

North Somerset Council

REPORT TO THE CHILDREN AND YOUNG PEOPLE SERVICES POLICY AND SCRUTINY PANEL

DATE OF MEETING: 24 OCTOBER 2019

SUBJECT OF REPORT: TURNING THE TIDE EDGE OF CARE SERVICE

TOWN OR PARISH: ALL

OFFICER/MEMBER PRESENTING: ASSISTANT DIRECTOR CHILDREN'S SUPPORT AND SAFEGUARDING

KEY DECISION: NO

REASON: REPORT IS FOR INFORMATION NOT DECISION

RECOMMENDATIONS

The Panel are asked to note the performance of the Turning the Tide 'Edge of Care' service.

1. SUMMARY OF REPORT

- 1.1 The report provides an overview of the performance of the Turning the Tide Service. In particular it provides detail about the costs and financial benefits achieved to date. This aspect is particularly important because the service has been commissioned and funded in an innovative way, as a social impact bond, which is a type of payment by results contract.

2. POLICY

- 2.1 The purpose of the Turning the Tide Service is to enable more children to remain with, or return to their families, achieving both better outcomes for the children and reducing the need for costly placements. This is very much in line with the priorities in the Council's Corporate Plan, and in particular to:
 - Support families to give their children the best start in life

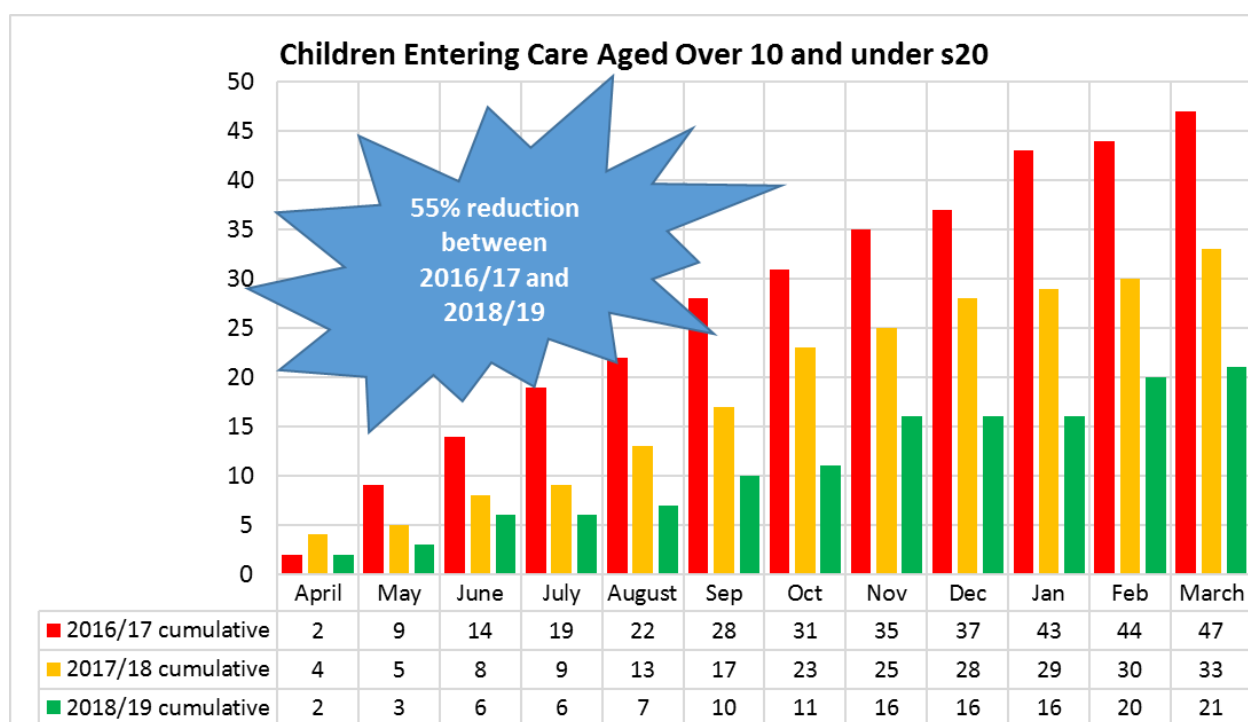
3. DETAILS

- 3.1 The Council approved the award of a contract for the Turning the Tide, Edge of Care intervention and prevention service in December 2016 and the contract started in May 2017. The service is delivered by Outcomes for Children (Core Assets Group) with funding being provided by the social investor Bridges Ventures.

