Corporate Review Committee – 4th October 2016

Financial Aspects of the Troubled Families programme

Recommendation

1. That the Committee notes and recognises the financial model and details of Building Resilient Families and Communities (the Staffordshire approach for Troubled Families), as well as its achievements thus far.

2. That the Committee explores the detail of the financial model, successes of the programme and next steps, with the Cabinet Member for Children and Young People, the Commissioner for Safety, the BRFC Co-Ordinator and the County Commissioner for Children’s Wellbeing on 4 October.

3. That the Committee and Members support the next steps and self-assessment work as part of DCLG’s draft Service Transformation Maturity Model.

Report of Cllr Mark Sutton, Cabinet Member for Children and Young People

Summary

What is the Select Committee being asked to do and why?


5. Explore the detail of the model and its next steps, with the Cabinet Member for Children and Young People and the Commissioner for Safety, the BRFC Co-Ordinator and the County Commissioner for Children’s Wellbeing.

6. Consider how Members can feed into BRFC’s next actions, which include working with government to develop a self-assessment process and a plan for next steps.

Report

Background – National

7. The first phase of the Troubled Families programme ran from 2012-2015. It set a target to work with, and ‘turn around’, families with multiple problems, including crime, anti-social behaviour, truancy and unemployment. Local authorities ran the programme and received payment-by-results from central Government. Tables in Section B of Appendix A lay out the criteria for a successfully turned around family.
8. The programme was expanded for 2015-2020 to work with 400,000 additional families nationally. Phase 2 targets additional problems, including domestic violence, health, drug abuse, mental health and children at risk.

Background – Local

9. Launched in March 2012, Building Resilient Families and Communities (BRFC) was Staffordshire’s local response to the national requirements for the Troubled Families (TF) Programme. The high-level strategic aim of the local programme was identified within its Performance Management Framework as follows:

a. “to work with an identified cohort of families to bring about lasting change by putting in place dedicated ‘whole family’ interventions, integrating our strategies and systems and engaging with communities to build sustainability.”

10. Staffordshire County Council set out a local business case for the programme modelled around the national programme’s Financial Framework, and linked to wider strategic objectives “to have a thriving economy and to be a safe, healthy and aspirational place to live”. The programme achieves this by developing a joined-up response to meet the needs of the small number of families with high levels of need, who incur a high cost to public services locally. The programme had a transformational element, with the aim of strengthening multi-agency partnership working and harnessing the expertise held within the Voluntary and Community Sector (VCS).

11. This paper aims to give an overview of the process and structure of BRFC, providing key financial information around the payment mechanism. This paper will also reflect the achievements of Phase 1 of the BRFC programme, and lay out how Phase 2 is structured, with an update on achievements so far.

Financial aspects

Background to Phase One

12. Central government estimated the average unit cost of intensive interventions that are known to work with this group of families, including family intervention projects and others, to be around £10,000. For Phase One of the Troubled Families programme, DCLG made available up to £4,000 for each troubled family eligible for the payments-by-results (PbR) scheme, with local authorities and partners expected to make up the rest of the investment.

13. In recognition of up-front costs (restructuring services, taking on new staff or commissioning services, and some greater risks in the earlier years, until services become more established and savings can be realised), a proportion of the £4,000 per family was allocated up front as an ‘attachment fee’, presented in Table 1 below. This is taken from the financial framework for the Phase One Troubled Families programme, included here as Appendix A.
Table 1

<table>
<thead>
<tr>
<th>Year</th>
<th>% of payment offered as upfront attachment fee</th>
<th>% of payment offered as a results-based payment in arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>2013/14</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>2014/15</td>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

14. This equated to attachment fees of £3,200 per family in 2012/13, £2,400 in 2013/14 and £1,600 in 2014/15, with the rest made up in PbR. Overall, PbR monies drawn down during Phase One total £1,501,000, as detailed further in Table 2 below.

**Background to Phase Two**

15. The overall figure government will pay per family turned around in Phase Two has reduced to £1,800, of which £1,000 is an upfront attachment fee and £800 is results based.

16. In addition, DCLG expects local authorities to performance manage their Phase Two programmes through several new systems and more intensively than in Phase One (see Appendix B, the financial framework for the expanded programme) so funding has been made available to support the move to these systems. Total funds received via this Service Transformation Grant have been £787,500 (see Table 2 below).

