

# Social Impact Bonds – The Only Game in Town?



# Welcome

Ian Thomas, Chair of the ADCS Resources & Sustainability  
Policy Committee and  
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Rotherham Metropolitan Borough Council



# Strategic overview and support from the centre

Tamsyn Roberts,  
Head of the Centre for Social Impact Bonds, Cabinet Office



# London Boroughs outcome based interventions

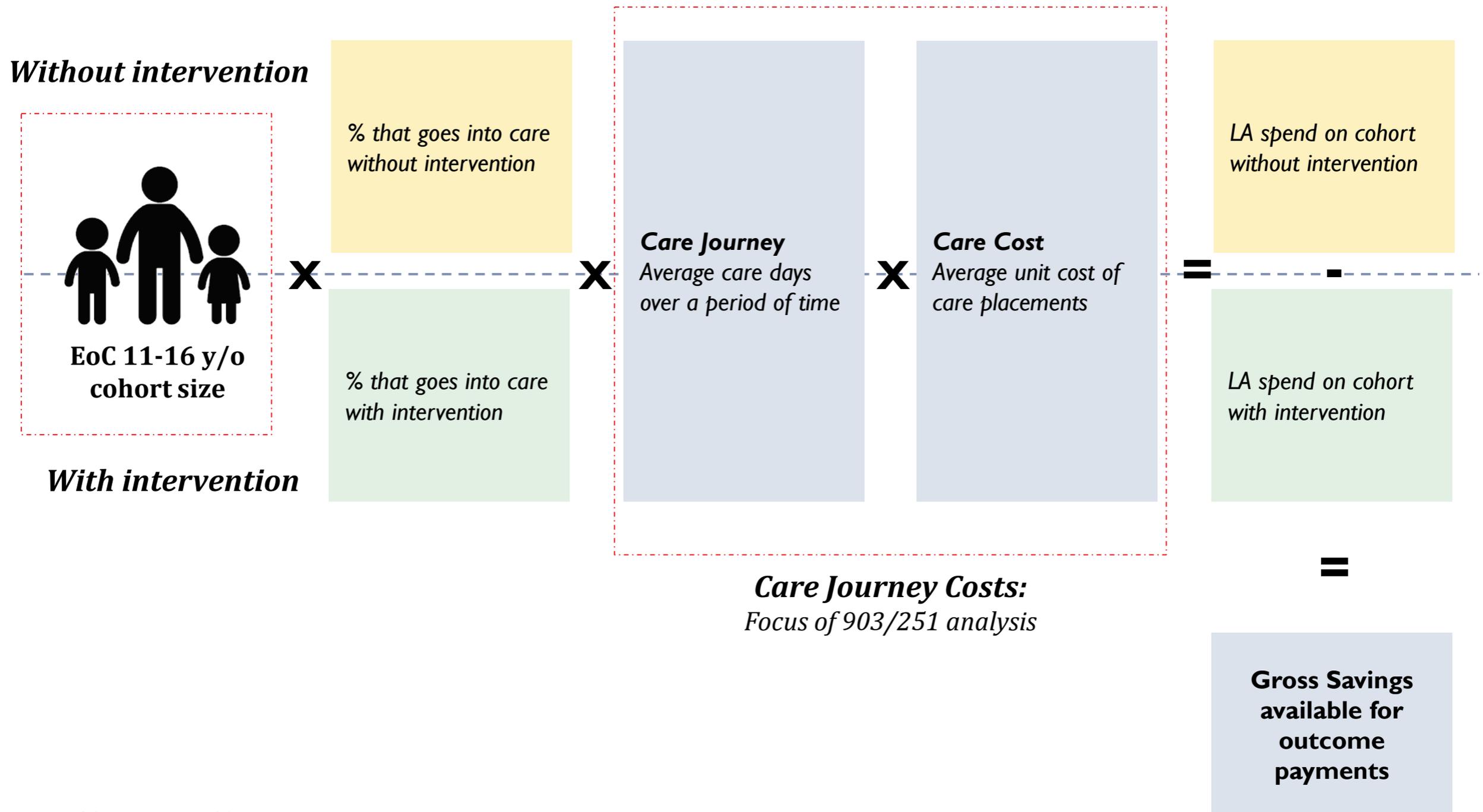
Nasima Patel, Service Head Children's Services and  
Anthony Walters, Transformation Manager,  
London Borough of Tower Hamlets



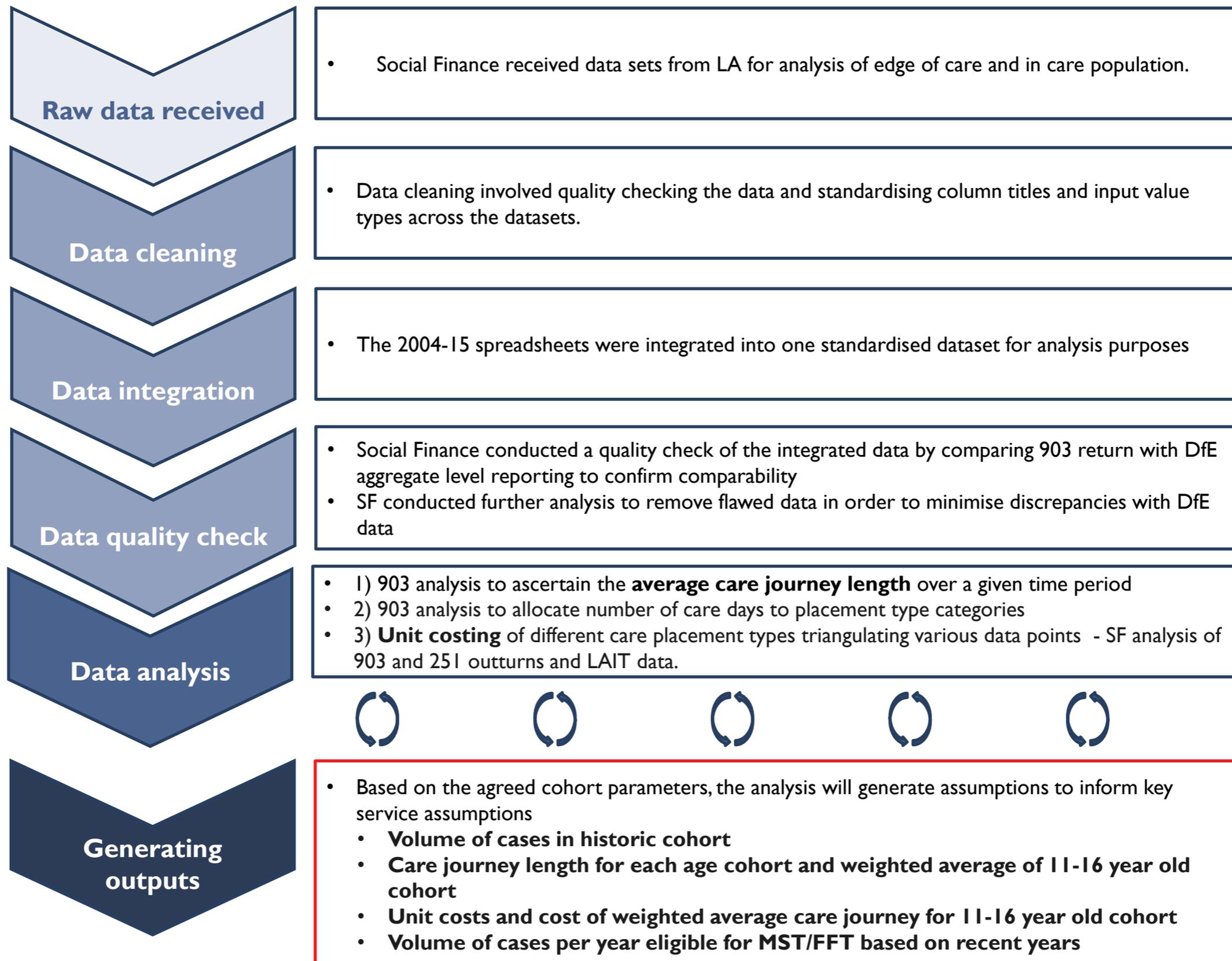
# CARE JOURNEY COST ANALYSIS AND VOLUME SIZING

# OVERVIEW: EDGE OF CARE COST BENEFIT ANALYSIS

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 could be achieved by commissioning another MST team for the Edge of Care adolescent cohort. Below is a high level overview of how it will be set up in our model.



# INTRODUCTION TO CARE JOURNEY COST ANALYSIS PROCESS



# CONSIDERATIONS FOR CARE JOURNEY COST ANALYSIS

Below are some high level questions and considerations for setting up the Care Journey cost analysis:

## Care Journey

**Question:**

If we track a cohort of children entering care, how long will they on average stay in care over a certain period of time?

**Consideration:**

- Children can go in and out of care during their childhood and this all counts towards the length of care journey.
- Care journey for a cohort that enters care at the age of 11 can be traced over 7 years, but not for a 16 year-old cohort since they can only stay in care until the age of 18

## Unit costs of care

**Question:**

If a child enters care how much will this cost Children's Social Care on a weekly basis?

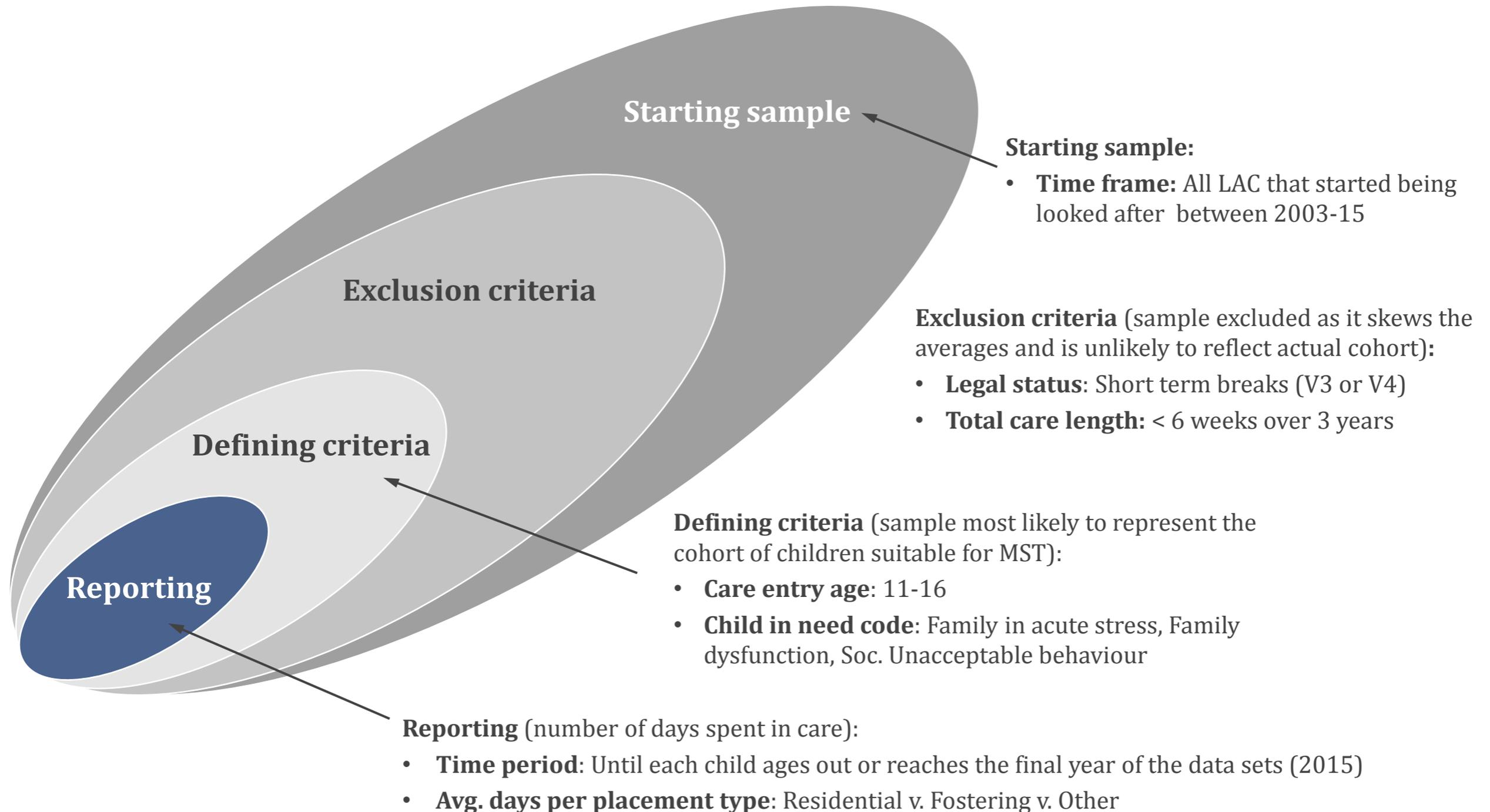
**Consideration:**

- Analysis considers care placement costs only – no social work costs or wraparound services are considered
- Different care placement types carry different costs
- We apply a standard unit cost per placement type and vary this by category, but do not vary this within the placement category either by age or by need.

