

# Lankelly Chase Foundation

Theory of Change  
v1.0



This theory of change is a working hypothesis that underpins the new strategy of **LankellyChase Foundation**. It is likely to change and evolve as we gain a deeper understanding both of the issues with which we are grappling and of our role in promoting change.

We welcome feedback on the strengths and weaknesses of this model, as well as suggestions for improvement and refinement.

**[www.lankellychase.org.uk](http://www.lankellychase.org.uk)**

## Summary

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**LankellyChase Foundation**'s theory of change is a response to the following questions:

- i. What is the problem that **LankellyChase Foundation** is trying to address?
- ii. What kind of change do we want to promote?
- iii. How will that change happen?
- iv. What environmental factors are likely to affect that change?
- v. What role should we play?
- vi. What tools should we deploy?
- vii. What limits should we place on our activity?

## What problem is LankellyChase trying to address?

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**LankellyChase Foundation** is committed to using its independence and resources to promote change that can improve the quality of life of people on the extreme margins of society who are most exposed to social harm. Our particular focus is on people who are least well served by existing responses to disadvantage, and who therefore find themselves at greatest risk of punitive and coercive interventions. Most often, these are people who face multiple disadvantages simultaneously, such as mental illness, homelessness, violence and abuse, drug misuse and extreme poverty.

A number of recent studies have identified a significant minority of individuals and families (some studies estimate up to 2% of the population) who experience a multiplicity of severe social harms over extended periods of time. This intractability is widely understood to stem in large part from the way services and systems are designed. In particular:

- i. they focus rigidly on single presenting needs to the exclusion of multiple needs
- ii. they are determined by performance regimes that cause providers to 'cream off' the easier to help, even within high need groups
- iii. they prioritise some needs over others, regardless of the impact on the individual
- iv. their engagement with people is episodic and driven by process

Because this problem is deeply systemic, people who face severe and multiple disadvantage continue to be failed even when policies and services are explicitly targeted at those who are most disadvantaged.

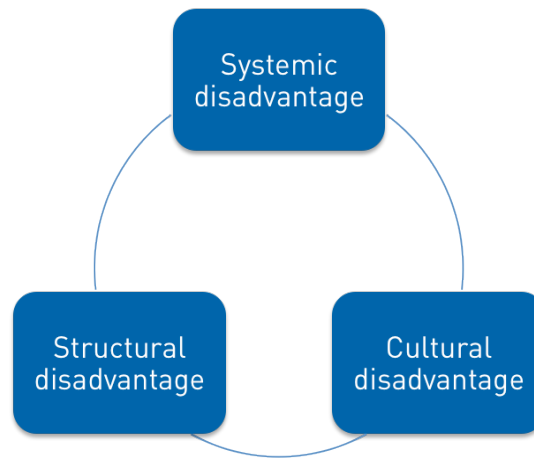
The lives of people who face severe and multiple disadvantage are often characterised by a vicious cycle of exclusion followed by excluded behaviour followed by further exclusion. This can render people in this situation very hard to help, even in the rare circumstance when solutions are available, and it certainly makes them publicly and politically unpopular. As a result, our society spends far more on containing and punishing people in this situation than on alleviating the disadvantage itself.

Although systems and services play a very active role in driving poor outcomes for this group, they are not solely responsible. Services can only respond to the symptoms of more deep-seated structural disadvantage. This includes entrenched inequality, discrimination, market exclusion, social fragmentation, individualism, and stigmatisation of outsiders. Arguably those on the extreme margins are standing where social fault lines converge. Service responses are not designed to contend with or bring about the deep social and attitudinal change that is needed.

Finally, those on the margins are also disadvantaged by the collective failure to acknowledge or promote their capabilities. Services that are designed to meet someone's needs rarely support their capacity for creativity, enterprise, contribution and personal enrichment. This amounts to a denial of the humanity and dignity of marginalised people, underpinned by a utilitarian assumption that value can be measured in terms of cost, risk and harm.

