

Tri-Borough Executive Decision Report

[Note: For the purposes of the statutory record, this report will be accompanied by the relevant sign-off sheet used at each authority that is party to this decision. Such record will be retained at each such authority.]

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	<i>Full Cabinet</i> Date of decision: 23 July 2012 Forward Plan reference: <i>N/A</i>	
	<i>Full Cabinet</i> Date of decision: 19 July 2012 Forward Plan reference:	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	<i>Insert Full Cabinet, Cabinet Member for X or Director for X as appropriate</i> Date of decision: <i>[insert]</i> Forward Plan reference: <i>[insert]</i>	 City of Westminster
Report title (decision subject)	TROUBLED FAMILIES – DEVELOPING AND IMPLEMENTING A TRI-BOROUGH APPROACH	
Reporting officer	Andrew Christie	
Key decision	Yes except for WCC	
Access to information classification	Public	
Cabinet Member or senior officer sign-off details	<i>[Report author to confirm that the authority of the relevant Cabinet Member at each authority has been obtained to the publication of this report – or Cabinet Member signature to be added below: Report authorised: Councillor Helen Binmore, Cabinet Member for Children’s Services Date: 3 July 2012</i>	

1. EXECUTIVE SUMMARY

- 1.1. In December 2011, the Government launched its programme to turn around the lives of the country's 120,000 most troubled families: those experiencing multiple problems and disadvantages such as unemployment, truancy and causing problems such as crime and anti-social behaviour at an annual estimated cost of £9 billion. The Government has estimated that there are 1720 troubled families in the Tri-borough at an estimated annual cost to the taxpayer of £150 million.
- 1.2. The programme will run for three years funded by a combination of attachment fees and on a "payments by results" basis to incentivise local authorities and other partners to prioritise this work.
- 1.3. This report updates Members on:
 - the work which has been undertaken in identifying the 1720 troubled families in the tri- borough according to the Government's criteria;
 - the work undertaken within services and partners on developing a proposal for implementing the Troubled Families Programme within Tri-Borough
 - the proposal for delivering the programme across the Tri- borough

2. RECOMMENDATIONS

- 2.1. Cabinet Members for Children's services / Cabinet are requested to
 - I. Approve the proposed delivery option
 - II. Give the Executive Director of Children's Services delegated authority to establish the Tri-Borough intelligence and monitoring desk
 - III. Note that a further report will be presented for decision on procuring or developing the 'wrap around' service package in September.

3. REASONS FOR DECISION

- 3.1. The Troubled Families programme is an important new programme for the Tri-borough and will require considerable annual expenditure, to be authorised by the Cabinet, of the funding provided by the Department for Communities and Local Government

4. BACKGROUND, INCLUDING POLICY CONTEXT, AND ANALYSIS OF OPTIONS

- 4.1 In December 2011 the Prime Minister announced additional funding for local government of £448 million over 3 years to turn around the lives of 120,000 troubled families in England. Troubled Families are a Government priority because of both the poor outcomes experienced by these families and their

impact on the communities they live in, and because of the huge cost they impose on the public sector.

- 4.2 The CLG Troubled Families offer is that if local authorities can intervene in the most troubled families and secure positive outcomes in terms of gaining employment, reducing youth offending and anti-social behaviour and improving educational attendance, they will receive a success payment. Authorities are expected to make their own investment in services that will 'turn around the behaviour and lives' of troubled families. Payment is only made on successful outcomes. The payments will be staged with an upfront attachment fee and a payment on results.
- 4.3 We briefed the Children's Cabinet Members on the Troubled Families Programme in May 2012, confirming that we would come back to Members in July with a proposal for implementing the Troubled Families Programme.
- 4.4 We have confirmed to (DCLG) that we will establish a service that will:
- oversee and account for successful engagement with troubled families in the area over the next 3 years, for which we will be eligible for funding from within the payments by results element of the programme
 - provide a figure of the number of families we aim to start working with within 2012-13 and the number of upfront attachment fees we will be claiming
 - agree to work closely with European Social Fund (ESF) and work programme providers
 - support and take part in research, learning and evaluation of the programme
 - appoint a Troubled Families Co-ordinator to run the programme locally.
- 4.5 Tackling the issues surrounding troubled families is not new. We have undertaken a variety of programmes across the tri-borough area in the last 3 years - Westminster's Family Recovery Programme and Kensington and Chelsea's Family Intervention Programme focus on a small number of the most high need, high cost families, and the Hammersmith and Fulham localities approach deals with a larger number of less high need families. There is ample evidence that these approaches work however there have been insufficient funds to scale up to address the needs of all the families potentially in scope.

