

Doing Things Differently in Essex:

The "Why's and How's" of Social Impact Bonds

Fair Welfare Services or Farewell to Services?

**An assessment of the funding, fitness and future of
social care and related services**

11th March 2013

Essex challenges:

- High numbers of children in care
- Predominance of high cost residential placements
- Higher proportion of older adolescents with behavioural issues
- Poor parenting support in particular around managing behaviour
- Under developed early intervention and family support services
- Lack of higher level intensive interventions and limited resources to establish them
- Vicious circle, wrong service offer, young people in care unnecessarily, pressure on budgets, reducing available investment

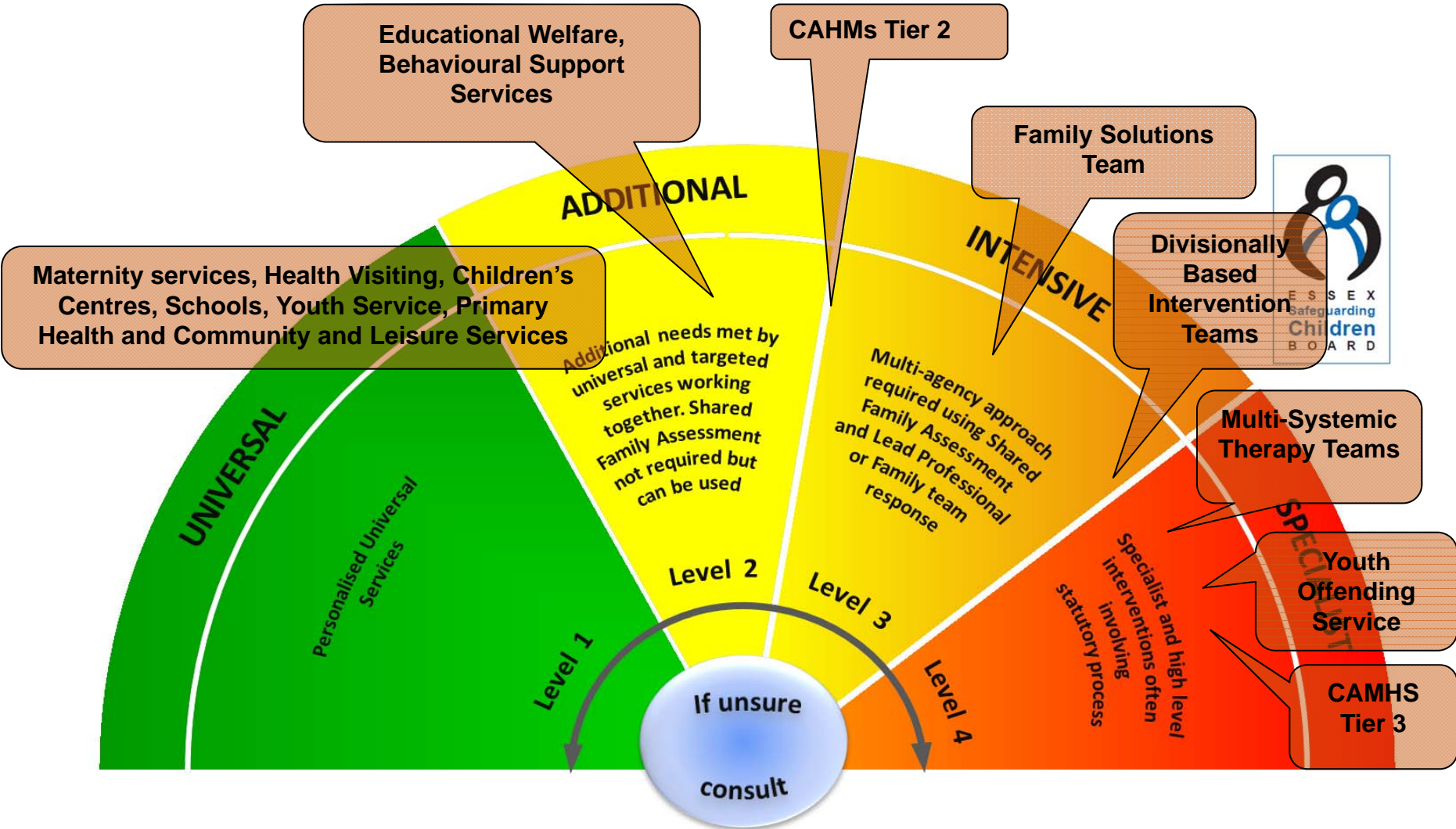


Whole system approach:

