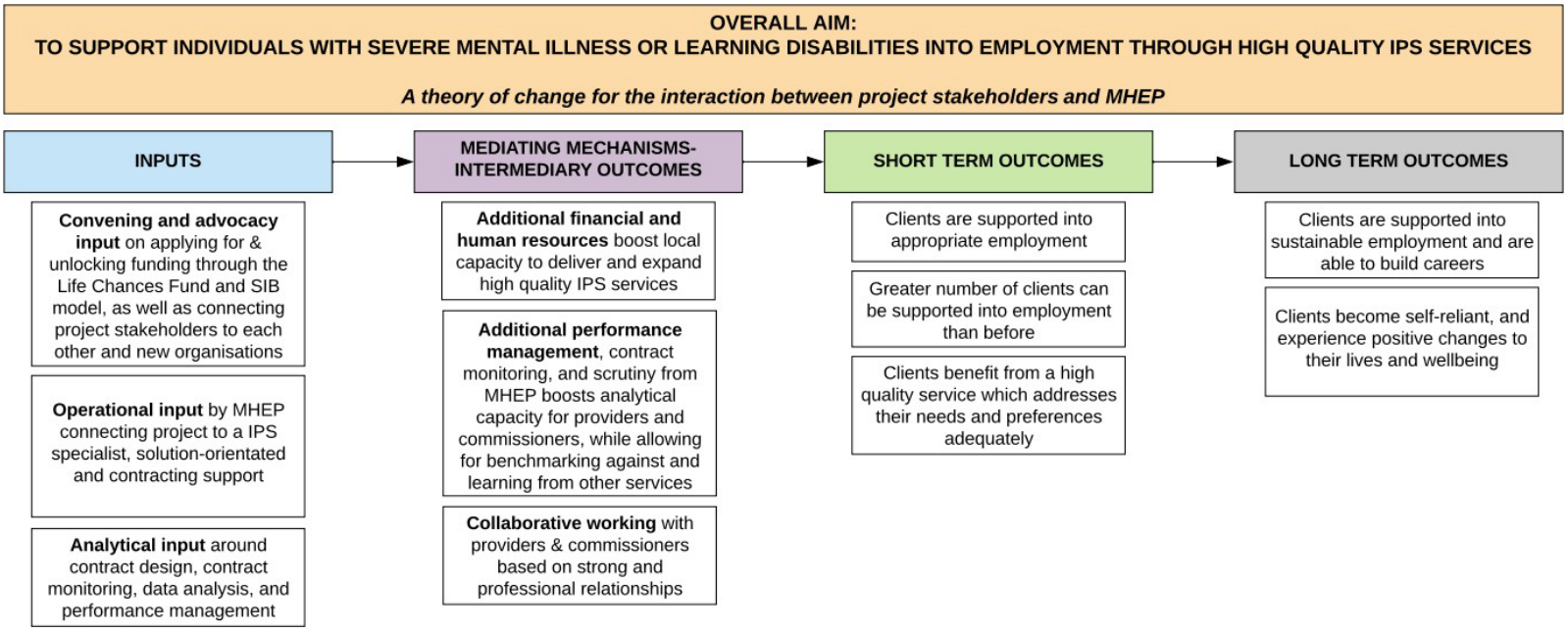


MHEP's Theory of Change

The theory of change was identified from stakeholders' interviews, then refined and validated through workshops with each stakeholder group.[8] The theory of change connects inputs to eventual outcomes. This analysis also unpacks mediating mechanisms which help MHEP transform inputs into short-term and long-term outcomes. Figure 7 describes the theory of change elements that were shared across all three stakeholder groups.

[8] Figures a, b, c in Appendix III.

Figure 7: Collated Theory of Change for MHEP's interaction with project stakeholders



It is worth noting that some theory of change elements were only suggested by one stakeholder, reflecting the variety and diversity of MHEP interactions and perceptions across providers, local commissioners, and the MHEP team. For instance, the MHEP team were quick to emphasise innovativeness, increased accountability and pooled finance arrangement which harmonises local and national funding. The service providers more readily talked about adaptiveness, stability of services, and intensive contract management and performance measurement support. This suggests that each stakeholder can see different benefits of the MHEP model based on how it improves their ability to do their job well.

As seen in the theory of change in Figure 6, providers and commissioners revealed three main inputs that MHEP provides: Convening & Advocacy, Operational, and Analytical support.

Convening & Advocacy Inputs:

Both service providers and commissioners described MHEP's convening and advocacy support in the form of signposting to relevant opportunities and funding, leading multi-stage LCF applications, and advocating for IPS and high-impact services.

Service providers described MHEP as a conduit between providers and local commissioners. MHEP plays a strong role in identifying new opportunities for providers and making connections. For example, MHEP assisted a provider through a period of low referrals by signposting them to opportunities for promoting their services, guided them

on hosting trust-wide employment events, and connected them to relevant stakeholders. In other cases, providers were alerted to funding opportunities and NHS resources. Interviewees spoke highly of their working relationship with MHEP and appreciated the team's professionalism in managing the partnership.

"Working with Social Finance has been really good because they're good at informing us of opportunities that are out there to support our work"-Service Provider

For commissioners, MHEP provided crucial support to apply for and unlock additional financial resources through the Life Chances Fund (LCF). The MHEP team led the multi-stage LCF applications for projects. By assuming responsibility for this process, MHEP insulated projects from the administrative burden involved.

"They were absolutely critical in helping us attract the funding, get access to that funding and help us design specifications and reach out to the right organisations"-Local Commissioner

Operational Inputs:

Both service providers and commissioners describe MHEP's operational support in the form of an IPS implementation specialist, solution-orientated approach, and additional commissioning and contracting support.

For service providers, operational support from MHEP's IPS specialist was seen as fundamental in supporting performance and thinking through practical solutions. For example, the MHEP-appointed coach facilitated multiple sessions with a provider during a period of lower-than-expected performance. He also pinpointed key areas that needed focus and helped the provider focus its attention on these. While this support was gradually tapered off, the coach used regular check-ins to ensure performance improvements were sustained.

Furthermore, providers felt they worked closely with MHEP, engaging in a continuous conversation on local resourcing, co-location of employment specialists, and performance challenges. While a lot of the information within the partnership is based on providers' experiences on the frontline, receptiveness, and solution-oriented support from MHEP was seen to be encouraging.

"The second thing was the operational support they provided and so they had a coach come in…it was kind of the most intensive kind of hands-on support I think we've had because we desperately needed it at the time, and it was available" -Service Provider

Local commissioners spoke about strong partnership working and collaboration with MHEP. This was seen as a different way of working and commissioning compared to other contracts interviewees had worked on, particularly due to richer data access and faster decision-making processes. While acknowledging the complex SIB structure, an interviewee remarked that stepping back from the funding challenges had enabled

them to identify trends and opportunities and think more strategically. MHEP's willingness to adapt contractual payment structures and cash flows to local authorities' model of financing was appreciated. Beyond the initial setup, commissioners also valued MHEP's leadership in renewing contracts and managing contract variations over time (especially during COVID-19 as outlined in Part 2). Commissioners also found the partnership with MHEP beneficial in improving commissioning practice.

"I've learned a lot as a commissioner personally from MHEP"- Local Commissioner

"The partnership has enabled me to kind of develop as a Commissioner as well"- Local Commissioner

Analytical Inputs:

Both service providers and commissioners described MHEP as offering analytical support in the form of performance monitoring, enhanced data quality and access, and benchmarking.

Service providers benefited from MHEP's strong performance monitoring and analytical expertise. This included detailed reports and data dashboards, which are regularly reviewed as part of contract review meetings. One provider commented that they had never previously experienced such close performance scrutiny. Interviewees explained that the level of granularity and presentation of information were beyond what is typically available, which enabled earlier and more precise identification of problems within MHEP-supported services. Once problems were identified, MHEP could often suggest concrete solutions. For example, a provider jointly brainstormed with MHEP when faced with low referrals and used MHEP-prepared spreadsheets to identify low referring teams. In another case, the MHEP team advised a provider on potential employment sectors to target for jobs, and analysed job sustainment trends over time. Due to their scrutiny of data, MHEP could sometimes pick up on things that the provider had not noticed, and also facilitate benchmarking with other IPS services.

In the case of local authorities, additional information, and modelling of financial scenarios on their own projects helped them develop a better understanding of their services.

"The quality of the data that MHEP are able to provide is far more superior than the quality of data that the local authority is able to provide at any given time on this contract." - Local commissioner

In addition to quantitative outcomes data, interviewees described qualitative information and anecdotal evidence as important ingredients for understanding impact on individuals. Meanwhile, intelligence on comparable IPS services helped commissioners reflect on best practice and establish what 'good' looks like. Local

commissioners described prior to MHEP their varied ability to understand the performance of other IPS services. Some commissioners lacked the resources to properly delve into possible comparisons to understand performance. MHEP plugged this resourcing gap and provided useful analysis to stretched commissioning teams.

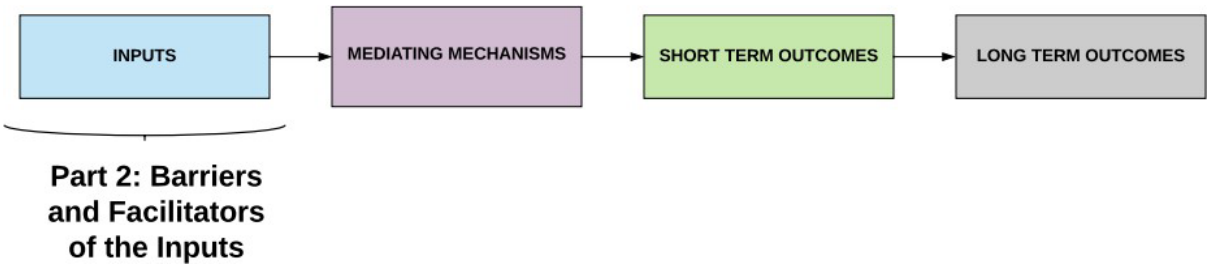
"You're monitoring delivery of those outcomes as opposed to an alternative reality… it's a different way of looking at things. And it brings a huge amount of extra intelligence into our system that we just wouldn't have otherwise" -Local Commissioner

Is MHEP distinctive when compared with traditional commissioning?

There was considerable variation in the perceived distinctiveness of MHEP's role across different projects and stakeholders. Some interviewees found great value in the data analysis and intelligence MHEP provided, which was seen as over and above what stakeholders could normally access in traditional commissioning. Although projects were used to working towards similar outcome measures, MHEP's performance management function was seen to drive additional focus on achieving outcomes. Providers spoke highly of the working culture within the partnership and found it more effective than the one within local authorities. Most importantly, MHEP's role in identifying and successfully unlocking the LCF funding was key in adding financial and human resources to projects, which was seen as hard to access otherwise.

However, some stakeholders were more cautious in describing MHEP's distinction. While they acknowledged that MHEP's assistance in applying for and unlocking LCF funding had been key, they did not perceive its other functions to be markedly additional to existing practices and performance management procedures with local authorities. Due to different backgrounds and expertise, providers sometimes found MHEP's approach too theoretical and removed from the practicalities of local IPS delivery. In addition, it was perceived that the language used by MHEP was sometimes very different and caused confusion compared to traditional commissioning.

PART 2: BARRIERS & FACILITATORS:



Barriers and Facilitators

This section discusses the barriers and facilitators which either supported or hindered the delivery of MHEP's inputs. The full list of identified barriers and facilitators can be found in Table 5. We then explore each of the three common barriers in detail.

Common barriers include:

1. Clients with learning disabilities often require more intensive support than those with severe mental health,
2. Payment flow requirements and funding structure were complex, and
3. COVID-19 had significantly affected performance.

Each of these barriers are further explored in this section. The common facilitator across stakeholders was that MHEP's SIB contracts did align with previous initiatives. This included KPIs in previous contracts and the national IPS rollout. It is worth noting that while there were several commonly perceived barriers, each stakeholder identified different facilitators. For instance, unlike the MHEP team and local commissioners, the service providers only identified two facilitators:

1. Commissioners could see the long-term benefits of their preventative work;
2. The MHEP-backed services used similar KPIs to other employment contracts and were therefore familiar.

However, providers identifying fewer facilitators than the other stakeholders may not be surprising. Some service providers may not perceive a substantial difference compared to traditional contracting since they are largely shielded from the inner workings of the SIB. Nevertheless, given this stakeholder group have identified over nine barriers, more than the commissioners and MHEP team, it could also mean that they were the stakeholder who bore the brunt of the initial complexity of implementing a service funded through a 'new way of working' with a SIB mechanism. This may suggest they were not adequately supported through the initial learning curve of using a SIB mechanism and this may need to be rectified in the future roll-out of MHEP.

Table 5: Perceived Barriers and Facilitators by stakeholder group: MHEP, local commissioners, service providers.

	Facilitators	Barriers
MHEP SPV	• Access to strong expertise on IPS and design specifics through IPS Grow experience and resources. • Projects could build on existing community of practice and evidence. • Existing relationships with local commissioners and experience of co-commissioning IPS services. • Understanding of SIBs, outcomes-based payment structures, and outcomes funds. • SIBs aligned with national level support and roll-out for IPS. • Despite personnel turnover, clear focus on outcomes and understanding of performance parameters has helped retain consistency and stability within partnership. • Flexibility within MHEP has allowed it to cater to changing needs of different stakeholder groups.	• COVID-19 has significantly affected project's performance and outcomes. • Difficult to add value on top of IPS Grow. • High quality implementation of IPS is challenging, and ultimately depends on service providers. • LCF application process and payment flow requirements were complex, and tricky to pass on to local commissioners. • Payment structures have to be adapted to local authority preferences and budget arrangements.
Local commissioners	• SIB aligned with the objectives and priorities of local commissioners, which helped build buy-in. • MHEP assisted commissioners through the LCF application, legal, procurement, and contracting. • Given limited capacity in commissioning units, providers are able to access more support than they would without MHEP. • Besides quantitative outcomes, commissioners have access to more qualitative information and anecdotal evidence. • Despite personnel turnover, clear focus on outcomes and understanding of performance parameters has helped retain consistency and stability within partnership	• Ways of working, organisational mindsets, and language within the SIB were quite different to commissioning experience on other contracts, leading to hesitation and resistance from senior teams. • Multiple stages of approval were needed internally which were complex and led to delays. • COVID-19 has (significantly) affected project's performance and outcomes. • Clients with learning disabilities often require more intensive support than those with severe mental illness, and different expertise is required to support these services.

Service providers	● Most employment contracts are inclined towards an outcomes focus already, and use similar KPIs which align well with MHEP SIB contracts' outcomes design. ● Local commissioners could see the long- term benefits of preventative work and were willing to support these projects.	● Success depends on securing referrals which are outside of providers' direct control. ● Funding structure and financial modelling were perceived as unusual and complex for providers. ● Subsequent job starts for clients could not be claimed as outcomes by providers. ● Payment caps on outcomes claims are confusing. ● MHEP lack direct experience of delivering IPS and local knowledge of client groups, sometimes leading to a more theoretical approach than providers would prefer. ● COVID-19 has significantly affected projects' performance. ● Contract renewals is tied to local authority preferences and timelines. ● Due to complexity of contracts, renewing contracts is complicated and time-consuming. ● Clients with learning disabilities often require more intensive support than those with severe mental illness. ● Although outcomes can only be claimed for first jobs, most providers continue to provide assistance for subsequent jobs which is resource intensive.

1st Common Barrier: Cohort Differences

Providers and commissioners each noted that learning disabilities services require expertise and are different in the intensiveness of support required, particularly due to additional in-work support. This leads to greater staffing needs. The LD project also identified a challenge in securing new referrals as the group of people within a local area with learning disabilities is a relatively fixed population compared to cohorts with mental illness. Therefore, applying the IPS delivery model and MHEP outcome contract directly to learning disabilities cohorts is not straightforward:

"In our area of work getting somebody skilled to take up jobs is a lot more of a longer process than in the mental health cohort."- Local Commissioner

"There are people who are eligible under the mental health cohort who have degrees, who have masters, and are able to take on a wide range of jobs. Whereas with the learning disabilities cohort, there has unfortunately been a ceiling of the types of roles that people would be able to take on. There are some major differences"-Local Commissioner

"Trying to apply IPS to people with learning disabilities... the approach is very different." - Service Provider

2nd Common Barrier: Perceived complexity from payment and outcome design

The social impact bond contracting arrangement was generally perceived by stakeholders as complex and distinct from traditional contracting arrangements, in both **payment** and **design**. Service providers found the structure to be complicated and did not fully understand the full financial arrangement of the SIB, despite projects being in implementation. There were two main sources of perceived complexity:

1) The split between outcome-based payments and block payments;
2) The design of outcome metrics and conditions, i.e., under the MHEP projects, it is only possible to claim one payment for each participant job's start, regardless of whether participants are ultimately supported into multiple, separate jobs.