The types of disadvantage that need to be tackled, therefore, are systemic, structural and cultural. In most cases, these will be mutually reinforcing disadvantages, but our initial focus will be on systemic disadvantage. Over time, a deepening understanding of structural and cultural

disadvantage will help us to start redefining what good looks like, particularly with testimony from disadvantaged people about what would make their lives better.



## What kind of change does LankellyChase want to promote?

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People who face severe and multiple disadvantage need genuine opportunities to transform their lives. By a 'genuine opportunity' we mean one that helps the individual overcome all aspects of the disadvantage which they face, so that they can be and do the things that they value in life.

As set out above, this requires a combination of three kinds of change.

### Systemic change

There is considerable consensus that an effective or system or service is one that:

- i. takes action early to prevent the escalation or clustering of disadvantage
- ii. is capable of responding to the interrelated nature of multiple disadvantage
- iii. is co-produced with the person receiving the service and empowers them to take as much control as possible
- iv. is personalised to the needs and circumstances of the individual
- v. is both consistent and flexible over time
- vi. builds the capabilities and assets of the individual and their family
- vii. is non-stigmatising and forges links with the wider community

**LankellyChase Foundation** wants such services to become the rule rather than the exception. Hence, we want to see radical change (i) in the prioritisation of people who face severe and multiple disadvantage by policy makers and commissioners, and (ii) in the effectiveness of the services provided.

### Structural change

There is a serious risk that attempts to achieve change can become overly mechanistic, programmatic and rationalistic. In other words, they can attempt to play the system at its own game and leave the social structures that create disadvantage untouched. Independent organisations therefore have a crucial role in influencing the tone, values and philosophy of the debate.

Many of the structural factors that converge to create severe and multiple disadvantage affect a much wider population. So we need to focus on change that is more specific to the lives of those on the extreme margins. In particular:

- i. lack of voice
- ii. discrimination
- iii. lack or denial of rights
- iv. economic exclusion

All of these are about power shifting towards the most marginalised, not solely so they can get access to services, but so they are able to develop and achieve the kind of changes that they want

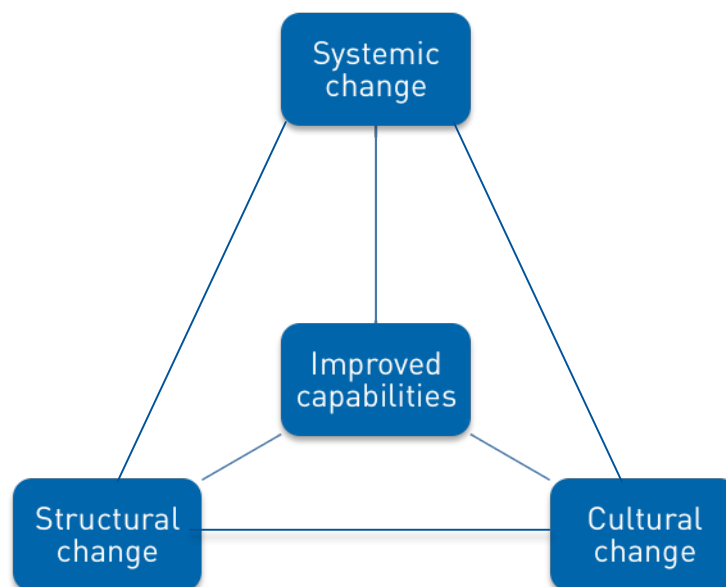
for themselves. This isn't about creating a level playing field, but about ensuring that marginalised people own their own field.

## Cultural change

We are seeking a transformation in what people on the extreme margins are able to be and do in their lives. What Amartya Sen calls their capabilities. Some of this will be enabled by changes to systems and structures, but transformation will ultimately come from the individual's own humanity, creativity and enterprise. While this will often require external support, it cannot be mediated (N.B. we often talk about services as an "intervention", which means coming between one thing and another). It is about the individual's freedom to engage directly with life. Such opportunities are often expressions of the individual's artistic, physical, spiritual, humanitarian, entrepreneurial and familial identities.