## Care Journey Costs

## DERIVING EDGE OF CARE COHORT

Our objective is to track the care journey of children who could be eligible for Edge of Care MST prevention services. The first step is to identify the cohort based on SSDA 903 data sets:





# COHORT: DEFINITION CRITERIA

To identify an historic cohort that would have been eligible for MST/FFT Edge of Care prevention services, but entered care in the absence of such services, we use these criteria to extract individual cases from SSDA 903 data sets:

<b>Source data</b>	Drawn from LA SSDA 903 data sets over 2008-2015, in order to exclude bad data from 2007/8 from the analysis
<b>Definition criteria</b>	
<b>Data</b>	<ul style="list-style-type: none"> <li>903 returns from 01/04/2003 to 31/03/2015</li> </ul>
<b>Age at care entry</b>	<ul style="list-style-type: none"> <li>11-16 years old</li> </ul>
<b>Care profile</b>	<ul style="list-style-type: none"> <li>Includes young people aged 11-16 starting new periods in care regardless of previous care history</li> <li>Exclude legal statuses V3 and V4, which refer to short-term breaks, to exclude young people who would not be appropriate for MST</li> </ul>
<b>Need profile</b>	<ul style="list-style-type: none"> <li>Filtered for need codes N4, N5 and N6 (family in acute stress, family dysfunction and socially unacceptable behaviour) to reflect a cohort that, when on the edge of care, could have been suitable for MST</li> </ul>
<b>Completion of care journey</b>	<ul style="list-style-type: none"> <li>Our analysis includes both those children with complete care journeys (i.e. where the date of their first eligible placement as well as the date when they age out is encompassed within the data set) and those with incomplete journeys (i.e. have not yet aged out as of the last date of the dataset – 31/03/2015). This approach allows us to increase the sample size and robustness of the analysis, by leveraging insights from those children that have not yet aged out (i.e. by understanding their average care journey length up until 31/03/2015 as a proportion of total days they could have spent in care)*</li> <li>The aggregated outputs were triangulated with those of the smaller cohort of children which had aged out</li> </ul>

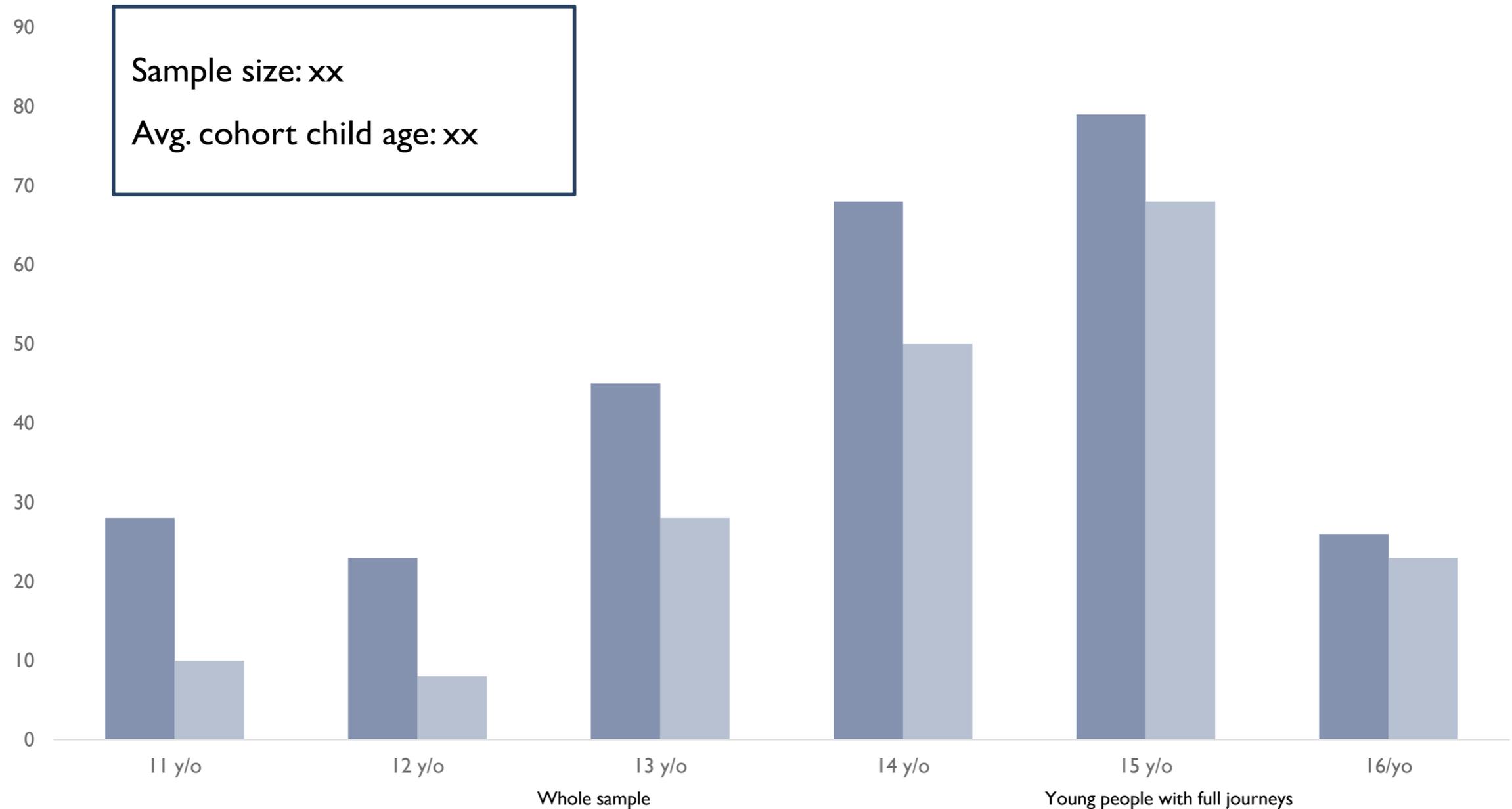
**OUR TOTAL ELIGIBLE SAMPLE SIZE WAS xx YOUNG PEOPLE AGED 11-16, OF WHOM xx HAD COMPLETE CARE JOURNEYS**

**Note:** \*Our assumption is that for the years which they have spent in care (e.g. Years 1 and 2 out of a possible 4 years), the young people with incomplete care journeys will have a similar proportion of days in care and placement distribution to that of the young people with complete care journeys in the same years.



## VOLUME OF HISTORIC COHORT

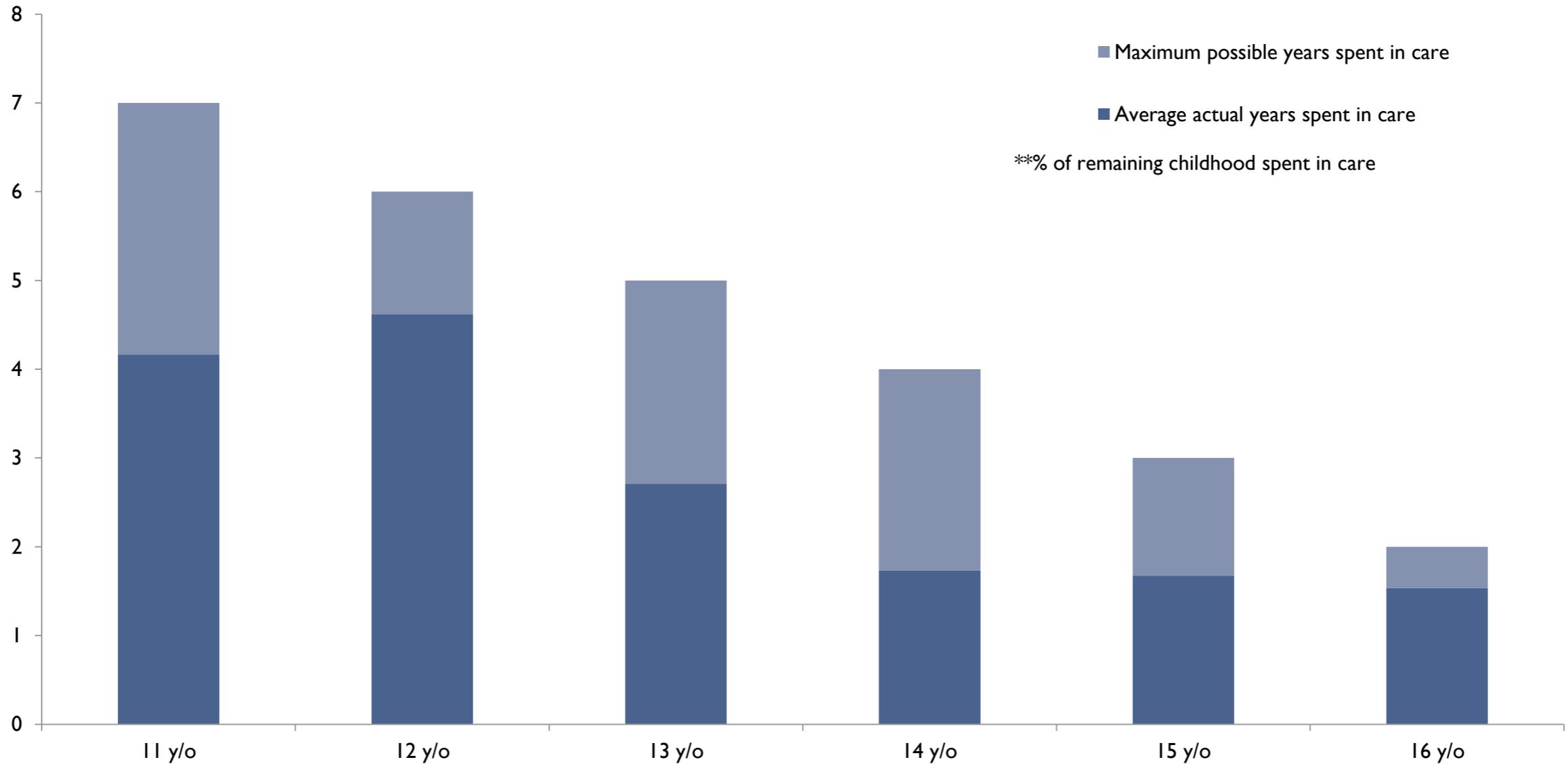
In total, based on our cohort definition criteria, we have analysed the care journeys of xx children who might have been eligible for MST/FFT, xx of whom had complete care journeys (i.e. had aged out by the last date of the data set). The breakdown of this sample by age can be seen below.





# CARE JOURNEY PROFILE: BREAKDOWN BY AGE

**Our breakdown of the data allows us to understand how many years\* adolescents aged 11-16 who are eligible for MST are likely to spend in care, based on the age at which they enter care.**



The **weighted average length of time spent in care for the 11-16 year old cohort is xx years**. This represents xx% of remaining childhood. The weighting reflects relative numbers of cases in each age cohort, and is in line with the average time spent in care by those with complete care journeys.