- **Values and Principles** - Childcare Strategy
- **People** - Social Work Academy, Workforce Development
- **Service offer** - Essex Effective Support Windscreen
- **Systems and Structures** – quadrant teams
- **Risk** - Managing child protection risks in the community – multi agency partnership

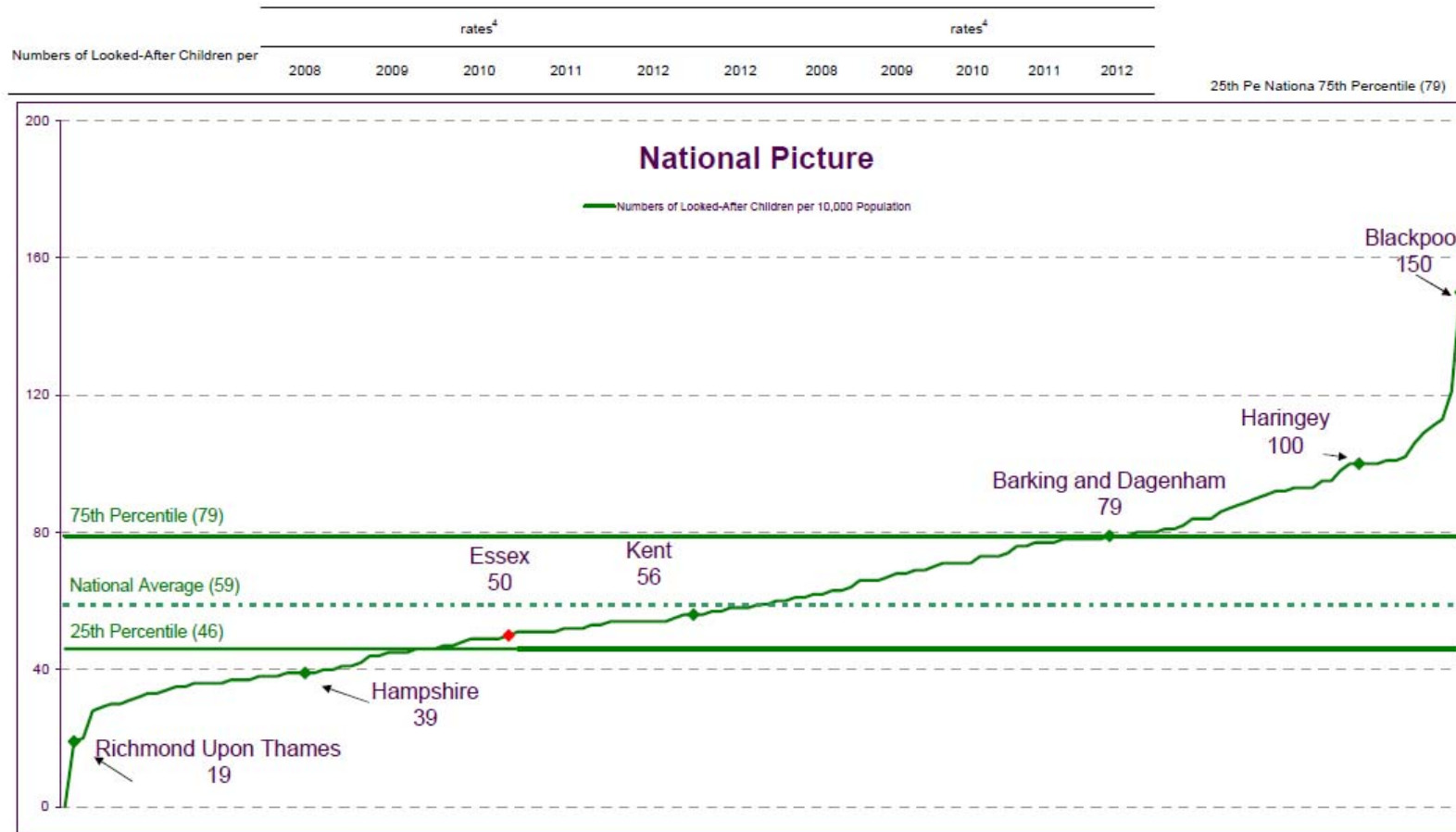


Essex Effective Support Windscreen:



All partners working with children, young people and their families will offer support as soon as we are aware of any additional needs. We will always seek to work together to provide support to children, young people and their families at the lowest level possible in accord with their needs

Essex CiC per 10,000 head of population:



Essex SIB/MST approach:

- Procured Social Impact Bond – Children Support Services LTD (Social Finance)
- Funding two Multi Systemic Therapy Teams targeted on young people on the edge of care or custody
- Five year operating period
- Referral capacity for 380 families
- MST Provider Action for Children
- Medium level performance = 110 young people diverted from care or custody
- Aligned with range of other targeted preventative services
- Close alignment with Troubled Families Programme and Community Budget Pilots