"The SIB element of it can be quite complicated because it's not something that we do all the time in health and social care, so changing how we do the setting up the contract has always been something that's been a challenge"-Local Commissioner

Source of complexity: split between outcome-based payments and block payments.

Stakeholders saw value in using an outcome contract but some were not comfortable using a payment structure that was based 100% on performance, especially during the pandemic and for smaller providers with lower reserves. Instead, they preferred to balance this with other funding sources and payment arrangements e.g., block or fixed payments. As described in Box 3, it is worth noting that in the pandemic MHEP projects were given the option of switching to 'medium scenario' performance scenarios until

October 2021 and then modified outcome payment tariffs (known as "Type 2 tariffs"), via contract amendments (FitzGerald et al., 2021).

The exact split of payment arrangements varies across the MHEP projects (Table 6). Providers felt that the level of comfort in managing more performance-based payments would vary according to the healthcare setting and size of the organisation. One provider acknowledged that they effectively 'balance the risk' of the MHEP project with other, more assured activity-related funding, which provides payment for multiple job-starts. The MHEP contract is therefore treated as one strand within a portfolio of income streams for this provider.

There was a concern that if performance-based payments become more mainstream, small third-sector providers in the longer term may struggle, even if they may be suited to deliver the best outcomes for that area. This was because of the perceived increased risk with a high proportion of payment by results. This would be especially exacerbated if the provider didn't have a huge amount of reserves, so if low performance were to occur (such as in a pandemic), they would be financially insecure. A "healthy amount of pressure" was described as ideal so they could manage the financial risk easier and thus potentially take on more contracts. One small third-sector provider listed their ideal preference for 95% block and 5% outcomes payments.

Importantly, unlike extreme payment-by-results contracts, where providers are only paid following the achievement of successful (job) outcomes, the MHEP payment arrangements blend 'block' and 'outcome' payments. This means that providers are not fully exposed to non-payment in situations of poor performance. However, in order to blend funding from the LCF and local commissioners as well as balance preferences of local actors, there are some unusual fund flows:

"[The funding flow] is what really threw people at the start and it's still confusing and we've had to accept it. We've been able to live with it because we're part of a Council. But if we'd been a smaller voluntary organization, it might have made them go bust."- Service Provider

The MHEP team found that the need to calculate bespoke outcome-based payments (compared to block payments) adds to the complexity of contracts. As a result, someone who's new to the MHEP team may *"take a while to get into it"*.

However, some providers (particularly ones in senior management roles) preferred performance-based contracts as it *"gives a clear structure that is attached to really clear definitions on what outcomes are and how you need to evidence them"*. This has clear implications since it explicitly describes the data you need to count, and how you monitor, manage, and report performance. This contrasts to block payments, where some providers found it harder to identify and drive high performance: *"since the contracts are always a bit vague and grey about what we're counting"*. Service providers referred to situations of ambiguity in their previous contracting experiences,

where even the commissioner can be unsure of KPIs**.** This was also described as incentivising providers to "*do the bare minimum, they need to get the payments*".

Commissioners, meanwhile, reflected positively on the experience of MHEP payments, which made them consider using outcome-based payments in their mix of contracting options for future projects:

"…from the experience of having done outcome-based PBR commissioning through this with MHEP, I would look to adopt that model as part of the contracting financial mix. I would be going back to that point around understanding the probability of the model delivering outcomes with this fidelity and the likely success of its integration and it's setting would influence the extent to which I would load payments against outcomes."- Local commissioner

Table 6: The split in outcome-payments and block payments

	Haringey and Barnet	**Shropshire**	**Enfield**	**Tower Hamlets Mental Health**	**Tower Hamlets Learning Disabilities**
Proportion of Payments to provider?	75% block 25% outcomes	In-house	70% block 30% outcomes	95% block 5% outcomes	100% block

Source of complexity: the design of outcome metrics

Previous research has acknowledged the importance of carefully designed outcome metrics in SIBs (FitzGerald et al., 2019). In MHEP projects, the outcome measures of job entry and job sustainment are broadly seen to align to service delivery objectives. There are however, some concerns over the specific conditions applied to the 'job entry' measure. According to MHEP's contractual outcome metrics, only one 'job entry' outcome can be claimed for each participant. This is understood to stand in contrast to other employment contracts that stakeholders had worked on. However, most providers continue to support subsequent job starts for people participating in IPS services. These second job starts become relevant either because a participant is receiving support to transition between jobs or because some participants may have fallen out of work and wish to re-enter another job. Under the current contracting arrangements, second job starts cannot be claimed and paid for under the MHEP contracts. Providers felt this was in opposition to one of IPS principles of sustaining long term support. This concerned providers as many service users lack stability in their careers or were furloughed during the pandemic. This concern may represent an initial misunderstanding of the contract design, since sustainment can be achieved across multiple jobs, so long as it can be

shown that the service user was employed for 9 of the 13 weeks from the date of their first job placement.

“One of the things we didn't grasp at the start was you couldn't claim subsequent job outcomes [i.e., multiple job starts for the same person are not paid for]... We follow people all the way through because we wouldn't just drop them once they got that initial job.”- Local Commissioner

3rd Common Barrier: COVID-19 challenges

Four of the five MHEP projects were launched during the first COVID-19 lockdown. This posed significant challenges in delivering services and supporting clients into employment. Continued uncertainty and a rapidly changing labour market made it difficult for services to plan for the future.

COVID-19 affected the implementation of MHEP's SIB contracts in all sites. Employment services were affected by the closures and government-issued lockdowns. In order to make MHEP sustainable and feasible during this crisis, the model had to be adapted. Some of the COVID-19 challenges and adaptions varied across sites but they all followed a common thread.

According to interviewees, workers with existing mental health conditions and learning disabilities were more likely to work in sectors that have had to close due to COVID-19 restrictions, such as hospitality, making them vulnerable to job losses. This is corroborated by a recent report from The Health Foundation (Health Foundation, 2021).

Low referrals and engagement

Referrals and engagement with clients were compromised during COVID restrictions. Traditional referral routes such as physically seeing marketing material in waiting rooms became infeasible, which slowed down self-referrals.

" We knew that a lot of our self-referrals were old-fashioned: people seeing our marketing material physically in waiting rooms and physically seeing the good news stories posted up around the buildings when they were going to see their clinicians... so we didn't really ever get that."- Service provider

As many MHEP clients have serious underlying health conditions, their health vulnerability limited their comfort in engaging with MHEP services and actively seek jobs. Clients with learning disabilities were particularly vulnerable and faced additional challenges due to COVID-19.

Some sites reported higher than normal staff turn-over exacerbated by COVID-19. In exit interviews, staff reported a desire to move out of London and/or pursue a home-based role. This was a concern for the Investment Fund Manager since turnover can create ‘gaps in knowledge and understanding’ which can affect stability.

"The employment specialists are meant to work in teams as part of secondary mental health care. If those teams change, they don't exist. If those teams all go to remote working etc., that looks very different and that has a big impact on how they work as well"-Local commissioner

The sites that managed to have consistency in the core team across the pandemic, for example the providers in Enfield, felt that this boosted team morale. Delivery teams could rely on each other despite the uncertainty of lockdown restrictions and unstable job markets. Ultimately, COVID meant that there was *"a lot of uncertainty around the way that [providers] get their referrals"* but they are now *"coming out the other side"*.

Reduced employment opportunities

Economic sectors that usually provide relevant employment opportunities such as hospitality and retail were some of the worst hit by the pandemic. When vacancies did arise, they were met with many applications and intense competition. Applications from overqualified candidates were understood to put MHEP clients at a disadvantage in securing these jobs. Employers were keen to hire individuals who were already skilled and did not require additional job training. From the businesses-side, since reopening after a lockdown, providers felt that they were "*looking to employ people that were going to be able to start up quickly, who have the skill set already",* which were not often in aligned with the MHEP cohorts.

"We got lots of people into jobs last quarter but still need to support them as their jobs might not continue."-Service Provider

Reliance on digital engagement

Face-to-face contact is often described as fundamental to IPS's success. In the absence of in-person sessions, service providers adopted digital tools which helped continue engagement with clients. However, there were concerns for participants who lacked digital literacy or access and could have fallen through gaps in support.

"Lots of employment support services did everything remotely and did not support clients the same way. We cannot do this for LD clients as they cannot use or do not have digital means."-Service Provider

In the future, service providers indicated that they would prefer to use a hybrid service delivery model. While digital tools can allow flexibility and save travel time, it was felt that in-person contact aligns better with client preferences, boosts staff morale, and helps build rapport more easily.

"I was concerned throughout those lockdowns. You know, even though engagements were [lower]...I was surprised at how many people we could still engage with digitally. But I just thought about all of those people who didn't have digital skills that we weren't reaching"- Service provider

COVID-19 implications for launching the SIB

Launching the SIB during the lockdown for four of the five sites meant that original timelines were delayed and that the learning curve was steeper. Both commissioners and providers described COVID as causing delays to their ability to roll out IPS and the SIB within MHEP, not just because the SIB was 'a new way of working'.

"Then of course we had COVID, which was also added compounded delays to getting the SIB started"- Local Commissioner

BOX 3: Adaptation to COVID-19

COVID-19 was seen as a substantial barrier to successful performance in MHEP projects. In response, several adaptations were made to the contracts and to the delivery arrangements:

- **Digital and creative support for clients and employers**

Services adapted by shifting to digital tools and engagement and felt generally well prepared to complete this transition successfully. Once restrictions eased, this was replaced by hybrid working where staff split their time between going out into the community, working on-site, and working from home. While it was difficult to support clients into jobs at this time, service providers used this time well. They set up relationships with new employers, with the expectation that this would lead to employment opportunities for clients once lockdowns lifted. In parallel, staff provided online support to clients to help them maintain their skills while on furlough.

"We have to recognise that these tools, including teams and zoom, are here most likely for the long haul. And for a lot of people it's probably going to be either more beneficial or more convenient... so I guess it's just trying to utilise it in the best way that still works with fidelity "-Provider

- ***Close collaboration***

Interviewees described close engagement and frequent meetings among stakeholders to support staff wellbeing and adaptation to COVID-19 across the partnership. This encouraged joined up working to adapt to COVID-19. MHEP shared learning across projects and advised service delivery team through the adaptation process.

- ***Medium scenario payments and Type 2 tariffs***

All projects within the Life Chances Fund were given the option of continuing with payment on outcomes, pausing service delivery, or switching to 'medium scenario' performance scenarios, via contract amendments (FitzGerald et al., 2021). These choices were expected to hold until October 2020, with projects expected to return to outcomes payments at this point if they chose one of the other options.

Table 7 describes the five MHEP projects' choices for payment re-arrangement over time. When the first lockdown in the UK began in March 2020, Haringey and Barnet was the only MHEP LCF

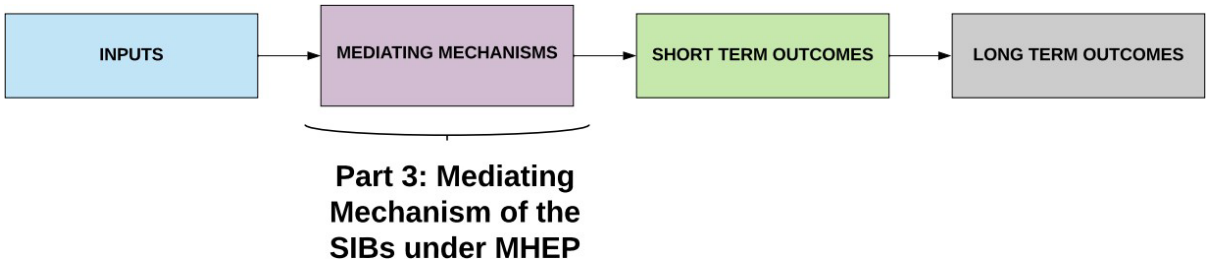
project to have launched. It had done so under the original outcome payment tariffs (known as "Type 1 tariffs"). By April, the Haringey and Barnet MHEP project elected to shift to grant payments based on medium performance forecasts (known as "medium scenario payments"). The other four MHEP projects launched in April 2020, also on medium scenario payments. By October 2020, all five projects have shifted back to outcome-linked payment, as planned. However, all except the Haringey and Barnet project decided to use modified outcome payment tariffs (known as "Type 2 tariffs"). These revised outcome tariffs acknowledge the challenges created by COVID-19, particularly for employment support programmes. As a result, they place a higher payment value on engagements (and first jobs in some cases), whilst assigning a lower payment value to job sustainment. At the time of this report, all projects were expected to have shifted back to their original Type 1 tariffs.

Service providers described the use of medium scenario payments and change in tariffs as a "life saver". They were seen as crucial to retaining service continuity. Without this option, the partnership might have ended. In addition, the process for transitioning to these arrangements was described as clear, pragmatic and jointly developed.

Table 7: Tariff changes from COVID-19

	Haringey and Barnet	**Shropshire**	**Enfield**	**Tower Hamlets Mental Health**	**Tower Hamlets Learning Disabilities**
Pre-COVID (2019 and Q1-2020)	Type 1 tariffs	Not launched	Not launched	Not launched	Not launched
Initial Lockdown and switch to activity payment	Medium scenario payments (Q2-Q3 2020)	Medium scenario payments (Q2-Q3 2020)	Medium scenario payments (Q2-Q3 2020)	Medium scenario payments (Q2-Q3 2020)	Medium scenario payments (Q3-Q4 2020)
Second and third lockdowns and switch back to outcome-payment	Type 1 tariffs (since Q4-2020)	Type 2 tariffs (since Q4-2020)	Type 2 tariffs (since Q4-2020)	Type 2 tariffs (since Q4-2020)	Type 2 tariffs (since Q1-2021)
Eased restrictions and roll back to Tier 1	Type 1 tariffs (since Q2-2021)	Type 1 tariffs (since Q4-2021)	Type 1 tariffs (since Q4 2021/2022 for MHEP) (Q1 2022/2023 for provider)	Type 1 tariffs (since Q3-2021/2022 for MHEP) (Q1 2022/2023 for provider)	Type 1 tariffs (since Q3-2021)

PART 3: MEDIATING MECHANISMS



As seen in Part 1 of the theory of change, three main mediating mechanisms were outlined by all interviewees. These mechanisms are the key hypothesised routes through which MHEP is perceived to produce change in the nature and quality of the IPS implementation and outcome achievement. These three mechanisms are:

1. **additional financial and human resources** (to boost local capacity);
2. **collaborative working**; and
3. **additional performance management** function (for analytical capacity and benchmarking and learning from other services).

These mechanisms are similar to the previous academic literature which often states that SIBs are distinctive in their additional performance management, additional capital raising opportunities, and cross-sector partnership. These features *may* enable the transfer of risk and embed an outcome focus, leading to better performance (GO Lab, 2017; Hulse, 2021).

The following sections present stakeholder reflections on each of the mediating mechanisms in the MHEP projects. We also consider the interplay between IPS fidelity and performance management (Box 4).

1. Reflections on additional human and financial resources

Interviewees described MHEP as bringing access to funds that providers may not have been able to receive otherwise. The MHEP-backed services would not have been delivered the same way without these extra resources. In fact, one local commissioner stated that the SIB funding meant two additional employment specialists were able to be hired which had implications on how many people they were able to support. This was seen as enhancing: *"it's also quite powerful to have two extra human beings working in a service, and the potential is really large…more people can be supported."*

However, despite the added value, commissioners stated that there are some new systems that need to be set-up in order to receive these extra financial resources. This is because the MHEP contract transcends the financial year and payments are contingent on outcomes, so funding needed to be able to be differentiated.

"We had to set up an additional cost centre and different method for the cash flow in order to be able to identify it from the rest of the pot of money. That we can then recover things like savings at the end of the financial year, because this transcends the financial year. It goes on and is for the life of the contract, so it's being able to develop systems that make it easy for local authorities to be more involved in SIBs."- Local commissioner

The additional funding made available through MHEP was often contrasted with the lack of mainstream funding available for "challenging areas of social policy". Interviewees commented on a lack of investment in commissioning. It was suggested by MHEP that the SIB model creates an incentive for investors to care about people facing great disadvantages that don't get the commissioning attention they need. However, it is important to note it's not *just* expanded resources for a local project, but dedicated resources with an explicit focus on outcomes-related accountability.

"In a way, it is investing by the back door because it's not totally funded. What we're really doing is saying, if we spend a little money on managing the service then we can get really good results."-MHEP

"I mean the MHEP contract has kind of challenged us to be better by giving us increased resources. These resources have enabled us to enhance the services delivered to our clients and achieve good outcomes in challenging times."-Service Provider

2. Reflections on Collaborative working mechanism

MHEP was often described as "a three-way partnership", a "new way of working", or a "relational" approach.

