Exploring options to increase value for money in Barking and Dagenham’s Children’s Services

Isos Partnership
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## Financial context and specific challenges

### Context
- Over the last 10 years Barking and Dagenham’s under 17 population has grown by about 30%, while the 0-4 population has grown by 54%. It continues to be one of the fastest growing populations in the country.
- Despite the increased demand for services, and the increased complexity of need, since 2010-11 children’s services has delivered £14.4 million in efficiency savings. A further £2.96 million savings have been earmarked for 2014-15.
- However, in this FY Children’s Services are predicting an overspend of £5.8 million. This is increasing the urgency with which in-year and ongoing efficiencies need to be found.
- Ofsted’s inspection in July 2014 reported that while the authority had correctly analysed the pressures of a rising population, coupled with increasingly complex needs, it had not put in place a clear financial plan for addressing these. It reported that many services were working beyond capacity.

### Specific challenges
There is an on-going programme of work underway in Children’s Services to address the challenge of meeting greater and more complex needs within a tighter budget settlement.

This short project is designed to feed into that programme by addressing three specific questions:

- Given the extreme cost pressures faced by Children’s Services as a whole, is Barking and Dagenham right to continue to invest in Early Help services and Children’s Centres?
- Is there a way of managing court-directed family contact more cost effectively?
- How can Barking and Dagenham control the increasing demand for, and cost of, support for families with No Recourse to Public Funds?
Section 1: Early Help and Children’s Centres

• Early help in Barking and Dagenham is delivered through universal and targeted services located in children’s centres; through Targeted Family Support Workers co-located in MAPs who also deliver through Children’s Centres; and through the Troubled Families Initiative. CAF and Family CAF form the backbone of the Early Help system to ensure that there is a consistent way of identifying need and allocating resources.

• Barking and Dagenham’s Children’s Centres are of universally high quality. All but one has been judged to be outstanding (the one that is not outstanding is good).

• Ofsted’s 2014 inspection report was positive about the impact that Early Intervention was having in Barking and Dagenham. The report said: Early help services support large numbers of children and their families. Purposeful work with vulnerable families leads to improvements for most children, such as increasing school attendance and the early provision of support for very young children with additional needs.

• Nationally a number of high profile reviews, including Allen, Tickell and Munroe have all made strong a case for the essential place of Early Intervention both in terms of improving outcomes for children and families and reducing the long term societal and direct costs associated with families in crisis.

• However, proving that continued investment in early intervention is cost-effective at a time when tough choices must be taken about achieving savings is very difficult. It is conceptually and practically challenging for two reasons. Firstly, the huge range of factors that combine to have an impact on outcomes for children and young people make it very hard to isolate the impact of early intervention services. Secondly the cost-savings of early intervention may sometimes be felt many years after the initial investment was made, and may materialise more as a societal benefit than a direct cash saving.

• Some national early intervention programmes, such as the Troubled Families Initiative include a payment-by-results element which is a way of trying to make the gains of early intervention directly “cashable”. However, it is notable that the national payment-by-results pilot for children’s centres, of which Barking and Dagenham was a part, was abandoned.

• The subsequent analysis tries to tackle the issue of the cost-effectiveness of early intervention in two ways:
  – The “Top Down” analysis attempts to see whether comparisons can be drawn between needs and outcomes for children in Barking and Dagenham compared with statistical neighbours who have invested less in early intervention services.
  – The “Bottom Up” analysis attempts to draw direct comparisons in the costs of working with children before they reach the social care threshold and after they cross that threshold.
How Barking and Dagenham’s budgeted net spend on children’s centres and early help compares with statistical neighbours

Compared with statistical neighbours Barking and Dagenham’s budgeted spend on Children’s Centres and Targeted Family Support services, is slightly higher than average, but not markedly so. Sandwell and Southampton both report higher per capita budgets than Barking and Dagenham. In line with other authorities in this group, budgets for this area increased dramatically between 2011-12 and 2012-13 and have then seen a gradual scaling back, particularly in the last year.
Comparing outcomes in Barking and Dagenham with statistical neighbours who have invested less intensively in early intervention and targeted family support

Although it is only ever likely to provide a crude comparison, it is possible to compare outcomes in Barking and Dagenham with other authorities which are statistically similar but which have not invested as much in children’s centres or targeted family support services.

The five authorities in Barking and Dagenham’s statistical neighbour group which have budgeted the least, per capita, in children’s centres and targeted family support are shown in the chart to the left. These authorities provide the comparator group for the subsequent analyses.