**Financial summary**

17. Table 2 below provides a full summary of BRFC income.

18. The net budget contribution from the county council to the BRFC programme is nil, as the programme is 100% grant funded. While the county council does contribute to the programme in terms of staffing (for example Local Support Teams or Youth Offending Service), these are teams who are already engaged with the families identified through BRFC. These families are already receiving an intervention from the services – BRFC adds value to the service delivery.

19. Because partners support the BRFC programme, it is able to run using only funding from attachment fees, which means that PbR monies received can be invested into linked work across the council, which focus on early intervention and prevention, community based working and capacity building. This includes funding the eight district pilots currently exploring working differently as part of the children’s system transformation.
## Table 2 (as at August 2016)

<table>
<thead>
<tr>
<th>Funding</th>
<th>Year 11/12</th>
<th>Year 12/13</th>
<th>Year 13/14</th>
<th>Year 14/15</th>
<th>Year 15/16</th>
<th>Year 16/17</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment Fee</td>
<td>1,200,000</td>
<td>1,612,800</td>
<td>179,200</td>
<td></td>
<td></td>
<td></td>
<td>2,992,000</td>
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<tr>
<td>Co-Ordination Fee</td>
<td>175,000</td>
<td>175,000</td>
<td>175,000</td>
<td></td>
<td></td>
<td></td>
<td>525,000</td>
</tr>
<tr>
<td>Set up costs</td>
<td>20,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>Safer &amp; Stronger Communities Fund</td>
<td>89,867</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>89,867</td>
</tr>
<tr>
<td>Early Starter Phase 2 - Attachment Fee</td>
<td></td>
<td></td>
<td></td>
<td>230,000</td>
<td>796,000</td>
<td>1,370,000</td>
<td>2,396,000</td>
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<tr>
<td>Early Starter Phase 2- Co-Ordinator Fee</td>
<td></td>
<td></td>
<td></td>
<td>44,000</td>
<td></td>
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<td>44,000</td>
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<tr>
<td>Service Transformation Grant</td>
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<td></td>
<td></td>
<td></td>
<td>350,000</td>
<td>437,500</td>
<td>787,500</td>
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<tr>
<td>Payment by results Phase 1</td>
<td></td>
<td></td>
<td></td>
<td>248,300</td>
<td>1,252,700</td>
<td></td>
<td>1,501,000</td>
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<tr>
<td>Payment by results Phase 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>40,800.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20,000</td>
<td>1,464,867</td>
<td>2,036,100</td>
<td>1,880,900</td>
<td>1,146,000</td>
<td>1,848,300</td>
<td>8,355,367</td>
</tr>
</tbody>
</table>

| Amount per Family Phase 1 | £3,200 | £2,400 | £1,600 |
| No of Families           | 375    | 672    | 112    |

| Amount per Family Phase 2 | £1,000.00 | £1,000.00 | £1,000.00 |
| No of Families           | 230      | 796      | 1,370    |
| Payment by results       | £800.00  |          |          |
| No of Families           | 51       |          |          |

## Performance

### Performance – Phase One Families Summary

20. DCLG set us a target of 1,390 families to be ‘turned around’ in Phase 1. We actually worked with 1,581 families, but were only allowed by government to claim for 1,390, hence the apparent 100% success rate. Additionally, as per the Financial Framework included at Appendix A, DCLG only permitted us to make a claim for 5 out of every 6 families turned around – therefore we received payment for turning around 1,159 families. This is due to DCLG analysis which concluded that other programmes, such as the European Social Fund, the government’s Work Programme and local authority work such as Family Intervention Pilots, would already be addressing a number of troubled families in each area. The Troubled Families programme is intended to be additional to these, so assumes that one sixth of each area’s families are already addressed through the authority’s participation in other programmes. This is detailed further in Section B of Appendix A.
21. 314 families had moved off ‘out of work’ benefits into continuous employment, and 1,116 families known to formal services because of youth crime, antisocial behaviour (ASB) and education problems, were turned around.

22. An analysis on the 1,390 ‘claimed for’ families worked with in Phase 1 identified that 57 families then returned to formal services, having been identified as demonstrating two or more eligibility criteria. This represents 4% of the overall total, as shown in Table 1 below.

23. It should be noted that there are considerable differences between Phase One and Phase Two of the programme, meaning direct comparisons between the reasons for a family returning is not possible (see paragraph 28 for detail on Phase Two’s focus). Phase Two looks at an increased number of indicators and a much wider range of data sources is utilised than in Phase One. This in itself increases the probability of families being identified again.

24. When matched against data extracted as at 1st July 2016, the number of families identified with 2 or more eligibility criteria for a second time in total is 65, or 5%. The split across each phase is shown in Table 3.

