

Decision Maker:	Cabinet Committee.
Date:	4th November 2014
Classification:	For General Release.
Title:	Update report on progress in implementing the Troubled Families Programme in Westminster and commencing Phase Two of the Programme.
Wards Affected:	All.
Policy Context:	Better City, Better Lives. This is Westminster's approach to delivering the Government's Troubled Families Programme.
Financial Summary:	The report provides an update on the expenditure of attachment fees from the Government to deliver a programme. It recommends further expenditure for the remainder of the funded programme. There is no risk to the Council's reserves. The detail is contained in the body of the report.
Report of:	Andrew Christie, Tri-borough Executive Director Children's Services.

1 Executive Summary

This paper updates members on the progress delivering the Department for Communities and Local Government (DCLG) Troubled Families Programme in Westminster in the final year of the three-year programme. It follows on from previous reports to the Sub-committee in February 2013, July 2013 and December 2013. It contains the following updates:

- 1.1 Performance is on track to meet the Better City, Better Lives target of 50% Payments by Results definition of turnaround.
- 1.2 However DCLG have belatedly introduced a threshold of 100% turnaround to access further funding in Phase Two; a target that can only be met by local authorities who work with considerably more than the formula – driven prescribed target.
- 1.3 Pro-longed lobbying has resulted in DCLG recognising that Westminster does not have the number of Troubled Families that they predicted and as a result they have agreed a reduction in the target of 150 families.
- 1.4 Westminster already had a high level of performance on the key factors on which the Troubled Families programme focuses. Hence we cannot identify the

number of families DCLG set us. Those who do qualify are the hardest to help and to achieve outcomes.

- 1.5 As a consequence of the 100% target, Westminster is unlikely to qualify for Phase 2 in April 2015. This presents challenges as we would want to secure the funding in order to continue with service delivery and to mitigate a number of savings being made across Children's Services. The Council will therefore need to contingency plan on that basis.

2 Recommendations

- 2.1 That the Council continue with the agreed funded programme to the end of March 2015.
- 2.2 Given that Westminster is unlikely to be able to access Phase 2 funding in April 2015, it is recommended that the Council uses the PbR accrued to fund services in the interim during 2015/16 and work towards joining Phase 2 later in 2015/16.
- 2.3 The Council will need to make contingency plans in the event that Phase 2 funding is not forthcoming once the PbR has been exhausted. This will inevitably lead to a reduction in the current staffing. Funds will be set aside to cover any redundancy costs.
- 2.4 To consult with partners on the implementation of Phase 2. To adhere to the following principles:
 - Intensive whole family work where required; continuing with the development of the approach is central to the delivery of Children's Services Focus on Practice Programme.
 - Ensure employability is an offer to all families and that an intensive whole family approach is the method for all those where the DWP Work Programme has not succeeded.
 - Work with Mental health, Substance Misuse and Adult Disability services, Public Health, Probation and the CCG's to agree the identification and processes to work together and track outcomes for the extended cohort.
 - Ensure there are no additional costs or risks to the Council and that the efficient use of public, voluntary and community sector resources ensures better and more cost effective outcomes.

3 Reasons for Decisions

- The Troubled Families programme is an important programme for Westminster. It is leading the direction of the development of Neighbourhood Reform work to reduce dependence and demand on the state at a time of reduced resources. In particular in the development of the FACES employment coach programme for Troubled Families which has created a test bed for the approach to reducing long-term unemployment in our neighbourhoods.
- The Programme requires considerable annual expenditure utilising funding provided by DCLG, to be authorised in Westminster by the Cabinet sub-committee. This decision gives approval to complete the planned

expenditure and delivery of the remainder of the programme to 31 March 2015 and the use of the PbR accrued to date and projected to support delivery and savings plans in 2015/16.

