

BRADFORD CHILD LEARNING DISABILITIES SOCIAL IMPACT BOND FEASIBILITY STUDY

BUSINESS CASE SUMMARY FOR SCHOOLS FORUM

Ross Gribbin

Ross.gribbin@socialfinance.org.uk

Doug Hull

Douglas.hull@socialfinance.org.uk

Version 1: Updated 28/06/2016

- People with needs arising from Learning Disabilities and/or autism are the focus of a **National Transforming Care Plan**. This includes a **national service model for commissioners across health and care**; led by NHS England, 48 local partnerships have to develop local Transforming Care Plans. This national policy direction supports development of a new service for children with needs arising from LD and/or autism who are most at risk of full-time residential placements.
- Social Finance was engaged to investigate the feasibility of a new service to help **young people with learning disabilities and behaviours that challenge** at high risk of residential education and/or care entry. Bradford hopes to achieve better outcomes for the young people by **supporting them to remain at home**, as well as financial savings for commissioners.
- **'Positive Behaviour Support' (PBS)** is a model that has successfully helped a similar cohort of young people in Bristol and Ealing. Across these two services 35 out of 42 high risk children referred to the PBS service avoided residential care entry.
- We have worked with professionals and carers in Bradford to understand how PBS could be **adapted to the local context**.
- Over the next six years we envisage a **new service working intensively with a total cohort of around 14 young people** at high risk of residential education and/or care entry. The primary aim of the service would be to support these children to remain at home, and improve their active inclusion within the community.
- We believe it is credible that with the support of a PBS service **9 or 10 of these young people could avoid entry into residential care**.
- Bradford commissioners could self-finance the service but would need to find new funds for this. The **Social Impact Bond** offers a mechanism by which commissioners can **pay for the service only in the event that it is successful** in reducing residential care entry (and therefore in reducing costs), with up-front delivery costs of the service being borne by social investors. These success payments would be spread over several years, and financial modelling indicates that commissioners will be saving more money than they are paying out in each year that the SIB operates.
- A SIB would also give local commissioners an opportunity to test **new models of delivery and collaboration**, particularly around joint commissioning. We are anticipating the service being **jointly commissioned** by Bradford Council (Children's Services Department), local CCGs and the Dedicated Schools Grant.
- As well as providing an intensive new support service for young people, our central case estimates that the SIB would generate **total savings of £1.9m over the life of the service**. This is inclusive of a contribution that Bradford would need to apply for from the Lottery – the deadline for doing this is 31st July.

 **The proposal has been agreed by Bradford Council's Corporate Management Team, and we are now seeking approval from the Schools Forum and local CCGs in order to proceed with a joint commissioning approach.**

