

Department of Human Services

**Evaluation of the
Homelessness IAPs
Summative Evaluation Report**

**January 2015
Executive Summary**

Executive Summary

The Homelessness Innovation Action Projects (IAPs) were an initiative established to trial new methods of service delivery in the homelessness sector. The IAPs specifically focused on early intervention and prevention of homelessness delivered through integration service models. The IAPs were unique in that they allowed the sector to drive innovation in designing and delivering services based on the sector's specialist knowledge and experience in delivering services to address homelessness.

The initiative was delivered in two stages:

- Stage 1 comprised 11 projects trialing service models over an 18 month period from April 2012 to September 2013 with \$15 million funding provided.
- Stage 2 comprised a refined set of seven services (selected from the original 11 IAPs) which were funded to continue to trial effective service models and, some to expand the models implemented in Stage 1. A total of \$15.9 million funding was provided for Stage 2 for the period October 2013 – June 2015.

Through both stages, the projects were expected to demonstrate the capacity to deliver coordinated and integrated approaches between specialist services such as family violence, housing and homelessness, and more mainstream services such as health, education, and employment services. In proposing projects, respondents were free from the constraints of existing models of service delivery, resource allocation, and structural issues with flexibility in how funding was packaged to support the achievement of client outcomes. The broad parameters for project design meant that the sector was able to propose innovative service models that would in turn inform future sector reform.

In line with the staged approach to implementation, the evaluation of the IAPs was also staged. The interim evaluation was conducted during Stage 1 between October 2012 and May 2013 and the summative evaluation between October 2013 and October 2014. This is the summative evaluation report, which in the main focusses on Stage 2 but also draws on the lessons from Stage 1 and the interim evaluation.

Key findings: implementation

In moving to Stage 2 the IAPs made minor changes to their program models. Specifically:

- The IAPs have refined the roles of their governance committees, transitioning them to a more monitoring and accountability focused role, as opposed to having developmental and implementation responsibilities as they did in Stage 1.
- The nature of IAPs partnerships have matured and changed with some IAPs forming new partnerships while other partners ceased participation.
- There have been changes, both strategic and opportunistic, to the staffing complement delivering the IAPs with some IAPs introducing new roles and others redefining roles within the existing models.

- Three IAPs, Detour, Star Housing and HomeConnect Hub expanded as part of their progression to Stage 2. The intent was to broaden the geographic reach and test the transferability of the models.

While the changes from Stage 1 to Stage 2 were reported by the IAPs to have strengthened the operational capacity to deliver, projects would have benefited from more active engagement from the Department. To enable IAPs to drive improvements and continue to innovate, the Department could have provided more feedback on program effectiveness, shared information on evaluation findings and placed a greater focus on continuous action research.

Key findings: client outcomes

Outcomes were assessed quantitatively and qualitatively through the analysis of SHSC data, outcome measurement data provided by IAPs, and client interviews, client case studies and follow up surveys with exited clients. Key findings against each of the client outcome domains are summarised below. These findings are reported in aggregate across all IAPs.

Access to safe and stable accommodation:

In the main the IAPs have positively influenced clients' ability to maintain their current housing or access new accommodation:

- Noting that few clients were homeless at entry (23 per cent, n=655), nine percent of all clients moved from being homeless (sleeping rough or in emergency accommodation) at entry to not homeless on exit (nine per cent, n=245 or 37 per cent of all clients who were homeless for whom a change in circumstances could be measured). Specialist Homelessness Services system data shows that only 4 per cent of clients transitioned from being homeless to not homeless by the end of the support period (19 per cent of all clients who were homeless at the commencement of support).¹
- The follow up survey conducted with exited clients in Stage 2 indicates that the majority of clients have maintained their accommodation three months after exit. Further clients have reported, in the main that their current accommodation is relatively stable.
- Clients perception of housing affordability three months after exit varied, with 52 per cent (n=91) of clients describing their housing as affordable or very affordable, and 47 per cent (n=82) reporting their housing as not so affordable, somewhat affordable or unaffordable.
- For most clients, there was no change in condition of occupancy, reflecting that most of the IAPs sought to support clients to achieve greater housing stability. Similarly, most clients across all sites had no change in dwelling type and remained in a house/apartment. These findings suggest that the IAPs have supported clients to stabilise their existing housing arrangements or move to alternative housing of the same type and tenure.

