

DERBYSHIRE COUNTY COUNCIL

CABINET

24 April 2012

Report of the Strategic Director for Children & Younger Adults

Development of Uni-fi Initiative to Improve Educational Outcomes for Children in Care – (Young People)

1. Purpose of the report

To seek Cabinet's approval for fixed term investment in the Uni-fi initiative, to improve outcomes for children and young people in care in Derbyshire.

2. Information and Analysis

Context

"Creative Councils" is a programme funded by NESTA (National Endowment for Science, Technology and the Arts) in partnership with the LGA (the Local Government Association), to support local authorities to develop and implement radical innovations that meet the challenges of tomorrow. NESTA's ambition over the next two years is to work with a small group of pioneering local authorities across England and Wales and their partners to develop, implement and spread transformational new approaches to meeting some of the biggest medium and long-term challenges facing communities and local services.

Following an open call for ideas Derbyshire was selected as one of 17 local authorities to share their ambition and vision for radical transformation in an area of challenge that matters to their communities. As part of Creative Councils, Derbyshire has received both financial (an initial grant of £30,000) and non-financial support (in the form of research, support personnel and expertise in participation) from NESTA to develop our thinking and establish the potential for spread to other areas. NESTA intends to assess how the ideas have developed and may select those with the highest potential to receive further, more significant funding, and tailored support to implement their innovation.

NESTA intends to draw insights from this project and those across the wider programme and to disseminate research, data and analysis derived from the programme widely to other local authorities and for the wider public benefit.

A project board, with representation from across the Children's Trust, including the voluntary sector and Derby University, has been established to lead the initiative.

Feedback on the initiative thus far has been sought from other Local Authorities, and substantial interest from across the country has been generated in support of the Uni-fi approach.

Data

There are approximately 712 children in care in Derbyshire (March 2012). Only 9.1% of these young people achieve 5 GCSE's A*-C (including English and Maths- 2010 data) compared to 58.4% of the wider Derbyshire population, and 58.2% nationally (provisional 2011 data). 80% of care leavers are involved in some sort of employment, education or training but 20% are not, and only 3% go on to university. Care leavers are over-represented in worklessness, criminality and mental ill-health statistics and are more likely to have children who come into the care system. As such, tackling this cycle is a substantial issue for Derbyshire County Council, other authorities and society as a whole.

Aims

As corporate parents we want to break this cycle, and strive to give young people in our care the best possible choices and chance to succeed as adults. We want to be better parents to children in care - this is the fundamental aim of the Uni-fi initiative.

By creating a loving, nurturing framework of support for children in care that breaks down the barriers to achieving their potential in life, the Uni-fi initiative aims to improve educational attainment and increase to 90% the proportion of care leavers engaged in education or employment with training.

Furthermore, the project aims to create a replicable model that can be utilised to improve outcomes for other target groups of young people, and that can be replicated across the country.

Objectives

Following several months of research, testing of ideas and challenge from partners such as NESTA, the LGA and other councils, the most effective, evidence based approaches to achieving the aims of the project have been identified. As such, the following objectives have been prioritised:

- Empowering children in care from school year 4 onwards through provision of an entitlement- a financial and practical support commitment from the corporate parent to support the young person to awaken and achieve their ambition. This may include financial and housing support through further and higher education, access to extra-curricular learning opportunities through sport, art or music, or entitlement to holidays and days out;
- Utilising a technological platform to create networks between young people in care and those who support them, record achievement and to enable

provision of rewards for achievement of milestones large and small through use of incentives;

- Aligning young people to mentors of their choice, appropriate to their needs and ambitions;
- Developing the workforce and community to create environments that nurture academic achievement and fulfilment of each young person's potential, building on Derbyshire's success in implementing 'social pedagogy'¹ across its children in care workforce.

Benefits

The achievement of the aims of the project will enable significant benefits at a number of levels:

- Individuals: for the individual children and young people involved, the initiative will enable personal success and fulfilment;
- Derbyshire: in addition to benefiting Derbyshire's performance in a number of key indicators, and the performance of schools with regard to educational attainment, in the longer term the local Derbyshire community will benefit from significant cost savings as the societal impact of poor attainment in this group is reflected in worklessness, crime and mental health statistics. The potential saving to Derbyshire over 10 years is estimated at around £5m (see Appendix A). Furthermore, other groups could benefit if the initiative is found to be successful, such as children entitled to free school meals and those risk of exclusion, leading to wider improvement to health and other outcomes;
- UK: if rolled out nationally, the potential savings are £1,907m.

The project will be fully evaluated in 2014/15, and where significant benefits are identified consideration should be given to mainstreaming costs.

3. Financial Considerations

This proposal is based on an invest to save model. Based on 100% achievement of calculated benefits in the areas of crime, health, worklessness and economic contribution, improvements in educational attainment of children in care could result in benefits to the public purse of £0.533m for Derbyshire, rising to an annual benefit of £5.335m after 10 years. If this is extrapolated to England, the benefits are

¹ Social Pedagogy is an academic discipline concerned with theory and practice of holistic education and care.

projected to be £64m in the first year, rising to an annual benefit of £640.2m after 10 years.

