

SURREY COUNTY COUNCIL**CABINET****DATE: 28 FEBRUARY 2017****REPORT OF: MRS CLARE CURRAN, CABINET MEMBER FOR CHILDREN AND FAMILIES WELLBEING****LEAD OFFICER: GARATH SYMONDS, ASSISTANT DIRECTOR COMMISSIONING AND PREVENTION****SUBJECT: PROPOSED CONSULTATION ON EXTERNALLY COMMISSIONED YOUNG PEOPLE'S EARLY HELP SERVICES****SUMMARY OF ISSUE:**

Surrey County Council is transforming its early help offer for children, young people and families, increasing integration to provide holistic support to the whole family, securing the best possible value for money for residents and realising lasting improvements in outcomes for the most vulnerable. This change is being delivered at a time when unprecedented financial pressures are being faced, stemming from decreasing funding from central government and underlying growth in demand for Council services. It is therefore vital to continue investing in early help services that realise not only the best outcomes but also offer the best value for money.

In light of this approach, this first paper seeks agreement to launch a public consultation exercise about proposals to change Surrey County Council's externally commissioned young people's early help services. These changes will need to achieve a saving of £0.25 million during 2017/18 and at least a further £0.2 million in 2018/19 (a total of 29% less over two years), from an annual budget of £1.54 million for these services. A second paper, setting out the consultation response, will be brought to Cabinet on 30 May for a final decision about the changes that are required.

RECOMMENDATION:

It is recommended that the Cabinet approves an immediate eight-week public consultation, involving young people who use services, families, providers and partners, about proposals to change Surrey's externally commissioned young people's early help services.

REASON FOR RECOMMENDATION:

This is recommended so that:

- i. The Council fulfils its duty to consult about proposed changes to services, through a proportionate eight-week consultation period now, given the urgent need to realise savings during 2017/18 and allowing three-months of notice to current providers about any changes to services;
- ii. Young people, families, providers and partners who are affected by proposed changes have an opportunity to share their views about the proposed options

and possible alternatives;

- iii. Appropriate action can be taken, as far as is reasonably possible, to mitigate the impact of any changes on providers, young people, families and communities; and
- iv. Cabinet is supported to make a fully informed decision about proposed changes to current grants and contracts.

<u>DETAILS:</u>

BACKGROUND

1. On 23 September 2014, Surrey County Council's Cabinet approved a new commissioning model for Services for Young People to deliver the goal of employability, as explained in the Surrey Young People's Outcomes Framework. This included approval to procure up to £8.1 million of externally commissioned early help services spread across the five-year period from 2015 to 2020, in the form of the 1-to-1 Local Prevention, Neighbourhood Local Prevention and Year 11/12 Transition commissions.
2. Since implementation in September 2015, these services have worked in a targeted and preventative way to realise improved outcomes for many vulnerable young people in Surrey, avoiding a conservatively estimated minimum annual cost of at least £3 million for the Council by reducing demand for higher-cost services in the future, with further benefits accrued by partners. In particular they have helped Surrey to continue to have some of the lowest rates of youth offending and young people who are not in education, employment or training (NEET) in the country.
3. However, the Council now needs to transform its early help offer for children, young people and families, so that services are even more integrated, targeted and efficient, and have an even greater impact on outcomes for the whole family to achieve lasting change.
4. An initial stage in this integration and transformation process involves reviewing externally commissioned early help services for young people, in preparation for a wider re-design and commissioning of the future offer. This initial step should realise savings of £0.25 million during 2017/18 and at least a further £0.2 million in 2018/19 (29% across the two years) from the Council's external spend of £1.54 million per annum on externally commissioned services. The Equality Impact Assessment that has been completed to assess the impact of this change has highlighted adverse impacts on young people, but the wider review and integration of all early help services will aim to mitigate these impacts.

