

CABINET

20 March 2018

Title: Pan London Care Impact Partnership Framework for Edge of Care Services	
Report of the Cabinet Member for Health and Social Care Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Paula Sammon, Commissioning Manager; Children's Care and Support	Contact Details: Tel: 020 8227 2292 E-mail: paula.sammon@lbbd.gov.uk
Accountable Director: Chris Bush; Commissioning Director for Children's Care and Support	
Accountable Strategic Director: Anne Bristow; Strategic Director; Service Development and Improvement	
Summary: <p>The Council currently has 410 looked after children at a rate per 10,000 of the population which is significantly higher than the London average. One strand of work to tackle this has been working on preventing children and young people from entering care by making effective use of social investment to establish innovative services. Social investment is upfront, risk-free finance, where payment is made based on the delivery of pre-determined outcomes. Where an outcome is not delivered, no payment is made.</p> <p>This report brings forward a proposal to establish a Social Impact Bond, building on the existing pan-London Care Impact Partnership with five other London boroughs (LB Merton, LB Bexley, LB Newham, LB Tower Hamlets and the LB Hillingdon).</p> <p>Positive Families Partnership was awarded the contract to deliver Edge of Care services on behalf the boroughs named above. The consortium is led by the social investor Bridges Fund Management and Social Finance, together with the charity Family Action, the South West London and St George's Mental Health Trust, and Family Psychology Mutual.</p> <p>Detailed exploration has been undertaken to assess the viability and likely success of establishing this type of service in Barking and Dagenham under the proposed arrangement. It is believed that this can have a significant impact.</p> <p>The proposal provides for a programme of support to young people on the edge of care. It is designed to improve outcomes for our children and young people by enabling them to remain at home with their family. This will also help to reduce the costs associated with children and young people being in care. As an early intervention programme, this approach offers a real opportunity to improve outcomes for children and young people and make long-term savings predicted to be in the region of £780,000 over five years.</p>	

Recommendation

The Cabinet is recommended to:

- (i) Agree that the Council enters into a contract with the Positive Families Partnerships, via the Pan London Care Impact Partnership Framework Agreement, for the provision of Edge of Care Services via a Social Impact Bond, in accordance with the Council's Contract Rules and the strategy set out in the report;
- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to enter into the contract and all other necessary or ancillary agreements in accordance with the strategy set out in the report; and
- (iii) Delegated authority to the Strategic Director for Service Development and Integration to enter into all necessary agreements to enable the Council to become a new member of the Pan London Care Impact Partnership.

Reason(s)

To assist the Council to meet its priority "Enabling social responsibility".

1. Introduction and Background

- 1.1 The Council has approximately 410 looked after children, and its rate per 10,000 in the population is significantly higher than the London average. Furthermore, there are a significant number of children and young people on the edge of care due to potential family breakdown and adolescent behavioural issues. Valuable interventions are made already for children and young people on the edge of care, often coordinated by the Access to Resources Team (ART). Given, however, that it is a key priority to reduce and contain the rate of children who are looked after, commissioners have been working with operational managers to find a way of scaling up the work of the ART.
- 1.2 As such, commissioners have been exploring options aimed at preventing children and young people from entering care by making effective use of social investment. Social investment is upfront risk-free finance, where payment is made based on the delivery of pre-determined outcomes. Where an outcome is not delivered, no payment is made.
- 1.3 Discussions have taken place with the London Borough of Sutton (the lead authority for this Social Impact Bond) to identify how we may take forward a social investment funded project that supports the Council to reduce or contain the number of children and young people that become looked after. The benefits of social investment to fund these interventions include:
 - The ability to offer new services to help children and young people and their families stay together, rather than the child or young person entering the care system.

- Delivering better outcomes for young people; there is evidence that some young people who enter the care system later in their life, as teenagers suffer particularly for poor outcomes.
- A net financial saving to the Council, after the cost of any service is considered
- The opportunity to join the second cohort of local authorities participating in the Edge of Care Social Impact Bond. This will enable the Council to purchase specialist services that it could not otherwise afford on its own.