- 3.2 The service is aimed at reducing the number of older children, becoming looked after under voluntary agreements with their parents. It is not aimed at children at significant risk of abuse or neglect for whom the Council has initiated Care proceedings to protect them from harm.
- 3.3 Over the course of the 4-year contract, the service is designed to work with 40 children to reunify them home (cohort 1) and 200 children to avoid / divert them from care (cohort 2).
- 3.4 The service provider is paid outcome payments by the Council on completion of the intervention, and only after the child has remained out of care for specified periods. The majority of payments are made as a daily rate, so that the outcome payment is proportionate to the success of the provider in avoiding care and relates directly to the costs avoided by the Council, which, on average are approximately £125 per day per child. In addition, the Big Lottery contribute 15% to the outcome payments, although the profile of payments allows us to claim more in the early years (49% of the outcome payments made to date) up to a maximum of 15% of the total estimated outcomes payments over the period of the contract.
- 3.5 The Council maintains a record of all the cases where the initial intensive intervention has been completed in order to verify outcome payments to be made to the supplier. This indicates that, as at 31 March 2019, of the 61 cases where the intervention has been completed, only 5 of those children are in care, which suggests a success rate of c. 82%.
- 3.6 Detailed information about costs and savings is provided in the four appendices to this report:
- Appendix 1 illustrates the contractual basis of the outcome payments to be made
 - Appendix 2 illustrates the estimated payments to be made over the course of the contract bases on a “best case” 85% success rate for each intervention.
 - Appendix 3 summarises the outcome payments and maximum notional cost avoidance savings associated with each referral over the period of the referral (74 weeks for cohort 1, 68 weeks for cohort 2). It illustrates that each successful referral generates net cost avoidance savings in the region of £50,000. An 85% success rate would equate to saving of around £42,000 per referral. The maximum cost avoidance savings are calculated on the basis every case referred would have required time in care had the intervention not taken place.
 - Appendix 4 aggregates the potential savings over the course of the contract and shows that net cost avoidance savings of around £10m are possible with an 85% success rate.
- 3.7 The summary table below illustrates the actual outcome payments made to date (invoices up to 31 March 2019) and shows that the equivalent net cost avoidance savings amount to approximately £1.7m. Analysis of the referrals indicates that, up to the end of March 2019 a total of 17,345 days in care may have been avoided.

	TOTAL Outcome Payments	15% to be paid by Big Lottery	Net Outcome Payments	Equivalent Cost Avoidance	Net saving
Outcome 1	£171,104	£25,666	£145,439	£719,040	-£573,601
Outcome 2	£200,417	£30,063	£170,355	£882,840	-£712,485
Outcome 3a	£7,434	£1,115	£6,319	£0	£6,319
Outcome 3b	£7,169	£1,075	£6,093	£0	£6,093
Outcome 4	£47,205	£7,081	£40,124	£479,520	-£439,396
TOTAL	£433,330	£64,999	£368,330	£2,081,400	-£1,713,070

3.8 In addition to illustrating the potential cost avoidance savings, it is also worth noting the impact that the SIB has had on the number of children becoming looked after. The analysis below illustrates that the number of children aged 10 and over coming into care under Section 20 of the Children Act 1989 in 2018/19 has reduced by around 55% when compared with 2016/17.



3.9 The impact of overall numbers of looked after children is less clear, with the current figure (252) somewhat higher than the figures at the start of the contract (225), with multiple factors impacting on the numbers.

3.10 It is possible that part of the reason for the sustained increase in overall numbers of looked after children relates to an increase in the length of episodes in care, and an increase in children under 10 entering care, but more work needs to be done to verify these assumptions.