¹ AIHW 2013. *Specialist homelessness services 2012-13*. Cat. no. HOU 273. Canberra: AIHW – Supplementary Table VIC3.1: *Clients, Clients with closed support, by housing situation at first presentation and at end of support, 2012-13, adjusted for non-response*. Note, 45 per cent of clients were reported as having an 'other' housing situation. It is not possible to determine whether these clients were homeless or not homeless. Further, homelessness status at exit was not stated for 41 per cent of clients accessing SHS services (n = 31,522).

Engagement in education, employment and training

The majority of clients aged 16 years or more were not in the labour force (61.3 per cent, n=1514) or unemployed (25.1 per cent, n=621) at the commencement of support. In part, this is because two projects (Regional Outreach for the Elderly and Home at Last) specifically targeted older people. Few clients have changed employment status, which is not surprising given that employment outcomes can take some time to emerge. Further, most stakeholders noted that addressing housing stability was a necessary precursor to enabling consistent engagement in job seeking, education or training. Detour and HomeConnect Hub have demonstrated some early positive education and employment outcomes, reflecting provision of targeted support consistent with the project design.

Regular income source

Few clients changed their income source between entry and exit of an IAP service. Evidence provided through qualitative case studies and client interviews suggests many clients have been assisted to negotiate with Centrelink, change benefit type, and/or have been provided with financial counselling which has improved their ability to budget and maintain regularity in their cash flow.

Development of relevant life skills

Available Outcomes Star™ data, and other project specific outcome measures, provides some evidence that IAPs have supported clients to develop relevant life skills, including improvement in management of tenancy and accommodation and budgeting skills. Financial management and budgeting was noted by all projects as a key area of skill development that IAPs were able to influence. Case studies and client interviews further support this view.

Connection to family, friends and community

The qualitative data strongly suggests that where clients have been assisted into new accommodation or to manage their finances this has positively impacted on their ability to connect with social networks. In the case of projects working with young people, re-establishing relationships with was central to the program design, with case studies and interviews evidencing the effectiveness of these approaches in supporting early intervention and preventing homelessness. Available Outcomes Star™ data, and project-specific outcome measures provides further evidence of progress toward achievement of this outcome.

Health needs are met

Qualitative interviews and available outcome measures suggest that for adult clients, there was some evidence to suggest that the IAPs have positively impacted on the mental health and wellbeing of clients. Client interviews and case studies highlighted the importance of housing stability in positively impacting on mental health and wellbeing of clients, with many reflected that the resolution of their housing issues had seen them improve in this area. Stakeholders noted that in most cases, the capacity for IAPs to influence health outcomes was limited to connecting clients to health services and supporting ongoing engagement in these services, rather than directly influencing improved physical health outcomes. This is to be expected as IAPs staff are not health professionals and therefore are unable to directly address clients' health needs.

Key findings: system outcomes

The evaluation explored the extent to which the IAPs had demonstrated achievement of service system outcomes. Key findings against each domain are summarised below.

Early intervention and prevention

The IAPs demonstrated that there is demand for early intervention and prevention services in the homelessness sector, with strong evidence that the IAPs have intervened earlier than traditional specialist homelessness services. At entry, 19 per cent of IAP clients reported experiencing homeless in the month prior to presenting (n=495), compared to 32 per cent of clients accessing specialist homelessness services in 2012/13 (n=17,324).²

This is to be expected given the policy intent for IAPs to focus on early intervention. Early intervention and prevention was enabled through key design features such as: providing community education; establishing mechanisms for earlier identification and targeting; supporting clients demonstrating early signs of risk; and supporting clients to access services earlier, by reducing the threshold for service access.