● ■ POSITIVE BEHAVIOUR SUPPORT: SPECIALIST KEY-WORKER MODEL 3

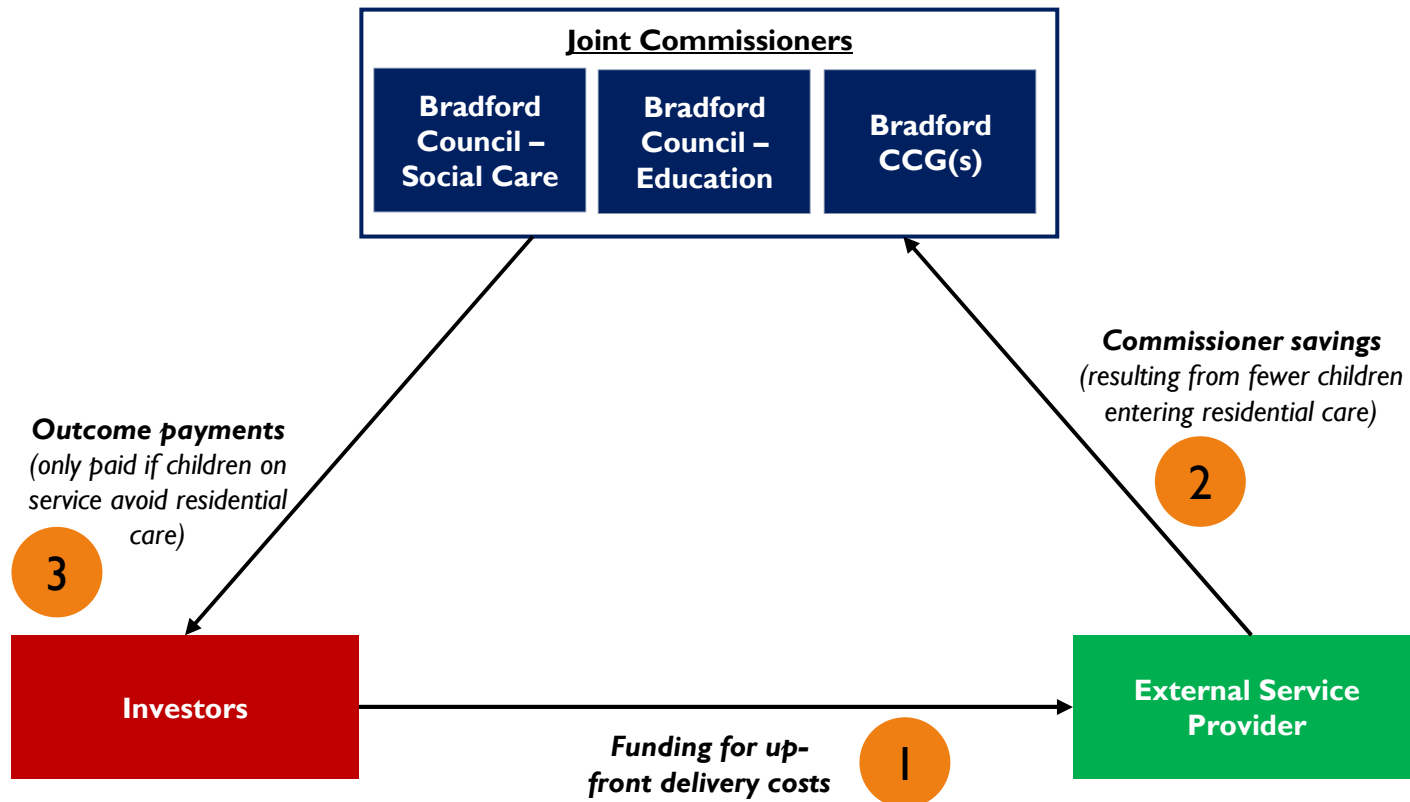
We have engaged with a wide range of stakeholders in Bradford to develop an understanding of the key features of the new service. The service will be based on Positive Behaviour Support, and will be centred around specialist Key Workers.

Who is it for?	What will it do?	What will it aim to achieve?
<p><u>Referral Criteria</u> Children <i>aged 8-13</i></p> <p><i>Severe learning disabilities</i></p> <p><i>Behaviours that challenge</i></p> <p>Home/school placement likely to break down within 6-12 months.</p>	<p><u>Team Composition</u> <i>Multi-skilled team of c.4 staff led by a Clinical Psychologist. Expertise to include behavioural therapy, knowledge of autism, mental health; and willing to provide practical hands-on support</i></p> <p><u>Way of Working</u> <i>Flexible, individualised support including:</i></p> <ol style="list-style-type: none"> 1) Co-ordination of support from different services 2) Direct, hands-on, practical support to parents. 	<p><u>Aims</u> <i>Improvements in child's behaviours than challenge, resulting in reduced residential care entry and increased active inclusion</i></p> <p><u>Outcomes</u> <i>Key outcome would be avoidance of full-time residential care entry. Progress also measured in active inclusion, behavioural issues, child wellbeing, parent mental health.</i></p>
<p><u>Referral process</u> <i>Existing Joint Resourcing Panel to decide on referrals.</i></p>	<p><u>Service Duration</u> <i>Average of 2 years of support, with flex for longer/shorter.</i></p> <p><u>Caseload and Intensity</u> <i>Whole service caseload of c.4 at any one time Initially 1:1 or higher then reducing after several months.</i></p>	<p><u>Evidence Base</u> <i>Bristol: 10 out of 12 children avoided residential care entry. Ealing: 25 out of 30 children avoided residential care entry. Both report significant improvements in children's behaviours than challenge.</i></p>
	<p><u>Role of Schools</u> <i>Key aspect of service will be supporting child in school and engaging with school staff.</i></p> <p><u>Provider</u> <i>SIB would require external provider, but likely to co-locate with existing services.</i></p>	

PROPOSED SIB OPERATING MODEL

A Social Impact Bond (SIB) would enable Bradford to only pay for successful outcomes from the service – fewer children entering full-time residential care – with social investors providing up-front funding for delivery costs and taking the risk that the service could under-perform.