In these analyses the focus is deliberately on indicators in which 2-3 years is sufficient to see an effect from early help, rather than those in which the lead in time is much longer (e.g. reducing first time entrants to the YJS)

### Hypotheses to test

Barking and Dagenham will have

1. a smaller percentage of children in need / LAC / CPP because early help should reduce the flow of children into social care and provide better opportunities to safely “step children down” from social care
2. a higher proportion of children achieving well on the FSP and lower levels of persistent absence because as a result of early help children are entering school more ready to learn than authorities with less developed early intervention services
Comparing demand for children’s social care support across the benchmark group

As of March 2013, Barking and Dagenham had the second lowest CiN rate per 10,000, the second lowest LAC rate per 10,000 and the lowest CPP rate per 10,000 across the group of comparator authorities. This suggests that early help services may be having an impact in reducing the flow of children into social care, and supporting their planned exit from social care, particularly given the fact that capping of housing benefits has led to a large number of families with complex needs relocating to outer London. However, the differences between four of the six authorities were slight. There is some evidence that this results in reduced social care costs. Although Barking and Dagenham’s spend per capita on looked after children’s services was slightly higher than that of Peterborough and Birmingham it was substantially lower than that of Coventry, Hull and Middlesbrough.

The data on re-referrals into social care tells a stronger story. The percentage of children re-referred to social care within 12 months of their case being closed is considerably less than all the other comparator authorities. This strongly suggests that the support provided by Tier 2 services when children and families are “stepped down” is enabling improvements to be sustained and reducing the ongoing burden on social care services.
• The percentage of children achieving at least the expected level in the prime areas of learning at FSP in Barking and Dagenham is at the top of its benchmark group. This suggests that investment in early intervention is having a positive impact on children’s readiness for learning in comparison with authorities which make less investment. The performance of Barking and Dagenham on this indicator in comparison with the benchmark group has improved markedly from 2012-13 when Barking and Dagenham was around average for the group. This suggests that continued investment may bear dividends in the longer term.

• Furthermore, B&D’s targeted monitoring has shown that for those children engaging in more than 12 sessions of language and communication development in a children’s centre there is a positive correlation with improved FSP scores in language and communication. Six percent more of the children who attended at least 12 sessions achieved a good level of development than those who did not.

• Barking and Dagenham’s level of persistent absence is markedly lower than that of the comparator local authorities. This suggests that the combination of early intervention services, with effective behaviour support in schools, is having an impact. Persistent absence is an important indicator not only in its own right but also on account of its correlation with other negative outcomes which have a high cost to society, such as becoming NEET and worklessness as an adult.
Comparing support costs for targeted groups – children on the Tier 2 / Tier 3 threshold

The difficulties in identifying and quantifying the impact of early intervention at a borough-wide population level are numerous. They include:

- The potentially long lead-in time for the beneficial and cost-saving impact of early intervention to be felt
- The multitude of factors which may impact on outcomes for children and young people at any one time, which makes isolating the impact of early intervention both conceptually and practically problematic
- The lack of really robust comparators – statistical neighbours provide the best benchmark but each local authority will be responding to its own unique combination of pressures and opportunities which frustrates forensic comparison.

In responding to these challenges, many national level research projects looking to analyse the costs and savings associated with early intervention have instead tried to identify the costs and outcomes associated with a target group of children and families who have received support and compare that with either a control group of children or families or the anticipated cost of supporting the target group had the early intervention not been put in place. We have attempted to replicate this approach, based on information that is readily available in Barking and Dagenham at the time of this project.

Methodology

- Compare the costs of supporting a group of children and families whose needs are just below the social care threshold with those children assessed as having needs above the threshold
- The group of children identified as being just below the threshold are those receiving targeted family support whose needs have been assessed at complexity level 4
- The children whose needs are above the threshold are those children identified as children in need but who are supported to continue living with their families.
Comparing the cost of supporting children and families just below and just above the social care threshold

Targeted family support for children and families just below the threshold

- 97 families supported at complexity level 4, 71% of which show evidence of long-term positive outcomes
- FSW engagement with these families estimated at 110-140 hours over an average period of four months
- Nationally benchmarked hourly FSW rates of £49 per hour including on-costs, overheads and non-client facing time
- Cost of intervention is between £5,390 and £6,860 per family
- Assuming an average of 2 children per family, cost of between £2,695 and £3,430 per child