What is Social Investment?

- 1.4 Social investment, more commonly known as Social Impact Bonds (SIB), are designed to support the public sector with its reform agenda. Social investment provides organisations like LBBD with the ability to be innovative and deliver evidence-based interventions to de-escalate need and reduce more costly interventions, which would not be possible using traditional contracting methods.
- 1.5 Social investment is where an investor provides up-front, risk-free finance for the delivery of agreed outcomes. The social investor then receives a payment based on the results achieved at the end of the project. In this instance, the investor will be paid for every week the young person is not in care following the end of the intervention.
- 1.6 Social investment means that the investor takes all the risk in relation to their investment. Providers who deliver the intervention continue to be paid based on service delivery (unless a different agreement is reached between the investor and the provider, sharing the risk). The Council takes on no risk in relation to funding this model of delivery and only pays for outcomes delivered; thus, providing a risk-free way to innovate.
- 1.7 The use of social investment across the United Kingdom is growing and is being considered more and more by local government. Within the United Kingdom there are SIBs in London, Birmingham and Essex to name a few, all focused on the edge of care or in care cohort.

Project Proposal

- 1.8 The Edge of Care SIB is a five-year proposal aimed to establish a new SIB, building on the existing Pan London Care Impact Partnership with five other boroughs (LB Merton, LB Bexley, LB Newham, LB Tower Hamlets and the LB Hillingdon). As such commissioners will be working closely with LB Sutton who lead on the Pan London Care Impact Partnership. The LB of Greenwich and LB of Havering have also expressed interest in joining the second cohort of the partnership, with LBBD.
- 1.9 Commissioned analysis by Social Finance identified that LBBD would benefit from participating collectively with other boroughs using Social Investment to provide interventions for those on the edge of care.
- 1.10 The proposed project will provide a programme of support to young people on the edge of care. This will improve outcomes for the young person and reduce the high cost associated with children and young people being in care. As an early intervention programme, this approach offers a real opportunity to improve outcomes for children and young people and make long-term savings. The reduction in care costs will inevitably reduce pressure on the Council's budget.

1.11 The proposed project will:

- Provide social investment as a means to finance the delivery of edge of care services in LBBB, which is risk free to the council.
- Offer evidence-based interventions such as Multi-Systemic Therapy (MST) an intensive family and community-based treatment programme and Functional Family Therapy (FFT) family based therapeutic intervention across LBBB.
- Allow the Council to only pay for the delivery of successful outcomes.
- Reduce the number of children and young people entering care which should result in savings of approximately of £779,974 over the five years.

Social Finance: LBBB Analysis

1.12 In August 2017, Social Finance conducted a piece of analysis to assess the potential business case for LBBB to commission services to improve outcomes for vulnerable adolescents on the edge of care. In addition, Social Finance assessed whether LBBB could benefit from joining the Pan London Care Impact Partnership and, if so, help secure a 15% contribution from the Big Lottery Fund toward future outcome payments.

1.13 Social Finance analysed LBBBs historic data to assess the potential volume of cases per annum for edge of care interventions. In addition, Social Finance evaluated the historic cost of care journeys to develop a high-level business case for interventions. Some of the findings that were set out in Social Finance's Edge of Care Analysis for LBBB, published in September 2017, is detailed below.