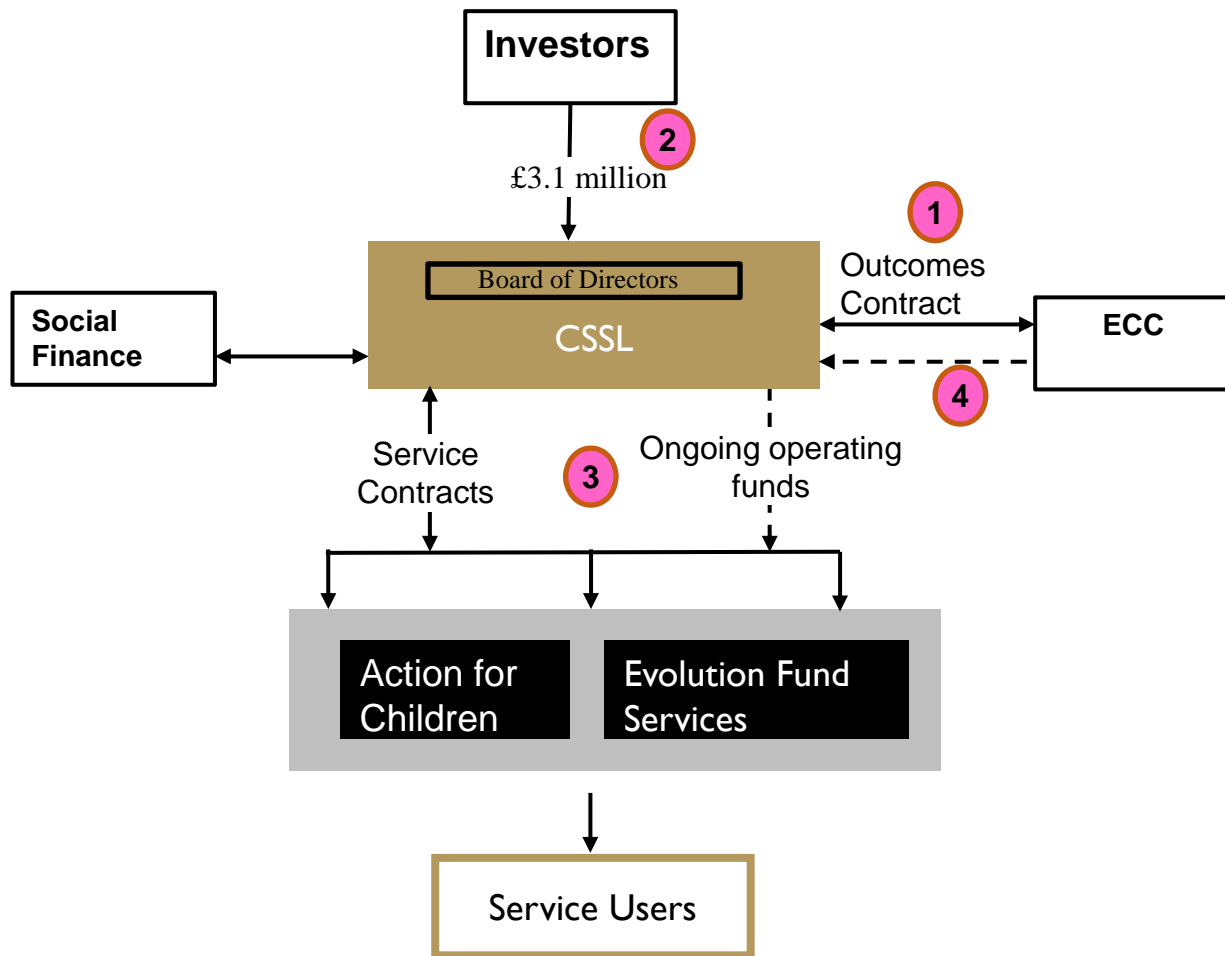


Multi Systemic Therapy (MST)

- Family and community based intensive intervention specifically designed to work with young people aged 11 to 16 years and their families where behaviour is an issue
- Working with the whole family
- Blends many of the most effective clinical treatments such as cognitive behavioural therapy, behaviour management training, family therapies and community psychology
- Growing body of international research evidence shows that MST effective in reducing out of home placements and custody