3.11 An independent evaluation of the service has been commissioned from the University of Bristol and Ecorys, a well-established research company. The year one evaluation report was completed in December 2018 and the field-work for the year two evaluation is currently underway. The evaluation includes researchers meeting

directly with parents and young people who have received the service as well as analysing data collected during the intervention. The year one report was very encouraging, suggesting that:

- The children referred were genuinely on the edge of care
- There were significant improvements both in both children's wellbeing, measured by strengths and difficulties questionnaires, and parenting measured by standard scales
- Subjective ratings by both parents and children, captured via outcome stars also showed improvements after the intervention
- Families were generally very positive about the service

3.12 In year three, the evaluation will also look at the value for money of the service.

4. CONSULTATION

4.1 The design of the service was informed by the views of families who have experienced their children becoming looked after. The views of both children and their parents are sought routinely through the use of outcome stars, both before and after the intervention. As noted, the independent evaluation includes interviews with families who have received the service. To date both the outcome stars and feedback from families are very positive.

5. FINANCIAL IMPLICATIONS

5.1 The information in the table above and in the appendices suggests that the service is being successful in achieving significant cost avoidance. However the fact that other pressures, for example the number of younger children becoming looked after, are continuing, means that these savings cannot be cashed at this point.

Costs

5.2 The costs to the Council are the outcomes payments. These are set out in the table above in section.

Funding

5.3 The National Lottery Community Fund will pay up to 15 percent of the outcomes payments. This funding was awarded under a programme to encourage commissioners to develop social impact bonds.

6. LEGAL POWERS AND IMPLICATIONS

6.1 Children become looked after either under legal orders or through voluntary arrangements under section 20 of the Children Act 1989. The Turning the Tide Service is aimed at children at risk of becoming looked after under Section 20.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 The Turning the Tide Service does not have significant climate change or environmental implications. However, to the extent that the service is successful in reducing the need for children to be placed away from home, additional travel for visits, family contact and school can be avoided.

8. RISK MANAGEMENT

- 8.1 There are a number of risks associated with the service. Perhaps the most important is the risk that the “wrong” children might be referred to the service: either those who might be best looked after away from their family, or those who are not genuinely on the edge of care. If many children in the latter group were referred, the Council might be liable for outcomes payments without achieving corresponding savings from placement costs. These risks are mitigated by ensuring that all referrals go through a single senior manager for approval, and through robust monitoring and contract management. The independent evaluation provides a further check on the extent to which the service is functioning as planned.
- 8.2 Another important risk is that the provider might not be able to recruit and retain the skilled staff needed to deliver the service. In the last few months there has been some turnover in staff and consequently the service was not able to respond immediately to referrals, which is an important element in the model. This issue has now been addressed.
- 8.3 From the provider’s point of view a key risk is that the Council fails to make sufficient appropriate referrals. This risk is mitigated by monitoring and by contractual provisions to compensate the provider should referrals be insufficient. Contract monitoring indicates that more appropriate referrals will need to be made during the remainder of the contract in order to meet the targets illustrated in the business case.

9. EQUALITY IMPLICATIONS

- 9.1 A full equality impact assessment was completed in December 2017 as part of the budget setting process. Looked after Children are a particularly vulnerable group and there is a substantial body of evidence which suggests that they are more likely to experience poor outcomes than children who have not been looked after. An effective service which enables more children to remain safely with their families therefore has the potential to be apposite from an equalities point of view.

10. CORPORATE IMPLICATIONS

- 10.1 The commissioning and monitoring of the service is a joint effort by teams in both the People and Communities and Corporate Services Directorates, including the Resources Service in Children’s Support and Safeguarding, Finance, Procurement and Policy and Transformation. This approach helps to ensure robust monitoring of the service and mitigates risk.

11. OPTIONS CONSIDERED

- 11.1 A range of options were considered at the point when the service was commissioned, including various evidence-based approaches to avoiding care, different funding options, procurement routes, delivery mechanisms and service providers.

APPENDICES

Appendix 1 -Target referral payments and outcome definitions

Appendix 2 - Projected outcome payments from business case

Appendix 3 - Actual outcomes payments to date

Appendix 4 - Potential savings over the course of the contract

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BACKGROUND PAPERS

2018/19 Medium Term Financial Plan

Month 4 Budget Monitor – Report to Executive, September 2018

Activity and Unit Cost data

Edge of Care Services Award of Contract – Report to Council, December 2016

Children's Services Social Impact Bond – Report to CYPS Policy & Scrutiny Panel, June 2018