4 Background

- 4.1 The Government launched the Troubled Families programme in December 2010 and in April 2012 announced a PbR funding mechanism to support the work.
- 4.2 A Troubled Family is one narrowly defined where at least two of the following characteristics are present:
- a child has offended in the last year
 - there is anti-social behaviour by a member of the household;
 - parents are on out of work benefits
 - a child is absent from school over 15% of the time, excluded from school or attending a Pupil Referral Unit.
- 4.3 In August 2012 approval was given by Cabinet sub-committee to establish a Tri-borough service to deliver the programme, incorporating the Westminster Family Recovery Programme [FRP], the Royal Borough of Kensington and Chelsea Family Intervention service and the creation of a new Tri-borough Family Coaching Service and a Tri-borough Triage unit.
- 4.4 By April 2014, in order to ensure that the new whole family practice with an emphasis on employment was mainstreamed across Children's and partner services, all the Family Coaches were fully embedded into core services including the Youth offending team, the 3 Early Help Localities teams, the Gangs team and CityWest Church Street Housing office.
- 4.5 In April 2014 a new employment service, FACES, funded jointly with Job Centre Plus and the Royal Borough of Kensington and Chelsea was established to support the employment needs of the Troubled Families and a wider group of families. The staff were embedded into Children's Centres, Youth Offending, Children's Social Work and Early Help settings. This was to fill the gap in service created by the failure of the DWP ESF Families with multiple needs Programme.

5 Progress in the identification of families and allocation to services

- 5.1 The DCLG target for the number of Troubled Families in Westminster was to "turn around" 790 families by 31 March 2015. Early analysis indicated that Westminster would struggle to identify this number.
- 5.2 Westminster has had very sharp falls in youth offending, even greater than the national reduction. In 2013/14 there were only 47 first time offenders working with the Youth Offending Team. Over the last 5 years Westminster has seen a reduction in first time offending which is 25% greater than the national average reduction. Westminster had the best secondary school attendance in the country for 4 consecutive years preceding the start of the programme.

5.4 This in combination with a recent increase in population movement of people in social and private rented housing, as a consequence of benefit reform, has meant that despite extensive efforts to find families who might fit the criteria and require a service, the programme team was unable to meet the identification target. There remain many families in trouble and requiring intervention but they do not fit the criteria of this programme.

5.5 Allocation of identified families to Troubled Families service level:

<i>Triaged level</i>	<i>Number (percentage)</i>
Level one. Core services with additional FACES employment service	333(50 %)
Level two. Family Coaches	191(29%)
Level three. Family Recovery Programme.	136 (20)%
Level three. Multi-systemic therapy.	4 (0.5%)
Total	663(100%)

5.6 Following a review of our approach to identification, the DCLG recently accepted that the target was not achievable and reduced the target by 150 families from 790 to 640. It should be noted that using exactly the same approach the programme team have been able to identify well over the target for Hammersmith and Fulham and are on track there to meet the turnaround target set by DCLG for entry into Phase Two. This is due to higher levels of school absence, offending, unemployment and households with anti-social behaviour in the borough.

6 Evaluation and outcomes for families.

6.1 Over the last 18 months an exercise was conducted tracking the progress of 326 families open to the Family Coaches for more than 3 months. Of these families, 200 have been fully analysed as they have data sets at both entry and closure points.

6.2 There is clear evidence that the families working with the Coaches have made significant progress on a range of issues many of whom were triaged as being quite far from change. The key findings for those affected in the cohort by each issue are below:

Fixed term exclusions	Down by 65%
Behavioural problems (children)	Down 42%
Truancy	Down 59%
Families at risk of eviction	Down 58% (down to only 10% at risk)
Rent arrears	Down 25%
Adult anti-social behaviour	Down 80%
Child anti-social behaviour	Down 58%
Adult proven offences	Down 20%
Child proven offences	Down 55%
Domestic abuse	Down 30%
Gang affiliated	Down 30%
Adults in treatment for substance misuse	Up 36%
Adults into employment	Up 35% (20 adults) so that 25% cohort in work at end of intervention.

6.3 What remains of interest is that despite improvements in many areas of their lives the work also led to greater identification of child protection concerns (4 families) and that a small but significant group who were defined as children in need required further work beyond the end of the coaching intervention (8 families).