We therefore want such opportunities to be at the core of our understanding of what success looks like for the most marginalised.

Together, these changes might look something like this:



## How will change happen?

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### Systemic change

As there is considerable consensus on what good services looks like, our focus needs to be on what will drive the wider availability of such services and how barriers might be overcome. This requires us to answer three linked questions:

1. do decision makers (i.e. policy makers and commissioners) know what good looks like?
2. do they know how to get there?
3. what would cause them to want things to change?

There is little point in answering question 1 if we cannot also answer questions 2 and 3. We otherwise risk creating best practice that people either don't want or don't know how to implement.

#### 1 - Do decision makers know what good looks like?

Decision makers need more than the ingredients and principles of best practice to help them achieve change. They need proven examples of evidence-based practice which they can sell to elected members, to the Treasury or finance department, and to each other. Hence we need to create working exemplars of what good looks like and these will often need to exist before the system is ready to support them.

There are two ways that this can happen:

First, there is positive deviance, where someone has produced exemplary practice despite rather than because of the system. Where such examples exist, there are a number of questions that need to be answered: does it work? what makes it work? what caused it to be created in the first place? are the conditions of its success reproducible?

Second, there is the laboratory approach, where an example of promising practice is created under artificial conditions to test whether it works. This usually requires the injection of independent money as well as the willingness of local agents to support/tolerate a different way of working.

In both cases, the creation of evidence that is directly relevant to the concerns of policy makers and commissioners is absolutely key, particularly evidence of effectiveness and cost benefit.

#### 2 - Do decision makers know how to get there?

Establishing best practice is only part of the journey. Commissioners are often handed the policy objectives and examples of best practice, but are rarely given a route map to show how they might implement it. There is a very strong vogue for evidence based 'silver bullets' but little understanding of how these should fit with existing systems. Indeed many of these models either exist to compensate for the harm caused elsewhere in the system, or they are undermined by unhelpful practice elsewhere. In other words, they become 'islands' of excellence and innovation in the midst of otherwise unreformed systems. Their status as expensive anomalies explains why the rate of replication is disappointingly slow, and why central Government has to pump prime most of them.



It is one thing to know what good looks like and quite another to make that happen when this requires the interests of multiple systems to be aligned. Effective practice often requires wider systems to change to allow it to exist, and this is where things tend to unravel. By definition, the systems that support people who face severe and multiple disadvantage are complex. It is notoriously hard to get different services and organisations to work together cohesively. Money is often locked into the crisis and institutional ends of the system. And it can be hard to change professional practices, working cultures and vested interests.

Commissioners get very little support with whole-system reform, both financially and intellectually. They often struggle with commissioners in other parts of the system, so that their hands are tied when they try to take a whole-system approach. The result is that the majority of what the voluntary sector is commissioned to provide is widely known to fall short of what is actually needed. The question that is never asked is: what would a system look like in which effective services for people who face severe and multiple disadvantage were able to flourish?

Charitable organisations are increasingly looking at how to catalyse systems change on the ground i.e. beyond the replication of individual programmes. Their methodologies are often a pincer movement between the personal testimony and ideas of service users and data driven analysis of the multiple systems that affect them. Crucially, such organisations can provide a safe space in which different parts of the system can be brought together to forge common language, priorities and methodologies for new ways of working.

One of the most important recent manifestations of systems change is the advent of social finance mechanisms. These attempt to introduce independent resourcing up front, so that a new system can be created without having first to release the resource from the existing system. It is far from certain whether the risks of this approach to commissioners, providers, investors and ultimately to service users are manageable, but this can only be tested in practice.