Social care support for children in need supported in their families

- 1703 children in need, excluding LAC, as at 31st March 2013
- According to March 2013 published data, 4% remain CiN for under 3 months, 12% for 3-6 months; 13% for 6 months to 1 year; 14% for 1-2 years and 28% for more than 2 years
- Assume all LAC fall into the 2 years+ duration category and exempt them from the analysis. For all other groups base the calculation on the number of weeks of support on the midpoint for each group (i.e. 34% for 6 weeks, 12% for 18 weeks etc.)
- Nationally benchmarked London published rates for social care support for children living in their families = £223 per child per week.
- Based on data and assumptions above, a conservative estimated average cost to social care per child in need supported in their families = £6,000

Potential cost saving

- The data and assumptions above suggest that the average cost per child at complexity level 4 supported through targeted family support is around half the cost of supporting a child in need through social care
- If one assumed that half the families successfully supported at complexity level 4 would otherwise have crossed the social care threshold, this represents a saving of around £200,000 in total for between 60 and 70 children.
- These are conservative assumptions. It assumes, for example, that no children supported below the threshold would have become looked after had they not received support. Clearly the cost savings for every child who might be prevented from going into care would be considerably higher.
Section 2 – Managing court ordered family contact

Current context

- The contact team currently arranges c. 975 hours of contact per month.
- Contact is supervised by a team of 10 FTE workers plus additional ad-hoc agency cover.
- Contact takes place primarily in Children’s Centres and Roycroft House. Contact also takes place in some community venues (e.g. the Vibe) and public places.
- Prior to February 2013 contact took place primarily in a dedicated contact centre.
- The amount of contact directed by the courts has reduced in volume over the last two years (from c.1400 hours per month) largely as a result of shorter care proceedings. However, the complexity and specificity of directions from the court has increased.
- The team provides a good quality service. There are very few complaints and the courts seldom find fault with the quality of the contact or the reports.

The Challenge

- Despite the reduction in the number of contact hours required there has not been a commensurate reduction in costs. Similarly the anticipated saving from closing the contact centre has not been realised.
- The contact team feels that it has not been possible to be as productive when working across multiple sites rather than primarily through a single site. The logistical challenges include increased travel time, difficulty accessing enough rooms at peak periods, managing children’s centre concerns about risk and scheduling complexity. It has also been more difficult to provide supervision and managerial oversight to a more disbursed team.
- Children’s Centres have also at times found the new arrangements difficult, particularly when agency workers have failed to arrive to supervise the contact.

In-year spend to date

- Spend to date is £273,000.
- Projected full-year spend, assuming delivery arrangements continue in the same way, is £560,000.
- Around half the cost to date is staff salaries. A further 21% is agency costs.
Efficiency of delivering contact

The efficiency with which family contact can be delivered depends on the percentage of workers’ time that is spent family-facing. The chart below shows how this has changed from May 2012 to September 2014.

- Over the period the percentage of contact workers’ time spent with families has varied from just over 70% (May 2012) to just under 60% (May 2014).
- The analysis suggests that there was a slight decrease in the percentage of time spent family-facing after the move from a dedicated contact centre. However, this is not as marked as the further decrease seen between November 2013 and May 2014.
- The reasons for this need to be explored further. However, it is noticeable that as the proportion of contact hours delivered by agency staff has decreased, so has the percentage of staff time spent with families.
- It may be the case that the current profile of the team is not optimised for delivering contact as efficiently as possible.
- In theory, having too many full-time staff and not enough flexible or part-time staff may lead to over-capacity at times of the day when fewer family-contacts are scheduled and too little flexibility to draw in additional staffing at peak times (primarily after school).
- However, over-use of agency staff presents its own challenges in terms of higher unit cost, less continuity for families and increased cancellations.
Further analysis of the staff profile and scheduling challenges

The diagram shows an anonymised schedule for one week in October 2014. The numbers represent the number of family-facing hours spent by each worker each day. Typically, for both agency staff and LA staff, one hour of contact generates one hour of additional work in terms of report writing and other administrative duties. Based on a 7 hour working day, therefore, it would be reasonable to expect a worker to deliver 3-4 hours of family-facing time. However, the chart shows that on many occasions it is only possible for a worker to deliver 1.5 or 2 hours of family-facing contact a day. In some cases this may be due to part-time working arrangements [check] but a further analysis of the scheduling suggests that there are other constraints impacting on workers’ efficiency.