6.4 **University Of East Anglia (UEA) Family Coach Evaluation.** A qualitative report based on interviews with 20 families, the Family Coaches and partner agencies. Key findings:

- Families speak warmly about the **relationship of trust** with their coach as someone who has shown them care, concern and interest. Parents attribute family improvements to this relationship, the **practical help and emotional support**. The coach's **persistence and tenacity** in engagement is perceived as a demonstration of concern.
- Working with the **problems identified by the family**, rather than overtly with the Troubled Families agenda, shows successes in achieving the outcomes of getting young people back into education and in reducing youth crime and some success in getting adults into work and off benefits.
- The **whole family approach** helps to engage young people and men.
- Partner agencies noted the **frequency of contact and persistence** of staff is particularly effective.
- Overall, this approach demonstrates the impact that can come from successful Early Help for families and is a promising model of early intervention that other sectors can learn from and join with.

6.5 **Cost benefit analysis.**

The analysis used the New Economy Manchester DCLG tool and was completed by the University of East Anglia on 50 families who had received the additional Family Coach intervention. It found the following:

- Aggregated over all 50 families, the costs avoided as a result of the positive outcomes achieved by participating families totalled £353,500 with a mean saving per family of £7,070. NB cost of intervention is £3,090. Net saving £3,980.
- Post intervention, 82% of families produced cost savings.
- Similar average savings were made across all three Boroughs. The savings were also similar to those found in LB Wandsworth in their exercise.

6.6 The domains in which estimated savings were most easily made (and those which incurred greatest additional cost) aggregated over all fifty families were:

Education	average per family = £4,843
Crime	average per family = £1,953
Benefits	average per family = £195
Health	average per family = £194
Housing	average per family = £173
Child Protection	average per family = - £288 (i.e. 4 families stepped up to CP).

The most challenging issue is which of these estimated savings lead to demand reduction and/or are cashable. This piece of work is being undertaken as part of the wider neighbourhood reform approach soon to be tested in Church Street.

7 Outcomes and the process to make claims for payment by results (PbR) to DCLG.

7.1 Progress measures that trigger PbR are the following:

- To reduce youth offending by at least 60% in the last 6 months on the previous years' offending.
- To cease all reports of ASB in the last 6 months.
- To ensure a child has a school place and attends 85% or more in the last 3 terms.
- To get a parent or adult in the household attending the work programme or work related activity run by ESF providers for 6 months.
- To get a parent or adult in the household into work for 6 months or more.

7.2 The results are submitted to DCLG every three months. The Council has claimed for progress with 274 of the 664 families worked with to date. This puts the programme at a 43% success rate against the DCLG target of 640 families. Our original BCBL target was to make 50% PbR by the end of the programme. The total PbR claimed to date is £178,900. The table below illustrates the percentage of claims by criteria at each service level.

Total							Percentage Claimed			
Borough / Tier	Benefits	YC/ASB/EDU	YC/ASB/EDU + WP	WP	No Claim	Total	Benefits	YC/ASB/EDU	WP	Not Claimed
WCC	68	485	2	2	685	1242	5%	39%	0%	55%
Level 1	42	287	2	2	385	718	6%	40%	1%	54%
Level 2	17	159	0	0	242	418	4%	38%	0%	58%
Level 3	9	39	0	0	58	106	8%	37%	0%	55%
Key										
YC	Youth Crime									
ASB	Anti social behaviour									
EDU	Education									
WP	Work Programme									

- 7.3 DCLG stated in May 2014 that as a pre-condition to enter Phase 2 of the Troubled Families Programme they require 65% PbR by October 2014, 75% by January 2015 or 100% at the May 2015 claim. If none of these thresholds are met Civil Servants have indicated that Ministers would be unlikely to make any decisions regarding the Council's inclusion until after the General Election. These are challenging targets for Westminster. It should be noted that many areas have been able to produce much higher PbR Claims. Our understanding is that these areas have been able to identify well over the target cohort due to higher levels of crime, unemployment and truancy.
- 7.4 Performance whilst on track to meet the 50% locally set target now presents challenges with the threshold set by DCLG for entry into Phase 2. Whilst DCLG has accepted Westminster's submission in relation to the size of the target cohort and therefore agreed to the reduced target, they have stated that the Council still needs to meet the PbR thresholds to ensure access to Phase 2 and the funding attached.
- 7.5 As a result of this stretched objective, significant additional resource has now been put in place to track the cohort until the end of the programme. However based on claims made to date it is unlikely that the new DCLG thresholds can be met. Some families are taking considerable time to change, have moved out of Westminster or have disengaged, cannot be compelled and therefore are unlikely to produce results. The team predict results in October 2014 of 55%, 68% in January 2015 and 80% in May 2015.