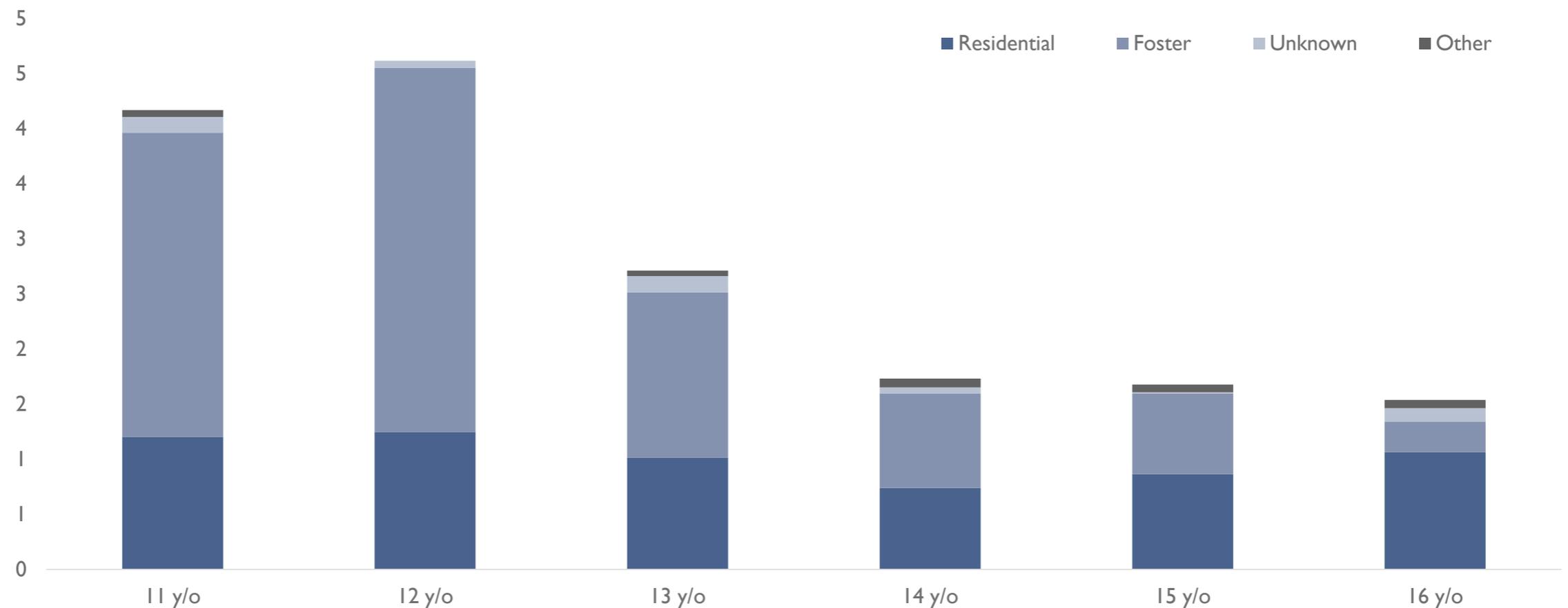
**Note:** \*Numbers based on SF analysis of LA's 903 data, as well as approximations of the time likely to be spent in care by young people of each age in their last (incomplete) year of care, based on trends over their previous years in care (these adjustments were made due to the fact that not all children go into care when they turn a given age, as for 11 year olds it can range from i.e. 11 years and 1 day to 11 years and 364 days).



## CARE JOURNEY PROFILE: BREAKDOWN BY PLACEMENT TYPE AND AGE

The graph below shows the proportion of time\* (out of total time in care) spent by young people of each age in each placement type.

No. of years



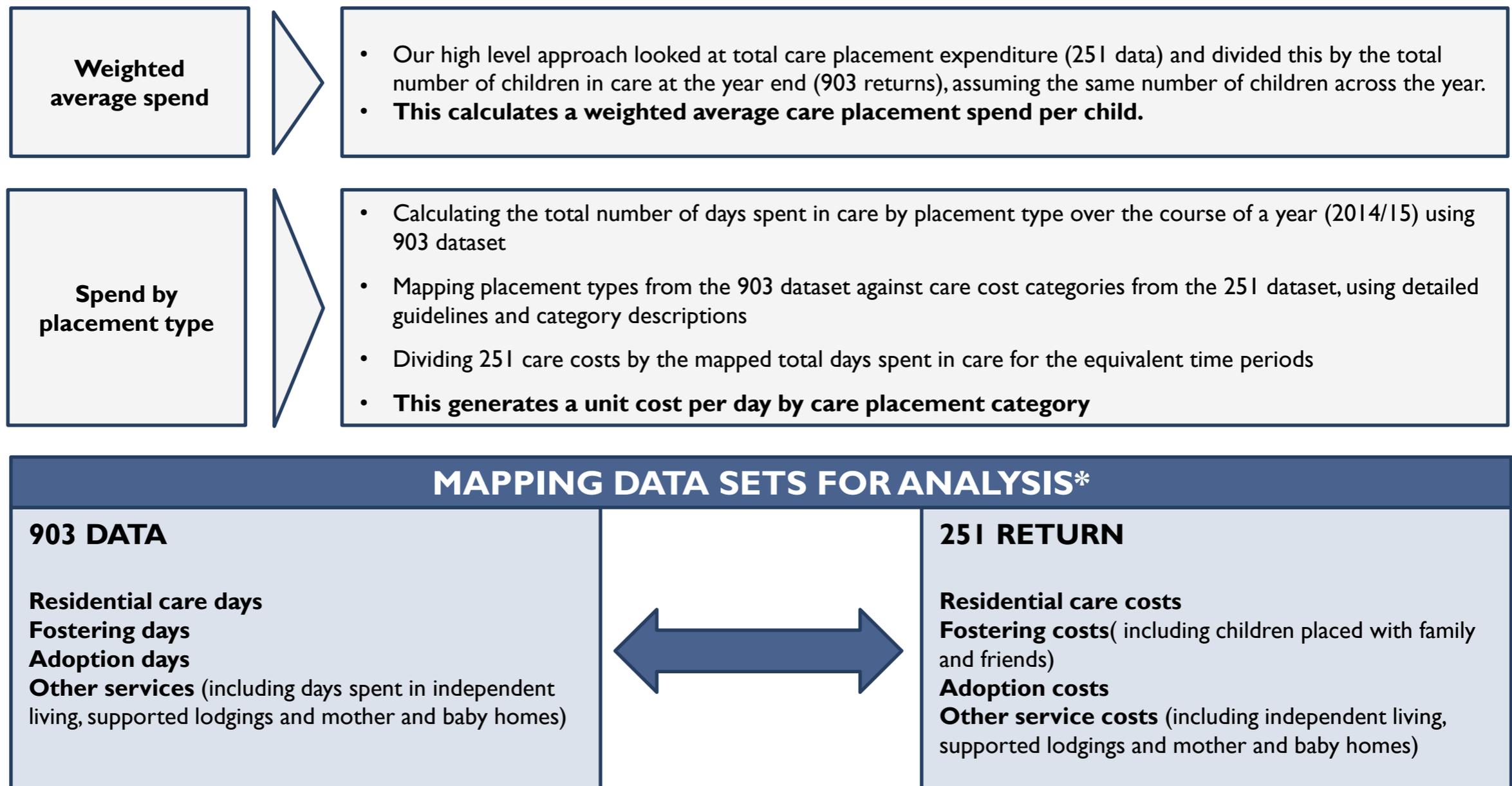
In the weighted average placement distribution across the care journeys of the 11-16 year old cohort, **xx% of care days are spent in residential care, xx% of care days are spent in foster care**, and the remaining **c.xx% is spent in other and unknown\*\*** types of care placements. This breakdown is also reflected in the smaller sample with complete care journeys.

**Note:** \*As with the weighted average of days spent in care, numbers here include SF's approximation of time likely to be spent in various placements by young people in their last (incomplete) year of care.

\*\*For this small proportion of placements, days could not reliably be grouped into a higher category and mapped with 251 finance return groupings

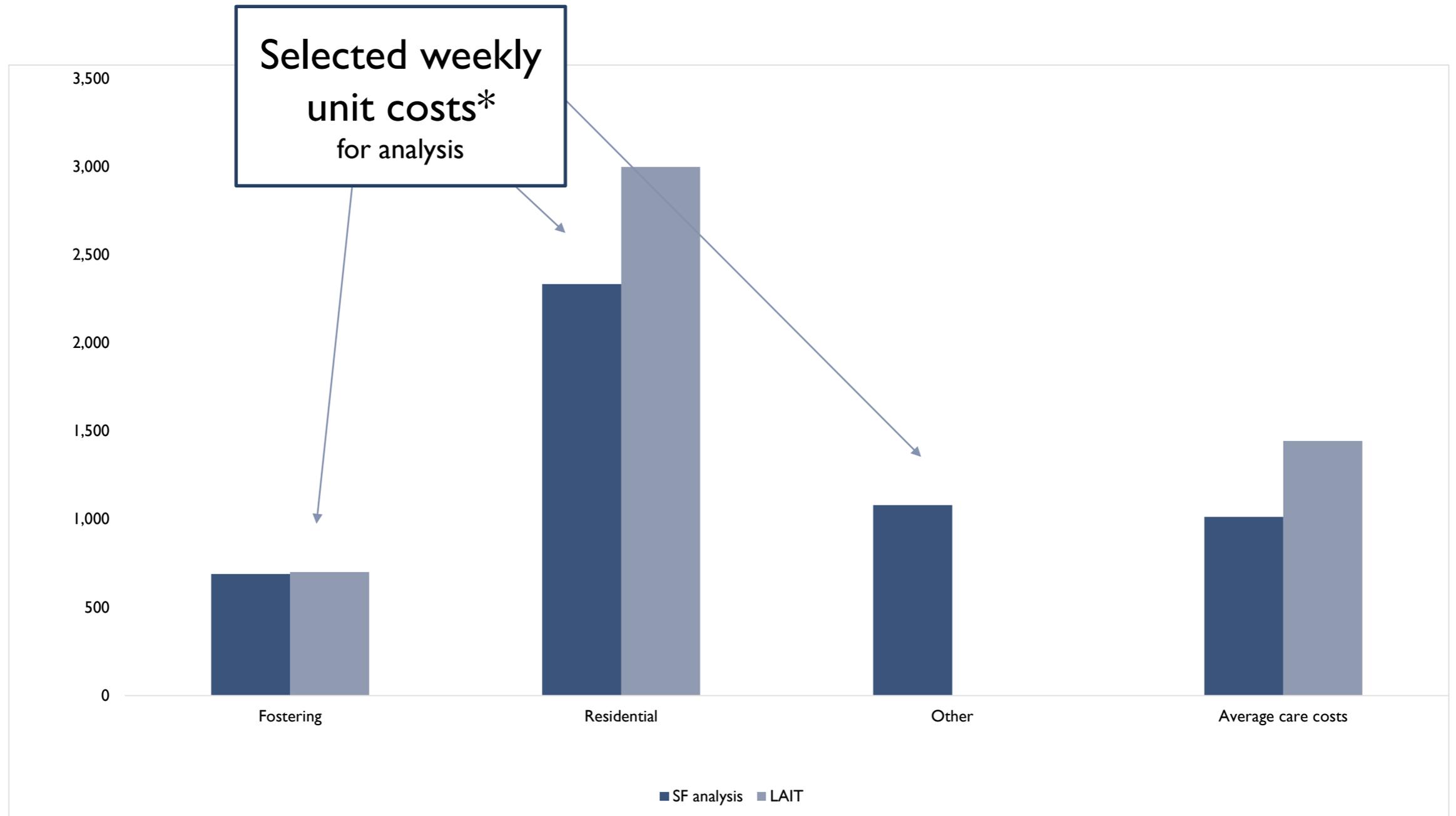
# UNIT COSTING METHODOLOGY

In order to calculate unit costs to inform our analysis we calculated both the weighted average unit costs, as well as the unit costs by placement type, by mapping 903 and 251 returns



# UNIT COSTS OF CARE PLACEMENTS: SENSE CHECK

To sense check our analysis, we compared unit costs of LA care placements with the outputs of the LAIT (Local Authority Interactive Tool).

