

<b>Investment Proposal</b>		<b>Reference</b>
please complete all shaded sections to ensure full evaluation of the proposed project		
<b>Department</b>	<b>Head of Service</b>	<b>Service Area</b>
Children and Learning	Jo Fisher	Prevention and Early Intervention

  

<b>Title of Proposal</b>	<b>Anticipated start date:</b>
Innovation and use of social finance to prevent young people coming into care	Jan-14

  

<p><b>Description of Proposal (with expected outcomes) and why it is a priority now</b></p> <p>Reducing the rate of children entering the Care system in Luton is a priority not just in budgetary terms but in terms of providing improved life chances for children, young people and their families.</p> <p>To do this safely, we need to innovate areas of our social service model, to upskill our social workers and key link people to provide a range of interventions (delivered through a combination of direct social work, intensive support to families and carers with step up and step down services and using the third sector and community to support universal improvements in parenting information).</p> <p>The rate of children entering care in Luton is 74 per 1000 and is significantly higher than the national rate and that of our statistical neighbours. Within the numbers we have particular cohorts of: increasing numbers of eastern European families, high numbers of young people entering care aged 15, 16 and 17 when compared to other local authorities and over 60% of those coming into care experiencing domestic violence in the home ( suggesting that intensive parental support may also need to be part of the model).</p> <p>We propose to source expertise in Social Impact Bonds in order to explore opportunities for Social Finance in Luton. This will include applying to the Big Lottery Commissioning Better Outcomes Fund, to draw down feasibility funding ( c£150k) to identify areas that are high priority for LBC and that we want to 'de-risk' through social finance e.g. young people on the edge of care; and to explore opportunities for a Luton social finance source or Trust. The feasibility work will provide a platform for a full submission to the Cabinet Office Social Outcomes Fund; up to £1m over 5-8 years (though a % of return to investors being met by the Social Outcome Fund). This feasibility work needs to be driven by discussion between an experienced expert in SIB, ourselves as the leading local authority in the discussion and the key individuals on the SIB track in Treasury and in the Cabinet Office.</p> <p>We need additional capacity for a short intensive period to adopt a staged approach to this work; and then to successfully project manage the service remodel :</p> <p>Stage 1 in-depth review and audit of the reasons young people enter care</p> <p>Stage 2 – expression of interest submitted</p> <p>Stage 3 – development of intervention model</p> <p>Stage 4 – development of bid for Innovation Fund</p> <p>Stage 5 – project manage and co-ordinate the new approach</p>
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<p><b>Will this proposal generate savings or avoid other costs? If so, how much p.a. and how?</b></p> <p>The proposal will lead to a reduction in the rate of children in care by the end of the second year. If we were able to reduce the number by 5% this would lead to savings in placement costs of £364k and allow reductions in other on costs e.g. out of borough placements, agency driven social work resources to also reduce. Over longer time periods we would see a reduction in the rate of CIC per 1000 as social work practices began to make a difference earlier in the lives of children and families hence the investment from LBC and from social finance should enable a significant positive change in outcomes at a time when the service is most likely to become a growth challenge. An average placement cost for 15, 16 and 17 year old is in the region of £18,200 per annum.</p>
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<p><b>How will this proposal impact on the Council's medium-term financial position?</b></p>
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<p>Medium term financial position would be positively affected with a reduction in rates of children in care leading not only to savings in placement costs but over time, leading to the ability to provide better value for money in terms of prevention through step-up and step-down work done with families, less pressure on placement choice and out of borough placement and better trained social workforce and social work resources. This is a demand led budget that is under considerable pressure due to the increase in the child population in Luton. Additional pressures on families has resulted in sustained higher than average rates of CIC and we need to take positive steps now to address this and reduce in line with other comparable areas before the impact worsens. We need to secure the opportunity presented by the Children's Social Work Innovation Fund to pump prime the move to a new social work model that is capable of addressing the "sharp end" of parenting and supporting families through pressures which lead to the need for young people to come into care.</p>	
<p><b>How does the proposal contribute to the Council's Aims, Objectives &amp; Vision ? (key priorities)</b></p>	
<p>Vulnerable children and young people are a key component of the Priority to protect the vulnerable. The prospectus places a priority on developing improved early intervention and recognises that "more effective early intervention and prevention services will result in fewer inappropriate referrals and children, young people and their families receiving the support required much earlier and at a reduced cost" and that "Early intervention and prevention, keeping people healthy and out of acute and expensive urgent services, has direct financial advantage to the Council and longer term health and wellbeing advantages for people." It is also in line with 3 Children's Trust priorities i.e. Keeping children and young people safe and secure; Improving children and young people's health and wellbeing and Building strong and supportive families</p>	

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### Option Appraisal - if relevant

Financial Details of proposal			
Capital Expenditure : If the proposal involves capital expenditure - you must complete a Capital Project Appraisal Form			
Revenue Breakdown	£'000	Please give further details of how the expenditure has been calculated	
Employees	42	Service capacity to research in depth review of why older teenagers and cohorts enter the care system, look at the service models and work to innovate social work practice models	
Premises			
Transport			
Supplies & Services	10	Cost of project consultant to help develop model of intervention and prepare Innovation bids, support project set up and governance	
Initial Income ( if any)			
Total requested for project	52		
Current Net Service Budget			
		Financial details appraised and agreed by Finance Manager	
		Was this service under or overspent in the previous two financial years ?	<div>Last Year</div> <div>Prior Year</div>

How will the outcomes be monitored ?
By C&L DMT and HoS. On succesful application for social finance, a project benefits and realisation plan will be put in place and monitored quarterly against outcomes. Early outcomes will include increased skills of social workers due to interventions in intensive parenting and family support. Longer term outcomes over 12 month to 18 month period would be the reduction in the rate of CIC as there will be an impact at different points of the care path
Appraisal of Risk of not achieving the expected outcomes
Low although success may involve reducing the demand pressure and over spend rather than an actual reduction in numbers in care but the initial costs of this will be offset with the monies from social finance investment.
How will the risks be managed/minimised ?
Through monitoring by C&L DMT

Nick Chamberlain
Agreed by Service Manager

Jo Fisher
Agreed by Head of Service