GRANTS AND CONTRACTS COVERED BY THIS CONSULTATION

5. Three current external commissions are being considered as part of this consultation, which are: Neighbourhood Local Prevention; 1-to-1 Local Prevention; and the Year 11/12 Transition Service.

Commission	Annual budget	Current end date
Neighbourhood Local Prevention	£448,000	31 August 2018
1-to-1 Local Prevention	£700,000	31 August 2018
Year 11/12 Transition	£395,000	28 February 2019
Total external spend	£1,543,000	

6. The following list provides a summary of the key features of **Neighbourhood Local Prevention**:
- i. Projects are funded through grants to local voluntary, community and faith sector organisations, with funding allocated to boroughs and districts in proportion to the identified level of need.
 - ii. Grants are awarded locally through Surrey's Local Committees and funded projects target delivery in priority communities identified through Youth Task Groups.
 - iii. Organisations delivering these projects are: The Beat Project; The Eikon Charity; Leatherhead Youth Project; The Lifetrain Trust; and YMCA East Surrey.
 - iv. The commission responds to locally identified needs and priorities, working alongside Surrey's Community Youth Work offer to ensure provision is complementary and that the needs of young people in priority communities are well met.
 - v. Typical activities include: detached youth work; mobile bus projects; community based youth projects; and targeted group programmes. Some young people identified as in need of early help will be referred to these activities by schools or via Surrey's Multi-Agency Safeguarding Hub (MASH).
 - vi. The commission costs the Council £448,000 per annum and it engaged over 2,000 young people in priority communities in 2015/16.
7. The following list provides a summary of the key features of the **1-to-1 Local Prevention** commission:
- i. Services are delivered by contracts with local voluntary, community and faith sector providers, with funding allocated to boroughs and districts in proportion to the identified level of need.
 - ii. Providers are commissioned locally through Surrey's Local Committees and Youth Task Groups.
 - iii. Organisations delivering these services are: The Eikon Charity; Learning Space; Leatherhead Youth Project; The Lifetrain Trust; Step by Step; Surrey Care Trust; and YMCA East Surrey.
 - iv. Providers offer 1-to-1 support to particular young people who are referred through Surrey's MASH and identified as in need of early help.
 - v. In July 2016, contracts were varied to increase capacity of the services by 25%, improve consistency of outcomes measurement and strengthen work with families, to prepare for increased demand following the launch of the MASH.

- vi. Typical approaches to delivery include: mentoring; 1-to-1 youth work; talent coaching; and counselling.
 - vii. The revised full-year cost of the commission for 2017/18 is £700,000 and it has a commissioned capacity of 1,600 hours of 1-to-1 work per month.
8. The following list provides a summary of the key features of the **Year 11/12 Transition** commission:
- i. Services are delivered through outcomes-based, area contracts, awarded to the specialist information, advice and guidance provider U-Explore.
 - ii. Services are offered to targeted young people in Year 11 who have been identified as at greatest risk of becoming NEET, through Surrey's Risk of NEET Indicator (RONI) – a process delivered in partnership with Surrey's secondary schools to ensure the right young people are supported.
 - iii. Young people are supported from the spring term of Year 11, over the summer and during the first months of their transition into post-16 education, training or employment.
 - iv. The contracts' success is judged by the proportion of young people who are participating in the January of Year 12, and it achieved a success rate of over 90% in 2015/16.
 - v. The commission costs the Council £395,000 per annum and engaged 451 young people who were identified as at risk of becoming NEET in 2016.

