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**A PRACTICAL FRAMEWORK FOR ACHIEVING  
TARGETS IN PAYMENT BY RESULTS  
PROVISION;  
A CASE STUDY OF THE  
NATIONAL TROUBLED FAMILIES INITIATIVE**

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**A Thesis Submitted in Partial Fulfilment of the  
Requirements of the University of Sunderland  
For the Degree of Doctor of Business Administration**

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## ABSTRACT

Payment by Results (PbR) is increasingly popular. £15B-worth of schemes in the UK public sector had a PbR element (National Audit Office 2015) and Payment by Results is widely used in the United States and Australia (Webster 2015). Despite this, there is no framework for target achievement in PbR to guide principals, agents and other stakeholders. In my experience at a local level, this omission means that Payment by Results does not automatically lead to success.

The research project explored how to develop a practical framework, rooted in business and management literature, for the effective implementation of PbR programmes in the public sector. The three research objectives of a better understanding of the National Troubled Families Initiative's geographic and socio-economic context and target cohort and how success can be achieved both in the programme and in Payment by Results provision contributed to this.

The key Payment by Results literature was reviewed with the theoretical framework of Stakeholder Theory and Agency Theory. The case study methodology then reviewed the National Troubled Families Initiative – an eight-year Payment by Results programme launched in England as a response to the 2011 English disturbances - to identify the gaps in the PbR literature and successful provision from the UK and US was then presented as a benchmark of good practice.

In order to provide empirical content and support to the framework, I used a pragmatic research philosophy, which was further along the continuum of interpretivism than positivism. Mixed methods mainly influenced by qualitative data analysis led to the ethical qualitative analysis of Phase One secondary quantitative data from the Department of Communities and Local Government – the 'Troubled Families' principal – and one agent from the North-East of England to identify key themes and relationships. These were then explored further by ethically gathering primary qualitative data from key stakeholders from another Northeast city, a Southeast county and a Northwest consortium of authorities. This data was then analysed using thematic narrative analysis and thematic analysis.

The research findings expanded upon the guidelines for principals considering commissioning Payment by Results provision (National Audit Office 2015) and the six elements of an effective outcome (Webster 2016). They provided a new, seven-stage practical framework for achieving targets in Payment by Results provision. This incorporated best practice guidelines for stakeholder analysis, principal identification, agent identification and the establishment of an Expert Body and incorporated a practical process for successful strategy and operations implementation, delivery, data collection and analysis, and findings and action. The framework can be applied to all types of PbR provision across the public sector. This is something, which renders the research project extremely commercially attractive. The PbR framework will better use scant resources, reduce wastage, generate efficiencies, create additional jobs, return work from the private to the public sector and provide the public sector with a model, which they can market and sell to other providers. It therefore creates a win-win situation for key stakeholders including the principal, the agent, the service users and the taxpayer. Recommendations were also provided to achieve the requisite performance in Phase Two of the National Troubled Families Initiative in Local Authority One and across England.

## **KEY WORDS**

Stakeholder Theory, Agency Theory, Payment by Results, the National Troubled Families Initiative, target achievement

## **WORD COUNT**

54,998 words

## ABBREVIATIONS

ASB	Anti-Social Behaviour
B	Billion
DCLG	Department for Communities and Local Government
DoH	Department of Health
DWP	Department for Work and Pensions
FIP	Family Intervention Project
HMI	Her Majesty's Inspectorate
HMP	Her Majesty's Prison
K	Thousand
K1	Knowledge Learning Outcome One
K2	Knowledge Learning Outcome Two
K3	Knowledge Learning Outcome Three
K4	Knowledge Learning Outcome Four
L4	Level Four
LA	Local Authority
M	Million
MoJ	Ministry of Justice
NAO	National Audit Office
NHS	National Health Service
PbR	Payment by Results
S1	Skills Learning Outcome One
S2	Skills Learning Outcome Two
S3	Skills Learning Outcome Three
S4	Skills Learning Outcome Four

## GLOSSARY

Benefits Street	A British documentary series broadcast on Channel 4, which documented the lives of residents of Birmingham and Stockton-On-Tees; whose lives were characterised by high unemployment, crime and benefit dependency
Common Assessment Framework (CAF)	A process for gathering and recording information about a child for whom a practitioner has concerns in a standard format, identifying the needs of the child and how the needs can be met
Complex families	'Complex' families are a subset of 'troubled' families and have a range of issues including mental illness, alcohol or drug addiction and suspicion of statutory services
Ecorys	One of the oldest economic research and consulting companies in Europe
Holistic family working	Another term for the 'whole family approach'. The needs of the family are considered together and all members of the family are given support appropriate to their needs. This differs from a model whereby the agent works with each family member separately and does not consider how their issues impact upon one another
Identified	Establish where a 'troubled' family lives and who its members are
Insider researcher	A professional carrying out a study in their work setting
Multi-Agency Safeguarding Hub (MASH)	A local authority single point of contact for all safeguarding concerns regarding children and young people. Also known as (CSEH in LA4)
NEET	A young person not in education, employment or training
Office for Standards in Education, Children's Services and Skills (Ofsted)	The organisation that inspects and regulates services that care for children and young people, and services providing education and skills for learners of all ages
Pupil Premium	Additional funding for publicly-funded schools in England to raise the attainment of disadvantaged pupils and close the gap between them and their peers
Qualitative data	Data in a named form
Quantitative data	Data in a numerical form

Resonance	A capacity to hear both consonance and dissonance
Russell Group	A self-selected association of 24 UK public research universities with a shared reputation for academic prestige
SALT	Speech and language therapy
Social value	A way of thinking about the allocation and use of scarce resources. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is when a public body chooses to award a contract
'Turned around'	'Troubled' families who achieved the ASB, youth crime and education outcome and the continuous employment outcome
Whole family approach	Another term for 'holistic family working'. The needs of the family are considered together and all members of the family are given support appropriate to their needs. This differs from a model whereby the agent works with each family member separately and does not consider how their issues impact upon one another
Work Programme	A government welfare-to-work programme introduced to get the long-term unemployed into work and outsourced to public, private and voluntary sector organisations
'Worked with'	'Troubled' families who engaged with a key worker, had their needs assessed, agreed a plan and had interventions delivered to them with the aim of achieving the programme outcomes
Zero-hours contract	A working arrangement, which means there is no obligation for employers to offer work or for workers to accept it.

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# CHAPTER ONE – INTRODUCTION

## 1.1 INTRODUCTION

I followed the learning outcomes of the applied management research project and the DBA programme (Appendix One) and used the National Troubled Families Initiative as a case study to answer the research question of how to develop a practical framework, rooted in business and management literature, for the effective implementation of Payment by Results (PbR) programmes in the public sector. Through this, I also achieved the research objectives of better understanding:

- The geographic and socio-economic context in which ‘Troubled Families’ was implemented
- The ‘troubled’ families service user group with whom the PbR programme intended to achieve positive outcomes
- How success can be achieved specifically in the National Troubled Families Initiative and generally in Payment by Results provision.

My motivation for conducting doctoral research into Payment by Results was my two-fold realisation whilst employed by an agent of the National Troubled Families Initiative that:

- Not all of the programme’s outcomes were being achieved
- Some ‘troubled’ families appeared to have achieved a positive outcome with the support of the programme but this was not always the case.

As an MBA graduate, I was well aware of the business and management frameworks that could support further investigation into this. Consequently, I overlaid my ‘practitioner’ foundation with a systematic, ‘academic’ approach to the improvement of PbR provision. I demonstrated the qualities and transferable skills necessary for employment that requires the exercise of personal responsibility and

largely autonomous initiative in complex and unpredictable situations in professional environments (S3). By conducting independent, self-financed doctoral research, I also showed the ability to identify and effectively utilise the components of the self-system that foster authentic leadership, appropriate to a given leadership environment (S4).

I created through original research a new, seven-stage practical framework for achieving targets in Payment by Results and made recommendations relating to performance achievement for the local and national 'Troubled Families' programme (K1). I achieved this through:

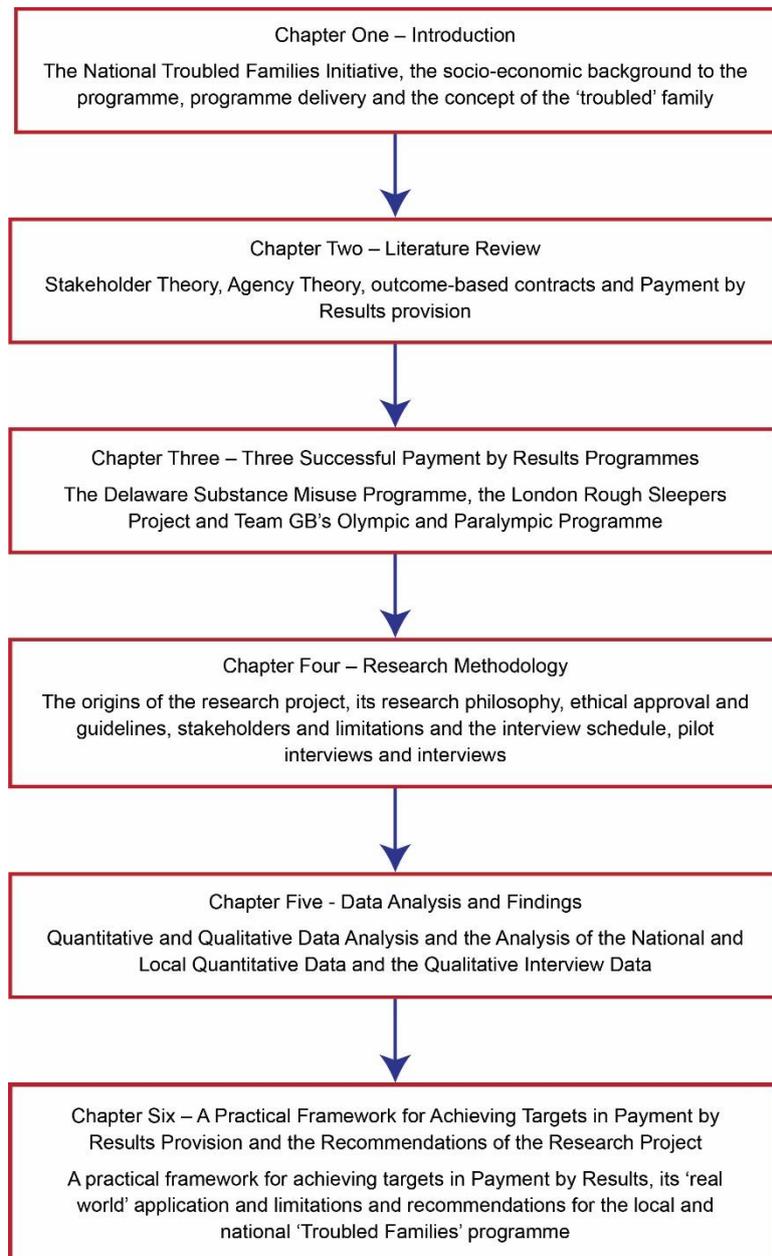
- The literature review where I systematically acquired an understanding of a substantial body of knowledge at the forefront of my specific area of professional practice relating to Stakeholder Theory, Agency Theory, outcome-based contracts and Payment by Results (K2)
- The data I collected using applicable techniques for research and advanced academic enquiry (K4) and analysed using informed judgements on complex issues in my specialist field (S1)
- My work-based experience in a local 'Troubled Families' programme.

This was supported by my aptitude to undertake research and development at advanced level contributing substantially to the development of new techniques, ideas or approaches (S2) and general ability to conceptualise, design and implement a project for the generation of new knowledge, applications or understanding at the forefront of my area of professional practice and to adjust the project design in the light of unforeseen problems (K3).

## 1.2 THE STRUCTURE OF THE RESEARCH PROJECT

The research project has six chapters.

Figure 1.2 - The Structure of the Research Project



Chapter One provides the background to the case study with an overview of the National Troubled Families Initiative and the four areas whose qualitative data enabled the creation of new knowledge about target achievement in Payment by Results provision and recommendations for the Phase Two success of the programme in LA1 and England (K1). It precedes the systematic acquisition and understanding of a significant body of knowledge about Payment by Results and the gaps in the PbR literature (K2) prior to the design, conceptualisation and implementation of a research project to generate new knowledge about target achievement in Payment by Results provision (K3). Chapter One focuses on three of the programme's key stakeholders: DCLG (the principal), the English Local Authorities (the agent) and the 'troubled' families. The geographic and socio-economic context of 'Troubled Families' will be explained for the four areas whose data contributed to the research project and led to the development of the framework and 'Troubled Families' recommendations. Chapter One also outlines DCLG's expectations of the agent's delivery of the programme and the concept of the 'troubled' family.

Chapter Two is the literature review. It presents the Stakeholder Theory and Agency Theory theoretical framework, discusses outcome-based contracts and considers the Payment by Results model and the National Troubled Families Initiative through the lens of Stakeholder Theory and Agency Theory. Chapter Three expands upon Chapter Two. It gives examples of three successful Payment by Results programmes. Two originated from the United Kingdom and one came from the United States. They illustrate the importance of creating new knowledge about target achievement in PbR provision (K1). The systematic acquisition and understanding of the body of knowledge about PbR good practice and the successful management of Payment by Results provision in Chapters Two and Three (K2) provided the platform upon which I conceptualised, designed and implemented pragmatic research to extend the forefront of professional practice in PbR (K3).

With this knowledge in place, Chapter Four outlines the conceptualisation, design and implementation of a research project to generate new knowledge about target

achievement in Payment by Results provision. It shows how I adjusted the project to overcome unforeseen problems (K3). Chapter Four also demonstrates my detailed understanding of applicable techniques for research and advanced academic enquiry (K4) and my aptitude for undertaking applied research and development at an advanced level to make a substantial contribution to the development of a new approach in PbR (S2). It shows that I have the qualities and transferable skills necessary for employment that require the exercise of personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3) and the ability to identify and effectively utilise the components of the self-system that foster authentic leadership, appropriate to a given leadership environment (S4). Chapter Four explains the selection of a systematic and ethical research methodology to provide an academic practitioner-led evaluation of the Payment by Results model using the National Troubled Families Initiative as a case study.

Chapter Five comprises the data analysis, which led to the creation and interpretation of new knowledge (K1). It illustrates my ability to make informed judgements on complex issues relating to the 'Troubled Families' case study and Payment by Results in the absence of complete data (S1). I also reveal my aptitude for undertaking applied research and development at advanced level to contribute substantially to the development of a new approach to target achievement in PbR (S2) and exercise of personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3).

The research project closes with Chapter Six. Here, I present new knowledge through original research, which will satisfy peer review, extend the forefront of professional practice and merit publication (K1). I make informed judgements on complex issues in my specialist field in the absence of some data and communicate my ideas and conclusions clearly, effectively and in a manner appropriate for specialist and non-specialist audiences (S1). I demonstrate my aptitude to undertake research and development at advanced level contributing substantially to the development of new techniques, ideas or approaches in PbR (S2). Chapter Six presents a practical framework for achieving targets in Payment by Results

provision. It provides an example from the 'real world' of public sector PbR provision to direct policy and to instruct strategic and operational managers how to use the framework as a management tool for target achievement. This 'real world' scenario is a mentoring project for vulnerable young people aged 5-25, which Local Authority Two (LA2) will commission in 2017. The dynamic nature of this management tool means it can be generalised for all PbR provision and be used locally, regionally and nationally across the public sector wherever target achievement and the provision of value to stakeholder holders is required. Chapter Six closes with recommendations for the achievement of the requisite Phase Two 'Troubled Families' targets locally and nationally.

### **1.3 THE 'TROUBLED FAMILIES' PROGRAMME**

The Coalition Government launched the National Troubled Families Initiative in December 2011. The programme was a coordinated response to the English disturbances of August 2011. It was originally designed to run for three years before being extended for a further five years. The research project will therefore refer to the period from April 1<sup>st</sup> 2012 to March 31<sup>st</sup> 2015 as 'Phase One' and 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2020 as 'Phase Two'.

Phase One of the National Troubled Families Initiative was a £448M scheme to incentivise local authorities and their partners to turn around the lives of 120,000 'troubled' families by May 2015. It worked with families where children were not attending school, young people were committing crime, families were involved in anti-social behaviour and adults were out of work. In June 2013, the Coalition Government announced plans to expand 'Troubled Families' and reach an additional 400,000 families across England. £200M was pledged to fund the first year of the initiative; an investment which was presented as evidence of the Government's on-going commitment to improve the lives of 'troubled' families, transform local public services and reduce costs for the long-term (DCLG 2014a).

Fifty-one local authorities who had ‘turned around’ a significant number of their families by the middle of 2014 were named “Early Starters” and allowed to begin Phase Two in September 2014 (DCLG 2014a:4). These areas had the advantage of being able to support Phase Two families ahead of schedule but had to tackle earlier than the 101 other areas the challenges that the expansion of the programme created. Partnership and collaboration were the watchwords of this early adoption phase with DCLG and the chosen fifty-one working together to:

- Develop an independent national evaluation for the expanded Troubled Families Programme
- Complete the Troubled Families online cost savings calculator
- Design a new system of Family Progress Data
- Refine the suggested indicators to identify families and develop best practice in measuring significant and sustained progress with them
- Introduce a model of transparent local accountability for the success of the programme as a tool to drive greater service transformation (DCLG 2014a).

A further cohort of local authorities started Phase Two on 1<sup>st</sup> January 2015. The research project will focus on three ‘Wave One’ and one ‘Wave Two Early Starters’ (DCLG 2014a). Two of the local authorities are from the Northeast of England, one from the Southeast and one from the Northwest.

#### **1.4 THE FOUR AREAS**

The research project focused on the delivery of the programme in four areas. Two were local authorities in the Northeast of England, one of which employed me to manage their Family Intervention Project (FIP). The third was a local authority in the Southeast of England and the fourth was a consortium of ten Northwest local authorities. This enabled me to examine:

- Two North-Eastern local authorities
- The North-East, South-East and North-West
- Two cities, a county and a consortium
- England and three of its regions.

Local Authority One (LA1) is in the Northeast of England and was a “Wave Two Early Starter” (DCLG 2014a:4). They contributed their Phase One ‘Troubled Families’ quantitative dataset for analysis in early July 2015. I collected qualitative data from their Troubled Families Co-ordinator on 23<sup>rd</sup> July 2015 and a senior manager on 15<sup>th</sup> June 2016. Local Authority Two (LA2) is also in the Northeast of England but was a “Wave One Early Starter” (DCLG 2014a:4). I interviewed their Troubled Families Co-ordinator on 6<sup>th</sup> July 2015. Local Authority Three (LA3) is in the Southeast of England. Local Authority Four (LA4) is a consortium of ten Northwest local authorities, each with their own co-ordinator and a manager with oversight of the ten areas who contributed to the research project. LA3 and LA4 were ‘Wave One Early Starters’ and provided qualitative data on 29<sup>th</sup> April and 13<sup>th</sup> May 2016 respectively. Thus, I compared:

- Delivery up to Quarter Three 2015 and delivery up to Quarter Two 2016
- Local Authorities who began delivering Phase Two in September 2014 and in January 2015
- The views of senior managers and Troubled Families Co-ordinators.

Appendix Two contains the key socio-economic data from the areas. The population of LA3 was more than double the combined populations of LA1 and LA2 but had 225 Phase One ‘troubled’ families fewer than both authorities put together. LA1 and LA2 were “low wage, high welfare cities” and compared poorly with the London average weekly wage of £629 and the £2,124 on average spent on welfare in Cambridge (Centre for Cities 2016a:1 and Centre for Cities 2016b:11). The data suggested that LA1 and LA2 were subject to more financial risk than LA3 during the programme. They had a large number of ‘troubled’ families who needed to achieve a positive

outcome before the principal released the full funding allocation but the austerity measures reduced their overall budget for 'troubled' families' services.

A clear understanding of the socio-economic environment of the National Troubled Families Initiative was hindered by the contradictory nature of the available data. Some statistics presented a buoyant image of the area where LA1 and LA2 were situated and highlighted:

- 50,000 more people employed in the North-East in the last two years
- Unemployment falling by 2.1% to 7.8%; the lowest level since 2008
- A growth rate of 4.7% compared to the national average of 2.7% (North East Local Enterprise Partnership 2015).

However, the Social Mobility and Child Poverty Commission (2014) claimed that the area had the joint third highest child poverty rate in the UK as 27% of Northeast children were living in poverty after housing costs.

This aside, the latter at least provided a baseline against which to compare the Northeast of LA1 and LA2 and the Southeast and Northwest of LA3 and LA4. The Southeast – where LA3 was located – had:

- The joint lowest child poverty rate of anywhere in the country
- The lowest proportion of children in workless households in the UK
- The second highest earnings and employment in the UK (Social Mobility and Child Poverty Commission 2014).

Whereas, like the Northeast, the Northwest of LA4 jointly had the third highest child poverty rate and the most children in workless households in the UK as well as:

- A median hourly pay of £10.91 per hour – 6% lower than the UK average
- The second-lowest employment rate in England (Social Mobility and Child Poverty Commission 2014).

This data therefore showed the challenging, geographically unequal socio-economic backdrop to the National Troubled Families Initiative.

## **1.5 THE DELIVERY OF THE NATIONAL TROUBLED FAMILIES INITIATIVE**

DCLG advocated the agents of the National Troubled Families Initiative looking at the ‘troubles’ experienced by a family holistically rather than each problem being considered singly or the children, young people, parents and carers being ‘worked with’ in isolation. National guidelines stated that five key elements made family intervention effective:

- 1 “A dedicated worker, dedicated to a family
- 2 Practical ‘hands on’ support
- 3 A persistent, assertive and challenging approach
- 4 Considering the family as a whole – gathering the intelligence
- 5 Common purpose and agreed action” (DCLG 2012c:6).

My insider knowledge told me that adherence to this code would benefit stakeholders by:

1. Creating value-for-money by reducing the agent's service delivery costs
2. Improving service quality as the families received a joined-up service from one individual rather than several
3. Reducing inequality by asking one individual to work with the family and motivate them individually and collectively to achieve positive outcomes
4. Transferring a managed risk to the agent who proactively engages and moves forward 'complex' families
5. Encouraging market innovation by asking the agents, the wider public sector and voluntary sector providers to work together to tackle issues that impacted on them all by assessing the family's issues, creating a single plan and allocating actions to the most appropriate stakeholder.

However, this may also allow agents to exploit DCLG and the families by:

1. Providing a reduced and cheaper service delivered by a key worker with a broad, non-specialised expertise whom not all members of the family may bond with
2. Doing everything for the family because it was easier in the short-term than motivating them to make positive change
3. Pestering the family with a voluntary service that they do not recognise that they need
4. Failing to meet the needs of very vulnerable family members who require an individual service or whose 'troubles' are caused by the family
5. Drawing up a single plan that ignores the different priorities of the family and the agencies whose support they need.

Thus, the 'whole family' approach had the potential to create benefits for many stakeholders but also provided an opportunity for exploitation (Miller and Sardais 2011).

Appendix Three comprises the principal's guidance for the delivery of the National Troubled Families Initiative and the issues this provided to the agent. This suggested that Phase One of the National Troubled Families Initiative was an extremely challenging and complex programme for the agents to deliver.

In Phase Two, DCLG challenged the agent to devise a 'Troubled Family Outcomes Plan' for each local area to articulate simply and clearly their definition of success through the programme. Appendix Four contains the principal's hypothetical model of this and my view of the challenges that it presented. Thus, although Phase Two appeared to be less prescriptive and enabled the agents to tailor the local programme to their local circumstances, the move away from a national performance framework merely created another set of problems to solve.

## **1.6 THE 'TROUBLED' FAMILIES**

The English disturbances of August 2011 triggered the National Troubled Families Initiative. However, the concept of the 'troubled' family was not a twenty-first century phenomenon. 'Troubled' families had been commented upon since the nineteenth century and were variously labelled in the 1880s, early 1900s and 1950s as a "social residuum", "the unemployable" and "problem families" (Welshman 2012:1). They were also called "dysfunctional families", "the underclass", "antisocial families" and "socially excluded families" (McCarthy and Edwards 2011:162-163). I believe that these terms dehumanised the families and suggested that they were outside the boundaries of acceptable and 'normal' behaviour. They also loaned a note of irony to the National Troubled Families Initiative, which sought solutions to families' problems by delivering services to the whole family rather than supporting individuals outside of the family unit.

These terms also conveyed the notion that the families were responsible for their own problems; a view challenged by Gordon (2011) who could find no scientific evidence of poverty and “a cycle of deprivation” (McCarthy and Edwards 2011:163) being passed on through the generations. McCarthy and Edwards (2011) also dismissed the ‘experts’ views that ‘working class’ and ethnic minority families caused their own ‘trouble’ through their inadequate childrearing and disorganised domestic lives. They saw this as a value judgment and not grounded in scientific fact.

Gillies (2007) and McCarthy and Edwards (2011) believed that the negative judgements passed on ‘troubled’ families failed to understand the impact of society upon them. The former maintained that these families were overwhelmingly materially poor, unable to conform to the ‘middleclass’ standards of those who commented upon them and negatively affected by social deprivation, low income and worklessness. Edwards and Gillies (2011) cited in Edwards et al (2012) noted how ‘middleclass’ parents – particularly mothers – had the resources and time to devote themselves to parenting their offspring and purchasing for them ‘appropriate’ experiences and activities. Because of this, professionals saw them as:

“...active, responsible, and knowledgeable consumers of whole family-focused services and advice with their family and children’s best interests in mind” (Edwards et al 2012:15).

This contrasted with ‘working class’ and ‘ethnic minority’ parents’ struggles to overcome disadvantage. Edwards et al (2012) believed that practitioners viewed these families in terms of their difficulties and made them partly responsible for their issues. They treated them as passive clients rather than active participants in services and expected these parents to accept professionals’ judgements because they could not possibly know where their progeny’s best interests lay.

In my view, the commentators who negatively judged these ‘troubled’ families made the fatal mistake of failing to understand both the external pressures upon them and that, like ‘untroubled’ families, they were not a homogenous group. I also believe that the principal’s view of the families as belonging to three groups - regardless of whether their ‘troubles’ were lifestyle choices or unavoidable misfortune - continued the disservice to them.

Phase One ‘troubled’ families were labelled as:

- “‘Superlight’ if they required support from 1-2 agencies
- ‘Light’ if they required support from 3+ agencies who would typically form a Team Around the Family (TAF) to ensure that the support offered was co-ordinated
- ‘Intensive’ if they were a chaotic family with complex needs who required a high level of agency intervention” (DCLG 2012c:31).

The data from Phase One of the National Troubled Families Initiative suggested that many families’ ‘troubles’ were linked to ill health. In 74% of Phase One families, there was no one in work compared to 17% of households nationally. However,

- 71% of these ‘troubled’ families had poor health
- 46% had an adult with a mental health problem
- 32% of the families had an adult with a long-standing illness or disability (DCLG 2014b).

49% of ‘troubled’ families’ households comprised single parents compared to the national average of 16% (DCLG 2014b). However, the combination of ill health and single-parenthood may have explained why these households relied on unemployment benefit rather than a salary. Even if these single parents were in good health, their childcare commitments may have stopped them working, especially if

they lacked the annual fee of £6,003 for a full-time nursery place (Family and Childcare Trust 2015).

The data also suggested that 'troubled' families' ill health impacted upon their youngsters' poor school attendance as:

- 33% of the families had children suffering from a mental health problem and 20% of the cohort had a clinical diagnosis compared to a national average of approximately 10% of children suffering from a mental health issue at any one time
- 20% of the families had children with a clinical diagnosis of attention deficit hyperactivity disorder (ADHD); a condition estimated to be experienced by 2-5% of UK children
- 39% of families had a child with special educational needs; more than double the average figure of 19% (DCLG 2014b).

It is unclear whether these families had access to the mental health and other support that they needed and how long waiting lists in their area were.

Appendix Five comprises recent UK policy changes that affected both 'troubled' and 'untroubled' families. It suggests that the disadvantages for all ages outnumbered the advantages but a clear understanding of the information is only possible by quantifying each statement. For example, Sure Start was a £3B investment whom its target audience of the most deprived families saw as "...stressful and intrusive" (Gill and Jack 2007:139).

Research from 4Children (2016) suggested that 'troubled' families who the programme moved off workless benefits and into paid employment would not necessarily experience a positive change in their lives as:

- Employment did not end poverty, as nearly two-thirds of children in poverty lived in working families
- Across the income distribution, pay had fallen for more than five years in a row
- 61% of people with children said that money worries were one of the top strains on their relationships, compared to 47% of those without children
- 24% of families reduced their vital spending on items such as groceries in order to cope with higher living costs
- The proportion of low-income families with no savings to fall back on had increased substantially with unsecured debt increasing and projected to rise yet further.

Furthermore:

- One quarter of adults surveyed felt that work reduced their opportunity for social contact and integration (Levitas 2006)
- Employment for all was another route to inequality and factors such as age, gender, ethnicity and disability affected job prospects (Churchill 2015).

This data therefore cast doubt on the positive view of paid employment propagated by the National Troubled Families Initiative.

'Complex' families are a specific subset of 'troubled' families. They have specific, serious issues, which impact upon one another. 'Complex' families' issues and the challenges faced by the practitioners and services that support them are outlined in Appendices Six, Seven and Eight. However, the complexity of families and the management of them will not be discussed by the research project.

Some commentators dehumanised 'troubled' families; blamed them for their own problems; ignored the magnitude of the challenges that they faced and failed to recognise the impact of society upon them. It is unclear whether paid employment improved family and community life and reduced youth crime, ASB and school truancy.

## **1.7 SUMMARY**

Chapter One introduced the research question of how might a practical framework, rooted in business and management literature, be developed for the effective implementation of Payment by Results (PbR) programmes in the public sector. It identified that the research project had three objectives. These were to understand better the National Troubled Families Initiative's geographic and socio-economic context; its service user group; and how success can be achieved both in the programme and through Payment by Results provision.

Chapter One set the context for the National Troubled Families Initiative case study from the standpoint of the principal, the agent and the families themselves. It provided an overview of the 'Troubled Families' programme and the four areas whose qualitative data enabled the creation of new knowledge about target achievement in Payment by Results provision and recommendations for the Phase Two success of the programme in LA1 and England (K1). This geographic, social and economic data provided a quantitative baseline of information about the quartet so that they could be compared and contrasted at a very basic level. Chapter One captured the principal's views about how the agent should deliver 'Troubled Families' in Phase One, which I juxtaposed with my own experience of the programme as an employee of the agent. I also shared the portrayal of 'troubled' families in the literature and highlighted some of their challenges to give an overview of the concept of the 'troubled' family and indicate the complex social need that the PbR programme had to overcome.

Chapter Two will present the Stakeholder Theory and Agency Theory theoretical framework, outcome-based contracts and consider the Payment by Results model and the National Troubled Families Initiative through this lens. The systematic acquisition and understanding of this body of knowledge (K2) provided the platform upon which I conceptualised, designed and implemented pragmatic research to extend the forefront of professional practice in PbR (K3).

## **CHAPTER TWO – LITERATURE REVIEW**

### **2.1 INTRODUCTION**

Chapter Two details the systematic acquisition and understanding of a substantial body of knowledge at the forefront of my specific area of professional practice (K2). It presents the theoretical framework of Stakeholder Theory and Agency Theory and considers the key literature on outcome-based contracts and Payment by Results (PbR) through the lens of this theoretical framework. The case study of the National Troubled Families Initiative – an eight-year Payment by Results programme launched in England as a response to the 2011 English disturbances - is then reviewed to identify the gaps in the Payment by Results literature.

### **2.2 STAKEHOLDER THEORY**

The term ‘stakeholder’ first appeared in 1963 and referred to the groups without whom a particular organisation would cease to exist. The original list of stakeholders included “...shareowners, employees, customers, suppliers, lenders and society” (Freeman and Reed 2014:146).

#### **2.2.1 The Definition of a Stakeholder and Stakeholder Theory**

The definition of a stakeholder has broadened more recently to encompass:

- The wide sense of stakeholder

“Any identifiable group or individual who can affect the achievement of an organization’s objectives or who is affected by the achievement of an organization’s objectives. (Public interest groups, protest groups, government agencies, trade associations, competitors, unions, as well as employees, customer segments,

shareowners and others are stakeholders, in this sense.)” (Freeman and Reed 2014:147)

- The narrow sense of stakeholder

“Any identifiable group or individual on which the organization is dependent for its continued survival. (Employees, customer segments, certain suppliers, key government agencies, shareowners, certain financial institutions, as well as others are all stakeholders in the narrow sense of the term.)” (Freeman and Reed 2014:147).

Freeman - who was viewed as writing the ‘landmark’ book, which embedded the concept of stakeholders in management scholarship and in managers' thinking (Mitchell et al 1997) and has extensively researched the phenomenon for nearly forty years – acknowledged that Stakeholder Theory was not a single theory but a:

“...framework [or] ...a set of ideas from which a number of theories can be derived” (Freeman et al 2010:63).

Stakeholder Theory can encourage the search for and creation of meaning within organisations and the asking of ‘good’ questions at the start of the inquiry process (Freeman et al 2010) as well as being a:

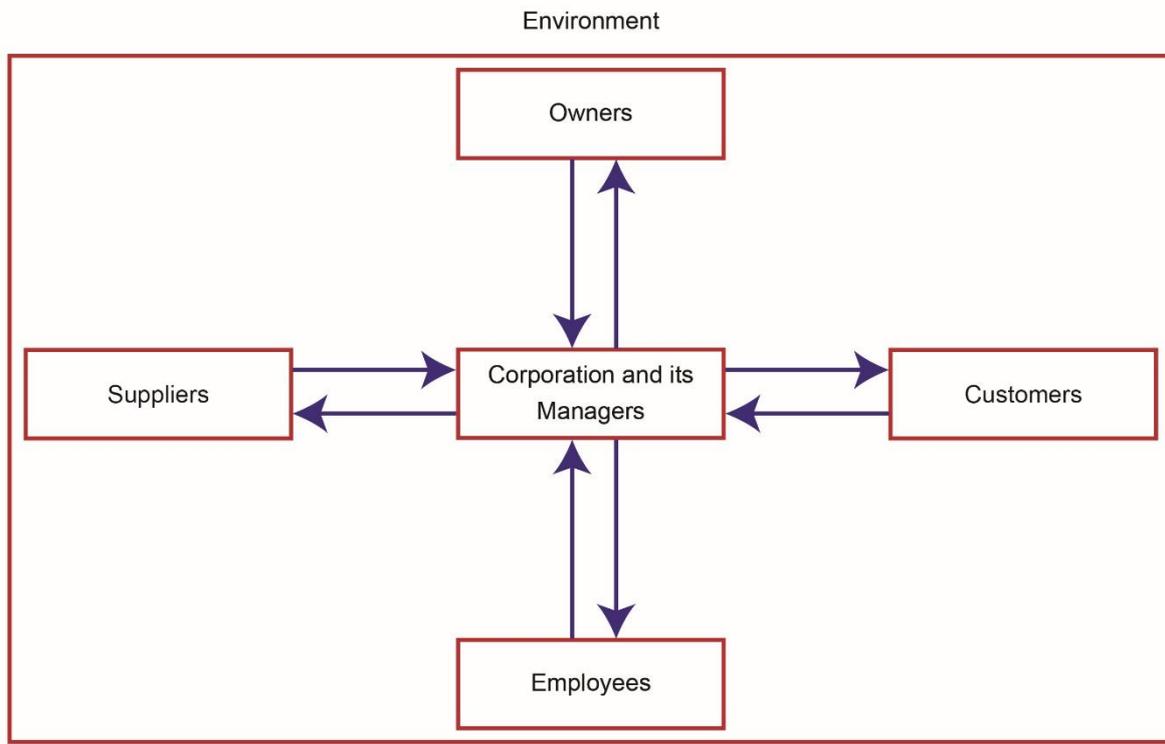
“... powerful vehicle for thinking about the way in which ethics becomes central to the core operations of the firm and how managing is a morally laden activity – rather than a strictly formalistic and amoral quest for economic gain” (Freeman et al 2010:232).

I will use Stakeholder Theory in this research project to search for and create meaning, and ask 'good' questions about the stakeholders involved with Payment by Results provision.

### **2.2.2 The Stakeholder View of the Firm**

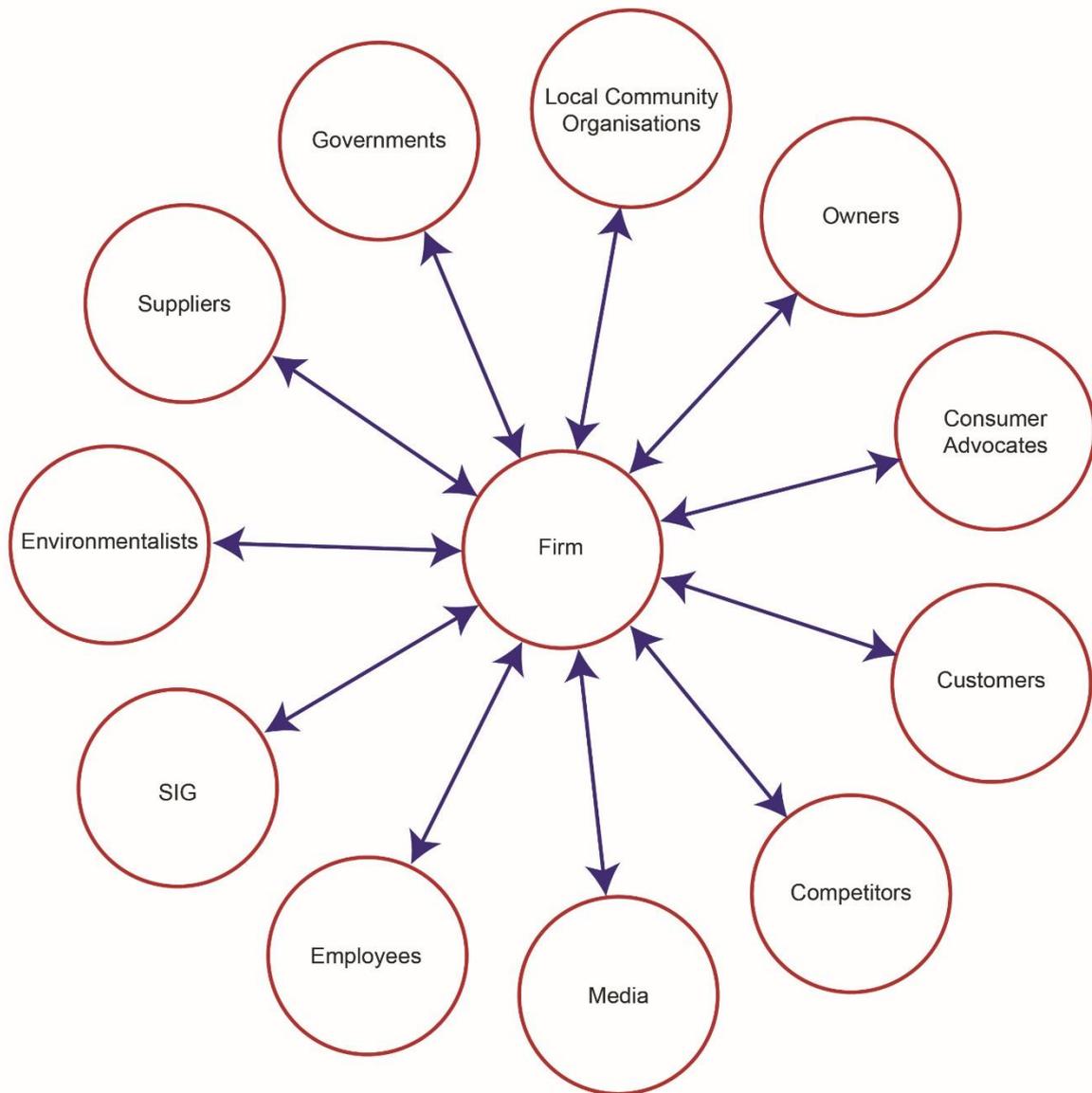
Freeman (2010) argued that the concept of the stakeholder grew in importance as the presence and impact of internal and external change factors upon the organisation increased. In addition, the established view of the firm and its management developed from an entity with a two-way relationship with its owners, employees, suppliers and customers (Figure 2.2.2a) to an organisation with a number of stakeholders (Figure 2.2.2b) that needed a strategy for managing each stakeholder and an integrated approach for dealing with multiple stakeholders on multiple issues (Freeman 2010):

Figure 2.2.2a - The Managerial View of the Firm



(Freeman 2010:6)

Figure 2.2.2b - The Stakeholder View of the Firm



(Freeman 2010:25)

While the use of the term 'firm' appeared to root the organisation in the private sector, I will demonstrate that the Stakeholder View of the Firm can be translated into a public sector context.

The internal change and challenges, which the firm was susceptible to included:

- Owners wanting more control over the running of the company and not just solely focusing on receiving a return on their investment
- Customers having access to a global market and not just products of native origin
- Employees rejecting an authoritarian management style and working practices and also holding other roles such as that of stockholder, customer or member of a special interest group
- Suppliers providing raw materials on a global rather than local scale and functioning in a more politicised environment (Freeman 2010).

External change was more problematic than internal change as it created uncertainty and affected the balance of the relationship between the corporation, owners, employees, suppliers and customers. Creators of external change included:

- Local governments relying upon business to create jobs and bring prosperity to the local area; national governments acting as regulators and passing legislation that made the running of a business more complex or costly and foreign governments agreeing different rules and protections
- Overseas competitors operating under different rules that sometimes offered them an advantage over home-based competitors
- Consumer advocates campaigning for change and attracting significant media coverage
- Environmentalists challenging the unintended consequences of business such as water pollution and bringing increased costs to the company through new legislation

- Special Interest Groups (SIGs) using the political process to further their position on a specific issue and harnessing the media to their ends
- The media scrutinising the actions of corporations (Freeman 2010).

### **2.2.3 The 'Real World' of Stakeholders**

A private sector firm or an organisation in the public or voluntary sector requires a strategy to manage its stakeholders. The number and type of these stakeholders and the strategy for managing the relationship with them will depend upon a range of factors such as the size, location and core business of the company. The 'Classical' and the 'Real World' Stakeholder Theory Grids were constructed to convey the complexity of the relationship between the stakeholder and the firm (Freeman and Reed 2014). They appear in Appendix Nine and Ten.

Like the Stakeholder View of the Firm, I believe that the key concepts of the stakeholder, Stakeholder Theory, and the 'Classical' and 'Real World' Stakeholder Theory Grids have applicability beyond the private sector. I will return to these concepts later when I discuss the Payment by Results model. In the next section, I will introduce Agency Theory and consider it as a standalone concept and in relation to Stakeholder Theory.

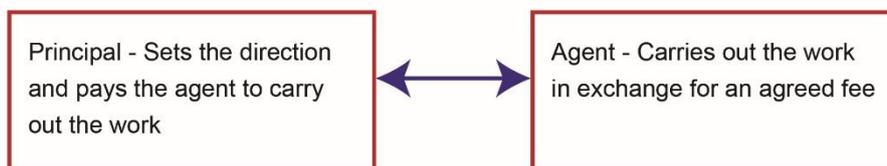
## **2.3 AGENCY THEORY**

Agency Theory originated slightly later than Stakeholder Theory, in the early 1970s (Bowie and Freeman 1992).

### 2.3.1 The Definition of Agency Theory

Agency Theory is concerned with the agency relationship whereby one party (the principal) delegated work to another (the agent) who performed that work (Eisenhardt 1989). I capture this pictorially as:

Figure 2.3.1a – Agency Theory



(Based on Eisenhardt 1989)

The nature of this relationship is that of a contract. Thus if Agency Theory is to be explained in terms of the Stakeholder View of the Firm (Figure 2.2.2b) the 'firm' and the 'principal' are synonymous and an 'agent' stakeholder can be added to the diagram to illustrate the difference between 'contractors' and actual 'employees'.

In terms of the 'real world' of Stakeholder Theory (Table 2.2.3b), the agent has an economic stake and economic power (Freeman and Reed 2014). The agent provides a service to the principal (firm) in exchange for an agreed fee and the principal employs the agent to create value.

The actual value received by the principal depended upon the extent to which their interests diverged with the agent and the accuracy of the principal's information about the agent's contribution (Bosse and Phillips 2016). Agents were held to be "opportunists" and principals or owners to be "responsible parties" (Miller and

Sardais 2011:6). The agent was not expected to act in the best interests of the principal but to present them with something less than the anticipated value where possible. Estimates for the costs incurred by principals in such a situation were 0.2% of revenue for large manufacturing firms and 5% for small firms (Bosse and Phillips 2016). There is no accurate cost calculation for the costs incurred by other stakeholders such as employees or customers.

Agency Theory categorised the cost risk to the principal as occurring when the desires or goals of the principal and agent conflicted. In this situation, it may have been too complex or costly for the principal to verify what the agent was actually doing. Furthermore, both parties may have had different attitudes toward risk and potentially preferred different actions because of this (Eisenhardt 1989). I capture this pictorially as:

Figure 2.3.1b – The First Agency Theory Problem

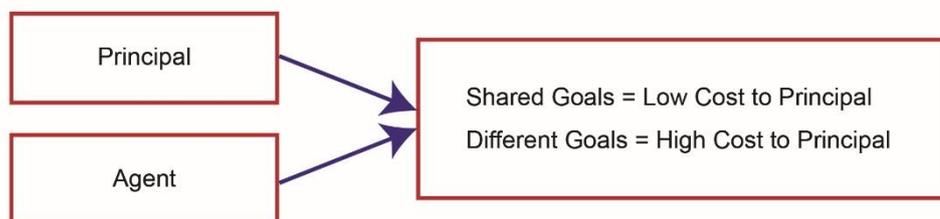
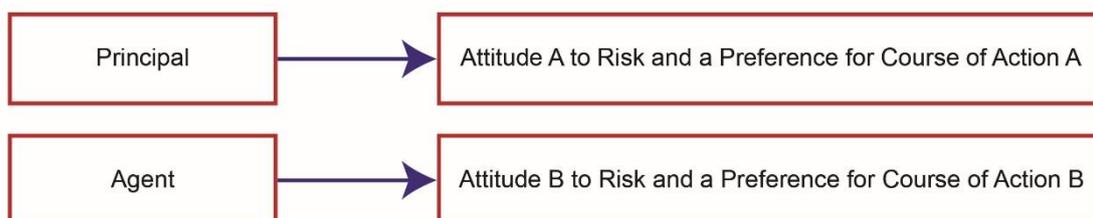


Figure 2.3.1c – The Second Agency Theory Problem



The principal and agent's differing goals and attitudes to risk could have a number of origins including outcome uncertainty around new product innovation or team-oriented jobs in which it was hard for the principal to evaluate the agent's behaviours (Eisenhardt 1989).