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- From Monday to Friday workers changed venue during the course of their day in total 31 times. Assuming a 30 minute journey each time this equates to 15.5 “dead” hours in the week.
- More significantly the distribution of when contact occurs is very uneven. Over half of all contacts are scheduled to start after 3pm and before 5pm with over 40% starting between 3pm and 4pm.
- On any given day there are likely to be no more than two contact sessions happening simultaneously at low demand times, with as many as 14 happening simultaneously at peak times. This suggests that a highly flexible staffing model would help to increase efficiency.
Options to increase value for money

In order to deliver greater value for money through the contact team a new way of working needs to be found that:

1. Creates greater staffing flexibility to meet demand at peak times (after school), while minimising over-capacity at times of low demand (early morning and lunch time).
2. Provides more opportunities for informal face-to-face contact between managers and staff to maintain both quality and morale.
3. Minimises travel time as far as possible.
4. Provides greater control over room-bookings to the person or persons managing the scheduling.

**Option 1**
Restructure the current team, based on a detailed analysis of when demand for contact is highest and use more flexible working patterns, shift work and part-time arrangements to match staffing levels more closely to demand.
Explore options to consolidate contact in a fewer number of “hub” locations which would ideally have multiple rooms available simultaneously, particularly between 3 and 6pm.

**Option 2**
Integrate contact arrangements into the MAP teams, based in CCs.
Families requiring contact would be allocated to one of the 3 MAPs. A manager within the MAP would be responsible for scheduling, overseeing and quality assuring contact. Supervision of workers would also happen in the MAP.
Contact workers would be integrated into the family support team. All workers would have a mixed portfolio of family support and contact.

**Option 3**
Outsource the provision of contact in its entirety to an agency.
Set stringent service quality standards in terms of continuity of workers with families, report writing, accommodation and information sharing and monitor these actively.
This option would obviously need market testing and may be worth discussing with other boroughs.
### Current context

- Barking and Dagenham currently support 93 children at tier 3 and a further 48 children at tier 2. This equates to 91 families.
- The number of families presenting with NRPF has increased substantially in the last 12 months. Some other London Boroughs report similar increases.
- Families are typically supported with accommodation, subsistence allowance, travel allowance where necessary and small sundry costs such as school uniforms.
- A small team within social care manages NRPF. This has led to closer tracking and monitoring of NRPF cases.
- There is close joint working with housing and legal teams in the borough.
- A lot of work has already been done to attempt to control costs, for example significantly reduced accommodation costs have been negotiated. However pressure on budgets remains acute.

### The Challenge

- Budgets have been set too low for NRPF. In 2013-14 the budget was £394,000 and the overall cost, including accommodation costs is estimated to be in the region of £2 mill, however this spend data is not believed to be wholly accurate.
- Many of the factors which drive increasing costs are beyond the local authority’s control. Slow Home Office decision-making; increased numbers of families being given leave to remain with no recourse to public funds; a judicial review which stipulated higher rates of subsistence; and increasingly well-informed claimants are all leading to rising costs.
- Work that has been done to reduce costs has been largely offset by these other influences.

### In-year spend to date

- Spend to date against the NRPF cost code is £688,000, however this figure includes other S17 costs and appears to exclude accommodation and legal costs.
- The team is projecting that full-year spend is likely to be around £1.3 million on direct support costs, with a further £200,000 on overheads including staffing and on-costs.
- It has not been possible to get an estimate of legal costs as these are pooled in the council’s global legal budget. The legal team are currently dealing with 17 NRPF cases.
- The team is aware of the data limitations and over the last year has actively taken steps to address this. However, the fact that NRPF work has not historically had its own cost-code and that capturing data on ICS has been inconsistent makes it difficult to compare expenditure across years or to segment costs, for example the cumulative impact of and changes in accommodation costs and the expenditure on legal services. Managing NRPF costs in future will require more detailed and comprehensive financial information.
Three ways to target possible savings

The overhead costs associated with running the NRPF service are not significant. Therefore if substantial efficiencies are to be found it can logically only be achieved through either supporting fewer families, reducing the cost of supporting each one, or reducing the average amount of time that families continue to be supported. Each of these areas is addressed in turn in the following pages.

- **Number of families**
  - Reducing the number of people presenting as NRPF
  - More successfully challenging fraudulent claims

- **Unit cost**
  - Reducing accommodation costs
  - Reducing subsistence costs

- **Duration**
  - Reducing the amount of time that families continue to be supported as NRPF
Reducing, or controlling the number of families presenting as NRPF

Options to control the number of families presenting as NRPF in future

- Data which predates August 2013 is not complete, but nonetheless there appears to have been a steadily increasing number of NRPF referrals since 2012.
- There have been two dramatic spikes in recent referral activity. One around March – April 2014 and one in June – Sept 2014, as shown in the chart.
- The first of these spikes coincided with the judicial review judgement against Barking and Dagenham that families with NRPF should be paid NASS levels of subsistence rather than a lower subsistence rate.
- This lends weight to the theory that there is some targeting of LAs which are believed to be more generous by NRPF applicants.
- There are thought to be up to 100 families in the borough accessing children’s centres and known informally to MAP teams but which have not presented to social care.