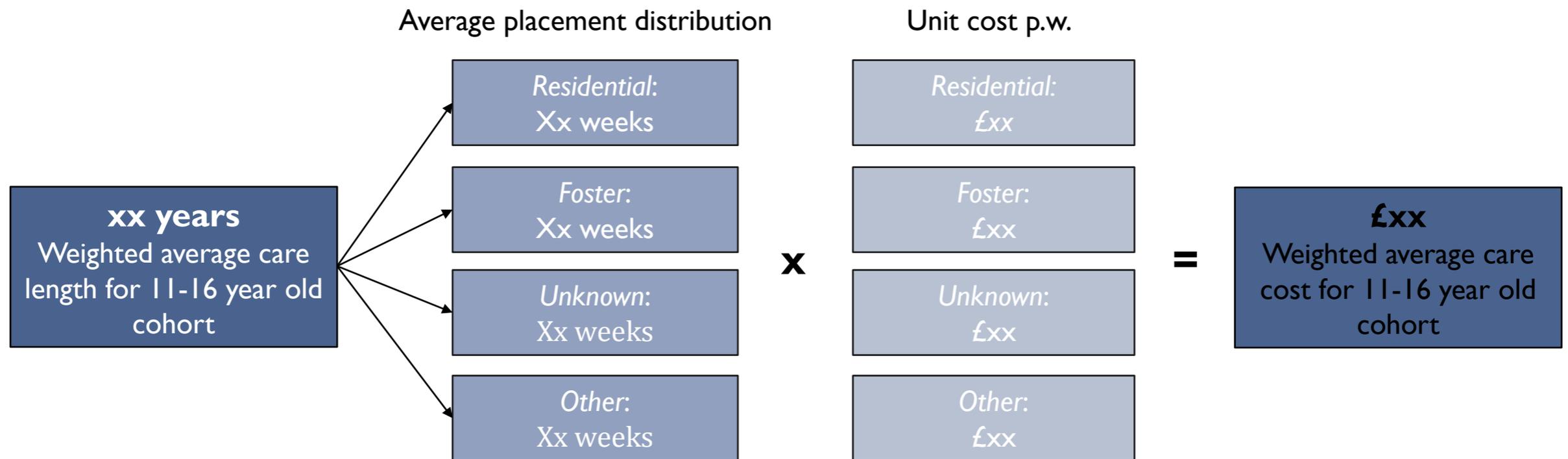


Notes:



# CARE JOURNEY COST: APPLYING UNIT COSTS TO CARE JOURNEY

The diagram below illustrates the process by which care costs are mapped on to the care journey analysis in order to understand LA's average care costs for each young person in the 11-16 year old cohort. Taking into account the average distribution of placement types across that journey, the average cost of xx years in care for an individual in this cohort is £xxk.





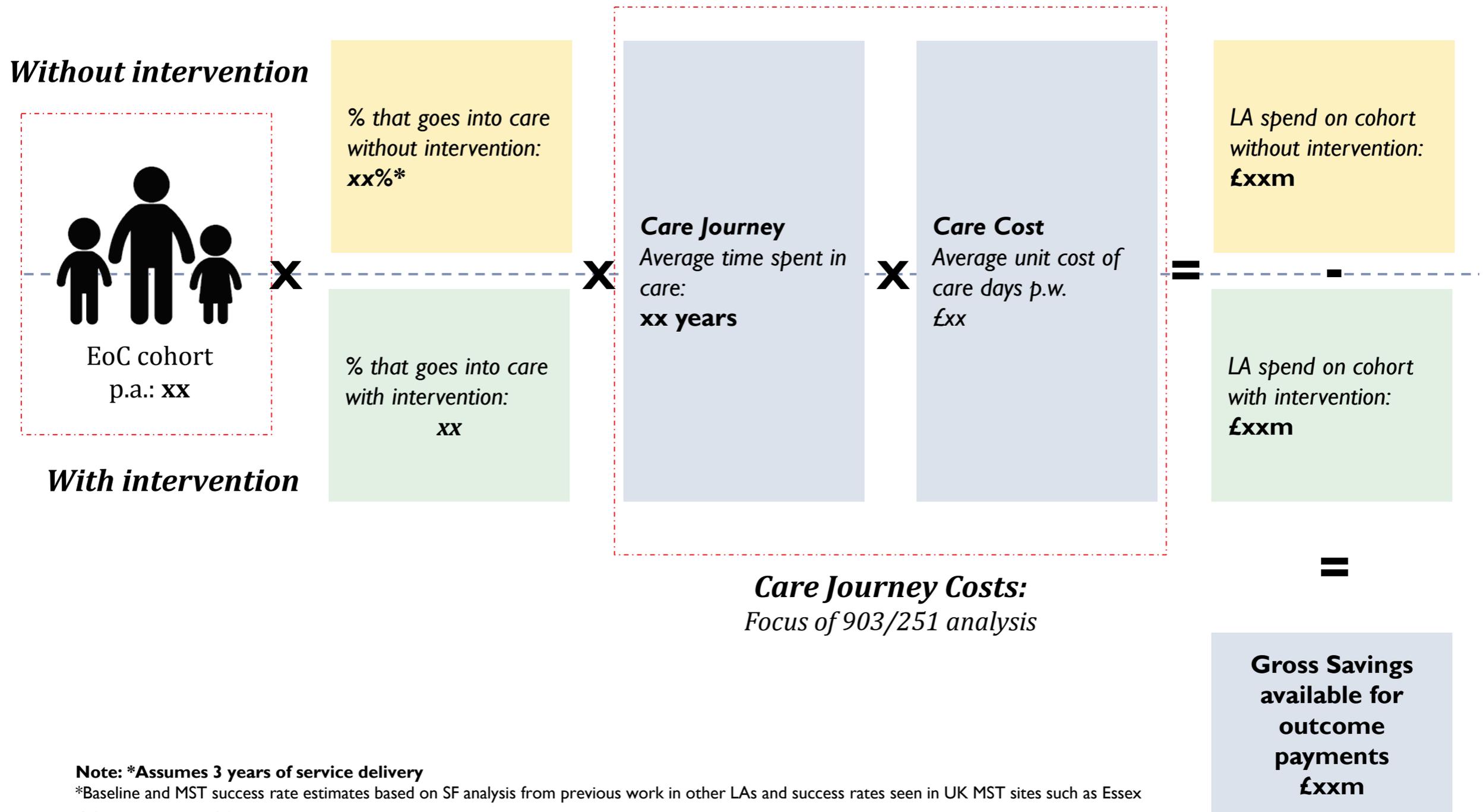
# LA CASE VOLUMES ANALYSIS

**Our analysis to determine the likely number of eligible MST cases p.a. in LA, based on the 3 most recent years of SSDA 903 data, suggests that there could be 56 children p.a. on the edge of care who would be eligible for the services an MST/FFT team.**

#	Filter	2012	2013	2014	Notes
1	New care entrants aged 11-16 (Defined as unique individuals who embarked on new periods of care— from living at home or elsewhere— within the year, regardless of whether they had previous periods in care)	xx	xx	xx	<ul style="list-style-type: none"> <li>Started new placement in given year (01/01-31/12)               <ul style="list-style-type: none"> <li>DECOM date in year</li> <li>RNE = S</li> </ul> </li> <li>Aged 11-16 at start of placement</li> <li>Legal status               <ul style="list-style-type: none"> <li>All except V3 / V4 (short breaks)</li> </ul> </li> </ul>
2a	Filtered on the basis of primary need at assessment... (We are using this as a proxy for individuals who may be suitable for therapeutic interventions)	xx	xx	xx	<ul style="list-style-type: none"> <li>Filtered '#1' for CIN primary need               <ul style="list-style-type: none"> <li>N4 - Family in acute stress</li> <li>N5 - Family dysfunction</li> <li>N6 - Socially unacceptable behaviour</li> </ul> </li> </ul>
2b	<b>For reference only</b> — young people from '#2a' accommodated under Section 20	xx	xx	xx	<ul style="list-style-type: none"> <li>Filtered '#2a' for legal status V2— single period of accommodation under Section 20</li> </ul>
<b>Average relevant numbers of LAC based on three year trend</b>					
3	Number of unique individuals who meet the criteria above entering care for the reporting years from 2013 – 2015 (To avoid double counting individuals who leave and re-enter care in subsequent years)		xx		<ul style="list-style-type: none"> <li>Removing duplicates CHILD from total of '#2a'</li> </ul>
4	Number of unique LAC individuals per year... (To get to an annual view of volumes)		xx		<ul style="list-style-type: none"> <li>'#3' divided by 3</li> </ul>
<b>Estimation of Edge of Care volumes</b>					
5	Number of children who became LAC who may have had behaviours suitable for therapeutic interventions. (To allow for individuals who for specific reasons may not meet referral eligibility criteria)		xx		<ul style="list-style-type: none"> <li><b>Assumed that 70%</b> of these unique individuals would be suitable for intervention, to allow for exclusion of ineligible cases i.e. Autism, lack of parent engagement ('#4' x 70%)</li> </ul>
6	<b>Estimated number of edge of care cases which could be referred to interventions annually.</b> (To allow for the fact that interventions will not be able to predict with 100% accuracy which individuals would ultimately have gone into care, and so will work with some who wouldn't have gone into care anyway)			xx	<ul style="list-style-type: none"> <li>Scale '#5' by 65%, which represents the likelihood of the edge of care cohort going into care in the next 12 months (based on our experience and case file analysis in other Authorities)</li> </ul>

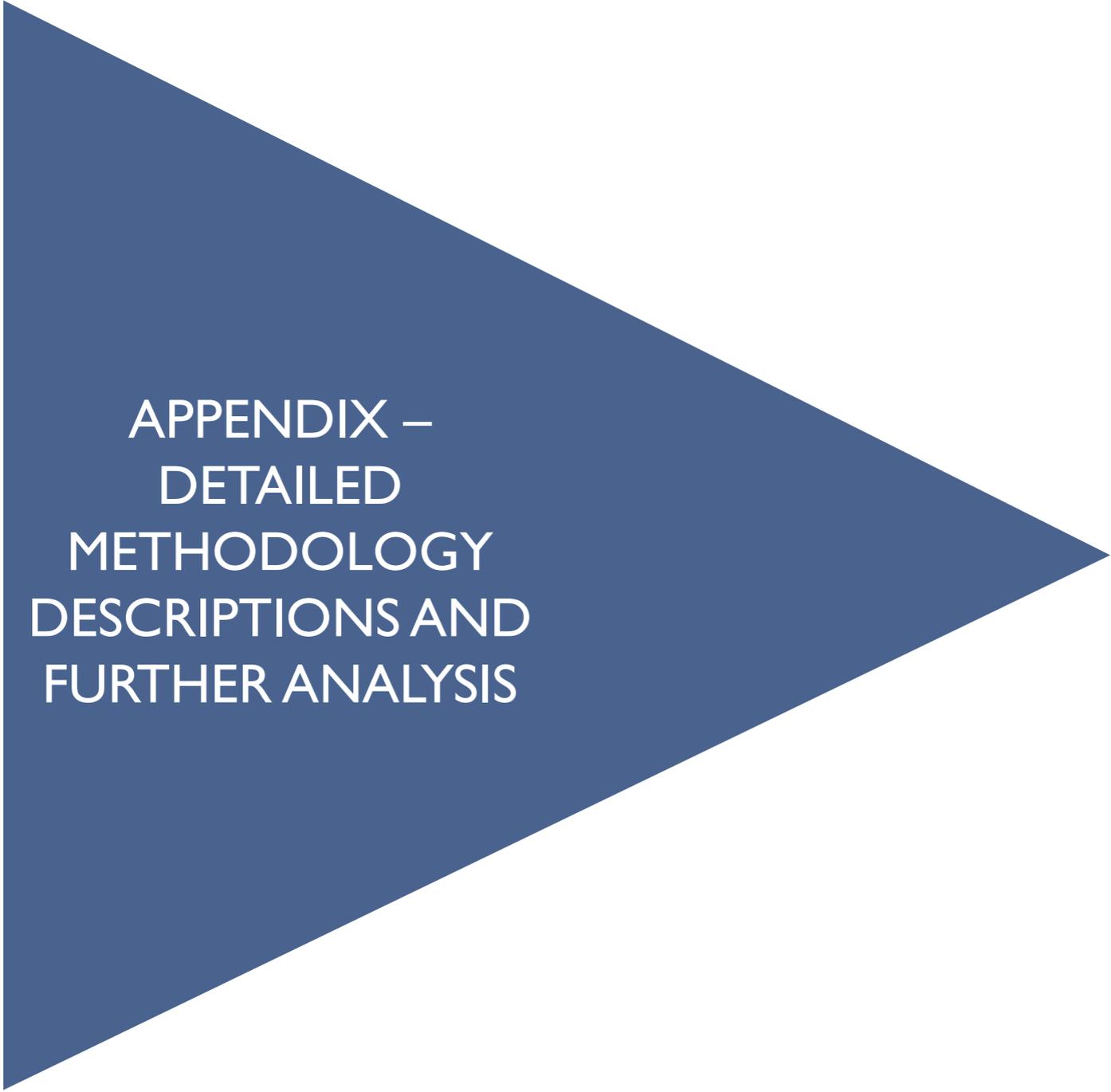


LA's cost benefit analysis shows, at a high level, there could be gross savings available if MST/FFT teams continued to support the 11-16 year old edge of care population.