The collaborative approach meant that providers and commissioners could focus on '*what needs to be done'* in order to increase outcomes. Interviewees also noted that more people were coming up with solutions. The MHEP SIB arrangement was perceived to create more accountability. One provider revealed that because you like the organisations you're working with, there's an increase in motivation to achieve outcomes. Furthermore, there was a sense of shared purpose in the partnership, which meant that the outcomes became 'everyone's outcomes' rather than just the providers' responsibility.

"The only thing is that we sit as peers with the Commissioners around the table rather than as contractors to the Commissioner. And that is a slightly advantageous relationship in terms of our ability to say 'we've both got equal stake in this working'."-MHEP

Given the partnership was considered "hugely beneficial" to both local commissioners and providers, many stated they would like to continue the collaboration. In fact, one local commissioner stated that they hoped the partnership could extend to other

areas under MHEP and change the way commissioning works. This was particularly emphasised as *"having that third dimension, from MHEP's input over the next few years would change the way that we commission…look at services…look at data, and the way that we would work together on a contract"*.

"It would definitely be a positive thing to continue to work in partnership with MHEP. It's been good as a gateway for local authorities to look at commissioning in a different way and not just in a traditional sense. This will hopefully open them up to more opportunities and more flexibility with different ways of looking at commissioning because I think now more than ever it's needed."-Local commissioner

Despite requiring considerable work, interviewees claimed that the partnership approach has been worth it. One MHEP team member stated that it takes time to build trust and for the providers to truly understand MHEP's role in co-producing outcomes and assisting providers with performance. A provider felt that this is very "different from the local authority" with which they have more of a "paternalistic relationship".

"It took a long time to be able to say [to one provider] 'you don't need to kind of explain the reasons for why outcomes are bad. We genuinely want to understand why so that we can help you unlock this'. But I think they saw us as the investor who is going to pull their funding and it was hard to build that trust with them. But we did get there in the end." -MHEP

Aligned values and purpose were seen as integral to enabling the partnership approach. Interviewees insinuated that delivery teams in the Expression of Interest stage who weren't energetic partners did not follow up. This meant that those who continued to contract signing were teams who were potentially ready for or seeking a unique collaboration.

"In my experience what you need is to find someone who is going to bring a lot of energy to [the] table from their side, because getting this through...it looks different. It's nonstandard."-MHEP

3. Reflections on Performance Management Mechanism

Service providers describe their performance management as a combination of regular and rigorous scrutiny by the MHEP team, as part of the SIB contract, as well as their own internal processes, which are guided by organisational preferences. In the MHEP projects, performance management is typically discussed as a 'cycle'. The six main stages of this cycle are described in Appendix III.

Participants in all stakeholder groups described a performance management approach that was underpinned by strong relationships, aligned objectives and frequent communication. Advice from MHEP was identified as particularly helpful in addressing COVID-19 challenges. Interviewees commented on the usefulness of qualitative case

studies from other IPS services, particularly when thinking through adaptation to reach targets. Additionally, providers appreciated IPS Grow's online reporting tool as a visual aid and viewed the MHEP's analysts as having great knowledge on data and performance trends.

However, some aspects of performance management were identified as in need of improvement. Providers described an excessive level of reporting requirements that detracted from employment specialists' focus on delivery. This was described as *'layers of reporting'* with multiple submissions to MHEP, and also through IPS Grow spreadsheets, separate reports for Commissioners, the Mental Health Services Data Set (MHSDS), and previous additional spreadsheets for NHS England.

The final stage of invoicing for validated outcomes was seen as a key bottleneck in the performance management process. MHEP team members described confirmation delays from Local Commissioners, which in turn postponed release of outcome payments from LCF. Generally, providers described a feeling of reassurance from MHEP's support during the validation stage and in rechecking figures.

BOX 4: FIDELITY FOR PERFORMANCE MANAGEMENT

The IPS Fidelity Scale is a prominent part of implementing IPS services. The fidelity scale is a translation of the 8 IPS principles into 25 items that can be scored. The IPS fidelity scale is sometimes used in performance management, especially amongst service providers. Formal fidelity reviews are not mandated as part of the MHEP contract but some fidelity elements are included in the monthly reviews.

However, there was some changes to how IPS fidelity was perceived by providers. According to the interviewees, there is acknowledgement that:

- IPS fidelity adherence is not a guarantee of achieving employment outcomes,
- IPS fidelity should not be the only focus for providers to ensure quality performance, and
- IPS fidelity assessment, which typically takes a process-only-approach, could be blended with a more outcome-oriented assessment of implementation success.

It is also necessary to note that the provider of the learning disabilities cohort in Tower Hamlets did not consider themselves to be delivering IPS, but rather a supported employment service in line with the British Association of Supported Employment.

- **Is fidelity at odds with the MHEP outcome contracts?**

Interviewees acknowledged that there are points of tension between the specification of outcome contracts in MHEP projects and IPS fidelity principles. One of the IPS principles is unlimited support but in the SIB contracts, providers are only paid for 1 job start per person. This was a particular problem in the COVID-19 pandemic. When clients were furloughed from

their initial job, their employment specialist continued to support them but were frustrated they felt at odds with the contract.

In one site, stakeholders highlighted that emphasis on first jobs within MHEP felt different to their preferred approach of supporting clients through subsequent jobs. Support for multiple job starts is not at odds with IPS fidelity.

Providers could not agree if fidelity was at odds with MHEP. Some said that "I don't think they're at odds in any way", while others remarked that "there is a bit of difference between fidelity and MHEP". MHEP was described as focusing on performance and payment by results in terms of job outcomes while fidelity focuses on the 'quality of the processes'.

- **Is traditional fidelity adherence changing?**

According to providers, there is a close association between fidelity and outcomes, that is, if a service achieves fidelity the outcomes will follow. Some providers felt that purely focusing on outcomes was not what they are trained to do when delivering IPS. However, providers did begin to question whether achieving fidelity would automatically equate to outcomes. Interviewees pointed to services with good fidelity but low job outcomes:

"Historically that there's been places which would follow the process, got a good fidelity, but haven't got many people into jobs. I think they are aiming at different things."-Local commissioner

Interviewees noted that the definition of fidelity is being revised to accommodate a greater focus on outcomes. Interviewees commended the introduction of outcomes achievement levels alongside other fidelity dimensions: *"one of the things now is you need to have moved 30% of people engaged as a minimum into work or you can't be classed as an IPS service"*.

"I mean it makes sense really, I mean because otherwise you have a fidelity process which is all about processes and not better outcomes and you think, well, what's the point? The point of this is to get people jobs."-Provider

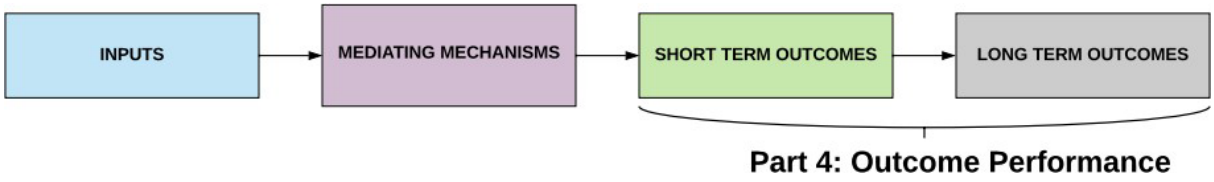
"It seems absolutely crazy that you set up a system to test out how good a service is when you're not looking at outcomes as integral to that [and rather focusing on the processes], so it's great that this is changing and hopefully the two will come together a bit more."-Provider

- **Does fidelity retain relevance as a structure or foundation for performance management?**

Providers and commissioners revealed that fidelity provided structure that they were always conscious of, which helped benchmarking. There was concern to avoid 'pseudo IPS' and 'fidelity drift'. Fidelity assessments were seen as particularly valuable in supporting employment specialists and keeping teams 'regularly on track':

"If we look historically, fidelity itself provides the kind of overarching framework and a structure for everything we do. All of our forms, the way we recruit, the way we induct, and training and performance manage everything."- Service Provider

PART 4: OUTCOME PERFORMANCE



This section presents quantitative analysis on the achievement of outcomes in the MHEP SIB projects. Across the MHEP SIB projects, performance is measured against four outcomes, which are:

- referral
- engagement
- job start
- job sustainment

Except for referrals, the other three outcomes are linked to outcome payment. Job start is considered the primary outcome, sustainment is a secondary outcome, and engagement is considered an intermediary outcome.

The outcomes analysis is structured across four sections, as follows:

1) An overview of the results of our analysis,
2) Success Rate Against Targets;
3) Outcome Conversion Rates; and
4) Outcome prices and efficiency

An overview of performance analysis

Table 8 provides a summary of MHEP SIBs' performance for the SMI cohort. The table includes aggregate project-level performance over the period of this study from the second quarter of 2019 until end of 2021 (note that project start dates vary). Project level performance is expressed as a percentage and the table also enables cross-project comparisons by using MHEP SMI averages as a base.

Table 8: Performance comparison of SMI SIBs with respect to job start

	Success rate %	Difference with MHEP SMI average	Conver-sion rate %	Difference with MHEP SMI average	Real price (£)	Difference with MHEP SMI average
Haringey and Barnet	52%	-2%	30%	1%	4,876	- £748
Tower Hamlets (SMI)	54%	0%	29%	0%	5,248	- £376
Enfield	49%	-5%	36%	7%	6,081	£457
Shropshire	68%	14%	27%	-2%	8,272	£2,648

Note: success rate is the actual performance against initial targets; conversion rate is the rate that one type of outcome converts into another that follows it successively in a causal chain, e.g. engagement to job start or job start to sustainment, real price is the sum of outcome payments that lead up to a job start.

Success Rate against targets

In this section, we compare the outcomes achieved in practice against the initial target levels posed. Table 9 presents the aggregate ('actual') achievement for each outcome measure from project launch up to the end of 2021. We compare these values to the pre-defined high-scenario 'targets' across the same time period.

Overall, the analysis of success rates against targets indicates that:

- quarterly performance appears to be below expectations, often at around 50% of anticipated high-scenario targets;
- the success rates in meeting job start targets has generally remained at a similar level over time, although Shropshire and Enfield both show signs of closing the gap between actual and intended job outcomes; and
- performance against targets is likely to have been affected by COVID disruptions.
- With respect to outcomes composition, more than 65% of all achievements for the SMI cohort to date have been on engagements.

Table 9: Performance summary of cumulative outcomes against targets

	Haringey and Barnet			Tower Hamlets (SMI)			Enfield		
	Actual	Target	Success Rate	Actual	Target	Success Rate	Actual	Target	Success Rate
Referrals	672	840	80%	830	1589	52%	184	311	59%
Engagement	496	650	76%	508	798	64%	99	230	43%
Job Start	147	284	52%	145	268	54%	36	73	49%
Job Sustainment	69	159	43%	78	181	43%	17	36	47%
Outcome Payment[1]	£1,081,038	£2,687,813	40%	£955,306	£1,220,928	78%	£294,319	£352,799	83%
	Shropshire			MHEP (SMI total)			Tower Hamlets (LD) - post-SIB		
	Actual	Target	Success Rate	Actual	Target	Success Rate	Actual[2]	Target	Success Rate
Referrals	298	270	110%	1984	3010	66%	36	199	18%
Engagement	204	176	116%	1307	1854	70%	15	184	8%
Job Start	56	82	68%	384	707	54%	8	88	9%
Job Sustainment	23	48	48%	187	424	44%	5	20	25%
Outcome Payment	£560,946	£491,652	114%	£2,891,609	£4,753,192	61%	£606,759	£1,001,797	61%

* Targets and achievements are summed up to the end of 2021.

** colour codes: green, yellow, and red indicate over 100% (over-achievement), over 50%, and below 50% respectively.

[1] Total outcome payment for 'target' ignores any changes to pricing and payment which happened as a result of COVID and follows the pre-defined targets and prices as set under Tier 1 arrangement (see Table a in Appendix IX for detailed description of the original Tier 1 payment arrangements).

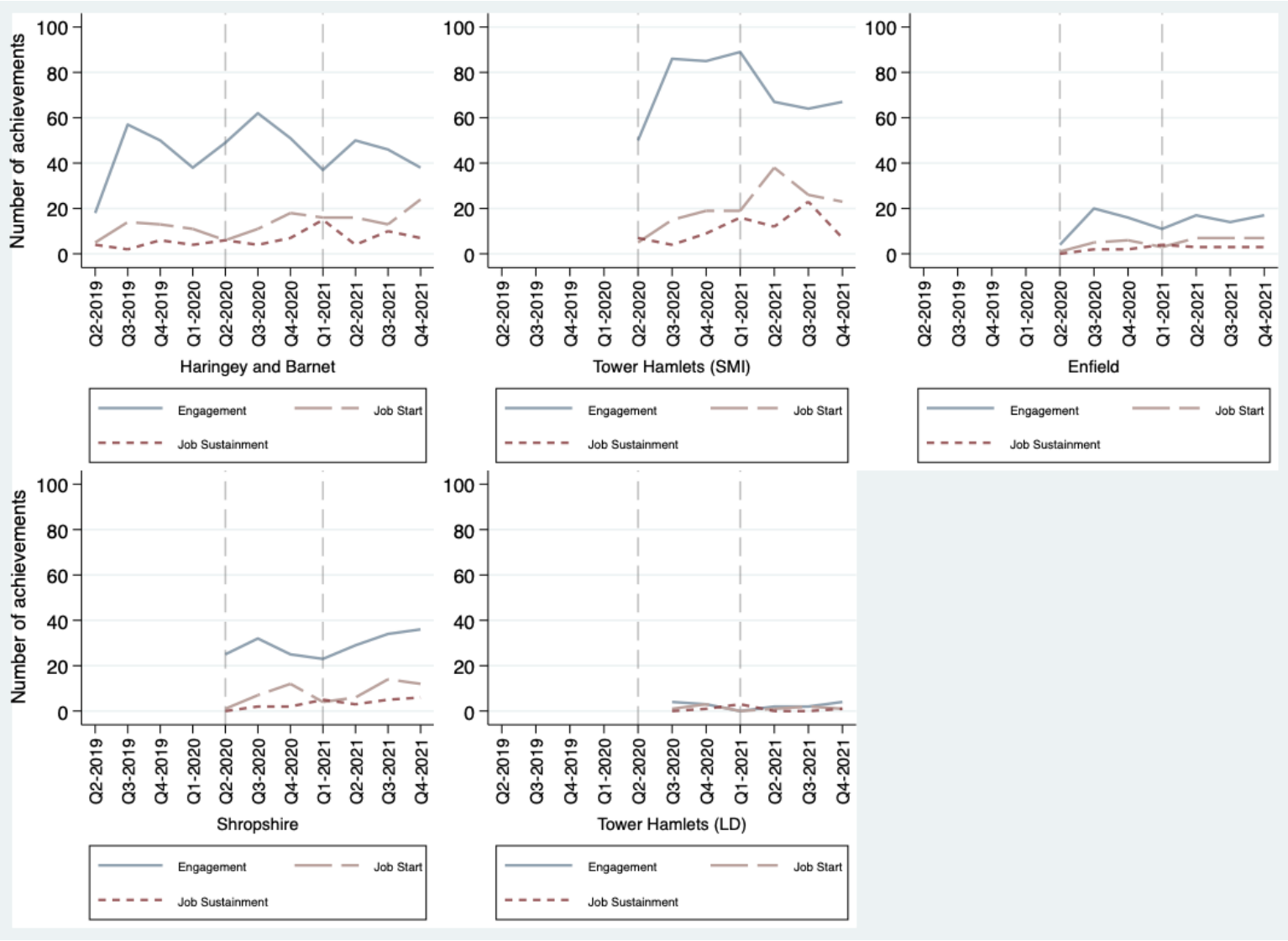
[2] For the LD cohort, only outcomes achieved as a result of post-SIB referral and engagement activities are included. This is to maintain consistency across projects, since SMI outcomes only correspond to post-SIB referral and engagement activities. But cost estimates for the LD project are according to commissioners' payment, which includes some of the achievements that trace back to pre-SIB referrals. In fact, most of the payments on job start and sustainment for this SIB trace back to pre-SIB referrals (only 18% of outcomes are due to post-SIB referrals).