- Work is already underway to reach out to the African churches and other community organisations to stress the very limited nature of support available through NRPF applications. This should continue and referral trends monitored to assess whether it is having an impact.
- Consult with other East London and outer London boroughs on the support that they make available to NRPF families including accommodation options and subsistence rates. If a multi-borough policy could be agreed which ensured all boroughs in an area offered the same terms then it might prevent deliberate targeting of those assumed to be more generous.
- Consider appointing a financial investigator to look into possibly fraudulent claims. The average cost of supporting an NRPF family is £1550 per month. If we were to assume that the cost of employing an investigator is c. £50,000, the authority would need to be confident that he or she would be able to successfully prevent at least 3 fraudulent claims from being accepted or deter at least 3 families from applying in order to recoup costs within a year. Any savings would be cumulative. Hackney report that employing an investigator has reduced the number of NRPF presentations.
- Consider how to increase knowledge about the level of potential demand for NRPF which would allow for better financial planning. This might include working with private landlords to register the status of tenants and working with MAP teams and CCs to identify families which may be at risk of becoming destitute to assess whether preventative support could be put in place.
Reducing the unit cost of supporting NRPF families

Of the 91 NRPF families currently being supported by Barking and Dagenham the management information system has support costs recorded for 74.

The chart shows that at current rates, the cost of supporting those 74 families for the next 12 months will be around £1.37 million.

Around 75% of the support costs are attributable to accommodation, therefore making a significant reduction in costs will require targeting the accommodation expenditure.

Work has already been done to negotiate a capped accommodation rate from £120 per night to £45 per night and move families into the approved cheaper accommodation. This has been applied to all the families currently being supported.

Options to further reduce costs

• Check that the rent cap has been applied consistently in all cases (there are still some families whose accommodation costs are in excess of £2,000 per month and there is only a loose relationship between the cost of accommodation and the number of dependents).

• Consider options for using Foyer-style accommodation for NRPF families. Based on the experience of other LAs this would have the potential to bring the accommodation cost down to under £10 per night and provide closer contact with families.

• Subsistence costs are less easy to alter due to the recent judicial review and the stipulation that NASS rates must be followed. It may be possible to take into account the new Government decision to provide free school meals to all infant children, but legal advice would be needed.
Reducing the duration for which families are supported

The NRPF support service is facing a time-bomb. Over the last 3 years there have been 116 recorded referrals of families presenting as NRPF but only 25 cases closed. Therefore the residual bank of families being supported is growing all the time.

The chart shows that the bulk of families have been supported for between 6 and 12 months. However, this is because most of the referrals have happened in the last 12 months. This bulge of families is likely to continue to require support while other new families are referred in.

The fact that no families are recorded as having been supported for more than 3 years is likely to be due to the absence of data collection on older cases, rather than cases being closed.

NRPF officers estimate that around 20% of families have been granted indefinite leave to remain but without recourse to public funds. These families are likely therefore to require ongoing support for years.

Options for reducing the amount of time for which families are supported

The opportunities to reduce the amount of time that families receive support are severely constrained by the fact that decisions on immigration status and appeals are taken by Home Office and are outside the LA’s control. Nonetheless, Barking and Dagenham might consider:

- Whether there are more opportunities to lobby Home Office or to work in partnership with them. Anecdotally Haringey has seconded a Home Office official to work in their NRPF team. This new way of working should be assessed to see whether it brings dividends in terms of faster decision-making and possibly replicated in Barking and Dagenham.
- Continue working with Home Office to apply to have “condition 1” lifted from families with indefinite leave to remain and to ensure that HO take ownership of the “discharge” process so that families don’t reappear in the system again as NRPF
- Continuing to take every opportunity to actively manage and monitor cases to ensure that there is no slippage when immigration decisions are made. This would be easier if families were co-located in a Foyer with workers on-site.
- Building in regular “Permanency Planning” discussions with NRPF families. These should target, in the first instance, families who have been given indefinite leave to remain to develop a plan to move them towards self-sufficiency. It may be that the LA providing employment advice, training or childcare, when there was a reasonable expectation that this would lead to employability, would end up being cheaper in the long term than continuing to support the family, potentially for decades. Again, this would be easier if families were co-located in a Foyer.