5. PROGRESS TO DATE AND THE COMMUNITY BUDGET CONTEXT

- 5.1. Two major programmes are running at the same time in relation to Troubled Families. We have to establish a service to implement the CLG Troubled Families Programme this year (as the programme runs 2012-15), and at the same time are building a business case in Whole Place Community Budgets that outlines the case for investment across the public sector after the CLG Programme has finished (2015). Much work has been carried out across the three Boroughs over the last two years on Troubled Families including Community Budgets Phase one, and a feasibility study on PbR/ social impact

bonds for Troubled Families (in WCC and H&F). These three strands have been drawn into one overall project plan due to the interdependencies.

- 5.2. A Troubled Families coordinator has been identified, Natasha Bishopp, Head of FRP(WCC), supported by Robyn Fairman, Assistant Chief Executive (WCC) and a team of seconded civil servants. A tri- borough multi-agency steering group has been established and a preliminary design workshop has been held. The Troubled Families Implementation planning is a core part of the overall Whole Place Community Budget as well as the Neighbourhood (White City and Queen's Park) Community Budget theme on Families.
- 5.3. Detailed analytical work identifying the cohort has been on-going since late March involving cross-matching multiple data sets held by the councils and partners. There are considerable data sharing issues in this work, but good progress has been made although we are awaiting data matching results from the Department of Work and Pensions.
- 5.4. The success of the Troubled Families Programme will be dependent on a range of agencies working collaboratively together: they will need to share local intelligence in order to identify the families and then re-shape and deliver co-ordinated services to the families. The key local partners are the three Councils (in particular Community Safety Teams, Children's services, Skills and Employment Services, Housing, Substance misuse , Mental health services, Early Years and Childcare Services), Health both Primary Care and Acute Services, the Metropolitan Police, Probation Service, Job Centre Plus, Reed Employment (providers of the DWP ESF provision), schools and voluntary sector organisations.
- 5.5. A Troubled Families Steering group has been set up, led by Andrew Christie with membership from the key strategic leads in the relevant areas (Education, Social Care, Community Safety, Police, Health, Family Support Services, Housing, Skills and Employment). The steering group will report to the Children's Trust and the Community Safety Partnerships, and the Community Budget Programme Board. "Task and finish" delivery groups have set up to explore certain aspects of the programme such as an information and evaluation sub –group.
- 5.6. We are awaiting further data from the Department of Work and Pensions on the work status of the cohort. Until we have this we cannot carry out the work in determining the detail of what extra service the families would require to achieve the outcomes specified in the Troubled Families Programme, nor can we carry out the detailed financial analysis of likely outcome payments.
- 5.7. In order not to delay implementation of a new service design with the consequent implications for being able to work with families in 2012/3 we are asking members to make a decision on the overall shape of the new service model. During July and August the project team will be able to work on:
 - Finalising the cohort (awaiting DWP)

- Determining the 'appropriate service packages'
- Costing the service interventions, likely success rates, and therefore Payments by Results
- Developing operational protocols, processes and procedures for the new service.

5.8 We will come back to Members with further detail on the 'support/ service package', the cost of services and the further operational detail in September.

