

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**17 MAY 2012**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

### **CABINET DECISION**

**Leader of the Council – Lead Cabinet Member – Cllr Cook**  
**Access & Communities – Lead Cabinet Member – Cllr Coleman**  
**Adult Services & Health – Lead Cabinet Member – Cllr Beall**  
**Children & Young People – Lead Cabinet Member – Cllr McCoy**  
**Housing & Community Safety – Lead Cabinet Member – Cllr Nelson**  
**Regeneration & Transport – Lead Cabinet Member - Cllr Smith**

#### **‘TROUBLED FAMILIES’ PROGRAMME**

1. Summary  
This report provides details of the Government’s ‘Troubled Families’ programme and how it will operate in Stockton.
2. Recommendations
  1. That the approach to Stockton’s involvement in delivering the ‘Troubled Families’ programme set out in the report at paragraphs 9 and 10 be approved.
  2. That the Leader of the Council take the overall lead responsibility for the programme (paragraph 8).
3. Reasons for the Recommendations/Decision(s)
  1. In order to provide a clear basis for delivery of the programme.
  2. In order to provide for practicable decision-making in case the need for urgent decisions outside the Cabinet cycle should arise.

#### 4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

**Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.**

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**TROUBLED FAMILIES' PROGRAMME**

**SUMMARY**

This report provides details of the Government's 'Troubled Families' programme and how it will operate in Stockton.

**RECOMMENDATIONS**

1. That the approach to Stockton's involvement in delivering the 'Troubled Families' programme set out in the report at paragraphs 9 and 10 be approved.
2. That the Leader of the Council take the overall lead responsibility for the programme (paragraph 8).

**DETAIL**

1. Ministers, including the Prime Minister, have made a number of speeches dating back to late 2010 about the issue of families with complex needs who place high demands on public services and therefore generate higher costs, but these discussions in Government took an added urgency following the riots in various parts of England in August 2011.
2. In late December two circular letters to all top tier local authorities were received in quick succession from the new Troubled Families team at CLG, giving an outline of the Government's programme, seeking our involvement in it and urging us to make preparations for the programme to be delivered from 1 April 2012. Further details were promised, originally by the end of January, then by the end of February, then "in the next few weeks", and finally arrived on 28 March, consisting of a covering letter and a 23 page Financial Framework.
3. The details received on 28 March have now made it possible to make a financial assessment of the impact of involvement in the programme, and to assess the levels of risk to the Council involved in delivering the programme.
4. Key points include:
  - (a) 'families' are now defined as 'households' for the purpose of this programme ("a group of people who either share living accommodation, or share one meal a day and who have the address as their only or main residence" – page 13)
  - (b) the previous key numbers of families provided to each top tier local authority (ours being 455) have all been reduced by one sixth, in recognition of the fact that some of the families identified by the eligibility criteria will already be getting the benefit of

other programmes, notably the Department of Work and Pensions' ESF programme - this reduces our key number to 379, and allows CLG to set the total maximum payable per family to exactly £4,000.

- (c) the emphasis on Payment By Results has been reduced by introducing the idea of "attachment fees" paid "for the numbers of families with whom you start working" (page 8) and tapering as a proportion over the 3 year programme: 80% in year 1 (i.e. 2012/13), 60% in year 2 and 40% in year 3, with a corresponding increase in the results based payments over the 3 years (i.e. 20%, 40%, 60%).
  - (d) The criteria for identification of families are set out in detail, and are based, as expected, on
    - crime and ASB
    - exclusions (3 or more fixed term over the last 3 terms), or being in a Pupil Referral Unit or alternative provision because of exclusion, or not on a school roll and/or having had 15% or more unauthorised absence over the last 3 terms
    - having an adult on DWP out of work benefits (six specific benefits listed)but also allows for an element of local discretion to 'top up' the list, if the three sets of criteria outlined above do not generate enough families who are willing to engage with this programme.
  - (e) there are still some minor inconsistencies e.g. at one passage the document states "the total number of families on the list should match the indicative number of families that were sent to you in December 2011", page 5 (i.e. 455 for Stockton) but also states "it is not expected that you will have identified all the families on your troubled families list in April 2012" (page 7).
  - (f) There is a continuing emphasis on a 'light touch' approach to performance management: the passage on Verification of Results states "We are asking for self-declarations of these results by your local authority and the Troubled Families team will issue results payments on the basis of these declarations. This should be approved within your own Internal Audit arrangements and under the authority of the Chief Executive. In addition, DCLG will carry out a small number of 'spot checks' in a sample of areas " (page 11).
  - (g) Final claims need to be based on results achieved by May 2015 (page 21), i.e. month 38 of the three year programme.
5. Attached as **Appendix A** is a Financial Analysis showing that we have a reasonable expectation of receiving £1.236 million over the three year programme from the 'attachment fees' plus payment by results, assuming a 50% success rate (the national budget appears, on a given set of assumptions, to have been calibrated on a success rate of at least 53%). In addition to these payments each participating authority will be eligible for £100,000 per year for each of the three years to cover the costs of programme co-ordination and it is proposed that co-ordination be resourced from within existing structures in order to maximise the investment in direct service delivery.
6. A further 'finance letter' is expected in May or June which will confirm the detailed arrangements for claims and payments, which will be in the form of non-ringfenced grant. Claims will be made annually or half-yearly. The conditions for payments by results are generally the converse of the 'eligibility criteria' e.g. reductions in truancy, exclusions, offending and ASB etc, and movement off benefits into work.
7. At a Workshop session with CLG on 20 April 2012 there was an extended discussion on one particular passage from the Financial Framework document, at the top of page 9, as follows:-

“you should note that the number of attachment fees available will reflect only those who you work with successfully (rather than every family you start work with”.