In my view, the potential for difference around goals, attitudes to risk and preferences for action captured in Figure 2.3.1b and Figure 2.3.1c confirm the need for the principal to consider the agent/stakeholder in their strategic planning process (Freeman 2010).

### **2.3.2 Outcome-Based Contracts in Agency Theory**

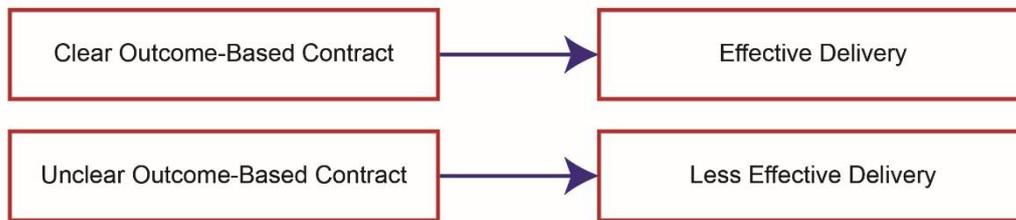
Agency Theory typically classified agent controls into behaviour-based controls and outcome-based controls (Tumbat and Grayson 2016). Rewarding the agent based on the outcomes achieved rather than their behaviour was a common incentive alignment mechanism. However, it disadvantaged risk-averse agents by offering them compensation for outcomes that they did not fully control (Bosse and Phillips 2016).

Agents' expectations as to the reward required for their effort was affected by their:

- Perceptions of contribution to the joint effort and compensation of comparable others
- Experiences in prior exchanges with the principal or other principals
- Prior experience of being a principal
- Knowledge of other agents' experiences in exchanges with the principal
- Beliefs about the operative basis for fairness (Bosse and Phillips 2016).

An outcomes-based contract lost its effectiveness when the outcomes required were less clear (Eisenhardt 1989). I capture this pictorially as:

Figure 2.3.2 – Clear versus Unclear Outcomes-Based Contracts



A key decision during the contract design phase was how much control or authority the principal should exercise in relation to the agent. Historically, Agency Theory allowed for relationships where:

- The principal had very high or formal authority over the agent
- The agent exercised authority over the principal
- The principal and agent were relatively independent (Tumbat and Grayson 2016).

The length of the contract was also important. Short-term contracts were seen as being harder to manage effectively than long-term ones as the latter enabled the principal to learn more about the agent and decide whether their actions were appropriate (Eisenhardt 1989). There is also a view that the opportunistic agent and the exploited principal do not appear in every case and it is possible to find examples of exploitative principals compromising the long-term interests of the organization and an ethical agent using their superior information to benefit the organisation and its stakeholders (Miller and Sardais 2011).

Heinrich and Marschke (2010) used the principal-agent model as a focal theoretical frame for synthesizing theoretical and empirical knowledge about the design and dynamics of the implementation of public sector performance management systems. They reviewed the burgeoning body of evidence about how performance measurement and incentive systems function in practice and how individuals and

organizations respond and adapt to them over time and reflected upon examples from performance measurement systems in public education and social welfare programmes. Heinrich and Marschke (2010) recognised that agents come to know the distinct weaknesses or distortions of performance measures and how to exploit these measures. If the principal learns faster than the agent does, the usefulness of a performance measure is more likely to increase, but if the agent learns faster how to manipulate a measure, its usefulness will decline and the measure may ultimately be discarded. Heinrich and Marschke (2010) provided a range of actions to counter this including:

- Developing effective incentive schemes following work to understand what motivates employees
- Assigning or reallocating tasks across workers accordingly and not grafting them onto the structure of an agency
- Challenging the practice of assigning work so that one group of agents performs only measurable tasks and another offers delivery whose performance is difficult to measure. They saw this as an exploitative and risky practice
- Advocating performance incentive systems that incorporated evolutionary dynamism. In their view, true understanding of the context cannot be known prior to programme implementation and performance measures must be tried, evaluated, modified and potentially discarded as the principal became better acquainted with the agent.

Heinrich and Lynn (2000) investigated the influence of programme structure and management governance upon performance; using the case study of the Job Training Partnership Act (JTPA). The JTPA was a major initiative in early 80's America, which became a \$5 billion federally funded employment and training programme for disadvantaged workers. It required the fifty states to provide services to those who could benefit and were in need of such opportunities and measured performance through the participants' increased employment and earnings and the reduction in welfare dependency. Heinrich and Lynn (2000) investigated the effects of programme governance and management on participant employment and

earnings. They took advantage of hierarchical, time-varying data from the National JTPA Study; specifically the availability of individual-level data on client characteristics, programme participation, and outcomes and of site-level structural information for the sixteen sites in the National JTPA Study, collected for three different years to identify the impact of administrative structures, management strategies, and client characteristics on programme outcomes.

Heinrich and Lynn (2000) found that a clear authority over programme administration reaped significantly higher earnings levels and greater rates of entered employment in the first post-programme year. However, there were some qualifications to these findings. Programme administrators may choose to sacrifice overall earnings and employment achievements in favour of insuring that the least advantaged groups were prioritised in service delivery and a higher share of a smaller aggregate outcome. They estimated the effects of structure and management policies on participants' earnings and employment outcomes in the first post-programme year, not their long-term earnings and employment impacts. Heinrich and Lynn (2000) also discovered that the power of these models in explaining individual outcomes is still not especially high; a characteristic of working with individual-level data and a relatively limited array of client characteristics, compared to all the potential intervening factors when examining outcomes in a post-programme period. These same challenges are typically encountered in evaluating individual-level outcomes for other social programmes as well, including other training programmes, welfare-to-work initiatives and drug abuse treatment programmes.

This section defined Agency Theory, discussed the relationship between the principal and the agent and considered Agency Theory in the context of Stakeholder Theory. This followed Jensen and Meckling (1976) who linked the two concepts and suggested that managers had a responsibility to act as trustworthy agents to multiple stakeholders rather than just the company's stockholders and should draw these stakeholders together to accomplish tasks in an efficient manner. I also considered how performance measurement and incentive systems function in practice and how individuals and organizations respond and adapt to them over time.

The next section will study Payment by Results through the lens of the theoretical framework of Stakeholder Theory and Agency Theory. This will facilitate a better understanding of PbR whilst applying Stakeholder Theory in a context other than that of the traditional environments of information technology and construction (Littau et al 2010) and extending the range of Agency Theory into a complex environment (Eisenhardt 1989).

## **2.4 PAYMENT BY RESULTS**

Payment by Results (PbR) is a model for delivering public services where the 'principal' in the form of a Government department or other commissioner pays the 'agent' or service provider for the outcomes they have demonstrably achieved rather than the activities they have delivered (ICF International 2015). Payment by Results is an increasingly common method of funding provision in the UK public sector with the National Audit Office (2015) estimating that at least £15B-worth of schemes had a PbR element. Payment by Results is also popular in the United States and Australia (Webster 2015).

UK programmes vary in terms of the social need that they address and the extent to which the PbR element is used. For example, the Department for International Development was the principal for nineteen linked African aid programmes to improve water and sanitation, education and health. They had a PbR element of only 9%. In contrast, the PbR proportion of the contract between the Ministry of Justice (MoJ) and HMP Peterborough to improve offender rehabilitation was 100% (NAO 2015).

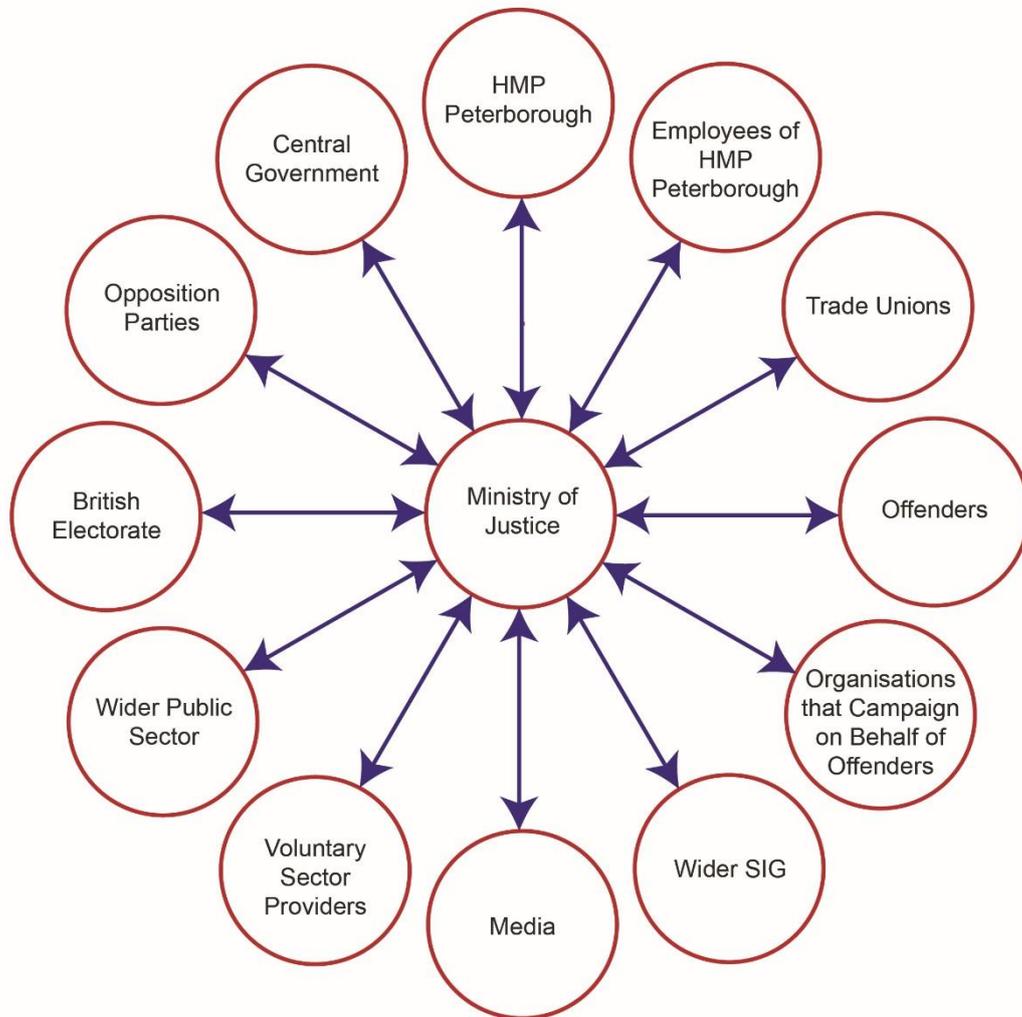
In the United Kingdom, Payment by Results is a key part of the Open Public Services agenda that aimed to:

- Create incentives for and promote innovation amongst providers (agents) to improve outcomes

- Reduce government's direct involvement in the delivery of social outcomes by increasing the provision by the private and social sectors (ICF International 2015).

The link between PbR, Stakeholder Theory and Agency Theory can be clearly seen as these PbR schemes required a stakeholder view to be taken (Figure 2.2.2b) (Freeman 2010) and involved a principal setting out the direction and paying an agent to carry out work in exchange for an agreed fee. It can be postulated that in the programme to reduce offending, the 'firm' (Ministry of Justice) had to consider a number of stakeholders:

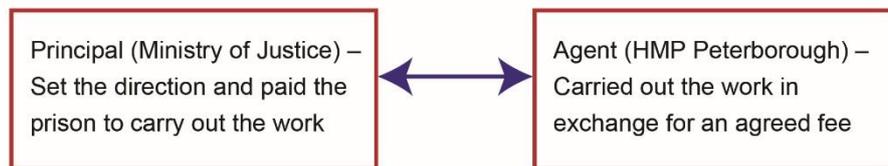
Figure 2.4a – The Stakeholder View of the Ministry of Justice-Funded HMP Peterborough Pilot to Reduce Offending



(Based on Freeman 2010)

Here, the Ministry of Justice was the principal and HMP Peterborough was the agent:

Figure 2.4b – The HMP Peterborough Pilot Interpreted Using Agency Theory



Many of the UK's first generation of Payment by Results programmes is still underway. Consequently, there is insufficient evidence either to evaluate the effectiveness of individual schemes or the Payment by Results mechanism itself (NAO 2015). This research project responds to the call for the evaluation of Payment by Results to explain and refine the model and advance the argument for or against PbR (Battye 2015).

#### 2.4.1 The Payment by Results Model

Payment by Results is:

“A commissioning approach to the delivery of public services where contract payments are wholly or partly dependent on the achievement of specified outcomes” (Webster 2016:6).

The UK public sector has typically used PbR to address complex social issues for which there were no straightforward solutions. For example, through the recent schemes to reduce adult offending (Transforming Rehabilitation), homelessness in the capital (London Rough Sleepers) and adult worklessness (Work Programme) (Webster 2016). As Appendix Eleven shows, Payment by Results is not a uniform entity but a mechanism, which can be adapted to suit particular circumstances.

Principals selected the Payment by Results model for a number of reasons including:

- Improved outcomes, outcome-focus, value-for-money or service quality
- Service innovation
- Opening up the market to new entrants
- The opportunity to defer payment to the agent until later in the programme; something which also transferred the risk to the agent
- Reduced inequalities (Webster 2016).

Appendix Twelve reveals that there is no conclusive evidence of PbR programmes realising these benefits, a view that concurred with my personal work-based experience. Their principals established these PbR programmes with good intentions and put an outcome-based framework in place to manage their chosen agents. However, they have much to learn about the achievement of targets in Payment by Results provision and the creation of value for at least the three key stakeholder groups of principal, agent and service users. Clearly, some issues with Payment by Results must be addressed to avoid:

- Future loss of value to the principals in the form of fewer adults moving into work, reducing their substance misuse and desisting from offending
- Future loss of revenue to agents who are unable to claim all of the funding on offer
- Reduced life chances experienced by some of the most vulnerable adults in UK society.

This research project will attempt to do this.

Appendix Thirteen describes social impact bonds; a funding model for Payment by Results programmes that has become increasingly common (Whitfield 2015).

#### **2.4.2 Guidelines for Principals Considering Commissioning Payment by Results Provision**

The National Audit Office (2015) claimed that the Payment by Results model was not suitable for all public services and advised principals to consider a range of delivery approaches before selecting PbR and to be clear about their reasons for selecting the PbR delivery approach over others. They recommended that principals:

1. Develop insight into the operating context before designing their PbR scheme
2. Set clear expectations for performance
3. Identify challenging but achievable outcomes on which to base payments
4. Develop from these effective incentives for agents
5. Monitor the performance of agents and establish clear oversight and intervention mechanisms to minimise the impact of agent failure on public services
6. Evaluate how using PbR has improved service delivery and overall value-for-money (NAO 2015).

This research project will later measure the National Troubled Families Initiative against these guidelines to address the third research objective of how success can be achieved both in the programme and through Payment by Results provision.

An effective outcome was described as possessing the six key elements:

- Having clarity and complexity
- Being verifiable
- Being attributable
- Factoring in deadweight
- Addressing issues pertinent to either individuals or cohorts
- Being segmented (Webster 2016).

For an outcome to have clarity and complexity, it must be clear and meaningful both to the principal and to the agent. The outcome must also be meaningful and compatible with existing data recording systems (Wong et al 2015). In the Transforming Rehabilitation scheme, the National Offender Management Scheme had no data for an eighth of the Community Rehabilitation Company service levels and assurance metrics and insufficiently robust data in another two and the National Probation Service had no data for one fifth of its service levels and insufficiently robust data in another two (NAO 2016). It is therefore possible that the data that Transforming Rehabilitation required the agent to collect and track was too complex for its systems at the time of implementation.

Careful consideration must be given of the measurement of these clear outcomes both to increase the likelihood of the programme achieving positive change and to minimise any unfortunate 'unintended consequences' (Norton 2008) to stakeholders. The pilot programme in HMP Doncaster chose a binary measurement rather than a frequency or seriousness measurement. This meant that the agent withdrew support from individuals who reoffended and could not therefore trigger an outcome payment for the agent. This would not have occurred with a frequency or seriousness measurement. Here, offenders who committed less crime or less serious crime rather than only no crime would have retained their eligibility for support; thus increasing their chances of eventual desistance (Pearce et al 2015).

The principal and the agent are advised to have a clear dialogue at the outset of contract negotiations so that the latter is clear as to the financial benefit available from their delivery of the PbR scheme. This may have prevented NHS Direct – the agent which won more than 25% of the regional contracts for providing the '111' non-emergency medical helpline across England – from withdrawing from the contract in July 2013. This was done because the calls received took twice as long as expected thus impacting upon the capacity of their call centres and reducing the number of calls for which they could claim an outcome payment (Torjesen 2013). This case also demonstrated the need for the principal to have a contingency plan to replace an agent; thus ensuring that other stakeholders such as the customer remain unaffected and continue to receive a service.

A clear outcome is not necessarily a simple one as outcomes that are too straightforward can narrow the focus of the intervention and fail to deliver the outcomes required. This point is particularly important in Payment by Results programmes aimed at reducing entrenched social problems with clients from a diverse background with a variety of needs who require co-ordinated and extensive interventions from a range of providers (Crowe et al 2014). However, principals should also beware of attaching too many outcomes to a specific PbR intervention. An example of this practice is the Department of Health-funded 'Improving Access to Psychological Therapies' PbR scheme. The principal paid the agent to provide counselling and psychotherapy to improve adult mental health but also had the expectation that this provision would move the client off workless benefits and into employment (Tomlinson 2014).

Progression outcomes reflecting individuals' journeys towards final outcomes are widely used in United States and Australian PbR programmes. They bring payment for the resources committed to achieving progress and enable better performance management. Agents saw the absence of progression outcomes from the Youth Contract as a major flaw of the scheme. They received an attachment fee and an outcome payment when a young person entered and stayed in employment. This

arrangement rewarded the work done by the agent but not the actual progress made by the young person (ICF International 2015).

The second characteristic of a good outcome - verification - is particularly challenging for programmes attempting to tackle a range of issues across a span of providers. An example of this was the drug and alcohol PbR programmes where payments varied depending upon whether the clients were binge drinkers needing a short intervention or dependent heroin and crack cocaine users requiring a very intensive and lengthy service (Maynard et al 2011). Here, any principal concerned about verification would actually have to visit the agents and interview a sample of the 'successful' service users.

The DWP established a Provider Payment Validation Team for the Work Programme. Although this will have been complex and time-consuming to set up, it reaped a significant cost benefit. The team extensively checked a number of apparent job outcome claims submitted in 2013-2014. They failed 7% of them, an exercise which saved the principal £2M in reduced payments to agents (NAO 2014) and presumably covered the expense of the Provider Payment Validation Team.

The flipside of verification is that it can prove costly to the agent. The early implementation of Work Programme placed upon the agents the expectation that they delivered outcomes before the IT system that the initiative relied on was completed (Crowe et al 2014). This may have contributed to some agents missing out on outcome payments. Their clients moved into employment but they were unable to prove this to the principal (NAO 2014).

Attribution involves the extent to which the environment beyond the PbR programme can affect the outcomes achieved. Attribution affected the Work Programme between 2011 and 2014. The principal – DWP – expected to pay the agents £1.7B between June 2011 and March 2014 for the outcomes achieved. However, a lower than

forecast number of clients progressing into sustained employment - presumably due to factors such as the global economic crisis - meant that the principal actually only paid out £1.4B (NAO 2014). The external economic environment therefore had a significant negative impact on some stakeholders:

- The agents were deprived of £0.3B
- The principal gained financially by paying out less reward funding but suffered reputational damage due to the apparent failure of its scheme
- The Government lost tax revenue due to fewer adults progressing into sustained employment
- The service users had a reduced chance of finding sustained employment and improving their quality of life.

The fourth characteristic 'deadweight' referred to outcomes, which would have happened anyway. Into this category came outcomes that the service users achieved through their own efforts or by accessing support beyond that of the Payment by Results programme. While it is possible to establish a control group of individuals against which to compare the progress of the cohort accessing the PbR scheme, this can be expensive to set-up. It is also difficult for national initiatives to institute where performance must be measured by comparing the outcome achieved by providers across the intervention – as was the case with Work Programme - or against a historical baseline as adopted in Transforming Rehabilitation (Webster 2016).

The fifth key characteristic of an outcome is whether it addresses the needs of individuals or cohorts. An example of the former is DWP's Work Programme where the principal made payments to the agents for positive outcomes achieved with individuals. The payment profile of the programme was broken down to a 20% attachment fee and two PbR payments of 25% and 55% for a job outcome and sustained employment (NAO 2014). This contrasted with the cohort approach of

Transforming Rehabilitation where the principal expected the agents to reduce the reoffending rate of service users below the historic rate (NAO 2016).

The sixth point to note is that an outcome should consider segmentation (Webster 2016), the clear delineation between target groups and the linking of varying outcome payments to each to ensure that 'hard-to-help' as well as 'easy-to-help' clients are engaged, worked with and supported to achieve a positive outcome. Substance misuse provision - where it was unfair for a principal to offer the same reward to an agent for bringing about abstinence in a binge drinker compared to an entrenched heroin and crack cocaine user – needed client segmentation. Each user group required a very different intensity and length of service. Furthermore, the agent could 'exploit' the principal and prioritise the binge drinkers who were the easiest and cheapest to work with ahead of the hard drugs misusers (Mason et al 2015).

However, even if a programme has client segmentation in place, this does not necessarily make its longer-term financial viability any easier for the agent. Thus although the London Rough Sleepers PbR was praised for its individualised support, the agent still faced the difficulty of maximising the financial return from achieving their targets while continuing to support vulnerable rough sleepers who had not yet moved into stable accommodation (Webster 2016).

### **2.4.3 The Importance of Service User Involvement in Payment by Results Provision**

Although clarity and complexity, verification, attribution, deadweight, individual versus cohort differentiation and segmentation are essential elements of an outcome (Webster 2016), stakeholder involvement is also seen as crucial to the overall success of a Payment by Results programme. It has been suggested that service users should be involved in the design of appropriate and viable outcomes to ensure that the model reflects how they engage with services and to enhance the understanding of principals and agents about the barriers to achieving results (Sheil

and Breidenbach-Roe 2014). Crowe et al (2014) spoke of service users' desire for commissioners to build their insight, understand communities better and manage customer demand more effectively; points which reiterated this view. Crowe et al (2014) believed that more service user-focused commissioning would result from an increased knowledge of community needs, agents' methodologies, community assets and resources.

The involvement of substance misusers in the Department of Health's pilot programme in eight geographical areas may have had a positive impact on the initiative. This scheme gave the agents payments based on 'recovery-focused' outcomes and emphasized the desirability of recovery from drug or alcohol dependency and the completion of treatment without the continued prescribing of substitute drugs. It had the 'unintended consequence' (Norton 2008) of fewer clients completing drug misuse treatment and a higher proportion of service users declining to continue with treatment. The agent became more risk-averse in discharging service users from treatment and recording them as completed successfully; an action which probably incurred a later cost for other health services such as Accident and Emergency departments (Mason et al 2015).

My insider knowledge of project and programme delivery leads me to sound one note of caution. I know from personal experience that service user involvement is not easy to achieve and to do well. Therefore, I recommend an investigation into how best to consult the most vulnerable and disadvantaged members of society prior to designing PbR initiatives to address their social issues.

I considered the key literature on Payment by Results (PbR) through the lens of the theoretical framework of Stakeholder Theory and Agency Theory. In order to identify the gaps around the achievement of targets in Payment by Results provision, I will review the case study of the National Troubled Families Initiative.

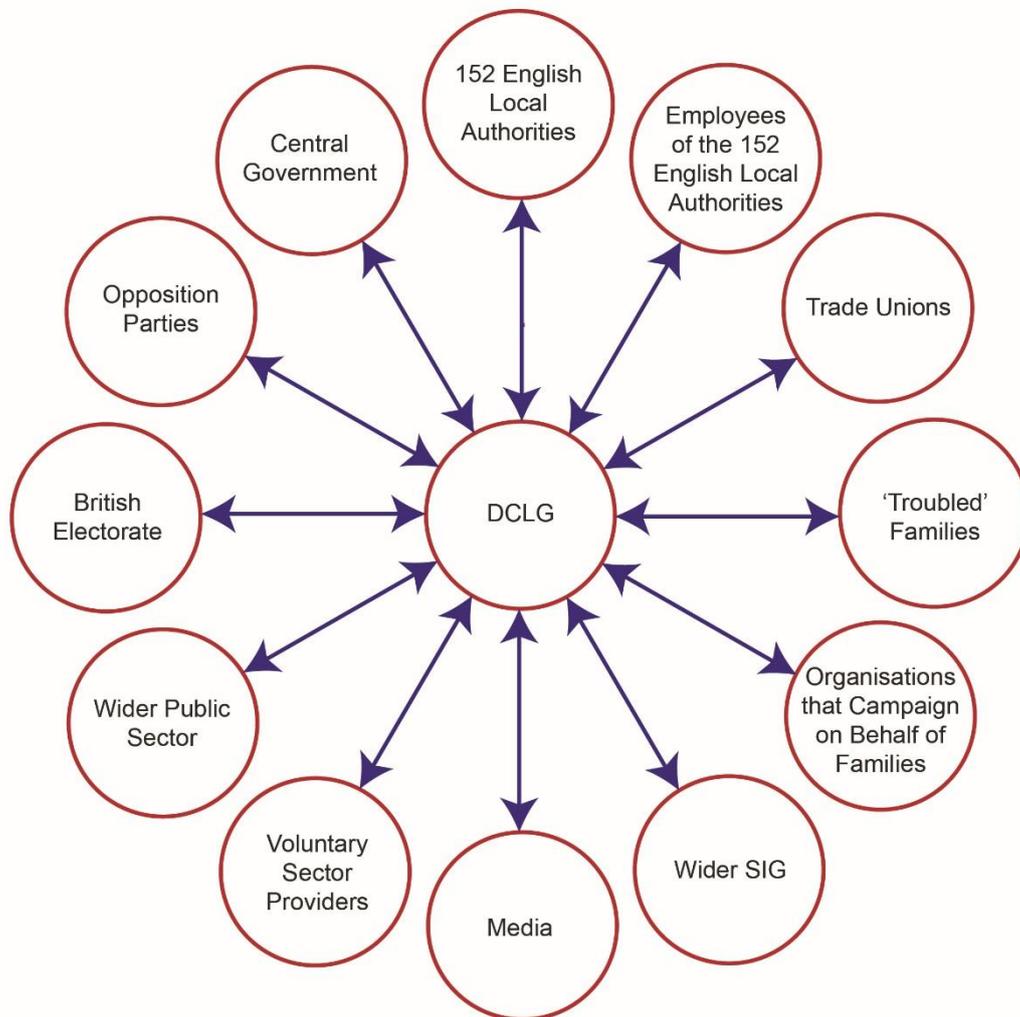
## **2.5 THE NATIONAL TROUBLED FAMILIES INITIATIVE**

The Coalition Government launched the National Troubled Families Initiative in December 2011 in response to the English disturbances of August 2011. It was originally designed to run for three years from 1<sup>st</sup> April 2012 before being extended for a further five years until 31<sup>st</sup> March 2020.

### **2.5.1 The National Troubled Families Initiative Viewed Through the Lens of Stakeholder Theory**

Both Phase One and Phase Two of the National Troubled Families Initiative had a range of stakeholders:

Figure 2.5.1 - The Stakeholder View of the National Troubled Families Initiative



(Based on Freeman 2010)

4Children was an example of an organisation that campaigned on behalf of families. In early 2016, they published an inquiry into British family life that painted a gloomy picture of austerity Britain in the early twenty-first century (4Children 2016). Wider special interest groups included the Criminal Justice Joint Inspection (CJJI) who researched the contribution of Youth Offending Teams to the work of the Troubled Families Programme in England (CJJI 2015).

These stakeholders inhabited the ‘real world’ of the National Troubled Families Initiative:

Table 2.5.1 - The ‘Real World’ of the National Troubled Families Initiative  
Stakeholder Theory Grid

	<b>Formal or Voting Power</b>	<b>Economic Power</b>	<b>Political Power</b>
<b>Equity Stake</b>	-DCLG -Central Government		
<b>Economic Stake</b>		-152 English Local Authorities -Wider Public Sector -Voluntary Sector Providers -Trade Unions	-Trade Unions
<b>Influencers</b>			-Employees of the 152 English Local Authorities - ‘Troubled’ Families -British Electorate -Opposition Parties -Media -Organisations that Campaign on Behalf of Families -Wider SIG

(Based on Freeman and Reed 2014)

The ‘real world’ of the National Troubled Families Initiative allowed for some stakeholder groups or individuals to have multiple identities, various types of stake

and various powers (Freeman and Reed 2014). Thus, an individual holding the post of 'Troubled Families Co-ordinator' within their local authority could:

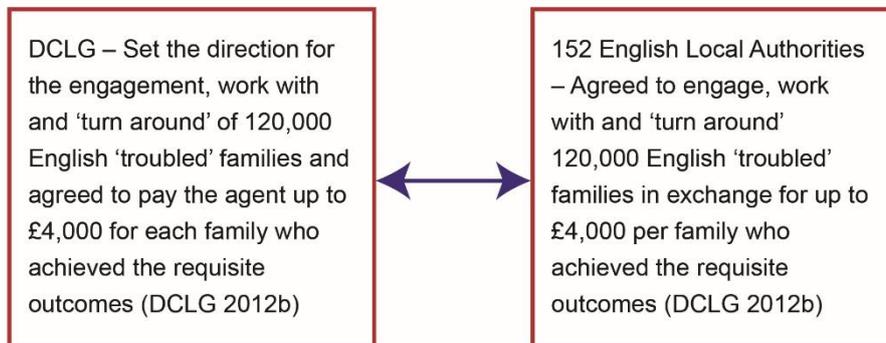
1. Hold:
  - An economic stake and economic power as a key employee of one of the 152 agents delivering the programme
  - An economic stake and political power as a member of a trade union.
  
2. Be an influencer wielding political power
  - As a member of the British electorate who could vote in a local election for or against the funder of the National Troubled Families Initiative
  - As a member of the British electorate who could vote in a general election for or against the funder of the National Troubled Families Initiative
  - As a member of an organisation that campaigned on behalf of families
  - Who could share their insider information about the programme and its impact upon 'troubled' families in the local or national media or on social media
  - If their own family was experiencing 'troubles' such as difficulties in school or poor health and they met the entry criteria for the initiative.

I have identified the stakeholders in the National Troubled Families Initiative and the stakeholder view of the 'real world' of the programme. The next step is to discuss the relationship between the principal and the agent in the initiative.

### **2.5.2 The National Troubled Families Initiative Viewed Through the Lens of Agency Theory**

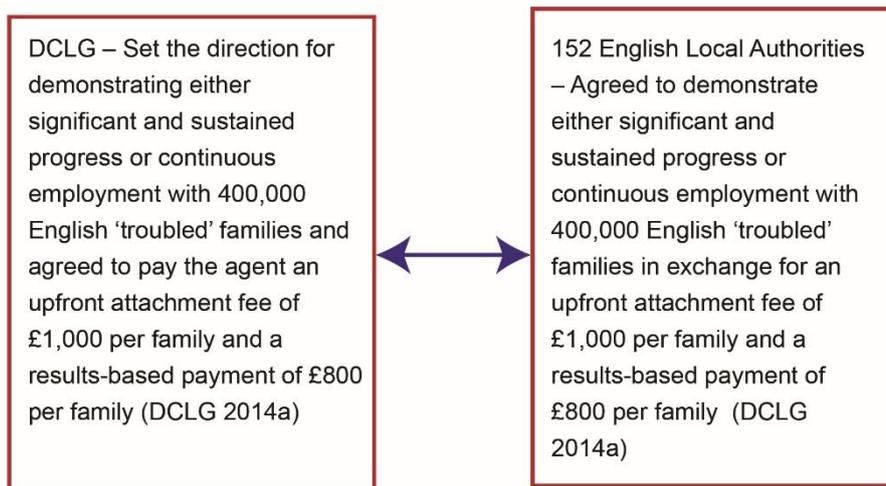
The principal for the National Troubled Families Initiative was the Department for Communities and Local Government (DCLG) and the agent was the 152 English local authorities. Following Figure 2.3.1a, the contracts for Phase One and Phase Two of the National Troubled Families Initiative can be described as:

Figure 2.5.2a – The Contract between DCLG and the English Local Authorities in Phase One of the National Troubled Families Initiative



(Based on Eisenhardt 1989)

Figure 2.5.2b – The Contract between DCLG and the English Local Authorities in Phase Two of the National Troubled Families Initiative



(Based on Eisenhardt 1989)

Agency Theory warns that the agent could use their superior information - or the principal's lack of information about them - to exploit principals unless effectively monitored or incentivized to do otherwise (Miller and Sardais 2011). Within the contracts for the National Troubled Families Initiative, the English local authorities had the opportunity to use their superior knowledge about:

- Their local 'troubled' families to achieve the Phase One and Phase Two targets and spend less than the DCLG outcome payment thus making a profit at the expense of the principal and the families
- The potential inability of DCLG to check that each of the 520,000 families claimed for over the eight-year period had actually made a change that merited an outcome payment and that the 120,000 families claimed for in Phase One were not claimed for again in Phase Two.

If the agent chose either or both of these options, they would present the principal with a service of less value than DCLG believed that they were commissioning (Bosse and Phillips 2016). For their part, the principal trusted that the agents:

- Understood individually and collectively the terms 'engage', 'work with', 'turn around' 'significant and sustained progress' and 'continuous employment'
- Had sufficient expertise with and experience of their local 'troubled' families to achieve the target expected of them
- Had monitoring systems in place to track families' progress and report to DCLG when a positive outcome with a family had been achieved
- Had monitoring systems in place between Phase One and Phase Two to ensure that the same families were not claimed for in both phases
- Would not 'pretend' to achieve success with a family and exploit the principal by claiming an outcome fee that they were not entitled to
- Provided a service to the families valued at £4,000 and £1,800 in Phases One and Two.

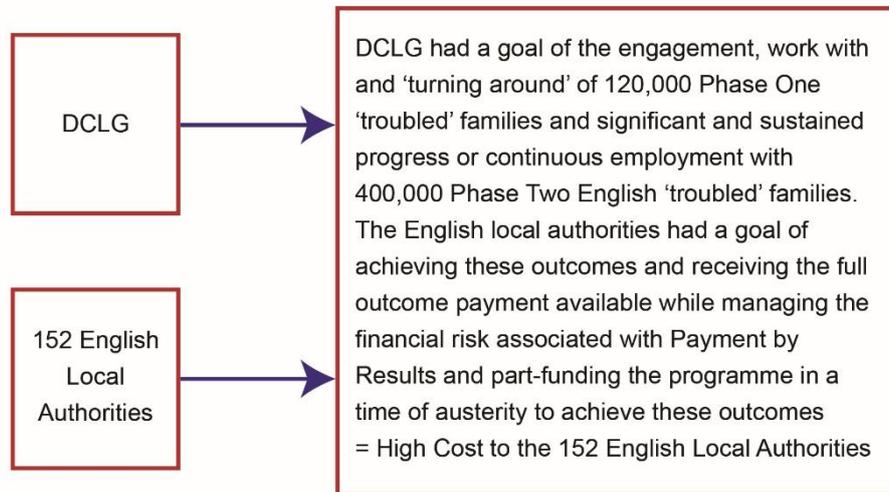
The alternative view of Agency Theory - that the principal had the potential to exploit their position and compromise the long-term interests of the organisation while the agent could use their superior information to benefit the organisation and its stakeholders (Miller and Sardais 2011) - found some support in the literature. This suggested that, far from exploiting DCLG, the principal exploited the 152 English local authorities in Phases One and Two because:

- The actual cost for 'turning around' a 'troubled' family was £10,000 and not £4,000 (DCLG 2012b). Therefore, DCLG expected the agents to cover 60% of the Phase One costs from their own budget. Furthermore, if the agents had been unable to put processes in place to 'turn around' families more cheaply during the first three years of the initiative, the cost to the local authorities would increase in Phase Two when the funding available was reduced by £2,200 per family
- The agents had to work at financial risk. This risk increased as Phase One progressed. The principal paid 80% of the available funding upfront in Year One, 60% in Year Two and 40% in Year Three (DCLG 2012b). The risk remained the same during Phase Two as the attachment fee remained at £1,000 (DCLG 2014a). However, the financial risk per family would increase for costly families with multiple, entrenched issues
- The financial risk multiplied for agents in the most deprived areas of the country. Between 2010 and 2013, 49% of the most deprived quintile of authorities had a reduction in funding of more than 15% of their spending while only 8% of councils serving the least-deprived 20% of areas saw such significant funding reductions (Audit Commission 2013). The ten most deprived local authority areas in England lost £782 on average per household while authorities covering the richest areas lost an average of £48 (Sparrow 2014)
- DCLG did not provide a list of the 520,000 English 'troubled' families but expected the agent to identify these from their existing databases (DCLG 2012b and DCLG 2014a)

- There was no evidence that England actually had 120,000 families who met DCLG's Phase One definition of 'troubled'. According to Levitas (2012), the figure came from a five-year-old longitudinal survey of poverty (Social Exclusion Task Force 2007). This identified 117,000 English families who were experiencing poverty because they were workless; had a mother with mental health problems and at least one parent with a long-standing limiting illness, disability or infirmity; had a low income; could not afford a number of food and clothing items; lived in overcrowded housing and had parents with no qualifications. It was claimed that the principal took this unrelated survey and rounded the figure of 117,000 families up to the nearest ten thousand to provide a target for the agent to aim at (Levitas 2012)
- DCLG did not explain where the figure of 400,000 'troubled' families in Phase Two came from (DCLG 2014a) and there is no evidence in the wider literature to account for this figure.

The principal-agent relationship in the National Troubled Families Initiative can be further understood with recourse to the First and Second Agency Theory Problems. Figures 2.3.1b and 2.3.1c identified the challenge faced by the English local authorities. Firstly:

Figure 2.5.2c – The First Agency Theory Problem in Phase One of the National Troubled Families Initiative



(Based on Eisenhardt 1989)

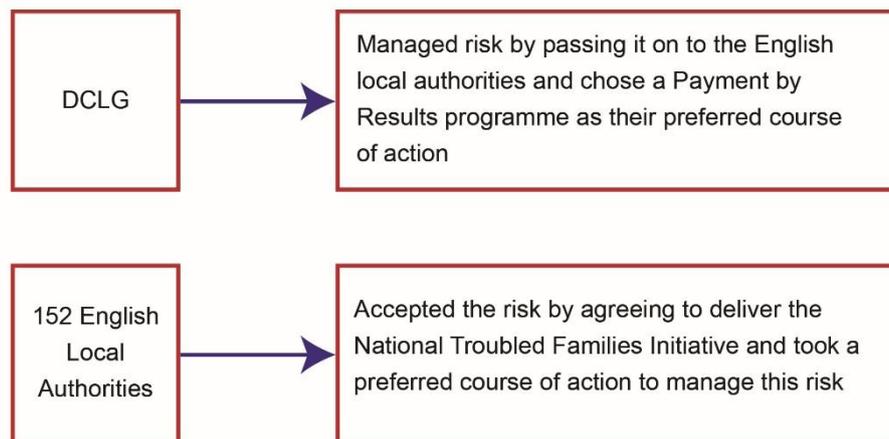
The principal and agents shared the overall goals of the programme:

- The engagement, work with and 'turn around' of 120,000 Phase One English 'troubled' families in return for an outcome payment of up to £4,000 (DCLG 2012b)
- Significant and sustained progress or continuous employment with 400,000 Phase Two English 'troubled' families in return for an upfront attachment fee of £1,000 per family and a results-based payment of £800 per family (DCLG 2014a).

However, as Figure 2.5.2c demonstrates, the agent rather than the principal was likely to have incurred a higher cost as the English local authorities had to part-fund the initiative themselves, find this funding during a time of austerity and finance the financial risk incurred by working with 'troubled' families until they could claim an outcome payment.

Secondly:

Figure 2.5.2d – The Second Agency Theory Problem in Phase One of the National Troubled Families Initiative



DCLG managed the financial risk associated with the National Troubled Families Initiative by devising a Payment by Results model for the programme and thus passing the risk onto the agent. However, if like the Work Programme, ‘Troubled Families’ ultimately fails to achieve all of its outcomes and spending targets (NAO 2014), it is unclear how the principal intends to manage the reputational risk and the financial risk in terms of reduced income tax revenues.

The English local authorities held an economic stake and economic power (Freeman and Reed 2014) within the National Troubled Families Initiative. The literature suggested that the size and power of the stake would depend upon their location and the impact of the austerity measures upon them (Audit Commission 2013 and Sparrow 2014). Figure 2.5.2c illustrated that the course of action taken by the English local authorities to manage this situation will have depended on their attitude to risk, something perhaps determined by their individual economic stake and economic power. I will explore the management of risk by the agents of the National Troubled Families Initiative later in the research project.

One way that the principal controlled the agent was through outcome-based controls (Tumbat and Grayson 2016). While the rewarding of the agent based on the outcomes achieved was a common incentive alignment mechanism, it disadvantaged risk-averse agents by offering them compensation for outcomes they did not fully control (Bosse and Phillips 2016). It can be argued that the 'Troubled Families' contract between DCLG and the English local authorities disincentivised areas with a fear of or an inability to manage risk because:

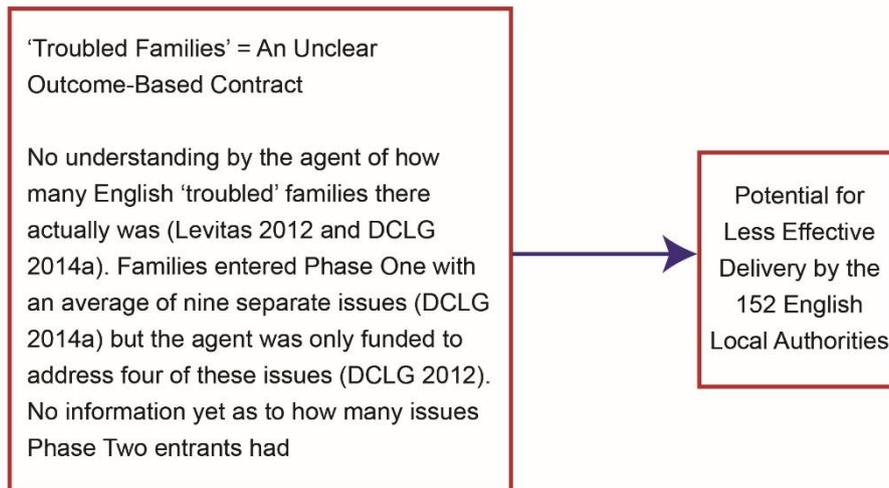
- They were expected to find the 520,000 'troubled' families themselves rather than the principal identifying them (DCLG 2012b and DCLG 2014a)
- There was no accurate data to show how many 'troubled' families lived in England (Levitas 2012 and DCLG 2014a)
- Families entering Phase One had an average of nine separate issues (DCLG 2014b); five more than the four criteria of ASB, youth crime, poor school attendance and worklessness that the English local authorities were funded by DCLG to reduce in Phase One
- The Phase One and Phase Two outcome payments were substantially less than the actual cost of 'turning around' a 'troubled' family (DCLG 2012b)
- Between 20% and 60% of the funding available per Phase One family was withheld until they had achieved the requisite outcome (DCLG 2012b). In Phase Two, £800 of the £1,800 available per family was withheld until they had achieved a positive outcome (DCLG 2014a)
- Some authorities had lost more than 15% of their budget due to the austerity cuts (Audit Commission 2013).

The agents' views about being managed through an outcomes-based contract where they were not fully in control of the outcomes (Bosse and Phillips 2016) will be explored later in the research project.

An outcomes-based contract lost its effectiveness when the outcomes required were less clear (Eisenhardt 1989). Figure 2.3.2 captured this relationship. The literature

suggested that the National Troubled Families Initiative was an example of an unclear outcomes-based contract:

Figure 2.5.2e – The Lack of Clarity around the National Troubled Families Initiative Outcomes-Based Contracts



The effectiveness of the ‘Troubled Families’ contract between DCLG and the English local authorities will be explored later in the research project.

## **2.6 THE PAYMENT BY RESULTS MODEL ADOPTED FOR THE NATIONAL TROUBLED FAMILIES INITIATIVE**

The Coalition Government used the Payment by Results model to address the complex social issue of ‘troubled’ families. The National Troubled Families Initiative pledged a network of ‘troubleshooters’ to deal with unemployed families who offended and committed anti-social behaviour (ASB) and whose young people were not in school. The British Prime Minister described the families whom the programme would be targeting as ‘shameless’ (Cameron 2011). His comment was an analogy with a popular television programme set on a council estate depicting a feckless, alcoholic, unemployed father-of-six, his family and neighbours:

Picture 2.6 - Channel 4's 'Shameless' Family



(Wikimages 2013)

This comment did not recognise the families as stakeholders in the scheme.