8 Troubled Families Phase 2

- 8.1 In July 2013 the Government announced their intention to continue the programme for another 5 years and extend it to 400,000 families nationally. In August 2014 DCLG issued a new set of criteria and an interim financial framework, which are being tested by some local authorities prior to roll out in April 2015. The intention is to widen the cohort. To qualify families must be experiencing two of the following:
- Parents and children involved in crime or anti-social behaviour.
 - Children who have not been attending school regularly.
 - Children who need help.
 - Adults out of work or at risk of financial exclusion and young people at risk of worklessness.
 - Families affected by domestic violence and abuse.
 - Parents and children with a range of health problems.
- 8.2 The widening of the criteria should enable easier identification of the cohort and more significantly greater match with the families who are high cost / high risk or likely to become so in Westminster. However the funding on offer per family will be reduced from £4,000 to £1,800 a family. This will be made up of £1,000 attachment fee and up to £800 PbR. There will be an increase in the co-ordination fee to be known as service transformation fees from £100,000 a year to £200,000. Over 5 years this totals £3.1 million in attachment and service transformation fees and up to £1.7 million in PbR.

8.3 Consultation with partners will commence shortly as part of the new Early Help Board arrangements. Given the continuing pressures on the Council's budgets from 2015/16, officers will work to ensure that any recommendations for the delivery and expenditure for the programme supports the Council's Medium Term Financial Planning Strategy and within it Children and Families Directorate aims to reduce the numbers of children entering care or custody. A further principle will be to support the Council's wider ambitions in relation to increasing levels of residents in employment, in particular in the areas subject to physical regeneration. Mainstreaming the current programme supports this approach.

9 Conclusions

- 9.1 The programme has made considerable progress in developing a skilled Early Help and Youth Offending workforce that can work with whole families as opposed to single issues and individuals. The additional staff and new ways of working have made particular impact on education attendance and behaviour, youth offending, rent arrears and domestic violence and there is promising performance in relation to parental employability.
- 9.2 The programme invested heavily in front-line practice both in new services and in improving existing services. Independent review has shown the practice is robust. The Children's Services Focus on Practice programme will embed the approach further. The recent DCLG expectations of 100% PbR claims to enter Phase 2 have required a transfer of resource to more intensive tracking of outcomes.
- 9.3 The Phase 2 programme is congruent with the ambitions of the Council's Neighbourhood Reform Programme as well as the priorities of Children's services. However the reduced funding available and the further efficiency requirements on Council departments will mean that regardless of when the Council accesses the funding, current staffing levels cannot be fully maintained. Officers will work with the Neighbourhood Reform Project team to ensure the retention of staff and transfer to that programme where possible. A further report on staffing will follow in February 2015 when the level of PbR available to fund services beyond March 31 2015 is confirmed.

10. Recommendations:

- 10.1 That the Council continue with the agreed funded programme to the end of March 2015.
- 10.2 Given that Westminster is unlikely to be able to access Phase 2 funding in April 2015, it is recommended that the Council uses the PbR accrued to fund services in the interim during 2015/16 and work towards joining Phase 2 later in 2015/16.
- 10.3 The Council will need to make contingency plans in the event that Phase 2 funding is not forthcoming once the PbR has been exhausted. This will inevitably lead to a reduction in the current staffing. Funds will be set aside to cover any redundancy costs.
- 10.4 To consult with partners on the implementation of Phase 2. To adhere to the following principles:
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 - Work with Mental health, Substance Misuse and Adult Disability services, Public Health, Probation and the CCG's to agree the identification and processes to work together and track outcomes for the extended cohort.