Table 3

<table>
<thead>
<tr>
<th>BRFC Phase</th>
<th>Number of families claimed</th>
<th>Number of families meeting 2 or more eligibility criteria</th>
<th>Percentage of families returning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase One</td>
<td>1,390</td>
<td>57</td>
<td>4%</td>
</tr>
<tr>
<td>Phase Two</td>
<td>51</td>
<td>8</td>
<td>16%</td>
</tr>
<tr>
<td>Total</td>
<td>1,441</td>
<td>65</td>
<td>5%</td>
</tr>
</tbody>
</table>

25. As laid out above, Phase Two covers a wider variety of indicators than Phase One, giving a greater probability of families being identified again.

Performance – Phase 2 (Expanded Programme 2015 – 2020)

26. DCLG has set a target for Staffordshire to identify, work with and achieve significant and sustained progress outcomes for 4,680 families over this five year period.

27. In the first year of Phase Two we have developed new processes and systems, and increased capacity within our Accreditation scheme, to allow us to work with the increased number of families. The target for year one of Phase Two was 1,026; the year two target is 1,370. To date we have identified 2,199 (47%) against our overall target of 4,680.

28. The Phase Two Expanded Troubled Families Programme retains the first programme’s focus on families with multiple high cost problems, and will continue working with families affected by poor school attendance, youth crime, anti-social behaviour and unemployment. However, it will also reach out to families with a broader range of problems, including:

a. Parents and children involved in crime or anti-social behaviour
b. Children who have not been attending school regularly
c. Children who need help (children of all ages, who need help, are identified as in need or are subject to a Child Protection Plan).
d. Adults out of work or at risk of financial exclusion and young people at risk of worklessness
e. Families affected by domestic violence and abuse
f. Parents and children with a range of health problems

Measuring Success

29. The BRFC Partnership Outcomes Plan is a locally owned outcomes framework against which the success of interventions with families is measured, and which can both capture, and positively influence, the ambition of their strategic aims for service transformation. Included in its current draft at Appendix C, this plan demonstrates how each area of focus for the BRFC programme has an agreed approach around a set of indicators, targets for what success looks like, performance management and multi-agency evidence collection, and how it links to the county council’s priorities and strategic commissioning intentions.

Next Steps

30. There are three key areas for BRFC moving forward. Most significant will be maintaining the momentum of the model locally, to ensure that PbR monies continue to be accessed, in turn meaning that this funding can continue to support community capacity and early intervention work.

31. Secondly, looking over the medium term, the principles of the programme need to be embedded within the Children’s and Families system transformation work. The Troubled Families programme is not anticipated to continue beyond 2020 – it is intended to be transformational, so the legacy of the model needs to be a more effective Children’s and Families system in Staffordshire. The next steps for the programme now therefore need to be incorporating its principles and approaches into how the system is being redesigned.

32. Lastly, DCLG are now exploring areas for the Troubled Families programme to improve on over the medium term. The draft framework they are producing, the Service Transformation Maturity Model, analyses local Troubled Families approaches in terms of leadership, workforce development, culture and strategy, and categorises each area under either ‘Early’, ‘Developing’, ‘Maturing’ or ‘Mature’.

33. The BRFC Co-Ordinator is currently working with DCLG and other local authorities on developing this draft framework, and is one of three regional advocates for the work. Once the Maturity Model is finalised, there will be work to do locally in benchmarking our position against statistical neighbours, and supporting peer reviews of other areas. We will need to self-assess the BRFC’s structures and delivery, and develop a strategy for further development on areas we identify. There is a role for Members to feed into both of these processes, and Members are encouraged to consider this at the meeting on 04 October.

Link to Strategic Plan

34. Building Resilient Families and Communities works directly with those families who put highest pressure on public services in Staffordshire, and supports them to turn their
situation around in areas including education, employment, crime and anti-social behaviour. As such, this impacts positively across the entire SCC Strategic Plan. In addition, work is ongoing to incorporate the principles of BRFC into how our services work in ‘business as usual’.

Community Impact

35. As above, the work of BRFC is targeted at improving the situation and opportunities of the families in Staffordshire who put highest load on public services (which include police, employment support and local authorities including Local Support Teams and Youth Offending Service,) and has proven success in its approach. The work is therefore beneficial to those families worked with directly by reducing their dependency on public services, as well as for services and local communities.

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Appendices

Appendix A: Financial Framework – Phase One Troubled Families
Appendix B: Financial Framework – Phase Two Expanded Programme
Appendix C: BRFC Partnership Outcomes Plan (current draft September 2016)