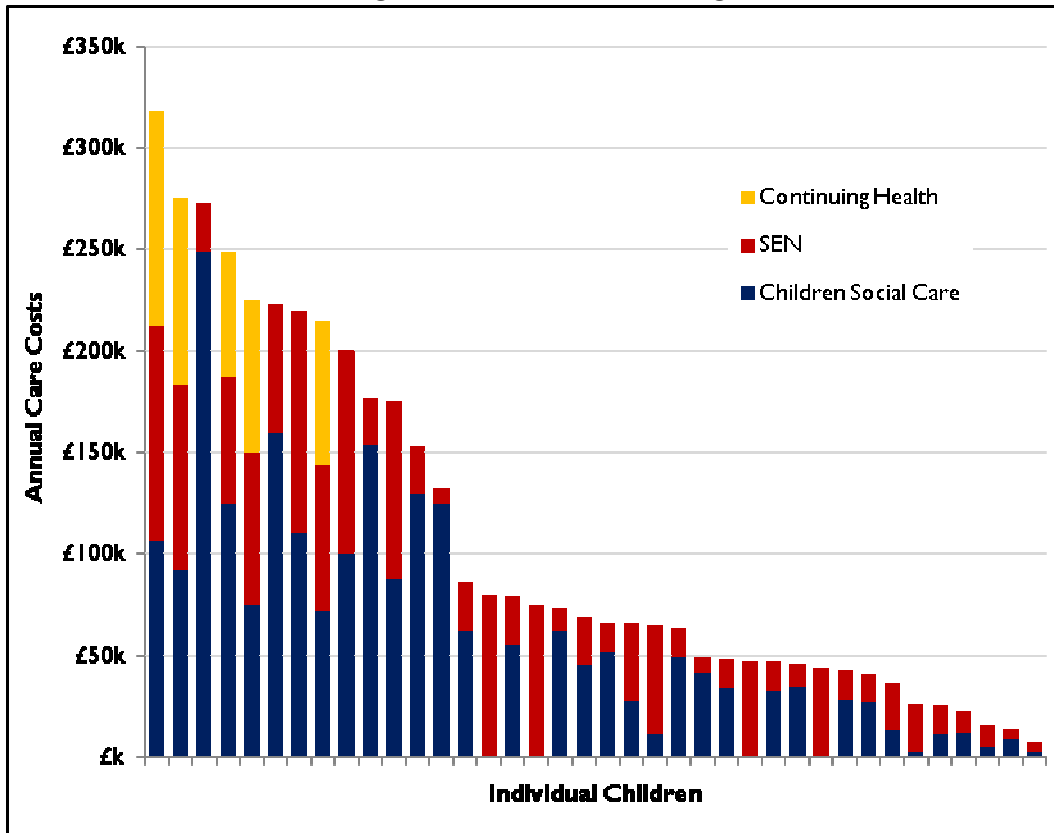
There is a unique opportunity until 31 July 2016 to bid for top-up funding for Social Impact Bonds from the Big Lottery Commissioning Better Outcomes Fund – effectively this would cover investors' return and any additional costs associated with running the SIB



PROPOSED FUNDING MODEL: SUCCESS PAYMENTS

Our analysis has indicated that there is a steady flow of children in Bradford with severe learning disabilities and behaviours that challenge whose needs are not met through existing home-based provision, and who therefore enter residential care. This care is typically funded by Children’s Services and the DSG, with additional contributions from CCGs in some cases. We anticipate a role for each of these partners in funding the new service, with contributions based on each party’s expected savings resulting from the service achieving success.

Chart I: Annual care costs for high-needs children with learning disabilities in Bradford



- Commissioners would not pay anything for the service up-front – these costs would be borne by social investors.
- Instead, commissioners would make ‘success payments’ to social investors in the event that children on the service avoid entry into residential care. Commissioners take responsibility for referring children onto the service who are on a trajectory towards residential care.
- If successful, the service is likely to result in significantly lower costs for the DSG. Our suggestion is therefore that the DSG provides c.10% of success payments, totalling c.£140-160k over ten years, which compares to expected DSG savings of c.£380-400k over the same period.
- There would be a cap on the total value of success payments made by commissioners, probably set at c.10-20% above the central case figures shown above.