1.14 Barking and Dagenham's SSSA 903 data sets from 2006-2017 was analysed to identify children who historically could have been eligible for intensive, therapeutic Edge of Care Interventions. This purpose of this was to:

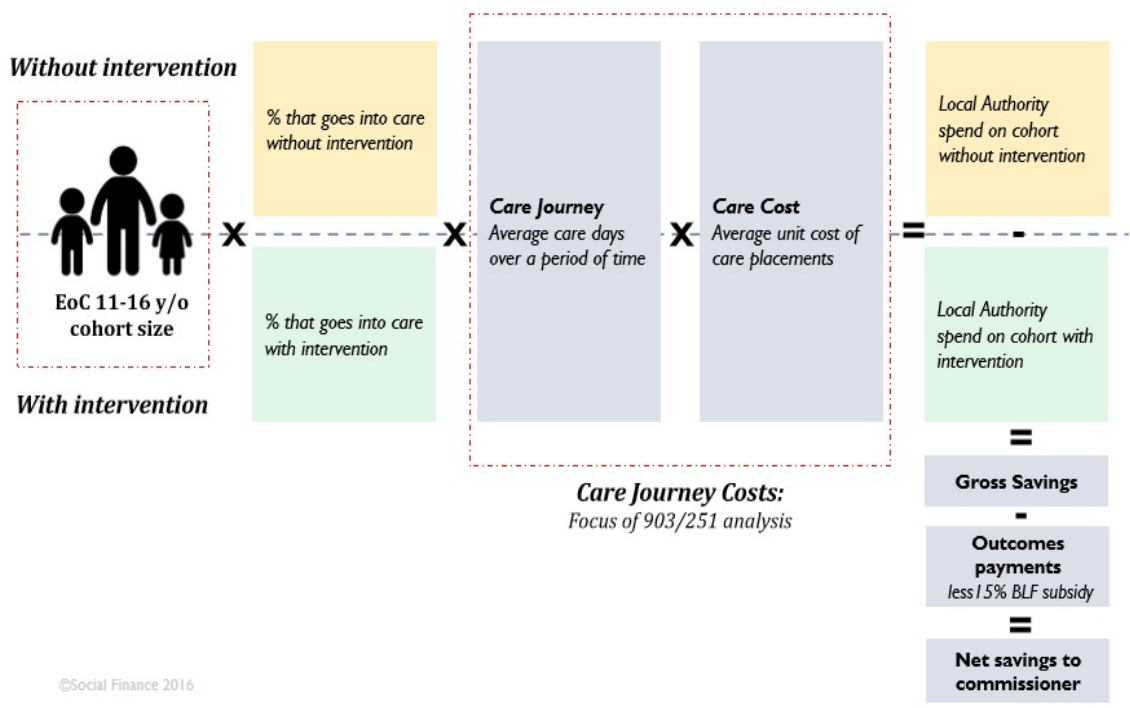
- 1) ascertain the average care journey length over a given time period;
- 2) allocate numbers of care days to placement type categories.

1.15 This data was then used to estimate demand for services to help adolescents remain out of care. The estimates below are based on 10 out of the 13 (80%) children referred to the project successfully staying out of care in year 4 and 5 of the project.

Care Cost Benefits Analysis

1.16 The care journey analysis is conducted in tandem with analysis of care costs. Together, they form part of the wider cost - benefit analysis which will help us to understand the savings that can be achieved by commissioning therapeutic interventions for the Edge of Care adolescent cohort. Below is an overview of how it is set up in the existing model:

Table 1: Cost Benefit Analysis



1.17 The funding for this will be on an Invest to Save basis from our existing placements budget. MST (multi systemic family therapy) and FFT (functional family therapy) will complement existing services available in the borough and offer a more specialist and intensive response to families where young people are risk of entering care. These services will work directly with young people and their families to strengthen relationships, improve communication and enable conflict resolution.