Table 10: Average per quarter caseload of IPS employment specialists (IPS ES)

	Haringey and Barnet	Shropshire	Enfield	Tower Hamlets (SMI)	MHEP (SMI total)[1]	Tower Hamlets (LD) – post-SIB
Referral	11.3	8.3	11	16.4	11.7	1.4
Engagement	8	5.6	6	10	7.5	0.5
Job start	2.4	1.6	2.2	2.9	2.3	0.3
Sustainment	1.1	0.7	1	1.6	1.1	0.2
Average quarterly caseload	*22.8*	*16.2*	*20.2*	*30.9*	*22.6*	*2.4*

1 This is estimated by summing achievements across the SMI cohort each quarter, and then dividing this by the number of quarterly employment specialists.
*According to NHS (2022), the employment specialist normally have a caseload of 20 to 25 service users at any given time.
** The LD data corresponds to post-SIB referrals only.

Figure 8: Outcome achievements over time



While all SIBs are performing below original target levels (high-case scenario), we further explain each project below.

Enfield and Tower Hamlets (SMI)'s performance against expectations of primary outcomes was particularly low. However, given staffing details in Table 10, it also appears that Tower Hamlets (SMI) has the busiest employment specialist caseload allocation, similarly to Enfield. With respect to outcomes composition, Tower Hamlets (SMI) payments have been mainly (55%) linked with engagement, while Enfield shows a more balanced outcomes composition with respect to payments. Enfield appears to be gradually improving its job start outcomes since Q1-2021, when some of the COVID restrictions were lifted.

Shropshire appears to perform well in taking referrals and engaging with users, above expected targets, but less so in achieving primary outcomes. More than 50% of payment and 70% of outcomes for Shropshire are for engagement activities so far (see Figures e-f in Appendix). While this might be a point of concern, there is a bounce-back in engagements numbers for this SIB and an improving success rate for job starts can be spotted. However, spending on outcome payments has already surpassed the allocated budget, something likely related to over-performance (and hence payment) on engagements.

Haringey and Barnet launched pre-COVID and is the longest running of all LCF MHEP projects. Under-performance with respect to targets is also apparent for this SIB. Looking at time-trends, it appears the decline in meeting target levels for job starts happened prior to COVID. But our interviews indicate that COVID has likely made a recovery in performance more difficult. While most of the achievements correspond to engagement activities, 80% of payments have been for primary outcomes.

Tower Hamlets (LD) indicates the lowest performance relative to pre-defined targets, when compared to the SMI cohort. The performance data corroborates interview insights that specific delivery considerations for this project were not fully understood by MHEP before the initial targets were set. For example, employment specialists' caseloads are much smaller than any other MHEP project, an indication of the need for more dedicated time with each client. It could also indicate a smaller pool of eligible users for the service. In estimating caseloads for specialists, we have excluded pre-SIB referrals, so the actual caseload for the LD SIB is likely higher since employment specialists will also be supporting people who engaged with the programme pre-SIB launch. COVID was reported to have had specific implications for the LD project. A local commissioner explained: *"[COVID] has had an impact on of course the jobs available. And the main sectors that our [LD] employment contract relies on is the hospitality sector that completely shut down."* Moreover, *"…These are not just people with learning disabilities and autism. Many of them have underlying serious health conditions and that also impedes their ability to just be out during this virus."* While the higher outcome prices (see Table 12) for this SIB are intended to reflect some of the additional support requirements, the payment mechanism and target setting for this cohort may require further attention.

Outcome Conversion Rates

In this section, we present a second measure of MHEP project performance – the outcome conversion rate. The outcome conversion rate is calculated as the rate that one outcome converts into a subsequent outcome, e.g. engagement into job start or job entry into sustainment. Therefore, no rate can be estimated for referral. The sequence of these metrics in the causal chain is illustrated earlier in Figure 4 (Section 3).

We first assess the overall performance of MHEP projects to date as conversion rates (shown in Table 11).

Given that the primary objective of MHEP is to deliver job outcomes, the 'actual' rate at which engagements convert to job starts (highlighted in blue) is of key interest. This measure – the job outcome rate – is widely used in the employment support literature and therefore facilitates comparison between MHEP projects and existing evidence on IPS effectiveness. We also explore the conversion rates for sustainment, which we call 'job sustainment rate', as another key outcome for success.

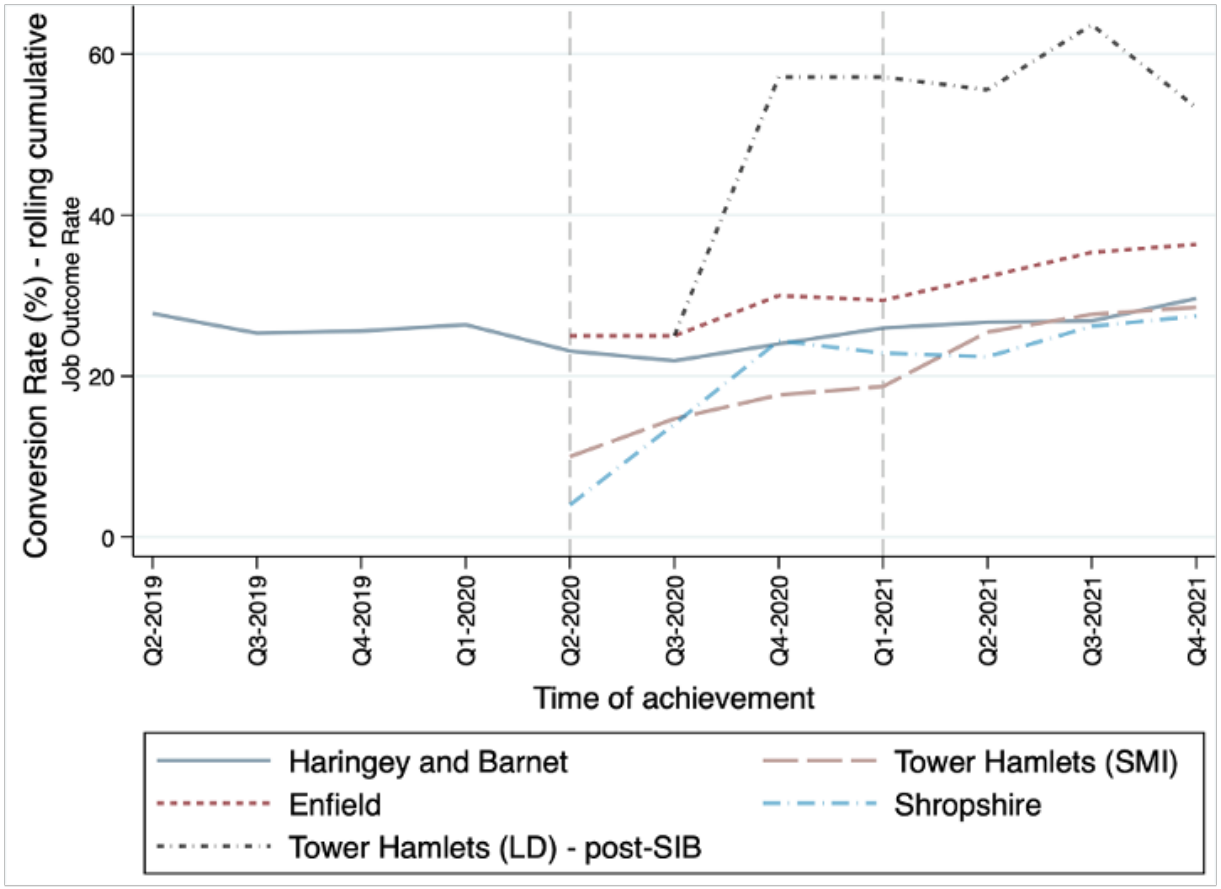
Table 11: Performance summary of cumulative conversion rates

	Haringey and Barnet			Tower Hamlets (SMI)			Enfield		
	Actual	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*
Referrals	672	840	80%	830	1589	52%	184	311	59%
Referrals to Engagement	74%	77%	95%	61%	50%	122%	54%	74%	73%
Engagement to Job Start	***30%***	44%	68%	***29%***	34%	85%	***36%***	32%	115%
Job Start to Job Sustainment	47%	56%	84%	54%	68%	80%	47%	49%	96%
	Shropshire			**MHEP (SMI total)**			**Tower Hamlets (LD) - post-SIB**		
	Actual	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*
Referrals	298	270	110%	1984	3010	66%	36	199	18%
Referrals to Engagement	68%	65%	105%	66%	62%	106%	42%	92%	45%
Engagement to Job Start	***27%***	47%	59%	***29%***	38%	77%	***53%***	48%	112%
Job Start to Job Sustainment	41%	59%	70%	49%	60%	81%	63%	23%	275%

* Targets are summed up to the end of 2021

** colour codes: green, yellow, and red indicate over 100% (over-achievement), over 50%, and below 50% respectively. Blue identifies actual job outcome rates (i.e. engagement to job start rates) which allows comparison with other non-MHEP IPS programmes.

Figure 9: Cumulative conversion rates for job starts



Note: this measure is estimated by summing job starts for each project up to indicate points in time (on quarterly basis), then divided by engagement achievements for the same period, and lastly multiplied by 100 to derive the rate. The two vertical lines correspond to the strictest COVID containment measures (according to the SI index). Trend-lines up until Q2-2020 only represent Haringey and Barnet. Tower Hamlets (SMI), Enfield, and Shropshire start on Q2-2020. Tower Hamlets (LD) started delivering services in Q3-2020. The LD data corresponds to post-SIB referrals. This figure is focused on job starts. The area inside the vertical lines indicates the period with strictest COVID containment measures (according to the SI index). This area covers all three rounds of national lockdown across the country, with the first lockdown initiated on 22nd March 2020 and the last stage ending on 29th March 2021.

Overall, the analysis of conversion rates targets indicates that:

- The average rate of job outcome rates for the SMI cohort is 29% up until the end of 2021. The 29% rate means that, on average, one new job start is generated for every 3 – 4 people who engage with the programme. The expected job outcome rate was 38% for the SMI cohort of MHEP.
- Across the SMI projects, the job outcome rate varies between 27-36%.
- Enfield holds the highest job outcome rate for the SMI cohort with 36%.
- Haringey and Barnet and Tower Hamlets (SMI), the two largest MHEP SIBs, both have similar job outcome rates (30% and 29% respectively)
- Shropshire has a job outcome rate at 27%.
- Tower Hamlets (LD) has a high job outcome rate at 53%. The conversion of referrals to engagements is lower for the Tower Hamlets (LD) project.

Comparing this with available evidence on IPS effectiveness, the actual job outcome rate for MHEP LCF projects lies around the lower bound (see Appendix VIII). Two systematic reviews find employment rates above 40% for IPS programmes targeting SMI (Richter and Hoffmann, 2019; Bond et al., 2012), but some other studies (which are more recent) find lower job outcome rates around 30-40% after 18-24 months follow up. Given the COVID restrictions and substantial disruptions to the job market, it is not possible to make direct comparison to trial IPS interventions which did not operate under such restrictions. A local commissioner said *"[COVID] has had a huge impact on getting job starts. It's had a huge impact on being able to show people that they're safe to be able to go to work. This is a very vulnerable client group and COVID did pose its challenges and it continues to do so."*

A positive outlook for post-COVID recovery was recognised during the interviews, for instance a service provider said: *"we're still quite early in the game, because COVID stopped quite a lot of things from happening."* Looking at time-trends in Figure 8, it appears job outcome rates are improving for all projects across time.

With respect to individual projects, Enfield holds the highest job outcome rate for the SMI cohort with 36%. The job outcome rate has been is steadily increasing since Q1-2021.

Haringey and Barnet and Tower Hamlets (SMI), the two largest MHEP SIBs, both have similar job outcome rates to MHEP average. While Haringey and Barnet performs more strongly in converting referrals to engagements, Tower Hamlets (SMI) achieves sustained job outcomes at a higher level than any other MHEP SIB. Tower Hamlets (SMI) also had the strongest rebound when most strict COVID restrictions were lifted, with 2.7 percentage point increase on average in quarterly job outcome rates since the start of 2021.

Shropshire's performance looks weaker when looking at conversion rates compared to success rates against targets. Even with over-performance on referral and engagements rates compared to targets (Table 9), and an improving trend for job starts (Figure 9), job outcome and sustainment rates are lower than other MHEP projects.

The support and attention given to the LD cohort is associated with high job outcome rates and job sustainment rates. Although Tower Hamlets (LD) performs below pre-defined targets, the limited number of people engaged on the project appear to have a high likelihood of success in landing a job. However, this process takes more time and resources when compared to SMI cohorts.

Outcome prices and efficiency

While it is expected that the prices and payment arrangements stay the same across the full delivery period of the projects, the MHEP projects have undergone changes mainly due to COVID-19. The first major change was the period of high COVID related restrictions and uncertainty, where an activity payment was introduced. This arrangement detached payment from outcomes to lessen the stress on providers pursuing outcomes under lockdown. Subsequently, a 'Tier 2' pricing arrangement was introduced for the following 2-3 quarters which reconnected payment to outcomes but put a higher weight on engagement 'outcomes' rather than job outcomes. All projects rolled back to Tier 1 from 2021 (Enfield from 2022).

In Table 12, we estimate 'real outcome payments' for job start and job sustainment. As opposed to price tariffs (i.e. Tier 1 prices as described in Appendix IX) which only indicate unit payment for specific achievements, the 'real outcome payment' measures total payments that led up to the job start (i.e., a job start will also include the cost of an 'engagement'). Our analysis excludes fixed costs borne by the commissioners to set up the SIB contract (e.g. transaction costs). With the same logic, the real price of job sustainment is the sum of all outcome payments (given that job sustainment is the last outcome on the causal chain) divided by the number of sustained jobs.

The 'real outcome payment' measure provides a more dynamic picture than static price tariffs, as it is dependent on both conversion rates and price tariffs. All things being equal, the real outcome price for jobs then has a negative relationship with conversion rates. That is, if the job outcome rate increases, then the 'real outcome payment' will go down, as there will be fewer unsuccessful engagement outcomes for each job outcome payment. We have also estimated 'expected' real prices using target outcomes and price tariffs. This is presented under the 'target' column. The ratio of 'actual' to 'target' then informs how current real prices compare to expectations. Rates above 100% mean higher prices than the original arrangement.

Overall, the analysis of outcome prices indicates that:

- With respect to real job outcome payment, each job start within MHEP has cost on average 36% more than expected.
- Over-priced outcomes affect efficiency negatively, but real outcome prices could go down if unit prices remain constant and conversion rates continue to rise (see Appendix for real price time-trends).

With respect to individual projects:

- Haringey and Barnet is the most efficient in delivering job starts. Its payment for each job outcome is lower than the expected price and MHEP average by 12% and 13% respectively.
- Tower Hamlet (SMI) is can be considered one of the most efficient projects in delivering both job outcomes (start and sustainment) when compared to MHEP average. However, even Tower Hamlets (SMI) prices are much higher than anticipated.
- Shropshire may be considered the least efficient project in delivering job outcomes, followed by Enfield, despite having relatively low-rate card prices.

Part of the high prices we observe are associated with the period of 'activity payment' during COVID, which has raised unit prices substantially by paying for activity when relatively few job outcomes were being achieved - for example, Shropshire has received £55,000 for the one job entry achieved in Q2-2020. This is especially apparent for the projects which started in 2020 and which were only at very early implementation when the activity-based payment was triggered. This was less felt acutely by Haringey and Barnet given the higher levels of job outcomes. Moreover, the switch from activity-based payments to Tariff 2 prices, as part of the transitory period before rolling back to original tariffs, has also played a role in inflated prices.

Table 12. Real outcome payment for key outcomes

	Haringey and Barnet			Tower Hamlets (SMI)			Enfield		
	Actual	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*
Real Outcome Payment: Job start	£4,876	£5,526	88%	£5,248	£3,065	171%	£6,081	£3,063	198%
Real Outcome Payment: Job sustainment	£15,667	£16,904	93%	£12,247	£6,745	182%	£17,312	£9,799	177%
	Shropshire			**MHEP (SMI total)**			**Tower Hamlets (LD) – post-SIB**		
	Actual	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*	*Actual*	*Target*	*Actual relative to Target*
Real Outcome Payment: Job start	£8,272	£3,662	225%	£5,624	£4,123	136%	-	-	-
Real Outcome Payment: Job sustainment	£24,388	£10,242	238%	£15,463	£11,210	138%	-	-	-

* colour codes: green, yellow, and red indicate cheaper than expected (under 100%), less than 50% over-priced (between 100% and 150%), and more than 50% over-priced (over 150%) respectively.

6: CONCLUSION

The MHEP SIB projects are delivering evidence-based IPS services to support people with severe mental health issues and learning disabilities to enter work. Stakeholder interviews indicate that the MHEP team provides a range of support to locally commissioned SIB projects including the development of shared incentives, data intelligence and close performance management.

There were three main mechanisms agreed by all interviewees which may explain how the MHEP projects turn inputs into employment outcomes: additional financial and human resources; additional performance management function; and collaborative working. The dedicated performance management from the MHEP team was seen to drive additional focus on achieving outcomes. The working culture within each local partnership was perceived as distinctive compared to traditional commissioning. Finally, additional financial resources to projects were seen as advantageous since it was difficult to unlock prior to MHEP's involvement.