●■ NEXT STEPS

The project proposal has been agreed by Bradford Council Corporate Management Team. We are now seeking approval from three local CCGs and the Schools Forum in order to proceed with a joint commissioning approach.

If/when education and CCG commissioners have confirmed their support for the proposal, there will be a need to agree a lead commissioner, as well as confirming arrangements for jointly agreeing which children will be referred onto the service.

If approval is gained from CCG and education commissioners, Social Finance will work with the Bradford team to complete the CBOF application, as well as:

- Engaging with social investors to explore their potential interest in the project
- Reviewing potential providers of the service and supporting Bradford to engage with them
- Carrying out additional work to explore how the impact of the service could be evaluated

The final deadline for submitting an application to the Big Lottery Commissioning Better Outcomes Fund is 31st July 2016



Appendix



- Bradford has a **higher than expected number of children with disabilities and complex health needs**. National data and the District's deprivation profile indicate that many disabled children are likely to live in low income households, and some will have parents who find it difficult to access services.
- In line with national policy, Bradford is prioritising the development of **person-centred planning across agencies** to ensure that local services are flexible and meet the needs of individual children and their families. To be successful, Bradford requires **robust, locally available support options** that can meet needs early enough so that, whenever possible, disabled children have the **opportunity to achieve their aspirations within their community**.
- Our analysis has indicated that there are a cohort of children in Bradford with severe learning disabilities and behaviours that challenge whose circumstances and support needs require them to be **transitioned into residential care**, typically around age 8-13 – there is a constant flow of children with severe learning disabilities moving into residential care each year.
- These residential care placements are **often out of borough** and result in children living a long way from their family and local communities, as well as being **highly expensive** – upwards of £250k per year in some cases, with costs sometimes shared between Children's Social Care, Education and Health budgets.
- There is therefore an opportunity to implement a **new preventative service** to support these children to **remain at home** – by providing support to improve their behaviours that challenge, and increase parents' and schools' ability to manage these behaviours.
- If such a service were successful, it would not only generate **substantial savings to local commissioners**, but would also result in these children **remaining with their families**, and being **more actively included** within their local communities.
- Conversations with parents of children with severe learning disabilities, Service Managers and other professionals in Bradford have indicated that there is a gap in existing provision for a **carefully targeted** intervention that would provide more **long-lasting, intensive and specialist support** than is currently available.

