



# Transformation Programme Gap Funding

## **SUMMARY**

This document is a proposal by Brighter Futures for Children for further Transformation Programme funding which will sustain savings, embed new, innovative ways of working as 'business as usual' and will improve the quality of children's services offered in Reading.

## **OWNER**

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**Managing Director**

## **VERSION**

V1.0 Final

## **DATE**

February 2020

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## 1. Executive summary

This paper outlines work to date that the Transformation Programme has undertaken to reduce the demand for children's social care, improve outcomes for children and families and achieve cost savings.

It also describes our plans to achieve further reductions in the number of children entering care and the associated cost packages, plus our continued activity to increase the number of children leaving care in a more timely way. These measures will, we believe, result in substantial financial savings.

It sets out our current position, our suggestions for improved joined-up services, examples of achievements to date and our funding plan for 2020/21 to enable us to continue with the delivery of our existing plans as well as a request for further funding to support our demand management strategy.

This paper will be submitted to the DfE to request additional funding of £1.0m to partially fund the £2.857m total investment requirement for transformation in 2020/21. The remaining funding, if agreed, will come from the £1.857m underspend on projects during 2019/20.

The underspend includes £0.580m for DfE funded projects, which the DfE and RBC have agreed (in principle) can be used to fund projects that RBC had previously agreed to fund in 2019/20. This has helpfully created the opportunity for RBC to carry forward funding of £0.580m at no additional cost and will ensure the funding is not lost. When RBC has confirmed this (in principle) agreement in writing, the DfE will issue a formal Variation Certificate.

If the additional £1.0m funding is also agreed, it will support new projects aligned to our demand management strategy and will continue a transformation programme which, at P9, had delivered £3.5m of savings for 2019/ 20. This is in excess of the target set for the year. These savings contrast with a number of our statistical and regional neighbours and other companies who have experienced overspends in their budgets of between 15% and 25%.

## 2. Introduction

BFfC has had a significant amount of work to do since company start-up to address poor performance and the quality of children's social care offered to children, young people and their families in Reading. In addition, the high demand for services makes us an outlier both regionally and nationally.

With funding assistance from RBC and DfE, we believe we have met these challenges head on. The company model has allowed us to make great strides in channelling senior leaders to think more strategically, to be held to better account for decision-making and outcomes and to work collectively and collaboratively on a business model predicated on better performance and results.

We have worked hard to address performance, staffing and cultural issues while simultaneously taking staff with us on a continuous journey of improvement.

In the current financial year, the company model has helped us achieve an improvement in our Ofsted rating for children's social care and we are on target to achieve base budget savings of 10% - a tangible demonstration of achieving social work practice and commercial objectives hand in hand.

We have achieved this through innovative approaches to practice and by streamlining and mapping out more effective business processes to futureproof our model in terms of improved outcomes, as well as smarter, more cost-effective ways of working.

While some of the sustainable improvements will take more time to truly embed and demonstrate clear impact, our achievements so far have resulted in validated cost savings, the better Ofsted judgement for children's social care, two 'Outstanding' judgements for our short breaks and residential services for children and young people with disabilities, a happier and more stable workforce, and an improved reputation for children's services in Reading.

However, Reading's progress continues to be hampered by our position as an outlier in terms of the number of children entering care and the high cost of placements.

In a report published last month (January 2020), the Children's Commissioner for England, Anne Longfield, said: 'The care system is in crisis, struggling to meet the needs of the most vulnerable children.

'The system has been too slow to respond to the changing nature of demand, particularly for older children, which means we now have a chronic shortage of decent places for our most vulnerable children to live.'

In addition, Cllr Judith Blake, chairwoman of the LGA's children and young people board, said the current position was unsustainable. She said: 'Councils want to make sure that children get the best, rather than just get by, and that means investing in the right services to reach them at the right time.'

This bid is just that. We are asking for a further investment in us, to allow us to improve our offer to children and young people and to address locally the concerns that are national. In return, we are pledging to deliver the return on investment in terms of savings, as well as improving children's services to the level that our children and young people deserve.

The investment required to fund our plans in 2020/21 is £2.857m. The underspend on some projects during 2019/20 is down to the volume of additional work identified during projects as the Transformation Programme has developed. While this has not had an impact on the overall objectives of the programme, for example the savings target has been achieved, it does mean that £1.277m funding from RBC, and a further underspend of £0.580m from the DfE, if agreed as a carry forward, could contribute to the funding requirement in 2020/21 to cover the full extent of work needed to deliver long-term, sustainable improvements.

The £0.580m carry forward and £1.0m new funding requirement would be £1.0m will be used to fund targeted new projects in our demand management strategy and to contribute to existing projects which are already reducing demand. The new projects include new way of working with Children in Need – a project which is strongly supported by our Children's Commissioner.