6. OPTIONS TO DELIVER SUSTAINABLE WORK WITH HIGH COST FAMILIES

6.1. Analysis has provided us with insights into the make-up of the Troubled Families Programme cohort; their needs and likely service requirements. It important to note that the Troubled Families Programme cohort and a wider group of Families with Complex Needs are different and that there are varying degrees of need within each of the two cohorts. Some will simply need advice and signposting whilst others will have a complex network of support and have many unmet needs. There will therefore need to be a range of interventions to support these families – both to deliver the results to obtain the PBR and equally to enable families to make and sustain changes that improve their lives and reduce the demands, risks and costs to local and national public services.

6.2. In relation to the specific DCLG Troubled Families cohort, our initial data trawl (still to be cross matched with DWP, and with the number of 'crime' families expected to increase) is as follows across tri-borough

Scenarios	Likely Numbers
Education + Crime + Worklessness	32
Education + Crime + LOCAL	24
Education + Worklessness + LOCAL	385
Crime + Worklessness + LOCAL	215

6.3 As can be seen above the 'cohort' for Troubled Families Programme and Families with complex needs is not going to homogenous. Not only are the 'problems' presenting going to vary in their degree and intensity within each family, but the main services who interact with the families vary (e.g. the YOT, Children's social care, Housing and ASB teams and for 25% of the DCLG cohort there appears to be no current contact with services).

6.4 The steering group has endorsed the following suggested design criteria for any service offer are that the new service offer needs to:

- a) Work with the grain of existing service delivery and support statutory services, not seek to replace it or create another delivery silo

- b) Maximise the opportunities offered by the DCLG Troubled Families Financial Deal, but minimise the risks posed by PBR
- c) Establish a triage/ assessment process (particularly in relation to the DCLG Troubled Families Cohort as it is likely that 75% are current statutory services clients, and services may not be appropriate or needed) to ensure that need is met in an appropriate way
- d) Maximise the opportunities for cross council and partner working
- e) Be adaptable and able to flex to deal with any implications, and maximise the opportunities from the Whole Place Community Budget (Families and Justice themes in particular)

6.5 From work in Westminster delivering the Family Recovery Programme and from the national research of Family Intervention Programmes, we have identified some basic delivery design principles which we know work with families with complex needs which will apply to some of the Troubled families cohort:

- a) **Intensity** – persistent key worker with small caseloads and with pace and a clear grip on the problem;
- b) **Practical whole family support** – e.g. housing, parenting coaching, substance misuse, Domestic Violence and mental / emotional distress, debt management, affordable childcare, referral to ‘family friendly’ employment support, interventions to prevent youth offending and ASB;
- c) **Highly effective identification and monitoring systems** – particularly the use of the intelligence desk
- d) **Single, integrated care pathway with co-located staff (either local or ‘wrapped around’ a service-** so that interventions from multiple agencies are targeted and delivered at the right time ensuring co-ordination and minimised duplication
- e) **Case management and monitoring across service areas**
- f) **Seamless support:** access to relevant support which families respect: the community and voluntary sectors, mentors, restorative approaches, conflict resolution, education support and so on).
- g) **The use of third sector providers** - with expertise and credibility in offering services for therapy, employment, offending and domestic violence.
- h) **Balance of sanctions and rewards** - use of robust family agreements and strong monitoring and enforcement of persistent youth offending and ASB.

6.6 The preferred delivery option (from the steering group and the wider design workshops) is to develop an in-house tri-borough single triage/ assessment/ intelligence, case management and monitoring function for troubled families, and separate provision that will ‘wrap around’ existing statutory services to deal with complexity of issues experienced by troubled families. The provision for wrap-

around would be based upon allocation/ case management by the central team. The wrap-around provision could be paid for Attachment Fee, or if the wrap-around is outsourced a mixture of Attachment Fee and PBR (as in many of our worklessness third sector contracts currently). Detail on the 'wrap around services cannot be established until we understand the cohort. Decision on the procurement on provision of such services will be bought back to Members in September once the cohort data and financial analysis is finalised.