In addition, if the wider economy implications of the impact of crime and mental health are taken into account, a further £190.7m of benefits would accrue in year 1, rising to an annual benefit of £1,907.1m after 10 years.

The annual cost of the initiative, based on delivery of the 4 objectives with employment of a project development lead and mentoring scheme co-ordinator, and 150 mentors is £458,508 per annum. This is an average of £1,528 per annum per child based on 300 of the children in care benefiting from the initiative.

In its first year, due to the development of the initiative, full year costs will be less, as follows:

Full year cost	Year 1 2012/13	Year 2 2013/14	Year 3 2014/15
Mentor expenses (£100 per month per mentor average)	£60,000 (50 mentors)	£180,000 (150 mentors)	£180,000 (150 mentors)
Training for mentors	£15,000	£15,000	£15,000
Entitlement offer for children in care (£400 a year average per child/ young person) *	£50,000 (125 children)	£120,000 (300 children)	£120,000 (300 children)
Project Manager (grade 12)	£36,509 (appointed in month 4)	£44,208	£44,208
Mentoring Officer (grade 10)**	£34,670 (1 coordinator)	£69,340 (2 coordinators)	£69,340 (2 coordinators)
Technology licences	£10,000	£10,000	£10,000
Residential trip for children in care at key educational transition points***	£10,000	£10,000	£10,000
Project resources (travel, printing, enabling participation of young people to shape project etc.)	£10,000	£10,000	£10,000
Total	£193,320	£458,508	£458,508

* To include extra curricular activities to support education, such as sport activities and music lessons

** The evidence base indicates a co-ordinator can support up to 40-50 mentors- Uni-fi will pilot peer and group support to increase the ratio to 75 per co-ordinator in years 2 and 3

*** Residential trips will provide the opportunity for young people to spend time with other young people in care, and access sources of support, at transition points such as year 6, and year 9 for GCSE options, to support with building confidence and decision making

It is proposed that one-off funding of £1.110m for the period 2012-13 to 2014-15 be set aside from the forecast 2011-12 CAYA underspend (£6.240m) to meet the costs of the project.

4. Human Resources Considerations

Vacancies within the Authority are prioritised for employees at risk in accordance with the Authority's Redundancy, Redeployment, Pay Protection and Buy Out of Hours policy. Therefore it is proposed to recruit to the Project Manager post and one of the Volunteer Mentor Scheme Co-Ordinator posts (to be appointed in year 2) from the Authority's pool of redeployees. If it is not possible to recruit to either of these posts from the Authority's redeployee pool then the remaining post(s) will be advertised in accordance with the Authority's Recruitment and Selection procedures. The successful employees will be appointed on fixed term contracts until 2015 in line with the funding for the Uni-fi Initiative and in accordance with the Authority's guidelines for Managing Temporary and Fixed Term Contracts.

The existing mentoring service will be phased out by August 2012 with consequent savings to the CAYA budget. The Youth Support Mentoring officer post (grade 10) within the service will transfer to the proposed Unifi initiative.

Mentors will be recruited as volunteers, and entitled to claim expenses but will not be employed by the Authority. All mentors will undertake the Derbyshire Volunteer Passport Scheme, along with supplementary training modules appropriate to mentoring children and young people in care.

5. Legal Considerations

Section 17 of the Children Act 1989 places a duty on every local authority to safeguard and promote the welfare of children within their authority who are in need

6. Other Considerations

In preparing this report the relevance of the following factors has been considered:- Prevention of Crime & Disorder, Equality of Opportunity; Environmental, Health, Human Rights and Legal and Property Considerations.

7. Background Papers

Derbyshire County Council Creative Councils Application
Analysis of potential benefits accruing from Uni-fi, CAYA Finance September 2011 (attached as Appendix A)

8. Key Decision?

Yes

9. Call-in

No

10. Strategic Director's Recommendations

That Cabinet:

- (i) approves the fixed term investment in the Uni-fi project as set out in the report; and
- (ii) agrees to allocate £1.110m from the 2011-12 CAYA underspend to meet the cost.

Ian Thomas
Strategic Director for Children & Younger Adults

Appendix A

Analysis of potential benefits accruing from Uni-fi

Summary of Analysis

Based on 100% achievement of calculated benefits in the areas of crime, health, worklessness and economic contribution, improvements in educational attainment of children in care could result in benefits to the public purse of £0.533m for Derbyshire, rising to an annual benefit of £5.335m after 10 years.

If this is extrapolated to England, the benefits are projected to be £64m in the first year, rising to an annual benefit of £640.2m after 10 years.

In addition, if the wider economy implications of the impact of crime and mental health are taken into account, a further £190.7m of benefits would accrue in year 1, rising to an annual benefit of £1,907.1m after 10 years.