The Payment by Results mechanism chosen for the National Troubled Families Initiative was:

Table 2.6a – The National Troubled Families Initiative Payment by Results Mechanism

<b>Principal</b>	<b>Agents</b>	<b>Types of PbR Payment</b>	<b>Types of Non-PbR Payment Included in the PbR Scheme</b>
Government Department:  The Department for Communities and Local Government (DCLG)	Public sector local government bodies:  The 152 English local authorities	Payment for outcomes for individual scheme participants:  Positive results achieved with 520,000 'troubled' families	Upfront payments to providers for engaging users in a programme (attachment fee) and payment for delivery of elements of a specific service (fee for service); specifically, 80% of the funding per family paid upfront in Year One, 60% in Year Two and 40% in Year Three with the rest of the payment made after they had achieved a positive outcome (DCLG 2012b). In Phase Two, DCLG paid upfront an attachment fee of £1,000 and the outcome fee was £800 (DCLG 2014a).

(Based on NAO 2015)

The literature showed that DCLG adopted the Payment by Results model for the National Troubled Families Initiative for a number of reasons:

Table 2.6b – The Reasons for the Adoption of the Payment by Results Mechanism for Phase One of the National Troubled Families Initiative

<b>Reason</b>	<b>Anticipated Benefit</b>
Improved Outcomes	Each child in the family will have fewer than 3 fixed exclusions and less than 15% of unauthorised absences in the last 3 school terms; and a 60% reduction in anti-social behaviour across the family in the last 6 months; and the offending rate by all minors in the family will be reduced by at least 33%. In the last 6 months, one adult in the family will have volunteered for the Work Programme or be attached to the European Social Fund provision or move off out-of-work benefits into continuous employment (DCLG 2012b)
Improved Outcome-Focus	“A focus on achieving outcomes” (DCLG 2012b:7)
Better Value-for-Money	“£8B of the £9B estimated to be spent on these families each year is being spent reacting to problems rather than solving them. It is estimated that the average unit cost of intensive interventions that are known to work with this group of families, including family intervention projects and others, is around £10,000. Local authorities [are to be offered] up to 40% of the cost of extra interventions” (DCLG 2012b:7-8)
Service Innovation	“We want to learn not only about changing the trajectory for families but also to change the way services are delivered to them” (DCLG 2012b:1)
Risk Transference Due to Deferred Payment	The funding will be paid primarily on a Payment by Results basis (DCLG 2012b)
Reduced Inequalities	“This waste of human potential is not sustainable” (DCLG 2012b:1)

(Based on Webster 2016)

Table 2.6c – The Reasons for the Adoption of the Payment by Results Mechanism for Phase Two of the National Troubled Families Initiative

<b>Reason</b>	<b>Anticipated Benefit</b>
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Improved Outcomes and Reduced Inequalities	“To improve the lives of troubled families” (DCLG 2014a:4)
Better Value-for-Money	“As this work is taken to a significantly greater scale (...) to reduce costs for the long-term” (DCLG 2014a:4)
Service Innovation	“To transform local public services” (DCLG 2014a:4).

(Based on Webster 2016)

I will explore the evidence as to whether these benefits were realised later.

### **2.6.1 The National Troubled Families Initiative and the Payment by Results Best Practice Guidelines**

A comparison of the National Troubled Families Initiative and the guidelines for principals considering commissioning Payment by Results Provision (NAO 2015) provides evidence as to the extent to which the programme met subsequent suggested best practice standards:

*Recommendation One - Develop insight into the operating context before designing their PbR scheme*

The English disturbances took place in August 2011 and the programme began in April 2012. Thus, there was less than seven months planning time between the catalyst for the initiative and its commencement. DCLG were not specifically criticised by the National Audit Office for taking such a short period to establish a £448M national programme. However, it was noticeable that they referenced the lack of integration between ‘Troubled Families’ and a programme to move families with multiple problems into employment; despite both initiatives funding improvements in employability, crime and anti-social behaviour among a similar group of people and covering the costs of similar activities (NAO 2013).

The Department for Communities and Local Government's Phase One definition of a 'troubled' family was noticeably very broad and allowed local authorities to engage, work with and 'turn around' families who both caused 'trouble' such as anti-social behaviour and youth crime and who experienced 'troubles' including poor health and abuse in the home. The key document released to guide the agent during the programme's crucial implementation stage described 'troubled' families as households who:

- "Are involved in crime and anti-social behaviour
- Have children not in school
- Have an adult on out of work benefits
- Cause high costs to the public purse" (DCLG 2012b:3).

The extremely lengthy entry criteria for the programme are in Appendix Fourteen. By offering support to families with negative behaviour and poor health outcomes, DCLG seemed unclear whether 'trouble' in Phase One was a lifestyle choice that included youth crime, ASB, truancy and unemployment or a set of unfortunate circumstances. In the latter category could be included a one-parent family comprising:

- A widowed mother whose terminal illness who prevented her from working (Criteria 3 and 4)
- A teenage son who missed school once a week to care for her (Criterion 2).

In Phase Two, the definition of a 'troubled' family continued to be broad with the entry criteria being set as families with at least two of the following six problems:

1. "Parents and children involved in crime or anti-social behaviour.
2. Children who have not been attending school regularly.
3. Children who need help: children of all ages, who need help, are identified as in need or are subject to a Child Protection Plan.

4. Adults out of work or at risk of financial exclusion or young people at risk of worklessness.
5. Families affected by domestic violence and abuse.
6. Parents and children with a range of health problems” (DCLG 2014a:7).

The literature therefore queries how much insight DCLG actually had of the operating context when they:

- Designed a PbR scheme that categorised vulnerable families experiencing challenging circumstances alongside ‘shameless’ families who chose youth offending and anti-social behaviour above engagement with education or employment
- Agreed a contract with the 152 English authorities for the latter to ‘turn around’ families including those ‘troubled’ with long-term health conditions that caused their poor school attendance and worklessness
- Assessed the need for the National Troubled Families Initiative, wrote a business case for the programme and launched it separately from a DWP scheme to assist families with multiple problems despite the two beginning only four months apart (NAO 2013).

#### *Recommendation Two - Set clear expectations for performance*

As the literature and Figure 2.5.2e showed, DCLG appeared to lack clarity around the outcomes that they required the agents to achieve during the eight years of National Troubled Families Initiative. However, as Appendix Fifteen illustrates, DCLG (2012b) provided an outcomes framework for Phase One. This framework indicated that the agents could achieve the £4,000 outcome payment in one of two ways.

Option One - By achieving:

1. “60% reduction in anti-social behaviour across the whole family
2. 33% reduction in youth offending
3. 85% attendance record at school and fewer than three school exclusions across the children in the family
4. One member of the family in employment or enrolled on the national Work Programme” (DCLG 2012b:9)

Option Two - By moving one adult in the family into employment and off out-of-work benefits regardless of whether the family’s behaviour had improved (Higgs 2012).

In Phase One of the National Troubled Families Initiative, it was therefore possible for an agent to claim the maximum payment available by only dealing with one aspect of a family’s trouble - their reliance on workless benefits - without having any effect on other very visible, impactful and costly ‘troubles’ such as their youth crime, ASB and poor school attendance. It can be argued that, by allowing for an ‘Option Two’, the principal allowed the agent to act as an ‘opportunist’ and use their superior information - or the principal’s lack of information about them - to exploit the principal (Miller and Sardais 2011).

Option Two also allowed the agent to exploit other stakeholders including DCLG and the families. The former had funded an intervention that only tackled one aspect of a four-part social need and the families were still living in difficult circumstances. It is possible to argue that moving a parent/carer into paid employment and off benefits gave their offspring a role model to follow. A counter argument is an adult at work has less time to monitor their youngsters’ behaviour and steer them back into education and away from disorder and crime.

In Phase Two, DCLG attempted to reduce the agent’s opportunity to “cream” and “park” (House of Commons Work and Pensions Committee 2015:6) families with the most serious and costly ‘troubles’ by stating that:

“Local authorities should identify families across all six problems and ensure the Programme’s resources are being used to best effect” (DCLG 2014a:7).

The periodic collection and publication of Family Monitoring/Progress Data and the cost savings calculator (DCLG 2014a) were designed to make each area accountable for the families for whom they claimed. However, it can be argued that making an outcome payment based on the agent’s demonstration of either significant and sustained progress or continuous employment (DCLG 2014a) with 400,000 Phase Two families provided the English local authorities with the opportunity to exploit the principal. A further issue in Phase Two was that, while all of the outcomes required in Phase One were quantifiable, Criterion Six in Phase One - parents and children with a range of health problems (DCLG 2014a) - was a qualitative outcome that prevented progress from being measured easily.

Therefore, despite appearing to set clear expectations for performance by agreeing an outcome-based contract with the agent, the lack of clarity around this contract provided circumstances, which perhaps allowed the English local authorities to exploit DCLG.

*Recommendation Three - Identify challenging but achievable outcomes on which to base payments*

An effective outcome was described as being clear and complex, verifiable, attributable and taking account of deadweight, individuals or cohorts and segmentation (Webster 2016). The individual outcomes required by DCLG in Phase One were clear in that they could be measured quantitatively – a quality that was lacking for all of the Phase Two outcomes. However, the ability of an agent to claim £4,000 - for moving one adult family member off workless benefits and into

employment but not ending the other negative behaviours - demonstrated its lack of clarity in other respects.

The outcomes achieved between 2012 and 2015 were hard to verify. This was due to the:

- Breadth of the eligibility criteria in Phase One of the National Troubled Families Initiative
- Lack of segmentation, which meant that Phase One families with multiple entrenched problems that were 'turned around' attracted the same outcome payment as a family who had temporarily fallen into 'trouble'.

The absence of segmentation from the Phase One outcome framework also did not encourage the agents to offer the same level of service to 'easy-to-help' families and 'hard-to-help' families. An example of an 'easy-to-help' and a 'hard-to-help' family appear in Appendix Sixteen to illustrate that the Phase One 'Troubled Families' outcome framework permitted the agents to exploit the principal by:

- Prioritising working with 'easy-to-help' families above 'hard-to-help' families
- Claiming for the success achieved with many 'easy-to-help' families and no or much fewer 'hard-to-help' families.

This was despite the 'easy-to-help' family meeting the entry criteria on a temporary basis and not necessarily being the 'shameless' families that the programme purported to 'trouble-shoot'.

By stipulating that only the high-cost families with multiple problems, most likely to benefit from an integrated, whole-family approach could be claimed for in Phase Two (DCLG 2014a), the principal at least attempted to:

- Reduce the agent's ability to exploit them
- Improve the chances of the initiative providing value-for-money to the British electorate and a responsive service for 'troubled' families.

The principal presented the National Troubled Families Initiative as a programme in which the English local authorities worked with other stakeholders such as the Police and Health partners (DCLG 2012b and DCLG 2014a). However, this multi-agency partnership approach reduced the likelihood of the agent being able to prove that the eventual achievement of the programme outcomes was attributable to their efforts rather than those of another agency. In the case of the 'hard-to-reach' families, attribution was even more difficult due to the number of agencies whose services they required. For example, for the family in Appendix Sixteen, my insider knowledge suggested that the local authority and its youth offending service, anti-social behaviour team and school attendance officers would have a role in returning the son to school and reducing his and the family's unlawful activities. Other stakeholders from the wider public sector and the voluntary sector such as the National Probation Service, health agencies, domestic violence co-ordinators and employment advisers would address their other 'troubles'.

The National Audit Office (2013) noted that the National Troubled Families Initiative did not use a control group. This factor, like the lack of clarity around the exact outcome required by DCLG, meant that the agents could exploit the principal by claiming for a cohort of families who would have 'turned around' anyway; either through their own efforts or with the help of a stakeholder outside the scope of the initiative.

The National Troubled Families Initiative paid the agents to improve outcomes in individual families rather than across a cohort of the population. This decision therefore failed to acknowledge that a 'troubled' family could comprise:

- Two members – One parent and one child
- Ten members – Two parents and eight children.

Even if both families were ‘easy-to-help’, it is likely that the ten-member family was more expensive and time-consuming to achieve an outcome with due to its greater size. Consequently, the small likelihood of the agent achieving a successful outcome with large, very ‘troubled’ families could encourage them to exploit the principal and only engage, work with and ‘turn around’ small ‘easy-to-help’ families. This process was described in connection with work-ready jobseekers and clients with greater barriers to employment (House of Commons Work and Pensions Committee 2015). However, DCLG potentially reduced the agents’ opportunity to ‘park’ large, ‘hard-to-help’ families in Phase Two by directing them to work with high-cost families with multiple problems who were most likely to benefit from an integrated, whole-family approach (DCLG 2014a).

The literature suggested that ‘Troubled Families’ largely lacked the recommended six elements of an effective outcome and cannot be described as identifying challenging but achievable outcomes on which to base payments to the agent.

*Recommendation Four - Develop from these effective incentives for agents*

The lack of segmentation outlined above evidenced that the principal did not specifically incentivise the agents to focus their efforts on achieving positive results with:

- The largest ‘troubled’ families

- The ‘troubled’ families with the most issues and the most significant and entrenched issues.

Thus for the first three years of the programme, DCLG provided the English local authorities with the opportunity to both exploit it, the British electorate and the most ‘troubled’ families whose needs they could either ignore entirely or ‘park’ (House of Commons Work and Pensions Committee 2015) until they had worked with smaller and less challenged and challenging families. In Phase Two, the principal directed the agent to prioritise the most challenging, expensive-to-help families (DCLG 2014a). However, the agent’s response to this may have been governed by their ability to manage the financial risk that work with these families incurred, the reduced Phase Two outcome payment and the extent to which they were concerned by the threat of the periodic collection and publication of Family Monitoring/Progress Data and the cost savings calculator (DCLG 2014a).

*Recommendation Five - Monitor the performance of agents and establish clear oversight and intervention mechanisms to minimise the impact of agent failure on public services*

The principal stated at the outset that it would monitor Phase One of the ‘Troubled Families’ programme to evaluate what happened, the difference the programme made to families and service delivery and the savings achieved by local areas; information that would be much wider than the results reported under the Payment by Results scheme (DCLG 2012b). At the beginning of Phase Two, the periodic collection and publication of Family Monitoring/Progress Data and the cost savings calculator were promised (DCLG 2014a). Thus, the National Troubled Families Initiative appeared to plan for Recommendation Five.

The literature does not show whether the principal withheld payment from any of the 152 English local authorities for a false declaration of outcomes achieved. My insider knowledge of the programme informed me anecdotally that a local authority in the

South-West were chastised by DCLG for submitting claims for Phase Two families that only comprised adults; an interesting occurrence given that DCLG (2014a) did not actually stipulate that a Phase Two 'troubled' family had to have both adults and children. I am not clear whether this agent had outcome funding taken back from them or just received a warning as to their future behaviour.

*Recommendation Six - Evaluate how using PbR has improved service delivery and overall value-for-money*

The Department for Communities and Local Government published 'The Benefits of the Troubled Families Programme to the Taxpayer' (DCLG 2015b) three weeks before the official end of Phase One and two months before the 2015 UK General Election. Potentially, its release was timed to appeal to a group of "influencers" with political power - the British electorate (Freeman 2010:25). Some of its findings appear in Appendix Seventeen.

DCLG (2012b) suggested that the principal adopted the Payment by Results mechanism for Phase One of the National Troubled Families Initiative to create improved outcomes, an outcome focus, value-for-money, service quality, risk transference and reduced inequalities. This small-scale evaluation of Phase One of the National Troubled Families Initiative intimated that in 5% of the agent cohort, the taxpayer received value-for-money. There was no evidence to refute my implication that the programme lacked a solid outcome focus. DCLG (2015b) was also not able to demonstrate whether the value-for-money services offered by the agents who participated in the survey were a higher quality or reduced inequalities by not resorting to creaming and parking and prioritising 'easy-to-help' families over more challenging ones.

Risk transference by deferred payment is an implied part of PbR because the principal defers payment of the full funding allocation until after an outcome is completed. However, if the agent chose to exploit the principal by adopting the creaming and parking methodology, it is possible to postulate that risk transference was not achieved if the issue of ASB- and youth crime-committing, non-school

attending, workless families still remained after three years of support and these entry criteria had to be included in Phase Two as well.

DCLG's failure to ensure the clarity and complexity, verification, attribution, deadweight, individual versus cohort issues and segmentation of the programme's outcomes (Webster 2016) meant that it was also difficult to analyse the agent's Phase One quantitative outcome performance and understand fully what this indicated. However, a consideration of this data showed that by the end of May 2015:

- 104,733 'troubled' families achieved the crime, ASB, education outcomes
- 11,921 'troubled' families achieved the continuous employment result
- 116,654 'troubled' families achieved the 'turned around' outcome
- 9,106 'troubled' families achieved the progress to work outcome (DCLG 2015c).

My analysis of these figures revealed that:

- Countrywide the 'turn around' target of 120,000 'troubled' families was missed by 3,346 families
- It was nearly nine times harder for one adult in an English 'troubled' family to achieve continuous employment and approximately eleven times harder for them to achieve progress to work than it was to improve their negative behaviours (DCLG 2015c).

A true understanding of these figures is not fully achievable as not every family for whom a positive outcome was recorded entered the programme meeting the eligibility criteria of youth crime, ASB, poor school attendance and worklessness:

- 82% of families had a problem related to education – such as persistent unauthorised absence, exclusion from school or being out of mainstream education
- 54% of families were involved in crime or anti-social behaviour
- 74% of the families had no one in work (DCLG 2014b).

This suggests that, for 46% of the 104,733 ‘troubled’ families that achieved the crime, ASB, education outcomes, their only improvement was in the education part of the outcome as they had not previously committed anti-social behaviour or youth offending. Furthermore, if 26% of the Phase One entrants had an adult in employment, this reduced the number of families in the target cohort of 120,000 who could then achieve the continuous employment result or progress to work outcome.

The programme’s lack of clear outcomes, verification, attribution, deadweight and segmentation enabled the agent to ‘exploit’ the principal (Miller and Sardais 2011) by claiming for outcomes that would have happened anyway, were not achieved by them or were achieved with ‘easy-to-help’ families. This chimes with my personal experience of ‘Troubled Families’. However, the agent was put at financial risk by being unable to draw down all of the funding available until after a positive outcome had been achieved with the families. As with the ‘111’ non-emergency medical helpline (Torjesen 2013), it was unclear what DCLG’s contingency plan was for missing the Phase One ‘turn around’ target, finding themselves with unallocated funding and failing to fully meet the needs of more than three thousand ‘troubled’ families. At the time of writing, no quantitative data for Phase Two is available so it is not possible to analyse the agent’s performance from 1<sup>st</sup> April 2015 onwards.

Neither DCLG (2015b) nor DCLG (2015c) showed to what extent service users were involved in the agent’s service delivery despite Sheil and Breidenbach-Roe (2014) and Crowe et al (2014) requesting their involvement. In the absence of any data from DCLG as to the service users’ views of the benefits of the National Troubled Families Initiative, this information must be found elsewhere. Hoggett et al (2014) evaluated

the programme in an unnamed Southwestern city, which my insider information informed me was the local authority who had been corrected by DCLG for claiming for families without children. Their research included both qualitative interviews and extensive ethnographic research with families over an 18-month period. The families reported that:

- Working with the whole family was positive as it enabled a holistic approach to meet individual and family needs
- Small caseloads allowed key workers greater time and flexibility to work with them; particularly to deal with crises that emerged during the programme
- They were empowered to address their problems by being given the resilience to make short-term changes and the confidence to tackle long-term issues
- The key workers' enthusiasm, flexibility and confidence in the programme were vital to its success and the welfare of workers and families on the programme (Hoggett et al 2014).

The evaluation also established the broader value created by the programme and provided an interesting contrast to DCLG (2015b). A Social Return on Investment Analysis was carried out on sixteen families whose cases were closed during the research period. This suggested that for every pound of investment in the Family Intervention Team who supported the families, 66p of social value was created (Hoggett et al 2014).

A comparison of the National Troubled Families Initiative against the guidelines for principals considering commissioning Payment by Results Provision (NAO 2015) suggested that DCLG needed to do further work on the programme before it could meet recent recommended best practice standards.

## **2.7 SUMMARY**

Chapter Two demonstrated the systematic acquisition and understanding of a substantial body of knowledge at the forefront of my specific area of professional practice (K2). It viewed the case study of the National Troubled Families Initiative through the lens of the theoretical framework of Stakeholder Theory and Agency Theory and the key literature on outcome-based contracts and Payment by Results.

I defined the concepts of a stakeholder and Stakeholder Theory and introduced the 'real world' of stakeholders. I defined Agency Theory and discussed outcome-based contracts in Agency Theory. I introduced the concept of Payment by Results and described the example of the HMP Peterborough pilot PbR programme in terms of its stakeholders and agreement between the principal and the agent. I considered the variations upon the Payment by Results mechanism and positive and negative findings from recent UK PbR provision as well as the social impact bond model. I presented the guidelines for principals considering commissioning PbR provision and the six key qualities of an effective outcome and outlined the importance of service user involvement in Payment by Results programmes. The National Troubled Families Initiative case study was then reviewed in terms of its stakeholders and their 'real world', the contract between the principal (DCLG) and the agent (the English local authorities), the 'Troubled Families' PbR mechanism and the reasons for its adoption. I then mapped the programme against the National Audit Office's 2015 guidelines for commissioners and Webster's 2016 recommendations.

Chapter Two revealed that the National Troubled Families Initiative offered the agent the chance to return a service of less value to the principal. This confirmed my own experience of the programme. However, by agreeing to act as the agent for 'Troubled Families', the English Local Authorities made themselves liable for the potential high cost of the programme and financial risk if they were unable to achieve its outcomes. This was due to the contract between the two parties failing to meet the recommended good practice PbR guidelines and the ineffectiveness of the programme's Phase One and Two's outcomes.

Chapter Three will also demonstrate the systematic acquisition and understanding of knowledge at the forefront of PbR provision (K2). It will provide examples of three successful Payment by Results programmes; two from the United Kingdom and one from the United States and illustrate the importance of creating new knowledge about target achievement in PbR provision (K1).

## **CHAPTER THREE – THREE SUCCESSFUL PAYMENT BY RESULTS PROGRAMMES**

### **3.1 INTRODUCTION**

Chapter Two presented the systematic acquisition and understanding of a substantial body of knowledge about outcome-based contracts, the Payment by Results model and recent PbR provision (K2). I considered the key literature on Payment by Results through the lens of the theoretical framework of Stakeholder Theory and Agency Theory and reviewed the National Troubled Families Initiative case study. This identified the gaps in the Payment by Results literature that a successfully designed and implemented research project could fill (K3), something which will be outlined in Chapter Four. Chapter Three will continue the systematic acquisition and understanding of a body of knowledge about the positive and negative benefits of recent UK Payment by Results provision (K2). It will provide three examples of successful PbR provision from this country and beyond. This will illustrate best practice in the field of Payment by Results, present the management practices that achieved this and illustrate the importance of creating new knowledge about target achievement in PbR provision (K1).

### **3.2 THE DELAWARE SUBSTANCE MISUSE PROGRAMME**

The State of Delaware Department of Correction developed insight into the operating context before designing their Payment by Results scheme (NAO 2015), which reduced reoffending and its associated costs by tackling substance misuse. It built on research that claimed:

- Eighty per cent of the state's offender population had substance misuse issues

- Reoffending rates could surpass 70% without intervention and treatment
- Every dollar spent on substance misuse-treatment reaped a sevenfold reward (State of Delaware 2016).

The internationally acclaimed three-step substance abuse treatment programme successfully rehabilitates drug offenders. This treatment follows the offender from incarceration to work release into the community. Its steps comprise:

### 1. Key

A prison-based therapeutic community for men that is discipline-based, intense and isolated from the rest of the prison population. Its primary goal is to change negative patterns of behaviour, thinking and feelings that predispose the offender towards substance abuse. Drug abuse is seen as a disorder of the whole person and offenders typically become involved with 'Key' during the last 12-18 months of incarceration to allow material learned to stay at the forefront of their mind as they move to the next stage of treatment. 'Key' provides a disciplined, regimented routine for inmates. They do not have access to television or telephones during the day and lose their free time for inappropriate behaviour. The programming lasts for seven days a week. Inmates have daily access to staff counsellors, must meet twice a week with their caseload group to discuss issues important to their own recovery and must present peer seminars to other inmate members regarding issues important to their own recovery

### 2. Crest

'Crest' is a substance abuse treatment programme for lower level male and female prisoners. Successful completion is performance-driven and not time-driven. All treatment is individualized and performance-based. Phase One lasts for approximately two months and participants have no access to phone calls or visits. They discuss and learn from their orientation manuals and access self-help groups, peer seminars and sessions on substance abuse, thinking errors and stress

management. Phase Two lasts approximately two months and comprises the same support plus primary recovery, life skills, anger management, effective communication, effective problem solving and relapse prevention. Phase Three also comprises interview and job-seeking skills, employment and/or enrolment in education, recovery maintenance planning, the support of a mentor and aftercare appointments

### 3. Aftercare

'Aftercare' begins once an offender has completed 'Crest', is released to probation and living full-time in the community. Offenders access weekly group sessions and counselling and participate in random, mandatory drug testing (State of Delaware 2016).

An evaluation of the programme by McLellan et al (2008) praised:

- Its use of incentive payments on top of existing contracts
- The new, evidence-based clinical interventions and expansion of opening hours that it encouraged
- Its use of proxy indicators, which were as effective as outcomes (McLellan et al 2008).

This suggested that, aside from learning more about the operating context before designing the Delaware programme and constructing a programme based on research that indicated the programme would create value-for-money, the principal also:

- Set clear expectations for performance which gave the agent challenging but achievable outcomes linked to effective incentives to achieve abstinence

- Monitored this performance
- Evaluated how it improved service delivery to substance misusing inmates and achieved value-for-money (NAO 2015).

The successful design and management of this PbR programme in turn provided to the principal:

Table 3.2 - The Benefits Offered by the Delaware Substance Misuse PbR Programme

<b>Payment by Results Outcome (Following McLellan et al 2008)</b>	<b>Actual Outcome of the Delaware Programme</b>
Improved Outcomes	Reduced substance abuse leading to reduced reoffending
Improved Outcome-Focus	Programme measures were the length of time in treatment, active participation in treatment and programme completion
Value-for-Money	The programme proactively tackled substance misuse rather than reactively addressed its effects upon the state reoffending rate
Service Quality	A service was delivered which was praised by the evaluator
Service Innovation	The agent supported substance misusing inmates in a new way, which encouraged them to engage with and take up treatment services

The opportunity to defer payment to the agent until later in the programme	Successful outcomes were funded as an alternative to merely paying for a service upfront
Reduced inequalities	Reduced prisoner substance misuse linked to training, employment and stability on release reduced offending rates.

(McLellan et al 2008)

The Delaware Substance Misuse Programme therefore has lessons for the principals of PbR wishing to address a social need including substance misuse provision and reoffending. It contrasts favourably with the treatment provision outlined by Mason et al (2015).

### **3.3 THE LONDON ‘ROUGH SLEEPERS’ PROJECT**

The Payment by Results project known variously as the London ‘Rough Sleepers’ Project and the London Homelessness Project was a three-year £5M SIB, which was funded through the Mayor’s Social Impact Bond. Like the Delaware Substance Misuse Programme, it addressed the needs of a very disadvantaged cohort of service users. The London ‘Rough Sleepers’ Project began on 1st November 2012 and aimed to improve outcomes for approximately 830 entrenched rough sleepers who on 31st October 2012 had been:

- Seen sleeping rough and/or stayed in a London rough sleeping hostel in the last three months
- Seen rough sleeping at least six times over the last two years.

The principal was the Greater London Authority. They commissioned an agent in the form of two voluntary sector providers - St Mungo's and Thames Reach - to provide a range of services to reduce rough sleeping and support clients:

- Into stable accommodation
- To reconnect long-term with a country with which they had links
- Towards employment
- To better manage their health (Mayor of London 2016).

Rough sleepers are amongst the most vulnerable people in society. Of the project cohort:

- 48% had an alcohol support need
- 29% had a substance misuse support need
- 44% had a mental health support need
- 49% were non-UK nationals. 53% of these originated from Central and Eastern Europe (DCLG 2015a).

The capital had 151 existing providers to support rough sleepers and homeless people. Like the Delaware Substance Misuse Programme, the London Rough Sleepers Project took an innovative approach that was different from traditional services. It specifically helped its service users – who were the most challenging long-term entrenched sleepers or new to the streets - to access appropriate services across personalised recovery pathways and achieve sustained outcomes (DCLG 2015a). Like the National Troubled Families Initiative, the role of a named person was at the heart of delivery (DCLG 2012c). However, the project named them 'navigators' rather than 'key workers'.

The project had five performance outcomes:

### 1. Reduced Rough Sleeping

This outcome formed 25% of the outcome payment available. Both providers reduced rough sleeping in the cohort although one failed to reduce this to below the baseline. However, St Mungo's and Thames Reach were clear that the reductions made were an achievement for the entrenched rough sleepers within the cohort and claimed that the baseline measure failed to recognise that some clients supported away from the street and making progress in accommodation sleep out occasionally. They suggested that an outcome, which included an allowance for occasional rough sleeping would be a better indicator of progress made (DCLG 2015a)

### 2. Stable Accommodation

St Mungo's and Thames Reach exceeded their targets regarding individual entry into accommodation with a tenancy rather than a hostel agreement and the sustainment of that tenancy at 12 and 18 months. This outcome accounted for 40% of the available payments and strong performance here was crucial to the financial viability of each SIB. The strong performance against this outcome confirmed the SIB 'navigator' model of incentivising the named worker to 'go the extra mile' to provide individualised support (DCLG 2015a)

### 3. Reconnection

The reconnection outcome payment was 25%. The outcome individually measured reconnection to the home country for non-UK nationals without a right to reside in the UK or voluntary reconnection for those with a right to remain. Progress against this outcome improved but was still below target although performance was expected to improve following welfare reform that meant individuals from the European Economic Area could only claim housing benefit in specific circumstances (DCLG 2015a)

#### 4. Employment

This was an individual measure, with a range of outcomes to reflect both full and part-time work as well as training and volunteering. Fewer clients than hoped for achieved a target level qualification, volunteered or became self-employed but higher numbers achieved full-time work outcomes at both 13 and 26 weeks. St Mungo's and Thames Reach were happy with their performance given the difficulty of achieving this outcome with the cohort due to their complex barriers. Both providers noted that, although some clients were volunteers, this was for less than eight hours per week and meant the agent could not claim an outcome payment (DCLG 2015a)

#### 5. Health

On-going discussions with the Health and Social Care Information Centre to address data protection concerns meant that the agent was unable to demonstrate the extent to which Accident and Emergency admissions for the cohort reduced. St Mungo's and Thames Reach were confident that these outcomes were being achieved through the holistic support provided by the 'navigators'. Here too, there was some debate about the appropriateness of the metric, which measured the use of health services rather than of individual wellbeing (DCLG 2015a).

Thus, the London Homeless Project followed the guidelines for principals considering commissioning Payment by Results provision:

Table 3.3 – The Guidelines for Principals Considering Commissioning Payment by Results Provision Followed by the London ‘Rough Sleepers’ Project

<b>NAO (2015) Guidelines</b>	<b>Model Adopted by the London ‘Rough Sleepers’ Project</b>
Develop Insight into the Operating Context	A project was commissioned which offered a service beyond that provided by the 151 existing providers
Set Clear Expectation for Performance	The two providers were given a specific cohort with which to achieve five positive outcomes
Identify Challenging but Achievable Outcomes upon which to Base Payments	The payment was not split equally among the five outcomes indicating some thought went into this. 40% of the programme payment was allocated to achieving stable accommodation. The agent performed strongly in this outcome
Develop from these Effective Incentives for Agents	The reward for the achievement of stable accommodation made the programme viable and meant that the agent could continue delivering despite some outcomes being challenging to achieve
Monitor the Performance of Agents, Establish Clear Oversight and Intervention Mechanisms to Minimise the Impact of Agent Failure	The agent made suggestions around the improvement of the reduced rough sleeping, employment and health outcomes. These suggestions could improve the delivery of this project and related PbR provision
Evaluate How PbR Has Improved Service Delivery and Overall Value-for-Money	The innovative ‘navigator’ model exemplified best practice in supporting the most disadvantaged members of society to make positive change in their lives.

The London ‘Rough Sleepers’ Project therefore provided an example of best practice in achieving successful outcomes with rough sleepers but more generally in

effectively managing provision for service users on the margins of society with complex needs.

### **3.4 TEAM GB AND THE OLYMPIC AND PARALYMPIC PROGRAMME**

The improved outcomes of Team GB over a twenty-year cycle is not generally labelled as a 'Payment by Results programme' but exemplifies best practice in the management of targeted outcome funding firstly to achieve success and secondly to address factors other than social need.

In 1994, the British Government began to fund significantly elite sport. £5M spent before the Atlanta 1996 Olympic Games saw a return of one gold medal. A spend of £54M prior to Sydney 2000 increased the medal tally to twenty-eight and tenth place overall in the medal table. An injection of £264M by London 2012 saw Team GB win sixty-five medals and finish third behind the United States and China (Fordyce 2016).

According to Nevill et al (2012), the success should have peaked after the home Olympics. They predicted Rio 2016 would be less successful due to the loss of the partisan London crowd. However, an investment of almost £350M of public money in elite Olympic and Paralympic sport saw:

1. Britain's Olympians
  - Win sixty-seven medals
  - Achieve twenty-seven gold medals in fifteen different sports
  - Become the only host nation to win more medals at the next Games and achieve their best medal haul since 1908 (Fordyce 2016)

2. Britain’s Paralympians:

- Win one hundred and forty-seven medals
- Achieve sixty-four gold medals; 12% of those available
- Match China’s performance of eleven different gold medal-winning sports at their home Paralympics in 2008
- Set forty-nine Paralympic and twenty-seven world records and surpass their London 2012 total by twenty-seven medals (Hudson 2016).

Like the London Homeless Project, the British Government’s funding of Team GB reflected PbR best practice (Fordyce 2016):

Table 3.4a – The Guidelines for Principals Considering Commissioning Payment by Results Provision Followed by Team GB

<b>NAO (2015) Guidelines</b>	<b>Model Adopted for Team GB</b>
Develop Insight into the Operating Context	The principal investigated how increased funding could create Olympic and Paralympic success
Set Clear Expectation for Performance	Team GB and individual sports have an overall medal and gold medal target
Identify Challenging but Achievable Outcomes upon which to Base Payments	Alongside the medal target, funding is provided to individual athletes - for example swimmer Adam Peaty - and sporting bodies such as British Gymnastics
Develop from these Effective Incentives for Agents	Funding is reduced or removed if the medal target is missed but continued if the target is reached. Adam Peaty won gold and broke the world record twice during competition. British Gymnastics delivered six Rio 2016 medals. Both will therefore continue to receive funding

<p>Monitor the Performance of Agents, Establish Clear Oversight and Intervention Mechanisms to Minimise the Impact of Agent Failure</p>	<p>Intervention mechanisms are placed around the individual sponsorship and organisation funding. Therefore, the Elite Coaching Apprenticeship Scheme retains and develops the expertise of successful sportspeople in coaching roles. The best sports scientists and sports medics supplement their talents. Marginal gains are invested in. For example through research into the sleep quality of elite athletes to ensure that every aspect of their environment is the best that it can be</p>
<p>Evaluate How PbR Has Improved Service Delivery and Overall Value-for-Money</p>	<p>The price of 2016 success was £4,096,500 per medal for an able-bodied athlete, equivalent to £1.09 to each Briton per year of the Olympic programme. A significant percentage of the population shared in Team GB's success as they watched their achievements on television.</p>

(Fordyce 2016)

The British Government's Payment by Results model to achieve Olympic and Paralympic success contrasted with that of the Australians who saw the sustainability of keeping Australia at the top of the medal count as a price they could not afford after Sydney 2000, in which Australians won 58 medals including 16 golds (Toohey 2008). The contrast between Australian and British achievement at Rio 2016 vindicates the latter's approach:

Table 3.4b – The Performance of Team Australia and Team GB at Rio 2016

Country	Great Britain	Australia
<b>Medal Table Position</b>	2 <sup>nd</sup>	10 <sup>th</sup>
<b>Medals Won</b>	67	29
<b>Gold</b>	27	8
<b>Silver</b>	23	11
<b>Bronze</b>	17	10

(BBC Sport 2016)

The recent excellent performance of Team GB at Rio 2016 and their on-going improvement over the last two decades illustrates best practice in the management of Payment by Results provision. It also provides a contemporary example of how PbR can achieve positive outcomes in the context of elite sporting success rather than to address a social need such as anti-social behaviour, youth crime, poor school attendance, unemployment, substance misuse, adult reoffending or homelessness.

### 3.5 SUMMARY

Chapter Three completed the systematic acquisition and understanding of a body of knowledge at the forefront of the concept of Payment by Results begun in Chapter Two (K2). It provided examples of three successful Payment by Results programmes including two in the UK. The Delaware Substance Misuse Programme exemplified how substance misuse can be tackled to reduce reoffending and was notable for its use of incentive payments; innovative practice around clinical interventions and expanded opening hours; effective proxy indicators; and the principal's clear performance expectations, performance monitoring and performance evaluation. The London Rough Sleepers Project illustrated how individual holistic support improves outcomes for homeless service users. It illustrated the need for challenging but

achievable outcomes with effective incentives for the agent. The project also showed the benefit of the principal and agent being able to review the performance framework and adjust the performance outcomes in the light of changes in the external environment. The London Rough Sleepers Project also highlighted the difficulty of the agent obtaining clients' health data and the barriers that this can create. Team GB and the Olympic and Paralympic programme showed that the Payment by Results model is not just a mechanism for use with disadvantaged service users and social need. It is applicable in any situation in which an improvement in performance is the desired result; including elite sport where world records and medals are the quantifiable measurement of success.

With the foundation of knowledge about Payment by Results in place, Chapter Four will contain the conceptualisation, design and implementation of a project for the generation of new knowledge about target achievement in PbR provision and describe the adjustment of the project design as it progressed (K3). I will illustrate my detailed understanding of applicable techniques for research and advanced academic enquiry (K4) and my aptitude to undertake applied research and development at advanced level (S2). Chapter Four will identify a methodology and methods for collecting and analysing data from stakeholders involved with the National Troubled Families Initiative to understand more about the programme and so advance the knowledge around PbR. My voluntary decision to explore how might a practical framework, rooted in business and management literature be developed for an effective implementation of PbR programmes in the public sector will show the qualities and transferable skills necessary for employment that requires the exercise of personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3) and my ability to identify and effectively utilise the components of the self-system that foster authentic leadership, appropriate to a given leadership environment (S4).

## **CHAPTER FOUR – RESEARCH METHODOLOGY**

### **4.1 INTRODUCTION**

Chapter Four outlines the conceptualisation, design and implementation of a research project to generate new knowledge about target achievement in Payment by Results provision. It shows how I adjusted the project to overcome unforeseen problems (K3). Chapter Four demonstrates my detailed understanding of applicable techniques for research and advanced academic enquiry (K4) and my aptitude to undertake applied research and development at an advanced level to make a substantial contribution to the development of a new approach in PbR (S2). It shows that I have the qualities and transferable skills necessary for employment that require the exercise of personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3) and the ability to identify and effectively utilise the components of the self-system that foster authentic leadership, appropriate to a given leadership environment (S4). Chapter Four explains the selection of a systematic and ethical research methodology to provide an academic practitioner-led evaluation of the Payment by Results model using the National Troubled Families Initiative as a case study.

### **4.2 THE ORIGINS OF THE RESEARCH PROJECT**

The research project responds to the fact that Payment by Results is an increasingly common method of funding provision. The UK public sector had approximately £15B-worth of schemes with a PbR element (National Audit Office 2015) and the United States and Australia widely use the model (Webster 2016) but there is no framework for target achievement in PbR to guide principals, agents and other stakeholders. This research project addresses this omission and presents a practical framework - rooted in business and management literature - for the effective implementation of target achieving Payment by Results programmes; using the National Troubled Families Initiative as a case study.

My interest in target achievement in Payment by Results provision grew from my fifteen-year career in the public sector managing a range of output- and outcome-based programmes including the 'Think Family Grant-funded' local Parenting Strategy and a Family Intervention Project (FIP) for 'complex' 'troubled' families.

My motivation for conducting doctoral research into Payment by Results was my two-fold realisation whilst employed by an agent of the National Troubled Families Initiative that:

- Not all of the programme's outcomes were being achieved
- Some 'troubled' families appeared to have achieved a positive outcome with the support of the programme but this was not always the case.

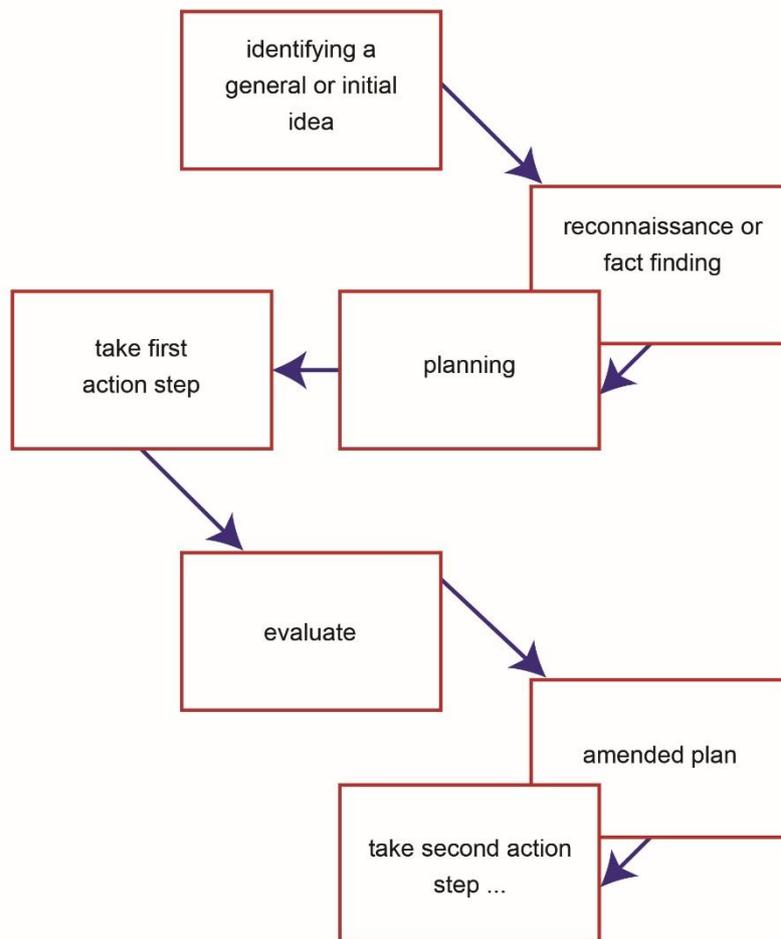
Specifically, I was aware that families were being claimed for when they had addressed their own problems or received help from an initiative external to 'Troubled Families'. More significantly, some 'successful' families had made no change but ceased to meet the entry criteria (DCLG 2012b) due to unintended consequences (Norton 2008) and could be 'legitimately' described within the boundaries of the programme as 'turned around'.

As an MBA graduate, I was well aware of the business and management frameworks that could support further investigation into this. The systematic methodology utilised in the research project came from the need to overlay my 'practitioner' foundation with a systematic, 'academic' approach to the improvement of PbR provision.

If research into this area had been carried out as part of my day job, I would have focused very much on the local 'Troubled Families' programme, adopted an action research methodology and worked with my colleagues to:

- Identify and diagnose problems with the local programme
- Plan how to overcome these
- Put appropriate intervention in place
- Evaluate the change created by this intervention
- Update the action plan and continue until the problem had been solved (Lewin 2016 [1946]).

Figure 4.2 Lewin's Action Research Model



(Lewin 2016 [1946]:1)

While this would have improved our delivery to local 'troubled' families and maximised the value (Bosse and Phillips 2016) that we gave to DCLG in return for the programme funding, it would not have improved the achievement of targets nationally in the 'Troubled Families' programme or other Payment by Results provision. Thus, I adopted a more systematic methodology for the research project that enabled me to collect and interpret data systematically and find out new information with a clear purpose (Saunders et al 2016).

### **4.3 THE RESEARCH PHILOSOPHY**

Saunders et al (2016) provided me with a choice of five research philosophies for the research project: positivism, critical realism, interpretivism, post-modernism and pragmatism. These are outlined in Appendix Eighteen. My personal response to each of these philosophies appears in Appendix Nineteen.

I dismissed critical realism and post-modernism immediately due to the irrelevancy of the manifested world compared to the 'real world' of the National Troubled Families Initiative and my desire to hear the voices of all stakeholders with power and a stake in the programme (Table 2.5.1). In order to make a final selection, I considered the underlying assumptions that lay beneath the three remaining research philosophies:

1. The ontological assumption – What is the nature of reality?
2. The epistemological assumption – What constitutes valid knowledge?
3. The axiological assumption – What is the role of values?
4. The rhetorical assumption – What is the language of research?
5. The methodological assumption – What is the process of the research? (Collis and Hussey 2013).

Appendix Twenty and Appendix Twenty-One identify how this research followed.