Note: \*Assumes 3 years of service delivery

\*Baseline and MST success rate estimates based on SF analysis from previous work in other LAs and success rates seen in UK MST sites such as Essex

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APPENDIX –  
DETAILED  
METHODOLOGY  
DESCRIPTIONS AND  
FURTHER ANALYSIS



# MAPPING 25I AND 903 DATA

Care Journey analysis

Care Cost analysis

903 mapping	25I mapping	Grouping
F	1	Fostering
A	2	Adoption
R	3	Residential
I	4	Other
U	5	Unknown

903 placement data	903 Grouping	25I code	25I grouping	903 Definition
Q1	F	12	1	2016 code includes: U1 Foster placement with relative or friend- long term fostering; U2 Foster placement with relative or friend who is also an approved adopter- FFA including concurrent planning; U3 Foster placement with relative or friend- not long term or FFA or concurrent planning U4 Foster placement with other foster carer- long term fostering; U5 Foster placement with other foster carer who is also an approved adopter- FFA including concurrent planning; U6 Foster placement with other foster carer - not long term or FFA or concurrent planning
Q2	F	7	1	
A3	A	8	2	
A4	A	8	2	
A5	A	8	2	
A6	A	8	2	
P1	U	?	5	Placement with parents
P2	I	10	4	Independent living
P3	I	10	4	Residential employment
K1	R	6	3	Secure unit
K2	R	6	3	Homes and Hostels
H5	R	10	4	Residential settings
S1	R	6	3	Residential schools
M1	U	10	5	In Refuge (Section 51 of Children's act)
M2	U	10	5	Whereabouts known (not in refuge)
M3	U	10	5	Whereabouts unknown
Z1	I	10	5	Other placement
R1	R	6	3	Residential care home
R2	I	10	4	NHS/Health trust or other establishment providing medical or nursing care
R3	I	10	4	Family Centre or mother and baby unity
R5	I	10	4	Young Offender Institution or prison
T0	U	?	5	All types of temporary move
T1	U	?	5	Temporary periods in hospital
T2	U	?	5	Temporary absences of the child on holiday
T3	U	?	5	Temporary accommodation whilst normal foster carer is on holiday
T4	U	?	5	Temporary accommodation of seven days or less, for any reason, not covered by codes T1 to T3



Care Journey analysis

Care Cost analysis

903 code	Placement type	Definition
Q1	<b>Foster placement with relative or friend*</b>	U1 Foster placement with relative or friend- long term fostering
		U2 Foster placement with relative or friend who is also an approved adopter- FFA including concurrent planning
		U3 Foster placement with relative or friend- not long term or FFA or concurrent planning
		U4 Foster placement with other foster carer- long term fostering
Q2	<b>Foster placement with other foster carer*</b>	U5 Foster placement with other foster carer who is also an approved adopter- FFA including concurrent planning
		U6 Foster placement with other foster carer - not long term or FFA or concurrent planning
A3	<b>Placed for adoption with parental/guardian consent with current foster carer</b>	Placed for adoption with parental/guardian consent with current foster carer
A4	<b>Placed for adoption with parental/guardian consent not with current foster carer</b>	Placed for adoption with parental/guardian consent not with current foster carer
A5	<b>Placed for adoption with placement order with current foster carer</b>	Placed for adoption with placement order with current foster carer

903 code	Placement type	Definition
A6	<b>Placed for adoption with placement order not with current foster carer</b>	Placed for adoption with placement order not with current foster carer
P1	<b>Placement with parents</b>	Use for any placement with a child's own parents, or other person with parental responsibility (as defined in the Children Act). Where the young person is living independently e.g. in flat, lodgings, bedsit, B&B or with friends, with or without formal support. Visiting support may be included as part of the package
P2	<b>Independent living</b>	Use for apprenticeships and employment training where there is a clear employment component, and accommodation is provided. <i>Secure accommodation</i> , either where Section 25 of the Children Act applies (or would apply after 72 hours), or where the child is subject to a court ordered secure remand.
P3	<b>Residential employment</b>	Children's Homes are very diverse; use for all children's homes which fall within the meaning of Section 1 of the Care Standards Act 2000 and the Children's Homes Regulations 2001 (as amended 2011) (except where the child is placed in a Secure Children's Home where K1 should be used)
K1	<b>Secure unit</b>	Residential settings not subject to children home regulation (hostels and other supportive residential settings)
K2	<b>Homes and Hostels</b>	Placement in a residential school, except schools that are dual-registered as children's homes, a
H5	<b>Residential settings</b>	
S1	<b>Residential schools</b>	



Care Journey analysis

Care Cost analysis

903 code	Placement type	Definition
M1	<b>In Refuge (Section 51 of Children's act)</b>	A looked after child who is not at their placement or the place they are expected to be (e.g. school) and their whereabouts is not known
M2	<b>Whereabouts known (not in refuge)</b>	Whereabouts of young person known to Social Services (not in a Refuge)
M3	<b>Whereabouts unknown</b>	Missing - Absent for more than 24 hours from agreed placement
Z1	<b>Other placement</b>	Must be listed on a schedule sent to DfE with annual submission
R1	<b>Residential care home</b>	Applies to Residential Care Homes and Nursing Homes that fall within the scope of the Care Standards Act 2000 and the Children's Homes Regulations 2001 (as amended 2011). The services they provide will normally include an element of personal care or nursing care.
R2	<b>NHS/Health trust or other establishment providing medical or nursing care</b>	NHS/Health trust or other establishment providing medical or nursing care
R3	<b>Family Centre or mother and baby unity</b>	Use for placement in a residential family centre, as defined in Section 4 (2) of the Care Standards Act 2000, or a placement in a residential facility for mothers and babies(except hospitals and other NHS facilities). This placement type should also be used if a child is placed with their mother in a Women's Refuge.
R5	<b>Young Offender Institution or prison</b>	Young offender institution

903 code	Placement type	Definition
T0	<b>All types of temporary move</b>	Temporary accommodation/placements including when carer/child on holiday
T1	<b>Temporary periods in hospital</b>	Temporary accommodation/placements including when carer/child on holiday
T2	<b>Temporary absences of the child on holiday</b>	Temporary accommodation/placements including when carer/child on holiday
T3	<b>Temporary accommodation whilst normal foster carer is on holiday</b>	Temporary accommodation/placements including when carer/child on holiday
T4	<b>Temporary accommodation of seven days or less, for any reason, not covered by codes T1 to T3</b>	Temporary accommodation/placements including when carer/child on holiday



Care Journey analysis

Care Cost analysis

251 outturn category	Definition
<b>6 Residential care</b>	Include expenditure on residential care in Voluntary Children’s and Registered Children’s Homes as defined in Children Act 1989
<b>7 Fostering services</b>	Include all in-house provision, fostering services purchased externally, fees and allowances paid to foster parents and the costs of social worker and other support staff who support foster carers.
<b>8 Adoption services</b>	Include adoption allowances paid and other staff and overhead costs associated with adoption including the costs of social workers seeking new and supporting existing adoptive parents.

Include financial support paid to Special Guardianship families under the Special Guardianship Regulations 2005 and other staff and overhead costs associated with Special Guardianship Orders. The following people may apply to be special guardians:

- Any guardian of the child.
- Any individual who has a residence order or any person where a residence order is in force and who has the consent of the person in whose favour the residence order is made.
- Anyone with whom the child has lived for at least three years out of the last five years.
- Anyone with the consent of the local authority if the child is in care.
- A local authority foster parent with whom the child has lived for at least one year preceding the application.
- Anyone who has the consent of those with parental responsibility.
- Anyone who has the leave of the court.

**The highlighted areas are the ones which we have included in the Unit costing analysis**

251 outturn category	Definition
<b>10 Other children looked after services</b>	<p>Include support to looked after young people including:</p> <ul style="list-style-type: none"> <li>· in NHS/other establishments providing nursing/ medical care</li> <li>· residential, respite and emergency nights in residential beds at family centres</li> <li>· in lodgings or hostels</li> <li>· in mother and baby homes</li> <li>· living independently in flats, beds and breakfast establishments or with friends</li> <li>· in residential employment</li> <li>· independent visitor costs and relevant contact payments under sections 20/34 of the Children Act 1989 not included under Children’s homes or Fostering services</li> <li>· in youth detention accommodation (as set out at Legal Aid, Sentencing and Punishment of Offenders Act).</li> <li>· expenditure on advocacy services for children looked after</li> </ul>

**11 Short breaks (respite) for looked after disabled children**

Include all provision for short-breaks (respite) services for disabled children who are deemed looked after. This includes Short breaks utilising a residential setting, Family based overnight and day care short break services, Sitting or sessional short break services in the child’s home, or supporting the child to access activities in the community.

**12 Children placed with family and friends**

Where looked after children do not live with their birth parents it is not uncommon for them to be placed with family and friend foster carers. Include expenditure on the authority’s functions in relation to looked after children placed with family and friends foster carers

**13 Education of looked after children**

Include expenditure on the services provided to promote the education of the children looked after by local authority (e.g. looked after children education service teams and training for designated teachers). Exclude any spend delegated to schools for looked after children.

**14 Leaving care support services**

The authority’s leaving care support services functions under the Children (Leaving Care) Act 2000.

**15 Asylum seeker services children**

Expenditure of those asylum seeking children who are not looked after. Costs for asylum seekers who are looked after would be distributed amongst the placement and other looked after child costs at lines 6-13.