OPTIONS FOR CONSULTATION

9. Whilst all the early help services above have demonstrated good performance and positive impact on outcomes for young people, the Council needs to make difficult decisions to secure its financial position and prepare the way for its integrated 0-19 early help offer from 2018. A range of options in response to these challenges are set out below, including a preferred option (Option 1):
- i. **Option 1** – Bring to an end funding for Neighbourhood Local Prevention Grants at the end of the second year of the three-year programme on 31 August 2017 (**preferred** – rationale provided in paragraph 11).
 - ii. **Option 2** - Reduce funding to 1-to-1 Local Prevention contracts by 64% across all districts and boroughs (£450,000) for year three of the commission from 1 September 2017.
 - iii. **Option 3** – De-commission the Year 11/12 Transition Commission at the end of December 2017, alongside reducing the level of funding for Neighbourhood Local Prevention grants and 1-to-1 Local Prevention contracts by 23% for the year beginning 1 September 2017. This approach realises the required saving of £250,000 in 2017/18, but in so doing reduces funding for early help services in 2018/19 by over £400,000, double the required level of £200,000.
 - iv. **Option 4** – Apply a 39% funding reduction to both Neighbourhood and 1-to-1 Local Prevention from 1 September 2017 and run both grants and contracts until August 2018.

- v. **Option 5** – Maintain funding for all grants and contracts at current levels, leading to an overspend of the identified available budget.

REASON FOR PREFERRED OPTION

10. It should be noted that the Equality Impact Assessment completed in relation to these changes has highlighted adverse impacts on young people in Surrey, but that through the wider review and integration of all early help services the Council will aim to mitigate these impacts. The Council will be updating the EIA in response to information received during the consultation.
11. Option 1 has been identified as the preferred option as it is the course of action that has the least degree of detrimental impact on both outcomes for the most vulnerable young people and the Council's approach to transforming early help in Surrey. It also fits best with the timeline for the wider review and realises the required savings. This judgement is based on the following key considerations:
 - i. Although Neighbourhood Local Prevention is targeted to Surrey communities with the greatest need, analysis shows that a lower proportion of young people from key vulnerable groups access these services (including those who: are currently or have been open to Children's Services; have SEND; have been involved in offending in the last 24 months; or are at risk of becoming NEET) when compared other commissions, where young people are specifically identified as in need and referred to services. As an example, 55% of young people who received support through 1-to-1 Local Prevention were currently or had been previously involved with Children's Services, compared to 15% for Neighbourhood Local Prevention. By making savings against the grants programme (Option 1), other services that provide more targeted support to the most vulnerable young people are protected.
 - ii. Both the 1-to-1 Local Prevention and Year 11/12 Transition models directly support the priority need for referral routes for young people who are referred into Surrey's Multi-Agency Safeguarding Hub (MASH) as at risk and in need of early help. This is a key part of SCC's journey of improvement in Children's Services, following the challenging Ofsted judgement in 2015. As a direct response to this, additional capacity for 1-to-1 early help was secured through contract variations in July 2016. Removing or reducing this capacity (Options 2, 3 and 4) will have a significant detrimental effect on the Council's ability to realise the required improvements.
 - iii. The evidence of achievement of lasting impact on outcomes for young people accessing services is stronger in the case of 1-to-1 Local Prevention than Neighbourhood Local Prevention, based on assessments of quality of practice and performance monitoring undertaken during 2016, hence Option 1 is preferred to Options 2, 3 and 4).
 - iv. The Year 11/12 Transition Commission demonstrates most clearly a direct impact on the Council's strategic priority of "creating opportunities for young people" of the three commissions. It delivered the positive outcome of a successful transition to participation in post-16 education, training and employment for over 90% of young people supported, all of whom were previously identified as at risk of becoming NEET. De-commissioning this service (Option 3) would mean this is not achieved.