Appendix 1

Turning the Tide Social Impact Bond - Target Referrals and Outcome Payments					
Target Referrals					
	Year 1	Year 2	Year 3	Year 4	TOTAL
Cohort One - Reunification	12	19	9	0	40
Cohort Two - Diversion	51	60	51	38	200
TOTAL	63	79	60	38	240
Outcome Payments payable by North Somerset Council to Core Assets					
OUTCOME	DEFINITION				PAYMENT AMOUNT
Cohort One					
Outcome 1	Service User returns to and remains in the family home for four weeks after the completion of the Intervention, which is a total time period of 22 weeks from Sign-up				£4,542.44
Outcome 2	Days Out of Care where the relevant Monitoring Period is from the start of the 23rd week following Sign-Up of the relevant Service User to the end of the 48th week following Sign-up of the relevant Service User				£37.44 per Day Out of Care
Outcome 3A	Service User's Family achieves at least a 0.5 increase in average score as measured by Family Plus Star when measured no earlier than the 44th and no later than the 52nd week following Sign-up of the relevant Service Users compared to their score on Sign-up				£378.54
Outcome 3B	Service User achieves at least a 0.5 increase in average score as measured by the My Star when measured no earlier than the 44th and no later than the 52nd week following Sign-up of the relevant Service Users compared to their score on Sign-up				£378.53
Outcome 4	Days Out of Care where the relevant Monitoring Period is from the start of the 49th week following Sign-Up of the relevant Service User to the end of the 74th week following Sign-up of the relevant Service User				£16.64 per Day out of Care
OUTCOME	DEFINITION				PAYMENT AMOUNT
Cohort Two					
Outcome 1	Service User returns to and remains in the family home for four weeks after the completion of the Intervention, which is a total time period of 16 weeks from Sign-up				£3,186.14
Outcome 2	Days Out of Care where the relevant Monitoring Period is from the start of the 17th week following Sign-Up of the relevant Service User to the end of the 42nd week following Sign-up of the relevant Service User				£26.26 per Day Out of Care
Outcome 3A	Service User's Family achieves at least a 0.5 increase in average score as measured by Family Plus Star when measured no earlier than the 38th and no later than the 46th week following Sign-up of the relevant Service Users compared to their score on Sign-up				£265.51
Outcome 3B	Service User achieves at least a 0.5 increase in average score as measured by the My Star when measured no earlier than the 38th and no later than the 46th week following Sign-up of the relevant Service Users compared to their score on Sign-up				£265.51
Outcome 4	Days Out of Care where the relevant Monitoring Period is from the start of the 43rd week following Sign-Up of the relevant Service User to the end of the 68th week following Sign-up of the relevant Service User				£11.67 per Day out of Care

Appendix 2

Turning the Tide Social Impact Bond - North Somerset Council					
Total outcome payments est. £2.32 million – £348,000 payable by CBO over four triggers (15% of total outcomes)					
Cohort 1 – Reunification (Best case 85%) & Cohort 2 – Diversion (Best case 85%)					
Trigger / Outcome	Qualitative Summary	Timeline	Commissioner (North Somerset Council)	CBO	TOTAL*
1	Completion of intensive stage	4 weeks after completion of intensive stage:	£546,150	£149,937	£696,087
	Cohort 1 - £4,542.44 - 85% of 40 = 34 x £4,542.44	Cohort 1 – week 22			
	Sub Total £154,442.96	Cohort 2 – week 16			
	Cohort 2 - £3,186.14 - 85% of 200 = 170 x £3,186.14				
	Sub Total £541,643.80				
	Total payments: £696,087				
2	Remains at home (Day rate)	Cohort 1 - Day rate week 23 to 48	£893,975	£150,188	£1,044,163
	Cohort 1 - £37.44 per day - 182 days x 37.44 = 6,814.08	Cohort 2 - Day rate Week 17-42			
	85% of 40 = 34 x £6,814.08				
	Sub Total £231,678.72				
	Cohort 2 - £26.26 per day - 182 days x £26.26 = £4,779.32				
	85% of 200 = 170 x £4,779.32				
	Sub Total £812,484.40				
	Total payments £1,044,163				
3	Outcomes star		£98,984	£17,030	£116,010
	Cohort 1 - 34 x £757.07 = 25,740.38	Cohort 1 – week 34			
	Cohort 2 - 170 x £531.02 = 90,273.40	Cohort 2 - week 30			
	Total payments £116,014				
4	Remains at home (Day rate)		£433,193	£30,845	£464,038
	Cohort 1 - £16.64 per day -182 days x £16.64 = £3,028.48				
	85% of 40 = 34 x £3,028.48	Cohort 1 - Week 49-74			
	Sub Total £102,968.32				
	Cohort 2 - £11.67 per day- 182 days x £11.67 = £2,123.94				
	85% of 200 = 170 x £2,123.94	Cohort 2 - Week 43-68			
	Sub Total £361,069.80				
	Total payments £464,038				
Total Best Case Payments			£1,972,302	£348,000	£2,320,298
<i>NB: if volumes and success rates are different to those projected these figures will vary</i>					
* The total outcome payments are paid by North Somerset Council to the Service Provider and the CBO payments are reclaimed by the Council from Big Lottery					