### 3 - What would cause decision makers to want things to change?

Decision makers are faced constantly with competing claims on their priorities, attention and resources. It is not enough to expect the rightness of our cause to be enough to motivate them to expend limited political and financial capital. There need to be drivers that are strong enough to motivate the unwilling as well the positive deviants. There seem to be at least five inter-linked drivers of change:

**Evidence** – often the most compelling driver of change is evidence that the cost of doing nothing is too high. Even when it is politically unpopular to spend money on particular groups, national and local government sometimes feel compelled to do so by the financial case. However this is far from straightforward: the costs to one part of the system of failure in another can be very hard to prove; if investment in one part of the system generates savings in another, then the incentive to invest is weakened; and it is often unclear whether savings are ‘bankable’ i.e. whether a service could genuinely be closed if demand for it fell, or indeed whether new people would simply fill the places of those who had been helped. Data driven social change therefore has to be robust and forensic if it is to hold water.

**Scrutiny and visibility** – it is vital that decision makers are scrutinised and held publicly to account for the decisions they make that affect disadvantaged people. And it is undoubtedly the case that lobbying by the voluntary sector which can avert damaging policy and promote positive policy affects huge numbers of lives. An important means of creating the sense of sustained public glare is by ensuring that information about disadvantage is continuously streaming into the public domain.

**Voice and power** – one of the main reasons groups are excluded from services is that they lack the political power to object to their own exclusion i.e. they are ignorable. They therefore need independently funded platforms to bring their concerns to the attention of decision makers.

**Equality and diversity** – a significant cause of people being failed by services is that their diverse needs are not sufficiently acknowledged or addressed. Women and BAME groups can fare particularly badly because of a dearth of gender- or culturally-specific services. Equality duties on Government and local authorities can be important points of pressure, as can evidence of the consequences of overlooking diversity e.g. the number of young black men in secure hospitals and prisons.

**Rights** – although it is a truism that many people on the margins of society 'know their rights', in fact that there is plenty of evidence that many people do not receive the services or benefits to which they are entitled, and they lack recourse to challenge through the law. The precarious future of law centres is therefore a significant cause for concern. As budgets tighten, there will also be increasing attempts by local commissioners to raise the overall threshold of entitlement. There have been successful challenges in the courts to some of these attempts, especially in the area of disability, and strategic litigation can be a powerful tool.

## Structural change

The drivers of structural change overlap considerably with those of systemic change, especially 3, 4 and 5, but the outcome sought is deeper and broader than just equal access to services.

Because we are seeking to shift power to marginalised groups, this requires a relinquishing of power by independent funders and charities as well as by public services. In other words, this is about shifting power for its own sake, not in order to deliver the agenda of a particular organisation.

**LankellyChase Foundation** therefore needs to explore how it can use its independent money to enable marginalised groups to dictate the terms of their own inclusion, rather than remain supplicants at someone else's table. This might mean supporting the independence of service user groups, funding research into the views and aspirations of people facing severe and multiple disadvantage, and supporting the independent writing and journalism of people with this profile.

## Cultural change

There are numerous organisations that exist to promote the creativity and enterprise of people facing severe and multiple disadvantage. However, most struggle to access funding because they find themselves boxed into (or out of) performance regimes that are designed to deliver a much more utilitarian agenda.

There are at least three forms of leverage that seem appropriate here:

- i. Support risk taking organisations. The most obvious way of leveraging change is to support organisations to show the transformational effect of putting cultural tools into the hands of the most marginalised.
- ii. Influence mainstream institutions. Arts organisations, for example, working with people on the margins often rely on funding from health and social care commissioners, rather than mainstream arts funders. The same is true for organisations supporting people's enterprise. We therefore need to support these organisations to make their case to

mainstream funders, both by supporting the excellence of what they do but also by supporting efforts to influence and persuade. This may also link to people's rights to equal cultural opportunities.