- v. Year 11/12 Transition works with young people from January to December, so it is not possible to end contracts prior to January 2018, without a disproportionate impact on young people currently accessing services. This means Option 3, which sets out de-commissioning of this service, will not realise adequate budget savings in 2017/18 without also reducing funding for 1-to-1 and/or Neighbourhood Local Prevention by 39% from 1 September 2017. This runs the risk of making all three commissions unviable for current providers.
- vi. The resources for Neighbourhood and 1-to-1 Local Prevention are already allocated to boroughs and districts through a needs-led resource allocation system. The level of savings required by Option 4 will mean close to a 39% reduction in funding across boroughs and districts. This level of reduction may well mean both 1-to-1 and Neighbourhood Local Prevention become unviable for providers and will not offer sufficient capacity to meet Surrey's key early help challenges.
- vii. Option 5 is not a viable option as it does not fit with the service intention of the Early Help review, which aims to transform and integrate existing disparate services in order to provide a holistic service for families that will deliver better outcomes and be more efficient. It would also not fit the requirement for a balanced budget to be set.
- viii. Taking account of the balance of considerations related to these options, Option 1 emerges as the preferred option.

PROPOSED TIMELINE FOR CONSULTATION

12. The below table sets out the time for the proposed consultation, following a decision by Cabinet on the approach:

Date	Activity
08 Mar 17	Eight-week public consultation begins following Cabinet call-in period
03 May 17	Consultation period ends
30 May 17	Cabinet make final decision on option to implement and changes communicated to providers (subject to call-in period)
7 Jun 17	Cabinet call-in ends and work with providers to implement changes begins

CONSULTATION:

- 13. This report is seeking a Cabinet decision to launch a public consultation in relation to changes to externally commissioned young people's early help services.
- 14. During the consultation, the following approaches are proposed to engage with key groups affected by the proposals:
 - i. Online survey issued through Surrey Says;
 - ii. Focus groups help with young people currently attending provision;
 - iii. Engagement with providers to discuss the proposals and explore the options presented;

- iv. Engagement with staff in the Early Help Service; and
 - v. Engagement with Youth Task Group Chairmen.
15. This consultation will happen in parallel to the launch of the Surrey Family Service and development of a new Children's, Schools and Families Early Help Commissioning Plan, which will be informed by consultation feedback.
 16. In preparing this report, a briefing was provided to Local Committee Chairmen's Meeting on 31 January, given their key current role in commissioning Local Prevention Services. Whilst they understood the need for savings in 2017/18 they did highlight concerns about the potential impact of changes on the voluntary sector in Surrey. These will be reflected in the consultation feedback.
 17. Surrey's Youth Collective were also engaged on 1 February. They have provided feedback on the consultation approach and have offered to help young people to take part in the consultation process. They raised concerns about the impact that the changes might have on young people.
 18. Initial discussions have been held with affected providers, so they are informed early about the potential for change and the opportunity to engage during the public consultation. They expressed their concerns about the potential impact on the young people they support, as well as the preventative impact of their services in managing demand for higher-cost interventions in the future.

RISK MANAGEMENT AND IMPLICATIONS:

The key risks associated with this proposal are:

- i. There is a risk that a reduction in services may lead to an increase in demand in the future for higher-cost late intervention services provided by the Council and its partners.
- ii. There is a risk that the necessary level of savings required will not be realised, depending on the options pursued, to support the Council in securing its financial position.
- iii. There is a risk that organisations from the Voluntary, Community and Faith Sector will face financial challenges as a result of the withdrawal of funding through Options 1 to 4 above, which could result in the loss of wider community benefit and added social value they deliver.

Financial and Value for Money Implications

18. This paper proposes options to realise savings from external spend on young people's early help of £250,000 in 2017/18 and at least a further £200,000 in 2018/19 (£450,000 in total).
19. The efficiency savings planned for Early Help transformation are included in both the 2016-21 Medium Term Financial Plan and the 2017-22 Medium Term Financial Plan. The 2016-21 MTFP included significant investment (£2.5m) in the transformation of Early Help, so that the planned savings could be realised in later years and efficiencies through integration are realised. The intention is to ensure that the Children, Schools and Families Directorate

(CSF) delivers an Early Help service that demonstrates value for money and improves the outcomes of vulnerable groups.