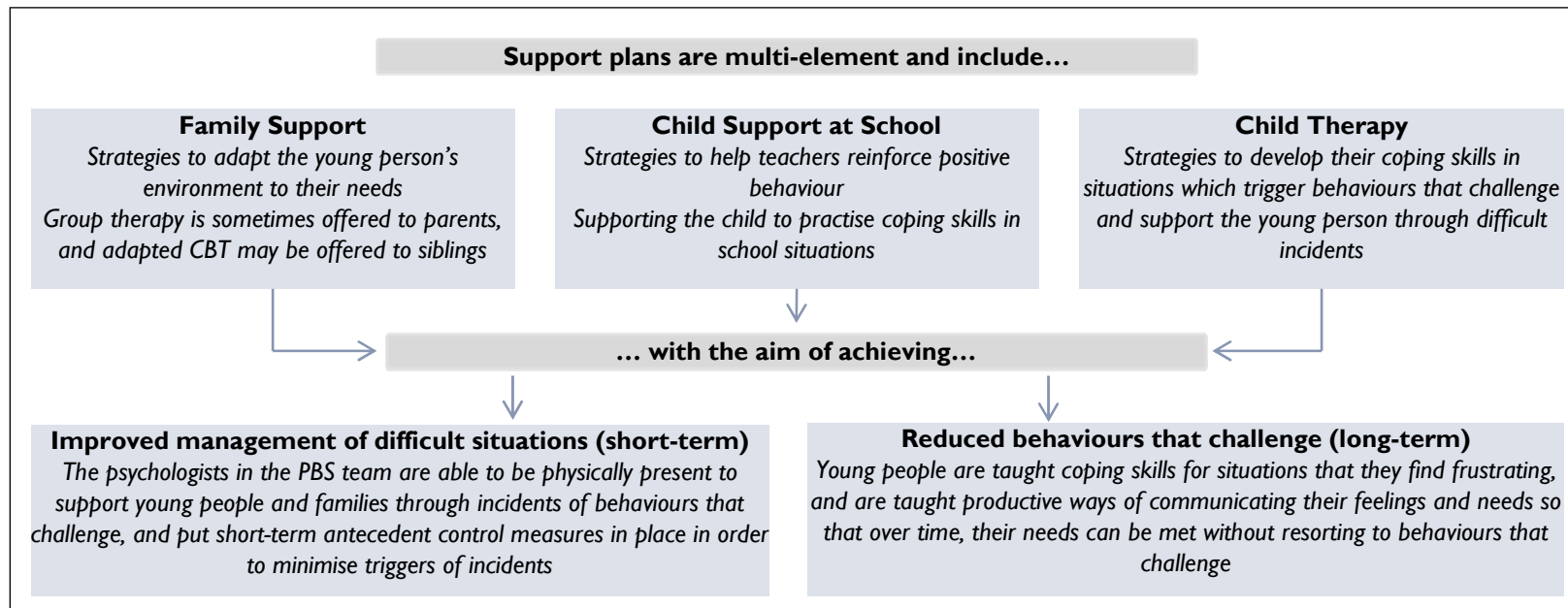


APPENDIX 2: PBS BACKGROUND AND THEORY OF CHANGE

Positive Behaviour Support a framework aimed at addressing behaviours that challenge. It is not a manualised intervention, but offers a set of principles around which an intervention may be structured.

Key principles

- Has its roots in behavioural theory, which emphasizes the functional purposes of behaviours that challenge and theorizes that these behaviours can either be increased, maintained or reduced by other people's responses to them
- Strong emphasis on the rights and personal values of people with learning disabilities, though could potentially be adapted for other children with behaviours that challenge
- Focuses on the design of environments that promote desired behaviours and minimises the development of behaviours that challenge
- Functional analysis is used to understand behaviours, match support appropriately to the young person's needs and create consequences that promote desired behaviours
- Support is aimed at producing sustained lifestyle change, and is delivered across multiple contexts e.g. at home and in school
- Encourages a focus on the needs of the young person and how they are being met through behaviours that challenge, and often aims to maximise a young person's communication effectiveness and that of their communication partners



Our analysis has indicated that the education budget stands to benefit significantly from the new service if it proves successful, particularly if fewer children move into out-of-borough residential placements. There may therefore be a case for an education contribution to payments for outcomes successfully achieved by children – i.e. for avoidance of residential full time placement entry.

There are two main ways in which a contribution from the Dedicated Schools Grant to the programme could be structured. We would expect that the total contribution from the DSG would be roughly the same in both options; the difference is around how payments are structured.

Option 1: Overall programme contribution

Under this option the High Needs Block of the DSG would contribute c.10% of outcome payments for all children on the service. This is how the service is currently modelled.

Advantages

- Relatively simple to manage – no need to come to an agreement for each individual child as to the level of contribution.
- Greater certainty around future expenditure (though still dependent on the level of success of the programme).

Risks and disadvantages

- The DSG would contribute to outcomes for all children who successfully avoid full-time residential care as a result of the service, whereas cost savings may only accrue for those who would have gone on to move into an out-of-borough placement.
- The level of contribution from the DSG would not be adjusted to reflect any variation from expectations around the level of potential savings from the service accruing to the DSG.

Option 2: Case-by-case contribution through Joint Resource Panel

This option would make use of the existing Joint Resource Panel. It is effectively a continuation of the current joint funding arrangement, but applied to outcome payments rather than direct care costs.

At the point of a child's referral the Council and representatives from Education (and potentially CCGs) would agree their relative contributions to outcome payments for the child if the intervention is successful. The DSG may not end up making a contribution to outcome payments for every child, but where there is a contribution, it is likely that this would be higher than the average contribution in Option 1, so the total expenditure under either option would be expected to be similar.

Advantages

- The DSG would only contribute to outcomes for children who are likely to have substantially higher education costs in future where these could be avoided as a result of the service – this is primarily children who it is likely would have gone into an out-of-borough placement in future.

Risks and disadvantages

- More complex to manage – would require agreement at the outset for every client as to whether the DSG contributes to outcomes for that child, and the size of that contribution.
- Less certainty around future expenditure for commissioners.

In either option, our central case financial modelling indicates that total outcome payments from the DSG would be c.£140-160k over a ten year period, compared to total expected savings of c.£380-£400k. Outcome payments would only be made when children avoid full-time residential placement entry.