6.7 The single tri-borough team to carry out assessment, single care/ intervention plan, allocate resources and monitor with service delivery through a wrap-around of the main service delivery point has the following benefits:

- a) Opportunity to develop intelligence capacity across three Boroughs, with central intelligence function, and opportunities to combine with MASH
- b) Opportunity for best practice to be shared across three Boroughs
- c) Efficient/ effective use of specialized resource including procurement and commissioning
- d) Mitigates the PBR risk but maximized resource available
- e) Enables the allocation of services and performance (and therefore the PBR) within each Borough to be recognised, with money following success with individual families in individual Boroughs and charges for service usage.
- f) Ability to develop an evidence base of what works over time to drive better commissioning decisions, and develop sustainable investment mechanism
- g) Ability to work with partners on the joint delivery of wrap around services
- h) Ability to wrap around partner services (e.g. Registered Providers, GPs, ALMOs etc)
- i) Potential to explore social investment for those outcomes paid for on a PBR basis.

6.8 It also has risks which will need to be mitigated:

- a) Difficulties in securing a provider on a PBR basis (although a number of contracts already exist in H&F and WCC on employment that could be scaled up)
- b) Time to procurement would impact on year one delivery (mitigated by the use of existing contracts in worklessness and existing children's services contracts for instance)
- c) Acceptability of external wrap around to internal services (although experience with Family Recovery shows that this risk can be overcome)
- d) Potential complexity (detailed design workshops with practitioners will mitigate this risk)

6.9 This innovative new service design has been explored and endorsed by local partners. The establishment of a single intelligence unit which tracks all of the

data about a family in one place and enables a single team to assess their needs, put in place the right interventions in a coordinated and phased way, and continually monitor progress. This new service will work with families alongside the existing statutory services, wrapping around those services – adding value not duplicating. The offer is of an integrated, and where needed, intensive family intervention plan, with specific services for adults and children in place, phased effectively with progress monitored by the intelligence unit. This new design has many advantages: a single multi agency team to identify care plan and proportionate response; targeting resources at need; ability to engage voluntary sector in providing services they are best at; ability to procure services on a PBR basis; single multi agency team to identify care plan and proportionate response; targets resources at need; ability to move to social investment in case stacks up.

- 6.10 It is anticipated that this approach will produce better outcomes and deal with families with complex needs at scale, and could enable the local authorities and their partners collectively to realise cashable savings through reduced demand on public services. In terms of high intensity FRP type approaches, we have evidence on the costs avoided and cashable efficiencies from the work that Hammersmith and Fulham and Westminster undertook with the Cabinet Office.
- 6.11 This delivery option is flexible in relation to finance. It allows accounting for individual Boroughs performance and therefore the success payments be be accounted for on a Borough basis. There is interest in social investment mechanisms for this cohort. The separation of the Tri-Borough team from the ‘wrap around’ additional services provided, and the ability to procure those from the voluntary sector (if the case is made) will enable decisions to be made on a Borough basis as to the desirability and opportunity for seeking social investment.

7. EQUALITY IMPLICATIONS

- 7.1. An Equality Impact Assessment has been completed. There will be no impact on issues affecting staff. By focusing on the most vulnerable families in the community who are likely to reflect the more disadvantaged Black and minority ethnic groups the project is likely to have a positive impact on equality.

8. LEGAL IMPLICATIONS

- 8.1. We do not believe there any significant legal implications.

9. FINANCIAL AND RESOURCES IMPLICATIONS

- 9.1. The Troubled Families programme is a Government sponsored initiative that seeks to support local authorities in their efforts to change behaviours that will deliver significant reductions in social expenditure across the public sector.

- 9.2. The funding model is established over three years and is split between a reward based mechanism that recognises familial changes in behaviour and an upfront payment that allows local authorities sufficient certainty over funding in order to establish those mechanisms that can be tested to see if they work in changing behaviour. This is the approach being adopted in the tri-borough Children's Service where it is planned to apply the guaranteed funding to establish front-end processes that will enable teams to establish the appropriate support required to deliver the project's objectives. Approval is being sought to establish funding for the Tri-borough service to be funded through the attachment fee that will enable the trialling of a number of initiatives to maximise the payment reward achieved through changing behaviour. In the first instance in this report we seek approval to recruit to the information and triage desk.