20. Through this overall transformation, CSF plan to realise £4 million of efficiencies through integration and contribute a further £1 million to Special Educational Needs and Disabilities (SEND) savings in 2017/18. Across the 2017-22 Medium Term Financial Plan (MTFP) period the planned saving (including the £1 million for SEND) is £10.7 million to ensure Early Help is financially sustainable. Changes are already underway to realise £2.3 million of staff savings in 2017/18 as part of this.

Section 151 Officer Commentary

21. A key strategy for CSF is the review of all its services around early intervention, prevention and early help. The strategic intention is to transform, integrate and coordinate delivery of Early Help services to the most vulnerable children, young people and their families. Evidence of an integrated Early Help offer from elsewhere has shown improved outcomes for these vulnerable groups. By coordinating resources and targeting preventative services early in the care pathway for individuals and families, efficiencies are able to be realised and demand for services better managed.
22. The review of the externally commissioned services around local prevention in this report is a step in the process of the wider review. This should initially realise savings of £450,000 by 2018/19.

Legal Implications – Monitoring Officer

23. Whilst there is no express or implied duty to consult, there is an expectation that a local authority making decisions affecting the public will act fairly. Therefore, if a Local Authority withdraws a benefit previously afforded to the public, it will be under an obligation to consult with the beneficiaries of that service before withdrawing it. That obligation requires there to be a proposal, consultation on the proposal before the decision is reached and that the responses to the consultation are conscientiously considered in the decision making process. Failure to do so will risk the decision being overturned following Judicial Review.
24. The Local Authority is also required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010.

Equalities and Diversity

25. The proposal to launch a consultation on changes to externally commissioned young people's early help services and projects will help young people, providers and partners that are affected by proposed changes to have a say about how best to realise the required level of saving.
26. An Equality Impact Assessment is being developed and will be added to in response to the findings of the consultation process. So far this has identified the following key impacts which we will work to mitigate through the overall transformation of early help:
- i. Over 2,000 young people in some of Surrey's communities with the greatest need are supported through Neighbourhood Local Prevention projects each

year – any decision to withdraw funding for this service will mean some of these young people are no longer provided with early help support.

- ii. Both the 1-to-1 Local Prevention and Year 11/12 Transition services provide highly targeted support to vulnerable young people who have been specifically identified as in need of an early help intervention – any changes to these services will have a significant impact on the young people currently supported.

Other Implications:

27. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	All young people's early help services play a role in preventing young people becoming Looked After. Reductions to these services increase the risk of more young people becoming Looked After
Safeguarding responsibilities for vulnerable children and adults	All young people's early help services play a role in safeguarding vulnerable young people in Surrey. Reductions to these services will reduce the routes in to Children's Services and early help offer for young people.
Public Health	All young people's early help services play a role in a range of public health issues for young people, including preventing substance misuse, improving sexual health, and promoting healthy lifestyles, in response to young people's needs and local priorities set by Youth Task Groups. Reduction to these services will reduce preventative work with young people in these areas.
Climate change	No significant implications arising from this report
Carbon emissions	No significant implications arising from this report

WHAT HAPPENS NEXT:

28. The next steps in the project are set out in the timeline included under paragraph 12 of this report. In particular, it is proposed that a six-week consultation on recommended changes is launched on 9 March 2017.
29. A further Cabinet report, setting out the outcome of the consultation process and seeking a final decision from Cabinet as to how the required savings should be realised, will be brought to the meeting on 30 May 2017.

Contact Officer:

Frank Offer, Head of Market Strategy, CSF Commissioning
frank.offer@surreycc.gov.uk, 0208 541 9507

Chris Tisdall, Senior Commissioning Manager, CSF Commissioning
chris.tisdall@surreycc.gov.uk, 0208 541 7567

Consulted:

Local Committee Chairmen's Meeting
Surrey Youth Collective
Cabinet Member for Children and Families Wellbeing

Background papers:

- Cabinet Report, Creating Opportunities for Young People: Re-commissioning for 2015-2020, 23 September May 2014
-