- iii. Change the understanding of what success looks like. Cultural inclusion is usually an add-on to services that meet social and welfare needs. It is therefore the first thing to be scrapped when funding is reduced. However, a person whose needs have been met but who is left with no purpose or relationships can hardly be said to be included. There is therefore a need to change the overall conceptions of what success looks like. Amartya Sen's capability approach is especially relevant in this context.

## What environmental factors are likely to affect the change we seek?

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There are several environmental factors that will affect the change we seek and that are likely to dominate the next 5-7 years. We will need to explore how the negatives and positives of each of these can be addressed in our strategy:

**Austerity.** The organisations on whom we might rely to make a difference will be disproportionately hit by spending cuts. Hence their capacity to rise to the occasion of escalating social need will be limited. An independent foundation (indeed the collected resources of all independent foundations) will not be able to compensate for these cuts. But where we do fund organisations which we hope will make a difference, we will need to recognise that they are likely to require more help than before if they are going to be sufficiently robust.

**Welfare reform.** The philosophy of self dependence is driving major changes in the benefits system that will undoubtedly lead to greater levels of destitution in the short/medium term. In particular, there is likely to be a 'perfect storm' effect, where various changes converge to hit some people disproportionately.

**Localism.** The drive to decentralise spending and decision making will allow local areas to work more flexibly and potentially break down artificial barriers between different areas of delivery. However, it will become increasingly difficult to know how those on the extreme margins are faring without scrutiny, data collection or control from central government. This risks creating an accountability gap where central government knows that there is a national problem with a particular issue, but is powerless to prove it or force local areas to do anything about it. Localism also provides local authorities with new powers to manage their budgets through changes to welfare payments in ways that could have major ramifications for the most disadvantaged.

**The family agenda.** Families have emerged across the political spectrum as the preferred unit of intervention. This should erode the unhelpful divisions between adult and children services, and it should encourage a healthy focus on intergenerational cycles of disadvantage. This agenda also seems to be motivated by a desire to assert control over some families, particularly by holding parents to account for the behaviour of their children i.e. families are viewed as the core unit of social control. It also risks excluding people who are not part of a nuclear family unit.

**Privatisation.** Linked to decentralisation is a massive exercise in contracting out national commissioning processes to large private companies who are in turn contracting voluntary organisations as 'sub-primes'. Organisations will be increasingly paid only by the results they achieve and others are being spot purchased. In the face of this, it will be crucial that independent funding bolsters the power, independence and voice of voluntary organisations.

**New ways of working.** One happy consequence of all of the above is a renewed openness to new ways of working that can deliver greater value for money. The imperative of cost reduction in particular is forcing vested interest to give way to models such as pooled community budgets.

**Falls in the standard of living.** It is no longer the case that the socially excluded groups can be treated as exceptions to a rising tide of prosperity. Poverty is extending into sections of society that may not have experienced it for a generation. It will therefore become harder to argue a specific case for those on the extreme margins, and the emphasis therefore shifts to a wider question about how those facing severe and multiple disadvantage might be included in the wider political and public service reforms that will undoubtedly be necessary. Inclusion rather than exclusion would become the focus.

## What role should LankellyChase play?

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As an independent funder, **LankellyChase Foundation**'s obvious role is to strengthen the arm of organisations which operate in the field of severe and multiple disadvantage. In other words, we should help to build the momentum, credibility and influence of work that is already in train or development.

However, severe and multiple disadvantage is not an established field, by virtue of the fact that it exists at the interface of various other fields. We therefore also have a less obvious but critical role, which is to help hold a space within which new practice, ideas and knowledge can develop. This will require us to act as a catalyst for change, attracting more organisations to focus on this issue.

More strategically, we also have a vantage point on the various threads of activity that we fund, and so there is also a role in drawing the lessons and evidence together, synthesising these into a core narrative about what needs to change and proactively influencing the analysis of central and local government.