Costings for information and triage desk for Troubled Families inc on-costs.

1 x social work manager band 4 step 2 - £55, 241 (start September - half year cost 2012/13)

2 x civilian analysts – band 3 steps 1-3 – £39,281 x 2 = £78,562 (start September - half year cost 2012/13)

1 x BSO band 2 - £35,221 per annum (start September- half year cost 2012/13)

1 or 2 police officers (in kind)

Total year 1 = £84,512

And then years 13/14 and 14/15 = £169,024

- 9.3. A further report will be required in the Autumn to further develop the operational model for the services

10. CONSULTATION

- 10.1. Ward Members have not been consulted as the proposals are not ward specific at this stage. A comprehensive group of interested tri – borough statutory and provider organisations have been consulted (appendix 3). There has also been engagement with the two local neighbourhood community budget areas in White City and Queen's Park.

Background Papers

Cabinet member briefing on Troubled Families for Tri– borough Children's Services
Cabinet members April 2012.

Update on Troubled Families for Tri-Borough Children's Services Cabinet Member
Steering Group 22nd May 2012.

Evaluation of staff and parents' Evaluation of staff and parents' experiences of the Westminster City Council 'Work Focussed Services in Children's Centres' Pilot. Completed in September and October 2010.

York Consulting, 2011, Turning around the lives of families with multiple problems - an evaluation of the Family and Young Carer Pathfinders Programme

GHK Consulting/DfE evaluation, 2011, Local Authority Child Poverty Innovation Pilots Evaluation: Final Synthesis Report

Collard & Atkinson 2009, Making decisions about working in one-earner couple households

Turning around the lives of families with multiple problems - an evaluation of the Family and Young Carer Pathfinders Programme. York Consulting DFE.RB154.

Process and outcome research on the Westminster Family Recovery Pathfinder . October 2011. June Thoburn, Neil Cooper, Sara Connolly and Marian Brandon. UEA.

Understanding and tackling child poverty on Peabody estates Feb 2012. Nicholas Pleace, David Rhodes and Deborah Quilgars. 2012

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Other Implications

1. Business Plan
2. Risk Management
3. Health and Wellbeing, including Health and Safety Implications
4. Crime and Disorder
The programme specifically seeks to address young offenders and if successful will contribute to a reduction in re-offending by young people under 18 years. In addition it seeks to address anti-social behaviour by families in relation to their neighbours.
5. Staffing
The Tri- Borough will need to employ some staff to deliver the Information / Triage element of the programme. All contracts will be time limited to the duration of the programme. Redeployees will be given first consideration for any of the roles created. The budget will include an allowance for redundancy should it be required at the end of the programme.
6. Human Rights
There are no implications for human rights.
7. Impact on the Environment
There are no implications for the Environment.
8. Energy measure issues
There are no implications for the Energy measurement.
9. Sustainability
10. Communications
As the programme goes live, there will be communication considerations in relation to government, members, local residents, service users and stakeholders. A plan is under development.

ANNEX ONE: Definition of a Troubled Family.

DCLG wrote to all local authorities setting out the number of Troubled Families they estimated to be living in each area. Across the tri-borough they estimated there were 1720 Troubled Families (Westminster - 780 families, LBHF - 540 and RBKC - 400). To qualify for a payment a 'Troubled Family' must meet 3 of the 4 following criteria:

- a) Crime/ASB: the family contains one or more 18 year olds or under with a proven offence in the last 12 months AND/ OR one or more member has an ASBO, ASB Injunction, Acceptable Behaviour Contract or the family has been subject to a housing related ASB intervention in the last 12 months;
- b) School truancy/exclusion: A child has been subject to permanent exclusion; three or more fixed school exclusions in the last three consecutive terms; OR; is in a PRU or alternative provision because they have previously been excluded; OR is not on a school roll AND/ OR a child has had 15% unauthorised absences or more from school in the last three consecutive terms;
- c) Unemployed: household has an adult on working age benefits (ESA, IB, Carers Allowance, Income Support and/ or Jobseekers Allowance);
- d) Local discretion: to add other families who meet **any** two of the three criteria above AND are a cause for concern e.g. a child on the edge of care ,with a Child Protection Plan or living with Domestic Violence, parental Drugs or alcohol abuse or parental mental health issues.