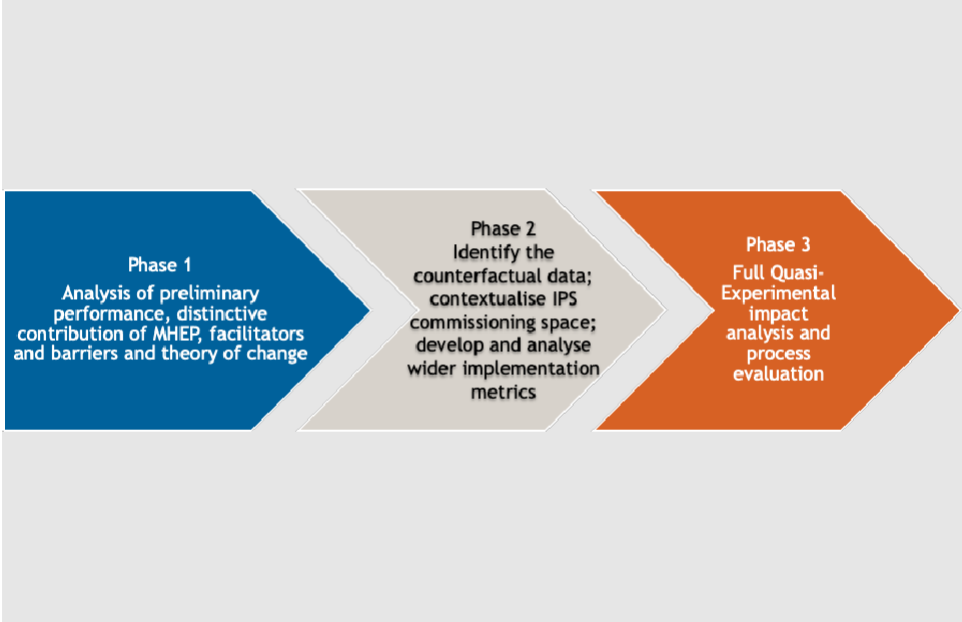
However, performance compared to targets indicates that most projects are not meeting high-scenario performance expectations. At the end of 2021, the mean job outcome rate for SMI MHEP projects was 29% and this job outcome rate is broadly in line with the low-end of job outcome achievement rates seen in the IPS implementation literature. Interviewees all agreed that there had been a disruptive effect from COVID-19. For the projects' launch, which was during the pandemic (except for Haringey and Barnet), stakeholders were initially puzzled by complicated payment arrangements. Therefore, it is worth noting that this level of job outcomes has been achieved in a time of severe labour market disruption and remote working.

During COVID-19, changes were made to the payment arrangements for projects and for a time, decoupled payment levels from outcome achievement. These adjustments, which include activity payments and elevated post-lockdown tariffs, have incurred inflated expenses and therefore raised unit payment for primary outcomes. Commissioners may need to closely monitor outcome conversion rates to assure improved primary outcome generation post-lockdown. This will eventually lower unit job outcome prices and therefore improve value for money.

With the labour market rebounding post-lockdowns, further analysis of outcomes will provide more insight into whether the additional inputs of MHEP can indeed help to maximise outputs in the long-term.

7. FUTURE RESEARCH

The current report offers a preliminary analysis of performance data and describes potential mechanisms through which MHEP influences the achievement of employment outcomes (this equates to Figure 6 in Part 1 of the Findings). Future research will build on the analysis offered in this report. To investigate whether the MHEP SIB projects are associated with different levels of outcomes achievement compared to more conventionally funded services future analysis will need to identify 'non-SIB' IPS delivery to serve as a counterfactual. The research team is currently working to map and contextualise the IPS commissioning landscape. Researchers are also co-designing wider implementation metrics of the SIB mechanism within MHEP.



Additionally, to get a better estimate of the performance of MHEP SIBs, we aim to run 'cohort analysis' using individual-level data in our next report (phase 2). This will allow us to track outcomes across time – and attribute them to engagement activities – for more accurate performance measurement. This will also allow cohort comparisons to provide insight on possible predictors of success.

With a focus on implementation metrics, we will extend our process evaluation to answer the questions: *Through what mechanisms do SIBs operate? How did the structure of the SIB affect service delivery? What challenges do commissioners face when implementing a SIB and how does this compare with other non-SIB structures? Do commissioners experience wider benefits compared to non-SIB approaches?*

This will allow us to understand the implementation experience, to develop an understanding of the processes by which each SIB project has been implemented and delivered, and to identify factors that have helped or hindered its effectiveness. A

deeper evaluation of implementation metrics will help generate a detailed description of the interaction of the SIB with front-line service delivery to understand which 'functions' are performed by each stakeholder within the SIB structure (e.g. performance management, reporting, auditing). This will involve more qualitative methodologies assessing 'helping factors' such as stakeholder behaviour, related programmes and policies, institutional capacities, cultural factors or socio-economic trends.

In the final planned phase of research (phase 3), we will deliver a quantitative impact evaluation. We propose to use a quasi-experimental methodology to assess the magnitude of effects associated with the SIB model. This will include an appropriate SIB counterfactual (IPS without SIB). This quantitative estimate of SIB benefits from this evaluation stage could provide a foundation for the economic analysis.

The economic analysis will focus on the research question of '*do the benefits of SIB approach outweigh the costs?*'. It will measure inputs (costs from evaluation sites) and outcomes (benefits derived from impact evaluation) using a public sector and/or societal perspective. We will compare with a non-SIB comparator (the 'counterfactual'), funded via traditional commissioning and contracting. Traditional commissioning forms include in-house public sector provision, grant funding and fee-for-service contracts (where independent delivery organisations are paid on the basis of providing a specified service or intervention). Cost-benefit analysis might be replaced with cost-effectiveness analysis if found more appropriate. This will enable an assessment of the 'value for money' of the SIB mechanism.

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8. APPENDIX

Appendix I

Narrative description of each SIB project

While all five SIB projects are supported by MHEP and under the management of Social Finance UK, they have unique components to their SIB contracts. Haringey and Barnet was launched in May 2019, the only service to launch before the pandemic. It involves Twining Enterprise (with 6 employment specialists) and London Borough of Haringey & Barnet (combined with North Central London CCG). Twining Enterprise is seen as a high performing service provider with experience of working on a previous contract with MHEP.

In Shropshire the IPS service is delivered by Enable, using 4 employment specialists. Shropshire has an a-typical SIB model since there is no payment flow to the provider from the local authority since the provider is an in-house public sector team. Additionally, the local mental health service has moved from a hub and spoke model towards a more integrated service, in order to comply with wider service reforms in the county. Previously, this was divided into two hubs- one in Telford and one in Shrewsbury- which suffered from fragmentation and lack of communication.

There are two distinct projects in Tower Hamlets – one focused on supporting people who experience severe mental illness (SMI) and the other which supports people with learning disabilities (LD). Tower Hamlets (SMI) involves Working Well Trust (6 employment specialists) and Tower Hamlets Clinical Commissioning Group/Council. It is the only SIB which has different tariffs for every year of its contract. In contrast, Tower Hamlets (LD) site works with Tower Project: Job Enterprise and Training Services (JET) and Tower Hamlets Council, using 5 employment specialists covering referrals from the Tower Hamlets Community Learnings Disability Service. Tower Hamlets (LD) was the last site included in this evaluation to launch (in July 2020).

Enfield involves Working Well Trust (with 2 employment specialists) and Enfield Council. It was launched at the same time as three other sites, and has been the last site to switch back from Type 2 Tariffs as part of MHEP's COVID-19 Adaptations as outlined in Section 6.5.

Appendix II

Additional Detail on Qualitative Methods

Given the semi-structured nature, interviews followed 7 key categories of discussion: Professional background, Project history and development, Distinctive contribution of MHEP, Performance management, Service delivery and coordination, COVID-19 adaptations, and Future expectations for MHEP.

Interviews took place virtually through MS Teams software with the inbuilt transcription function, which were rechecked for accuracy. The transcripts were then anonymised and exported to NVIVO software for thematic analysis. Thematic analysis occurred in three key steps: a) data familiarisation, b) coding, and searching, c) reviewing and defining themes.

Prior to participation, research participants received an information sheet, outlining the study's purpose and conditions for participation and consent was sought and provided for every interview. Ethics were approved via Blavatnik School of Government Research Ethics Committee (DREC). In advance of interviews, all stakeholders provided their written consent, which was confirmed at the start of each interview. All quotes are anonymised and identifying information is redacted.

Additional Detail on Quantitative Datasets

The datasets we use for quantitative performance analyses are briefly described in the below:

(a) Performance data were supplied by Social Finance (SF). This dataset presents aggregate level performance data across time (quarterly) on all metrics, including referrals, engagement, job start, and job sustainment. Number of employment specialists (ES) involved with services is also collected and reported in this dataset.

(b) Performance data is also collected from the Department for Digital, Culture, Media and Sport (DCMS) data portal. DCMS data portal reports detailed data on performance on all Life Chances Fund (LCF) SIBs including MHEP. The data from SF are slightly different to those held by DCMS since SF records 'actual outcomes that were achieved', where DCMS records 'actual outcomes that were paid for'. Normally these two figures should be the same, but there are some differences at times due to the existence of 'payment caps'. Payment caps control total and annual outcome payments so planned budgets won't be stretched beyond high-case expectations. There are also instances where payments were detached from outcomes to lower stress on service delivery during COVID crisis. This dataset additionally reports on 'target outcomes' which we used as an addition to SF data to measure one of the performance measures. Cost, outcome payment, and price data were also collected from this source.

We have additionally collected and analysed national level data on containment measures in response to COVID. This is retrieved from:

(c) COVID data from the Oxford COVID-19 Government Response Tracker (OXCGRT): This is a panel dataset which records – starting on 1 January 2020, for 169 countries and on a daily basis – information on a range of government responses to the crisis, including: closures of education establishments (all primary and secondary schools and colleges and universities); closures of nonessential workplaces; cancellations of public events; restrictions on gatherings; closures of public transports; campaigns for informing the public; staying at home restrictions; and domestic and international travel restrictions. Hale et al. (2020) have used these nine indicators to construct a stringency index which varies between 0 and 100 and reflects the strictness of government policies implemented to reduce the chance of being exposed to the virus and hence to reduce the number of infected individuals and subsequent fatalities. This dataset also records daily infection and mortality statistics.

Appendix III

Common Perceived Barriers and Facilitators

Table a: Common Perceived Barriers and Facilitators identified by stakeholder group: MHEP, local commissioners, service providers

	MHEP	Local Commissioners	Service Providers
Barriers			
COVID-19 has affected project's performance and outcomes	X	X	X
Clients with learning disabilities often require more intensive support than those with severe mental illness		X	X
LCF application process, funding structure, payment caps, financial modelling and payment flow requirements were perceived as tricky, unusual and complex to understand	X		X
Payment structures having to be adapted to local authority preferences and budget arrangements.	X		
Difficult to add value on top of IPS Grow.	X		
Good implementation of IPS is challenging, and ultimately depends on service providers	X		
Subsequent job starts for clients could not be claimed as outcomes by providers, however most providers continue to provide assistance for subsequent jobs which is resource intensive)			X
MHEP lack of direct experience of delivering IPS and local knowledge of client groups, sometimes leading to a more theoretical approach than providers would prefer.			X
Contract renewals are complicated and time-consuming, and is tied to local authority preferences and timelines (outside of providers' direct control)			X

Ways of working, organisational mindsets, and language within the SIB were quite different to commissioning experience on other contracts, leading to hesitation and resistance.		X	
Facilitators			
SIBs aligned with national level support and roll-out for IPS. SIB aligned with the objectives and priorities of local commissioners, which helped build buy-in. Most employment contracts are inclined towards a performance focus already and use similar KPIs which align well with MHEP SIB contracts' outcomes design.	X	X	X
Strong expertise and understanding of SIBs, outcomes-based payment structures, outcomes funds. IPS and design specifics through IPS Grow SIBs.	X		
Projects could build on existing community of practice and evidence, for instance, with existing relationships with local commissioners and experience of co-commissioning IPS services	X		
Flexibility within MHEP has allowed it to cater to changing needs of different stakeholder groups.	X		
Despite personnel turnover, clear focus on outcomes and understanding of performance parameters has helped retain consistency and stability within partnership.		X	
MHEP assisted commissioners through the LCF application, legal, procurement, and contracting aspects. Given limited capacity in commissioning units, providers are able to access more support than they would without MHEP involvement.		X	
Despite personnel turnover, clear focus on outcomes and understanding of performance parameters has helped retain consistency and stability within partnership		X	
Local commissioners could see the long-term benefits of preventative work and were willing to support these projects.			X

Theory of Change:

Table b: Theory of Change elements Identified by Stakeholders

Inputs	MHEP	Local Commissioners	Service Providers
Additional analytical input around contract design, contract monitoring, data analysis, and performance management	X	X	X
Additional input by MHEP which helped commissioners & providers apply for the LCF and gain funding	X	X	X
Strong coordination and convening by MHEP which connects project stakeholders to each other, as well as to new stakeholders and organisations.	X	X	X
Contracting arrangements bring additional outcomes focus to partnership across stakeholders	X	X	
Ability to hire additional staff (employment specialists and advisors).		X	X
Strategic overview & understanding of IPS funding landscape, including pooled finance arrangements/ Prior knowledge and experience of working with MHEP SIBs and/or IPS Grow	X		X

Additional Operational input on implementing high quality IPS services systems, leadership, processes/ Prior knowledge and experience of delivering IPS	X		X
Contractual changes to balance payment by results elements with fixed/fee/block contracts, and to tweak weighing of tariffs for outcome metrics			X
Understanding of the local area, held by the provider and local staff who reflect the local community/demographics			X
Intermediary outcomes	**MHEP**	**Local Commissioners**	**Service Providers**
Additional financial and human resources boosts local capacity to deliver and expand high quality IPS services	X	X	X
Additional contract monitoring, scrutiny, and performance management from MHEP boosts analytical capacity for providers and commissioners and benchmarking.	X	X	X
Collaborative working with providers, commissioners & MHEP based on strong and professional relationships and regular communication/meetings	X	X	X
Additional data analysis and specialist input from MHEP help identify problems early.	X	X	X
Additional staff allows providers to embed in more teams, serve more clients, and expand services.		X	X
Joint procurement of providers alongside local commissioners	X	X	
Regular performance review meetings and communications with providers & commissioners	X		
Operational assistance for providers on reviewing fidelity, caseloads management, managing staff members	X		X
Continuity and stability around existing services featuring MHEP SIB models			X
Additional support and advice from MHEP when problems occur (eg. Low referrals).			X
Short-term outcomes	**MHEP**	**Local Commissioners**	**Service Providers**
Project/clients benefit the local population by supporting individuals into appropriate employment.	X	X	X
Greater proportion of local population can be supported into employment than before.	X	X	X
Clients benefit from a high quality service which addresses their needs and preferences adequately	X	X	X
Capacity building: Enhanced capabilities around data analysis, problem identification, and problem-solving as well as IPS, leading to understanding the commissioning landscape.		X	X
Less risk for providers through SIB model than in previous services, which can encourage more providers to apply during procurement.		X	X
Enables local authorities to resource more preventative work and generate local benefits, which aligns with other stakeholders e.g. Councils, CCGs, NHS, DWP, and Ministry of Justice		X	X
Contract combines 'top up' outcomes funding with local funding to effectively support IPS services and reduce fragmentation	X		
Pilot innovative new IPS models to extend employment support services to additional client groups e.g. individuals with drugs and alcohol addictions, learning disabilities.	X		
Increased accountability and transparency around success factors within IPS implementation	X		
Additional resources and operational support facilitate the delivery of high quality and consistent IPS services	X		

Local authorities can demonstrate the impact achieved and evidence it in more robust ways		X	
Increased adaptiveness due to strong working relationships with MHEP and commissioners, and solution-orientated approaches			X
Intensive contract management and performance measurement drives focus on achieving outcomes			X
Providers are able to engage actively with clients			X
Long-term outcomes	**MHEP**	**Local Commissioners**	**Service Providers**
Clients are supported into sustainable employment and able to build careers	X	X	X
Clients improve self-reliance, and experience positive changes to their lives and wellbeing.	X	X	X
Help improve data systems and analytical abilities leading to better understanding of commissioning landscape and easier decision making		X	X
Help improve problem identifications and adaptiveness within provider organisations			X
Pooled finance arrangements harmonise local and national funding to grow IPS in England.	X		
Implementation of IPS is supported by social investment, outcomes focus, and learning from best practices.	X		
IPS is further scaled up to support employment for a diverse group of disadvantaged clients.	X		
Learnings and best practice on IPS are fed into IPS Grow and national rollout.	X		

Performance Management:

While projects vary in their exact arrangements, below summarises key steps used by the five MHEP's SIB contracts to track and manage performance. Our analysis here is guided by the dimensions outlined in the World Management Survey[9] and interviewee descriptions:

1. The cycle starts with employment specialists (ESs) preparing reports for their team leads to report on performance and outcomes achieved. While these mainly focus on quantitative information on outcomes, some include more qualitative information (e.g., case studies) to build a narrative around the numbers, gauge consistency and understanding of good practice, and facilitate identification of problems.