Integrated planning and service provision

At the local level, the IAPs have demonstrated evidence of integrated service provision, primarily achieved through their established partnerships. Integrated service delivery has been largely effective within existing relationships and DHS funded services evidenced by the profile of IAP partnership participants. However, key challenges were experienced in extending beyond traditional networks and referral pathways, related to:

- Integrating with alcohol and drug, mental health and justice/corrections services. With the exception of Next Steps, referrals from these services to IAPs were less than 1 per cent or non-existent. In turn, IAPs reflected that high demand for these specialist services and concurrent reform to the alcohol and drug and mental health services made it hard for IAPs clients to access support and for these services to participate in partnerships. There are continued opportunities for the Department and services to formalise links with health services to support a more integrated response to client needs.
- Constraints on the IAPs ability to influence the wider service system. There were a number of systemic factors that impacted on the ability of the IAPs to integrate with other service sectors, these related to differences in tools and systems used in different sectors and policy and program changes being implemented at national levels (such as Centrelink online service provision).
- Maintaining momentum in the established partnerships. Some IAPs found that where they had sought to engage large numbers of partners in Stage 1 there was considerable time and effort required to maintain these relationships. In some circumstances partnerships dissolved as there was limited input needed from partners in Stage 2.

² AIHW 2013. *Specialist homelessness services 2012-13. Cat. no. HOU 273. Canberra: AIHW – Supplementary Table VIC2.12: Clients, by homeless status in month before first support period, 2012-13, adjusted for non-response. Note, 34 per cent of clients presenting to SHS services had 'not stated' for homelessness status in last month (n=38,345).*

- The time, effort and resources required to enable effective partnership arrangements. The IAPs reflected that there are considerable costs in terms of time, coordination, and material resources for non-government organisations to be active participants in partnership arrangements. As such, resource constraints impacted on the way other services were able to partner with the IAPs.

Flexible and tailored support

The flexibility afforded to the IAPs with regard to how support is delivered to clients was highly valued and contributed to the IAPs ability to build relationships with clients and deliver outcomes. There was some evidence that IAPs provided flexible and tailored support, enabled through: comprehensive screening and assessment at intake; streamed responses to suit differing levels of client need; key worker approaches, supported by secondary consultation; the provision of support for duration of need; and individual and tailored client case plans.

Flexible brokerage was identified as a key enabler of flexible support provision in that it enabled IAPs to provide practical and immediate solutions to client need. In using flexible brokerage analysis shows that brokerage funds were expended in line with local program guidelines.

Outcome measurement

All IAPs faced challenges in conceptualising and measuring outcomes associated with their projects. These challenges constrained the evaluation's ability to interrogate outcomes in depth, but also impacted on whether and how IAPs used data to interrogate the effectiveness of their service delivery arrangements and continuously improve their projects. The experience in measuring outcomes through the IAPs has highlighted the need to build capacity with the sector in this area.

Key findings: cost effectiveness

The evaluation utilised a cost effectiveness analysis and avoided cost analysis to assess the financial impact of the IAPs. The cost effectiveness of each IAP pilot was measured using five indicators drawn from SHSC data: Income; Labour force status; Education status; Condition of occupancy; and Type of residence. The outcomes achieved across cohorts in these areas were measured based on project participant data collected at program entry and exit, with a scoring system applied to reflect 'no change', 'positive change' and 'negative change' for participants. It was assumed that the full measured change is attributable to the individual's participation in IAP and referral to other external services.

The evaluation found that Home at Last, Star Housing, and HomeConnect Hub were the most cost effective in achieving outcomes across the five outcome areas, and in aggregate. These IAPs may be perceived to be more cost-effective, as they provide shorter interventions to (anecdotally) clients with less complex issues than other projects. In contrast, IAPs such as Next Steps and Detour, that support clients over a longer period of time, are comparably less cost-effective. In this respect, the cost-effectiveness analysis was not able to take into account the complexity of client need and/or the duration and intensity of support required for clients to achieve the specified outcomes.

The avoided costs to government of funding the IAPs was determined by the difference in cost between the base case (i.e. not funding the projects, estimated at \$8.1m), and the cost of supporting clients of the IAPs, including those clients for whom the intervention was not effective and ultimately required SHS support (\$7.9m). The Innovation Action Projects therefore provided limited avoided costs for government of \$162,000 at the whole of initiative level. However, under all scenarios tested, Star Housing, HomeConnect Hub and Home at Last collectively provided avoided costs of \$2.15m suggesting that these projects may provide a cost-effective means for diverting demand from specialist homelessness services. The potential cost savings to government should be tested through further analysis when long term data is available, via the SHSC, to more robustly measure the rate of diversion from traditional homelessness services.