Appendix 3 – Summary of Outcome Payments and Notional Cost Avoidance Savings

Trigger	Activity	Timeline (Weeks)	Outcome payment rate	Outcome Payment Paid by NSC	Outcome Payment Paid by Big Lottery	Average Daily cost of care	Cost of Care Saved	Net saving to NSC
Cohort 1								
0	Intervention Period	1-18	£0.00	£0	£0	£120	£15,120	£15,120
1	4 weeks after completion of intervention (flat rate)	19-22	£4,542.44	£3,861	£681	£120	£3,360	-£501
2	Remains out of care (day rate)	23-48	£37.44	£5,792	£1,022	£120	£21,840	£16,048
3	Outcome Star Score Improvement (flat rate)	34	£757.07	£644	£114	£120	£0	-£644
4	Remains out of care (day rate)	49-74	£16.64	£2,574	£454	£120	£21,840	£19,266
	TOTAL			£12,871	£2,271		£62,160	£49,289
Cohort 2								
0	Intervention Period	1-12	£0.00	£0	£0	£120	£10,080	£10,080
1	4 weeks after completion of intervention (flat rate)	13-16	£3,186.14	£2,708	£478	£120	£3,360	£652
2	Remains out of care (day rate)	17-42	£26.26	£4,062	£717	£120	£21,840	£17,778
3	Outcome Star Score Improvement (flat rate)	30	£531.02	£451	£80	£120	£0	-£451
4	Remains out of care (day rate)	43-68	£11.67	£1,805	£319	£120	£21,840	£20,035
	TOTAL			£9,027	£1,593		£57,120	£48,093

Appendix 4 – Potential Net Notional Cost Avoidance Savings from SIB

	Outcome Payment Paid by NSC	Outcome Payment Paid by Big Lottery	Total Outcome Payments	Cost of Care Saved	Net saving to NSC
Cohort 1 per successful intervention over 74 weeks	£12,871	£2,271	£15,142	£62,160	£49,289
At 85% success rate	£10,940	£1,931	£12,871	£52,836	£41,896
Cohort 2 per successful intervention over 68 weeks	£9,027	£1,593	£10,620	£57,120	£48,093
At 85% success rate	£7,673	£1,354	£9,027	£48,552	£40,879
Total for a year of referrals:-					
Cohort 1 (10)	£128,708	£22,713	£151,421	£621,600	£492,892
Cohort 2 (40)	£361,094	£63,723	£424,817	£2,284,800	£1,923,706
TOTAL	£489,802	£86,436	£576,238	£2,906,400	£2,416,598
85% success rate	£416,332	£73,470	£489,802	£2,470,440	£2,054,108
Total for the 4-year period:-					
Cohort 1 (40)	£514,830	£90,852	£605,683	£2,486,400	£1,971,570
Cohort 2 (200)	£1,805,471	£318,613	£2,124,084	£11,424,000	£9,618,529
TOTAL	£2,320,302	£409,465	£2,729,767	£13,910,400	£11,590,098
85% success rate	£1,972,257	£348,045	£2,320,302	£11,823,840	£9,851,583
<u>Notes / Assumptions</u>					
- Savings are notional cost avoidance savings and cannot be "cashed" until such time as the budget is sufficient to meet the demand					
- Savings are calculated on the basis that every case referred would have required time in care had the intervention not taken place					
- Savings are calculated for the time period of the intervention / outcome payments, i.e. 74 weeks for cohort 1 and 68 weeks for cohort 2					
- The costs of care avoided are calculated at £120 / day, which represents the approximate weighted average cost of a placement in 2017/18					
- 85% success rate is the 'base case' in the business case					