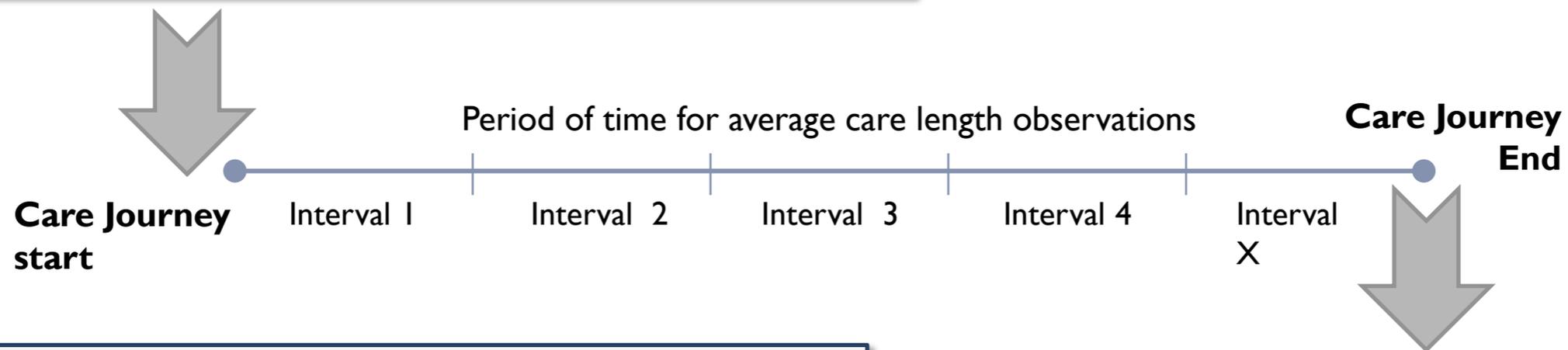


The analysis to produce the average care length over a given time period carries a number of considerations and caveats which need to be considered to address the problems of small sample sizes and increase the robustness of the outputs. Below are key questions to consider:

**Variables for the analysis:** What characteristics of children and their care journeys are relevant to our analysis?

**Units of analysis:** What exactly does a care journey mean? When does it start and end?

**Start of time tracking by age and history:** What is the age range of children we want to track in care and what if they were already in care before they became of the relevant age?



**Length of observations:** How long do we want to track the sample for?

**Adjustable sample sizes:** How do we approach and think about the average number of days in care for children that entered last year, if our length of observation is for example 5 years? If we can't track long time periods for children that have just recently entered care, can we still use insights from their shorter care journeys for the analysis?

**Ageing out:** What are the effects on the analysis of children whose care journeys end due to ageing out (turning 18)? How do we interpret those closures compared to closures where the child was reunified with the family?

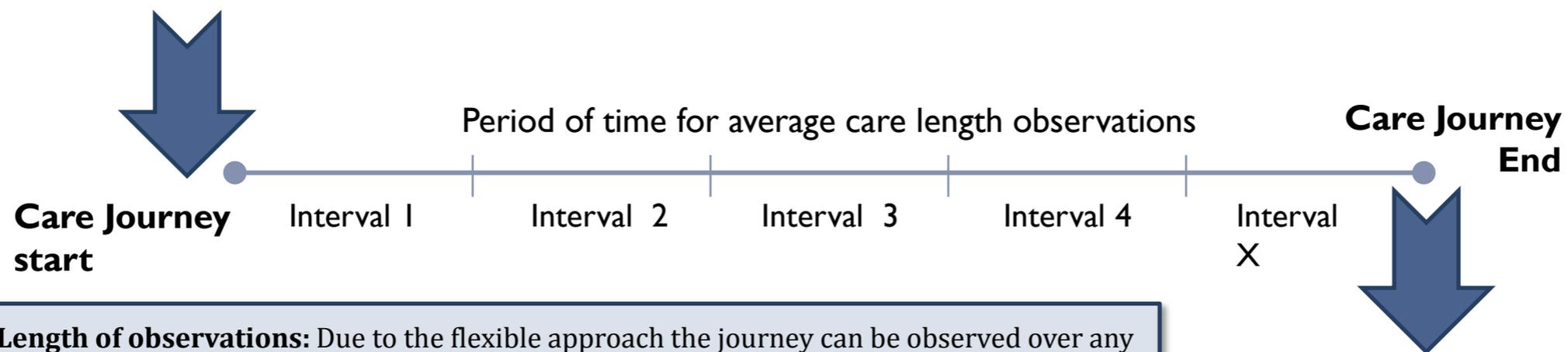


**As a starting point, a set of assumptions and principles has been used to address the concerns previously highlighted. These can be changed and will each have an impact on the average care length calculations**

**Variables for the analysis:** Age at which child enters care, type of care and reason for entry

**Units of analysis:** A care journey starts with the first entry of the child into care when within the relevant age range, and considers all subsequent placements

**Start of time tracking by age and history:** The defined age range for the adolescent population we have used is 11-16; children who have been in care in the previous year are excluded as they have already recently been known to care



**Length of observations:** Due to the flexible approach the journey can be observed over any time period, but model currently looks across up to 5 years

**Adjustable sample sizes:** If we only have one year of data for a child (i.e. child entered system a year ago), we use only that year to inform avg. time spent in first year since entering care, along with the avg. of all children with more than a year of data. Similarly, to calculate avg. time in care in years 3-4 we only consider children with at least 4 years of data (i.e. entered CSC system more than 4 years ago). For example we can not know the outcomes in years 3-4 of a child with only 2 years worth of available data.

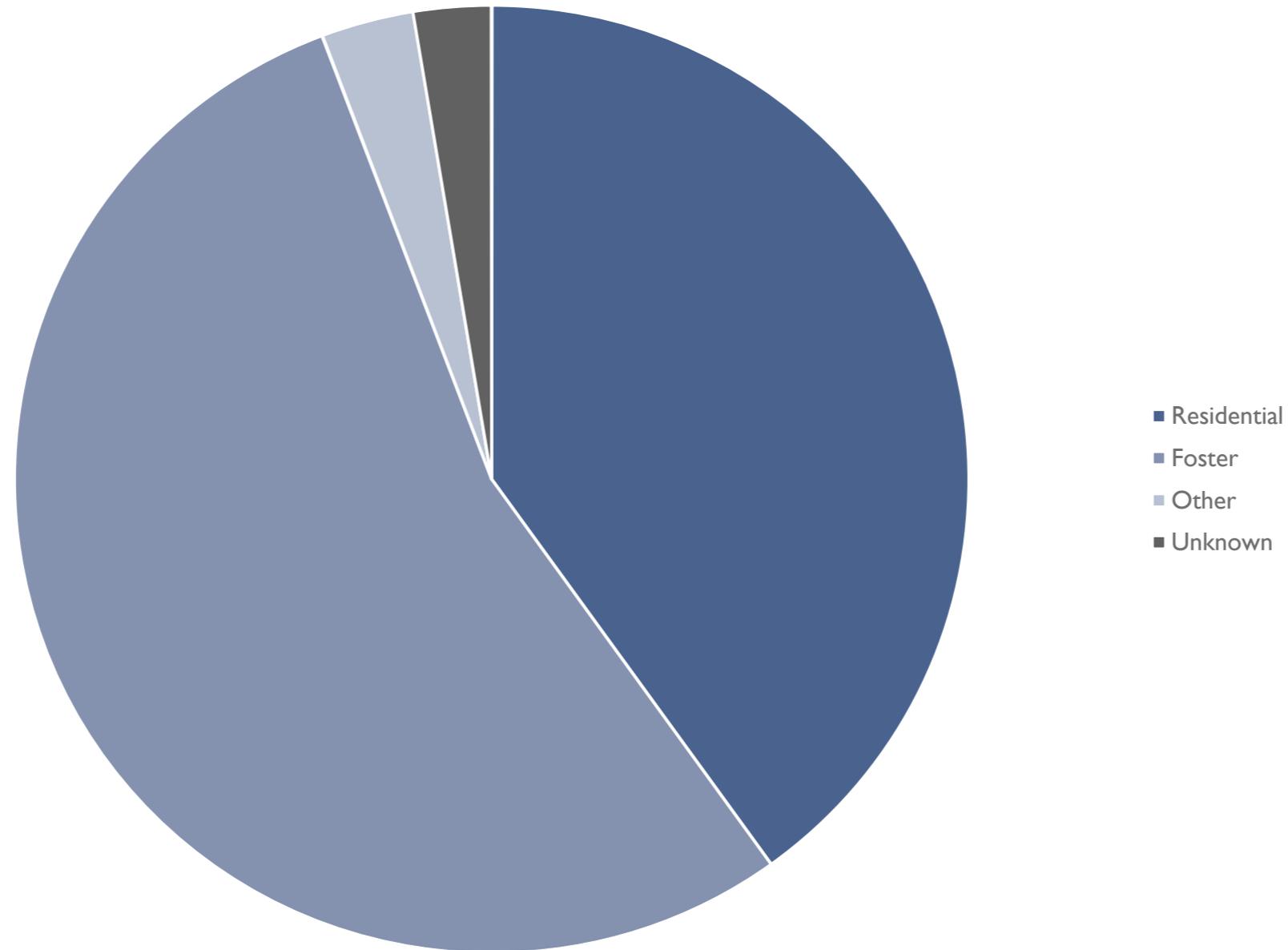
This means we use different samples for calc. the avg. time in care for different time intervals, laying on the assumption that a child currently in the first year of care, will experience the same average journey as other comparable children. This approach increases the robustness of the analysis when looking at longer time periods

**Ageing out:** If a child ages out we do not consider that as an end of care in itself, as the driver is age rather than the nature of support provided. As per the adjustable sample size methodology if a child ages out at end of the 2<sup>nd</sup> year of their care journey, we no longer consider the child in the sample for subsequent years.



## CARE JOURNEY PROFILE: BREAKDOWN BY PLACEMENT TYPE

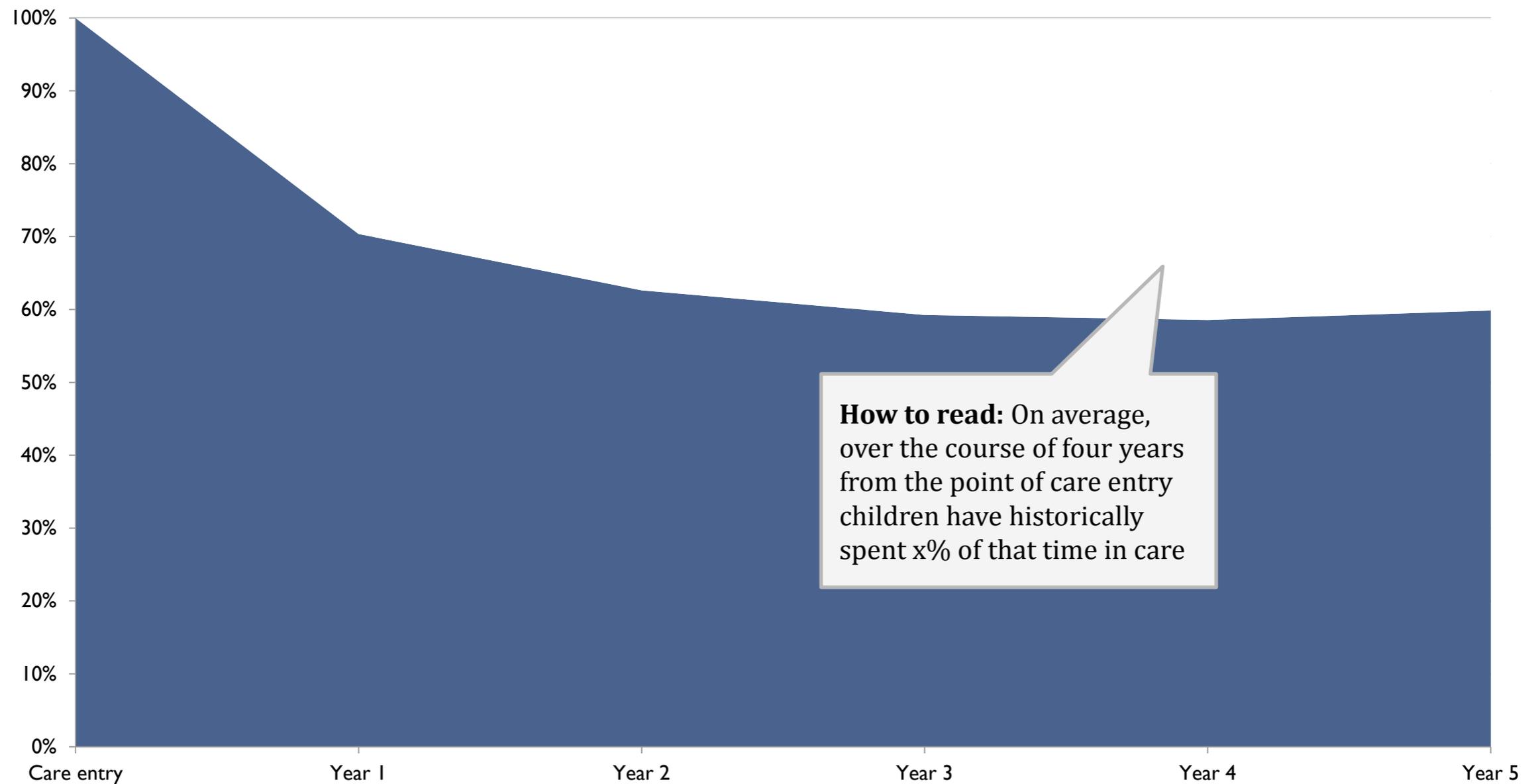
**This chart represents the average proportion of time spent in each placement type for the total cohort.**