- Ensure there are no additional costs or risks to the Council and that the efficient use of public, voluntary and community sector resources ensures better and more cost effective outcomes.

11. Financial Implications.

11.1 Current income, expenditure and forecast:

The service was on target to come in with a £160,000 under-spend but as a result of the recently negotiated target reduction with DCLG, the Council has had to return £249,000 in attachment fees. By making some immediate economies the service will come in with a £21,466 over-spend which can be offset by using some of the PbR received to date.

YEAR 1 - 12/13	£
ACTUAL EXPENDITURE	214,194
INCOME (Attachment and Coordinator fees)	(800,800)
YEAR 2 - 13/14	
ACTUAL EXPENDITURE	900,233
INCOME (Attachment and Coordinator fees)	(1,076,743)
YEAR 3 - 14/15	
FORECAST EXPENDITURE	1,034,807
INCOME (Attachment and Coordinator fees)	(250,225)
Projected OVER spend end of YEAR 3	21,466

11.2 Projected income for PbR by the end of the programme.

The following table contains modelling for the next 3 claims for PbR to the end of Phase 1. The figures are based on the current trajectory of performance to May 2015.

PBR actual plus forecast	Scenario 1 55%	Scenario 2 68%	Scenario 3 80%
PBR ACTUAL received - August 2014	(178,900)	(178,900)	(178,900)
Forecast PBR to end Yr3	(97,500)	(202,500)	(298,500)
TOTAL CFWD available in Year 4	(254,934)	(359,934)	(455,934)

The table below applies the PbR income modelling above to running the service over time and illustrates the number of months the services could be run in 2015/16.

YEAR 4 - 15/16	Scenario 1 55%	Scenario 2 68%	Scenario 3 80%
Redundancy costs 1415	66,250	66,250	66,250
Monthly salary and non salary related expenditure - £65.2k per month	189,282	293,713	391,617
<i>No of months programme could be funded in 2015/16:</i>	2.90	4.50	6.00
PBR remaining	598	29	1,933

12. Legal Implications

There are no legal implications.

13. Consultation

Consultation was undertaken with the Family Coaches and twenty families by UEA in the preparation of this report. Extensive consultation with Council services, partner agencies and the voluntary and community sector has been undertaken in the development and delivery of the programme and they were also consulted by the UEA and ECORYS the national evaluation team.

Other Implications

1. Resources Implications
2. Business Plan Implications
3. Risk Management Implications
4. Health and Wellbeing Impact Assessment including Health and Safety Implications

The programme targets families where mental and physical ill - health is significant and proposes to support families into appropriate treatment. All staff are advised of the lone working policy and risk assessments are undertaken for every family.

5. Crime and Disorder Implications

The programme targets families where youth offending and /or anti-social behaviour occur and seeks to address underlying cause to prevent re-offending.

6. Equalities Implications

Service users come from a range of communities, faiths, sexual orientation and ability. The services are designed to adapt to individuals needs and strengths. The services have planned contact with community groups in order to ensure fair access. The service has engaged staff with community languages and cultural knowledge to engage some of the more hard to reach families

7. Staffing Implications

None

8. Human Rights Implications

None. However it should be noted that information to identify and track the progress of families who fit the programme criteria is being shared between the Local Authority, Police and Department of Work and Pensions. This has been enabled by the Crime and Disorder Act 1998 and specific guidance issued for the programme by DWP.

9. Energy Measure Implications

None

10. Communications Implications

None

BACKGROUND PAPERS:

- Interim report of the national evaluation team on Tri-borough approach to Troubled Families. ECORYS March 2014.
- Final Evaluation of Family Coach Service. Prof. Marian Brandon, Penny Sorenson et al. University of East Anglia, July 2014.
- The DCLG Interim Financial Framework for the Expanded Troubled Families Programme. DCLG August 2104.

If you have any queries about this report or wish to inspect any of the background papers please contact:

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