I chose a pragmatic research philosophy for the research project, which was further along the continuum of interpretivism than positivism:

Figure 4.3 – The Pragmatic Research Paradigm Utilised for the Research Project



The reasons for this were:

Table 4.3 - The Underlying Assumptions of the Research Project

<b>Assumption</b>	<b>Pragmatic</b>	<b>My Response</b>
Ontology Reality is...	Complex, rich, external  'Reality' is the practical consequences of ideas  Flux of processes, experiences and practices	I wanted to explore the complex, rich reality of the 'real world' of the stakeholders involved with the National Troubled Families Initiative to understand the processes, experiences and practices that contributed to the programme
Epistemology The researcher is....	Practical meaning of knowledge in specific contexts  'True' theories and knowledge are those that enable	I was a self-financing 'insider researcher' who wanted to bring practical meaning and 'true' theories and knowledge to achieve targets and bring about

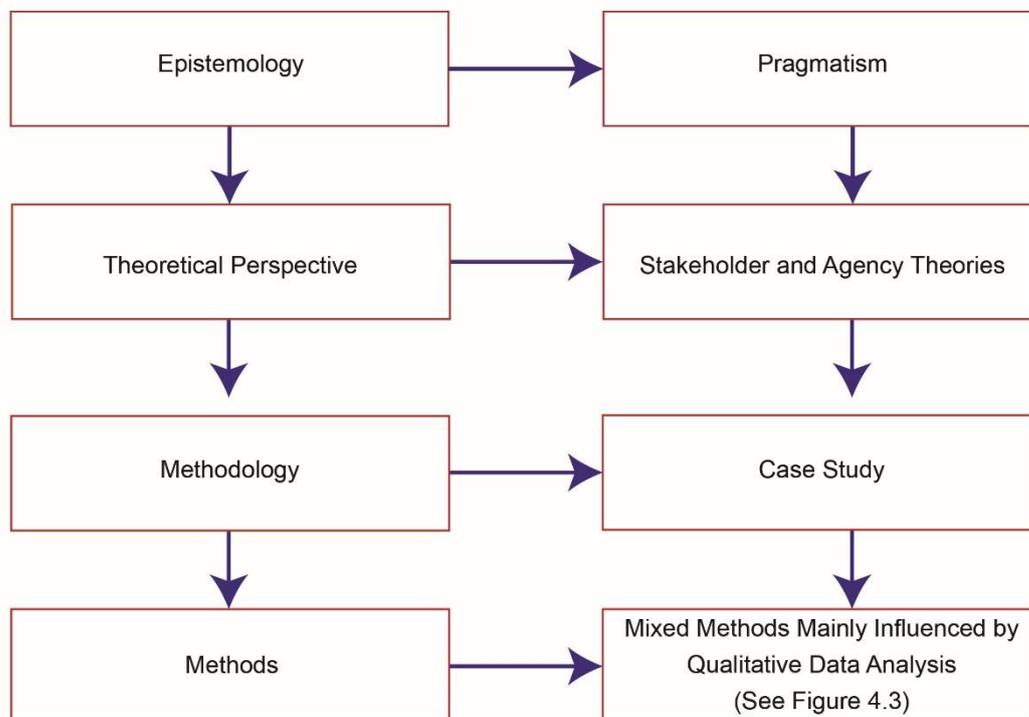
	<p>successful action</p> <p>Focus on problems, practices and relevance</p> <p>Problem solving and informed future practice as contribution</p>	<p>success in Payment by Results provision by focusing on the problems, practices and relevance of the National Troubled Families Initiative.</p>
<p>Axiom</p> <p>The research values are...</p>	<p>Value-driven research</p> <p>Research initiated and sustained by researcher's doubts and beliefs</p> <p>Researcher reflexive</p>	<p>I had copious knowledge and experience of the National Troubled Families Initiative and knew from my own experience that it was possible to improve its current practice and that of Payment by Results provision. I resolved to be reflexive throughout the process and constantly challenge my assumptions</p>
<p>Methodology</p> <p>The process of the research is...</p>	<p>Following research problem and research question</p> <p>Range of methods: mixed, multiple, qualitative, quantitative, action research</p> <p>Emphasis on practical solutions and outcomes</p>	<p>I resolved to find a methodology through which I could practically view the National Troubled Families Initiative. This methodology should enable me to use a range of methods to collect and analyse quantitative and qualitative data and use this as a gateway to the achievement of targets in PbR provision.</p>

Having identified, established and justified the choice of a pragmatic approach for the research project, the next step was to consider in more detail the four key elements of epistemology, theoretical perspective, methodology and methods.

### 4.3.1 The Pragmatic Epistemology

The epistemology of a research project is embedded in the theoretical perspective, which informs the methodology and provides a context for it. The methodology is behind the choice and use of particular methods (Crotty 1998). These four key elements in the research project appear as:

Figure 4.3.1 - The Epistemology, Theoretical Perspective, Methodology and Methods Adopted in the Research Project



(Based on Crotty 1998)

As a Family Intervention Project (FIP) Manager, I already had practical knowledge of the National Troubled Families Initiative and Payment by Results provision. I supplemented this identity with that of a self-financing academic ‘insider’ researcher. The adoption of a pragmatic epistemology enabled me to focus on problems and practices associated with ‘Troubled Families’, identify ‘true’ theories and knowledge

about the programme and relate these to the wider PbR context to solve the problems that this provided to principals and agents and inform their future practice (Saunders et al 2016).

#### **4.3.2 The Stakeholder Theory and Agency Theory Theoretical Perspective**

This focus on problems, practice and relevance to 'Troubled Families' to identify 'true' theories and knowledge and create a practical framework for the achievement of targets in Payment by Results provision meant that the research project required a theoretical perspective to inform the methodology and provide a context through which the National Troubled Families Initiative could be examined (Crotty 1998). Each of the four building blocks of management theory (Cole and Kelly 2011) had the power to illuminate the National Troubled Families Initiative but each also offered disadvantages, which Appendix Twenty-Two outlines.

I rejected these four management theories because of the outlined disadvantages. I selected the theoretical framework of Stakeholder Theory (Freeman 2010, Freeman et al 2010 and Freeman and Reed 2014) and Agency Theory (Eisenhardt 1989 and Miller and Sardais 2011) as the lens through which to examine the National Troubled Families Initiative and contribute to new learning about target achievement in Payment by Results provision. Stakeholder Theory and Agency Theory built on the foundations provided by my insider knowledge of the National Troubled Families Initiative and Payment by Results provided. It enabled me to identify:

- The key stakeholders in the National Troubled Families Initiative
- The type of power and stake that they held
- Key stakeholders with a range of identities
- The identity of the 'Troubled Families' principal and agent.

This then facilitated an examination of the relationship between the 'Troubled Families' principal and the agent, the Payment by Results contract (Eisenhardt 1989) that bound them and the implications that this had for exploitation (Miller and Sardais 2011) or the bringing of value (Bosse and Phillips 2016) to the National Troubled Families Initiative. These lessons translated into a practical framework for target achievement in Payment by Results provision.

### **4.3.3 The Case Study Methodology**

The methodology adopted for the research project was that of a case study; a research design that entailed the detailed and intensive analysis of a single case (Bryman 2012). The case study methodology enabled the detailed examination of the National Troubled Families Initiative through the lens of Stakeholder Theory and Agency Theory.

The case study methodology facilitated a comparison of 'Troubled Families' against the Payment by Results best practice guidelines (NAO 2015) and the six key characteristics of an outcome (Webster 2016). From this, the body of knowledge about how to improve the management of the 'Troubled Families' programme was increased, which created a practical framework for target achievement in PbR provision.

A deductive approach represents the most common view of the nature of the relationship between theory and social research (Bryman 2012). The researcher deduces a hypothesis from existing knowledge and evaluates this by gathering and analysing new data. In contrast, an inductive approach sees a theory generated from the data (Bryman 2012). I thematically analysed the Phase One national and local performance data (DCLG 2015c and LA1 2015b), made deductions and then evaluated these in the analysis of the five semi-structured interviews. The collection and analysis of this new data, allowed me to formulate a theory from the resulting findings.

Within the 'Troubled Families' case study, I collected data from four delivery agents representing the Northeast, Southeast and Northwest of England. This decision enriched the research project in three ways. Firstly, the initial focus of the research project was the local authority area where I spent most of my career and managed the Family Intervention Project for the most 'complex' local 'troubled' families. This insider knowledge informed the research project and encouraged local stakeholders to participate. The research project then broadened out to encompass a second northeast local authority (Local Authority Two (LA2)). This widened the scope of the research and highlighted key points of comparison and contrast with Local Authority One (LA1). The early focus on the Northeast of England also enabled me to gain confidence in collecting and analysing data in a locality that I was familiar with before extending the locus of the research.

Nine months after data was collected in Local Authority One and Two, I invited a Southeast and a Northwest local authority to participate in the research project. This enabled a chronological, geographical and socio-economic comparison to be made of the National Troubled Families Initiative that further enriched and informed the research project. The inclusion of two cities, a county (Local Authority Three (LA3)) and a consortium (Local Authority Four (LA4)) located across England gave the research project depth and variety and ensured that it had relevance and resonance for all agents concerned with the delivery of the National Troubled Families Initiative specifically and Payment by Results schemes in general. It went further than the work of Hoggett et al (2014) and Hayden (2015) which restricted their data collection to one area in England.

Aside from selecting my own authority - (LA1) - as the initial focus of the research project, I also chose it and its neighbour (LA2) based on their strong early performance in Phase One of the National Troubled Families Initiative. As Appendix Twenty-Three shows, the first set of quantitative data published by DCLG in January 2013 showed that LA1 had outperformed the other eleven North-East local authorities in terms of families 'identified' by this date while LA2 was the highest-performing North-East area for families 'worked with' and 'turned around'.

I calculated that this was in percentage terms:

Table 4.3.3 - The Performance in Percentages of LA1 and LA2 Compared to the National Average as at January 2013

<b>Area</b>	<b>Families Identified at December 2012</b>	<b>Families Worked With at December 2012</b>	<b>Families 'Turned Around' at January 2013</b>
National 'Average'	53%	20%	1.4%
LA1	100%	10%	0%
LA2	75%	43%	13%

By April 2016 - one full year into Phase Two and nineteen months after the Wave One Early Starters (DCLG 2014a) began delivering to the new outcome framework - the principal had still not published any Phase Two performance data. This was despite the promise of the periodic collection and publication of Family Monitoring/Progress Data in Phase Two (DCLG 2014a). Thus, the specific selection of LA3 and LA4 - rather than any other local authorities outside of the Northeast - followed the recommendation of the Department for Communities and Local Government. I had contacts at DCLG, which I made during my secondment to HMI Probation in 2013-2014 as the 'Troubled Families Expert' for the thematic review of the contribution of youth offending teams to the work of the Troubled Families programme in England (CJJI 2015). On the advice of these contacts, I approached the LA3 and LA4 Troubled Families Co-ordinators and requested their participation in the research project.

#### **4.3.4 A Mixed Method Mainly Influenced by Qualitative Data Analysis**

The pragmatic research philosophy allowed a range of research methods to be utilised to follow the research problem and research question and provide practical solutions and outcomes to the research project (Saunders et al 2016). The research project collected and analysed both quantitative and qualitative data in three stages to achieve an understanding of practice in Phase One and in the implementation stage of Phase Two that increased knowledge both about the ‘Troubled Families’ programme and successful Payment by Results provision.

Firstly, I analysed the DCLG national secondary Phase One data (DCLG 2015c) to understand the performance of the programme both locally and nationally. Secondly, I requested secondary quantitative data from LA1 (LA1 2015b) to understand the detail behind the national figures for a cohort of local ‘troubled’ families. Thirdly, I gathered primary qualitative data from each of the four areas in scope (LA1 2015a, LA2 2015, LA3 2016, LA4 2016 and LA1 2016) to capture the depth and richness that lay behind the quantitative datasets.

In all three stages of the research project, I analysed the data qualitatively to identify the key themes. I further explored the themes identified from the DCLG national data during the analysis of the LA1 quantitative data and identified new themes, which I traced in the subsequent qualitative data gathering and analysis from the four areas.

I selected a three-stage qualitative method ahead of mixed methods research – a method which has recently taken on the more specific meaning of research combining quantitative and qualitative research methods (Bryman 2012) - because I did not wish to carry out further statistical tests on the Phase One performance data available from the principal and agent. The qualitative method ensured that the research had:

- Authenticity – “convincing the reader that the researcher has a deep understanding of what was taking place”

- Plausibility - “requires the researcher to link into some on-going concern/interest among other researchers”
- Criticality – “encourages readers to question their taken-for-granted assumptions, and thus offer something genuinely novel” (Easterby-Smith et al 2015:88).

I demonstrated my deep understanding of what was taking place within the National Troubled Families Initiative, linked to other researchers’ on-going concerns about this programme and the wider PbR framework. I also questioned the taken-for-granted assumptions about ‘Troubled Families’ but did not pass judgement on either of the datasets provided by the principal and the agent. This approach contrasted with that taken in positivist research where the following are important:

- Reliability – “the degree to which a measure of a concept is stable” (Bryman 2012:712)
- Validity – “a concern with the integrity of the conclusions that are generated from a piece of research” (Bryman 2012:717)
- Generalizability – “the external validity of the research findings” (Bryman 2012:712).

The LA1 quantitative dataset (LA1 2015b) comprised a spreadsheet minus the names, addresses and dates of birth of the LA1 Phase One ‘Troubled Families’ cohort. It indicated the criteria they met on entering the programme and whether the agent made a ‘full’ or ‘partial’ funding claim for them.

I gathered the qualitative data from the four areas using the data collection method of an ethical interview. A focus group method would have enabled me to collect data from several participants and encourage interaction and the joint construction of meaning (Bryman 2012). However, an interview allowed the five participants to contribute separately to the research project and speak freely. This was particularly

crucial in LA1, where I capitalised on my insider knowledge and solid working relationships by interviewing a senior manager and the Troubled Families Co-ordinator, neither of whom may have felt able to speak frankly in front of each other. The interview method had other advantages over the focus group method:

- It prevented the two North-East Co-ordinators from being spoken to together and feeling compelled to 'compete' over whose delivery of the programme was the optimum; therefore, exaggerating their successes or hiding the challenges faced
- Data could be collected in 2015 and 2016 thus allowing some points of chronological contrast to be drawn
- The five were not inconvenienced by lengthy cross-country journeys.

The interview method permitted me to control the questioning, avoid the intrusive task of observing the participants for a lengthy period and allow the participants to provide historical information (Creswell 2009). The latter made an important contribution to the success of the LA3 interview as their Troubled Families Co-ordinator was unable to take part in a lengthy data-gathering session and submitted documentary evidence (Local Authority Three 2015b and Hayden 2015) beforehand to enable the session duration and interview schedule to be reduced.

LA1 and LA2's close geographic proximity to the research project's Northeast base meant that that I could interview their Troubled Families Co-ordinators and the senior manager face-to-face. I carried out the LA3 and LA4 Troubled Families Co-ordinator interviews by telephone (Costley et al 2013) to avoid three days of train travel. On the day of the interview with the LA1 senior manager, I was too unwell to attend the interview. Consequently, I also conducted this by telephone. Telephone interviews have the disadvantage of making it difficult to establish rapport with the participant and the lack of visual clues – such as body language – can hinder interpretation. However, they save time, money and effort where the two parties are geographically

disparate, lessen the likelihood of the interviewee making socially desirable and therefore potentially inaccurate responses and protect the interviewer from attack from an angry or dangerous interlocutor (Robson 2002). I attempted to overcome the lack of rapport by speaking to the LA3 and LA4 Troubled Families Co-ordinators - who I had no previous relationship with – prior to the interview. This enabled us to establish an acquaintanceship as well as agreeing the parameters of the interview and making them aware of their right to give informed consent.

I chose a semi-structured interview method to gather data from the four co-ordinators and one senior manager. Like structured interviews, this method used a schedule of questions but enabled me to “...allow more verbal answers [and] give participants more latitude in responding in their own words” (Costley et al 2013). This method therefore offered a greater opportunity than structured interviews to elicit rich, deep data from the interviewees. Unlike unstructured interviews, it allowed specific discussion around key themes drawn from the literature such as:

- The concept of the ‘troubled’ family – which gave an interesting insight into how one stakeholder group was perceived by other groups of stakeholders
- The Payment by Results framework of the National Troubled Families Initiative – which benchmarked this against best practice guidelines (NAO 2015 and Webster 2016).

However, the semi-structured format gave the five participants the flexibility and freedom to provide new information, which went beyond the key themes revealed by the literature review. I shared the interview schedule with the interviewees beforehand. The quintet duly responded by preparing their answers in advance of the session.

The research project had a pragmatic epistemology, a Stakeholder Theory and Agency Theory theoretical perspective, a case study methodology and a three-stage, qualitative method involving the qualitative analysis of quantitative data and qualitative data. I built on my insider knowledge of LA1 and the North-East of England, discovered 'Troubled Families' best practice and gaps in delivery, challenged my existing assumptions and reflected upon chronological, geographical and socio-economic points of comparison and contrast. This led to a new understanding of the National Troubled Families Initiative and enabled the formulation of a practical framework for achieving targets in Payment by Results provision.

#### **4.4 ETHICAL APPROVAL**

Because the research project was a piece of doctoral research, I required approval from the University of Sunderland Research Ethics Committee prior to the data-gathering phase. I presented the research proposal before I formally asked any stakeholders to be part of the project. I received permission to proceed with the provisos that:

- The stakeholders who had provided data would not be named nor would it be easy to guess their identity
- Any primary data-gathering through qualitative interviews would be with professionals associated with the National Troubled Families Initiative and not with any 'troubled' families
- Any quantitative data submitted by these stakeholders should be done so minus any family personal details such as names, addresses or dates of birth
- The research participants must receive a separate participant information sheet and consent form for them to retain

- The participant information sheet must include details of data handling - such as storage, access, retention, secure disposal of audio tapes and transcripts - confidentiality and the dissemination of results.

The Participant Information Sheet and Participant Consent Form are in Appendix Twenty-Four and Twenty-Five. The Research Ethics Committee's instruction that professionals and not 'troubled' families should be part of the primary data gathering had a significant impact on the identity of the stakeholders that I approached to take part in the research project. Other factors determined the stakeholder groups from whom data was eventually gathered.

#### **4.5 THE STAKEHOLDERS IN SCOPE FOR INCLUSION IN THE RESEARCH PROJECT**

The ethical guidelines for research and the decision of the University of Sunderland Research Ethics Committee had a significant impact upon the stakeholders actually selected for inclusion within the research project. Their prohibition of interviews with 'troubled' families or analysing their personal quantitative data scotched my initial hopes of placing them at the centre of the data-gathering phase like Hoggett et al (2014) and Hayden (2015).

I used the 'real world' stakeholder view of the National Troubled Families Initiative (Figure 2.5.1) to guide my decisions about from whom to collect data. This framework comprised thirteen stakeholders. These were DCLG and the 152 English local authorities – which Agency Theory described as the 'principal' and the 'agent' - and eleven other stakeholders. Table 2.5.1 showed that these stakeholders held between them:

1. An economic stake and economic power
2. An economic stake and political power

### 3. A stake of influence and political power (Freeman and Reed 2014).

Arguments for and against the inclusion of the thirteen stakeholder groups appear in Appendix Twenty-Six. This information guided me to analyse the Phase One secondary quantitative data from DCLG (2015c) and to collect further data from two stakeholder groups, the English local authorities who were the agent for the National Troubled Families Initiative and the employees who delivered the programme for the agent. Asking these two key stakeholder groups to contribute meant that there was the potential for data collection from:

- A stakeholder group with a variety of identities, stakes and powers
- One half of the key 'principal – agent' relationship
- All or a selection of the 152 English local authorities
- A variety of geographical locations and socio-economic positions at different times chronologically
- A sample of Wave One and Wave Two Early Starters
- A hierarchy of staff.

I resolved to request that my own local authority (LA1) provide their Phase One quantitative dataset minus personal family details so that I could trace some of the themes identified in the literature and understand from a more detailed local perspective the information contained in the national dataset (DCLG 2015c). Mindful that statistics could only say so much, I decided to collect primary qualitative data from selected employees of the agent who existed in more than one stakeholder group and thus held multiple identities, stakes and powers (Freeman and Reed 2014).

I specifically chose a sample of England's 'Troubled Families Co-ordinators' to interview. DCLG saw this post as integral to the National Troubled Families Initiative and provided three years-worth of funding in Phase One for each local authority to

appoint an individual to this role (DCLG 2012). In 2015-2016, DCLG gave each local authority a Service Transformation Grant. This was twice the size of that previously provided by the Phase One Troubled Families Coordinator Grant to reflect the increased challenge of co-ordinating the Phase Two programme and the programme's expectations around wider service transformation, the increased provision of evidence via Family Progress Data and the completion of the costs savings calculator (DCLG 2014a).

Following Table 2.5.1, the Troubled Families Co-ordinators:

1. Hold an economic stake and economic power as a:
  - Key member of one of the 152 local authorities acting as agent and delivering the programme
  - Potential member of a trade union
  
2. Are an influencer wielding political power as a:
  - Member of the British electorate who could vote in a local or general election
  - Potential member of an organisation that campaigned on behalf of families; who had insider information about the programme that could appear in the media
  - Potential member of a 'troubled' family.

This provided a very persuasive argument to a researcher acting on their own and without the benefit of a research team.

Ultimately, I gathered qualitative data from the LA1, LA2, LA3 and LA4 Troubled Families Co-ordinators. I personally knew the LA1 post-holder and I resolved to interview her first both to compare and contrast the local information with that gathered elsewhere and to enable me to hone my data-gathering skills.

As the research project developed, I realised that the 'Troubled Families Co-ordinator role slightly differed from area to area. Thus, the LA3 post-holder held a strategic role within the local authority and had regular meetings with DCLG. The LA4 Co-ordinator had originally worked within one North-West local authority but had then taken up a strategic role with oversight of the programme in a consortium of ten local authorities. This then provided a further dimension to the research. This strategic and operational dimension supplemented the points of chronological, geographical and socio-economic comparison. Further enhancement occurred in 2016 when I resolved to gather qualitative data in LA1 from a strategic manager.

## **4.6 ETHICAL GUIDELINES**

Although I had already committed not to interview 'troubled' families or analyse quantitative data bearing their personal details and interview the research participants separately to enable them to speak freely, I reviewed the ethical principles for research to ensure that I conducted the research project in a proper manner. These principles comprised four areas:

- Whether there is harm to participants
- Whether there is a lack of informed consent
- Whether there is an invasion of privacy
- Whether deception is involved (Bryman 2012).

### **4.6.1 Avoiding Harm to Participants**

Research that causes either physical or developmental harm to participants is unacceptable. Developmental harm can occur when participants' self-esteem is negatively affected or the research process places them in a stressful situation (Bryman 2012). My insider knowledge of 'Troubled Families' suggested many opportunities to cause harm to professionals within the confines of a research project investigating the initiative; particularly where its outcome framework permitted

funding claims for families where an adult had moved into employment but the family were still committing ASB, youth crime and had youngsters with poor school attendance (Higgs 2012). I therefore determined to check the interview schedule for potential mentally harmful questions. I also underlined that the purpose of the research project was to improve the achievement of targets in Payment by Results provision through a focus on the case study of the National Troubled Families Initiative and not to cast aspersions about individual delivery agents.

Whilst it is vitally important to protect the research participants from harm, it is also important to safeguard the researcher's physical and mental health and to manage risk appropriately (SRA 2003). Hoggett et al (2014) managed the risk posed to their inquiry team by:

- Not collecting data from anyone who posed a threat to the researcher
- Using their key worker as a 'gatekeeper' to manage the interface with the families; a particularly crucial point given that the interviews took place in the family home where the researcher could be placed in danger from a family member, friend or neighbour (Hoggett et al 2014).

I minimised the physical and mental risk to myself by only gathering data from professionals:

- In 'successful' local authorities where the data or my DCLG contacts suggested they had performed well in the National Troubled Families Initiative
- Whom - where possible - were personally known to me
- In public buildings - with other people close at hand
- By telephone.

#### **4.6.2 Ensuring Informed Consent**

It is vital that the researcher maintains the principles of confidentiality; a key issue where participants' vulnerability or lack of awareness may mean they do not perceive confidentiality as an issue and provide data that can later have negative 'unintended consequences' (Norton 2008) for them. Informed consent includes:

- Informing voluntary participants that they do not have to participate
- Making them aware of their entitlement to refuse to co-operate at any stage of the research project for whatever reason and to withdraw data just supplied (SRA 2003).

Using the example previously cited, a professional might agree to speak about the National Troubled Families Initiative without realising that, by revealing that many of their £4,000 Phase One funding claims were for families who were still behaving poorly, they could compromise their position with their own management or the principal. I therefore made the opportunity to withdraw from the session or not to participate at all clear in the Participant Consent Form (Appendix Twenty-Five).

#### **4.6.3 Maintaining Participants' Right to Privacy**

Once informed consent is in place, the researcher must continue to monitor their research method, attitude to the participant, demeanour and latent theoretical or methodological perspective when dealing with them (SRA 2003). Consent does not entitle the researcher to:

- Study all phenomena
- Act intrusively

- Contact subjects without advance warning
- Ask questions which cause distress or offence
- Observe participants without their knowledge
- Obtain information about individuals from third parties.

It is possible to avoid intrusion by making an appropriate use of available data such as administrative records instead of embarking on a new inquiry (SRA 2003). For this reason, I analysed the national DCLG Phase One quantitative data (DCLG 2015c) and LA1 Phase One quantitative data (LA1 2015b). This enabled me to draw key themes from two sources of information about Phase One delivery and avoid the gathering of information through a more intrusive method such as a lengthy ethnographic study.

I conducted the five qualitative-data gathering sessions ethically. I contacted the five participants in advance of collecting data from them; ensured that the interview schedule did not contain questions likely to cause upset; provided these questions for their perusal before the session and interviewed them on their own rather than with a colleague or a delivery agent from another local authority. I explained to the participants how long the sessions were likely to take, offered comfort breaks after one hour where applicable and provided them with the opportunity to terminate the session early if they desired.

#### **4.6.4 Preventing Deception**

It is difficult to maintain the objectivity of social research. The selection of the research topic can reflect a systematic bias in favour of certain cultural or personal values. The employment base of the researcher, the source of funding and other factors may impose certain priorities, obligations and prohibitions upon the project. For example:

- Independent researchers can be subject to a specific contract in which roles and obligations are specified in advance
- Employee researchers often have non project-specific contracts comprising an obligation to accept instructions from the employer. Researchers based in the public sector may also be restricted further by statutory regulations covering compulsory surveys and official secrecy (SRA 2003).

Researchers like me with the freedom to study an area of personal interest and draw on their insider knowledge still have a responsibility to be objective and to highlight barriers to this. Social researchers are bound by a professional obligation to resist approaches to problem formulation, data collection or analysis, interpretation and the publication of results that are explicitly or implicitly likely to misinform or to mislead rather than to advance knowledge (SRA 2003).

The motivation behind my decision to improve target achievement in Payment by Results provision using the National Troubled Families Initiative as a case study was:

- Fifteen years' experience of managing public sector projects and programmes
- Four plus years' employment with a 'Troubled Families' agent based in the North-East of England
- Considerable insider knowledge of Payment by Results and the National Troubled Families Initiative
- Concerns that the PbR framework was not leading to success and funding was being claimed for 'troubled' families whose success was not attributable to the programme or were not actually 'turned around'.

I made every effort to maintain objectivity throughout the investigation. The Stakeholder Theory and Agency Theory theoretical framework supported this as it:

- Identified the gaps in the literature
- Concurred with my choice of the case study research methodology to fill these gaps
- Provided a framework for the analysis of the data collected
- Provided a framework for the presentation of the research project's findings and conclusions.

I was also reflexive throughout the research project. I paid attention to and was continually aware of:

“...the way different kinds of linguistic, social, political and theoretical elements are woven together in the process of knowledge development, during which empirical material is constructed, interpreted and written” (Alvesson and Sköldbberg 2000:5).

I considered my role in the processes of data-gathering, data analysis and the presentation of the research findings and the effect that I could have on each of these. I was aware of the potential impact of my personal interest in and insider knowledge of Payment by Results and the National Troubled Families Initiative upon the research project as a whole and its resonance with professionals involved with ‘troubled’ families. This contributed to my adoption of:

- A pragmatic research perspective to support action to improve target achievement in PbR provision by contributing practical solutions to inform future practice drawn from the National Troubled Families Initiative
- A pragmatic epistemology to focus on problems and practice associated with ‘Troubled Families’, identify ‘true’ theories and knowledge and enable successful action in the field of PbR
- The Stakeholder Theory and Agency Theory theoretical perspective drawn from the existing business and management literature to identify the stakeholders in the ‘real world’ of the National Troubled Families Initiative and

collect data from representatives of the agent whose experience could contribute to target achievement in Payment by Results provision

- An ethical case study methodology to examine the National Troubled Families Initiative across England
- A qualitative method to facilitate the collection of data from stakeholders across the country and its analysis for gaps to support recommendations for a practical framework for achieving targets in PbR provision.

I specifically achieved reflexivity by:

- Maintaining a weekly reflective diary during the earlier period of research (Easterby-Smith et al 2015)
- Sharing elements of my research at the British Academy of Management 2014 and 2015 annual conferences in Belfast and Portsmouth and at a doctoral symposium at Glasgow Caledonian University; actions which held my work up to peer review
- Asking the research participants to read the interview transcriptions and revise them if their views were not accurately presented. Their limited changes suggested the qualitative primary research had resonance with them.

This project was a piece of self-financed research and not bound by a contract or filtered through a funder before the release of its findings. However, because I did not have a principal who set me the goal of improving target achievement in Payment by Results provision, I had to provide a persuasive argument to each stakeholder whom I asked for data. Fortunately, because all four areas were keen to celebrate their good practice but also hold the initiative up to further national debate and so benefit from this, their involvement was not hard to obtain.

I tightly managed our interfaces to prevent them from being too intrusive, time-rich and therefore costly to the research participants. Fortunately, my status as a doctoral student gave academic prestige to the study and ultimately encouraged five

professionals to contribute to and take an interest in the research. The research project was the work of a single researcher rather than a collaborative effort of colleagues of different levels of seniority and from different disciplines. This had the disadvantage of limiting the size of the project but meant that the reputation and careers of other contributors did not need consideration.

Research, which claims to be representative of a group of stakeholders but actually only represents the views of an individual stakeholder, is an example of deception. Bailey (2012) intimated that 'Listening to Troubled Families' (DCLG 2012a) was deceptive as it purported to present the views of sixteen 'complex' families but each of these had only one or two members whose voice was heard and who presumably spoke for everyone else. I witnessed such a 'deception' in 2015, when I watched an Ecorys researcher interview a local 'troubled' family in their home. The matriarch spoke at length while the rest of the family sat quietly. Therefore, the information provided actually reflected her views rather than those of the family. However, I countered any accusations of deception in this research project by interviewing professionals from a cross-section of local authorities from across the country and producing research that would resonate with other stakeholders involved with the programme.

A further responsibility of the social researcher is to alert potential users of their data to the limits of its reliability and applicability without either overstating or understating the validity or degree to which the information can be generalised. Confidence in research findings depends critically on their faithful representation with any covering up of errors or over-interpretation reflecting poorly on the researcher and the reputation of social research (SRA 2003). However, as previously stated, I did not focus on the issues of reliability, validity or generalizability (Bryman 2012) but chose to focus on:

- Authenticity due to my insider knowledge about the 'Troubled Families' case study and how this can illuminate knowledge about the achievement of targets through Payment by Results

- Plausibility by responding to Webster (2016) who found a lack of conclusive evidence for the benefits of PbR
- Criticality by questioning the notion that PbR was universally good because principals chose it to improve outcomes, outcome focus and value-for-money; drive service innovation; open up the market to new entrants; defer payment until later in the programme; defer risk to the agent and reduce inequalities (Webster 2016).

Maintaining confidentiality is essential in research and social researchers must remove the opportunities for others to infer identities from their data (SRA 2003). The Data Protection Act controls how organisations, businesses or the government uses personal information and stipulates that everyone responsible for using data have to follow strict data protection principles. Personal information must be:

- Used fairly and lawfully
- Used for limited, specifically stated purposes
- Used in a way that is adequate, relevant and not excessive
- Accurate
- Kept for no longer than is absolutely necessary
- Handled according to people's data protection rights
- Kept safe and secure
- Not transferred outside the European Economic Area without adequate protection (GOV.UK 2016).

In order to meet these requirements, the Phase One LA1 quantitative data (LA1 2015b) was only used within the 'Troubled Families' case study and to improve future achievement through Payment by Results provision. It was:

- Emailed to me at work and saved only to my password protected work computer
- Carefully and methodically analysed to ensure that correct conclusions were drawn from it
- Destroyed on completion of the research project.

The qualitative primary data gathered from the four areas was also only used within the 'Troubled Families' case study and to improve the achievement of targets in Payment by Results provision. It was:

- Collected using a recording device and then professionally transcribed; a process which omitted all identifying details such as the names of people or places
- Carefully and methodically analysed to ensure that correct conclusions were drawn from it
- Destroyed on completion of the research project.

The Data Protection Act detailed a stronger legal protection for more sensitive information, such as:

- Ethnic background
- Political opinions
- Religious beliefs
- Health
- Sexual health
- Criminal records (GOV.UK 2016).

No information pertinent to these exact themes was included within the LA1 Phase One quantitative data (LA1 2015b) but a political reference was removed from one transcription at the request of the participant (LA3 2016).

Social research is not carried out in a vacuum; making it difficult for researchers to:

- Not take sides
- Tailor research concerns to meet the restrictions of the funder
- Gain access to organisations who worry how they will be represented
- Negotiate with professionals once inside the organisation who either view the researcher with suspicion or want to draw them into internal politics
- Publish the completed research project and control how it is subsequently used (Bryman 2012).

I avoided these issues by:

- Approaching local authorities whom the national data (DCLG 2013) and DCLG suggested were delivering 'Troubled Families' well
- Collecting data from LA1 professionals whom I knew
- Resolving to withdraw from the other three areas if their representatives became suspicious of my motives
- Refusing to become involved with internal politics
- Remaining strictly neutral and not presenting my authority's delivery of 'Troubled Families' as the best
- Self-financing the research project myself
- Resolving to publish my findings in an internationally recognised journal.

Having reflected on the ethical research project guidelines, I began work on the interview schedule.

#### **4.7 THE INTERVIEW SCHEDULE**

The literature review and the qualitative analysis of the two quantitative datasets (DCLG 2015c and LA1 2015b) informed the choice of questions in the semi-structured interviews with the four Troubled Families Co-ordinators and the one senior manager.

The Phase One DCLG national dataset (DCLG 2015c) provided me with information about the number of 'troubled' families nationally and in each of the four areas of focus who had achieved the four key performance indicators. It suggested that it was easier to improve a 'troubled' family's negative behaviours than it was to progress one adult in the family into training or employment. The lack of clarity around which of the programme's eligibility criteria each 'successful' family actually met and my insider knowledge that LA1 claimed for families who addressed their own issues and who no longer met the entry criteria rather than had made a positive change left many questions unanswered by DCLG (2015c). Therefore, I used the LA1 Phase One quantitative dataset to learn more about the impact of 'verification', 'attribution' and 'deadweight' on performance.

The first draft of the interview schedule therefore had interview questions arranged into topic areas and referenced their source from the literature and the national and local quantitative datasets. Appendix Twenty-Seven contains an example from this. This example sought information about the ability of Payment by Results provision to:

- Address social need and change behaviour
- Understand how the agent identified all local 'troubled' families when there was no accurate data to show how many 'troubled' families lived in England (Levitas 2012)

- Ascertain the agents' view about an outcome framework that rewarded success where all entry criteria were not addressed (Higgs 2012).

The 'topic area' and 'literature' boxes were removed from the second and final draft of the interview schedule. This comprised shorter and less complex questions accompanied by a prompt if the interviewee seemed unsure what response to give. For example:

- Do you think the National Troubled Families Initiative can make sustained change with families with problems?

*Prompt - 'Problem families' have been discussed throughout the industrial era in the UK suggesting it is an enduring problem.*

- The DCLG data suggests that LA1 achieved their 'troubled' families' identification early on in Phase One. Is this the case? How was it achieved? How will this be built on for Phase Two?
- In Phase One did the Government only pay for services that improved outcomes for families?

The questions prepared for the four Troubled Families Co-ordinators were identical but had some slight geographical and chronological variance. For example:

- LA1 was quizzed as to how they had identified their 'troubled' families so quickly and LA2 were asked how they achieved their success in converting identified families into those who were 'worked with', 'turned around' and achieved the anti-social behaviour, youth crime and school attendance outcome. This was influenced by the performance of LA1 and LA2 compared to the national average as at January 2013 (DCLG 2013), which was captured in Appendix Twenty-Three
- The LA3 and LA4 questions were updated to reflect that their interviews were carried out more than a year after the official launch of Phase Two rather than

three months after Phase One had ended as was the case with the LA1 and LA2 interviews

- Twenty-four questions were moved from the LA3 interview schedule to shorten the session at the request of the Co-ordinator. The answers to these questions were taken instead from the two LA3 local evaluations (Local Authority Three 2015b and Hayden 2015)
- The LA4 interview schedule was reduced and altered in deference to their Co-ordinator's strategic role and oversight of delivery across ten local authorities rather than one. This included removing operational questions and asking questions about the 'area' rather than the 'authority'. For example, the LA4 Co-ordinator was asked whether 'troubled' families were the same across his area as an alternative to being asked about the 'man in the street' and workers' views of the 'troubled' family
- The LA1 and LA2 interview schedules omitted to probe the single detail that made the most difference in the programme, which should be funded beyond 2020. This was rectified in the third and fourth interviews.

The four Co-ordinator interview schedules are in Appendices Twenty-Eight to Thirty-One.

The Troubled Families Co-ordinators interview schedules focused on six themes:

1. Generic Questions
2. The Concept of the 'Troubled' Family
3. Local Good Practice
4. The Mechanics of the 'Troubled Families' Programme
5. Local Challenges
6. Any Other Issues.

Theme One borrowed a technique from job interviews. Simple, personal questions based on their role and the difference between Phases One and Two allowed the Troubled Families Co-ordinators to draw on their insider knowledge of the programme and speak eloquently and with confidence. Theme Two drew on the documentary evidence in the literature and Stakeholder Theory. It introduced the concept at the heart of the National Troubled Families Initiative, the 'troubled' family itself. It invited the agents to share their and other stakeholders' understanding of this concept; reflect on how geography affected the view of 'trouble' and to consider whether the concept had changed between the two Phases of the programme when the definition of a 'troubled' family had broadened (DCLG 2014a).

Themes Three and Four drew on the documentary evidence about the National Troubled Families Initiative and the DCLG national quantitative data and considered the programme through the lens of Agency Theory. It encouraged the participants to reflect on:

- Their relationship with the principal (Figure 2.3.1a)
- The potential costs of the programme (Figure 2.5.2c)
- The principal and the agent's attitude to risk (Figure 2.5.2d)
- The clarity of the 'Troubled Families' contract (Figure 2.5.2a, Figure 2.5.2b and Figure 2.5.2e).

Themes Three and Four enabled the Co-ordinators to:

- Demonstrate occasions when they had used their superior knowledge to benefit and bring value to the 'Troubled Families' programme or used the principal's lack of knowledge about them to exploit DCLG or any other stakeholder (Miller and Sardais 2011)

- Consider the outcome framework in the light of the six key elements of clarity and complexity, verification, attribution, deadweight, individuals and cohorts and segmentation (Webster 2016).

They also had the chance to explore:

- The importance of the key worker role to the agent's delivery
- The development of the employees of the agent
- The ability of the programme to address a historic social need (Welshman 2012) and reach the whole family
- The involvement of other stakeholders including the 'troubled' families (Sheil and Breidenbach-Roe 2014 and Crowe et al 2014)
- The challenges of delivering a public sector programme with a uniform funding structure but economic inequalities (Audit Commission 2013, Sparrow 2014, Centre for Cities 2016a and Centre for Cities 2016b).

Theme Five drew upon the documentary evidence from the literature and the DCLG Phase One national quantitative data. It explored the principal's focus on moving workless families off benefits and into paid employment in terms of:

- The families' aspirations for themselves
- The ethical dilemma of prioritising economic activity above positive behaviour (Higgs 2012)
- The impact of the local socio-economic environment upon the agent's ability to achieve their targets (Audit Commission 2013, Sparrow 2014, Centre for Cities 2016a and b)
- The belief that paid work limited social inclusion (Levitas 2006) was another route to inequality and did not necessarily move families out of poverty (Churchill 2015).

Theme Six gave the participants the opportunity to provide any important additional information. 'Counterfactual prompting' (Way et al 2015) was used to invite the four Co-ordinators to imagine the world differently to their articulated perspective. After being empowered to provide any further information that the interview had not allowed them to share, a 'magic wand question' (Way et al 2015) was asked so that they could ignore real or imagined constraints and think outside the immediate considerations of the current local and national delivery of the National Troubled Families Initiative. Having been given the chance to abandon rationality and logic to come up with new ideas, the interview schedule ended with an invitation to put some of their ideas into practice and to take on the role of an agent whose superior knowledge could benefit 'Troubled Families' (Miller and Sardais 2011).

The interview with the LA1 senior manager was the last interview conducted and was an opportunity for an employee placed in the highest echelons of an agent to reflect on the programme in relation to Agency Theory (Figure 2.5.2a), the Payment by Results best practice guidelines (NAO 2015) and the six key elements of an outcome (Webster 2016). I asked three questions:

- Were the targets for Phase One and Phase Two of the National Troubled Families Initiative clear?
- Were these targets easily measurable?
- Can you outline the issues involved with applying the Phase One and Phase Two targets to service delivery?

I based the interview schedules for the five participants on the Stakeholder Theory, Agency Theory and Payment by Results good practice and the themes explored in the National Troubled Families Initiative literature, the national DCLG quantitative data and the LA1 local quantitative data. I adjusted each schedule to take into account the individualities of every area and employee.

I sent an Interview Feedback Form to each participant after the session. This is in Appendix Thirty-Two. I used this feedback to improve each successive interview.

#### **4.8 THE PILOT INTERVIEWS**

In June 2015, I conducted two face-to-face pilot interviews to test the interview schedule and the Interview Feedback Form. The first pilot interview was with a member of my family. The second was with a close friend employed within LA1's 'Troubled Families' programme. The pilot interview participants received a copy of the interview schedule beforehand to familiarise themselves with the questions and consider how to answer them. I re-presented them with the interview schedule at the start of the session, which I recorded using two devices to minimise the possible loss of data.

The exercise of carrying out pilot interviews ironed out any difficulties and built my confidence. The second pilot interview actually took eighty-eight minutes and demonstrated that the case study methodology and semi-structured, face-to-face interview method were appropriate. My colleague provided encouraging written feedback. This stated that the session was long but relaxed, well-structured and appropriate. It provided space for a fully considered response. The provision of the interview schedule in advance enhanced their participation (Pilot Interview Participant 2015).

Two pilot interviews were undertaken, which confirmed the selection of the research methodology and method and provided confidence for the interviews with the Troubled Families Co-ordinators and LA1 senior manager.

#### **4.9 THE STAKEHOLDER INTERVIEWS**

The five stakeholder interviews went extremely well and generated over four hours of qualitative data. The participants' knowledge of the local and national 'Troubled Families' programme and my own insider knowledge meant that the interviews -

although semi-structured and three by telephone and three with professionals that I had never met - had the flow of a conversation. The quintet had a clear interest in the subject, had studied the interview schedule, had mentally prepared their answers and provided rich, thoughtful data with complete, well-thought out, well-structured answers.

Despite having a prompt for many of the questions, I rarely had to use these. My interlocutors were experts in the field so understood the purpose of the questions, frequently gave a real life example to illustrate a point but did not go off at a tangent. The inclusion of additional information at the end allowed key local data to be included. It transpired that DCLG frequently asked the LA3 and LA4 Co-ordinators to discuss their programme with other local authorities so they were well-versed in sharing their superior knowledge to benefit other agents or stakeholders (Miller and Sardais 2011). The depth of the qualitative information provided and the points of comparison and contrast between the North-East local authorities, the South-East local authority and the North-West consortium justified their inclusion in the research project. The fact that the three 2016 interviews were conducted by telephone did not affect the quality of our interaction nor did it render these sessions less informative than the face-to-face sessions conducted in 2015.

All five participants were complimentary in the feedback and described the interview process as straightforward and clear in its requests and purpose. They welcomed the advance copy of the interview schedule. LA3 was particularly grateful that I granted the request to reduce the interview schedule. However, LA3 and LA4 did note that video-conferencing or a face-to-face interview would have enhanced the experience. LA2 suggested that exploring how to place strategically the programme within the local authority and with key partner agencies would have improved the session. I attempted this in the LA4 interview. The LA3 Co-ordinator stated that they were looking forward to seeing the completed research paper and using it as a reference point with their forthcoming Phase Two independent local evaluation. They also highlighted that the questioning around the involvement of families in the programme had encouraged a discussion at a recent team away day as to how families could become more involved, particularly families who had achieved a

successful outcome previously. The data provided by the quintet of interlocutors is analysed and presented in Chapter Five.

I carried out seven interviews in total; two pilot sessions; one each with the LA1, LA2, LA3 and LA4 Troubled Families Co-ordinators and an interview with a senior manager from LA1. The quality and quantity of the data gathered and the positive interview feedback justified the selection of the ethical case study methodology and semi-structured, face-to-face and telephone interview method.

#### **4.10 LIMITATIONS OF THE RESEARCH PROJECT**

Throughout the research project, I demonstrated my detailed understanding of applicable techniques for research and advanced academic enquiry and my aptitude for undertaking applied research and development at an advanced level to contribute substantially to the development of new approaches to PbR provision. I designed and implemented a robust project, which combined a 'practitioner' foundation with a systematic 'academic' approach to explore how a practical framework, rooted in business and management literature, might be developed for an effective implementation of PbR programmes in the public sector. I generated new knowledge about target achievement in Payment by Results and provided the first guidance for principals, agents and other stakeholders involved with PbR provision. I adjusted the project to manage unforeseen problems but acknowledge that it had some limitations.