Multi-Systemic Therapy and Functional Family Therapy

Multi-systemic Therapy	Functional Family Therapy
Therapy is delivered in the family home, to overcome common barriers to accessing therapy	Therapy can be delivered in the family home or a community or clinical setting such as a CAMHS centre, or a school
MST works on the basis of a treatment plan created by therapists, which is tailored to each family’s needs and reviewed regularly to determine if it is meeting the family’s needs	FFT is delivered according to five discreet phases with specific goals, though therapists have the flexibility within this structure to ensure that the specific needs of the family are addressed
MST aims to deal practically with specific, well-defined and ongoing problems by focusing on family strengths and helping family members work actively towards goals.	FFT aims successively to engage families in the process of change, to identify the skills necessary for addressing family issues, and to equip family members to apply their skills to other contexts or situations.
For both MST and FFT, the focus of therapy towards the end is on making changes sustainable by requiring consistent effort from families and enabling family members to apply their learning to different contexts and family issues	

After the programme, families are referred only to the services that can accomplish specific and well-defined goals.	At the end of the programme, the therapist helps family members identify sources of ongoing support that can be used.
Measures for maintaining programme fidelity are intensive, with weekly calls to the team's trainer/MST Expert and quarterly booster training for therapists and supervisors	Less intensive measures for maintaining fidelity, with a greater focus on equipping the team's in-house supervisor to carry out quality assurance checks, instead of relying on external experts

Pan-London Care Impact Partnership Agreement

- 1.18 The Pan London Care Impact Partnership currently consists of the LB Merton, LB Bexley, LB Newham, LB Tower Hamlets and the LB Hillingdon. LBBB is seeking to access this agreement via a Deed of Variation effected by the Lead to the Partnership Agreement and the SIB Contract respectively.

Positive Families Partnership

- 1.19 In 2017 the Positive Families Partnership was awarded a contract to deliver Edge of Care services on behalf the LB Tower Hamlets, LB Newham, LB Sutton, LB Bexley and LB Merton. The consortium is led by social investor Bridges Fund Management and Social Finance, together with charity Family Action, the South West London and St George's Mental Health Trust and Family Psychology Mutual.

Commissioning Better Outcomes Grant

- 1.20 In December 2017 we received confirmation that LBBBs application for the Commissioning Better Outcomes grant from the Big Lottery Fund was successful. The award comprises of a revenue award of up to £469,377 over five years (included as a reduction in the spend) and the SIB needs to be launched no later than July 2018. The funding will go to the LB of Sutton to manage.
- 1.21 Launching the project in July 2018 is an ambitious timescale therefore it is proposed that LBBB seeks to call-off the existing Pan London Care Impact Partnership Framework Agreement which allows other London Boroughs to call off it. This will enable LBBB to set up the project by the deadline stipulated by the funders and benefit from greater cost efficiencies.

Timetable

Activity	Completion Date
Report approved at Procurement Board	February 2018
Report presented to Cabinet	March 2018
Issue 10-day pin notice	March 2018
Presentation to Social Work Teams	April 2018
Project Launch	July 2018

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured.

2.1.1 The Edge of Care SIB will deliver evidence-based interventions such as Multi-Systemic Therapy (MST), an intensive family and community-based treatment programme and Functional Family Therapy (FFT), family based therapeutic intervention (outlined above) to children on the edge of care across LBBD. This will include:

- Therapy delivered in the family home, to overcome common barriers to accessing therapy.
- A treatment plan created by therapists, which is tailored to each family's needs and reviewed regularly to determine if it is meeting the family's needs.
- Engaging families in the process of change, to identify the skills necessary for addressing family issues, and to equip family members to apply their skills to other contexts or situations.
- Therapy towards the end of the intervention, concentrated on making changes sustainable by requiring consistent effort from families and enabling family members to apply their learning to different contexts and family issues.

2.2 Estimated Contract Value, including the value of any uplift or extension period.

2.2.1 As the Edge of Care project is a SIB the council will not pay the provider in year 1 (2018/19), year 2 (2019/2020) and year 3 (2020/2021). Payment to the provider will commence at the start of year 4 (2021/2022).

2.2.2 The likely cost to the local authority per annum of this approach would be £115,731 in year 4 and £115,731 in year 5. This equates to £231,462 over the lifecycle of the project and is based on 10.4 young people successfully completing the course. This is based on £11,128 per child, per year.