2. These reports are then used to upload data into MHEP's dashboard monthly. Data reporting is premised on the requirements from MHEP and ties closely with (but is not limited to) the payment metrics in contracts.

[9] World Management Benchmarking Tool.

3. Service providers use the data to review ESs' performance. There are different processes for this across the service provider organisations, but most use regular in-person check-ins to provide space for sharing and reflection. On a service level, providers also carry out regular fidelity reviews. Frequency varies across different provider organisations.

4. Service providers attend a performance review with the MHEP team every 6 weeks, once at a mid-quarter catchup and once at a quarterly meeting with commissioners. This involves reviewing the data within the MHEP data dashboard for the past quarter and talking through any specific challenges or developments. These meetings were conducted every six weeks during the peak of COVID-19, to provide projects additional assistance.

5. Based on the data dashboard and performance review meetings, MHEP provide a quarterly performance report to local commissioners. Key stakeholders including service providers, local commissioners and MHEP come together to review performance, and to reflect on successes as well as issues. There are separate meetings for each of the five projects.

6. A percentage of outcomes claimed are verified by an independent auditor before they are approved for outcomes payments from the LCF.

Table c: Performance management cycle across MHEP projects, as described by interviewees.

Performance management stage	Stakeholder Reflections
1. Employment specialists prepare reports for their team on performance and outcomes achieved.	*"We use a tool on a quarterly basis with the employment specialist like a self-evaluation of eight key areas."-Provider* *"I'd say it was quite manageable in terms of data entry for reporting. But the MHSDS has definitely tipped it over the edge, and even those employment specialists who you know are really organised… they have fed back to us that this is too much and it's impacting outcomes, so it is a concern for us, definitely." -Provider*
2. Reports are used to upload data into MHEP's dashboard monthly.	*"[MHEP's] spreadsheet or the IPS Grow spreadsheet/dashboard that is used as an internal mechanism, has actually being really helpful for me the most. That's the key kind of tool for us. That's what we use internally, that that's our go-to."-Provider*
3. Providers use the data to review employment specialists' performance.	*"For us monthly is great because it allows us to have that live snapshot, but I think it's probably more realistic in terms of performance management to look at employment specialist performance quarterly. Because working with people with serious mental illness, there's a lot of fluctuations in mental health. Which may also lead to fluctuations in job starts, so it's very rare that we consistently have an employment specialist to meet their targets every month" -Provider* *"Minimum fortnightly supervision or one to one sessions helps with consistency."-Provider*
4. Providers attend a quarterly performance review with the MHEP.	*" Those MHEP meetings focus on how things are going, looking at the dashboards or key performance. The analysts themselves have a really good understanding of IPS, which makes a big difference and so we're able to work with them to brainstorm and think about things."-Provider*
5. Based on the data dashboard and performance review meetings, MHEP provide a quarterly performance report to local commissioners	*"Having that opportunity for MHEP to tell us like how other IPS services doing and us looking at...because you still want to make sure that the service is supporting people as much as possible, but we obviously have to amend a bit our expectations around the service"-Commissioner* *"[Providers] would directly contact us if there were any issues or challenges that we could support them with or we have our regular quarterly meetings in which we could discuss the actual contract performance that quarter. Any of the areas that look low, we would discuss the reasons for why it is low and then the solutions"- Commissioner*
6. Outcomes claimed are verified by an independent auditor before approval for outcomes payments from the LCF	*"In terms of finances, with that validation letter, MHEP starts emailing the Commissioners and LCFC based on this validation. This is the amount that's due and then we would have to get a confirmation from the Commissioners for us to be able to forward onto LCF to be able to release the money. So that's usually the bottleneck...getting that response from Commissioners."-MHEP*

Fidelity

The IPS Fidelity Scale is a prominent part of implementing IPS services. It is a key indicator of the extent to which an existing employment service adheres to the principles of IPS. The fidelity scale is based on 8 principles and 25 items[10]. According to proponents in the IPS community, the higher the score, the greater the quality of the IPS service and the higher the expected job outcomes (Centre for Mental Health, 2022). Services which score good to high on the scale can request an Independent Fidelity Review to confirm their scoring and becoming an IPS Centre of Excellence. As seen in Table b, official fidelity reviews vary substantially across sites and currently do not have a consistent cadence, since MHEP does not mandate this.

Within MHEP projects, fidelity reviews are driven by service providers and deeply embedded in their operations. However, MHEP assist with fidelity reviews when required. Overall, there is more emphasis on fidelity within IPS Grow, while MHEP also takes wider factors into consideration such as service leadership, organisational culture, caseload management and staff management.

Table d: Fidelity Review Timelines of the sites

	Haringey and Barnet	**Shropshire**	**Enfield**	**Tower Hamlets Mental Health**	**Tower Hamlets Learning Disabilities**
Last Fidelity Review	2016	2021*	Unknown	2018	Never
Next Fidelity review	April 2023	October-December 2022	August 2022	Nov 2022	

Note: *: self-assessment.

COVID-19's Effect on performance

[10] British Association for Supported Employment. Introduction to IPS Supported Employment Fidelity. Pg141-142.

COVID has played a role in the ability to deliver IPS service and thus disrupted performance on referrals, engagement, job starts, and job sustainment, as vocalised by the interviewees. However, it is difficult to draw robust conclusions about the quantitative impact of COVID and we plan to further investigate this using a larger individual-level dataset in a future study.

However, to help with comparison, we can simplify the time-trend analysis presented earlier and illustrate aggregate performance on job outcomes during COVID on three time-frames instead of quarterly: (a) pre-lockdown which represents quarters prior to Q2-2020, (b) lockdown which indicates the most restrict times during Q2-2020 to Q1-2021, and (c) post-lockdown which refers to Q2-2021 to the end of that year. Given that only one SIB project was launched and delivered services prior to lockdown, we have exclusively created the illustrations for Haringey and Barnet in Figures a-c.

Figure a shows an increase in average number of referrals across periods, but this trend is either less apparent or on the opposite direction for other outcomes. Figure b indicates a clear fall in success rates over the lockdown period, with referrals and job starts partially recovered post-lockdown, but engagement and sustainment kept on falling. Conversation rates in Figure c show a decrease in average rates for referrals that turned into engagements during lockdown. Engagements that turned into job starts appear stagnated in the lockdown period, with improving rates post-lockdown. Job sustainment, which are the longer-term effects of the intervention and are checked 13 weeks post job start, appear to display a delayed effect with a rise during lockdown and fall in post-lockdown.

We should highlight that these figures are for basic illustrations only and we cannot judge on the statistical differences across cohorts given the limited number of observations.

Figure a: performance measures for Haringey & Barnet by lockdown periods

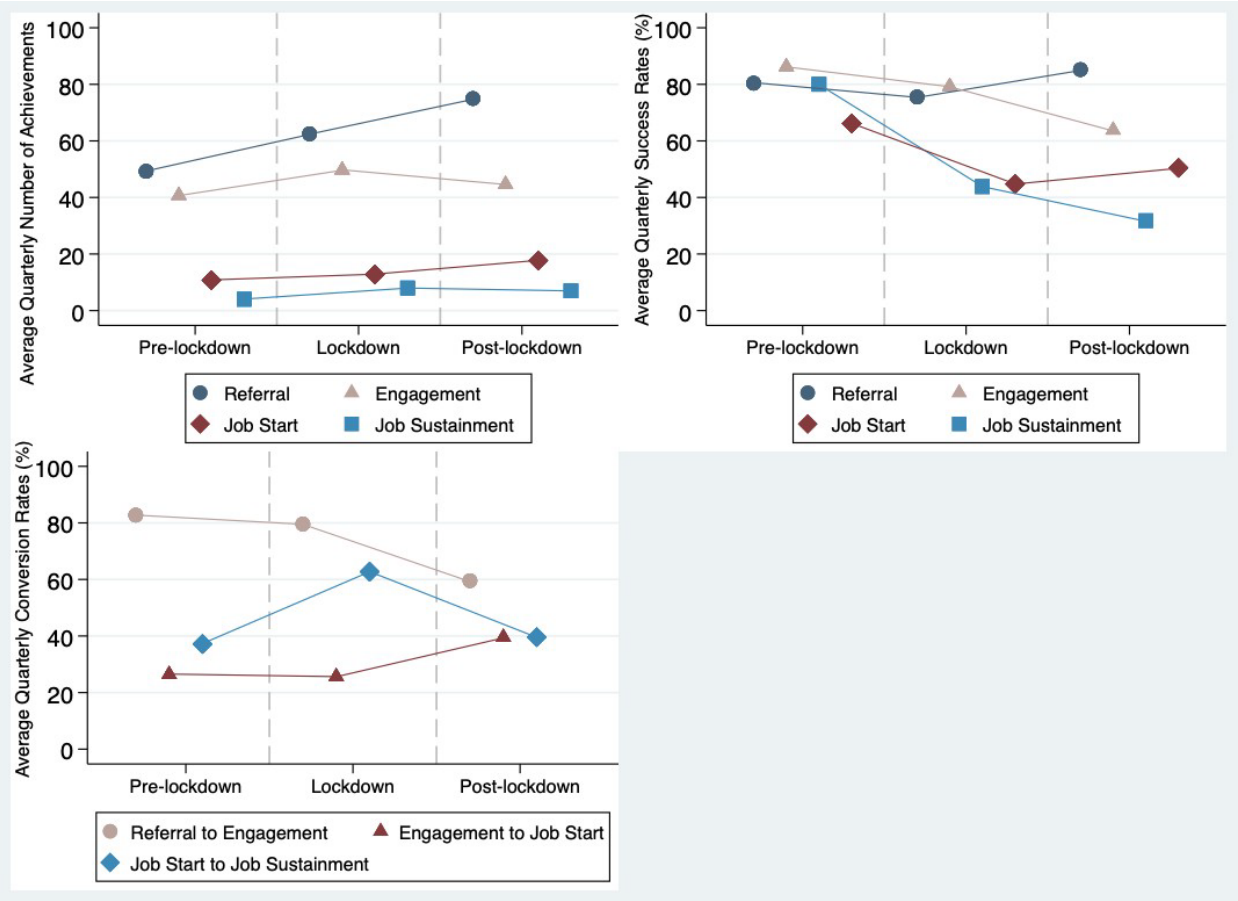

Average Quarterly Number of Achievements
100
80
60
40
20
0
Pre-lockdown
Lockdown
Post-lockdown
Referral
Engagement
Job Start
Job Sustainment
Average Quarterly Success Rates (%)
100
80
60
40
20
0
Pre-lockdown
Lockdown
Post-lockdown
Referral
Engagement
Job Start
Job Sustainment
Average Quarterly Conversion Rates (%)
100
80
60
40
20
0
Pre-lockdown
Lockdown
Post-lockdown
Referral to Engagement
Engagement to Job Start
Job Start to Job Sustainment