The first limitation was the very general secondary quantitative data that I analysed first. The national Phase One quantitative data (DCLG 2015c) merely provided an overview of the achievement in the four key performance indicators. However, I made maximum use of this by comparing the data across the country and in LA1, LA2, LA3 and LA4 to examine the situation in the North-East against that in England, the South-East and the North-West. I then compared the two 'behaviour' indicators with the two 'employment' indicators to understand the relationship between these across the country and in LA1, LA2, LA3 and LA4.

The greatest limitation was with the LA1 (2015b) Phase One quantitative data, which I analysed ethically and therefore minus personal data appertaining to families. This prevented me from learning about 'deadweight', 'attribution' and 'verification' in a local context (Webster 2016). I would counter this limitation by highlighting the importance of ethical research and noting that this limited quantitative data at least showed the difference in 'trouble' and 'distance to travel' between LA1 families and English 'troubled' families overall. I then pursued this in the semi-structured interviews.

The second limitation was the stakeholders included within the research project. Payment by Results best practice (Sheil and Breidenbach-Roe 2014 and Crowe et al 2014) dictated that service users should contribute during the data-gathering phase. However, the University of Sunderland Research Ethics Committee prevented me from analysing 'troubled' families' personal quantitative data or from interviewing them. Thus, the LA1 local Phase One quantitative data (LA1b 2015) provided by Local Authority One lacked basic key information such as families' names, dates of birth, ages and addresses. It also did not contain specific details of their 'troubles' such as their criminal convictions and anti-social behaviour. This meant that I was unable to:

- Filter out individual families to understand their 'troubles' on entering the programme, if they had accepted or been offered key worker support and the impact of this upon their lives
- Filter out groups of families with specific issues – such as Y11 pupils with poor school attendance or 'dangerous' families - to understand if they had accepted or been offered key worker support and the impact of this upon their lives.

The prohibition on collecting primary qualitative data from the families placed the research project out of kilter with Hoggett et al (2014) and Hayden (2015) who both interviewed 'troubled' families. A city in the South West of England commissioned the former to conduct an evaluation of their local programme and facilitated six family interviews. LA3 County Council funded a two-year research programme to support

the design and delivery of a robust evaluation framework for the local programme. They commissioned a University of Portsmouth research team led by Professor Hayden to achieve this and permitted them to interview eleven 'troubled' families.

By omitting the voice of the stakeholders whom the principal designed 'Troubled Families' to support, my research project was potentially open to criticism. However, I overcame this omission by interviewing one senior manager with a clear oversight of my local programme and four Troubled Families Co-ordinators. The latter were integral to the agent's delivery of the programme. They held an economic stake and economic power within the programme; were an influencer with political power and by their own admission were in touch with many of the programme's stakeholders:

"I am the kind of lead person of the Department for Committees and Local Government. I am the named person there (...) I am a lead for the programme so it means I kind of manage the kind of overseeing of the governance of it, manage the overseeing of the kind of operationalizing of the programme and I am accountable for you know all the kind of gubbins, but I also manage services as well so it is kind of a dual role (...) I am very immersed in delivery (...) I suppose at the table on strategic conversations. (...) I have had a degree of influence (...) I am also very in touch with what is happening in families as well." (LA2 2015) (pxcvii and xcvi)

The qualitative data contributed by these five individuals was new information, which greatly increased the understanding of the National Troubled Families Initiative and created a practical framework for target achievement in PbR. I am therefore confident that I overcame the limitation placed upon me by the University of Sunderland Ethics Committee.

The third limitation was the number of participants from whom I collected qualitative data. I was a lone researcher working full-time whilst undertaking the research project. Unlike Hoggett with his team of five and the Portsmouth Team, I had to work around my day job and the commitments of my interlocutors and could not task colleagues to carry out the interviews that I was unable to attend. This placed some

restraints on the research project, most noticeably that I never actually met two out of the five research participants.

I overcame this disadvantage by speaking to them ahead of the actual interview session and sharing the interview schedule, participant information sheet and participant consent form. This enabled me to adjust the interview schedule to accommodate the LA3 Co-ordinator's busy diary and the LA4 Co-ordinator's strategic role. It also gave both the opportunity to withdraw their co-operation and material during any part of the interview process if they felt that harm was being caused to them or their organisation, their privacy was being invaded or I had deceived them (Bryman 2012).

I would therefore counter any challenges to the legitimacy of the LA3 and LA4 interviews by showing that – although not conducted face-to-face – they were ethical. I would also state that, unlike Hoggett et al (2014) and Hayden (2015) who only evaluated one local 'Troubled Families' programme, I gathered qualitative data from four high-performing local authorities in North-East, South-East and North-West England in 2015 and 2016. This gave me an overview of the programme from the position of:

- Two North-Eastern local authorities
- The North-East, South-East and North-West
- Two cities, a county and a consortium
- England and three of its regions.

I also saw the programme:

- Chronologically - from Summer 2015 to Summer 2016 in the local authority area of which I had the most insider knowledge
- Hierarchically - through the eyes of an LA1 strategic manager and LA1's 'operational' Troubled Families Co-ordinator

- Geographically – through the eyes of a strategic manager in the North-East and ‘strategic’ Troubled Families Co-ordinators from the South-East and North-West
- Socio-economically – across three English regions.

This provided greater insight into the National Troubled Families Initiative and challenged current public sector practice where austerity cuts have reduced the workforce’s opportunities to attend good practice events and share experiences with colleagues from elsewhere in the country. Thus, I was able to better explore key issues and create a practical framework for target achievement in PbR provision rather than solely make recommendations on the national and local delivery of the programme.

The fourth limitation of the research project was that three of the interviews were conducted by telephone. This was due to the distance between my North-East base and Local Authorities Three and Four, my illness on the day of the LA1 senior manager interview, my full-time job, my interlocutors’ diary commitments and my lack of a research team. It can be argued that my third, fourth and fifth interviews suffered because I was unable to build a rapport with the interviewees and missed important cues provided by body language. I would challenge this.

My prior telephone conversation with the LA3 and LA4 Troubled Families Co-ordinators and their preview of the interview schedule, participant information sheet and participant consent form established the key themes that I wished to pursue during the session and my desire to conduct the interview ethically. The LA3 and LA4 Co-ordinators were then able to plan their responses and send me documentary evidence about their local programme (Local Authority Three 2015b and Hayden 2015). The semi-structured interview method used on the day supported our discussion and was more effective than:

- An unstructured interview method where I would have struggled to develop a telephone conversation with a stranger informally around a general area of interest and concern (Robson 2002)
- A fully structured interview with predetermined questions, fixed working and a pre-set order (Robson 2002), which would have prevented my two experienced interlocutors from speaking at length about the local programme, taking our discussion in a new direction and allowing me to respond by asking my questions in a different order to maintain the natural flow of the discussion.

I believe that the new data generated by these two interviews, the subsequent practical framework for target achievement in PbR provision and recommendations for the National Troubled Families Initiative in LA1 and England vindicates the use of the semi-structured interview format.

Interviewing the LA1 senior manager by telephone rather than in person was a last minute decision taken in light of my unexpected illness and desire not to lose my slot in her busy diary. Our pre-existing relationship and the fact that I only required a response to three questions meant that I was less concerned than the other two telephone interviews about the lack of opportunity to build up a rapport or respond to body language cues. The rich data that I gathered again justified my decision to speak to her by telephone rather than rearrange our meeting. It also indicated my ability to adjust the project design in the light of unforeseen problems.

#### **4.11 SUMMARY**

Chapter Four captured the conceptualisation, design and implementation of a research project to generate new knowledge about target achievement in Payment by Results, which responded to the absence of any guidance for principals, agents and other stakeholders. I adjusted the project as it developed and unforeseen problems arose such as the prohibition on interviewing ‘troubled’ families and the illness, which prevented me from conducting the final qualitative interview face-to-face (K3). The research project demonstrated my detailed understanding of applicable techniques for research and advanced academic enquiry (K4) and my

aptitude for undertaking applied research and development at an advanced level to contribute substantially to the development of new approaches to PbR provision (S2). It also showed the qualities and transferable skills necessary for employment that requires the exercise of personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3) and my ability to identify and effectively utilise the components of the self-system that foster authentic leadership, appropriate to a given leadership environment (S4).

Chapter Four traced the origins of the research project and outlined the pragmatic research philosophy, pragmatic epistemology, Stakeholder Theory and Agency Theory theoretical perspective, case study methodology, mixed method mainly influenced by qualitative data analysis and deductive/inductive approach. It discussed the ethical approval given by the Universal of Sunderland Research Ethics Committee and the impact that this had upon the stakeholders who were chosen to be part of the research project. I presented the ethical guidelines that governed the research. I outlined the steps taken to avoid harm, obtain informed consent, protect the privacy and avoid deceiving the Phase One 'troubled' families whose quantitative data was analysed and the four Troubled Families Co-ordinators and one senior manager who I interviewed. I shared details of the interview schedule, pilot interviews and stakeholder interviews including the adjustments made to conduct the interviews ethically and the participants' feedback that fed into the subsequent interviews. I also highlighted the limitations of the research project but ably countered these.

Chapter Five comprises the data analysis, which led to the creation and interpretation of new knowledge (K1). It illustrates my ability to make informed judgements on complex issues relating to the 'Troubled Families' case study and Payment by Results in the absence of complete data (S1); aptitude for undertaking applied research and development at advanced level to contribute substantially to the development of a new approach to target achievement in PbR (S2) and exercise of personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3).

## **CHAPTER FIVE – DATA ANALYSIS**

### **5.1 INTRODUCTION**

Chapter Five comprises the creation and interpretation of new knowledge (K1). This information came from my analysis of the Phase One national and local quantitative data provided by the principal and the agent of the National Troubled Families Initiative and the qualitative data gathered during the five semi-structured interviews with employees from four local areas in which ‘Troubled Families’ was delivered. Chapter Five illustrates my ability to make informed judgements in the absence of complete data on complex issues relating to Payment by Results and the National Troubled Families Initiative case study (S1). It also demonstrates my aptitude for undertaking applied research and development at advanced level to contribute substantially to the development of a new approach to target achievement in PbR (S2). I also exercised personal responsibility and largely autonomous initiative in complex and unpredictable situations in professional environments (S3).

The research project deliberately analysed both quantitative and qualitative data. The role of the quantitative data analysis in the research project was to provide a general picture of the outcomes achieved locally and nationally within Phase One of the National Troubled Families Initiative to draw out points of comparison and contrast and identify key areas of interest. The role of the qualitative data analysis was to explore further these issues and to explain them. There was no conflict in the analysis of quantitative and qualitative data. Indeed, the research project benefitted by using both types of data and a rich picture of the National Troubled Families Initiative and Payment by Results emerged.

## 5.2 QUANTITATIVE DATA ANALYSIS

The research project analysed two types of Phase One quantitative data. Firstly, the information published by the principal. This showed what each of the participating English local authorities individually and collectively achieved up until the end of May 2015 in the four key performance indicators:

- Achieving crime, ASB, education outcomes
- Achieving continuous employment result
- 'Turned around'
- Achieving progress to work (DCLG 2015c).

Secondly, the Phase One LA1 local quantitative data was analysed. This comprised a spreadsheet of selected data about the 2,856 local 'troubled' families (LA1 2015b) who were in scope of the programme including their postcode, date of entry to the provision, the entry criteria that they met and whether a claim was made for them. At the request of the University of Sunderland Ethics Committee, the spread sheet provided omitted very personal details such as the families' names, dates of birth, ages, addresses, levels of risk and level of engagement with 'Troubled Families'.

The quantitative data analysis phase was deliberately designed to review information from the principal and the agent - two key 'Troubled Families' stakeholder groups – and to be ethical. Thus, it only analysed quantitative data that:

- Did not contain any personal family details
- Did not cause harm to participants by placing them in a stressful situation or exploiting their vulnerability
- I gathered in an unobtrusive manner (Bryman 2012 and SRA 2003).

Quantitative data analysis involves reducing the amount of data collected to test for relationships between variables and to develop ways of presenting the results of the analysis to others (Bryman 2012). The research project reduced the national dataset (DCLG 2015c) by filtering the results for each of the four performance indicators for

England, LA1, LA2, LA3 and LA4. The local dataset (LA1 2015b) was reduced by filtering the families for whom LA1 had made a funding claim. However, the research project did not distinguish types of variables from the data or carry out univariate, bivariate or multivariate analysis to learn more about a single variable, the relationship between variables or the relationship between three variables (Bryman 2012:330). This was because I wished to avoid the criticisms levelled at quantitative research that it can:

- Fail to distinguish between people and social institutions from the world of nature
- Possess an artificial and spurious sense of precision and accuracy
- Rely on instruments and procedures and so hinder the connection between research and everyday life
- Create a static view of social life that is independent of people's lives (Bryman 2012).

I was determined to root the research project in the 'real world' of the National Troubled Families Initiative; to question the taken-for granted assumptions about 'troubled' families and offer new research (Easterby-Smith et al 2015) that could answer the research question, achieve the research objectives and provide recommendations for the programme and a practical framework for achieving targets in Payment by Results provision. Consequently, the two quantitative datasets were analysed qualitatively; a decision, which was consistent with the pragmatic research paradigm chosen for the research project (Figure 4.3). Therefore, I did not carry out any statistical tests on the principal's and the agent's quantitative information to explain their:

- Measurement – including the reliability and validity of the data
- Causality – why the phenomenon is the way that it is
- Generalization – how the findings can be generalized beyond the confines of the context
- Replication – the procedures for others to replicate the research (Bryman 2012).

Instead, the national data (DCLG 2015c) and the local quantitative data (LA1 2015b) was analysed for key themes that could be further explored in the verbal testimony gathered from the four areas (LA1 2015a, LA2 2015, LA3 2016, LA4 2016 and LA1 2016).

The research project utilised thematic analysis for the Phase One quantitative data (DCLG 2015c and LA1 2015b). Although, generally only applied to qualitative data (Saunders et al 2016), this is a flexible, accessible, generic approach, which helps to:

- Comprehend often large and disparate amounts of data
- Integrate related data drawn from different transcripts and notes
- Identify key themes or patterns from a data set for further exploration
- Produce a thematic description of these data; and/or
- Develop and test explanations and theories based on apparent thematic patterns or relationships
- Draw and verify conclusions (Saunders et al 2016).

It is suitable for use within any qualitative philosophical position provided the assumptions are made clear and the researcher is reflexive throughout the study (Saunders et al 2016).

Saunders et al (2016) recommended four steps when conducting thematic analysis:

- Become familiar with your data
- Code your data
- Search for themes and recognise relationships
- Refine themes and test propositions (Saunders et al 2016).

I achieved familiarity with the two quantitative datasets by reviewing them minutely but did not code either as they were already in a manageable size and format. DCLG presented the dataset under the four Phase One performance outcomes. The local dataset provided information on each local 'troubled' family. This included the entry criteria that they met and whether Local Authority One had submitted a 'partial' or 'full' funding claim.

I searched the national dataset (DCLG 2015c) for themes appertaining to:

- Individual local authority performance
- North-East regional performance
- National performance
- Family 'behaviour'
- Adult 'employability'.

I then recognised relationships within the data, refined these themes and tested two propositions generated from this data and the literature (See Appendix Two):

1. It was easier to improve Phase One 'troubled' families' negative behaviours than it was to move them into training and employment
2. It was easier to achieve this in an area such as LA3 where the economy was booming and the austerity measures were less hard-hitting than in more deprived areas such as LA1 and LA2.

I searched the local dataset (LA1 2015b) for the themes of “deadweight”, “attribution” and “verification” (Webster 2016:27) and recognised relationships within the data. I refined these themes and then tested four propositions drawn from this data and the literature. The literature suggested that the principal did not develop insight into the ‘Troubled Families’ operating context before designing their PbR scheme (NAO 2015) and produced a Payment by Results framework (DCLG 2012b) whose outcomes did not comprise all of the six key elements (Webster 2016). Consequently:

1. In Phase One of the National Troubled Families Initiative, DCLG allowed the agent to claim for families who had made progress outside of the programme. Into this category came those who were too risky to be offered a key worker or families who refused to engage with their key worker
2. In Phase One of the National Troubled Families Initiative, DCLG allowed the agent to claim for families who had made no progress but no longer met the entry criteria (DCLG 2012b). Into this category came families who had never committed ASB or youth crime but were eligible through their poor school attendance. This had not improved but the agent issued a funding claim under Performance Indicator One, when all of their youngsters reached the school leaving age
3. The concept of the ‘troubled’ family is variable
4. It is harder to ‘turn around’ a family living in a deprived area with few job opportunities and a higher proportion of austerity cuts such as LA1 (See Appendix Two) than a family living in an area where these factors are less prevalent.

### **5.3 QUALITATIVE DATA ANALYSIS**

Qualitative data is generally characterized by its volume and absence of researcher-imposed structure (Costley et al 2013). This was not the case with the qualitative information gathered from the four Troubled Families Co-ordinators, which I deliberately collected using an interview schedule arranged into six themes because I wanted to know more about the themes found in the literature and the quantitative

data and the six propositions that I had already tested. The final interview merely comprised three questions so also had a researcher-imposed structure (Costley et al 2013).

I reviewed the five transcripts using thematic narrative analysis and thematic analysis. The purpose of the former was to enable me to identify analytical themes within the five narratives with an emphasis on 'what' the narratives were about rather than 'how' they were constructed (Saunders et al 2016). For this first phase, I analysed each interview in turn. I paid attention to the chronological sequence and contextual background of the themes that I identified, something that enabled me to develop a rich, full explanation of each.

My reasons for conducting thematic narrative analysis related to the choice of the deductive and inductive approach that I took within the research project. The review of the literature and the quantitative data analysis meant that I had a number of theories, which I wished to explore further through the interviews:

- As 'troubled' families are a historic concept (Welshman 2012) and DCLG did not develop insight into the operating context (NAO 2015), the National Troubled Families Initiative cannot make sustained change with families with problems
- There is no single view of a 'troubled' family (LA1 2015b)
- Families' needs did not change between Phase One and Phase Two (DCLG 2014b) but the DCLG definition 'caught up' (DCLG 2014a)
- It is easier to identify families who are eligible for the programme in Phase Two than it was in Phase One (DCLG 2014a)
- The agent is only working in Phase Two with costly families with multiple problems who are most likely to benefit from a whole-family approach (DCLG 2014a)
- The key worker role is integral to families achieving positive outcomes (DCLG 2012c)
- DCLG's lack of insight into the operating context (NAO 2015) has meant that families' voices did not contribute to the development of the programme

- In Phase One, the Government allowed claims to be made for families who achieved positive results without agency support and for families who made no change (LA1 2015b)
- Areas most affected by the austerity measures and with limited job prospects (Appendix Two) are disadvantaged by factors such as the Government giving specific local targets to be achieved in Phase One, designing a funding structure that offers the same reward for success regardless of the resources of each local authority and reducing the Phase Two outcome payment from up to £4,000 to £1,800 (DCLG 2015c)
- DCLG's lack of insight into the operating context (NAO 2015) and their taking of the Phase One target for challenging families from data about challenged families (Levitas 2012) affected the local ability to identify local troubled families
- Phase One was challenging because the principal funded positive movement around youth crime, ASB, truancy and unemployment but the agent had to deal with other issues too (DCLG 2014b).

This deductive approach meant that I analysed the interview transcriptions for evidence for or against these theories. However, because I was aware that one quantitative dataset - which I had used to test my theories about the nature of the Phase One families claimed for and the ease with which positive outcomes could be achieved with them - was drawn solely from one deprived city in the North-East of England, I also approached the research project inductively. I keenly gathered data that would enable me to derive new theories about the National Troubled Families Initiative and analysed the data a second time for illustrations of differences in the actions taken and outcomes recorded and the reasons behind this (Saunders et al 2016).

As guided by Saunders et al (2016), the thematic analysis of the qualitative data began with a period of repeated listening to the interviews, on their own initially and then whilst reading the transcripts, to achieve familiarity with them. Although the qualitative data was in a manageable size and format - just over four hours in length – and comprised six key themes courtesy of the semi-structured interview schedule,

which I had purposely issued in advance so that the participants could neatly arrange their thoughts – I still coded the data.

The coding involved labelling each unit of data in the transcript with a code that symbolised or summarised the meaning of the extract (Saunders et al 2016). This was to make each piece of interesting data accessible for further analysis. I began by coding the data that related to my deductive approach and then coded the data relating to the inductive approach. The first step simplified the second step. I did not have to code every unit because much of the transcription was already coded. From this came three types of codes:

- 'In vivo' and relating to terms used by the participants e.g. ST (Service Transformation)
- Labels to best describe the unit of data e.g. SD (Service Delivery)
- 'A priori' codes relating to the 'Troubled Families literature and the previously analysed quantitative data e.g. P1 (Proposition One – The National Troubled Families Initiative cannot make sustained change with families with problems) (Saunders et al 2016).

My codes showed the non-occurrence as well as the occurrence of specific phenomenon. They also demonstrated the depth of the participant's feelings about specific issues through the attribution of:

- S – The interviewee had a strong feeling about a phenomenon and spoke of it at length and/or with passion
- A – The interviewee had an average feeling about a phenomenon and stated a fact

- W – The interviewee had a weak feeling about a phenomenon and either spoke of it briefly and/or without passion or claimed to have no knowledge of it at all.

Once I had reduced and rearranged the qualitative data, I then searched for themes and recognised relationships within it. Each theme related to a broad category incorporating several codes that appeared to relate to one another and indicated the importance of an idea to my research (Saunders et al 2016). I looked for key concepts in these codes, recurrences, single items that the participants presented as being important, patterns, trends, relationships between codes and within themes and the hierarchy of themes. After refining these themes, I was then able to test my propositions.

#### **5.4 THE ANALYSIS OF THE PHASE ONE DCLG NATIONAL QUANTITATIVE DATA**

The research project qualitatively analysed the national data (DCLG 2015c) in late June 2015 to understand achievement under the four key performance indicators:

- Across the country
- In LA1, LA2, LA3 and LA4.

This facilitated a comparison of the situation in the North-East with that in England, the South-East and the North-West.

The research project then analysed this data to understand the ease or difficulty with which the 120,000 target families had:

- Improved their behaviour by achieving the crime, ASB and education outcomes and being ‘turned around’
- Become more economically active by achieving the continuous employment result or achieving the progress to work outcome (DCLG 2015c).

I returned to these themes in the qualitative interviews.

The qualitative data analysis revealed that the agent failed to meet the target specified by the principal in Phase One of the National Troubled Families Initiative. Although collectively the four areas who contributed to the research project ‘turned around’ their 11,495 ‘troubled’ families, the agent missed the national target by 3,346 families (DCLG 2015c).

A detailed thematic analysis of the national and local data under the four key performance indicators (See Appendix Thirty-Three) showed quantitatively the difficulty of moving families into paid employment compared to changing their negative behaviours. In percentage terms this was:

Table 5.4 - The Four Key Performance Indicators as at the End of May 2015 in LA1, LA2, LA3, LA4 and England

Area	Achieving Crime, ASB, Education Outcomes	Achieving Continuous Employment Result	‘Turned Around’	Achieving Progress To Work Outcome
England	87%	10%	97%	8%
LA1	96%	4%	100%	0.5%
LA2	92%	8%	100%	0.9%
LA3	89%	11%	100%	0.4%
LA4	94%	8%	100%	11%

These figures suggested that:

- In England, it was nearly nine times harder for one adult in a ‘troubled’ family to achieve continuous employment and approximately eleven times harder for them to achieve progress to work than it was to improve their negative behaviours
- In LA1, it was twenty-four times harder for one adult in a ‘troubled’ family to achieve continuous employment and nearly two hundred times harder for them to achieve progress to work than it was to improve their negative behaviours
- In LA2, it was more than eleven times harder for one adult in a ‘troubled’ family to achieve continuous employment and more than one hundred times harder for them to achieve progress to work than it was to improve their negative behaviours
- In LA3, it was eight times harder for one adult in a ‘troubled’ family to achieve continuous employment and more than two hundred times harder for them to achieve progress to work than it was to improve their negative behaviours
- In LA4, it was almost twelve times harder for one adult in a ‘troubled’ family to achieve continuous employment and nearly nine times harder for them to achieve progress to work than it was to improve their negative behaviours.

However, as previously noted, a true understanding of these figures was not fully achievable given that:

- 18% of Phase One families did not have a problem related to education
- 46% of Phase One families were not involved in crime or anti-social behaviour
- 26% of Phase One families had at least one adult in work (DCLG 2014b).

The Phase One DCLG national quantitative data could not be analysed further to understand whether the inability to ‘turn around’ 120,000 ‘troubled’ families; progress a significant percentage of ‘troubled’ families into training and employment and

tackle their worklessness and benefit dependency as effectively as their negative behaviours was related to:

- Stakeholders – such as DCLG, the English local authorities and their workforce, the wider public sector, voluntary sector partners or the ‘troubled’ families
- The principal and agent
- The Payment by Results contract
- Specific geographic, social or economic issues.

The quantitative data also could not illuminate my theories around:

- ‘Troubled’ families as a historic concept (Welshman 2012) with no single view (LA1 2015b), a varying national definition (DCLG 2012a and DCLG 2014a) and a range of issues outside those rewarded with funding in Phase One (DCLG 2014b)
- The principal’s lack of insight into the operating context (NAO 2015), their taking of the Phase One target for challenging families from data about challenged families (Levitas 2012) and the families’ lack of a voice in the programme design (Sheil and Breidenbach-Roe 2014)
- The nature of claims made in Phase One (LA1 2015b) and the impact of a range of social and economic factors upon performance (DCLG 2015c)
- The agent’s approach to delivering Phase One (DCLG 2012b) and the ease of identifying eligible Phase Two families (DCLG 2014a)
- The importance of the key worker role (DCLG 2012c).

I therefore thematically analysed the LA1 local data (LA1 2015b) to see if this could shed light on these theories.

## **5.5 THE ANALYSIS OF THE PHASE ONE LA1 LOCAL QUANTITATIVE DATA**

I received the LA1 Phase One local quantitative data by email and on a spreadsheet in early July 2015; one week before I began my qualitative interviews. To complete the first step in the thematic analysis, I reduced the data to a manageable size and applied a filter to the spreadsheet to separate out the families for whom LA1 had made a funding claim. To understand more about the themes of 'deadweight', 'attribution' and 'verification' (Webster 2016), I then searched for information about the 'claimed for' families who were:

- Dangerous
- Non-engagers.

This was with a view to understanding how many LA1 Phase One families for whom the agent made a funding claim were too risky to receive a key worker or refused to engage with their key worker. It was also to test the theory that the principal paid the agent for family progress achieved without the help of the 'Troubled Families' programme.

The LA1 spreadsheet did not provide detail appertaining to risk or non-engagement. Although my insider knowledge told me that the agent claimed for both types of families locally, I was unable to provide evidence to support or discredit this theory.

I then reviewed the LA1 quantitative data to test the theory that the principal allowed the agent to claim for families who had made no progress but no longer met the entry criteria (DCLG 2012b). My insider knowledge told me that this had occurred in LA1. Families entered the programme workless and with poor school attendance but not committing ASB or youth crime. The agent made a claim under Performance Indicator One when all of their youngsters reached the school leaving age even though their attendance had remained below 84% until they had officially left school.

However, the lack of personal family details including dates of birth meant that I was unable to confirm or deny the theory that LA1 had claimed for families who had not made a positive change but ceased to meet the school attendance criterion.

Next, I analysed the LA1 local quantitative data to test the theory that the concept of the 'troubled' family is variable. I looked at whether it is harder to 'turn around' a family living in a deprived area with few job opportunities and a higher proportion of austerity cuts such as LA1 (See Appendix Two) than a family living in an area where these factors are less prevalent. I achieved this by reviewing the Phase One LA1 dataset to understand the eligibility criteria that families had met when they entered the programme.

Local Authority One divided their 'successful' families into two groups; families for whom a 'partial' and a 'full' payment was submitted. The spreadsheet did not explain these two terms. However, I applied my insider knowledge and speculated that they were:

1. Partial Claim

Families for whom the agent claimed £3,900 because their ASB had reduced by 60% across the whole family, their youth crime had reduced by 33% and their school attendance was 85% or more (DCLG 2012b)

2. Full Claim

Families for whom £4,000 was claimed because they had achieved the above and had one member of the family in employment or enrolled on the national Work Programme (DCLG 2012b) and families who had not achieved the above but had one adult in the family in paid employment and off out-of-work benefits (Higgs 2012).

An analysis of this dataset revealed that the agent made a 'partial' claim for 804 LA1 families and a 'full' claim for 110 families. This did not explain why the DCLG national data (DCLG 2015c) showed that all 805 of LA1's families had been 'turned around' but as I was not quantitatively analysing the dataset and commenting on its

reliability, validity or generalizability (Bryman 2012), I did not concern myself with this.

Of the 110 'full' claim families:

- 77% were involved in crime or anti-social behaviour
- 87% had a problem related to education
- 90% had no adult in work (LA1 2015b).

Thus, for the three entry criteria, a higher percentage of LA1 'full' claim families met each than the national average (DCLG 2012b).

Of the 804 'partial' claim families:

- 73% were involved in crime or anti-social behaviour
- 82% had a problem related to education
- 83% had no adult in work (LA1 2015b).

Thus, for two of the entry criteria, a higher percentage of LA1 'partial' claim families met them than the national average (DCLG 2012b). In one criterion – education – the figures were the same. Appendices Thirty-Four, Thirty-Five and Thirty-Six represent this figuratively.

The thematic analysis of the LA1 quantitative data therefore suggested that the Phase One LA1 families were more 'troubled' than the English average because - for each of the three eligibility criteria of youth crime and ASB, school issues and worklessness - a higher percentage of LA1 families met each criterion than the average English 'troubled' family entering the programme. Although each of these eligibility criteria is relative - and more LA1 families could commit youth crime than the national average but their crimes be of a less serious nature - it is possible to infer from this data that some geographical areas have a greater percentage of

'trouble' than others. A second inference is that these more 'troubled' areas had further to travel with their families to 'turn around' their 'troubles.

## **5.6 THE THEMATIC NARRATIVE ANALYSIS OF THE QUALITATIVE INTERVIEW DATA**

I analysed individually the five qualitative interviews conducted between July 2015 and June 2016 using thematic narrative analysis.

### **5.6.1 THE LA1 TROUBLED FAMILIES CO-ORDINATOR INTERVIEW**

The LA1 Troubled Families Co-ordinator interview took place on 23<sup>rd</sup> July 2015 and lasted thirty-nine minutes and forty-five seconds. It provided new information about the National Troubled Families Initiative. However, because of the length of the interview, the transcription is in Appendix Thirty-Seven and not reproduced in its entirety here.

I originally scheduled this session as the first interview so that I could draw on my insider knowledge, gain confidence from speaking to a work colleague and test the research methodology in familiar surroundings. Unfortunately, my interlocutor's busy schedule meant that I had to postpone unexpectedly the session for two weeks. It therefore took place after the interview in LA2. I also had to conduct the LA1 interview in a busy cafeteria close to my interlocutor's room rather than the peaceful haven of my office as this fitted in best with her diary.

Although I enjoyed the interview and gathered interesting data that further developed my knowledge of the National Troubled Families Initiative in the local authority where I had spent most of my working life, the session was significantly shorter than that carried out in LA2. The result, I believe, both of the noisy location, my interlocutor's

limited availability and the fact that she had only been in post for one year and therefore just had anecdotal knowledge of the first two years of Phase One. This contrasted with her LA2 counterpart who had been in post since the initiative began and had been involved with the local delivery of family services before the National Troubled Families Initiative. I am confident that my presentation of the interview schedule well in advance of our meeting at least enabled my relatively inexperienced colleague to prepare well for the session, speak at length about the local delivery that she had an awareness of and reduced the time spent together so that she was not inconvenienced.

The semi-structured interview method was a good support to our discussion. An unstructured interview where I had a general area of interest and concern but let the conversation develop informally in this area (Robson 2002) would have failed miserably. My interlocutor may have struggled to provide information without the crutch of an interview schedule and could have been embarrassed by her single year of experience of 'Troubled Families'. If the session had stalled, I would have recalled her busy schedule and felt embarrassed at taking up her precious time. In contrast, a fully structured interview with predetermined questions, fixed working and a pre-set order (Robson 2002) would have removed any illusion of a conversation with a colleague, which I hoped would elicit the richest data.

I designed the LA1 interview schedule to increase my knowledge about the local delivery of the National Troubled Families Initiative in Phase One. I was keen to understand more about good practice in LA1. For example, how they had identified all of their 'troubled' families by December 2012 (DCLG 2013) and achieved the target set by the principal of 'turning around' all 805 of their 'troubled' families. I also wished to reflect on the LA1 quantitative data and ascertain from the person who was now tasked with gathering and returning LA1's quantitative information to DCLG if funding claims were made for families who 'turned around' themselves or did not make a change but had ceased to meet the entry criteria. I also wanted to learn more about the local perception of 'troubled' families and if national factors such as

the outcome fee or performance framework and local factors such as employment opportunities affected achievement in the programme.

I conducted the LA1 interview ethically. I shared the Participant Information Sheet and Participant Consent Form (Appendices Twenty-Four and Twenty-Five) on my first approach to the LA1 Co-ordinator and again before our interview so that she was aware of the parameters of the session and her rights relating to it. I did not want to cause harm to my participant during the qualitative data gathering session by placing her in a stressful situation (Bryman 2012) or encouraging her to make revelations that may have subsequent unintended consequences (Norton 2008). For example, that would lead to the principal reclaiming funding for outcomes that LA1 had not achieved within the confines of the PbR programme. I therefore carefully proofread the interview schedule and elected to interview the LA1 Troubled Families Co-ordinator on her own and not with either the LA1 Senior Manager or the LA2 Troubled Families Co-ordinator. This decision meant that any rich discussions around the operational and strategic local delivery of 'Troubled Families' in LA1, the various delivery models adopted across the North-East and the difficulty of delivering nationally-prescribed PbR provision locally were lost. However, I had the satisfaction of knowing that the session was ethical whilst allowing the pursuance of key themes from the literature review and the quantitative data analysis.

Appendix Two suggested that LA1 was more affected by the austerity measures and had fewer employment opportunities than LA3. It also suggested that LA1, LA2 and LA4 experienced deprivation (Social Mobility and Child Poverty Commission 2014), which may influence the movement of 'troubled' families into training and employment. I would have liked to test these theories fully in a focus group with the Troubled Families Co-ordinators from the North-East, South-East and North-West but again, ethical issues prevented me from doing this. However, what was lost by speaking to the LA1 Co-ordinator alone was gained by collecting data from her in the calendar year prior to the LA3 and LA4 interviews and so being able to make a chronological comparison of 'Troubled Families' in three areas between July 2015 and May 2016.

The thematic narrative analysis of the Local Authority One interview revealed that her response to the interview schedule comprised data in seven key themes:

1. Service transformation
2. The concept of the 'troubled' family
3. The programme outcomes
4. The local delivery model
5. The importance of the key worker role
6. The principal's lack of insight into the 'Troubled Families' operating context
7. The delivery of a national programme at a local level (LA1 2015a).

The theme of service transformation ran throughout the interview. The LA1 Co-ordinator revealed that she had been brought in to reduce duplication by bringing services and processes together and ensuring that 'Troubled Families' became part of "mainstream everyday business" (LA1 2015a) (plxxiv). This had proved to be a challenge and one which would have been simplified by the presence of one 'Troubled Families' team rather than a number of services with their own funding, statutory requirements and ways of working.

A significant change noted for Phase Two had been the abandonment of the 'Troubled Families' label and the Phase One ethos of "getting money and chasing results" (LA2 2015a) (plxxv). Since the beginning of 2015, the Co-ordinator had focused on embedding the 'whole family' approach and developing tools and processes such as the new Intelligence Hub and integrated locality-working to support this. LA1 designed the Intelligence Hub to overcome the barrier of the families' personal data appearing across disparate systems. The Hub pooled data, matched it and identified how many issues families had so local services could target and support the families at an early stage. This preventative, proactive, cost-effective

response was seen as one answer to the “increasingly diminished resource” (LA1 2015a) (plxxxii) in the integrated locality model, which delivered services to families in the area of the city where they lived.

LA1 strove to encourage service transformation through their Phase Two outcome framework, which referenced all six of the programme’s key areas (DCLG 2014b). This framework combined the local practicality of the agent and the aspiration of the principal and had a mix of quantitative and qualitative measures. However, the LA1 Co-ordinator believed the latter would pose difficulties, as qualitative measures required assessment around the quality of work delivered and some measurements to which LA1 still did not have access. A considerable barrier to the achievement of the LA1 Phase Two outcome framework was the unwillingness of Health partners to relax their tight data protection restrictions. Therefore, families meeting five out of the six Phase Two entry criteria (DCLG 2014a) were identified directly using relevant data but families meeting Criterion Six – parents and children with a range of health problems (DCLG 2014a) - were identified indirectly when other issues were flagged up. The LA1 Co-ordinator felt that despite “some local willingness”, “unless we get a change at the top in legislation we will never ever make many inroads into it” (LA1 2015a) (plxxxix). This comment mirrored some elements of the London Rough Sleepers Project where data protection prohibited the agent from demonstrating their impact upon Accident and Emergency admissions (DCLG 2015).

One element of local service transformation introduced for Phase Two was the making of referrals to services beyond ‘Strengthening Families’; the name of the local programme. Ironically, many of these - such as the Child and Adolescent Mental Health Service (CAMHS), adult mental health support and speech and language therapy – were health services. Another key innovation was the view that all frontline workers had a role to play in making a difference to families’ lives regardless of their organisation or whether they worked in the public or voluntary and community sector. However, Social Care had not yet fully embraced this concept despite Criterion Three specifically referring to children in need of help including those with a child protection plan (DCLG 2014a). The LA1 Co-ordinator therefore

noted that one of her two wishes for the future was for Social Care to more fully integrate and engage with 'Troubled Families'.

The second theme highlighted by the LA1 Co-ordinator was the concept of the 'troubled' family. In Phase One, LA1 worked with families with entrenched issues including the narrow focus of ASB, youth crime, poor school attendance and worklessness (DCLG 2012b) for which the programme rewarded them. However, the 'Strengthening Families' model was more developed by July 2015. In line with the broader Phase Two criteria (DCLG 2014) that acknowledged that 'troubled' families were more complex than the previous narrow definition, LA1 looked at all families' needs such as depression and speech and language therapy rather than 'troubles' and allocated resources on the basis of this. The Co-ordinator applauded the principal for their expansion of the programme's scope for Phase Two. The widening of the DCLG definition of a 'troubled' family meant that LA1 had no difficulty identifying eligible Phase Two families.

The LA1 Co-ordinator revealed that, while the principal's understanding of the concept of the 'troubled' family differed between Phases One and Two, the National Troubled Families Initiative's stakeholders also had differing views of 'troubled' families. The public saw them as a stereotype with lots of unruly youngsters, noise and problems played out in the community. The families saw their lives as normal; "that's life and that is how we get on with things" (LA1 2015a) (plxxvii). The key worker saw their vulnerability and dysfunction and not just their visible 'troubles'. Just as the principal and other stakeholders' views of the cohort differed, the Co-ordinator did not believe that the concept of the 'troubled' family was the same across the country. She suggested that extremism, gangs and weapons were more prevalent in the South and postulated that rural and inner city families each had very different issues.

The third theme discussed was the outcomes achieved by the programme. The first point made was the difference between the picture presented by the National

Troubled Families Initiative quantitative data and the local reality of the programme. The LA1 Co-ordinator claimed that the first quantitative data return made by LA1 and published by the principal (DCLG 2013) was incorrect and that LA1 had not identified all of their Phase One families by December 2012. Secondly, she revealed that LA1's Phase One outcomes (DCLG 2015c) did not solely represent families who had a positive outcome in the local programme but comprised:

- Families who received a 'Troubled Families' service and were 'turned around'
- Families who received a different service and were 'turned around'
- Families who 'turned around' themselves
- Families who did not make a change but ceased to meet the eligibility criteria (LA1 2015a).

The last point was described as "cost neutral", "inevitable" and symptomatic of a national outcome framework that "allowed for a lot of cheating a lot of easy wins" (LA1 2015a) (plxxxviii and lxxxvii). She did not have a view on the principal giving the agent a target and a target drawn from families with 'troubles', rather than letting them analyse their own local data to understand how many 'troubled' families lived locally but felt that Phase One was "a numbers game" (LA1 2015a) (plxxxviii).

The LA1 Co-ordinator was adamant that the Phase Two local outcome framework would provide a significant step forward in addressing the unintended consequences of the Phase One national outcome framework. It would only permit funding claims for families who "achieved positive results in each of the areas they have been identified as (...) having issues in" (LA1 2015a) (plxxxviii). However, she anticipated difficulty ahead in converting work done with families into progress for which LA1 could submit an evidence-based claim to DCLG:

“It is going to be very hard to get families out at the other end but we don’t know that until we have done our first claim” (LA1 2015a) (plxxxvii-lxxxviii).

The fourth theme discussed was the Phase Two delivery model and whether local authorities were working with all families with needs or just those with multiple issues causing the highest cost to the public purse as directed by the principal (DCLG 2014a). The LA1 Co-ordinator was very clear that LA1 did not “distinguish between families with multiple needs and families with only a couple of needs” (LA1 2015a) (plxxxii). LA1 based their delivery model on pre-existing successful family-based interventions such as the Family Intervention Project and the Child and Family Team for the more complex cases and multi-agency forums such as Team Around the Family meetings for families with lesser needs. These arrangements ensured an assessment of families’ needs and the putting in place of a plan and appropriate delivery. In LA1, the agent allocated the families an appropriate service and level of intensity when required. Thus, a family needing intense support would get a FIP key worker. A family with a lower level of need such a NEET youngster would receive support to move them into education, employment or training. Here the key worker would just work with the young person and not the whole family. In many LA1 families, offered intensive holistic family support, the take-up by family members differed. The Co-ordinator noted that, in many LA1 families, the father either was absent or took a secondary parenting role so the principle interface was with the mother; an interesting slant on the predominance of the matriarchal voice in ‘Listening to Troubled Families’ (DCLG 2012a).

The fifth theme discussed by the LA1 Co-ordinator was the importance of the key worker to the national Troubled Families Initiative. My colleague saw them as crucial to the local delivery model and:

“The difference between a family not sorting their issues out and sorting their issues out. They are absolutely critical.” (LA1 2015a) (plxxxv)

To achieve progress within the programme, she described the key worker as needing to build a good relationship with the family but show them “tough love” and to make the family resilient by being “reliable [but not] too relied upon” (LA1 2015a) (plxxxiv). Thus, the key worker had to guide the family towards resolving their issues but not do everything for them.

LA1 took a lead on workforce development and did not presume that every frontline worker intuitively knew how to work holistically or possessed the optimum qualities. Due to not being in post at the time, the LA1 Co-ordinator was unsure of the composition of the Phase One training other than its multiple briefings. However, she revealed that Phase Two included briefings to update on the changes to the outcome framework; Hidden Sentence training and domestic violence-awareness training for staff working with families of offenders or families who met Criterion Five (DCLG 2014a); training for chairs of Team Around the Family (TAF) meetings and signposting to existing LA1 Safeguarding Board training.

The sixth theme covered was the principal’s lack of insight into the ‘Troubled Families’ operating context. The LA1 Co-ordinator had no idea of the impact upon the programme of the principal using data about challenged families rather than challenging families for the Phase One targets (Levitas 2012) or the extent to which the National Troubled Families Initiative heard the families’ voices during the design stage or Phase One. However, LA1 intended to replicate the principal’s apparent lack of consultation with their service users and did not anticipate giving them a role in Phase Two as this was a “business as usual approach” (LA1 2015a) (plxxxvii).

The final theme explored in the LA1 Troubled Families Co-ordinator interview was the local delivery of a national programme. My colleague did not feel disadvantaged by managing a programme with an outcome framework that funded positive movement around ASB, youth crime, truancy and unemployment but had to deal with other issues as this was the nature of family work. LA1 staff took a ‘whole family’ approach and did not just “go in and look at those three issues to ‘turn them’ around”

(LA1 2015a) (pxc). She did not have a view about the impact of a uniform national funding fee that took no account of the agent's local resources and was unmoved by the reduction of the Phase Two outcome fee as "it is an embedded model [and] we don't use the money for anything" (LA2 2015a) (pxc). Despite the significant austerity measures imposed on LA1 (Appendix Two), her view was that "if the funding stopped tomorrow we would lose some posts but ultimately we would still have our business there" (LA2 2015a) (pxc). She was unclear what would have been achieved without the National Troubled Families Initiative but believed that the forthcoming national impact study would evidence this.

The LA1 Co-ordinator was clear that a lack of local jobs, no requirement for key workers to move families into work for the last fifteen to twenty years, the families' multiple problems and their "zero aspiration" (LA1 2015a) (pxciii) impacted on LA1's ability to achieve the progress to work or sustained employment outcomes (DCLG 2015c). She was unclear about the impact locally of underemployment or zero-hours contracts but was certain that the North-East economic situation negatively affected LA1's ability to get 'troubled' families into work and noted that "authorities in the South and Manchester and further down" (LA1 2015a) (pxciii) had achieved better outcomes as they had more jobs and employability processes. The Troubled Families Employment Advisors and a 'Steps to Work' voluntary programme for residents who wanted to become work-ready were LA1's attempt to overcome this disadvantage in Phase Two. However, the Co-ordinator believed that the key to progress to work or sustained employment outcomes was the workforce making a "culture shift" (LA1 2015a) (pxcii) and routinely thinking about supporting their clients into employment.

She was very clear that the "dubious" Phase One outcome payment of £4,000 for getting a 'troubled' family member into work made no impact on LA1 delivery as they were not "geared up for it" and "were just trying to survive getting (...) the outcomes for attendance and the others" (LA1 2015a) (pxcii). Despite, LA1's lack of readiness to tackle the Phase One 'employment' outcomes, she was clear that 'Troubled Families' was the right programme to get the cohort into work as it advocated

delivering services in a holistic family way and addressing all issues including worklessness.