Civil Servants acknowledged that this passage was poorly drafted and open to misinterpretation. They confirmed that if a family disengages from the programme, Local Authorities will be expected to engage a replacement family without claiming an additional payment, but also confirmed that the only circumstances in which grants, once made, would be clawed back would be if there were evidence of fraud.

8. The Head of Community Protection has been designated as the strategic lead for the programme in Stockton reporting to the Corporate Management Team, and will be supported in this role by officers from a range of service areas, including Community Protection, Children’s Services, Children, Schools and Complex Needs, and Regeneration and Economic Development. Stockton’s participation in the programme has been confirmed, because such confirmation was required by CLG by 30 April. In view of the number of Cabinet portfolios affected by the programme it is proposed that the Leader of the Council should take overall lead responsibility for the programme.
9. It is proposed that we approach the first year of the programme on the basis of investing up to the full year equivalent of £412,000 in enhancements to service delivery to the target group of families, and increase that by anything up to a further £100,000 (i.e. £512,000 in total) if and when it is confirmed that the ‘co-ordinator funding’ can be recycled into delivery (either directly or indirectly), in whole or in part. In addition, any achievement of results payments over and above the 50% success rate will be available for re-investment in the programme. A ‘Troubled Families’ cost centre has been established and all income and expenditure will be passed through this cost centre under the usual delegated powers.

10. It is proposed to profile the starts as follows:

year 1	40%	- 152 +30 = 182 (year 1 figure advised to CLG)
year 2	35%	- 133 +26 = 159
year 3	25%	- <u>94</u> + <u>20</u> = <u>114</u>
		379 76 455

11. This pattern is based on the view that it will become progressively more difficult to secure engagement from the target families, as we start with the most willing to engage and proceed through to trying to work with the least willing (it will also have the collateral benefit of securing a greater proportion of up front attachment fees).

12. In relation to points of investment, the first and clearest is to double the capacity of our Family Intervention Project (FIP). The FIP is delivered under contract by Tees Valley Housing Association (TVHA), and evaluation to date shows strong performance compared to national norms, including a reduction in ASB of 67% (compared to a national average of 66%) and 60% of children maintaining a good level of school attendance or improving their attendance (compared to a national average of 58%), as at September 2010. For 2011/12 there has been an 82% reduction in ASB, and an improvement in school attendance from an average of 83% to an average of 86%. The necessary variations to the existing contract are being put in place under the Scheme of Delegation, in order to maximise the benefits of programme delivery.

The extended FIP will have the capacity to deal with 60 - 80 families in a full year, i.e. about half of the new target figure of 379 families over three years. The estimated cost of extending FIP in this way is no more than £170,000 per year, leaving between £242,000 and £342,000 available for investment.

13. At the time of writing, further data capture and management is taking place. The caseload from the Youth Offending Service has been combined with key subjects from the ASB Team and from Tristar Homes and other major landlords, and the results have been cross-

matched with relevant education data (lists of exclusions and those with a below 85% attendance rate for the last three terms).

14. Once a list of families for year 1 is determined it will also be analysed for cross-over into other areas of service (e.g. number of children on the Child Protection Register, Looked After Children, Children in Need, domestic violence service caseloads, Family Nurse Partnership etc) so that synergy can be maximised and some estimates of collateral benefits arising from the programme can be made. These will help to inform local practice beyond the three year programme, as well as contributing to the national evaluation. Families identified through the programme will also be prioritised in relation to delivery of early years interventions. For this and other purposes a geographical analysis of the distribution of families on the list will be undertaken, which may inform delivery approaches, as will analysis by housing tenure.
15. The profile of the resulting list will inform the pattern of investment, but likely areas of investment include
  - (a) one or more posts to be deployed with young offenders in the very early stages i.e. reprimands and final warnings, in order to increase the chances of 'nipping in the bud' any tendencies to offend (at present work with this cohort of offenders is relatively under-resourced in comparison to those who have been to court, where the bulk of YOS staff time is deployed)
  - (b) the ASB Support function in the ASB Team – currently one post – which works with the families of people who are causing ASB, a significant proportion of whom are lone mothers;
  - (c) investment in the Attendance and Exclusion Team to improve performance in relation to reducing exclusions, improving attendance and provide early intervention work for parents via nationally accredited parenting programmes.
  - (d) other areas which emerge from profiling where there may be potential 'bottlenecks' in relation to the supply and demand for services – examples may include substance misuse (especially community alcohol treatment), domestic violence, and mental health services.