Key lessons

The evaluation has found that the sector highly valued the ability to innovate and test new ways of working to intervene early in the cycle of homelessness. The majority of stakeholders reflected that the decision to specifically fund innovation was a bold decision on behalf of government, and a worthwhile exercise that should be continued in some form. As was the intention of the initiative, the IAP experience has yielded a number of lessons many of which will benefit decision making about system reforms. The lessons identified have been aggregated into three broad themes:

1 Supporting and encouraging innovation, highlighting that:

- Innovation exists along a continuum and there are benefits associated with incremental change. The IAPs, though not implementing wholesale change, demonstrated new ways that services could be conceived and delivered, yielding important insights for the system.
- Evidence suggests that an ongoing commitment to action research may have assisted the IAPs to take stock of their programs more regularly, and drive continuous innovation. To be fully effective, action research should be embedded in parallel to design and implementation activities. Action research is an area that could be considered in the development of future pilot program design.
- Innovation needs to be supported by partnership between the not-for-profit sector and governments. Greater involvement of the Department in the design and implementation of the IAPs had the potential to influence the scale and type of innovation achieved. The nature of the way the IAPs were implemented did not allow this opportunity to be realised.

2 Identifying elements of service delivery that show potential for wider application, specifically, recognising the value of:

- Early intervention responses. There was evidence of demand for early intervention and prevention services and that these services are effective at preventing homelessness in the short and medium terms. However it was acknowledged that systemic factors (e.g. housing affordability), outside the influence of the homelessness services system impact on the demand for and longer term effectiveness of early intervention services.

- Private rental advocacy and support works to prevent homelessness in an early intervention context.
 - The key worker role in an early intervention context for its ability to connect complex clients with the range of services they need.
 - Flexible service responses in terms of the nature and duration of support provided and the use of flexible brokerage.
- 3 **Understanding the homelessness sectors' capacity to effect change within a broader human services system**, uncovering the following lessons:
- The degree to which integrated plans can be used to best effect is impacted by limitations within the existing system pointing to the challenges associated with the absence of shared tools and resources across service systems.
 - Partnerships need to be adequately funded and resourced to facilitate participation, identifying a range of capacity constraints impacting stakeholder's ability to come to the table to deliver integrated services.
 - There are opportunities to build capacity within the homelessness sector to support wider change specifically with respect to program design and data management and analysis.

Implications for system reform

In light of the above lesson the evaluation has identified a number of program elements as worthy for consideration in the design of broader reform to homelessness services. They are:

- early intervention and prevention services
- flexible responses in terms of duration and type of support provided
- private rental advocacy and support as a means of assisting people to stabilise and maintain existing housing or access more appropriate/affordable housing
- the use of key worker approaches, particularly for clients with complex or multiple needs
- common case management tools and data capture processes to facilitate integrated planning across service sectors.

The evaluation identified that there is a strong need for capacity building in the sector to support outcomes monitoring with a view to enabling outcomes based funding approaches into the future. Capacity building should incorporate:

- the development of frameworks, tools and guidelines to support outcome measurement
- approaches that build technical data management analysis skills in the sector
- sufficient resourcing to enable services to employ dedicated resources to drive partnerships and collaboration, and are accountable for the management, monitoring, and analyses of outcomes-based data.

These learnings apply equally to the homelessness sector and other human services sectors as funding mechanisms increasingly shift from block or input funding, towards activity or outcome based funding.

Moving to outcomes based funding arrangements

The IAP experience has highlighted that in addition to sector capacity building the following features are important in the development of an outcomes based funding model for the homelessness service sector. Key requirements include:

- sufficient flexibility so as to enable a range of service responses to deliver on outcomes as well as to fund capacity building and administrative (data) support
- mechanisms that enable, and potentially provide incentives, to services to continue to innovate and partner with others
- a balanced approach to reporting on outputs and outcomes so as to maintain throughput through the system, but emphasise the value of the achievement of outcomes.
- encouragement of service providers to operate efficiently
- administrative simplicity with clear and transparent decision making processes
- minimal administrative burden on service providers and the funding body.