One final issue that hindered the local delivery of a national programme was the barriers provided by national policy and legislation including the continued allocation of funding to target individuals rather than families. This prevented local substance misuse services for youths from supporting the whole family and using this as a route to abstinence for the young person.

### **5.6.2 THE LA2 TROUBLED FAMILIES CO-ORDINATOR INTERVIEW**

The LA2 Troubled Families Co-ordinator interview took place on 6<sup>th</sup> July 2015 and lasted one hour, forty-eight minutes and fifty-eight seconds. It provided new information about the National Troubled Families Initiative and was my first opportunity to gain insight about the delivery of the programme in a local authority other than LA1. The length of the interview means that the transcription appears in Appendix Thirty-Eight rather than being included here.

I originally scheduled this session as the second interview so that I could use the rich qualitative data gathered in my own local authority as a foundation upon which to compare delivery elsewhere and to test the research methodology in familiar surroundings with a close colleague. However, the LA1 Co-ordinator's busy schedule delayed the LA1 session and meant that the LA2 interview took place more than two weeks before it rather than one week afterwards.

I had never met the LA2 Troubled Families Co-ordinator prior to the interview. The LA1 Co-ordinator provided me with her name and email address and we arranged the interview via email. My assumptions about 'Troubled Families' in LA2 came from the first and final DCLG national quantitative datasets (DCLG 2013 and 2015c) and

LA2's place as a Wave One Early Starter to whom the principal had given permission to begin Phase Two a term ahead of my own area. I also had insider knowledge of LA2's reputation for strong innovative delivery to children and families. I therefore approached the interview with the hope of ascertaining how LA2 had got to grips very quickly in 2012 with working with and 'turning around' their 'troubled' families and with sustaining this high performance into 2015.

The LA2 interview was conducted ethically (Bryman 2012). I avoided harm to the participant and myself by arranging to meet in her place of work – the LA2 Civic Centre – thereby ensuring that neither of us was meeting a stranger in an unfamiliar and unsafe environment.

The semi-structured interview method with its predetermined questions whose order could be changed based on the interviewer's perception of appropriateness (Robson 2002) made the session into a rewarding experience. I believe that an unstructured interview where I had a general area of interest and concern but let the conversation develop informally in this area (Robson 2002) would have initially floundered since my interlocutor was a complete stranger; although our shared interest and expertise in 'Troubled Families' would have eventually overcome any initial embarrassment. At the other end of the spectrum, I am convinced that a fully structured interview with predetermined questions, fixed working and a pre-set order (Robson 2002) would have hindered my interlocutor and have given her less opportunity to speak at length. It would also have prevented me from adjusting the order of the questions to respond to key themes within her answers and to conduct the session as an informal but very rewarding conversation with an experienced local expert.

The LA2 interview schedule virtually mirrored that agreed with LA1, with a few minor adjustments to explore specific details around their performance in Phase One. In our email exchange before the interview and in the wording chosen for the Participant Information Sheet (Appendix Twenty-Four), I took care to emphasise that the interview was for the purposes of learning more about the National Troubled

Families Initiative to support improvement in the programme and Payment by Results provision. I made it clear that the interview would not compare in an injurious way LA2 with any other area, embarrass their Co-ordinator or interrogate her inappropriately about their delivery of Phase One and plans for Phase Two. During the session, I steered clear of any potentially harmful questions around the local delivery model and never inferred that it was inferior to the one with which I was familiar.

By presenting the LA2 Co-ordinator with a Participant Consent Form (Appendix Twenty-Five) whilst we were planning the session and again before it began, I underlined the voluntary nature of her participation and gave her the opportunity to withdraw herself and her data at any time. I maintained her right to privacy, conducted one interview rather than several and provided a comfort break as the session took longer than expected. As with LA1, I invited her to make any amendments to the transcription. She chose not to.

When planning the session, I was mindful that LA1 and LA2 are two largish cities in the North-East of England with similar challenges (Appendix Two) and an occasionally unhealthy local rivalry. Although putting the two Co-ordinators together would have triggered a lively debate, I chose not to do this. I wanted to avoid embarrassment both to the LA1 Co-ordinator who had significantly less experience of operational management and 'Troubled Families' than her counterpart and to the LA2 Co-ordinator who may have felt intimidated by being questioned by a stranger and being outnumbered by two LA1 employees. Although I expressed some personal opinions during the interview and used examples from LA1's delivery to explain points, this was with a view to giving the session the natural feel of a conversation and not designed to cause offence or trigger rivalry. I believe that what the LA2 interview lost in being able to compare the two North-East delivery models and Phase One outcomes simultaneously, it gained in giving undivided attention to an agent with a passion for and a knowledge of the subject.

It would have been interesting to interview the LA2, LA3 and LA4 Co-ordinators together since they were both Wave One Early Starters. However, this would have meant at least two of my interlocutors undertaking a lengthy journey involving an overnight stay. By collecting data in LA2 in 2015 and LA3 and LA4 in 2016, I lost one point of comparison but had the opportunity to compare data collected ten months apart from three areas that DCLG considered made sufficient strides in Phase One to receive 'Early Starter' status.

The location of the interview in a quiet room in LA2's Civic Centre meant that it was considerably easier to conduct than the LA1 session. I was somewhat apprehensive when the session began because it was my first interview, I was worried about my research methodology failing and I was unclear how carrying out the session with a complete stranger would affect my ability to gather data. I did not want to inconvenience my interlocutor by conducting the interview badly and having to ask for a second session to fill in the gaps. However, my nerves swiftly melted away. The LA2 Co-ordinator was a passionate, engaging speaker with an in-depth knowledge of the local programme and a deep interest in the subject of 'troubled' families.

The LA2 Troubled Families Co-ordinator had been in post since the initiative began and worked in LA2 at a senior level before that. She had clear and firm opinions about all aspects of the National Troubled Families Initiative and I did not have to prompt her to give her views. I very quickly gained confidence during the session, which never felt awkward. I designed the LA2 interview to increase my knowledge about the local delivery of the National Troubled Families Initiative in Phase One and to learn more about LA2 good practice. For example, how they worked with and 'turned around' so many 'troubled' families early on in the programme (DCLG 2013) and maintained this momentum throughout Phase One (DCLG 2015c). I also wanted to learn more about the local perception of 'troubled' families and if national factors such as the outcome fee or performance framework and local factors such as employment opportunities affected achievement in the programme. This was of particular interest to me given the similarities between LA1 and LA2 (Appendix Two).

The thematic narrative analysis of the Local Authority Two interview revealed that - like her LA1 counterpart - her response to the interview schedule also comprised data in seven key themes:

1. Service transformation
2. The concept of the 'troubled' family
3. The programme outcomes
4. The local delivery model
5. The importance of the key worker role
6. The principal's lack of insight into the 'Troubled Families' operating context
7. The delivery of a national programme at a local level (LA2 2015).

The theme of service transformation ran throughout the interview and provided a rich thread of interesting information. Phase One of the National Troubled Families Initiative enabled LA2 to embed the outcomes approach within their service delivery model. Collectively the area agreed that change could only be created by partner agencies working together and therefore used workforce development to increase the number of staff working holistically with local families. Phase Two saw the infrastructure built upon and the whole family approach practice deepened across a more diverse range of 'troubles'. A cross-section of agencies co-wrote the Phase Two family outcomes plan and commissioned services were required to work towards achieving its targets. The wider workforce was alerted to and trained to identify and manage issues such as domestic violence and abuse; thus swelling the pool of specialist workers with generic key workers with additional skills and knowledge. When asked for three wishes, the LA2 Co-ordinator noted the significant cultural change brought about by the 'Troubled Families' ethos and acknowledged her disappointment that this had gone unreported and unremarked upon by DCLG.

The second theme covered was the concept of the 'troubled' family, a term that LA2 chose not to adopt. They branded their local programme the '[LA2] Families Programme' rather than the National 'Troubled' Families Initiative. While the LA2 Co-ordinator noted that they had a "significant but small percentage of families" who met the stereotype of "neighbours from hell" with a "high level of criminality, anti-social behaviour" (LA2 2015) (pxcix), most Phase One families suffered both complex issues and a layering of complexity that made their lives a struggle. Services that tried and failed to be supportive or just focused on meeting their own needs compounded this. She believed that the media depiction of 'Benefit Street' strongly influenced the public view of 'troubled' families as workless benefit cheats with many children. This contrasted with key workers who saw the families' vulnerabilities and recognised that they were not particularly enjoying their lifestyle. The LA2 Co-ordinator knew from discussing the issue with regional and national colleagues that 'troubled' families were not the same across the country and different areas had different challenges, most notably London with its gang culture.

Although the DCLG definition of a 'troubled' family had changed between Phase One and Phase Two, she believed that a constant thread across the two Phases was families who required the support of a number of agencies. The change in criteria for Phase Two allowed LA2 to work with families in a preventative way rather than just supporting those who had many problems for a long time. The local family outcomes plan encouraged prevention rather than reaction. For example, it supplemented the school eligibility criteria with a criterion of persistent lateness. This built upon the local knowledge that unpunctuality was also an indicator of parental difficulties in the home.

The LA2 Co-ordinator spoke in detail about LA2's Phase One and Phase Two service delivery - all new information - and therefore extremely interesting to me. She revealed how her role entailed leading the local programme, overseeing its governance, operationalizing it, managing services, linking with the staff that helped local families and liaising with the principal. She enjoyed the autonomy of the role, its lack of prescription, the fact that she could combine operational delivery with

strategic oversight and LA2's embrace of whole family working as a means of transforming services. The programme's ethos had created some initial challenge. The LA2 Co-ordinator wanted it to be an initiative that partners bought into but some mistrusted DCLG's agenda in the early days of the programme. These colleagues did not welcome holistic family working and had a more stereotypical notion of 'troubled' families. However, LA2 largely welcomed the National Troubled Families Initiative as they had a number of successful Family Intervention Projects that promoted the use of a 'whole family' approach. Thus, much of the successful Phase One delivery was based on these tried and tested interventions.

Their overall success in Phase One was achieved by involving all services in delivery and taking a patient approach at the very beginning of the programme. LA2 spent March to September 2012 in:

- Building partnership-arrangements
- Agreeing data sharing protocols
- Analysing the data to understand what would be achieved if LA2 did nothing
- Understanding what the agent must do locally to achieve the positive outcomes required by the principal (LA2 2015).

LA2 did not commission new 'Troubled Families' services. They identified from the data the families or individuals already working with organisations such as Social Care or the youth offending service where there was a plan in place. They then examined these plans to establish the improvements needed to address all of the family's needs. LA1 also divided their cohort of 1,010 into three groups:

- Families requiring the existing FIP intensive service
- Families with several needs that could be co-ordinated through a TAF

- Families with a lower need that community-based interventions could address (LA2 2015).

This followed the three-tiered approach advocated by DCLG (2012d). Robust multi-agency working and leadership by the local authority supported agencies to make the cultural shift towards recognising problems did not occur in isolation and were not solvable by one agency. Therefore, youth crime, anti-social behaviour and issues in the home triggered problems in school and had to be addressed through a multi-agency approach rather than leaving the school or other responsible agency to deal singly with the most prominent symptom such as poor school attendance or sanction the most visible individual perpetrator such as the teenage truant.

The Co-ordinator led a review of family services in Phase Two to accommodate a £5M austerity cut. She calculated that, if all of the 'Troubled Families' outcome funding was drawn down and combined with funding from health and schools, this would create a budget of £7M. She then planned how services could be delivered that would meet the 'Troubled Families' targets and ensure that all available funding was claimed and met service user need at all levels. Service delivery centred on Community Hubs in the three "0-30%" (LA2 2015) (pciv) most deprived areas of the city where 80% of the most vulnerable families lived. Three voluntary sector-commissioned providers delivered in each area and offered an integrated 0-18 approach.

The LA2 Co-ordinator welcomed the broadening of the entry criteria in Phase Two. This evolution enabled more families to receive a service but created significant issues. The huge numbers and high-level metrics were "more challenging than Phase One" (LA2 2015) (pcx) with its requirement for LA2 to manage "thousands and thousands and thousands of bits of data" for nearly 3,500 local families with at least four members meeting a number of criteria (LA2 2015) (pcxi). LA2 had done their best to manage thus far but acknowledged that the relevant data sat on a number of systems.

Key partners wrote the Phase Two outcome framework jointly:

- The Police led on Outcome One
- A Headteacher and education colleagues led on Outcome Two
- Social Care led on Outcome Three
- Job Centre Plus and the LA2 Employability Team led on Outcome Four
- Community Safety partners and the Domestic Violence Team led on Outcome Five
- Public Health colleagues and providers led on Outcome Six (LA2 2015).

This ensured that its component metrics were correct, its outcomes related to datasets that could be isolated and tracked and it contained the key priorities of relevant partners to ensure full and continued inter-agency buy-in. Outcomes were not included where data was not available to either identify the cohort or track their progress. Thus, the Phase Two outcome framework did not specifically reference young carers, as their information was not readily available.

The fourth theme discussed was the programme outcomes. The Co-ordinator had been “sceptical” about the PbR framework. She preferred the “finance available to do the work” (LA2 2015) (pcxxv) but recognised that the Phase One outcome framework had reinforced the outcomes approach in LA2 and motivated its staff to achieve positive outcomes. The excellent performance across Phase One (DCLG 2013 and DCLG 2015c) was partly attributable to LA2’s excellent data systems. These enabled them to use externally verifiable data to identify eligible families, ensure they had a plan in place, wash the data termly and then claim for the families who had achieved the programme outcomes. The Co-ordinator was adamant that there were local safeguards in place to ensure that all families who were claimed for had made a genuine change and the authority had not relied on families who had

made no change to help them to achieve the programme target. This had meant that LA2 had to follow up on all school leavers to ensure they were in education, employment or training before claiming under the 'school attendance' outcome. LA2 instituted audit processes in Phase Two to ensure that families would not be claimed for just because they no longer met the eligibility criteria due to moving house or having their perpetrator imprisoned.

We discussed the negatives of the PbR outcome framework including issues such as youngsters hugely improving their attendance from 40% to 65% or four children in a family of six achieving the requisite target but neither group triggering a reward for the holistic family support received from LA2. In an unexpected revelation, the LA2 Co-ordinator admitted that they had simplified the Phase One outcome framework to save back office time. However, this actually gave the principal more 'value' than they had paid for rather than exploiting them. For example, LA2 had simplified the calculation to ascertain whether the anti-social behaviour element had been achieved. Instead of claiming for a 60% reduction - which was rather complicated - they claimed for no ASB.

They also revealed that the local employability provider's inferior data system was responsible for the low performance in the progress to work outcome rather than solely the local economic climate. They were unable to return to LA2 any outcome data about the families referred for employability support. This lack of verifiable data made LA2 unwilling to claim for "batch referrals" (LA2 2015) (pcxxviii) from DCLG. Consequently, and despite colleagues from across the country legitimately referring "500 families" to get "£100 per family" (LA2 2015) (pcxxviii), LA2 just returned data where families had come off workless benefit.

The Co-ordinator did not have a problem managing the Phase One programme that funded positive movement around youth crime, ASB, truancy and unemployment but dealt with other issues. The holistic family approach demanded that all issues be addressed not just those relating to the outcome framework. As befitting a whole

systems approach of holistic family support, all LA2 Phase Two families received support not just the families with the costliest use of services as directed by DCLG (2014a).

The importance of the key worker role was the fifth theme discussed. LA2 had the capacity for two hundred families to receive intensive support and the remainder to have a key worker operating at a universal level. The Co-ordinator noted that schools in a deprived area had a Pupil Premium budget of up to £0.5M. The local expectation was that this would fund pupil welfare staff to support the whole family and not just the individual pupil experiencing difficulties. The LA2 Co-ordinator acknowledged the importance of the key worker role and the fact that “super beings” (LA2 2015) (pcxix) were needed with tenacity; a value base; the ability to engage, motivate, challenge and support families; co-ordinate services; deliver therapeutic services such as motivational interviewing; offer targeted parenting work and know about child development.

LA2 did not presume that the workforce had the skills, knowledge and experience to deliver the role but took a lead in workforce development across the city and offered training, mentoring and awareness-raising support. LA2 had supported their Phase One workforce to embrace the ‘whole family’ approach by placing Integrated Working Mentors in specific organisations across the city such as the youth offending team. These senior practitioners had modelled holistic family working to staff unused to the concept and enabled them to move from supporting one individual in the family to assessing, planning and working with all of the family. In Phase Two, the Integrated Working Mentor role made way for Early Help Advisors. They sat in the MASH, identified families with needs, and ensured they received a multi-agency plan to address these.

Aside from this mentor support, LA2 commissioned training for the city’s key workers. They paid for 170 workers to complete training in ‘Working with Families with Complex Needs’; trained staff to deliver parenting programmes and offered

monthly themed workshops on issues such as education, children missing school and debt management. In Phase Two, the training offer broadened to managers. LA2 equipped them to supervise staff working with families with complex needs and to recognise and focus on all of their issues rather than those traditionally dealt with by their agency. Therefore, schools did not just focus on school attendance. LA2 also explored how to support staff to deliver against all six outcomes and support teenagers as well as younger children.

The sixth theme discussed was the principal's lack of insight into the 'Troubled Families' operating context. The local data showed that LA2 had 80% more 'troubled' families than the DCLG target. This miscalculation meant they were eligible for less outcome payments than they should have been. Although the DCLG figures were like comparing "apples and pears" (pcxxviii), LA2 were never in doubt that they would find enough local families with whom to achieve the requisite outcomes. Furthermore, the Co-ordinator was clear that the National Troubled Families Initiative could make sustained changes with families with problems. However, this was as part of a whole systems approach that adopted holistic family working and targeted support to meet the needs of the family rather than its individual members. She did not see 'Troubled Families' as a standalone programme. She was unclear how the LA2 delivery model would have looked without 'Troubled Families' but postulated that it may not have emphasised work with families with complex needs; perhaps sanctioning them for misbehaviour instead of supporting them. She also suggested that Adults and Children's Services might not also work as closely together as they currently do without the impetus of the initiative.

Just as the principal failed to incorporate service users' views into the design of 'Troubled Families', LA2 had not listened to the family's voice as much as they wished. There were no families on the Programme Board and no plans for this in the future. However, the LA2 Co-ordinator was confident that families informed the development of local intensive support services by providing views to local providers. Interestingly, although every 'troubled' family had a plan, not every family member received an equal offer. LA2 had prioritised working in Phase One with the "key

influencers” (LA2 2015) (pcxxii) – the parents. Trust had often been built with the key worker gaining some “quick wins” (LA2 2015) (pcxxiii) such as resolving the family’s debt issues and accessing a food bank for them. Although the main issue in a family may have been the child’s school attendance, the key worker mediated between the matriarch and the school rather than the youngster and school to ensure a return to education. A challenge for Phase Two - where domestic abuse was specifically mentioned under Criterion Five (DCLG 2014b) - was how to achieve progression in a family where a domestic violence perpetrator lived under the same roof as the victim.

In the final theme - the delivery of a national programme at a local level – the LA2 Co-ordinator discussed feeling uncomfortable about the programme’s focus on families’ worklessness despite 85% of the cohort being on benefits. However, the Troubled Families Employment Advisors had taken significant steps in addressing this mind-set in the workforce. They queried the key workers’ reluctance to discuss training and employment and asked why they had aspirations for their own families but not local ‘troubled’ families. These workers also highlighted that there were local vacancies thus busting the myth that there were no local jobs for jobseekers to apply for.

While, underemployment and zero-hours contracts proved challenging to families in employment, the LA2 Co-ordinator believed that the barriers to ‘troubled’ families finding work included:

- Their multiple problems, which proved a challenge to themselves and potential employers
- The families’ limited life experience beyond their own communities
- Employers’ preferences for flexible employees such as young students
- The difficulty of raising awareness of local job opportunities
- There being fewer jobs in the North-East than London (LA2 2015).

Solutions included:

- Raising families', employers' and key workers' expectations that 'troubled' families can work
- Altering employers' attitudes to 'troubled' families
- Supporting the local economy to create jobs for local people
- The public sector offering priority work placements (LA2 2015).

She was clear that offering the agent £4,000 to move a 'troubled' family off workless benefits and into sustained employment had not influenced the local delivery model but had encouraged further discussion of employability.

In many respects, the National Troubled Families Initiative had provided a funding lifeline to LA2. It had underpinned existing services rather than providing additional resources to purchase new ones and meant that LA2 did not have to cut some family services. Despite a £5M budget cut, the LA2 Co-ordinator was unfazed by the reduction in funding for Phase Two. She explained that it enabled DCLG to release the same amount of funding to the agent but, because 400,000 rather than 120,000 families were involved, reduce the fee available per family. She welcomed the £1,000 attachment fee as this gave LA2 a more secure income than that available in Phase One. It also meant that the business model was easier to run, as it required less projection around the size of the outcome fee that the agent could secure subsequently.

The LA2 Co-ordinator acknowledged that delivering 'Troubled Families' had required LA2 to work at considerable risk until all of the programme funding could be claimed. The local authority had shown leadership and had chosen not to pass this risk onto the voluntary sector agencies that they had commissioned to deliver specific

targeted family services. To ensure that LA2 continued to perform strongly in Phase Two, the local authority specified that their subcontractors must work towards the outcomes on the local 'Troubled Families' plan and submit quarterly data to triangulate with the information on their own data systems and thus evidence families' progress.

### **5.6.3 THE LA3 TROUBLED FAMILIES CO-ORDINATOR INTERVIEW**

The LA3 Troubled Families Co-ordinator interview took place on 29<sup>th</sup> April 2016 and lasted for fifty-one minutes and nineteen seconds. It provided new information about the National Troubled Families Initiative and was my first opportunity to gain insight about the delivery of the programme outside my native North-East of England thus adding a geographical dimension to the research project. The length of the interview means that the transcription is in Appendix Thirty-Nine rather than being included here.

This session took place approximately nine months after my second interview and was with a Co-ordinator who had recently been elected to represent the agent on the National 'Troubled Families' Programme Board and therefore had a national overview and understanding of the initiative and not just a local view. This enabled me to compare the data gathered in LA3 with that in the North-East chronologically and see it nationally and strategically rather than just local and operationally.

The views put forward by the LA1 and LA2 Co-ordinators, that 'troubled' families from the South and London had different issues to families from elsewhere and these areas had more jobs and processes to support 'troubled' families into work, originally drew me to interview a Troubled Families Co-ordinator from the South. I intended to identify potential interviewees from the Phase Two quantitative national performance data as this had served me well when I originally narrowed the twelve North-East local authorities down to two in 2015. By April 2016, DCLG had not

released any Phase Two performance information. I therefore approached a DCLG contact that I had made whilst seconded to HMI Probation in 2014. She recommended that I speak to the LA3 Co-ordinator as his area performed strongly and had a South-East England location.

This recommendation coupled with the local authority's status as a county rather than a city and its different demography to LA1 and LA2 (Appendix Two) satisfied me that I would gather interesting information from LA3 for comparison with the two North-East authorities. The distance between my North-East home and LA3, the potential cost of two days of train travel and an overnight stay and my concern about the unreliability of public transport meant that I elected to carry out a telephone interview. Despite the fact that this method was untested and required building a rapport with a stranger without the benefit of face-to-face contact, I approached the LA3 interview with anticipation rather than trepidation. I particularly looked forward to contrasting delivery in the South with that of the North and speaking to a practitioner with a strategic overview of the National Troubled Families Initiative.

As with the LA2 Co-ordinator, I contacted him by email and we had a prior telephone conversation to agree the logistics of the interview session. I had already amended the interview schedule used for the LA1 and LA2 interviews in deference to his strategic position, busy schedule and the fact that LA3 were almost two years into their delivery of Phase Two. However, to ensure that no vital data was missed, the LA3 Co-ordinator emailed me two documents about the local offer and Phase One performance (Hayden 2015 and Local Authority Three 2015b). I read these carefully before the interview and removed the questions for which these documents provided answers.

The semi-structured interview method with its predetermined questions whose order could be changed based on the interviewer's perception of appropriateness (Robson 2002) meant the data collection process could be fitted around the LA3 Co-ordinator's busy diary. The semi-structured interview schedule allowed him and me

to be clear about the areas in which I was interested. The LA3 Co-ordinator accordingly sent me documents containing some of this information (Hayden 2015 and Local Authority Three 2015b). I then removed the relevant questions from the interview schedule and he gave full and complete answers to the remaining questions. This would not have been possible in an unstructured interview where conversation develops informally in specific areas (Robson 2002). Like the LA2 Co-ordinator, I quickly established a rapport with the LA3 representative; helped by his friendship with my line manager, of which I was not previously aware. The semi-structured format allowed this session to be relaxed, enjoyable and unhindered by our separation of hundreds of miles or a fully structured format with predetermined questions, fixed working and a pre-set order (Robson 2002).

The LA3 interview was conducted ethically (Bryman 2012). I avoided harm to the participant and myself by speaking on the telephone rather than by meeting as strangers in an unfamiliar environment. In our email exchange before the interview and in the wording chosen for the Participant Information Sheet (Appendix Twenty-Four), I took care to emphasise that the interview was for the purposes of learning more about the National Troubled Families Initiative to support improvement in the programme and Payment by Results provision. I made it clear that I had not designed the interview to challenge LA3's Phase Two delivery in the absence of any DCLG national performance data or to question the Phase One model. During the session, although I referenced the local delivery model and assumptions that North-East providers had about their Southern-based counterparts, I took care not to hint at any North-South rivalry.

By presenting the LA3 Co-ordinator with a Participant Consent Form (Appendix Twenty-Five) whilst we were planning the session and again before it began, I underlined the voluntary nature of his participation and gave him the opportunity to withdraw himself and his data at any time. A few weeks after the interview, I emailed him the transcription and invited him to make any amendments. He asked me to remove a political reference, which I did.

The data collection phase would have benefitted from re-interviewing LA1 and LA2 again with the LA3 Co-ordinator to understand how delivery had moved on in the North-East and how it compared with a South-East model. However, in the interim, the LA1 Co-ordinator had left her post and I would have had to inconvenience the LA2 Co-ordinator by asking her to host the LA3 telephone conversation or travel to my office to be part of it. I therefore chose just to interview the LA3 Co-ordinator on his own.

Like the LA2 Co-ordinator, he proved to be a passionate, engaging speaker. He had an in-depth knowledge of the LA3 delivery model as well as the programme across the country and some local and national political insight due to his senior position in a large successful local authority and key contacts with DCLG. Thus, what the session lost in not being able to make regional comparisons at the point of recording, it gained in providing an overview of 'Troubled Families' in 2016 from a South-East and strategic viewpoint.

My reading of the LA3 documents (Hayden 2015 and Local Authority Three 2015b) meant that the reduced interview schedule did not detract from the quality of the discussion or the data gathered. By making the telephone call from my peaceful office, I was able to focus fully on our interaction and soon forgot the several hundred miles that actually separated us. This was another interview, which I really enjoyed. Like the LA2 Troubled Families Co-ordinator, he had been in post since the initiative began and possessed firm, evidence-based opinions about all aspects of the National Troubled Families Initiative and its wider context. This session also had the comfortable flow of a conversation.

Interestingly, the thematic narrative analysis of the Local Authority Three interview was harder than that of the LA1 and LA2 interviews because key themes such as service transformation, service delivery and the local delivery of a national programme were more tightly interwoven. However, for the sake of consistency with the two North-East interviews, the LA3 data appears in the same seven key themes:

1. Service transformation
2. The local delivery model
3. The concept of the 'troubled' family
4. The programme outcomes
5. The importance of the key worker role
6. The principal's lack of insight into the 'Troubled Families' operating context
7. The delivery of a national programme at a local level (LA3 2016).

Theme One was perhaps the most illuminating as the thread of service transformation ran strongly throughout the interview. The LA3 Co-ordinator noted that the National Troubled Families Initiative could make sustained change with families with problems but that it was "a catalyst" to real change that had to be done "locally and on the ground" (LA3 2016) (pcxli). Although the programme funding had proved useful, the service transformation that had taken place in LA3 relied more on the commitment of local partners than the welcome funding by DCLG. The LA3 Co-ordinator was very clear that the programme had enabled local partners to take a co-ordinated approach at a time of austerity to the delivery of holistic family services rather than working with individual family members. He applauded the Government's role in this service transformation noting that the decision not to be prescriptive about service delivery and to reduce the Family Grant Agreement to one side of A4 was refreshing.

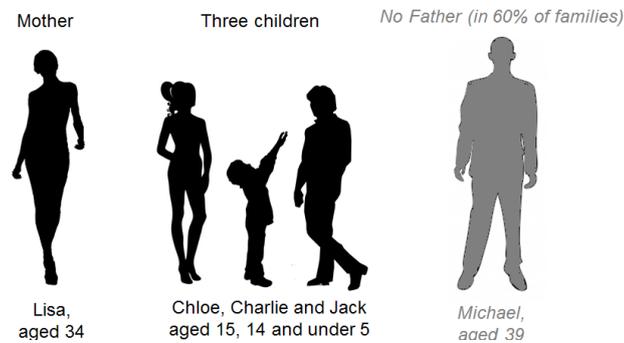
I explored service transformation and innovation in Theme Two. The LA3 delivery model had been transformational by building upon existing processes but taking more responsibility for families. Children's Services already knew 70% of the Phase One families. Therefore, to save resources and time, LA3 used an existing assessment rather than doing a new one. LA3 did not use the term 'referral' as this implied a transfer of responsibility from one agency to another. In both Phases, LA3 had commissioned the voluntary sector to work with their most 'troubled' families.

They innovatively replicated the principal's Payment by Results model but retained the financial risk by paying them more for success than DCLG did. The remainder of the families received support from ten local groups who used their local intelligence to identify eligible families and provide appropriate support.

The Co-ordinator welcomed the broadening of the eligibility criteria in Phase Two but noted that LA3 had worked with all families with needs in Phase One; a decision enabled by an injection of £1.4M-worth of funding from the County Council and Public Health. The inclusion of Criterion Six – parents and children with a range of health needs (DCLG 2014) - in Phase Two chimed with LA3's statistics that showed the area had significant health needs that required addressing. Indeed, 647 of LA3's 1,100 Phase Two families had mental health issues compared to only 40 and 164 who met the youth crime and anti-social behaviour triggers. LA3 showed innovation by including within their Phase Two family outcome plan a very local need of which I was unaware – home-educated children – a phenomenon that indicated parents avoiding prosecution for poor school attendance or who did not secure a place in their first-choice school.

The LA3 Co-ordinator's view of Theme Three was that 'troubled' families were largely the same across the country although the London boroughs had more serious youth crime than LA3. LA3's excellent data sets and analysis provided them with the key characteristics of their Phase One cohort to permit appropriate targeting and service delivery. The profile of the average LA3 Phase One 'troubled' family was:

Picture 5.6.3 - The Average LA3 Phase One Family



(Local Authority Three 2015b:12)

The names and ages featured had the highest prevalence within the Phase One LA3 cohort.

When speaking of Theme Four - the programme outcomes – the LA3 Co-ordinator noted that they thought of the outcome framework in a more positive light of “invest to save” (LA3 2016) (pcxlvi) rather than PbR. LA3 were satisfied with the funding structure as it provided a fee for each family identified and sufficient resource to work with them. This covered the cost of the intervention delivered to the family even if LA3 were unable to achieve a successful outcome and so attract a further fee. LA3 did not spend their Phase One outcome fee and used this to commission Transform in Phase Two whilst DCLG were still deliberating the future direction of the programme.

The LA3 Troubled Families Co-ordinator highlighted that the Phase One outcome framework allowed one sixth of the agent’s claims to be for families who were ‘turned around’ by their own efforts or services outside the programme. I was not previously aware of this detail and it shed an interesting light on LA1’s Phase One claims. However, LA3 only claimed for families who made a positive change within the

confines of the local programme; something enabled by both the robust local delivery model and the fact that LA3 had 372 more than the 1,590 Phase One families that DCLG said they had. The Co-ordinator felt uncomfortable about claiming for “freebies” and believed that local authorities who had relied on “data trawling” rather than service delivery would fall “off a cliff edge” (LA3 2016) (pcl and cxlix) in Phase Two.

In Theme Five, the Co-ordinator revealed that LA3 had not taken a specific lead around the training and support of local key workers in either Phase. Barnardo’s offered support to the Transform staff, the County Council provided parenting programme training and local providers commissioned any other training needed locally. For example, in one area heavily populated by army families, staff received mental health first aid training to deal with families with Tier One or Tier Two mental health needs.

The Co-ordinator singled out the Troubled Families Employment Advisors and their DWP Partnership Manager from the wider workforce for particular praise. These secondees had previous experience of working in Children’s Centres and spearheaded the drive to move families into work. They had taken a targeted approach and worked with 19-25 year olds who were closer to the jobs market than “mum and dad, aunty or uncle who are in their thirties, forties and fifties who have never worked for years and years” (LA3 2016) (pclvii). These staff had also taken an asset-based approach and built on families’ strengths. For example, supporting a father of six with a pick-up truck to become a self-employed furniture remover and take the children to school in his vehicle before using it for work. The LA3 Co-ordinator called for the funding for these roles to continue beyond 2020 as they made the most difference to ‘troubled’ families’ lives.

The principal’s lack of insight into the ‘Troubled Families’ operating context was the sixth theme discussed. Although DCLG calculated that LA3 had less Phase One families than they actually had thus depriving them of potential outcome funding, this

had at least given LA3 a target to aim at. LA3 had worked more closely with families than the principal had. DCLG's lack of engagement with families during the design phase of the programme was overcome by LA3 taking a family-based approach, ensuring that every family had a plan, giving family members the service that this indicated they required and consulting with eleven local families in the evaluation of Phase One (Hayden 2015).

The final theme – the delivery of a national programme at a local level – revealed the efficiencies that the National Troubled Families Initiative had enabled LA3 to make. Local data suggested the number of looked after children reduced by forty; creating a saving of £2M. Delivering a programme to reduce ASB, youth crime, poor school attendance and worklessness where families actually had nine separate issues (DCLG 2014b) had not proved an issue for a delivery model that involved agencies nominating rather than referring on families, taking responsibility for them and addressing their needs rather than chasing money.

The LA3 Co-ordinator did not believe that the national funding structure should vary to take into account the regional variations and inequalities found in Appendix Two. In his view, LA3 “had mega cuts too” and saying an LA1 family was worth more than an LA3 family was political “dynamite” (LA3 2016) (pclv). If there was to be a review of the national outcome framework, he proposed that the attachment fee rather than the outcome fee should vary to reflect how many criteria a family met when work began with them. He held the view that DCLG reduced the Phase Two funding because the target number of families had increased and actually expressed surprise that the figure of £1,800 would remain static until 2020. Good LA3 budget management meant that they could actually roll money over into the remaining three or four years of the project to “get a smooth profile” (LA3 2016) (pclvi).

He was not impressed by the principal's use of a £4,000 carrot to encourage the agent to move ‘troubled’ families into work as a reward could be claimed when the family still had problems such as “some of the family locked up and in custody” (LA3

2016) (pclviii). He confirmed my assumption that it was easier to move ‘troubled’ families into work in LA3 than in LA1 and LA2 by describing LA3 as:

“One of the highest areas of employment in the country [with] work out there generally for people who are (...) able and with the right skills” [including] “quite a lot of highly paid skilled jobs” (LA3 2016) (pclix and clx-clxi).

This positive situation meant the local economy was less affected by zero-hours contracts than other areas but was affected by ‘troubled’ families’ low aspirations, something that the Troubled Families Employment Advisors sought to address with their targeted, asset-based approach.

#### **5.6.4 THE LA4 TROUBLED FAMILIES CO-ORDINATOR INTERVIEW**

The LA4 Troubled Families Co-ordinator interview took place on 13<sup>th</sup> May 2016 and lasted for forty minutes and thirty-seven seconds. The length of the interview means that the transcription is in Appendix Forty rather than being included here. The interview provided new information about the National Troubled Families Initiative and was my first opportunity to gain insight about the delivery of the programme in the North-West of England thus adding a further geographical dimension to the research project.

This session took place approximately two weeks after the LA3 interview and was with a Co-ordinator who had managed the ‘Troubled Families’ programme in one North-West area before becoming the strategic lead for ‘Troubled Families’ in LA4 – a consortium of ten North-West authorities. He chaired a group of ten Troubled Families Co-ordinators who came together to discuss operational issues ranging from the spot-check process to how the programme could improve service delivery across a larger geographical area. Thus, this session provided:

- A different strategic view of the initiative to that provided by the LA3 Co-ordinator
- The chance to compare the North-East with another Northern area with which it appeared to have some economic similarities (Audit Commission 2013 and Sparrow 2014)
- An opportunity to gather further data in 2016 that could be compared with the qualitative data collected in 2015
- A qualitative dataset from a ten-area consortium that I could compare with data from two neighbouring cities and a county.

The wish to interview a Troubled Families Co-ordinator from the North-West stemmed from the LA1 Co-ordinator's belief that the area had more jobs and processes to support 'troubled' families into work. The lack of Phase Two quantitative national performance data meant I could not identify potential interviewees. Consequently, I liaised with my DCLG contact who recommended that I approach the LA4 Co-ordinator based on their excellent performance and North-West location.

Although it would have only taken an early start and one day of train travel to conduct the interview in person, my concern about the unreliability of public transport and the many ways that this arrangement could go wrong encouraged me to interview the LA4 Co-ordinator by telephone. The success of the LA3 interview and my knowledge that I could establish a rapport over the phone with a stranger meant that I approached this session with some confidence. As with the LA2 and LA3 interviews, I contacted the LA4 Co-ordinator by email and we had a prior telephone conversation to agree the logistics of the interview. I altered the interview schedule used for the LA1 and LA2 interviews to accommodate the timing of the LA4 session approximately ten months later and the Co-ordinator's oversight of ten areas, meaning he had vastly more strategic than operational detail.

Again, the semi-structured interview method enhanced the experience. Like his LA2 and LA3 counterparts, the LA4 Co-ordinator had a great deal of 'Troubled Families' experience. My use of predetermined questions whose order could be changed based on the interviewer's perception of appropriateness (Robson 2002) allowed me to give the session the natural feel of a conversation between two experts. The interview would have been less successful if I had used an unstructured format and left to chance my ability to develop the interaction with a stranger informally into specific areas (Robson 2002). In addition, a fully structured format with predetermined questions, fixed working and a pre-set order (Robson 2002) may have stilted my interlocutor's flow and restricted his ability to talk at length about the programme.

The LA4 interview was conducted ethically (Bryman 2012). I avoided harm to the participant and myself by speaking on the telephone rather than by meeting as strangers in an unfamiliar environment. In our email exchange before the interview and in the wording chosen for the Participant Information Sheet (Appendix Twenty-Four), I took care to emphasise that the interview was for the purposes of learning more about the National Troubled Families Initiative to support improvement in the programme and Payment by Results provision. I made it clear that the interview would not challenge LA4's Phase Two delivery - in the absence of any DCLG national performance data - or question the model adopted in Phase One. During the session, although I referenced the qualitative data already gathered, I took care not to intimate that one area's approach was better than that selected elsewhere.

By presenting the LA4 Co-ordinator with a Participant Consent Form (Appendix Twenty-Five) whilst we were planning the session and again before it began, I underlined the voluntary nature of his participation and gave him the opportunity to withdraw himself and his data at any time. A few weeks following the interview, I emailed him the transcription and invited him to make any amendments to the transcription. He chose not to.

The data collection phase may have benefitted from interviewing the LA3 and LA4 Co-ordinators together to understand how delivery in the North-West exactly compared with that in the South-East. However, to save two of us a lengthy journey - and because I only had limited technology - I just interviewed the LA4 Co-ordinator on his own and from the peace and seclusion of my office.

Like his LA2 and LA3 counterparts, the LA4 Co-ordinator was an engaging, interesting speaker. He had an in-depth knowledge of the LA4 delivery model and, because he often discussed innovations with Co-ordinators in other high-performing parts of the country, he had a firm understanding of the programme elsewhere. Thus, what the session lost in not being able to make chronological, hierarchical or geographical comparisons at the point of recording, it gained in providing an overview of 'Troubled Families' in 2016 from the standpoint of a successful North-West consortium. I also did not find that conducting the interview by telephone rather than face-to-face impacted negatively upon my ability to build a rapport with my interlocutor.

The thematic narrative analysis of the Local Authority Four interview was as challenging as that of the LA3 interview as it also tightly interwove the key themes of service transformation, service delivery and the key worker. However, for the sake of consistency with the three previous interviews, the LA4 data is in the same format:

1. Service transformation
2. The local delivery model
3. The concept of the 'troubled' family
4. The programme outcomes
5. The importance of the key worker role
6. The principal's lack of insight into the 'Troubled Families' operating context

## 7. The delivery of a national programme at a local level (LA4 2016).

Service transformation was again a thread, which ran throughout the interview. LA4 had extremely good data systems and data analysis processes, which facilitated movement away from “ten different models” with “different strengths and weaknesses” towards having a “single view of what a successful delivery model will look like” linked “into broader system transformation and wider reform” (LA4 2016) (pclxiv). LA4 did not view the National Troubled Families Initiative as operating in isolation or being solely responsible for the change achieved locally. Instead, it was a vehicle for supporting LA4’s broad ambitions around service transformation.

LA4’s desire to have a single vision and to reduce duplication and inefficiency impacted upon their relationship with national and regional partners. They submitted data to DCLG as a consortium not as ten different local authorities and were to receive future funding on a regional and not an individual basis. LA4 also negotiated with partners such as health services, the Police, prisons and the National Probation Service as a one entity rather than several. Leadership was a key tenet of the local work and a recent evaluation was conducted with a view to demonstrating the collective value of ‘Troubled Families’ to LA4 with regards to its ambition around economic growth and enabling local people to take advantage of this.

Service transformation underpinned the local delivery model. LA4 recognised ‘Troubled Families’ ability to make sustained change with families with problems but presented the initiative as providing the funding to upscale existing work rather than solely encouraging the agent to work in a different way. Through extensive consultation with families, LA4 had been able to reflect on the Family Intervention Project model of intensive family work. They identified that which worked with families and currently prevented them from making changes. The cost of the FIP approach meant that LA4 could not replicate it for every family so they isolated the crucial factors that made the difference and rolled this out across the consortium. Thus, regardless of whether a family had a key worker from Social Care, the youth

offending service or the community police, they received the same standard and type of holistic family support, which included an asset-based approach and a single plan to avoid duplication and encourage agencies to share information and offer integrated services.

The local Phase Two delivery model ensured that all families received support as opposed to the costliest families as recommended by DCLG (2014a). LA4 used their data to identify two types of families in need, the current most resource-rich families and those who would require services in the future. They targeted the latter proactively with Early Help support to address the problem now rather than waiting until the family become more 'troubled'.

Theme Three explored the concept of the 'troubled' family. The LA4 Co-ordinator firmly believed "there isn't really a single view of what a troubled family is or should be" and claimed this was attributable to "granular detail around what motivates people in those communities [and] how those communities operate" (LA4 2016) (pclxix). He held the view that, although gang issues and knife crime were more prevalent in the south of the country, this was because, by definition, big cities had more families with different issues and some specific different types of issues and not because these areas were different in anyway. This was an interesting contrast to the view of the other three Co-ordinators.

When discussing the programme outcomes, the LA4 Co-ordinator acknowledged that moving families with entrenched issues into employment was challenging but a number of local innovations meant that LA4 were "relatively pleased with our job outcomes in comparison to say the Work Programme" (LA4 2016) (pclxxi). These innovations included:

- Encouraging engagement with the Troubled Families Employment Advisors
- Empowering the Troubled Families Employment Advisors to invite key workers to give greater consideration to employability
- Allowing the Troubled Families Employment Advisors to work alongside mainstream Job Centre Plus Advisors so that the aspirational, transformation, asset-based 'Troubled Families' approach was more widely adopted across the workforce
- Using a case review process to support 'troubled' families to take some steps towards employment even if they are just small ones (LA4 2016).

The LA4 Co-ordinator was keen to see the Troubled Families Employment Advisor role continue beyond 2020 due to the benefits that this provided. However, he confirmed - under Theme Five - the importance of the key worker role. LA4 showed great innovation over their attitude to this role. The consultation with families had enabled LA4 to agree a common description of a good key worker. Chief Executives across the area had then signed up to this and work was underway to develop this positive, asset-based, holistic ethos in all LA4 staff thus providing a consistent offer to families regardless of their point of entry to the programme.

The LA4 Co-ordinator praised the principal for gaining more insight into the 'Troubled Families' operating context as the programme developed, broadening the Phase Two eligibility criteria and ensuring that they were "a bit more grounded in reality" (LA4 2016) (pclxix). However, LA4's consultation with families and robust data analysis suggested that they had more insight into the operating context than DCLG.

When discussing the final point - the delivery of a national programme at a local level – the LA4 Co-ordinator noted that the local area was experiencing significant growth. In my mind, this placed LA4 closer to LA3 than LA1 and LA2 economically. However, the challenge was to engage employers so that 'troubled' families can experience

these economic benefits too. An example of this was not letting practical challenges such as having a criminal record prevent an adult getting a job and moving off workless benefit.

The LA4 Co-ordinator was not in favour of 'Troubled Families' continuing beyond 2020; believing that this gave the agent sufficient time to mainstream its holistic approach and transform local services. However, he wanted to see the Government use this vehicle to show other departments such as the Departments of Health, Work and Pensions and Education what was achieved at a local and national level. This would provide a shared understanding of:

- The achievements of the National Troubled Families Initiative
- How family support should look
- How all services must contribute to the collective whole (LA4 2016).