Figure b: Theory of change from MHEP stakeholders

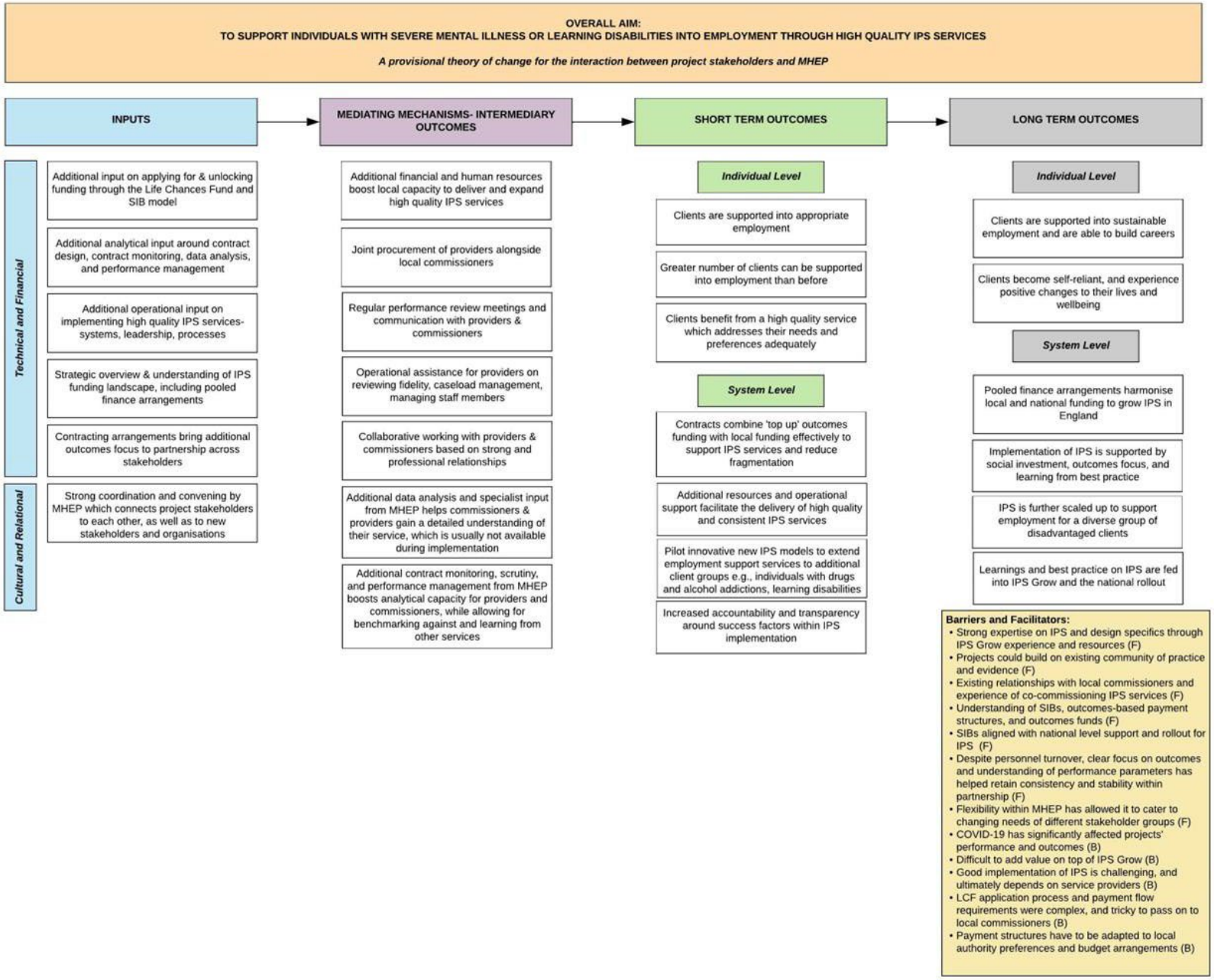


Figure c: Theory of change for local commissioners

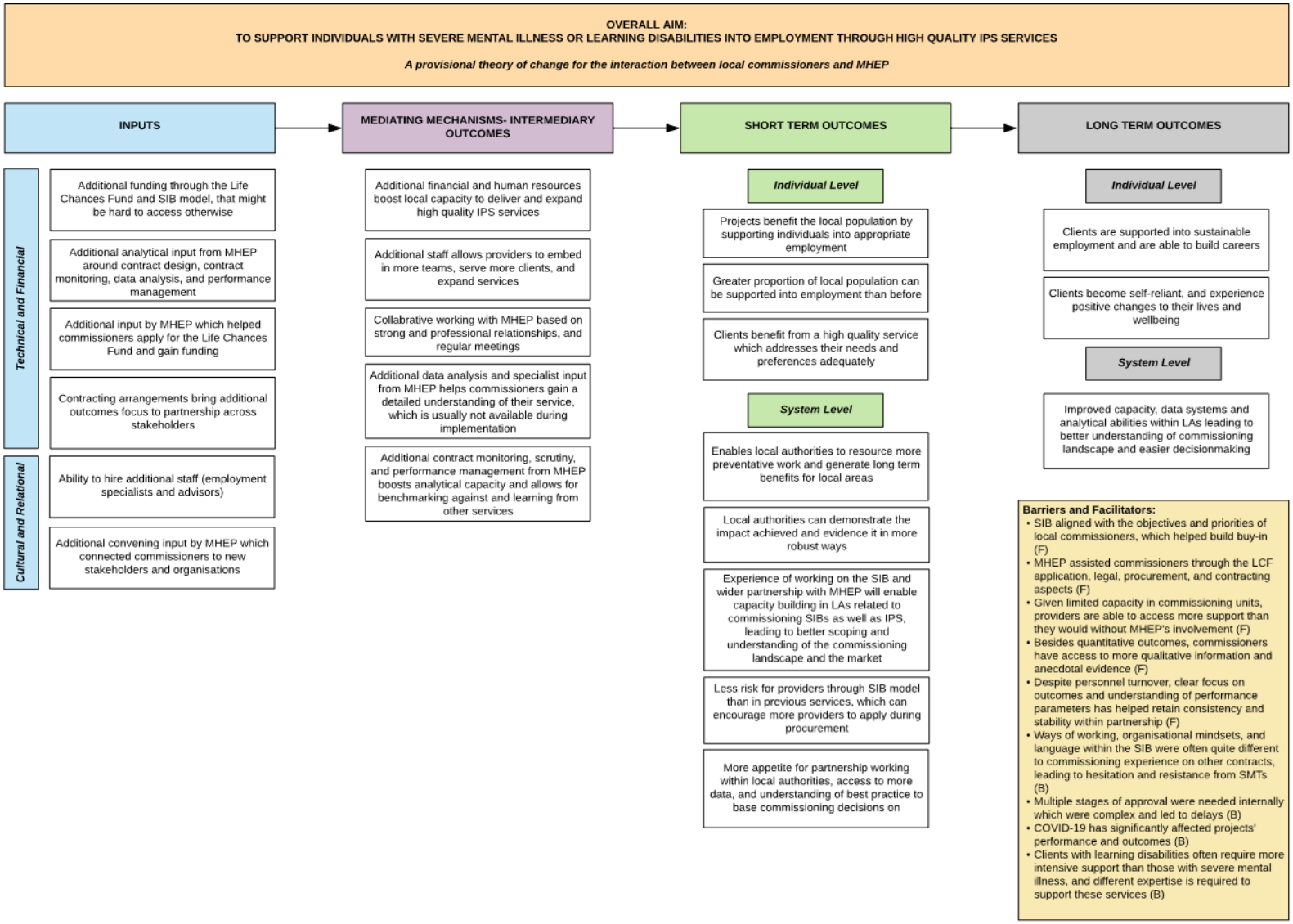
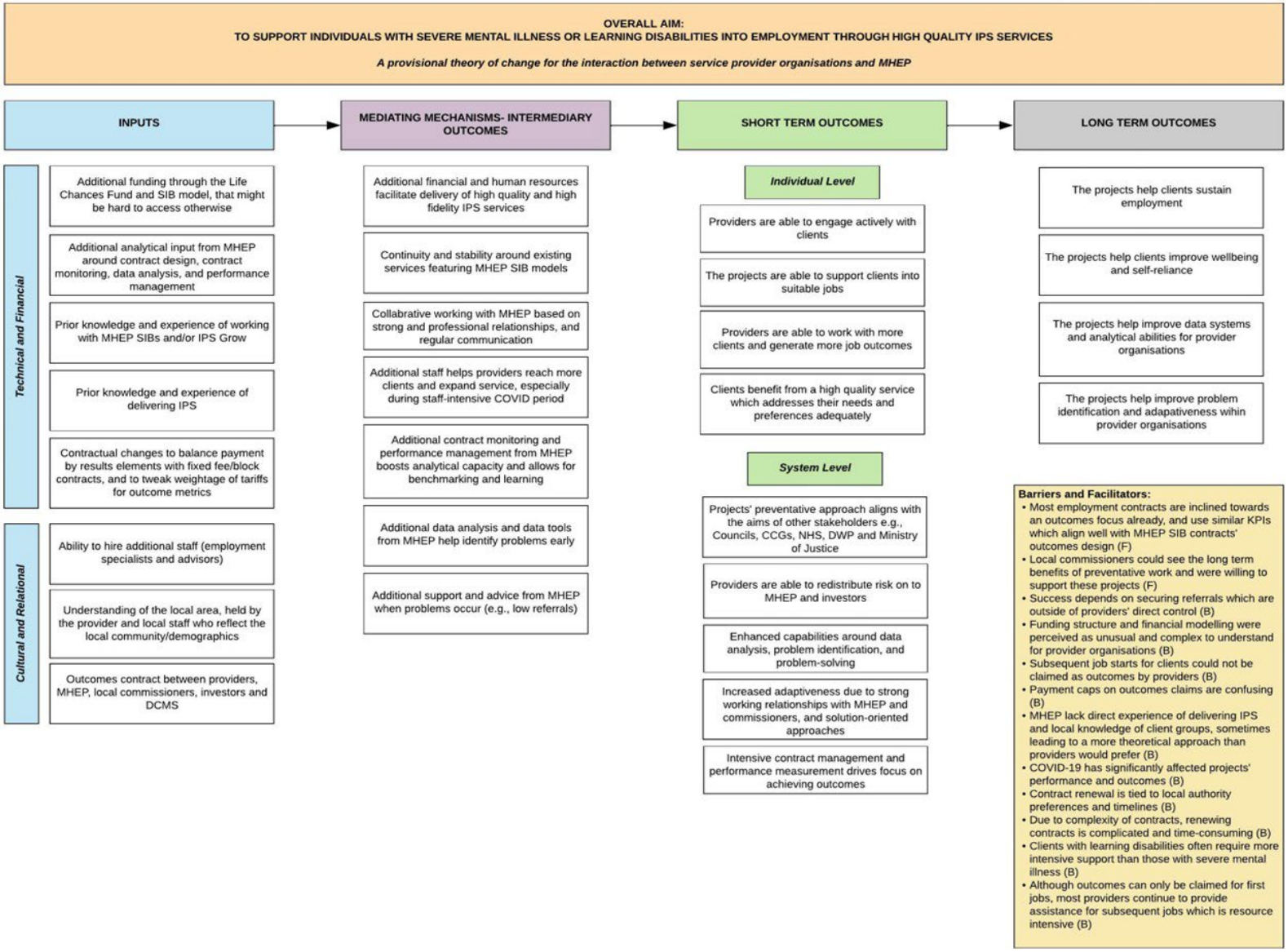


Figure d: Theory of change for service providers



Appendix IV

Table f: Contractual Elements of LCF grant to MHEP

	Haringey and Barnet	Shropshire	Enfield	Tower Hamlets Mental Health	Tower Hamlets Learning Disabilities
CONTRACT SUMMARY					
Date	30th April 2019	24th March 2020	24th March 2020	30th April 2020	7th July 2020
Award amount from LCF to MHEP for outcome payments	£596,918 Over four years 42% of total outcomes	£434,484 Over four years 42% of total outcomes	£260,689 Over four years 42% of total outcomes	£868,966 Over four years 42% of total outcomes	£548,965 Over three years and three months 42% of total outcomes
Outcome payments from other commissioners	£824,316	£600,000	£360,000	£1,200,000	£758,094
Total outcome payment	£1,421,234	£1,033,403	£600,652	£2,068,965	£1,307,059
Outcomes tied to payment	Engagement with the service, job start and job sustainment				
Expectations	The SIB will engage with 985 participants up to 799 of which are expected to achieve at least one outcome	The SIB will engage with 582 people of whom 419 are expected to achieve at least one outcome	The SIB will engage with 674 people of whom 546 are expected to achieve at least one outcome	The SIB will engage with 3,644 people of whom 1,954 are expected to achieve at least one outcome	The SIB will engage with 411 participants up to 370 of which are expected to achieve at least one outcome
Start up capital from third party	£227,000 start-up-capital	£204,000 start-up capital	£126,000 start-up capital	£300,000 start-up capital	£328,000 start-up-capital

investor (Big Issue Invest)	maximum rate of return of £198,012 (18.5%). equivalent to a money multiple ratio of 1:1.87	maximum rate of return of £84,271 (9.8 %) equivalent to a money multiple ratio of 1:1:41	maximum rate of return of £43,000 (8.3 %) equivalent to a money multiple ratio of 1:1.34	maximum rate of return of £264,149 (18.10 %) equivalent to a money multiple ratio of 1:1.88	maximum rate of return of 11.49% equivalent to a money multiple ratio of 1:1.44
Commissioner(s)	London boroughs of Haringey and Barnet	Shropshire Council in collaboration with Shropshire Clinical Commissioning Group.	Enfield Council	Tower Hamlets Clinical Commissioning Group	London boroughs of Tower Hamlets
Outcome payment agreed split	Up to £1,421,234, cost of delivering the SIB £1,071,611 (76%) SIB management costs of up to £122,915 (9% of total costs), investment costs of up to £198,012 (14% of total costs) and evaluation and learning costs of up to £19,200 (1%)	Up to £1,033,403, SIB management costs of up to £99,803 (up to 10% total costs), investment costs of up to £102,000 (up to 10% total costs) and evaluation and learning costs of up to £21,600.	Up to £600,652, SIB management costs of up to £78,084 (up to 13% total costs), investment costs of up to £58,046 (up to 9% total costs) and evaluation and learning costs of up to £9,360.	Up to £2,068,965 delivery costs of up to £1,632,000 (up to 79% of total costs), SIB management costs of up to £100,034 (up to 5% total costs), investment costs of up to £316,771 (up to 15% total costs) and evaluation and learning costs of up to £21,160.	Up to £1,282,564; cost of delivering the SIB £985,522 (77%) SIB management costs of up to £124,009 (10% of total costs), investment costs of up to £157,433 (12% of total costs) and evaluation and learning costs of up to £15,600 (1%)
Estimated (net) cashable savings attributable to lead commissioner(s)	£638,980	£327,487	£411,152	£1,650,915	£736,546
Estimated cashable savings attributable to central government	£864,729 (cashable savings)	£392,451 in savings to other outcome payers and to central government.	£358,443 in savings to other outcome payers and to central government.	£2,827,432 in savings to other outcome payers and to central government.	£403,272 in wider savings and benefits (undisclosed attribution)

	£1.758m (non-cashable savings)		QALY?		
Interaction with LCF	Required to provide regular updates on project progress, which will include quarterly, annual and end of award monitoring though the LCF data platform and interaction, including project visits, with your National Lottery Community Fund contact.				
TERMS AND CONDITIONS					
Timings	Must launch the SIB within three months and start delivering services within six months of receiving offer letter				
LCF grant type	**Revenue** (No part of the award can be used to buy or build, refurbish, extend or alter buildings or land or buy other capital asset such as IT hardware equipment, vehicles or capitalised revenue items).				
Primary Outcome and Metric	**Job start (Individual gains competitive employment):** Achieved when an individual has spent at least one full day (or 4 hours for part time) in paid competitive work				
Second Outcome and Metric	**Job sustainment (<16 hours a week)** Achieved when an individual sustains paid competitive employment for at least 13 weeks where they work < 16 hours per week				
Third Outcome and Metric	**Job sustainment (> 16 hours a week):** Achieved when an individual sustains paid competitive employment for at least 13 weeks where they work > 16 hours per week				
Fourth Outcome and Metric	**Successful engagement with IPS programme:** Individual attends three appointments with IPS employment worker, or when the IPS worker has completed a vocational work profile with the individual				
Original Payment Triggers	**Payment Trigger 1 Engagement**: paid after 1 month **Payment Trigger 2 Job start:** paid after three months **Payment Trigger 3 Job sustainment <**	**Payment Trigger 1 Engagement**: paid after 1 month 419 service users, payment per trigger £578	**Payment Trigger 1 Engagement**: paid after 1 month 546 service users, payment per trigger £414	**Payment Trigger 1 Engagement**: paid after 1 month 1,954 service users, payment per trigger £645 average	**Payment Trigger 1 Engagement**: paid after 1 month 370 service users, payment per trigger £2,164 average up to first 60% of cohort and £721 payment

	16 hours: paid after six months **Payment Trigger 4 Job sustainment > 16 hours:** paid after six months	**Payment Trigger 2 Job start:** paid after six months 197 services users, payment per trigger £2,422 **Payment Trigger 3 Job sustainment < 16 hours:** paid after nine months 66 service users, payment per trigger £3,517 **Payment Trigger 4 Job sustainment > 16 hours:** paid after nine months 56 services users, payment per trigger £4,293	**Payment Trigger 2 Job start:** paid after six months 181 service users, payment per trigger £1,759 **Payment Trigger 3 Job sustainment < 16 hours:** paid after nine months 55 service users, Payment per trigger £2,724 **Payment Trigger 4 Job sustainment > 16 hours:** paid after nine months 55 service users, payment per trigger £4,138	**Payment Trigger 2** Job start: paid after six months average 712 service users, payment per trigger £1,145 average **Payment Trigger 3** Job sustainment < 16 hours: paid after nine months 248 service users, payment per trigger £1,993 average **Payment Trigger 4** Job sustainment > 16 hours: paid after nine months 303 service users, payment per trigger £2,302 average	per trigger remining 40% of cohort **Payment Trigger 2 Job start:** paid after three months 182 service users, payment per trigger £4,569 average first 60% of cohort and £1,522 per person remining 40% of cohort. **Payment Trigger 3 Job sustainment < 16 hours:** paid after six months 40 service users, payment per trigger average £9,655 first 60% of cohort and £3,219 for remaining 40% **Payment Trigger 4 Job sustainment > 16 hours:** paid after six months 17 service users, payment per trigger £10,862 average first 60% of cohort and £3,621 remaining 40% of cohort

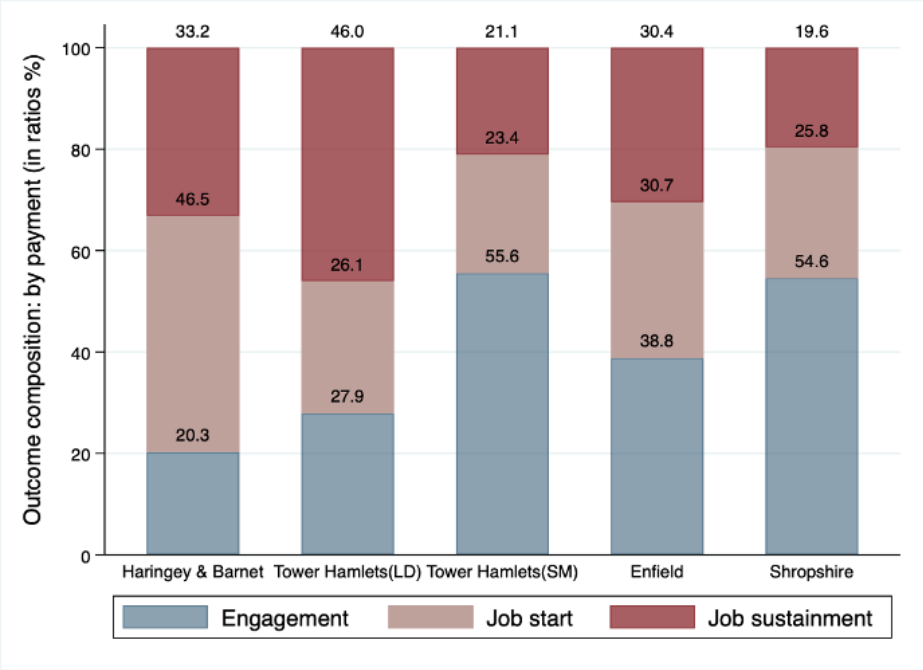
Adjusted Trigger Payments (Addendum)	**N/A**	LCF Type 2 outcomes payments will be capped at £434,843 **Payment Trigger 1 Engagement:** paid after 1 month 419 service users, payment per trigger £578 **Payment Trigger 2 Job start:** paid after six months 197 services users, payment per trigger £2,422 **Payment Trigger 3 Job sustainment < 16 hours:** paid after nine months 66 service users, payment per trigger £3,517 **Payment Trigger 4 Job sustainment > 16 hours:** paid after nine months 56 services users, payment per trigger £4,293	**Payment Trigger 1 Engagement:** paid after 1 month 546 service users, payment per trigger £1,222 **Payment Trigger 2 Job start:** paid after six months 181 service users, payment per trigger £2,220 **Payment Trigger 3 Job sustainment < 16 hours:** paid after nine months 55 service users, Payment per trigger £3,209 **Payment Trigger 4 Job sustainment > 16 hours:** paid after nine months 55 service users, payment per trigger £4,700	Has different tariffs for every year of its contract	Has 2 tariffs Tariff 1: Until tariff boundary reached (on an individual outcome basis) Tariff 2: Above tariff boundary

Source: DCMS Portal

Appendix V

Outcomes decomposition: exploring the type of achievements and their corresponding payments for each SIB can help with understanding the composition of each project against others. Data on achievements and payments are presented graphically in Figures e-f.