2.2.3 There will also be a cost of £13,000 per year, which equates to £65,000 over the five years to the LB Sutton to manage the agreement.

Table 2: Edge of Care Savings and Cost Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Care Saving	£0	£269,859	£269,859	£269,859	£269,859	£1,079,436
Reward	£0	£0	£0	£115,731	£115,731	£231,462
LB Sutton	£13,000	£13,000	£13,000	£13,000	£13,000	£65,000
Total	£13,000	(£256,859)	(256,859)	(£141,128)	(£141,128)	(£779,974)

2.2.4 The young person must also stay out of care for the duration of the whole duration of the project for the greatest savings to be realised

2.3 Duration of the contract, including any options for extension.

The duration of the contract will be five years and will commence on 1 July 2018 and end on 30 June 2023.

2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

The contract is considered a 'light touch regime' contract under current procurement legislation therefore it is not subject to the (EU) Public Contracts Regulations 2015.

2.5 Recommended procurement procedure/reasons for recommendation

As mentioned above the award from the Commissioning Better Outcomes grant stipulates that the SIB needs to be launched no later than July 2018. Six months would not be enough time to identify partners for social funding and to undertake a procurement process, therefore it is proposed that LBBD seeks to call-off the existing Pan London Care Impact Partnership Framework Agreement. This will enable LBBD to set up the project by the deadline in the grant and benefit from greater cost efficiencies.

2.6 The contract delivery methodology and documentation to be adopted.

The project will be delivered by the Positive Families Partnership who specialise in multi-systemic therapy and functional family therapy as detailed above.

2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.

The current average accommodation cost of an adolescent in residential care is approximately £493,000 for the duration of their stay, and £172,171 per annum. However only a small proportion of children require residential care. A more prudent figure of £998 per week or c£52,000 a year has been used in this report to establish the level of savings. This is closer to the average cost of independent fostering agencies. The average annual cost for one looked after child (including those not in residential provision) is £106,000. The final saving could therefore be up to double that stated in the report.

Outcomes:

- Reduce the number of young people entering care
- Allow young people to remain within the family home
- Equip parents with the tools to manage challenging behavior

2.8 How the procurement will address and implement the Council's Social Value policies.

The Edge of Care SIB will improve outcomes for young people on the edge of care and will aid them in achieving their full potential and keep them safe.

3. Options Appraisal

3.1 Option 1: Continue with existing provision

The Access to Resources Team currently deliver interventions for children and young people on the edge of care, as such there is an option to continue 'as is'. However, this option will result in the council not having access to a valuable resource which could positively improve the lives of young people on the edge of care, enable young people to remain in their family home and achieve significant financial savings.

3.2 Option 2: Join an existing Framework Agreement

It would not be financially viable for LBBB to commission either MST or FFT in isolation because the council would be unable to generate the level of referrals required to meet designated caseload set out within the model's licence.

Joining the Pan-London Care Impact Partnership provides economies of scale that will attract high quality providers across London and will allow the council access to a service it could not afford on its own.

If approval is given to join the partnership agreement the Pan London Partnership Agreement will be sent to legal for comments prior to signing the agreement.

3.3 Option 3: LBBB set up its own SIB

This option is not desirable as it will be a very costly exercise in terms of procurement and officer time.

4. Equalities and other Customer Impact

4.1 The proposed service will be offered to all young people that are at the edge of care.

4.2 Analysis identified that the gender split is aligned with the national and local population. However, there is a notable difference between the ethnic composition of looked after children and the local population, with an overrepresentation of white British children and an inversely lower proportion of those from black backgrounds. The borough also has a considerably higher proportion of adolescents in care than younger children, at a ratio of almost 1:2 which is notably out of alignment with the national and London position.

4.3 Taking the above into consideration the LBBB's Looked After Children and Care Leavers Sufficiency Plan 2018 – 2022 has identified initiatives and interventions to target the groups identified above.