The LA4 Co-ordinator also wanted the principal to reflect on the programme from a national perspective to understand the positives and the negatives and use this learning to influence future provision. He was also keen to use this research project to support this reflection.

### **5.6.5 THE LA1 SENIOR MANAGER INTERVIEW**

I conducted the LA1 Senior Manager interview on 15th June 2016. It lasted ten minutes and fourteen seconds. It provided new information about the National Troubled Families Initiative. Although the transcription of the interview is relatively short, it is in Appendix Forty-One rather than appearing in its entirety here. This is to create consistency with the other four interviews.

The LA1 Senior Manager interview took place almost a year after the interview with the LA1 Troubled Families Co-ordinator. This gave me an opportunity to analyse the programme:

- Chronologically - from Summer 2015 to Summer 2016 in the local authority area of which I had the most insider knowledge
- Hierarchically - through the eyes of an LA1 strategic manager and LA1's 'operational' Troubled Families Co-ordinator
- Geographically - through the eyes of a strategic manager in the North-East and 'strategic' Troubled Families Co-ordinators from the South-East and North-West
- Socio-economically - and compare this and the other two North-East interviews with those conducted elsewhere in the country.

A number of factors led to me choosing the specific LA1 strategic manager that I interviewed:

- She was the most senior manager in the City Council who was directly involved with LA1's 'Troubled Families' programme
- She was part of the local Programme Board and always present at the strategic meetings that set the future local focus of the initiative
- We had a long-standing personal relationship
- She was supportive of me in 2004 when I began my MBA research project and I knew that she would support my investigation into 'Troubled Families'.

I therefore felt comfortable approaching her to be part of this research project and knew that the interview would be illuminating and enjoyable. As an experienced researcher, I was aware of the challenges in interviewing senior staff but, because of our personal relationship, I did not approach this interview any differently to the one with the LA1 Troubled Families Co-ordinator.

However, as with the previous four interviews, I conducted this final one ethically (Bryman 2012). We discussed the parameters of the interview by email beforehand. I shared the Participant Information Sheet (Appendix Twenty-Four) and the Participant Consent Form (Appendix Twenty-Five) during the planning of the session and again before it began. I highlighted that I designed the interview to learn more about the National Troubled Families Initiative from a strategic point of view and so improve both 'Troubled Families' and Payment by Results provision. I made it clear that I did not intend the interview to challenge LA1's delivery of the programme.

I chose not to interview the LA1 senior manager either with her operational counterpart or with the LA3 and LA4 Troubled Families Co-ordinators for ethical reasons. The former would have enabled me to learn more about the operational delivery of 'Troubled Families' in 2016 and to compare it with how the programme was currently being viewed at a strategic level. However, interviewing the LA1 Troubled Families Co-ordinator in front of a strategic colleague may have caused harm to both participants (Bryman 2012). The senior manager may have felt uncomfortable discussing her and her peers' views of the programme with an operational colleague present. The Co-ordinator may not have wished to divulge her personal opinions about the local delivery model in front of the organisation's Assistant Chief Executive. Such an interview would also have presented some logistic difficulties. The Co-ordinator departed the organisation in January 2016 and LA1 did not replace her. An interview with the LA3 and LA4 Co-ordinators would have provided the opportunity from which to gather data via:

- One strategic manager (the LA1 senior manager) in a local authority with a “failing” Children’s Social Care Service (LA1 2016) (pclxxxii)
- One strategic Troubled Families Co-ordinator (from LA3) with a strategic role across the national programme from a local authority with “a highly-rated Children’s Services, (...) a good youth offending team (...), a good, a committed Police Force” (LA3 2016) (pcxliv)
- One strategic Troubled Families Co-ordinator (from LA4) who had linkages across ten authorities and bargained with the Police and other key regional partners on behalf of the consortium.

However, I elected not to do this to both avoid asking two participants to undertake a lengthy journey or to be part of a complicated cross-country simultaneous phone call involving speakerphones and mobile telephones. I also did not wish to cause embarrassment to any of the three parties or appear as if I wanted to pitch three areas in competition with each other.

We had agreed the interview schedule beforehand. I did not present her with the same interview schedule as used with the LA1 Co-ordinator or the shortened version of this used with the strategic LA3 and LA4 Co-ordinators. Instead, I asked just three questions to provide a strategic perspective on:

- The clarity of the Phase One and Phase Two targets. I wished to test the theory that they were clear in Phase One because they were quantitative
- The ease with which the agent could measure the Phase One and Phase Two targets. I wished to test the theory that they were easy to measure in Phase One because they were quantitative but less so in Phase Two because Criterion Six required a qualitative measurement of any successful health outcomes

- The issues involved in applying the Phase One and Phase Two targets to service delivery.

The semi-structured interview method enabled me to ask these three questions plus others to probe my interlocutor further. A fully structured format with predetermined questions, fixed working and a pre-set order (Robson 2002) would have prevented this but an unstructured format where I left to chance my ability to develop the interaction (Robson 2002) would have created challenges. Even discussing 'Troubled Families' in this manner with a valued colleague may have left crucial areas unexplained. My use of predetermined questions (Robson 2002) did not affect the flow of our interaction or make the brief session seem stilted.

By the time of the interview, I had insider knowledge that the prediction of the LA1 Co-ordinator (LA1 2015a) had come true and the local authority had faced some challenges in converting work done with 'troubled' families into verifiable, attributable Phase Two outcomes that they could present to DCLG. I was therefore interested to gain a strategic view of this but to do so in an ethical, appropriate manner and not cause harm to my colleague or LA1, invade her privacy, behave deceitfully (Bryman 2012) or ask distressing or offensive questions (SRA 2003).

The interview was scheduled to take place in the LA1 senior manager's quiet office. Our acquaintanceship meant that this was perfectly appropriate and did not cause a threat to either of us. However, due to my own ill health that week, we actually conducted it by telephone. I was unconcerned by this detail because I felt secure in our relationship, now had the experience of two successful telephone interviews with senior managers that I did not know and had already provided my colleague with the interview schedule.

The change of plan did not detract from the session and I was still able to gather rich, meaningful data. The session flowed and was informal. I used it as an

opportunity to gather new data and reflect on some of the information that I had learned about other areas' Phase One performance including LA2 simplifying the national outcome framework and registering no ASB rather than ASB reduced by 60% (DCLG 2012b). I also shared my perception and that of LA3 and LA4 that health data was proving a challenge because it was measured qualitatively and not quantitatively in Phase Two. However, I took care to do this in a discreet manner that did not name any of my previous interlocutors or make any insinuations about the quality of their local offer.

The thematic narrative analysis of the response revealed the presence of two themes: the difficulty of delivering a national programme locally and the potential of 'Troubled Families' to deliver service transformation. The LA1 senior manager stated that the guidance issued by the principal in Phase One was clear. The challenge was applying the principal's definition of a 'troubled' family to the local population in LA1 and ascertaining who was in the cohort and who was not. The difficulty had lain around local families' data being on different data systems, which had to be updated and overlaid. However, the process was more difficult in Phase Two due to the "high level outcomes" (LA1 2016) (pclxxix) and the fact that the difference made with families had to be demonstrated before an outcome funding claim could be made as opposed to just achieving a clear, quantitative target. In her opinion, "there could be a better way of doing it" (LA1 2016) (pclxxx). Further complications were:

- Data protection and specifically the "data audit guardian role" (pclxxx)
- Ascertaining if families were giving informed consent or not
- The part that Health played in the programme
- The volume of families involved in Phase Two who had to be identified, worked with and 'turned around' (LA1 2016).

The LA1 senior manager applauded the overall 'Troubled Families' policy direction but noted that the backdrop to the programme of "public sector reform, the budget situation" that encouraged the agent to be innovative actually detracted from it. She hinted at the impact of the austerity measures and stated, "everything is getting cut back (...) time and personnel who actually deliver direct interventions (...) welfare reform" (LA1 2016) (pclxxxi). She noted the difficulty of getting partners to be part of the programme and make a difference; an interesting contrast with her former colleague's view of 'Troubled Families' as an "embedded model" (LA1 2015a) (pxc). This meant that it was hard to mainstream the ethos of the programme and stop partner agencies seeing it as time-consuming and separate from their core business rather than part of it. A further issue was the high standards expected of local authorities. Ofsted had branded Local Authority One's Children's Services as inadequate and placed them in the anomalous position of having a successful 'Troubled Families' programme addressing children who need help under Criterion Three (DCLG 2014b) but where Social Care practice was not actually good enough.

## **5.7 THE THEMATIC ANALYSIS OF THE QUALITATIVE INTERVIEW DATA**

The thematic narrative analysis of the five interviews was followed by their thematic analysis. This enabled me to:

- Comprehend four hours-worth of qualitative data
- Integrate related data drawn from five different transcripts, four geographical areas and across almost one year
- Explore further the key themes of service transformation, the concept of the 'troubled' family, the programme outcomes, the local 'Troubled Families' delivery model, the importance of the key worker role, the principal's lack of insight into the 'Troubled Families' operating context and the delivery of a national programme at a local level

- Develop and test explanations and theories based on apparent thematic patterns or relationships
- Draw and verify conclusions about the case study of the National Troubled Families Initiative that could support the achievement of targets in Payment by Results provision (Saunders et al 2016).

I drew seven propositions directly from the thematic analysis of the Phase One DCLG national and LA1 local quantitative data (DCLG 2015c and LA1 2015b) and the narrative analysis of the five qualitative interviews and tested these.

### **5.7.1 Proposition One**

*The real value of the National Troubled Families Initiative is not to make sustained change with families with problems by, for example, reducing their entrenched anti-social behaviour, youth crime, poor school attendance and worklessness but to encourage local services to work together in a transformative way to reduce duplication and create efficiencies by offering, targeted, preventative holistic family support*

This proposition rejected the notion propagated by the Phase One eligibility criteria (DCLG 2012b), the DCLG Phase One national performance data (DCLG 2015c) and the unpublished Phase Two performance data that achievement under the four key performance indicators was the most important outcome of the programme. The length to which the four interlocutors who either held a senior role in their authority or were Wave One Early Starters discussed this proposition reflected:

- The importance of service transformation to them
- The role of the National Troubled Families Initiative in achieving service transformation

- The need for the agent to be transformational in order to achieve the programme's targets.

30% of the Local Authority One senior manager's interview (LA1 2016) comprised service transformation. 36% of the LA2 Co-ordinator's testimony discussed service transformation and specifically referred to "a way of working that might transform quite a few other things" and "the service transformation agenda" (LA2 2015) (pxcviii and cv). 37% of the LA3 Co-ordinator's testimony referenced service transformation. Interestingly, the third sector consortium commissioned by Local Authority Three to achieve positive outcomes with their "untransformed families" (LA3 2016) (pclvii) was called 'Transform'. 67% of the Local Authority Four interview discussed service transformation and the phrases "broader system transformation and wider reform" and "our broader ambitions around service transformation" appeared (LA4 2016) (pclxiv).

The three Wave One Early Starters claimed that the National Troubled Families Initiative supported rather than launched their desire to adopt multi-agency holistic family working as a means of transforming local services. LA4 had taken the greatest strides in transforming local services including viewing the initiative as a consortium of ten authorities rather than separate areas and negotiating collectively with the agent and other key partners such as the Police and National Probation Service. Their Co-ordinator claimed that 'Troubled Families' had provided much needed funding for their work with 'complex' families. This had enabled LA4 to upscale existing services or those that needed to be in place. Without the initiative, local delivery would have been very traditional and based on the FIP approach. With 'Troubled Families', LA4 had developed innovative work based on a shared understanding of what a good key worker was and a common desire to embed this across the area; an asset-based approach that built on families' strengths and holistic, multi-agency support where partners communicated and each family had a plan.

LA2 and LA3 concurred with this view. The National Troubled Families Initiative had given “impetus” (LA2 2015) (pcxxxiii) to the whole systems approach that LA2 were moving towards anyway. It enabled partners to work ‘with’ families with complex needs rather than sanction them and improved collaboration between Adult Services and Children’s Services. The programme funding had also enabled LA2 to meet the shortfall in their budget in Phase Two and link all partner agencies into a shared family outcomes plan. In LA3, ‘Troubled Families’ provided a “catalyst” and helpful “seed funding” (LA3 2016) (pcxli) for work that local partners committed to and which reaped a conservative estimate of £2.4M per annum of costs avoided including £1,300,000 for DWP.

There was some frustration that the transformational ability of the National Troubled Families Initiative was not more widely recognised. The LA2 Co-ordinator called for more acknowledgement of the culture shift in terms of how partner agencies now worked together to deliver family services rather than just a focus on the measurement of families’ progress. The LA4 Co-ordinator advised the principal to reflect on the programme’s achievements and to use this learning when designing future programmes.

In a related issue, it is noticeable that the principal presented ‘Troubled Families’ as a programme in which the English local authorities worked with other stakeholders including Health partners (DCLG 2012b and DCLG 2014a). DCLG (2014a) claimed that a new national health offer launched in November 2014 included a new protocol to enable the safe sharing of health information with troubled families’ key workers. However, all five participants spoke of the need for Health to commit more to the ethos of the programme rather than erect barriers. The London Rough Sleepers Project highlighted data protection and the unavailability of key health information thus suggesting that this is an on-going concern across Payment by Results provision. In the context of ‘Troubled Families’ only LA3 had taken definite steps to address the issue by recruiting a health secondee to the local programme. Thus, it appears that, while the agent and its partners transformed services at a local level, the principal and its partners at a national level were not replicating this.

### 5.7.2 Proposition Two

*Despite being a Payment by Results programme, the National Troubled Families Initiative's outcomes framework lacked clarity and ease of measurement*

The literature stated that the principal should set clear expectations for performance in their Payment by Results provision (NAO 2015) and that an effective outcome must have clarity and complexity, be verifiable and attributable and factor in deadweight (Webster 2016). In Phase One, the principal required the agent to reduce 'troubled' families' ASB by 60% and their youth offending by 33%, improve their school attendance to 85% or more and move adults into training or employment (DCLG 2012b). Such was the significance of this issue to the four participants whom I quizzed; the programme outcomes framework comprised 39%, 33%, 33% and 50% of our interviews (LA1 2015, LA2 2015, LA3 2016 and LA1 2016).

The LA1 Senior Manager agreed that the guidance issued by the principal in Phase One was clear. Any difficulties had been local ones and related to families' data residing on several databases thus making identification difficult. However, two challenges were present in Phase Two; the "high level outcomes" (LA1 2016) (pclxxix) and the fact that, rather than achieving a specific quantitative target with the families, the agent had to demonstrate the difference made with them before requesting an outcome payment. The volume of families in the Phase Two system and the barriers erected by Health partners who did not wish to share families' personal health information increased the difficulty of this task.

The LA2 Co-ordinator echoed these concerns and noted that some information from health was still outstanding from the local family outcomes plan. Phase Two required the agent to track "thousands and thousands and thousands of bits of data" (LA2 2015) (pcxi) so that they could evidence the progress of each family member in each relevant entry criteria. LA2 used their database to great effect in Phase One to both identify families already receiving a service that could be extended to reach the

whole family and those who had triggered a payment. However, they were concerned about their lack of “an all-singing, all-dancing case recording system” in Phase Two (LA2 2015) (pcxii).

LA2 overcame one challenge posed by Phase Two by only targeting work at family priority groups for which they could collect baseline data and then measure their progress. Thus, there was no outcome for young carers although LA2’s policy of supporting all families in need meant these youngsters would still receive a service where required. LA2 also took a preventative approach for example targeting families characterised by school lateness and well as poor school attendance therefore preventing rather than reacting to ‘troubles’

Although the Phase One outcome framework appeared simple, in that it provided clear quantitative targets for the agent to aim at, it did allow some unintended consequences. Therefore, LA1’s Phase One performance (DCLG 2015c) included families who achieved success within the programme, families who did not receive a service and ‘turned around’ themselves, families whom an agency outside of ‘Troubled Families’ ‘turned around’ and families who made no change but no longer meet the eligibility criteria. LA2 and LA3 audited their claims to remove these “freebies” (LA3 2016) (pcl). However, LA1’s legitimate making of such claims means that the principal funded three types of ‘successful’ family outcome and one type of ‘unsuccessful’ family outcome in Phase One; something backed up by my own personal experience of the local programme.

The LA1 Co-ordinator was adamant that these anomalies would be removed from the Phase Two outcomes plan and only families who made a positive change in the context of the programme would be claimed for but predicted that it would be difficult to “get families out at the other end” (LA1 2015a) (plxvii-lxxviii) and evidence tangible claimable progress. She also noted that national legislative changes must make health data easier to obtain.

Her North-Eastern colleague revealed that Local Authority Two had actually simplified the Phase One performance framework (DCLG 2012) and claimed for families who had completely ceased committing ASB rather than those who committed 60% less. This represented value-for-money for the principal but also indicated that there was no consistency between the final performance data reported by the principal (DCLG 2015c). Here, 'success' therefore ranged from families who had either completely ceased misbehaving in their communities or who had committed only four offences recently rather than ten. This therefore makes it unclear exactly what Phase One achieved, an unsatisfactory state of affairs for a Payment by Results programme.

Changes in the environment can have an unforeseen impact on PbR provision. Welfare reform meant that the agent of the London Rough Sleepers Project anticipated finding it easy to reconnect non-UK nationals with their home country as individuals from the European Economic Area could only claim housing benefit in specific circumstances (DCLG 2015a). Therefore, any future success in the 'reconnection' outcome was likely to be attributable to fate as much as specific work. Athletes' potential future abilities to mask their use of performance enhancing drugs will impact on Team GB's medal success and record-breaking. Therefore, they must continue to invest in elite athletes' performance and marginal gains to overcome this. These examples illustrate that, while the principal cannot always predict the future impact of the environment on their PbR provision, gaining true insight into the operating context (NAO 2015) and predicting potential unintended consequences can remove some opportunities for the agent to exploit the principal and clearly show the difference that the PbR provision has made to the service user.

### 5.7.3 Proposition Three

*The key worker role is integral to 'troubled' families achieving positive outcomes while the Troubled Families Employment Advisors are crucial to increasing the numbers of 'troubled families' in employment.*

The theme of the key worker role did not capture the imagination of my interlocutors as much as service transformation and the programme outcome framework.

However, the importance of the key workers to the delivery of 'Troubled Families' was evident by the fact that this discussion comprised 17% of the interview with the LA2 Co-ordinator, 11% of the interviews in Local Authority One and Four and 9% of the LA3 interview.

The testimony of the four Troubled Families Co-ordinators clearly placed these "super beings" (LA2 2015) (pcxix) at the heart of integrated, multi-agency family support. So committed were LA4 to the role, they identified the essential qualities of a key worker and agreed at Chief Executive level to cascade this ethos throughout their delivery so that service users received a co-ordinated, asset-based service regardless of their point of entry. Where LA1 and LA2 specifically commissioned mentoring, training and support to their frontline workforce and LA2 worked to improve their managers' supervisory skills, LA3 allowed their ten local delivery areas to commission the workforce development that they needed to meet local needs. Phase Two saw LA1 working hard with partners to convey the message that all family services had a part to play in achieving positive outcomes with service users and working towards the programme targets.

The success of the 'Troubled Families' key worker role mirrored that of the Rough Sleepers' navigators whose innovative work achieved progress with their service user cohort. Team GB mirrors this with the relationship between athletes and their coaches. The Delaware Substance Misuse Programme supports its service users through greater access to staff via expanded opening hours (Webster 2016).

Another group of 'Troubled Families' staff singled out for praise were the Employment Advisors seconded from Job Centre Plus. The Co-ordinators saw them as making the greatest impact on moving the families closer to employment. They had raised awareness of local jobs, challenged key workers to be more aspirational about local 'troubled' families, supported them to discuss employability with the families, targeted young people in LA3 who were closer to the jobs market, took an asset-based approach and encouraged families with resources such as a pick-up truck to become self-employed. There was the suggestion that economically depressed areas such as LA2 needed additional investment in the local economy to create jobs. Further work was required with employees to encourage them to remove barriers to 'troubled' families working such as criminal records checks and to consider employing someone with a complex lifestyle as a means of supporting them away from this.

This praise of the key workers and Troubled Families Employment Advisors confirmed my personal experience of the importance of their roles to my local 'Troubled Families' programme.

#### **5.7.4 Proposition Four**

*'Troubled' families are not the same across England.*

The comparison of the LA1 Phase One quantitative data (LA1 2015b) with the entry criteria that the national cohort of Phase One families met (DCLG 2012b) revealed that 'troubled' families are not the same across the country. Indeed, more of the LA1 Phase One cohort met each of the three eligibility criteria of youth crime and ASB, school issues and worklessness than the national cohort and appeared to have further to travel to 'turn around' their 'troubles. The four Troubled Families Co-ordinators found this issue of interest and discussed it on average for 6.5% of their interviews.

There was some disagreement between the four Troubled Families Co-ordinators as to whether 'troubled' families were the same or not. The LA1, LA2 and LA3 representatives saw families from the South or London as having a specific set of issues relating to violent crime. These included "gang-related issues (...) knife crime (...) gun crime (...) the extremism agenda" (LA1 2015a) (plxxvii). The LA1 Co-ordinator also highlighted that the 'troubles' of rural families' were very different to those of families residing in inner cities. The LA4 Co-ordinator agreed that 'troubled' families were different but extended the concept, believing that:

"There isn't really a single view of what a troubled family is or should be so you know whether it is kind of based on different cultures and different demographics" (LA4 2016) (pclxix).

This caused an issue for the agent who the principal asked to affect specific change with a particular type of service user in return for a uniform payment without truly understanding the diversity of that service user. This is an argument in support of segmentation (Webster 2016) and the adoption of a varying attachment fee as suggested by the LA3 Co-ordinator.

There was consistency in the acknowledgment that different stakeholders had different perceptions of 'troubled' families. The two North-East Co-ordinators noted that the public held a stereotypical view of 'troubled' families promoted by media output such as "Benefit Street" (LA2 2015) (pc). They saw them as "neighbours from hell" (LA2 2015) (pc) and:

"A person with nine kids who doesn't go out to work, whose kids cause a load of problems in the neighbourhood, who are always fighting in the streets, drinking" (LA1 2015a) (plxxvii).

This view contrasted with the key workers who saw their “vulnerabilities” (LA2 2015) (pci) and perceived them as “dysfunctional” (LA1 2015a) (plxvii) rather than ‘troubled’ and the families themselves who did not recognise themselves as ‘troubled’, just as dealing with life.

This is an argument against labelling service users with a negative term such as ‘troubled’ when they are in fact ‘vulnerable’ and managing difficult circumstances in the best way that they can and is a useful lesson for future funders, principals and agents of PbR provision to address social need.

### **5.7.5 Proposition Five**

*Despite the principal’s guidance, the agent is working with all Phase Two ‘troubled’ families and not just those costly families with multiple problems who are most likely to benefit from a whole-family approach*

The principal clearly invited the agent to work in Phase Two with families presenting the “highest cost to the public purse” who were “most likely to benefit from an integrated, whole family approach” (DCLG 2014a:7). The four Troubled Families Co-ordinators discussed this challenge for an average of 5.75% of their interviews.

All four Co-ordinators welcomed the broadening of the eligibility criteria for Phase Two (DCLG 2014a) but made it quite clear that they viewed this Phase as encouraging preventative work with all families in need rather than those with the most entrenched issues. The principal may address this issue during the Phase Two spot checks. However, potentially by asking the agent to demonstrate progress with families rather than begin with a quantitative baseline, identify families who did not meet this and then work with them to achieve a specific numeric target, DCLG permitted this practice.

The Delaware Substance Misuse Programme has an element of prevention like 'Troubled Families' Phase Two. Although all of its clients are already substance-misusing offenders and therefore in 'trouble' rather than moving towards it, its three-level structure allows preventative work with lower level male and female offenders and is not only open to higher level prisoners with up to eighteen months still to serve (State of Delaware 2016). The London Homeless Project too supported a range of clients including those from Central and Eastern Europe who came to the UK to work, lost their jobs and became homeless. These European clients generally had construction skills, were closer to the labour market and did not have the complex barriers of substance misuse and mental health illness (DCLG 2015a).

The notion that PbR can prevent future 'trouble' as well as address current 'trouble' is significant and funders, principals and agents should note it.

#### **5.7.6 Proposition Six**

*The principal did not have enough insight into the operating context when designing the National Troubled Families Initiative.*

The literature is very clear that the principal must develop insight into the operating context before designing their PbR scheme (NAO 2015). Prior to designing 'Key', 'Crest' and 'Aftercare', the State of Delaware developed insight into the extent of their offender population's substance misuse issues, its impact on reoffending rates and the seven-fold bonus that investment in substance misuse-treatment reaped (State of Delaware 2016). Team GB's Olympic and Paralympic Programme continues to develop insight into the operating context and invest in marginal gains to achieve their targets (Fordyce 2016 and Hudson 2016). In contrast, DCLG did not gain insight into the operating context before launching 'Troubled Families'; particularly around not even having a clear idea of how many families in England actually committed ASB and youth crime and did not engage with education or

employment (Levitas 2012). They had also not consulted 'troubled' families when designing the programme.

This lack of insight was crucial to Local Authority Two and Three and led to some limited discussion in all four Troubled Families Co-ordinator interviews. LA2 and LA3 lost out significantly and materially in Phase One because of it. Local data informed the former that they had 80% more 'troubled' families than their target while the latter had 372 more Phase One 'troubled' families than the DCLG figure. The principal's lack of insight into the number of eligible families in each local area therefore cost the two authorities up to £3,232,000 and £1,488,000 in outcome funding.

Local Authority Two made up for this oversight by analysing their own local situation to understand what was already in place and what new provision was needed to achieve the programme's targets and collect the full funding allocation:

"I think for the first six months I think from the March to the September I probably spent a lot of time looking at you know building partnership arrangements that we could get data sharing in place, we could get those sort of that data in, you know and looked at I suppose again we used quite an analytical approach in saying if we did nothing what would we achieve if we used the kind of false criteria that we had. So we have this is what our sort of you know situation normal nothing changes so in fact what do we need to do to enhance that. Where do we get those kind of results? So we looked at the kind of you know, where would we have had success? So that kind of informed a kind of thematic approach then to say that we needed to work in particular areas (...) We already knew that we had quite a good platform of intensive family support services so we built on some of that (...) we kind of selected our groups of 1010, we knew not all of them were going to need or tolerate intensive family support. So it was kind of a third, so we knew probably about a third of that group would need intensive family support. About a third would need kind of focused work in an integrated way Team Around the Family and then a third would need kind

of like much more community-based interventions. So that is where we kind of like you developed our programmes” (LA2 2015) (pcii-ciii).

The interviews illustrated that the agent had largely yet to recognise the importance of speaking to the families to gain insight into their needs. The LA1 Co-ordinator was unmoved by the previous lack of consultation with the programme’s service users and had no plans to involve families in the delivery of Phase One. Local Authority Two had also not listened to the voices of their families in a significant way although service users did inform the development of intensive family work by feeding back to individual providers. The LA3 Co-ordinator was aware that families could make a greater contribution to the programme and resolved to encourage local providers to use them as a resource in Phase Two to build community resilience. Only Local Authority Four had truly placed their families’ voices at the heart of their offer. They ascertained the drivers and barriers to local families’ success and built their delivery model around this.

The interview transcriptions therefore revealed the significant material impact that the principal’s lack of insight into the operating context can have upon the agent but showed that the ‘Troubled Families’ agent was slow to consult their service users to ensure that the programme met their needs and would achieve its targets because of this.

### **5.7.7 Proposition Seven**

*The principal of the National Troubled Families Initiative required the agent to manage unacceptable financial risk.*

Both Phases of the National Troubled Families Initiative required the agent to work at risk, an issue that the Troubled Families Co-ordinators briefly referenced. The principal only released the full programme funding when the agent was able to

demonstrate the achievement of the requisite outcomes. This offered a particular challenge to LA2. The austerity measures hit them heavily (Appendix Two) and included a £5M cut to their family services in 2015. The authority overcame this disadvantage by building the 'Troubled Families' service delivery model around ensuring that the programme's targets were reached so that they could claim all of the funding available. This presented an interesting contrast to the other heavily-cut North-East local authority (Appendix Two) whose Co-ordinator spoke of Phase Two as "an embedded model" where they "don't use the money for anything" (LA1 2015a) (pxc). Therefore, making it unclear to what extent LA1 relied on the 'Troubled Families' outcome funding.

Despite LA2's financial pressures, they had refused to pass the 'Troubled Families' financial risk onto their voluntary sector commissioned providers although they had asked them to work towards achieving the Phase Two family outcome plan and periodically collected data from them. LA3 had shown similar leadership and actually paid their commissioned provider more than the £4,000 available from DCLG in Phase One to 'turn around' their most 'troubled' families.

LA3 were in the fortunate position of being able to supplement their Phase One 'Troubled Families' model with £1.4M-worth of County Council and Health funding and thus work with all families requiring support in Phase One rather than just those who met the eligibility criteria (DCLG 2012b). They also viewed the Phase One attachment fee as being sufficient to meet the needs of their local families and saved up the outcome fee.

Despite LA1 and LA2 suffering significantly from the austerity measures (Appendix Two) and the latter using the programme funding to underpin existing delivery rather than commissioning new provision neither Co-ordinator objected to DCLG offering the same reward for success regardless of the resources of each local authority or the reduction in the fee per family for Phase Two. This significantly challenged my own assumptions about their views. Both described the latter as commensurate with

a programme that had to achieve success with 400,000 families rather than 120,000. The LA3 Co-ordinator was clear that a funding structure that took into account the agent's resources beyond the programme was unfair, as it would suggest that one set of service users were more valuable than another set. However, he conceded that 'segmentation' (Webster 2016) based on the number of eligible criteria that entrants met was one possible way to adjust the size of the attachment fee.

The example of the Delaware Substance Misuse Programme and the London Homeless Project underlined the importance of getting the performance framework completely right. The former had proxy indicators, which were as effective as outcomes (Webster 2016). The latter challenged the agent who was negatively affected by the principal's lack of insight in the operating context of rough sleepers. For example:

- The baseline measure of reduced rough sleeping failed to recognise that some successful clients still sleep out occasionally
- Some clients volunteered but for less than eight hours per week thus meaning no claim could be made for this key step in their progress
- The health metric quantitatively measured Accident and Emergency admissions. However, this data was hard to get and not the optimum measurement of individual wellbeing (DCLG 2015).

Collectively, these issues reduced the opportunity for the agent to draw down all of the programme funding. Perhaps, if the principal had not provided 40% of the funding through the stable accommodation outcome, the project would not have been financially viable.

These lessons coupled with those from 'Troubled Families' illustrate the need for the principal to fully understanding the operating context before designing their PbR

provision and potentially 'exploiting' the agent by passing the financial risk onto them.

## **5.8 SUMMARY**

Chapter Five comprised the creation and interpretation of new knowledge (K1). This knowledge came from my analysis of the Phase One DCLG national and LA1 local quantitative data provided by the principal and the agent of the National Troubled Families Initiative and the qualitative data gathered during the five semi-structured interviews with employees from four local areas in which 'Troubled Families' was delivered. Chapter Five showed my ability to make informed judgements in the absence of complete data - particularly quantitative data - on complex issues relating to Payment by Results and the National Troubled Families Initiative case study (S1). It also illustrated my aptitude for undertaking applied research and development at advanced level to contribute substantially to the development of a new approach to target achievement in PbR (S2) and my ability to exercise personal responsibility and largely autonomous initiative - as a lone insider researcher - in complex and unpredictable situations in professional environments (S3).

The knowledge gained during the research project significantly increases the understanding of the National Troubled Families Initiative. It also challenged my considerable 'Troubled Families' insider knowledge; particularly with regards to LA1 and LA2's positive management of financial risk and their refusal to allow local austerity measures to detract from the programme delivery. The new knowledge supplements Hoggett et al (2014) and Hayden (2015) in two ways. Firstly, because I was an insider researcher with an existing knowledge of the programme and collected and analysed data from across the country and from operational and strategic employees of the agent rather than just focusing on a single city. Secondly, because I drew on my existing knowledge of the business and management literature and used the lens of Stakeholder Theory and Agency Theory and Payment by Results good practice through which to regard the programme.

Chapter Six will interpret the new knowledge created by this research project, which is of a quality to satisfy peer review, extend the forefront of professional practice in Payment by Results provision and merit publication (K1). I will clearly communicate my practical framework for target achievement in PbR and recommendations for improved target achievement in the National Troubled Families Initiative in a manner understandable to specialist and non-specialist audiences (S1). I will also display my aptitude for applied research and development at advanced level and substantial contribution to research in Payment by Results (S2).

# **CHAPTER SIX – A PRACTICAL FRAMEWORK FOR ACHIEVING TARGETS IN PAYMENT BY RESULTS PROVISION AND THE RECOMMENDATIONS OF THE RESEARCH PROJECT**

## **6.1 INTRODUCTION**

Chapter Six presents a practical framework for achieving targets in Payment by Results provision. It provides an example from the ‘real world’ of public sector PbR provision to direct policy and to instruct strategic and operational managers how to use the framework as a management tool for target achievement. This ‘real world’ scenario is a mentoring project for vulnerable young people aged 5-25, which Local Authority Two (LA2) intend to commission in 2017. However, the dynamic nature of this management tool means it can be applied beyond the world of ‘troubled’ families and vulnerable young people. The framework can be generalised for all PbR provision. It can be used locally, regionally and nationally across the public sector wherever target achievement and the provision of value to stakeholders is required. Thus, it can be applied in policing and law enforcement; defence and homeland security; health - in settings as diverse as GP practices, hospitals and Clinical Commissioning Groups; primary, secondary, further and higher education; and training and employment. Chapter Six closes with recommendations for the achievement of the requisite Phase Two ‘Troubled Families’ targets locally and nationally.

The applicability of the tool across a breadth of public sector PbR provision renders it extremely commercially viable. There will be less wastage in schemes managed by the framework. Less wastage creates efficiencies for the principal and means that the agent can effectively utilise more of the available outcome funding. This offers further positive outcomes. The resulting efficiencies can fund further Payment by Results schemes led by the principal, create additional jobs for the agent and generate further good outcomes for other service users. For example, if the practical

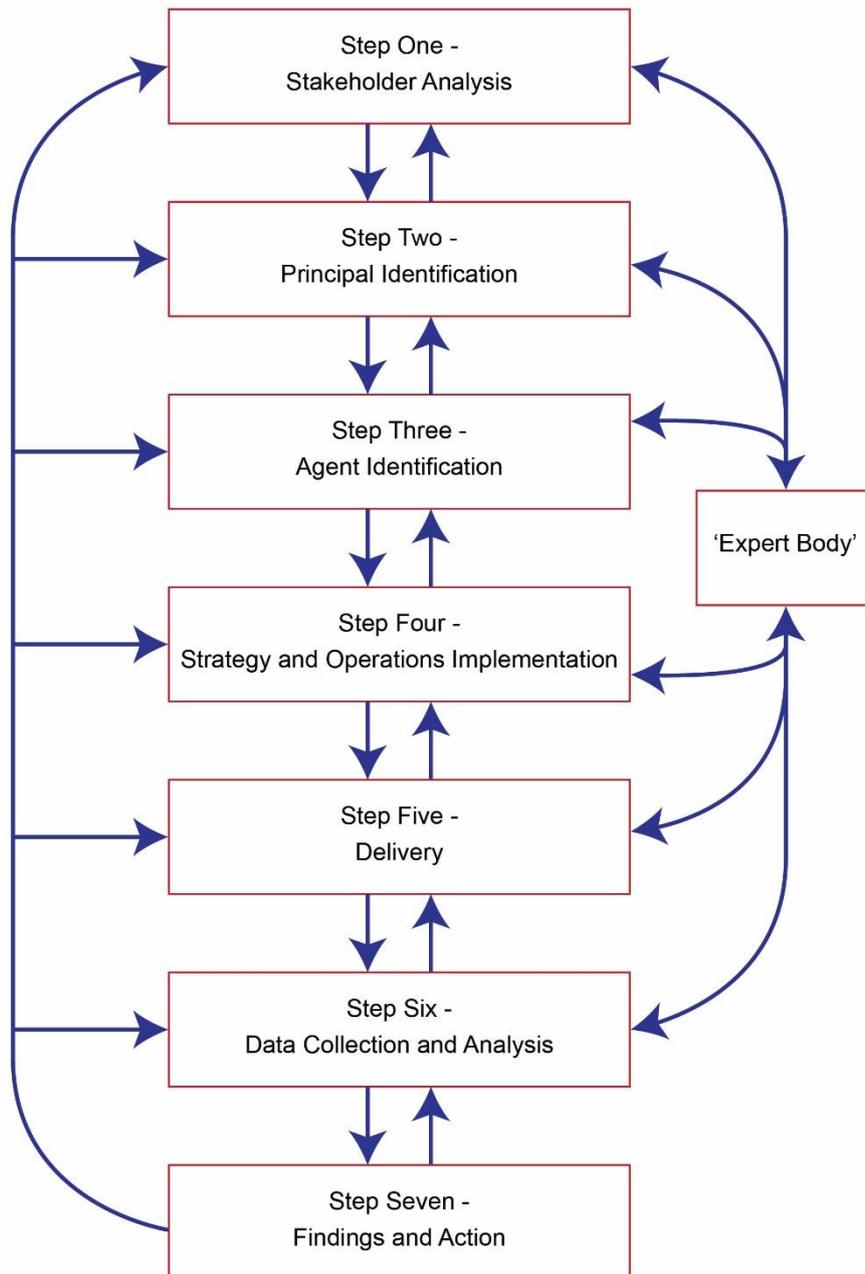
model was to be applied within the adult offending sector with a view to reducing re-offending and moving former prisoners into stable accommodation and employment and into better health, the resulting programme would create efficiencies by reducing the money spent on policing, court services and custody and the scheme would be managed robustly with less wastage. The ex-offenders would achieve positive outcomes, lead healthier and more economically-productive lives and become taxpayers rather than users of tax that needed to be fed and accommodated in prison. The population would see their taxes used to create jobs, which would then have a further positive impact on the economy. The success of such provision may reap additional commercial benefits empowering the public sector to bring more services in-house rather than subcontracting them to the private sector or even selling the PbR framework to the private sector or other countries wishing to benefit from Payment by Results delivery.

This new knowledge about target achievement in Payment by Results provision came from original insider research. This research reflected upon the Stakeholder Theory, Agency Theory, Payment by Results and management practices literature. I then collected and analysed 'Troubled Families' data from the Northeast, Southeast and Northwest of England rather than just the local authority, which employed me. Although this research has some limitations, which will be explored later in the chapter, I firmly believe that it will satisfy peer review, extend the forefront of professional practice and merit publication (K1). Chapter Six exemplifies my ability to communicate my ideas and conclusions clearly and effectively to specialist audiences with knowledge of Payment by Results and 'Troubled Families' and non-specialist audiences who are not versed in these areas (S1). It also demonstrates my aptitude for applied research and development at advanced level and substantial contribution to research in Payment by Results (S2).

## **6.2 A PRACTICAL FRAMEWORK FOR ACHIEVING TARGETS IN PAYMENT BY RESULTS**

The Stakeholder Theory, Agency Theory and Payment by Results literature and the qualitative analysis of the Phase One DCLG national quantitative data (DCLG 2015c), the LA1 local quantitative data (LA1 2015b) and the five interviews (LA1 2015a, LA2 2015, LA3 2016, LA4 2016 and LA1 2016) revealed a practical framework for achieving targets in Payment by Results provision. The framework comprises seven steps:

Figure 6.2 - A Practical Framework for Achieving Targets in Payment by Results Provision



Strategic managers implement the first three steps of Stakeholder Analysis, Principal Identification and Agent Identification. Strategic and operational managers carry out Steps Four, Six and Seven - Strategy and Operations Implementation, Data Collection and Analysis and Findings and Action. Operational managers implement the fifth step of Delivery.

### **6.3 THE 'REAL WORLD' APPLICATION OF A PRACTICAL FRAMEWORK FOR ACHIEVING TARGETS IN PAYMENT BY RESULTS PROVISION BY STRATEGIC AND OPERATIONAL MANAGERS**

Local Authority Two (LA2) is in the early stages of using the practical framework for target achievement in Payment by Results provision to commission a PbR scheme to improve the life chances of the city's residents. Their analysis of quantitative data from the city's 16-18 population and of qualitative data gathered from fifty youngsters from this age cohort revealed that young people who required support from Children's Social Care between the ages of 0 and 18 were more likely to experience negative outcomes such as teenage parenthood, homelessness, no qualifications and unemployment than those who had no such intervention (Local Authority Two 2017). This data encouraged the local authority to:

- Seek ways to support families with offspring aged 0-18 at an early stage and thus not need a Tier 4 intervention
- Achieve improved outcomes with those families currently open to Children's Social Care and de-escalate them to Tier 3, hopefully never to return to statutory support.

LA2 saw a mentoring service as one route to achieving this and I have provided LA2 strategic and operational managers with the following tool to ensure successful target achievement in this provision.

## Step One – Stakeholder Analysis

The LA2 commissioner must develop insight into the operating context before designing the Payment by Results provision (NAO 2015). This insight is fundamental to the commissioner being able to:

- Clearly articulate the need for the young people’s mentoring programme to the principal and the agent, an essential ingredient for the relationship between these two parties to have a firm base (See Figure 2.3.1a)
- Identify all the stakeholders who can affect or will be affected by the provision’s achievement and upon whom it will be dependent (Freeman and Reed 2014)
- Learn valuable lessons from recent PbR good practice and prepare the programme for internal and external change and challenges (Freeman 2010).

For the correct management of the PbR provision at the outset and during its lifetime this insight has five sources:

1. An in-depth scoping exercise to clearly identify the exact need for the mentoring programme

This will identify whether the aim of the PbR is to improve outcomes, improve outcome focus, achieve value-for-money, improve service quality, innovate, open up the market to new entrants, defer payment until later in the programme or reduce inequalities (Webster 2016). The successful management of the Delaware Substance Misuse Programme drew from the insight that substance misuse was a huge issue in the state’s offender population, had the potential to increase the reoffending rate above seventy per cent but would repay sevenfold every dollar spent on intervention and treatment (State of Delaware 2016).

LA2 identified that a mentoring programme was needed to improve young service users' outcomes by preventing them from needing intervention during childhood or adolescence from Children's Social Care or reducing their time spent involved with Children's Social Care. Their quantitative data suggested that this reduced interface with Social Care would reduce inequalities relating to emotional, physical and mental health, education, training and employment and housing. By choosing PbR, the LA2 commissioner also anticipated deferring payment until later in the programme. The scoping exercise will also identify the 'real world' stakeholders (Appendix Ten) - including the target audience for the provision - and examine the impact that the provision will have upon them. By understanding who its stakeholders were at the outset, the Delaware Substance Misuse Programme was then able to have a positive impact upon each stakeholder group:

- The agent benefitted from a clear tripartite structure to follow whose demonstrable positive outcomes offered outcome funding
- The workforce gained from being part of a successful, innovative programme
- The offender population achieved improved outcomes and life chances through reduced substance misuse and re-offending
- The Delaware populace enjoyed less offending in their community and a smaller percentage of their taxes spent on punishing re-offenders.

I advised LA2 to draw upon the 'Real World Stakeholder Theory Grid' (Appendix Ten) to identify their key stakeholders. When I completed this exercise myself, I identified:

Table 6.2.1 - The 'Real World' of the LA2 Mentoring Payment by Results Programme

	<b>Formal or Voting Power</b>	<b>Economic Power</b>	<b>Political Power</b>
<b>Equity Stake</b>	-Central Government		
<b>Economic Stake</b>		-LA2 -Philanthropic Organisations -Wider Public Sector -Wider Voluntary Sector -Trade Unions	-Trade Unions
<b>Influencers</b>			-Employees - Young People (Service Users) and Their Families - Academics -Local Electorate -Local Political Parties -Media -Organisations that Campaign on Behalf of Young People and Families -Wider SIG

(Based on Freeman and Reed 2014)

I believe that one flaw of DCLG's design of the National Troubled Families Initiative was their failure to identify the families as a key stakeholder. My insider knowledge suggested this led to DCLG applying the pejorative term 'troubled' to the recipients of the programme and publishing DCLG (2015b) which portrayed 'troubled families' and the 'taxpayer' as two entirely different sets of people and suggested that the former were a financial drain on the latter. I anticipate that, by identifying the key stakeholders for their mentoring programme including local young people and their families, LA2 can avoid promoting negative views about local service users at the outset

2. A full review of relevant home and overseas Payment by Results literature

This will identify specific and general good practice for the LA2 mentoring programme to follow and pitfalls to avoid. I advised LA2 to carry out three tasks:

- Examine the national and international good practice literature appertaining to mentoring schemes for children, young people, and young adults
- Study the two reports written following the qualitative evaluation of the London Homelessness Project, the internal economic impact evaluation and final report, all of which DCLG (2015a) highlighted. This will help them to understand how to manage a programme designed to address a number of issues and improve outcomes for disadvantaged service users. Perhaps if the Department for Communities and Local Government had examined good practice literature more widely before launching 'Troubled Families', they would not have built Phase One on an outcome framework that enabled the agent to claim for families who had made no change (LA1 2015a) just ceased to meet the eligibility criteria
- Learn from poorly managed provision such as the aborted HMP Leeds pilot (NAO 2015) and so avoid mistakes already made by others

3. A detailed consultation with all stakeholders relevant to the mentoring programme including the service users (Sheil and Breidenbach-Roe 2014 and Crowe et al 2014)

If the commissioner consults the service users with the social need and is clear "what is it they need and also how (...) the current system (...) prevents [them] from making those changes" (LA4 2016) (pclxvii), they will understand from the outset how the provision must be managed to engage, retain, progress and achieve positive outcomes with the target cohort. I have advised Local Authority Two to supplement the qualitative data already gathered from fifty youngsters aged 16-18 by consulting the stakeholders from the 'real world' of the LA2 mentoring Payment by Results programme (Table 6.2.1); in particular potential service users. This will

enable local young people to advise the commissioner of their exact needs prior to the commissioning of the provision

#### 4. A review of current or planned provision targeted at the 5-25 age group

This will prevent duplication such as occurred when the National Troubled Families Initiative launched months after a similar programme to move families with multiple problems into employment (NAO 2013), an action that had the potential to trigger principal and agent failure. In such an instance, if one agent is more successful at engaging service users than the other, the latter will miss their outcome and funding target and the contract will not be financially viable for them to deliver. Alternatively, in this example, both agents may work with and claim identical outcomes for the same service users thereby 'exploiting' the principal (Miller and Sardais 2011) and failing to provide 'value' (Bosse and Phillips 2016).