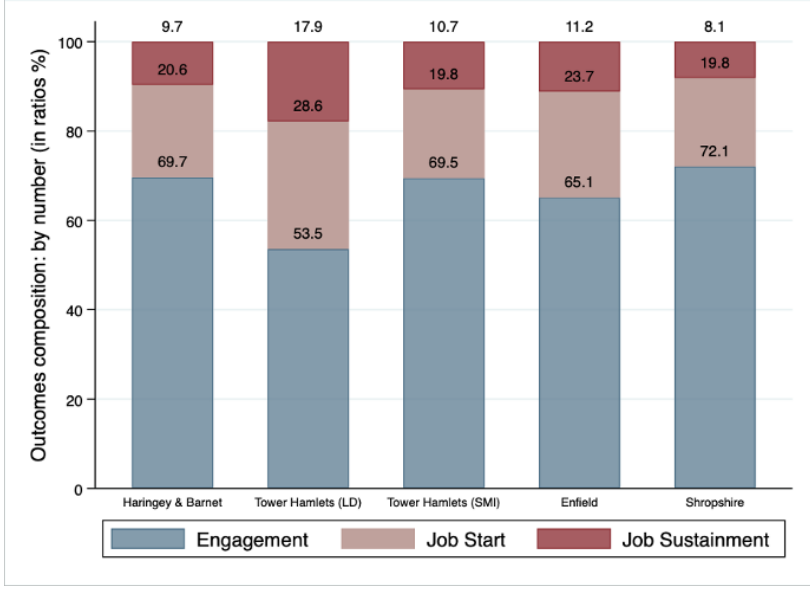
Figure e: Total outcome payments by type



* The LD data used in Figures e corresponds to only post-SIB referrals.

** Payment estimates exclude the period at the height of COVID restrictions where payments were de-coupled from outcomes and activity payment was introduced (accounting for £801,835 or 23% of total payment). This was a supporting intervention by the commissioners to reduce stress on providers during the lockdown. This temporary payment regime refers to as 'medium scenario'. Q2 and

Figure f: Total number of outcomes achieved by type

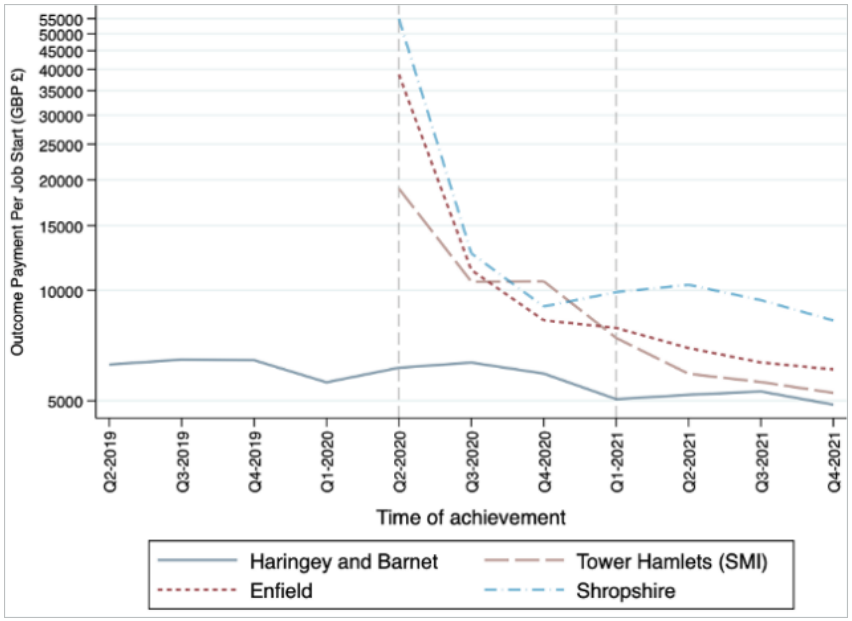


* The LD data used in Figure f corresponds to only post-SIB referrals. The job start and sustainment outcomes which trace to post-SIB referrals are one-fifth of those which trace to pre-SIB referrals.

Q3 of 2020 covers the 'medium scenario' period for all SMI projects, and Q3 and Q4 of 2020 for the LD project.

Real outcome prices across time: Here we have created a cumulative time trend to explore real prices for job starts and job sustainment. To address data unavailability during the activity-based pay arrangement during COVID (Q2-Q3 2020), we used imputation based on the ratio of outcome prices for each project (using information in Table a from Appendix IX) along with achievements data (as reported by DCMS) to estimate the share of activity payment that was spent on each outcome type 'in practice'.

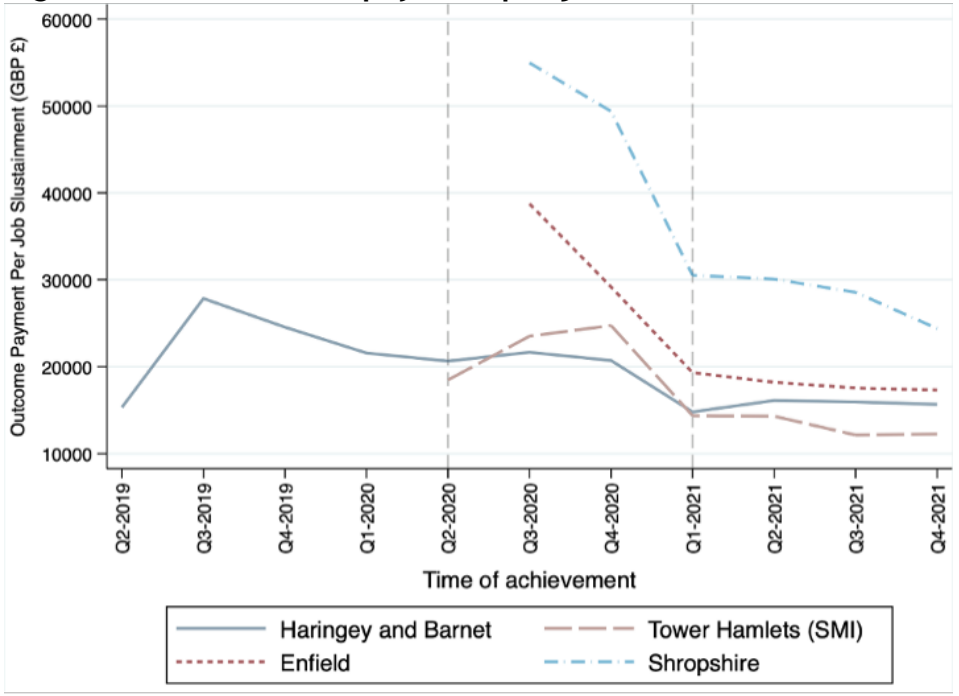
Figure g: Real outcome payment per job start



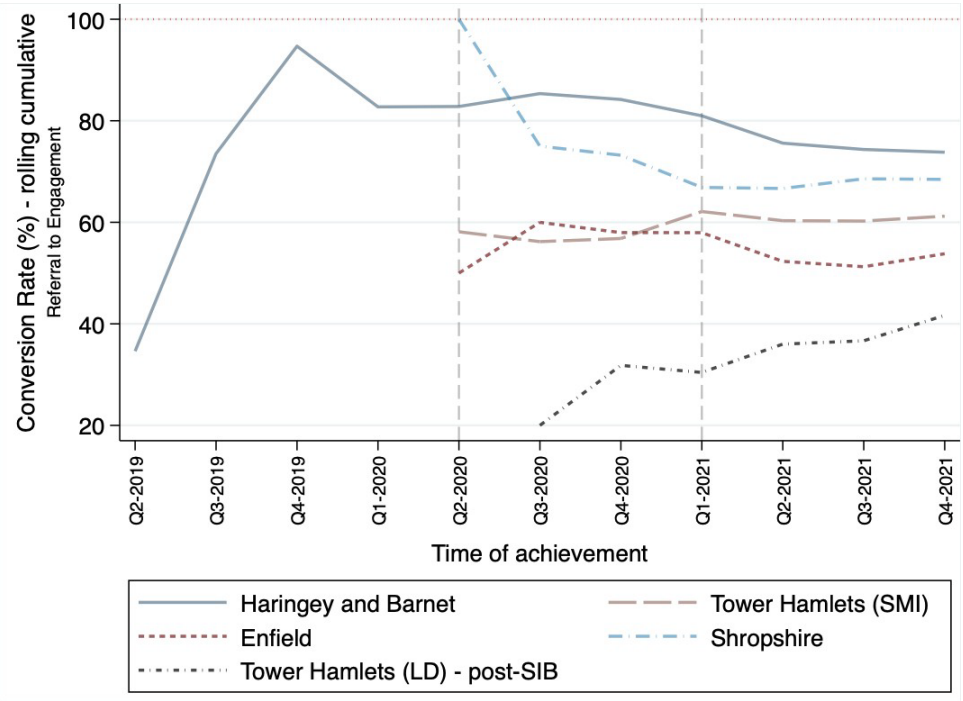
* The vertical axis is on a logarithmic scale for better visualisation.

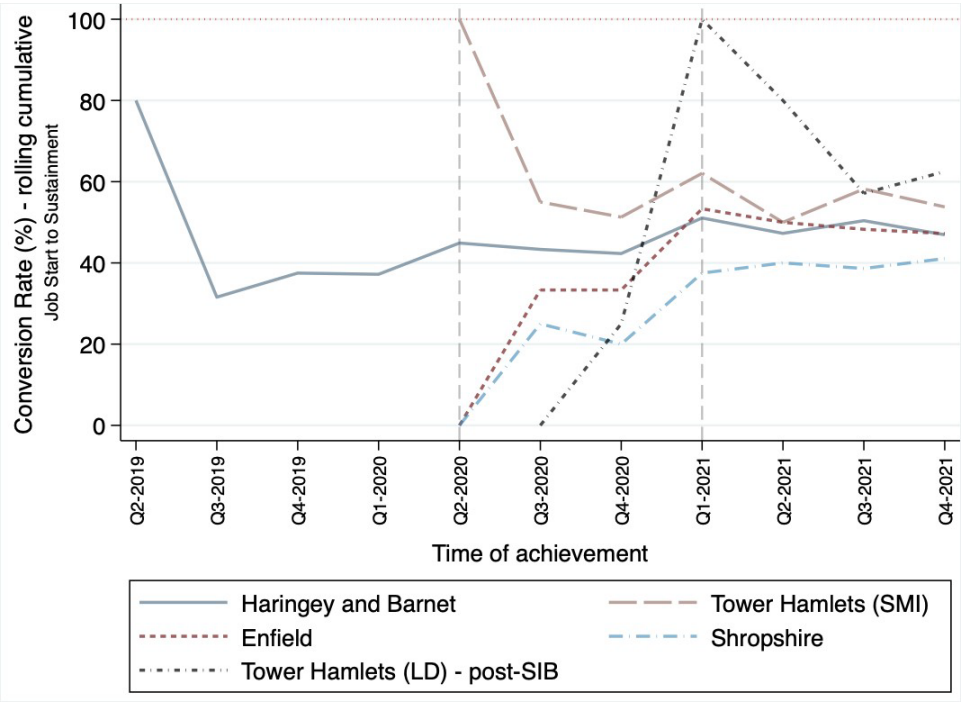
** Outcome prices for the period Q2-Q3 2020 are calculated using Tier 1 outcome price ratios, outcome achievements, and total activity payment.

Figure h: Real outcome payment per job sustainment



Appendix VI. Conversion Rates





Appendix VII

Evidence on IPS effectiveness from the literature: we ran a rapid literature review (using key words IPS, severe mental illness, employment support, and effectiveness) and listed existing effectiveness evidence in Table 9 – with preferences for more recent studies. The selected studies are selected for their focus on IPS, similarity of cohort (severe mental illness), comparable units (results reported in employment rates as percentages and not risk-ratios), competitive employment as the primary outcome, and published in the English language. This list is not exhaustive, but includes two meta-analysis studies, three randomised control trials, one quasi-experimental, and three studies using other methods.

Table g: selected studies on effectiveness of IPS and traditional vocational rehabilitation (TVR)[1] in achieving job outcomes

Study	Description	Time-scale	IPS (or SE) effect	TVR effect
Pichler et al. (2021)	An observational follow up study of Viering et al. (2015), which involves 114 individuals from the original study and checks employment rates after 6 years (not impact evaluation).	6 years post-intervention	36%	33%
Holmas et al. (2021)	In Norway, 184 and 143 participants (moderate to severe mental illness) were randomised to the treatment (IPS) and control groups (TVR), respectively. A special focus is given in this study to ensure that employment that is achieved competitively is also completely subsidy free and regular. Without that extra check, effect sizes would be 3-4% higher.	After 12 months After 24 months After 43 months	23.9% 30.4% 32.6%	13.3% 21% 19.6%
De Graaf-Zijl et al. (2020)	In the Netherlands, using a quasi-experimental design, with a cohort of 513 IPS recipients with severe mental disabilities and almost 23,000 TVR-recipients.	6 months 18 months 30 months	17% 40% 47%	12% 27% 39%
Richter and Hoffmann (2019)	**Meta Analysis** – *a total of 28 samples on* supported employment (SE)[2]programmes (including IPS) *from* United States (14), United Kingdom (4), Australia (3), New Zealand (3), Canada (2) and one each from Hong Kong, Sweden, Netherlands and Switzerland. Sample sizes were heterogeneous between 21 and 3474. Overall, the included studies represented 8834 participants. This study differentiates between RCT-based studies and non-trial routine evidence. Non-trial routines are assumed to reflect the complexities in real environments better with stronger external validity.	Average for non-RCT variant time-scales (up to 12 months, 13–24 months, more than 24 months) Average for RCT	43% 50%	17% 22%
Bond et al. (2016)	124 IPS programmes participating in the IPS learning community (US) as of January 2012. Data is based on interviews and not impact evaluation.	mean quarterly employment in 2012 in 2014	 41% 43%	 na na
Viering et al. (2015)	In Switzerland, 250 disability pensioners with mental illnesses were randomised into either IPS intervention group or treatment as usual group (TAU).	2 years post-intervention	40%	28%

Michon et al. (2014)	In the Netherlands, a multi-site randomised controlled trial was performed following 151 persons with severe mental illnesses expressing an explicit wish for regular employment, comparing IPS with TVR.	6 months 18 months 30 months	21% 39% 44%	13% 20% 25%
Becker et al. (2014)	Based on data from quarterly employment reports, monthly Individual Placement and Support (IPS) meetings, and presentations in the US (not impact evaluation).	The average quarterly rate of competitive employment over 11 years	43%	na
Bond et al. (2012)	**Meta Analysis** – *15 randomised controlled trials of IPS programs, 9 in the US and 6 outside the US.* Altogether, 1063 IPS participants (mean = 70.9 per study) and 1117 control participants (mean = 74.5 per study) – not accounting for the heterogeneity of studies (not weighted).	Average for variant time-scales (The mean length of follow-up was 18.4 months) US Non-US	58.9% 62.1% 47.3%	23.2% 23.5% 21.8%

* The primary outcome in all studies is achieving competitive employment. ** The effect of intervention corresponds to employment rates, which is the share of engaged individuals who achieved competitive job outcomes.*** this list is not exhaustive and only presents a selected number of recent studies.

Appendix VIII

Table h: Original price and payment arrangements (Tier 1)

	Engagement	**Job start**	**Sustainment (<16 hours per week)**	**Sustainment (>16 hours per week)**
Haringey and Barnet	£569 (for a total of 799 achievements)	£4,224 (for a total of 379 achievements)	£6,379 (for a total of 113 achievements)	£7,845 (for a total of 93 achievements)
Tower Hamlets (LD)	£2,164 for the first 60% of cohort and £721 for the remining 40% (for a total of 370 achievements)	£4,569 for the first 60% of cohort and £1,522 for the remining 40% (for a total of 182 achievements)	£9,655 for the first 60% of cohort and £3,219 for the remaining 40%	£10,862 for the first 60% of cohort and £3,621 for the remaining 40%

Tower Hamlets (SMI) [1]	£645 (for a total of 1,954 achievements)	£1,145 (for a total of 712 achievements)	£1,993 (for a total of 248 achievements)	£2,302 (for a total of 303 achievements)
Enfield	£414 (for a total of 546 achievements)	£1,759 (for a total of 181 achievements)	£2,724 (for a total of 55 achievements)	£4,138 (for a total of 55 achievements)
Shropshire	£578 (for a total of 419 achievements)	£2,422 (for a total of 197 achievements)	£3,517 (for a total of 66 achievements)	£4,293 (for a total of 56 achievements)

* data is retrieved from contracts on DCMS portal.

[1] unit prices for outcomes varies across years for this SIB. The figures described here are the estimated averages. The price paid for each outcome varies across projects. The original pricing arrangement is called 'Tier 1'.

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