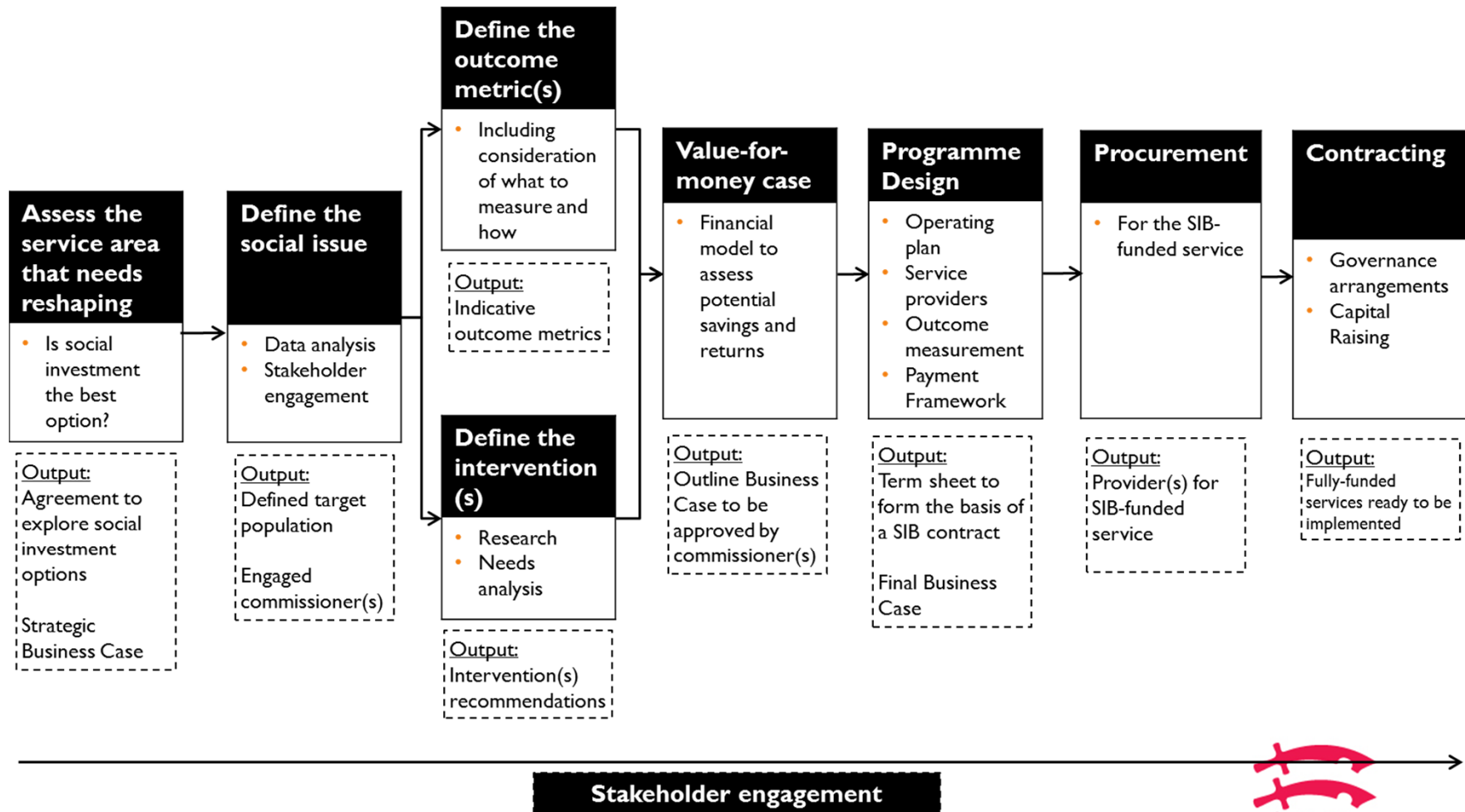


Essex Social Impact Bond



- 1 CSSL and ECC enter Outcomes Contract
- 2 Investors fund CSSL
- 3 Funds released to service providers according to Service Provider Agreement
- 4 ECC returns a % of savings from reduced cost of care placements

The SIB Development process:



SIBs & MST complimentary attributes:

- **Evidenced based:** risk better quantified for investors and cost controlling for councils
- **Targeted:** edge of care or custody
- **Outcome focussed:** amenable to a single primary outcome with savings potential but capable of delivering benefits across a range of outcomes
- **Intensive:** systemic and time limited, strong attribution, early cash flow to investor
- **Sustainable:** interventions have proven lasting benefits for families, addressing future associated demand and budget pressures



Data rich approach

Feasibility study:

- 6 month project:
 - Referral numbers
 - Referral reasons
 - Cohort characteristics
 - Outcomes and destinations
 - Numbers entering or diverted from care or custody
 - Length of stay
 - Appropriate interventions
 - Applicability of Social Impact Bond.



Control Group Review:

- Control group review (historical case review 650 cases):
 - The eligible cohort
 - The number entering care
 - The number that didn't enter care
 - Average stay in care
- Results reviewed by MST experts, Social Finance and Essex County Council

Outcome and payment metric:

- Primary outcome:
 - The reduction in aggregate number of care days spent as compared to the control group figure
- Secondary outcomes:
 - A number of secondary outcomes also monitored
- Payment duration:
 - For the average length of stay as determined by the control group review and feasibility study
- Subject to:
 - The pre-agreed cap

DWP Funded Evaluation objectives:

To establish whether:

- MST has been effective in addressing the short term outcome of diverting young people from care or custody
- MST has been effective in improving longer term health, educational, employment and training outcomes,
- The delivery of MST through the Social Impact Bond Payment by Results mechanism adds any further significant value in terms of higher levels of outcomes or performance.
- How Essex' performance compares to the recorded success of other MST pilots nationally and internationally.



Essex County Council

Lessons learnt:

- **Keep it simple:** clear lines of attribution between intervention and outcome benefits, understandable and evidence based payment mechanism
- **Pay for outcomes not inputs:** from actual cashable savings released by outcomes, exclude intervention from payment periods, outcome value based on cost and savings
- **Value for money:** cost benefit analysis
- **Make it sustainable:** use to exert lasting system change, target where impact will be greatest, support long term future sustainability



- Questions?



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