This balance between responsive and proactive roles is reflected in the variety of possible actions that we might take at different stages of the change process:

### Build evidence of what good looks like

There are three possible ways of achieving this:

- i. Find existing positive practice and prove that it works. This may require funding to ensure that the practice is able to continue and is working at sufficient capacity, but a significant proportion of the funding should help the organisation to demonstrate its effectiveness. We also have a role in attempting to understand why the practice works, what conditions enabled it to exist in the first place, and how it might be replicated ('scaled up') elsewhere.
- ii. Develop positive practice. This is a much costlier strategy, because it requires the entire project costs to be met, plus the process of evaluation (hence why funding rarely stretches beyond project costs to evaluation). However, where there is an absence of positive practice this is likely to be necessary, and it does allow evaluation to be built in from the outset. This is most likely to involve backing an organisation that already has an idea that it wants to develop, and is likely to require collaboration with other funders.
- iii. Brigade existing evidence. This approach is especially useful where there is strong international evidence and it can act as a powerful tool for decision makers and practitioners who lack the time to trawl through diverse data sources.

### Achieve systems change

There are also three possible ways of achieving this:

- i. Find and back organisations who are trying to achieve local systems change. There are a number of possible models: charities which undertake local needs audits and service user consultations to try and influence commissioning decisions; social enterprises which want to sell systems redesign consultancy and franchise service models; and social finance organisations who are designing new SIB mechanisms. We already fund several examples of each of these.

- ii. Instigate area-based development projects. This is the same as (1), but is proactively commissioned by **LankellyChase Foundation**. This would be where we identify that there are no organisations currently attempting systems change in a priority area, but that there are organisations with the right methodology. The solution would not be specified by us, but we would create the space (sometimes called a 'black box') within which the solution could be developed i.e. by setting out the problem and inviting organisations to work with local areas to develop and implement new thinking. (Funders that are prepared to support frontline services expect this stage already to have happened, which creates a significant burden on cash-strapped organisations and causes this stage to be rushed and poorly evidenced).
- iii. Back national systems change. This would most likely be an organisation that isn't simply advocating that change should happen, but has a specific set of systemic and service solutions that it is trying to land with Ministers and civil servants. Such organisations need the capacity to work collaboratively with Government to ensure that they are as influential as possible.

## Make the case for systems change

We are likely to create proactive relationships with organisations that are attempting to quantify the 'cost of doing nothing' and those that are trying to bring greater scrutiny to bear on decision making. The other aspects of 'making the case' are described under (4).

## Promote structural change

Our principal task with organisations that wish to promote (i) voice and power, (ii) equality and diversity and (iii) rights, is to build their capacity to act as effectively and independently as possible. Beyond that, we will need to help them create as strong a platform as possible for their work, in bringing evidence to bear, in pursuing riskier but more creative strategies and in communicating effectively.

## Promote cultural change

Most the activity that is required to achieve cultural change is captured above. However, there is a wider objective of changing the narrative of what is valued by the system, what success therefore looks like, and how laterally that might be achieved. In pulling the thread of activity, therefore, **LankellyChase Foundation** has a role to play in helping to draw out a different vision or philosophy, showing why it is important, and promoting this to decision makers.

## What tools should LankellyChase deploy to achieve this change?

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### Open grants

**LankellyChase Foundation** should continue to use open calls for applications as a key means of finding and responding to the most promising activity in the voluntary sector. This will help ensure that we do not become over-programmatic, and it will help build a critical mass of organisations that have common cause.

The aim with open grant making should be to enable organisations to act confidently and independently, without having to report to multiple funders. This requires that the grants should support staff, project and core costs, so it is likely that we will be funding fewer organisations with larger grants.

Open calls should have application windows so that we are able to prioritise our funding properly. However, open calls are not entirely effective in 'flushing out' all of the good ideas, and we should retain the flexibility to provide responsive grants outside of the standard application process where we discover projects which might powerfully further our mission. These are likely to come through leads pursued by the team.