4.4 An Equality Impact Assessment will be carried out prior to the service commencing.

5. Other Considerations and Implications

5.1 Risk and Risk Management

Risk	Impact	Possible Mitigation
Failure to meet the minimum threshold	The financial savings in this report is based on 13 young people being referred to the service. If the number of referrals to the service are below 13 it will result in the maximum savings of £779,974 not being realised.	Identify 13 young people to refer to the service before the service starts
Suitability of referrals	There is a risk that the council may only be able to refer those young people who are not genuinely at serious risk of being taken into care, owing to the referral criteria for MST and FFT.	During the mobilisation period commissioners will work closely with the social work teams and ART to ensure that the right young people are referred to the service.
Failure to achieve maximum savings	There is a risk that the young people referred to the service are at the higher end of the 11-16 age group. If this occurs the savings that will be achieved will be significantly less than the maximum saving of £779,974.	Ensure that the social work teams and ART maximise 11-year old referrals to ensure the greatest financial return
Approval not given to enter into the Pan London Partnership Agreement and Call-off the Positive Families Partnership Contract	There is insufficient time and funds to go out to tender and mobilise a service for LBBB alone. Furthermore, the project needs to start in July 2018 as specified by the Big Lottery Fund.	Approval be given by Cabinet to enter into the Pan London Partnership Agreement and Call-off the Positive Families Partnership Contract

5.2 Safeguarding Children

- 5.2.1 It is a priority of the Edge of Care Project to ensure that a regular flow of suitable cases is referred to the services. Good working relationships are required with the boroughs' social workers to facilitate this. The projects programme manager and supervisors will attend borough panels which consider cases at risk of care or in need of intensive support. It is envisaged that in LBBB, referrals will be made by the Access to Resource Team.
- 5.2.2 The programme manager, in conjunction with supervisors will allocate the case to the most appropriate service. The therapist will work closely with the allocated social worker throughout the treatment period to ensure close communications and sharing of relevant information.

5.3 Health Issues

- 5.3.1 The wellbeing of children in the borough and ensuring that potentially vulnerable children and young people are supported to remain in the family home is a fundamental responsibility of the council. The proposed service will work with

young people to have a holistic view of health and environmental factors that impact on their ability to remain in the home and how it can be mitigated.

5.4 Crime and Disorder Issues

5.4.1 The primary outcome and payments of the proposed SIB are based on care prevention, but wider outcomes reflecting education, offending and emotional wellbeing can be tracked. Adolescents often enter care during a crisis with their family, with the police or mental or emotional health.

5.4.2 Research that was commissioned and funded by the Department of Health and charitable foundations to complete a trial of MST in partnership with Camden and Haringey Youth Offending Service indicated that:

- Young people showed significant reductions in offending compared to usual services
- MST resulted in significant improvements in family relationships
- MST was more cost effective than usual services

6. Consultation

6.1 An initial consultation has been carried out with relevant council departments and this will be followed by further consultation meetings with stakeholders to ensure that their views are considered when setting up the proposed project.

6.2 The proposals in this report were considered and endorsed by the Procurement Board on 19 February 2018.

7. Corporate Procurement

Implications completed by: Francis Parker – Senior Procurement Manager

7.1 Corporate procurement supports the direct award and waiver of the Council's contract rules for this contract.

7.2 The spend is below the threshold for light touch procurements so European procurement rules are being adhered to.

7.3 There is a sound business case for the waiver and the savings outcome of this award look to be significant.

8. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service Finance

8.1 This report is seeking approval for the Council to enter into two agreements to provide therapy services to a small cohort of children and young people to reduce the risk of their needing to become Looked After. The Children's Commissioning service have worked with Finance on modelling the impact and the potential savings are stated on a prudent basis using "expected values".