A table showing the anticipated benefits in Derbyshire in year 1 by origin and at alternative levels of achievement is shown below:

Benefit Achievement	50% £k	75% £k	80% £k	90% £k	100% £k
Crime	128.3	192.5	205.3	231.0	256.7
Health	18.8	28.2	30.1	33.8	37.6
Worklessness	15.9	23.9	25.5	28.7	31.9
Economic Contribution	103.7	155.5	165.9	186.6	207.4
Total	266.7	400.1	426.8	480.1	533.5

In addition to these benefits that are based on statistical variations between population segments, there are significant costs to the public purse arising from chaotic families. There is evidence and analysis that a chaotic family can cost around £1m over a lifetime resulting from involvement of various services including significant involvement of local authorities when children have to be removed from the family. Although it has not been possible to confirm this within the time available, it has been shown that these families often have teenage parents at the start of the family life. This project, by raising aspirations, may well prevent or delay parenting until later in life and, whilst parenting skills and engagement are also significant factors in the development of chaotic families, the benefits if just one of these was avoided would be around £1m.

Method

The source of the approach used to estimate benefits is the report “The costs and benefits of educating children in care” which was produced for the Social Exclusion Unit by the Thomas Coram Research Unit. This report was produced in 2002 so the figures referred to have been updated but the methodology covered in the report has been broadly followed but from a Derbyshire perspective.

Four areas have been considered: crime, worklessness, health and economic contribution

Crime

Improved attainment and the associated benefits of working are assumed to reduce the incidence of criminal behaviour.

An economic study of the costs of crime in 1999 calculated the total cost to the UK criminal justice system (CJS) as £11.6bn and the total cost of crime to the economy as £59.9bn. Inflating the cost of the CJS to current levels and apportioning by the percentage of UK convictions attributable to the Derbyshire population gives an estimate of the cost in response to crime in Derbyshire of £200m per year. Studies found that 33% of persistent offenders had been in care as children, assuming this

percentage applied to all crime it would suggest that the average cost per LAC would be approximately £3890 per year compared to £560 per year for the comparable population. Incorporating the wider costs of crime including insurance, value of stolen or damaged goods, the impact on victims and communities would significantly increase these figures giving average costs of £20,100 per LAC and £2,890 for the comparable population. Having identified the annual potential reduction in crime, this would build up over time as fewer of the ex-LAC population engage in criminal activity than previously anticipated.

Health

Improved attainment and the associated benefits of working are assumed to improve the incidence of mental health problems and to reduce the tendency to worse physical health than the population as a whole.

The information on incidence of mental health problems from the 1958 and 1970 cohort studies indicated an incidence within the ex-LAC population of 25% compared to 14% in the comparable population excluding the effect of LAC.

The average cost of mental health problems is estimated at around £12,000 per mentally ill person. This includes lost employment and productivity (37.5%), benefits payments (25%) and NHS costs (12.5%).

There is therefore the risk of some overlap in that by including benefits payments within this figure, this is double-counted with the estimates of reducing the overall benefit claimant rate under the Worklessness calculation.

Physical health improvements are estimated solely on the savings within NHS costs and are based on estimates of additional use of services due to poorer physical health than the population as a whole.

Both these methods are those used in the TCRU report with the unit costs adjusted for inflation. This does not allow for any change in services over the intervening 8-9 years however given the economic situation and the changes in services due to funding reductions and health provision restructuring, this is perhaps of less significance when getting a ball-park figure.

Worklessness

Lower levels of attainment are likely to lead to lower chances of employment and therefore a cost to the public purse for the benefits payable.

The expected numbers of children leaving care and entering adult life in a single year has been estimated. The potential improvement in the unemployment rate has been applied to this cohort of young people to estimate the number that would not now be dependent on benefits. Three methods have been used to estimate this improvement in the employment rate – the differential between the unemployment rate of the whole UK adult population and the ex-LAC population as measured from the 1958 National Child Development Study (NCDS) and the variation in NEET rates between the whole Derbyshire population and the ex-LAC population. The differential from the NCDS study has been used in Option 1 as an absolute adjustment to the % rate and in Option 2 as a proportionate adjustment in the % rate.

There appears to be a lack of research into longer-term outcomes for the ex-LAC population other than the two cohort studies referred to in the report (the second is a 1970 cohort and at the time of the research, individuals would have been around 30 years old). The TCRU report does refer in section 3.3.4 to follow-up studies in the UK and US on care leavers that indicates a benefit claim rate of almost twice that of the general population.

Having identified the annual potential reduction in benefit claims, this would build up over time as more of the ex-LAC population achieve employment than previously anticipated.

Economic Contribution

Data is available which analyses the increase in median hourly rate according to level of qualification. For this analysis, it is assumed that those ex-LAC that are employed (using UK National employment rate) currently earn on average wages of those with no qualifications. The project is assumed to improve the academic performance of individuals such that 30% achieve A*-

C GCSEs, 50% achieve A-levels and 20% got to university. The government will therefore benefit from increases to wages resulting in higher tax and national insurance contributions.

CAYA Finance

9 September 2011