### Special initiatives

**LankellyChase Foundation** will want to target a limited number of issues where we will aim to create a significant impact. We should use a problem solving approach, in which we engage a number of partner organisations to help us create a clear problem definition and a hypothesis of change. The subsequent methodology will be entirely driven by the hypothesis, and there should be freedom to explore lateral and creative solutions.

The point of special initiatives is to bring about change that will ultimately improve outcomes nationally, rather than benefiting a single organisation or locality. The likely outputs will be policy change, transferable learning, evidence of cost benefit and replicable models or processes. As such, they should aim to be highly influential, generating interest across Government and the voluntary sector, with strong communication, stakeholder and evaluation strategies.

### Social investment

Work with people facing severe and multiple disadvantage has been blighted by lack of steady income, leaving organisations fragile and dependent on public funding. One way of bolstering some of these organisations is through investment in social enterprise models that will enable them to trade independently. Such enterprises would also demonstrate the ability of people facing severe and multiple disadvantage to work as employees and make a positive economic contribution.

**LankellyChase Foundation** has the opportunity to use its capital to invest in enterprises whose missions are related to its mission, thereby achieving both financial and relevant social return.

As already noted, social impact bonds (and other such mechanisms) also offer the possibility of systems change. **LankellyChase Foundation** will collaborate with other funders, intermediary bodies and Government to create new opportunities to use social investment to tackle previously intractable issues.



The ultimate goal of **LankellyChase Foundation**'s social investment strategy is to help create asset classes that will attract the wider investment community.

## Responsible investment

We are signatories of the United Nations Principles of Responsible Investment, and invest through segregated funds so that we are able to identify where there may be environmental, social and governance issues relating to our investments. We will seek to limit harm by avoiding investment in tobacco companies, and we will use our voting rights as shareholders to hold companies to account on senior executive and Board level remuneration and the Living Wage

## Knowledge hub

**LankellyChase Foundation** should become a place where people come when they want to understand and tackle severe and multiple disadvantage. As such, its staff and its website should become sources of knowledge on the latest relevant research, data and learning. This will, of course, include the knowledge gleaned from **LankellyChase Foundation**'s own work.

## Influence and connect

**LankellyChase Foundation** has an important opportunity to use its position and mission to influence decision makers. This will encompass a number of roles:

- communicating developments in its work and in the field more generally with its key stakeholders
- using its grant making to create a network of organisations who are pushing for change, who can share learning from the strategies they are deploying, share intelligence of the opportunities and obstacles they face, and who can be connected with decision makers and thought leaders.
- creating public platforms for severe and multiple disadvantage to be debated, through lectures and seminars
- directly engaging national and local government on the specific issues of multiple disadvantage and the systems change required to tackle it
- keying into policy debates

## What limits should we place on our activity?

Although **LankellyChase Foundation** is committing itself to a single sustained focus on one issue, it will be crucial that we retain a clear sense of the scope and limits of that role if we are not to stretch beyond what we can realistically achieve with our resources.

To work credibly in the field of severe and multiple disadvantage, we do need to work flexibly across the life course i.e. from early years to adulthood, because different disadvantages affect people at different times, and some can be prevented if action is taken at an earlier point in the life course. In our reactive grant making, where we aim to strengthen the arm of organisations already working in the field, we might want to build a portfolio of funded projects that cover (without artificially stretching the point) the life course and the change process i.e.

	Systemic Change	Structural Change	Cultural Change
Childhood			
Adolescence			
Adulthood			

However, we couldn't possibly replicate this in our more proactive attempts to promote knowledge and catalyse action. We would need to be more targeted and choose issues based on some strategic criteria e.g.

- the issue is neglected by other funders
- there is an opportunity for change
- there is a high severity of harm (and possibly it is getting worse)
- there is a particularly effective point at which to intervene
- it might act as exemplar of how to bring about change

We have to become highly rigorous about the points that we target both in the life course and in the process of change. We therefore need to adopt a problem solving approach, which doesn't start with a presumption about which costs we prefer to meet.