In addition, business cases may emerge for investing a small proportion of the funding in skills development (e.g. training in restorative practice or similar techniques)

16. The programme has the potential to provide welcome additional resources (although substantially less than the £3 million per year reduction in funding experienced by the Council as a result of the introduction of Early Intervention Grant) to make a significant reduction in the number of 'troubled families', as defined by the CLG programme, in our Borough and, in particular, to improve the life chances of children and young people within these families. No three year programme can hope to eradicate completely the deep-seated problem of inter-generational deprivation and lack of aspiration (for example, during the next three years because there will be some families who do not yet have children of school age who are likely in future to become 'troubled families'). The CLG view on this is that the programme, as well as making a significant difference over the three year period, should provide longer lasting benefits by facilitating changes in mainstream services.
17. Progress on delivery will be reported at least annually, to Corporate Management Team, the Local Public Services Board, Cabinet, and a range of other bodies. Although the Council is the lead delivery agency, the success of the programme is obviously of major interest to a range of other key partners, including colleagues in Police, Probation, Health, Tristar Homes and other Registered Providers of housing. The progress reports will therefore also be provided to the Safer Stockton Partnership, Health & Wellbeing Board,

YOS Management Board and any other existing multi-agency bodies which wish to receive them.

18. The details of delivery of the programme may change over the three year period. For example, in year 1 the combination of 80% 'up front attachment fees' with the details of payment by results mechanism means that £3,900 of the £4,000 potentially available per family (97.5% of the total) can be secured without placing any adult into work, which is particularly difficult in the current economic climate. However, by year 3 up to £2,400 may be available for placing an adult into work for 13 weeks, which may open up new options, particularly if the local economy becomes more buoyant by year 3 (2014/15).

## **19. FINANCIAL IMPLICATIONS**

The estimated availability of funding from the programme is set out at **Appendix A** and it is proposed to treat the £412,000 per year, plus the £100,000 per year 'co-ordination funding' once its availability is finally confirmed, as an approved revenue budget. This is based on a projected success level of 50%, which is considered to be a prudent estimate, taking account of performance achieved over the last few years through the Family Intervention Project, the Parenting Early Intervention Programme and other interventions. The Council's exposure to financial risk over the three year period is equal to £5,600 for every 1% by which performance may drop below the 50% success level. Conversely, an additional £5,600 would become available for every 1% increase in success above the 50% level. The maximum risk, in the event of zero success, is therefore a net cost to the Council of £280,000 over the three year period. This scenario is considered to be extremely unlikely. In the event of disappointing performance in year 1 the delivery of years 2 and 3 of the programme would be reviewed. The maximum exposure to risk in year 1 alone is £60,800. Council services and other agencies receiving funding from the programme will be expected to manage the consequences in relation to severance which may arise at the end of the third year period without additional funding.

## **20. LEGAL IMPLICATIONS**

There are no significant Legal Implications arising from the report. Procurement advice has been taken in respect of the variations to the Family Intervention Project contract.

## **21. RISK ASSESSMENT**

This programme is categorised as low to medium risk in view of the considerations set out under 'Financial Implications' above. Existing management systems, a careful approach to programme management and monitoring and daily routine activities are sufficient to control and reduce risk.

## **22. SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

### **Economic Regeneration and Transport**

The programme has the potential, particularly in year 3, to contribute to reducing reliance on worklessness benefits.

### **Safer Communities**

The programme is likely to contribute to reductions in crime and Anti-Social Behaviour.

### **Children and Young People**

The programme is likely to contribute to improved engagement in education and an increase in pro-social behaviour, therefore improving the life chances of children and young people in the families engaged in the programme.

### **Healthier Communities and Adults**

The programme will link with health initiatives, including the Family Nurse Partnership but also a range of public health interventions more generally.

### **Environment and Housing**

A reduction in anti-social behaviour, including graffiti, littering etc, should help to improve local environmental conditions, and improvements in behaviour will be of benefit to neighbours of the families engaged in the programme

### **Supporting Themes:-**

#### **Stronger Communities**

Reductions in crime and anti social behaviour should result in improved levels of satisfaction on the part of residents in those parts of the Borough where families engaged by the programme live.

#### **Older Adults**

It is anticipated that in some of the families engaged in the programme, grandparents may play a significant role in helping to improve family life.

#### **Arts Leisure and Culture**

No direct benefits.

## **23. EQUALITIES IMPACT ASSESSMENT**

This report is not subject to an Equalities Impact Assessment because the alternative to participation in the national programme would be passing up the opportunity for benefits for the families engaged by the programme, and the wider community, which would result from success.

## **24. CONSULTATION INCLUDING WARD/COUNCILLORS**

Informal consultation has taken place with a range of colleagues in the preparation of this report.

**Name of Contact Officer: Mike Batty**

**Post Title: Head of Community Protection**

**Telephone No. 01642 527074**

**Email Address: mike.batty@stockton.gov.uk**

Education related? Yes

Background Papers Correspondence received from CLG

Ward(s) and Ward Councillors: Potentially all Wards – more clarity will be available once the analysis of the year 1 list of families is complete.

Property No property implications.