**An average care length of xx years, therefore, would consist of xx years spent in foster care and xx year spent in residential care, with the remaining xx years spent in other and unknown care types.**

# CARE JOURNEY PROFILE: TOTAL 11-16 YR OLD COHORT

**For the total cohort, which includes both complete and incomplete care journeys, the chart shows the % of elapsed time spent in care since the point of first entering care, over various observed periods.**



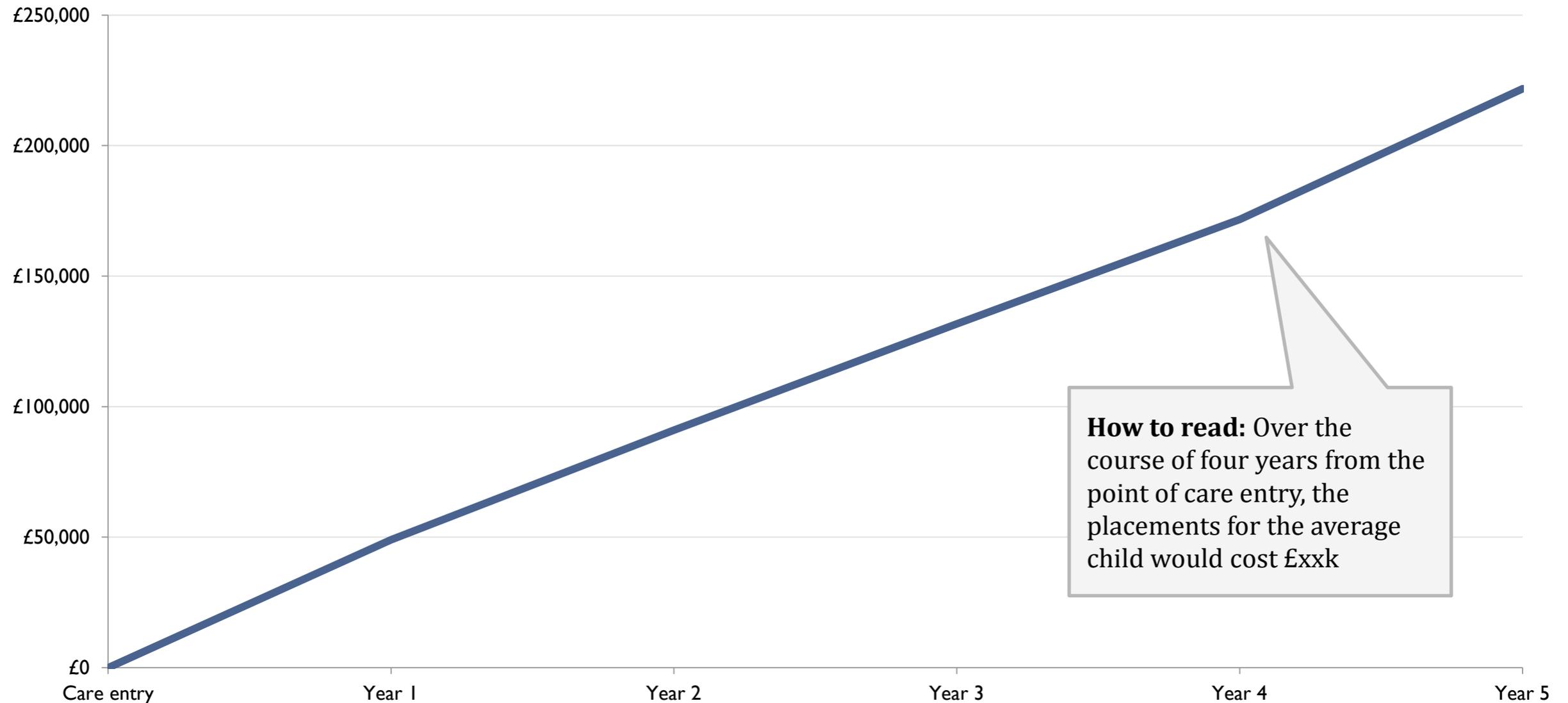
*Total number of qualifying children*

*Children that can be tracked over more than 1 year*

*Children that can be tracked over more than 2 years*

# CARE JOURNEY COST RESULTS

**An alternative perspective on the cohort, shows how much, on average, care placements for an eligible care entrant have cost over time.**



**How to read:** Over the course of four years from the point of care entry, the placements for the average child would cost £xxk

*Total number of qualifying children*

*Children that can be tracked over more than 1 year*

*Children that can be tracked over more than 2 years*

# The Essex Social Impact Bond

Barbara Herts – Director for Commissioning, Mental Health  
Helen Lincoln – Executive Director for People Operations

**SERIOUS  
ABOUT  
SOCIAL WORK**

  
Essex County Council

# Setting the scene ....

**2008-2010:** Essex Children's Services deemed inadequate by Ofsted for safeguarding.

**2009:** Government intervention established

**By 2011** Ofsted were becoming more confident of the ability of the new leadership team to refocus social work practice. Judged 'adequate' for safeguarding'. Intervention lifted

**2014:** Ofsted rate Children's Services as 'Good'



**Children in Care numbers**

1438

1260

1020

998

**SERIOUS ABOUT SOCIAL WORK**

# Magic!

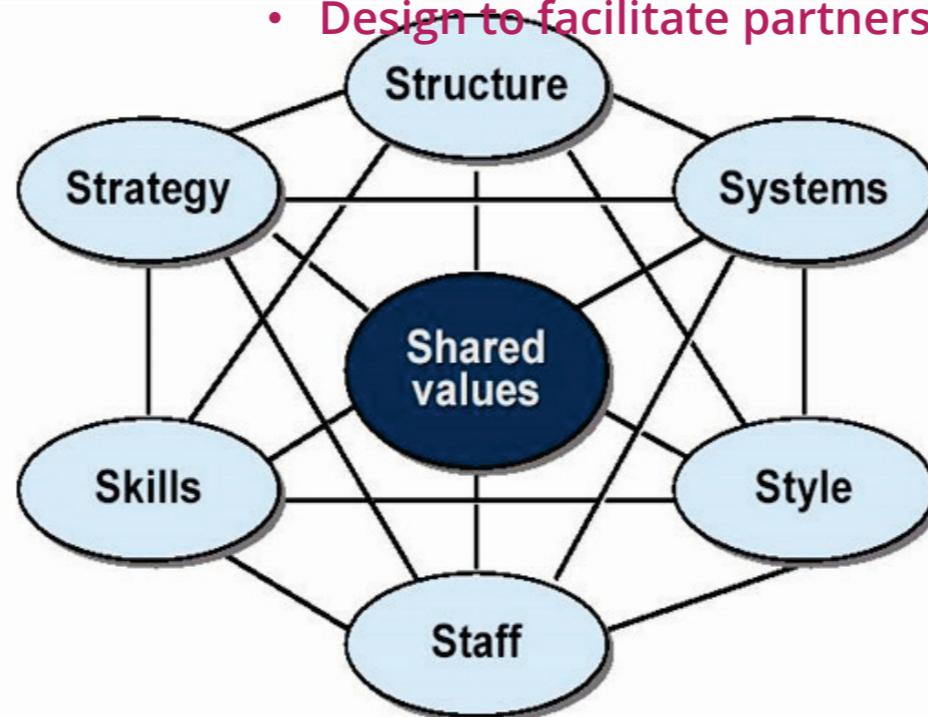


**SERIOUS  
ABOUT  
SOCIAL WORK**

**Strategy**  
 Whole system change  
 Reduce children in care numbers  
 Invest in social workers  
 Invest in family support - D-BIT (Divisional Based Intervention Teams)  
 Lead – don't manage  
 Act and sort!  
 Be brave and principled  
 Respond to the inspections

**Skills**  
 Systemic approaches  
 Evidence based interventions  
 Joint working – get things done quickly  
 Access to highly skilled supervision  
 Learning circles (assessments, care planning etc?)  
 Invest in skill development  
 Essex Social Work Academy  
 Effectively use supervision

- Structure**
- Move to the quadrant model
  - Keep your best social workers practising
    - Bring in develop the next generation, each team having at least 2 students per year
  - Design to facilitate partnership



- Systems**  
 Reduce processes and procedures....Slim down protocol forms / revisit what really needs authorisation  
 Family focussed assessment tools  
 Turn decision making on its head  
 Take bureaucratic burden away from social workers  
 Work to avoid duplication
- Risk management not risk adverse
    - Role generosity
    - Allow for difference
    - Take responsibility
  - Be a learning not a blaming service
  - Actively model behaviours, performance and thinking required to reshape our service and champion the necessary culture change
- Be positive and supportive whilst demanding high performance, flexible and supportive team work

- Staff**
- The most valuable resource
  - Spend time recruiting the right people
  - Remember the complexity of the task social workers do
  - Help move on those for whom its not working.
  - Support, nurture, develop and enthuse
    - Make active use of HR procedures

**SERIOUS ABOUT SOCIAL WORK**

Young people on the 'edge of care'

Contract: 5 years operational, 8 years payments

Multi Systemic Therapy (MST)

Primary measure: 'care days saved'; secondary outcomes also captured

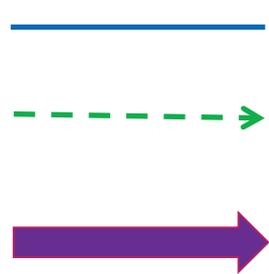
# The SIB

Delivered by: Action for Children

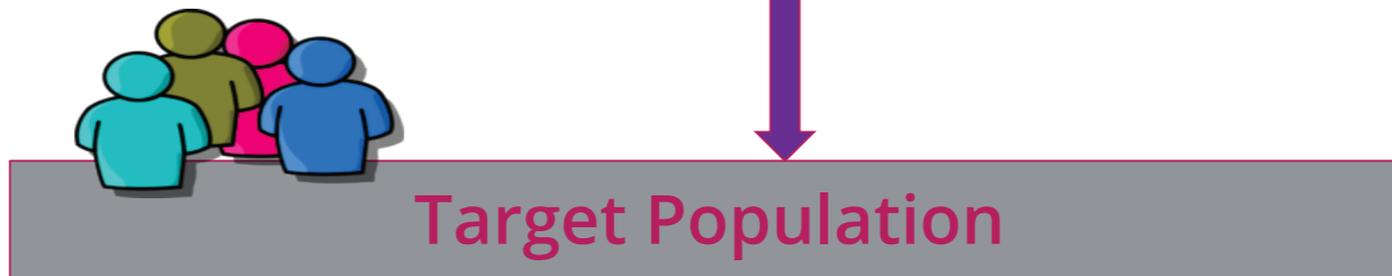
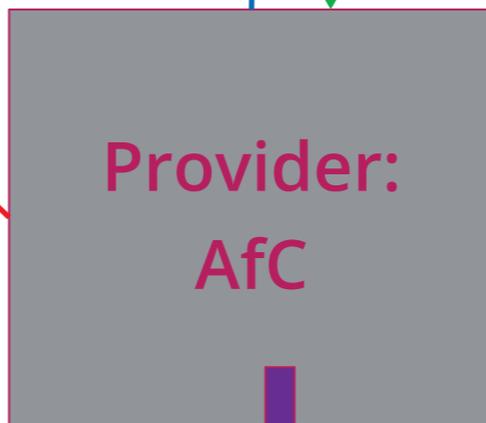
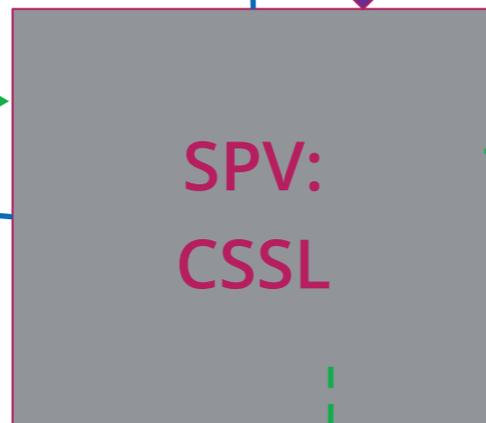
Social investment: initial £3.1m growing to around £5.9m throughout project life