ANNEX TWO: The Financial Deal from DCLG

Upfront monies have been made available for capacity building, through the appointment of a Troubled Families coordinator. In addition DCLG are offering a maximum payment of £4000 for every family successfully 'turned around'. This is a mixture of Attachment fee and a success payment. The balance of Attachment Fee to PbR payment varies over the three years of the Programme. In the first year the payment is 80% Attachment Fee, with DCLG recognizing that local authorities will take time to re-design/scale up services. By year three however, 60% of the payment is on success.

The results for which DCLG will pay are:

- a) Offending/ASB reduced AND school attendance improves – £3,900 per family;
- b) Referral to a DWP European Social Fund provider - £100 per family; OR
- c) At least one adult has moved off working age benefits into continuous unemployment - £4000.

To reflect the difficulty that local authorities face, the Government has structured their offer so that there is a guaranteed attachment fee and an outcome fee based on the

successful achievement of results. This is managed over the three years by a sliding scale with greater emphasis on results as set out below:

Successful Family Payment	Attachment Fee	Payment by Results	Total
Year1	£3,200	£800	£4,000
Year2	£2,400	£1,600	£4,000
Year3	£1,600	£2,400	£4,000

The Government is seeking a commitment across the three boroughs to oversee and account for successful engagement with 1,720 troubled families over the next 3 years, 1,441 of which are eligible for funding from within the payment-by-results element of this programme. The eligibility criteria are based on the presumption that existing targeted funding e.g. European Social Fund employment programme for families is already available to support 1/6 of the identified troubled families.

The breakdown of families across the three boroughs is set out below and includes the total available funding over the three years should the service be successful in ensuring that all families met the targets set. The total level of funding for the next three years could be as much as £5.76m across the tri-borough, subject to achievement of results.

	Troubled Families	Eligible Number	Total over 3 years.
Hammersmith & Fulham	540	450	£1,800,000
Kensington & Chelsea	400	333	£1,332,000
Westminster	790	658	£2,632,000
	1,730	1,441	£5,764,000

The Financial framework requires authorities to predict the numbers of families they will support in 2012/13 and therefore the number of upfront attachment fees. As a guide the Government has budgeted for a third of the 120,000 troubled families nationally to be worked with in 2012/13 though they encourage authorities not to be restricted in their plans by that assumption. The following table sets out an exemplification of the funding available in 2012/13 based on the assumption that the number of troubled families are supported in equal numbers over the three year period.

2012/13	Troubled Families	Eligible Number	Attachment	PbR	Total
Hammersmith & Fulham	180	150	£480,000	£120,000	£600,000
Kensington & Chelsea	133	111	£355,200	£88,800	£444,000

Westminster	263	219	£701,867	£175,467	£877,000
	577	480	£1,537,067	£384,267	£1,921,333

Whilst the same level of funding is available over the three year period it is important to appreciate that the gearing will change so that by 2014/15 the differential between the amount of attachment fee and payment by results will have altered significantly. It is **essential** to realise that this level of funding is only available if **all** of the eligible families are supported in the programme to achieve the reported targets.

The nature of the deal on offer involves considerable risk - it is not a grant, but an increasing proportion of the funding will only be paid on achievement of outcomes. Any future service re-design will be based upon the realities of this financial deal. To achieve the total available funding of nearly £2M a year based on a cohort of 600, we would have to achieve 100% of success payments. We may therefore need to work with more families than our indicative numbers to achieve these targets. This will shape how we re-design services, and shape our thinking of how we handle this risk in the financial deal. Options on service design presented in this paper are based upon the financial and outcome modeling being conducted, and will include options on risk mitigation or transfer.