I advised LA2 to review the local, regional and national landscape for related current or planned provision for children, young people and young adults. My insider knowledge suggests that there is no current or planned provision that directly duplicates their proposed mentoring programme. However, a more thorough execution of this task may reveal schemes that I am unaware of. As the National Troubled Families Initiative runs until March 2020 and offers holistic family support to families on the cusp of or open to Children's Social Care, the LA2 commissioner must ensure that the proposed programme does not duplicate the local 'Troubled Families' offer

#### 5. A horizon-scan of the environment

This will identify negative and positive influences upon the mentoring programme. It encompasses national issues such as legislature changes. These meant, in the case of the London Rough Sleepers Project, that it was easier to repatriate foreign nationals who were no longer entitled to UK welfare benefits (DCLG 2015a). Local issues are also crucial and caused difficulties such as agents like Local Authority One struggling to deliver 'Troubled Families' with a Children's Social Care Service branded "failing" by Ofsted (LA1 2016) (pclxxxii). The former change meant that one

outcome from the programme was no longer challenging and too easily achieved while the latter factor may preface agent failure and an inability to deliver the requisite outcomes and draw down funding. Both can challenge the successful management of the PbR provision.

Colleagues in Local Authority Two are well aware of the on-going significant austerity cuts (Appendix Two). My insider knowledge suggests that this perhaps reinforced their decision to choose the Payment by Results mechanism to monitor the proposed mentoring scheme and to select a Social Impact Bond and a philanthropic partner to fund the programme. The LA2 commissioner should also examine the environment for other negative and positive influences upon the proposed programme.

The commissioner will not rush Step One. They can abandon the decision to proceed with PbR or any type of provision at this stage if – like the HMP Leeds pilot – the provision appears to be unviable (NAO 2015) and difficult to manage well. Although LA2 believe that their qualitative and quantitative data points towards the commissioning of a mentoring PbR programme to improve local people's life chances, they should still implement the aforementioned checks before proceeding to Step Two and beyond.

#### Step Two – Principal Identification

The commissioner identifies the optimum principal from the 'real world'. A key influence here is which stakeholder will principally provide the financial resource for the PbR programme, can act as a 'responsible' party (Miller and Sardais 2011) and has the best record of overseeing provision of this type. The principal will hold both power and a stake within the PbR (Appendix Ten). Although DWP were not the principal for 'Troubled Families' the input of their Employment Advisors was crucial to the success of the programme. Their role in LA3 was particularly noted as DWP were "the biggest winners" (LA3 2016) (pclviii) and avoided £1,300,000 costs thanks to adults moving into paid employment. This is evidence that DWP could be justifiably 'responsible' for future PbR provision to support disadvantaged service

users including those on workless benefits if it built on the good practice of the National Troubled Families Initiative.

Local Authority Two have a corporate commissioning process to identify a philanthropic organisation to provide the funding for the 5-25 mentoring programme. I have advised that they should build into this a mechanism for locating a 'responsible' principal (Miller and Sardais 2011) with a good track record of overseeing PbR provision and programmes that mentor disadvantaged young service users.

### Step Three – Agent Identification

The commissioner and the principal identify the optimum agent to act as a 'responsible' party (Miller and Sardais 2011); act in the best interest of the principal and present the principal with the 'value' anticipated (Bosse and Phillips 2016). The agent can refuse this opportunity based on their prior experience of this or other principals or knowledge of other agents' experiences with the principal (Bosse and Phillips 2016). Team GB's on-going success story shows that they merit future investment in their Olympic and Paralympic programmes as the organisation is able to manage success both on a sport and individual athlete basis and achieve the outcomes of podium finishes, gold medals and world records.

Once the philanthropic body is in place in LA2, the local authority in the 'real world' example must work with them to choose a delivery agent for the 5-25 mentoring programme who exhibits the characteristics recommended by Bosse and Phillips (2016). Once LA2 have appointed a responsible, experienced principal to fund their mentoring programme, I hope to work with strategic managers from both organisations to enable them to find a responsible, experienced agent who has a good record of accomplishment in achieving targets in Payment by Results, bringing value and of supporting disadvantaged youngsters and young adults to achieve positive outcomes.

Once the Stakeholder Analysis, Principal Identification and Agent Identification are complete, it is crucial that the fruits of these three steps are combined before strategic and operational managers implement Step Four. I therefore recommend the establishment of an 'Expert Body' to achieve this. This group will transform the framework from a static model to a practical one and is individual to each PbR scheme. This cohort of experts will comprise key stakeholders from the 'real world' of the Payment by Results provision (Appendix Ten) including:

- The commissioner
- The principal
- The agent
- Academics with experience of Payment by Results
- Academic with experience of the need addressed by the programme
- The service users.

This will ensure that all key stakeholders have a voice in the on-going management of the PbR provision. The inspiration for the formation of an Expert Body comes directly from the National Troubled Families Initiative. It reflects and combines:

- The commissioner, the principal and the agent

This reflects the collaboration between the Wave One Early Starters and DCLG at the beginning of Phase Two (DCLG 2014a)

- Academics with experience of Payment by Results and the programme need

This reflects LA3's commissioning of a team of academics to evaluate their local programme (Hayden 2015). Local Authority Two has two universities located within it. My insider knowledge suggests that these institutions can provide academics with

knowledge of good practice in PbR and the mentoring of young people to support the strategic and operational implementation of the 5-25 mentoring programme

- The service users

This reflects LA3's plan to involve "families who have been through the programme to build community resilience with families that are currently on the programme" (LA3 2016) (pclxii) and LA4's "extensive consultation with families" (LA4 2016) (pclxvii) to understand their needs and barriers. LA2 have already collected and analysed some qualitative data from the local 16-18 population. However, I expect them to widen this and gather data from the full age range that the 5-25 mentoring programme will cover.

Together the Expert Body will view the PbR programme through the lens of Agency Theory and Payment by Results best practice. They will set the direction of the programme and the work that the agent will carry out in exchange for an agreed fee (Eisenhardt 1989). The body will agree:

- Shared goals between the principal and the agent
- A shared attitude to risk between the principal and the agent
- A shared course of action between the principal and the agent
- A clear outcome-based contract between the principal and the agent (Eisenhardt 1989).

This will safeguard the successful management of the PbR provision.

During this discussion, the Expert Body will set clear expectations for performance (National Audit Office 2015). This will build on the example of Team GB's Olympic and Paralympic programme where the quantitative targets for individual athletes and sporting bodies in terms of world records, gold medals or podium finishes were made

clear (Fordyce 2016 and Hudson 2016). It will also set clear expectations for performance (NAO 2015) and avoid:

1. The Local Authority One 'Troubled Families' scenario of the principal rewarding the agent where families
  - Made no change
  - Changed themselves (LA1 2015a)
  
2. The Local Authority Two scenario of the agent claiming solely for families who no longer committed anti-social behaviour rather than for families where their ASB had reduced by 60% (LA2 2015).

The Expert Body will identify challenging but achievable outcomes upon which to base payment. Following Webster (2016), these outcomes will be:

- Clear, complex and quantitative rather than qualitative. The London Rough Sleepers Project exemplified how outcomes covering multiple issues such as rough sleeping, stable accommodation, reconnection, employment and health can be combined in one programme (DCLG 2015a) but illustrated the need for outcomes that are appropriate to the individual and linked to available data (DCLG 2015a). This example will be particularly useful for the proposed LA2 5-25 mentoring programme which will address multiple issues including safeguarding; positive parenting; physical, mental and emotional health; housing; education; training and employment with a view to achieving positive outcomes with the target cohort and reducing their interface with Children's Social Care. The Delaware Substance Misuse Programme provides a model whereby proxy indicators function as outcomes (Webster 2016). This is a useful model for LA2 and is an improvement on the outcomes framework used for Phase One and Phase Two of the National Troubled Families

Initiative, which did not follow PbR best practice (NAO 2015 and Webster 2016)

- Externally verifiable so that, as with the Delaware Substance Misuse Programme (State of Delaware 2016), which uses reoffending data to understand the impact of the provision upon the service users, the change that the PbR provision made to the target cohort is clearly visible. LA2 must consider carefully how to verify the impact of their mentoring programme so that it does not replicate the mistakes of ‘Troubled Families’ Phase One where it was not possible to demonstrate that all positive outcomes claimed for were achieved within the boundaries of the programme (LA1 2015b). They should also ensure that the agent installs a robust data system so that, unlike the Work Programme (Crowe et al 2014), delivery does not begin before the programme outcomes can actually be verified
- Attributable to the agent to prevent them claiming an outcome payment for clients who addressed their own problems or received help from another organisation with no links to the PbR. The latter was present in LA2’s ‘Troubled Families’ programme with their “whole system approach” (LA2 2015) (pcxxv) but should be avoided for the 5-25 mentoring programme. I will work with the LA2 Expert Body to identify how to avoid this
- Cognisant of deadweight and the achievable performance without the programme. A control group will prevent the principal from claiming for a positive change that would have happened anyway; a point noted in connection with ‘Troubled Families’ (NAO 2013). I have a number of options in the future, when I work with LA2 to identify a control group for their mentoring programme. It is not ethical to deny a service to a cohort of young people who would benefit from the programme just so their outcomes can be compared with those who receive the service. More ethical alternatives are therefore to select a control group of young people who refuse to engage with a mentor or to use pre-programme historical data
- Pertinent to either individuals or cohorts so that the principal and the agent are clear whether they wish to address a need in individuals such as the jobseekers supported by DWP’s Work Programme (NAO 2014) or in a cohort

- of clients like Transforming Rehabilitation's offender population (NAO 2016). Again this is a piece of work that I will undertake with the LA2 Expert Body
- Segmented if the target audience entering the programme are particularly diverse. The Delaware Substance Misuse Programme (State of Delaware 2016) exemplified this approach with its three levels of support for incarcerated males, lower level male and female prisoners and offenders living in the community. It represented a substantial step forward from earlier UK drug and alcohol PbR programmes. These targeted binge drinkers needing a short intervention or dependent heroin and crack cocaine users needing a very intensive and lengthy service but appeared to be less streamlined (Maynard et al 2011). Although Phase One of the National Troubled Families Initiative included families who had recently fallen into difficulty and those with entrenched behaviour (DCLG 2012b), local authorities such as LA2 segmented their client group into those needing an intensive service, a TAF and community-based support therefore having clear lines of entry and exit. I will support the LA2 5-25 mentoring programme to segment their target audience. Options may include segmentation around age, intensity of support, number of issues, multiplicity or type of need.

The Expert Body will develop effective incentives for the agent from these outcomes. The programme outcomes will be stretching enough to ensure that the agent does not exploit the principal with their superior knowledge (Miller and Sardais 2011) and effects genuine change with the service user group. The Delaware Substance Misuse Programme (McLellan et al 2008), the London Rough Sleepers Project (DCLG 2015a) and the Team GB Olympians and Paralympians (Fordyce 2016 and Hudson 2016) exemplified this. The National Troubled Families Initiative does not, particularly in Phase One in Local Authority One (LA1 2015a). To manage an instance such as this, the Expert Body must decide whether to have penalties as well as rewards or if the withholding of outcome funding where the agent has clearly exploited the principal is a sufficient deterrent. I will work with LA2's Expert Body so that the agent commissioned to deliver their 5-25 mentoring programme has effective incentives for the agent. I will begin with the blueprint of the London Homelessness project's five-strand outcome framework. Each outcome was

weighted differently. This factor made the programme financially viable for the agent to deliver as the stable accommodation outcome accounted for 40% of the outcome payment (DCLG 2015a). Thus, when the agent struggled with evidencing achievement in the health metric, the project did not become financially unviable to deliver; unlike the '111' non-emergency medical helpline from which NHS Direct withdrew (Torjesen 2013).

Early agreement between the principal and the agent will avoid the setting of unrealistically challenging targets or targets where data is not readily available. The former occurred in 'Troubled Families' Phase One where the average family had nine separate problems (DCLG 2014b) and 49% were single parents (DCLG 2014b) but the principal expected them to move off benefits and into work. The latter occurred with 'Rough Sleepers' and 'Troubled Families'. Both had targets relating to the service users' health but health providers refused to release personal health data to the agent (LA1 2015a, LA2 2015, LA3 2016 and LA1 2016) and the health outcome chosen shed limited light on individual service users' improving wellbeing (DCLG 2015a). It is likely that the LA2 mentoring programme will have a spectrum of outcome targets including those relating to health. I will therefore stress the importance of having local, regional and national health partners on board and a data-sharing protocol in place before delivery commences to ensure that distance travelled by the service users whilst on programme can be calculated and outcome funding claimed by the agent.

The principal will allow the agent to draw down sufficient funding to make a change with the programme entrants and avoid financial risk and poor management of the provision. The London Homeless Project's payment structure for achievement in stable accommodation made the programme financially viable (DCLG 2015a). In contrast, five potential providers in the HMP Leeds offender rehabilitation pilot withdrew their services due to its unworkable model and level of financial risk (NAO 2015). DCLG's lack of insight into the operating context meant they allocated a lower target and significantly less programme funding to Local Authority Two and Three than their local 'troubled' families' population demanded (LA2 2015 and LA3 2016).

The Expert Body will agree how to monitor the performance of agents regularly during the course of the programme. The London Rough Sleepers Project was rigorously evaluated during its three-year lifespan through two reports from the qualitative evaluation, an internal economic impact evaluation and a final report drawing analysis from the two strands together (DCLG 2015a). So that LA2's new 5-25 mentoring programme can benefit from on-going reflection, I will work with the Expert Body to implement robust agent monitoring procedures.

The Experts Body's clear oversight and intervention mechanisms will minimise the impact of agent failure on public services. This would have benefitted 'Troubled Families' providers like Local Authority Two who were subject to austerity measures and had limited other resources. If during the course of the delivery, the LA2 agent presents a clear reason why an outcome or the payment framework must be altered to either incorporate a significant change in the environment or improve the service to the client, there will be sufficient flex in the programme to allow this. The London Rough Sleepers Project exemplifies this good practice. The reconnection outcome became easier to reach due to a change in EU law and the lack of forthcoming health data and the inappropriateness of the chosen health metric to measure individual wellbeing merited a change in the performance framework (DCLG 2015a). The LA2 mentoring programme could fail if it does not meet local service users' needs or the landscape changes unexpectedly and impacts negatively upon it. The LA2 Expert Body must therefore be prepared for this and adjust the programme as it proceeds, if need be.

The Expert Body will agree how to evaluate that the PbR programme has improved service delivery and overall value-for-money (NAO 2015). They may decide to quantify improvement:

- As the return for each amount spent, which showed the benefits of the Delaware Substance Misuse Programme (State of Delaware 2016) and Phase One of 'Troubled Families' (DCLG 2015b)

- As the social return on investment also used for ‘Troubled Families’ Phase One (Hoggett et al 2014).

Either way, service users must be involved in the evaluation of the LA2 mentoring programme (Sheil and Breidenbach-Roe 2014 and Crowe et al 2014). The target cohort is best placed to comment on the impact of the PbR provision on their lives; a model followed in the two Rough Sleepers qualitative evaluations (DCLG 2015a), by LA3 and LA4 (Hayden 2015 and LA4 2016). The LA2 Expert Body will also consider how to disseminate these lessons so that future commissioners, principals and agents can benefit. The LA4 Co-ordinator called for this research project to be used in this manner (LA4 2016).

These actions will not be rushed and the LA2 Expert Body will exist for the programme duration and not just the period prior to Step Four. Its makeup may alter in response to the changing environment of the provision including changes in the stakeholders, commissioner, principal or agent or changes in the service user cohort or their needs and barriers. This practice mimics LA1 who brought new partners from the voluntary sector into their local ‘Troubled Families’ programme; LA2 who commissioned provision ‘Troubled Families’ from the voluntary sector; LA3 who seconded a colleague from Health to address data issues in the programme and LA4 who wanted to see the “Department of Health, DWP, DFE” (LA4 2016) (pclxxvi) recognise more the achievements of ‘Troubled Families’. The good practice recommendations made by this body must be fed continually into all steps of the framework. This makes the framework practical and ensures a continuous focus on the ultimate prize of target achievement. So that LA2’s new 5-25 mentoring programme can benefit from on-going reflection, support the authority’s other outcome-based provision and generate learning for related programmes across the UK, I will work with the Expert Body to implement robust agent monitoring procedures.

Step Four – Strategy and Operations Implementation

When the Expert Body has met initially to agree the points listed above, the principal and the agent will implement the PbR provision at a strategic and operational level. Steps One to Three and the work of the Expert Body should enable the successful management of Steps Four to Seven.

#### Step Five – Delivery

The agent begins to deliver the programme to the target audience. For the LA2 mentoring programme, I will recommend that the agent:

- Builds on the key worker/navigator role used to great effect in the National Troubled Families Initiative (LA1 2015a, LA2 2015 and LA4 2016) and the London Rough Sleepers Project (DCLG 2015a) to engage, motivate and effect change with disadvantaged and complex young service users open to Children’s Social Care or in danger of becoming so. This role is also mirrored in the athlete-coach relationship used by Team GB (Fordyce 2016 and Hudson 2016) to achieve medals and world records
- Seconds operational staff from elsewhere to improve outcomes in specific areas. The arrival of the Troubled Families Employment Advisors increased movement into training or employment (LA1 2015a, LA2 2015, LA3 2016 and LA4 2016). A Department of Health secondee planned to improve DoH engagement and client data sharing (LA3 2016). Team GB use experts such as sports scientists and sports medics to achieve marginal gains (Fordyce 2016). If elements of the LA2 mentoring programme becoming difficult to deliver – for example, if the challenges in obtaining health data translate from ‘Troubled Families’ into the new provision – I will advise the local agent to second a health partner in to remove this hurdle
- Acts as a consortium of agents rather than individual agents - as in Local Authority Four - where this will enhance service delivery and create efficiencies through data pooling, providing services across a wider geographical area and collective negotiation with regional partners (LA4 2016). Team GB follows this model. It is a single entity overseeing individual

sporting bodies such as British Gymnastics (Fordyce 2016). The London Rough Sleepers Project was delivered by two providers who pooled their expertise rather than working separately. The agent for the LA2 mentoring programme may find ways to work with other local and regional partners to improve elements of their delivery and make this more cost effective. My insider knowledge suggests one possibility could be to co-locate with an existing, trusted and established local voluntary sector provider such as Barnardo's, Action for Children or Children North East to share their premises and build upon the good reputation that they already have with local service users

- Shows leadership so that training, mentoring and support opportunities are spread across the workforce. This model is used by Team GB (Fordyce 2016) and 'Troubled Families' (LA1 2015a and LA2 2015). It is important that the LA2 agent ensures that all of its staff – both frontline and managerial – receive support throughout the delivery period; an action that will increase their likelihood of achieving positive outcomes with the young target audience and claiming all of the available outcome funding
- This leadership stance also prevents financial risk from being cascaded down to smaller and more vulnerable subcontractors. It was used by Local Authority Two and Three (LA2 2015 and LA3 2016) but was lacking in the Work Programme where large agents sub-contracted delivery to smaller voluntary sector agents thus passing the financial risk onto them (Rees et al 2013a and b). It was also absent from the HMP Leeds pilot where five of the six potential providers withdrew, believing the model to be unworkable (NAO 2015). If the LA2 agent choose to subcontract some of their mentoring delivery to other local providers, it is essential that they use the seven-step dynamic framework as a tool to manage successfully the programme.

## Step Six – Data Collection and Analysis

This is the regular collection of quantitative and qualitative data by the agent and its analysis by them and the other members of the LA2 Expert Body against the clear outcome-based contract. This will identify flaws in the five previous Steps and the

alterations required to keep target achievement on track. The London Rough Sleepers Project had published by 2015 two reports from the qualitative evaluation based on interviews with stakeholders and homeless people in receipt of support and a review of available performance data. It also planned an economic impact evaluation and a final report for 2016 (DCLG 2015a). Team GB have their evidence of individual and group performance at each Olympic and Paralympic Games (Fordyce 2016) and collect and analyse performance data in the run-up to each event to ensure that the best athletes compete for their country. I will impress upon the LA2 key stakeholders the importance of identifying at the earliest stage the type of quantitative and qualitative data that they require and agreeing how and when this will be collected and analysed. This will ensure the mentoring programme retains its focus on target achievement.

#### Step Seven – Findings and Action

The LA2 Expert Body feed the findings from their data analysis upwards into every step of the process and implement intervention mechanisms to minimise the impact of agent failure (Eisenhardt 1989) and to ensure the good management of the PbR provision. These mechanisms can include revisiting any one or all of the previous steps to develop further insight into the operating context; identifying a new principal or agent; reviewing the provision strategically and operationally including changing the outcome-based contract; realigning the delivery and altering the data collection and analysis procedures. This ensures that the programme is practical, benefits from on-going reflective improvement during its delivery and informs subsequent PbR provision. For the practical framework to work there must be a way of dealing with 'complex' families' lives at a local level. This was not the focus of the research project but future research into this is recommended. For more information on 'complex' families, I invite the reader to look at Appendices Six, Seven and Eight.

If the analysis of the LA2 5-25 mentoring programme's qualitative and quantitative data shows that it has gone adrift, I will advise the Expert Body to revisit each of the previous Steps and decide whether to re-execute them. Thus, they may wish to:

- Reconsider the exact need for the young people's mentoring programme
- Re-review the home and overseas PbR literature to identify new good practice or any omissions when this action was done the first time
- Re-consult with all relevant stakeholders including new entrants to the programme to gain an inside view. They may wish to also speak with local people who refused to engage with the scheme to ascertain their reasoning behind this
- Re-review current or planned provision to take into account new programmes or any omissions when this action was done the first time
- Horizon scan the environment for emerging challenges or opportunities
- Identify a new principal if the current incumbent has not behaved as responsibly as expected or they no longer wish to be involved with the provision
- Identify a new agent if they have not provided the principal with the anticipated value or they no longer wish to be associated with the programme if they feel the principal is 'exploiting' them
- Re-appraise the goals, attitude to risk, course of action and outcome-based contract shared by the principal and the agent if these have ceased to be fit-for-purpose
- Re-configure the delivery, which can include re-aligning the key worker/navigator role at the heart of the programme; seconding additional staff to improve outcomes in specific areas; acting as a consortium with a different set of agents; providing further training or improved mentoring to the workforce and re-consider how they are working with any subcontractors
- Collect qualitative and quantitative data differently and at different intervals and agree how best to analysis this.

Within reason and to ensure target achievement, the LA2 Expert Body should take these actions when required and as many times as are needed.

The seven-step practical framework for achieving targets in Payment by Results provision is a management tool for the 'real world' of public sector PbR provision, which directs policy and instructs strategic and operational managers. It was inspired by original insider research into the Stakeholder Theory, Agency Theory, Payment by Results and management practices literature and the collection and analysis of 'Troubled Families' data from the four high performing English local authorities. I used the 'real world' scenario of a forthcoming mentoring programme for vulnerable children, young people and young adults aged 5-25 in LA2 to illustrate its potential to strategic and operational managers. The dynamic nature of this management tool means it can be applied locally, regionally and nationally across the public sector wherever target achievement and the provision of value to stakeholders is required. I look forward to colleagues using it across a variety of fields including law enforcement, community safety, defence, health, education and employment and to hearing their results.

#### **6.4 THE LIMITATIONS OF THE PRACTICAL FRAMEWORK FOR ACHIEVING TARGETS IN PAYMENT BY RESULTS PROVISION**

The dynamic framework contributed to knowledge through its fusion of Stakeholder Theory, Agency Theory and the PbR framework to deliver target achievement and increased value to stakeholders. It presented the best of the management practices literature and my analysis of 'Troubled Families' data from local authorities across England. However, the research project had some limitations.

Firstly, I only applied the practical framework to the case study of Local Authority Two's proposed mentoring programme. However, as the introduction to Chapter Six shows, the framework can be applied to all types of PbR provision. It will facilitate the commercialisation of these services by reducing wastage, generating efficiencies,

creating additional jobs through the improved use of scant resources, returning work from the private to the public sector and providing the public sector with a model, which they can market and sell.

Secondly, it only presented best practice drawn from three PbR programmes. The Delaware Substance Misuse Programme exemplified good practice with very challenged individuals whose 'troubles' include offending, imprisonment and substance misuse. It also showed the benefits of developing insight into the operating context before designing the PbR scheme; setting clear expectations for performance; identifying challenging but achievable outcomes by using effective proxy indicators and providing effective incentives for agents through payments on top of existing contracts. The London Rough Sleepers Project illustrated how to tackle a number of issues through the navigator/key worker role. Its stakeholders developed insight into the operating context by building on the knowledge of existing homelessness provision. They also set clear expectations for performance in five outcome areas with a specific service user cohort; identified challenging but achievable outcomes in five areas on which to base payments; developed effective incentives for agents; monitored the performance of agents; advised how the outcome framework could be developed to manage unforeseen circumstances such as changes in legislation and evaluated how using PbR improved service delivery and overall value for money. Team GB's Olympic and Paralympic programme underlined that PbR does not just reduce social need. It provided an example of a clear outcome framework exemplified by gold and other medals and world records.

However, it can be argued that I should have presented good practice from more than three PbR programmes. A further limitation was that my belief in the benefits of all three examples came from my reading of the literature rather than any specific research of my own into the initiatives. Researchers who wish to develop the dynamic framework for target achievement may wish to revisit this provision and either independently re-evaluate the three programmes before building on their seeming good practice or re-design the framework around other independently evaluated PbR provision.

Thirdly, the 'Troubled Families' quantitative data that I analysed was very general. The national Phase One data (DCLG 2015c) merely provided an overview of the achievement in four local authorities and the 'England average'. The local Phase One data (LA1 2015b) lacked any personal information appertaining to the families. Neither enabled me to understand more about verification, attribution and deadweight in Phase One. Researchers may therefore wish to analyse quantitative data from a different PbR programme or request permission from an English local authority to analyse their 'Troubled Families' data with families' personal information intact.

Fourthly, the 'Troubled Families' qualitative data that I collected and analysed was provided by employees of the agent and not the service users despite good practice dictating that their voices should be heard (Sheil and Breidenbach-Roe 2014 and Crowe et al 2014). Furthermore, I only conducted ethical interviews in four out of the 152 English local authorities and three out of five interviews were by telephone. Researchers may therefore wish to approach this exercise differently and:

- Gather qualitative information about the National Troubled Families Initiative from a range of stakeholders including service users
- Conduct further 'Troubled Families' interviews in more English local authorities
- Carry out more face-to-face 'Troubled Families' interviews
- Hold some focus groups
- Gather qualitative information about other PbR provision from a range of stakeholders including service users, in more areas, face-to-face and using a greater variety of research methods.

By conducting further study and overcoming some of the limitations of my research into the creation of a dynamic framework for target achievement in PbR, researchers will make their own contribution to knowledge. This will increase the applicability of this tool across the public sector, its commercial viability and its ability to increase target achievement in fields beyond 'troubled' families and sectors outside local authorities.

## **6.5 RECOMMENDATIONS FOR THE DELIVERY OF 'STRENGTHENING FAMILIES' IN LOCAL AUTHORITY ONE**

The analysis of the DCLG national performance data (DCLG 2015c) and the Local Authority One quantitative and qualitative data (LA1 2015b, LA1 2015a and LA1 2016) revealed the benefits of 'Strengthening Families', the local name for 'Troubled Families':

- 805 Phase One families were 'turned around' and 769 improved their education outcomes and committed less ASB and youth crime (DCLG 2015c)
- A 'partial' funding claim was made for 804 LA1 families and a 'full' claim for 110 families (LA1 2015b)
- The Phase Two local outcome framework has an outcome focus and combines aspiration with practicality to achieve improved outcomes with families with a range of needs (LA1 2015a)
- Local family services prevent rather than react to 'trouble'. They innovatively identify families with needs through the Intelligence Hub and offer them holistic, integrated support in the locality where they live (LA1 2015a)
- This delivery model aspires to achieve value-for-money by proactively creating efficiencies and does not rely on the programme funding (LA1 2015a)
- Inequalities are reduced by identifying families' needs and addressing them early (LA1 2015a) rather than waiting for them to become multiple, entrenched 'troubles' (Webster 2016).

However, ‘Strengthening Families’ still has some challenges to overcome in Phase Two. Their solutions appear in the thematic narrative analysis and thematic analysis of the qualitative data gathered in the four local authorities (LA1 2015a, LA2 2015, LA3 2016 and LA4 2016):

Table 6.5 – LA1 ‘Strengthening Families’ Challenges and Potential Solutions

<b>LA1 ‘Strengthening Families’ Challenges</b>	<b>Potential Solutions</b>
Not all 805 Phase One families who were ‘turned around’ did so in the context of the programme and some made no change at all (LA1 2015a)	The Phase Two local outcome framework will ensure that the agent only claims for families who make genuine change. More local agencies are being aligned to the ‘Troubled Families’ model and their staff encouraged to work holistically (LA1 2015a)
It is unclear whether the Phase Two local outcome framework can generate successful funding claims (LA1 2015a)	The agent will ensure that the Phase Two local outcome framework only references priority groups for whom LA1 can collect baseline data and then measure their progress (LA2 2015)
Health partners do not share families’ personal data so it is difficult to directly identify families with health needs and to track their progress (LA1 2015a)	The agent builds on the model established by Job Centre Plus’ Troubled Families Employment Advisors and seconds a senior local health figure to the programme to overcome this barrier (LA3 2016)
Social Care has not yet fully embraced the ‘Strengthening Families’ concept (LA1 2015a) and Ofsted rated the local Children’s Social Care Service as “failing” (LA1 2016) (pclxxxii)	The agent builds on the model established by Job Centre Plus’ Troubled Families Employment Advisors and seconds a senior local Social Care figure to the programme to improve linkages with ‘Strengthening Families’ (LA3 2016). The agent uses Integrated Working Mentors to improve social workers’ skills (LA2 2015). The agent evidences the cost efficiencies created thus far by ‘Strengthening Families’ in reducing the number of

	children who are looked after or have Child Protection Plans. The agent uses this to encourage the further engagement of Social Care (LA3 2016)
Local families have not been consulted (LA1 2015a)	The agent collates and reflects on families' views submitted to local providers (LA2 2015). The agent encourages local providers to utilise Phase One 'successful' families to build capacity in Phase Two (LA3 2016). The agent consults families directly and uses this to ensure that Phase Two meets their needs and overcomes their barriers (LA4 2016)
Only four LA1 families achieved the progress to work outcome and only 26 achieved the continuous employment result (DCLG 2015c). There are no local jobs, key workers do not traditionally discuss employment with families, 'troubled' families have multiple problems and no aspirations and other areas have better job processes (LA1 2015a)	Families across the North-East did progress but the local employability provider lacked the data systems to record this (LA2 2015). The agent uses the Troubled Families Employment Advisors to raise awareness among key workers of local employment and self-employment opportunities (LA1 2015a, LA2 2015, LA3 2016 and LA4 2016) and how to discuss these with families. The agent asks the Troubled Families Employment Advisors to target younger family members with fewer barriers to work (LA3 2016). The agent works strategically with local and regional partners to overcome families' barriers to employment such as past criminal convictions (LA4 2016) and creates priority work placements and local employment opportunities (LA2 2015)
Some services continue to be funded to work with individuals and not families (LA1 2015a)	The agent asks key stakeholders such as the LA1 Members of Parliament to raise this issue nationally (LA3 2016)
Phase Two requires 400,000 families to be identified, worked with and 'turned around' (LA1 2016)	The Intelligence Hub is in place to identify families (LA1 2015a). The agent explores how this can be extended to capture progress data too
It is unclear whether families are giving informed consent to be worked with or not (LA1 2016)	The agent views families as being 'nominated' for support rather than 'referred'. The agent takes responsibility for each family and has "guiding principles about one person leading the work" (LA3 2016) (pcliv)
Austerity measures are	The agent ensures that all services – including those from

impacting on the personnel who directly deliver interventions (LA1 2016)	the voluntary sector – who could work in a whole family way are doing so (LA1 2015a)
Partner agencies do not wish to be part of the programme (LA1 2016)	The agent revisits the Phase Two family outcomes plan and ensures that it includes their priorities so that ‘Strengthening Families’ is part of their core business and not an add-on (LA2 2015).

## 6.6 RECOMMENDATIONS FOR THE NATIONAL DELIVERY OF ‘TROUBLED FAMILIES’

The analysis of the quantitative and qualitative data from the ‘Troubled Families’ case study (DCLG 2015c, LA1 2015b, LA1 2015a, LA2 2015, LA3 2016, LA4 2016 and LA1 2016) revealed that the National Troubled Families Initiative:

- Improved the national focus on outcomes in Phase One by asking the agent to achieve four key performance indicators (DCLG 2015c)
- Improved family outcomes in Phase One by ‘turning around’ 116,654 ‘troubled’ families; reduced the ASB and youth offending and improved the education outcomes of 104,733 ‘troubled’ families; achieved the continuous employment outcome with 11,921 ‘troubled’ families and achieved progress to work with 9,106 ‘troubled’ families (DCLG 2015c)
- Enabled the agent to transform local services by identifying and targeting future as well as current service user need; heard some service users’ voices

and delivered services how they wanted them; took a whole family approach rather than working with individuals; promoted the crucial key worker role; funded the equally effective Troubled Families Employment Advisors; allocated a named worker to families; up-skilled the local workforce; delivered services in an integrated way and encouraged disadvantaged members of society to become economically active (LA1 2015a, LA2 2015, LA3 2016, LA4 2016)

- Deferred payment until later in the programme but still oversaw financially viable provision (LA1 2015a, LA3 2016, LA4 2016)
- Reduced inequalities amongst families (LA1 2015a, LA2 2015, LA3 2016, LA4 2016) by supporting the agent to work with families across the spectrum of need (Webster 2016).

However, ‘Troubled Families’ still has some challenges to overcome in Phase Two. Solutions exist in the thematic narrative analysis and thematic analysis of the qualitative data gathered in the four local authorities (LA1 2015a, LA2 2015, LA3 2016, LA4 2016 and LA1 2016):

Table 6.6 – ‘Troubled Families’ Challenges and Potential Solutions

<b>‘Troubled Families’ Challenges</b>	<b>Potential Solutions</b>
<p>Only 97% of the Phase One target cohort were ‘turned around’; only 87% reached the youth crime, ASB and education outcomes and only 10% and 8% achieved continuous employment or progress to work (DCLG 2015c)</p>	<p>The principal works with the agent to identify the actual number and needs of their local ‘troubled’ families and ensures that, in the remainder of the programme, the target and outcome funding available equates to the number of local ‘troubled’ families (LA2 2015 and LA3 2016). The principal continues to encourage the agent to be outcomes-focused and work in a transformative, way to meet this need (LA1 2015a, LA2 2015, LA3 2016, LA4 2016). The principal continues to fund the Troubled Families Employment Advisors (LA3 2016 and LA4 2016)</p>

Not all Phase One families who were 'turned around' did so in the context of the programme and some made no change at all (LA1 2015a)	The principal continues to encourage the agent to deliver a Phase Two local outcome framework that only claims for families making genuine change thereby ensuring that a labelled outcome such as 'turned around' has a single, clear definition (LA1 2015a)
Not all key stakeholders are as engaged locally and nationally with the programme as they should be (LA1 2015a, LA4 2016 and LA1 2016)	Central Government promotes and celebrates the culture change that the programme has created (LA2 2015). The principal collates the agent's Phase Two Family Monitoring/Progress Data and cost savings (DCLG 2014a) and shares this with stakeholders such as the Departments of Health and Department of Education and the Ministry of Justice to help them to understand the benefits of the programme and the impact of their better engagement (LA4 2016)
Some key stakeholders have a very negative perception of families with 'troubles' (LA1 2015a and LA2 2015)	The principal shares the agent's local case studies with stakeholders to help them understand the barriers faced by families with 'troubles' and the significant progress they can achieve with the correct support (LA2 2015 and LA3 2016)
'Troubled' families are not the same across the country (LA1 2015b, LA1 2015a, LA2 2015, LA3 2016 and LA4 2016)	The agent ensures that the Phase Two local family outcomes plan meets local need (LA1 2015a, LA2 2015 and LA3 2016). Central Government ensures that future PbR provision targeting a broad range of service users has appropriate segmentation to support the agent's delivery (Webster 2016)
Some services continue to be funded to work with individuals and not families (LA1 2015a)	Central Government addresses this issue (LA1 2015a)
The sharing of personal health data is still a barrier to identifying families in need and tracking their progress (LA1 2015a and LA1 2016)	Central Government addresses this issue nationally to support 'Troubled Families' and other PbR provision designed to improve health outcomes (LA3 2016)
Employment opportunities are not equal across the country (LA1 2015a, LA2 2015 and LA3 2016)	Central Government explores how additional jobs can be created in the most deprived areas of the country (LA2 2015) and barriers such as criminal records

	checks are overcome so that 'troubled' families can become economically active (LA4 2016). The agent works with local strategic partners to offer priority work placements for 'troubled' families (LA2 2015). The Troubled Families Employment Advisors continue to build on families' assets and encourage self-employment (LA3 2016)
'Troubled' families voices are not uniformly heard (LA1 2015a, LA2 2015 and LA3 2016)	The agent consults families directly and uses this to ensure that Phase Two meets their needs and overcomes their barriers (LA4 2016).

## 6.7 SUMMARY

Chapter Six presented a practical framework for target achievement in Payment by Results provision. It gave an example from the 'real world' of an embryonic mentoring programme for service users in Local Authority Two aged 5-25. This provision is designed to reduce their interface with Children's Social Care and enable them to achieve positive outcomes. I used this example to direct policy and instruct strategic and operational managers in the use of the framework as a management tool. The framework is a fusion of Stakeholder Theory, Agency Theory and PbR good practice and draws upon the National Troubled Families Initiative, the Delaware Substance Misuse Programme, the London Homelessness Project and Team GB's Olympic and Paralympic Programme. However, the dynamic nature of this tool means it can be applied beyond the world of crime, anti-social behaviour, poor school attendance, children in need, unemployment, domestic violence, poor health, substance misuse, homelessness and elite sport and be used locally, regionally and nationally across the public sector wherever target achievement and the provision of value to stakeholders is required. I envisage it being used in a range of public sector settings including local authorities, police forces, hospitals, schools, universities and any other location where Payment by Results is used to promote target achievement. The applicability of the tool across a breadth of public sector PbR provision renders it extremely commercially viable. I very much look forward to strategic and operational managers using the dynamic framework and exploring its

possibilities. Chapter Six closed with recommendations for the achievement of the requisite Phase Two 'Troubled Families' targets locally and nationally.

In Chapter Six, I presented new knowledge through original research, which will satisfy peer review, extend the forefront of professional practice and merit publication (K1). I made informed judgements on complex issues in my specialist field in the absence of some data and communicated my ideas and conclusions clearly, effectively and in a manner appropriate for specialist and non-specialist audiences (S1). I demonstrated my aptitude to undertake research and development at advanced level contributing substantially to the development of new techniques, ideas or approaches in PbR (S2).

During the research project, I followed the learning outcomes of the applied management research project and the DBA programme (Appendix One). I used the National Troubled Families Initiative as a case study to answer the research question of how to develop a practical framework, rooted in business and management literature, for the effective implementation of Payment by Results (PbR) programmes in the public sector.

The detailed study of the National Troubled Families Initiative case study allowed my first two research objectives to be achieved. I collected geographic, social and economic data about the four areas in scope of the research project to compare and contrast a quantitative baseline of information at a very basic level. Thus, I acquired an enhanced understanding of the geographic and socio-economic context in which 'Troubled Families' was implemented. I then presented the principal's views about how the agent should deliver 'Troubled Families' in Phase One and compared this with my own experience of the programme as an employee of the agent. I then reviewed the portrayal of 'troubled' families in the literature to highlight the challenges faced by them and provide an overview of the concept of the 'troubled' family and the complex social need that the PbR programme had to overcome. This exercise helped me to understand better the 'troubled' families service user group with whom the PbR programme intended to achieve positive outcomes.

My motivation for conducting doctoral research into Payment by Results was my realisation - whilst employed by an agent of the programme - that not all of its outcomes were being achieved and not all local 'troubled' families who appeared to have achieved a positive outcome with the support of the programme had actually done so. Into this latter group came families who made no change at all but ceased to meet the programme's entry criteria; families who received help outside of 'Troubled Families' and families who changed their own negative behaviour.

I was deeply troubled by this revelation and resolved to investigate the phenomenon further. As an MBA graduate, I was well aware of the business and management frameworks that could support further this. Consequently, I overlaid my 'practitioner' foundation with a systematic, 'academic' approach and set out to improve PbR provision. This enabled me to achieve the third research objective of understanding how success can be achieved specifically in the National Troubled Families Initiative and generally in Payment by Results provision.

During the research project I created through original research a new, seven-stage practical framework for achieving targets in Payment by Results and made recommendations relating to performance achievement for the local and national 'Troubled Families' programme. My work is of a standard to satisfy peer review. It has extended the forefront of professional practice in both Payment by Results provision and the National Troubled Families Initiative. It also merits publication and I intend to write up my findings for a renowned journal (K1).

This new knowledge was generated by my systematic acquisition and understanding of a substantial body of knowledge at the forefront of my specific area of professional practice, specifically Stakeholder Theory, Agency Theory and Payment by Results best practice (K2). I defined the concepts of a stakeholder and Stakeholder Theory and introduced the 'real world' of stakeholders. I defined Agency Theory and discussed outcome-based contracts in Agency Theory. I introduced the concept of Payment by Results and presented the variations upon the Payment by Results mechanism and the findings from recent UK PbR provision. I presented the guidelines for principals considering commissioning PbR provision and the six key qualities of an effective outcome and outlined the importance of service user

involvement in Payment by Results programmes. I then reviewed the National Troubled Families Initiative case study in terms of its stakeholders and their 'real world', the contract between the principal and the agent, the 'Troubled Families' PbR mechanism and the reasons for its adoption. I then mapped 'Troubled Families' against the National Audit Office's 2015 guidelines for commissioners and Webster's 2016 recommendations. This revealed that the programme offered the agent the chance to return a service of less value to the principal and confirmed my own experience. I also ascertained that, by agreeing to act as the agent for 'Troubled Families', the English Local Authorities made themselves liable for the potential high cost of the programme and financial risk if they were unable to achieve its outcomes. This was due to the contract between the two parties failing to meet the recommended good practice PbR guidelines and the ineffectiveness of the programme's Phase One and Two's outcomes.

I juxtaposed this flawed PbR provision with three examples of successful Payment by Results programmes. The Delaware Substance Misuse Programme was notable for its use of incentive payments; innovative practice around clinical interventions and expanded opening hours as well as its effective proxy indicators, clear performance expectations, performance monitoring and performance evaluation. The London Rough Sleepers Project had challenging but achievable outcomes with effective incentives for the agent and showed the benefit of the principal and agent being able to review the performance framework and adjust the performance outcomes in the light of changes in the external environment. However, it also highlighted the difficulty of the agent obtaining clients' health data and the barriers that this can create. Team GB and the Olympic and Paralympic programme showed that the Payment by Results model is not just a mechanism for use with disadvantaged service users and social need and can be applied in any situation in which the principal seeks performance improvement.

With this knowledge in place, I explained the conceptualisation, design and implementation of a research project to generate new knowledge about target achievement in Payment by Results, which responded to the absence of any

guidance for principals, agents and other stakeholders. I adjusted the project as it developed and unforeseen problems arose such as when I was asked not to interview 'troubled' families and was too unwell to conduct the final qualitative interview face-to-face (K3).

Here, I demonstrated my detailed understanding of applicable techniques for research and advanced academic enquiry (K4). I outlined the pragmatic research philosophy, pragmatic epistemology, Stakeholder Theory and Agency Theory theoretical perspective, case study methodology, mixed method mainly influenced by qualitative data analysis and deductive/inductive approach. I presented the ethical guidelines that governed the research and the steps I took to avoid harm, obtain informed consent, protect the privacy and avoid deceiving the 'troubled' families whose quantitative data I analysed and the five professionals that I interviewed. I highlighted the limitations of the research project but ably countered these.

I showed my ability to make informed judgements in the absence of complete data - particularly quantitative data - on complex issues relating to Payment by Results and the National Troubled Families Initiative case study (S1). I illustrated my aptitude for undertaking applied research and development at advanced level to contribute substantially to the development of a new approach to target achievement in PbR (S2) and my ability to exercise personal responsibility and largely autonomous initiative - as a lone insider researcher - in complex and unpredictable situations in professional environments (S3). I also provided evidence of my ability to identify and effectively utilise the components of the self-system that foster authentic leadership, appropriate to a given leadership environment (S4).

The new knowledge that I generated significantly increases the understanding of the National Troubled Families Initiative. It supplements research carried out by Hoggett et al (2014) and Hayden (2015). Firstly, the research project did not focus on a single city but collected and analysed data from across England and from operational and strategic staff employees of the agent. Secondly, I drew on my existing knowledge of the business and management literature and used the lens of Stakeholder Theory and Agency Theory and Payment by Results good practice through which to regard the programme.



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