Special Purpose Vehicle (SPV): Children's Support Services Ltd

SIB intermediary: Social Finance Ltd



Contract relationship  
Flow of funding  
Service provision



SERIOUS ABOUT SOCIAL WORK



Cashable savings

Outcomes payments

Intermediary:  
Social Finance

Commissioner:  
ECC

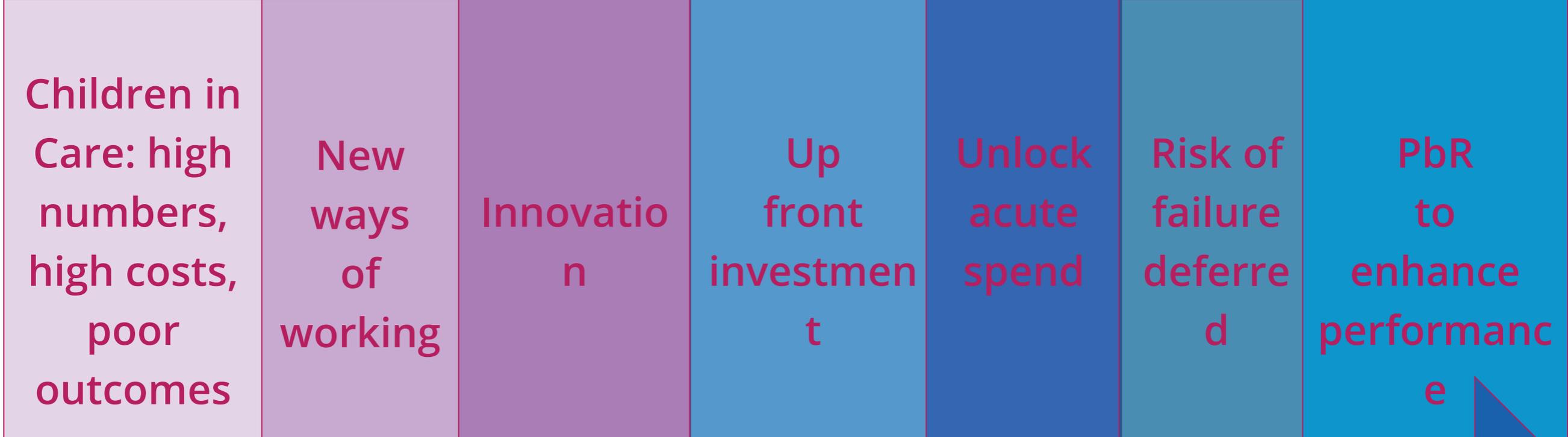
SPV:  
CSSL

Investors

Provider:  
AfC

Target Population

# Impetus:

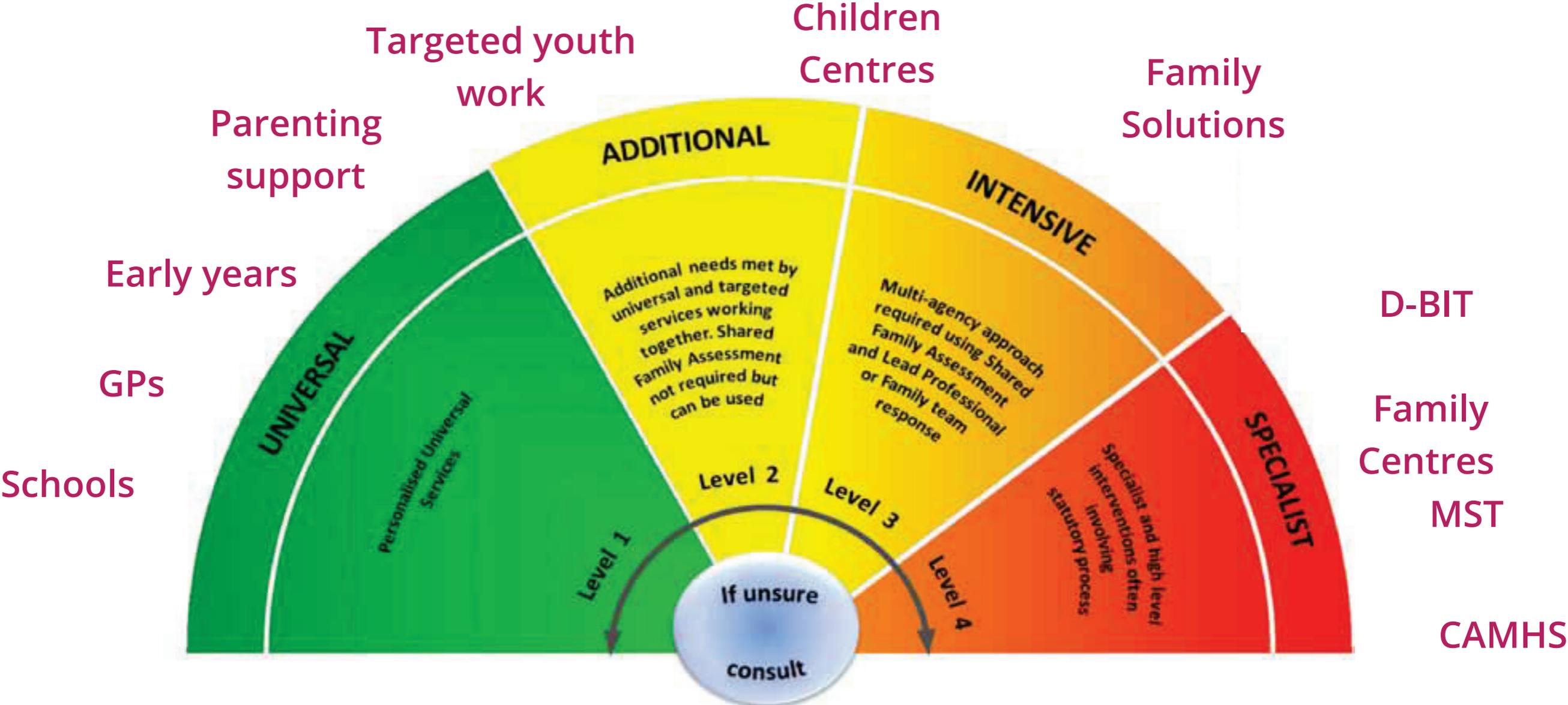


2011 idea started 2013 service provided



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# Effective Support for Children and Families in Essex



**SERIOUS  
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SOCIAL WORK**

# Added value from a SIB approach?

Yes	But.....
80% young people remaining at home	Requires additional governance and oversight particularly re financial reconciliation
Additional funding to finance improvements to processes and enable solutions	Artificial pressure introduced to system to maintain referral rates
Enhanced focus on performance and outcomes	Levels of older young people entering care still high; cases remain open  Life of the contract is 5 years and target figure for cases is 380

# Caveats

- Implications of being the first
- Outcomes comparison is difficult
- Impact of MST?
- Depends on context
- Requires considerable Sustained Oversight

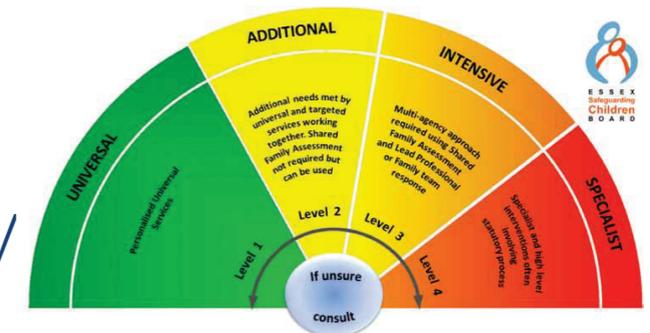


# Lessons learnt

- ✓ Not just a business case
- ✓ Trust and relationships
- ✓ Review prior to implementation
- ✓ Allow time, don't panic!



- ✓ Consider where the intervention sits in the system



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SOCIAL WORK**

# Lessons learnt

✓ Not a magic wand



✓ Choose your intervention carefully

✓ Don't over-complicate



✓ Plan for sustainability



# Evaluation

- Three year independent evaluation by OPM
- Year 1 and 2 interim reports: [www.opm.co.uk](http://www.opm.co.uk)
- Final report on transferrable lessons for other local authorities available in Autumn

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# Alternatives to Commissioning with SIBs

Simon Brown  
Head of Care Services  
Buckinghamshire County Council



# When an Alternative is Needed

We know when;

- the service area has a high risk profile
- the market delivery is fragmented
- there is little evidenced based practice in the UK
- there is difficulty in measuring outcomes
- Low volume high cost

**It is difficult to identify a social investor**

It is difficult to identify an investor



# What is the Alternative?

## LA Partnerships and Collaboration

- Shared vision
- Similar stories
- Low demand, high cost
- Share risks and costs
- Manage the market
- Define shared outcomes

# Incentives for Providers

To create high quality services Providers need;

- Guarantee of work= Income
- Consistency from LAs
- Good length of contract to recoup capital outlay
- Rewards for outcomes/success
- Long term relationship
- Ability to develop local services (piggy back) with reduced risk

# Outcome Payments

- There is a pursuit for performance improvement through good contract management.
- There is evidence of performance payments CQUIN but
  - how do we measure?
  - How much do we pay?

# Cross Regional Project

- 5 + 3 year contract
- £25m contract value
- Expectation of good industry standard
- Outcome bonus or penalty
- 5 areas of measurement
- Bonus of a max. 2% per year, £60k
- Bonus threshold set very high

# Cross Regional Project

<b>2015-16</b>	<b>Weighting</b>	<b>Quarter 1</b>		<b>Quarter 2</b>		<b>Quarter 3</b>		<b>Quarter 4</b>	
	<b>%</b>	<b>Score</b>	<b>%</b>	<b>Score</b>	<b>%</b>	<b>Score</b>	<b>%</b>	<b>Score</b>	<b>%</b>
<b>Quality of the home</b>	<b>20</b>	3.7	73%	3.3	67%	4.0	80%	4.0	80%
<b>Quality of the school</b>	<b>20</b>	3.0	60%	3.0	60%	3.8	76%	4.0	80%
<b>Outcomes for young people (homes)</b>	<b>30</b>	4.0	80%	4.0	80%	4.0	80%	4.2	84%
<b>Outcomes for young people (Unity College)</b>	<b>20</b>	3.2	64%	3.2	64%	3.4	68%	3.6	72%
<b>Attendance (Unity College)</b>	<b>10</b>	n/a	80%	n/a	83%	n/a	85%	n/a	85%
<b>TOTALS (with weighting)</b>			<b>72%</b>		<b>70%</b>		<b>77%</b>		<b>80%</b>
<b>Payment Percentage</b>			<b>0%</b>		<b>0%</b>		<b>0%</b>		<b>1%</b>

# The Challenge

LAs must be better at;

- Collaboration
- Remaining as partners through management changes
- Identifying outcomes
- Prepared to pay outcome bonuses
- Evolving contracts into partnerships with providers