- 8.2 The total net saving over four years is estimated to be £779,974 as shown in table two. This will be achieved as a placements budget of £1,079,436 or £269,859 a year. This will be achieved by avoiding around five admissions to care (expected value of 5.2). The savings assume that these five children would otherwise have been in care for all four years 2019/20-2021/22.
- 8.3 The Council will pay a success fee in the region of £0.231m based on around ten of the thirteen children remaining out of care for the whole four-year period. This will be paid as a regular payment for each week the children remain out of care after two years. The total fee for each child who avoids care is £22,255. This equates to an approximate cost per intervention of £17,805. There is insufficient detail about the length and nature of the intervention to assess how this compares to a more conventional procurement of therapy services. However, therapy of this nature is intensive and expensive so may be comparable. In addition, the Council benefits from not paying unless the therapy achieves the aim of keeping children out of care and from a substantial delay in payment.
- 8.4 In addition the Council will pay a flat fee of £13k a year for five years. This can be met from existing Children's budget – the Commissioner and Finance will work to identify the most appropriate budget line. This is the minimum cost of the project.
- 8.5 The saving of £0.78m over four years will go towards the substantial LAC placement savings in the MTFs. The way the project is designed the saving will be realised before the cost has to be paid. However, it may be advisable to set up a provision to ensure that the reward payment is properly accounted for resulting in a smoothed average saving of £0.195m per year. Both the saving and the cost will impact on the LAC placement budget. It should be noted that this budget is already under severe pressure and so it is important to monitor the impact of this scheme carefully. If the scheme proves to be successful it is potentially repeatable with more children in later years to ensure the saving becomes permanent.
- 8.6 In theory there is little risk to the Council as no fee is paid if the intervention is not successful. There are however some risks if the cohort is not carefully selected – if young people put forward would not have gone into care anyway then the scenario could arise that the saving is not achieved but the costs would still have to be paid. For this reason, the selection of the cohort must be rigorous and the whole scheme monitored to ensure it is meeting the desired objectives.

9. Legal Implications

Implications completed by: Derron Jarell, Regeneration Projects Lawyer, Law and Governance

- 9.1 The report is seeking approval for the Council to enter into two agreements that will allow it to provide residents access to Multi-Systemic Therapy (MST) to defined groups of young people who meet the referral criteria. This service is aimed at supporting young people and their families where there is a risk of a young person entering care (which also includes young people remanded into custody) and has the ultimate intention of keeping the young person within the family home whenever it is safe to do so. This service is being funded via a Social Impact Bond (SIB) and is being delivered by an external provider.

- 9.2 The proposals set out within the body of the report would be delivered in accordance with the Council duties and powers under the Children's Act 1989 and s.1 Localism Act 2011 (General Power of Competence) which empowers the Council to do anything that individuals may do subject to any pre-commencement or post commencement prohibition, restriction or limitation.
- 9.3 Subject to approval in accordance with the Recommendation, the Council will enter into the contracts (in the form of an Access Agreement and Deed of Variation, as well as other legally binding documents) with the other five (5) other London Boroughs and the provider. The contract will be executed, on behalf of the Council, in accordance with the Contract Rules ("CR"). The Law & Governance Team can assist in this process by reviewing all relevant documentation and assisting in the execution process.
- 9.4 The Pan London Care Impact Partnership Framework has developed a Partnership Agreement which each borough has agreed and signed. This Agreement details how the boroughs will work in partnership and manage the services.
- 9.5 The procurement process has been undertaken in accordance with Tower Hamlets (the Lead Borough) Contract Standing Orders, using their Procurement and Legal services.
- 9.6 The CR requirements for competitive tendering would have therefore been met by the Tower Hamlet procurement exercise.
- 9.7 Contract Rule 28.7 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. Furthermore, in line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 9.8 The report author and responsible directorate are advised to keep the Law & Governance team fully informed at every stage of the process of finalising the partnership arrangement. The team will be on hand and available to assist and answer any questions that may arise.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None