

		AGENDA ITEM 6
		PAF/22/13
Committee:	People and Families Scrutiny Committee	
Date:	4 th September 2014	
<u>Outstanding Items</u>		
Enquiries to:	Tanya Gillett Head of Youth Offending Service Family Operations Tanya.Gillett@essex.gov.uk	

Purpose of the Paper:

To update and inform members of the People and Families Scrutiny Committee of the progress and outcomes to date of the **Social Impact Bond (SIB) funded Multi-Systemic Therapy (MST)**

Context

In November of 2012 Essex County Council signed a contract with Children's Support Services LTD and Social Finance LTD to provide the United Kingdom's first Local Authority based Social Impact Bond to fund preventative services to young people at the edge of care.

The concept behind the Social Impact Bond is that investors establish preventative services at their own risk with significant social investment funding addressing areas of demand with known long term costs but associated poor outcomes. Essex County Council as the commissioner will only pay when these outcomes are successfully achieved within a defined metric. Payments are based on a share of savings in favour of the council and constrained within a defined time scale based on observed average stays of young people in care.

The contract is eight years in length with services being provided within the first 5 years but paid for on an outcomes basis across eight years.

The Social Impact Bond funds an intensive community and family based intervention know as Multi-Systemic Therapy playing a role within a cohesive system of locally developed preventative services for children, young people and their families in Essex.

Multi-Systemic Therapy (MST) was initially developed in the United States and has a bank of research trial evidence indicating some level of effectiveness with young people and families where offending and anti-social behaviours are the main presenting issues. More latterly in the United Kingdom MST has been applied with families where public care is a probable outcome because of likely break down of the families ability to cope with the young person. Interventions have a 3 – 5 month typical duration but involve a

very high level of involvement with families and a 24/7 out of hours on call service. As yet there is no clear evidence in the UK of impact in MST's ability to affect change in this population, although the current DOH research project is expected to indicate the model's efficacy in this area of social work. The publication of the interim findings is expected later this year.

An important element of MST is that the US based programmes developers oversee the delivery of the programmes, including weekly quality assurance reviews. They set out the referral requirements for the programme and also the behaviours that their research has considered not to be amenable to MST.

The Essex MST service is provided by Action for Children a well-established not for profit provider of children's services and the largest voluntary sector provider of evidence-based interventions in the UK.

Investors have established an initial £3.1 million to mobilise and run the scheme and will re-invest future outcome payments to take the scheme to conclusion which will increase their investment to around £5.9m.

Savings associated with the scheme at the medium level of performance, at the point of the ratification of the Business Case in 2012 were assumed to be £17.3m gross with a net retained saving assured to Essex of £10.3m.

Progress and Outcomes

The scheme became partially operational in April of 2013 with one of the two teams established while recruitment issues delayed the start of a second team. Fully operational by July 2013, the scheme has ramped up provision in accordance with an agreed mobilisation plan.

Referrals to the Multi-Systemic Therapy Services are through the established Quadrant Resource Panels to be considered by the Directors of Local Delivery thus ensuring that the usual quality assurance processes expected of all social workers requesting resources from the Panel are adhered to.

Governance around the scheme is well developed, primarily the Essex County Council Project Board Chaired by Helen Lincoln Executive Director Operations and key membership of the Elected Member Lead for Children Cllr Dick Madden. The Board receives a quarterly performance score card from the contractor that shows volume and flow of referrals and the characteristics and outcomes associated with the young people referred to the scheme. Membership of the Board reflects the whole council nature of the scheme with finance, legal, procurement, service, policy and commissioning representatives in attendance.

This Board is also supported by an Evaluation Steering Board that oversees the separately commissioned evaluation provided by the Office for Public Management and funded by the Department of Work and Pensions. The focus of this evaluation is

specifically to review the effect of the Social Impact Bond and not on the efficacy of MST.

At the last reporting date in August of this year the scheme was meeting targets in relation to work flow and referral levels and has reported on a small number of outcomes associated with the earliest cohorts passing through the scheme. Outcome payments to Social Finance have been in line with the profile.

Now that the service has been in place for over 12 months, a benefits realisation exercise will commence to review the assumptions contained in the Business Case to assess the accuracy of the assuming savings to the council (expected to be £10.3 million). The review, led by the Family Operations Finance Business Partner will focus on the MST model to see if some of requirements of the scheme (such as the need for the case to remain and open social work case during the therapy and the inability of the scheme to work with young people with autism) are inadvertently increasing some of the costs as well as the cost savings to date based on young people who have been diverted from care. This work will be completed in time for the December ECC Board meeting.