### 3. Transformation Programme explained

Our Transformation Programme focuses on five workstreams, with a senior responsible officer identified to lead each one. Within the workstreams there are projects, which currently number 30 although further projects will materialise as the analysis and review of operations continues.

The workstreams are:

**A - Improving Practice Standards**

**B – Developing Workforce Excellence**

**C – Building Community Capacity**

**D – Stronger Stability for Children**

**E – Consolidating Corporate Resilience**

An explanation of each workstream can be found at **Appendix 1**.

The Transformation Programme projects are all essential if BFFC is to meet its improvement targets and deliver the challenging savings targets for Years One, Two, Three, which equate to £11.2m.

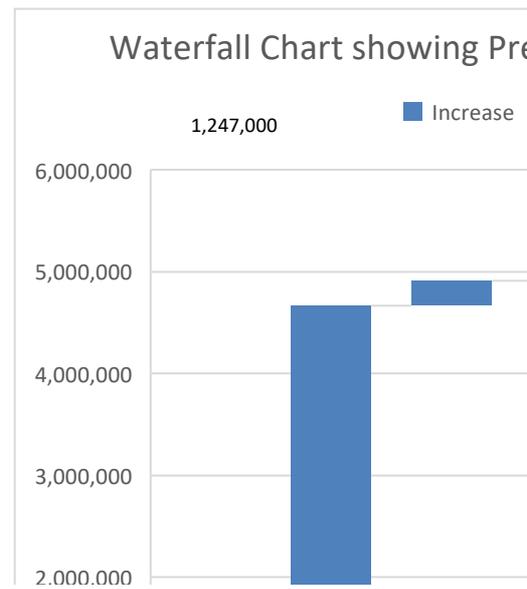
At the very start of the company, we used the £1.2m additional Delivery Fund provided by RBC for 2018/19 to kickstart projects funded by DfE for 2019/20 and 2020/21.

In addition to practice improvement projects, we also began to develop the commercialisation strand which will, in time, deliver new income generating opportunities, such as selling of finance, traded and education services to schools and academies in Berkshire and beyond.

The Year One savings target of £3.2m has already been met and we remain on target to achieve the three-year target of £11.2m.

The current validated savings at P9 are £3.5m for 2019/20 and £1.2m for 2020/21 giving £4.7m in total. We anticipate our demand management strategy and other initiatives will have identified £7.0m of savings by the end of March 2020.

The 2019/20 savings have had a significant positive impact on the financial performance of the company despite the £1.247m overspend forecast at P9. The savings have enabled the company to meet significant unbudgeted pressures, largely associated with demand and market prices for children's placements. The unbudgeted pressures total £5.275m and the savings produced by transformation, of the above £3.5m, and other company savings of £0.529m have limited the overspend to £1.247m, as forecast at P9. This and the individual pressures are shown diagrammatically on the following page.



Comparisons with other children’s companies/trusts and statistical and regional neighbours below demonstrate the successes in controlling costs in contrast with many other children’s services.

**Source: Section 251 Statement submissions.**

The following table summarises the funding currently secured, and the savings achieved together with the future targets.

<b>Overview of Transformation Funding and Savings</b>				
	<b><u>Savings in RBC MTFS</u></b>	<b><u>Savings Delivered</u></b>		
	<b><u>£m</u></b>	<b><u>£m</u></b>		
<b>2018/19</b>	3.439	3.439		
<b>2019/20</b>	3.146	3.500		Delivered and validated to date
<b>2020/21</b>	4.128			
<b>2021/22</b>	4.062			
<b>Total RBC Savings in MTFS</b>	<b>14.775</b>	<b>6.939</b>		
<b>2022/23</b>	1.411			Required to produce a balanced budget in the BfC business plan. NB: Not in RBC MTFS but within the contract sum.
<b>Total Savings in BfC Business plan</b>	<b>16.186</b>			
<b><u>Transformation Funding</u></b>	<b><u>RBC</u></b>	<b><u>DfE</u></b>	<b><u>TOTAL</u></b>	
	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	
<b>2018/19</b>	1.093	0.000	1.093	
<b>2019/20</b>	<b>0.659</b>	3.046	3.705	RBC Includes carry forward from 18/19 for allocation of <b>£2.516m</b> . Figure adjusted for proposed carry forward into 20/21
<b>2020/21</b>		<b>2.346</b>	<b>5.203</b>	RBC carry forward from 19/20
a) Carry forward from RBC 2019/20	<b>1.277</b>			
b) Carry forward from DfE.	<b>0.580</b>			
c) New funding		<b>1.000</b>		
	<b>3.609</b>	<b>6.392</b>	<b>10.001</b>	

## 4. Transformation Activity

### 4.1 Children's Social Care Practice Improvement

Transformation funding has been used to help achieve practice improvement by introducing practice improvement mentors, senior practitioners and practice leads.

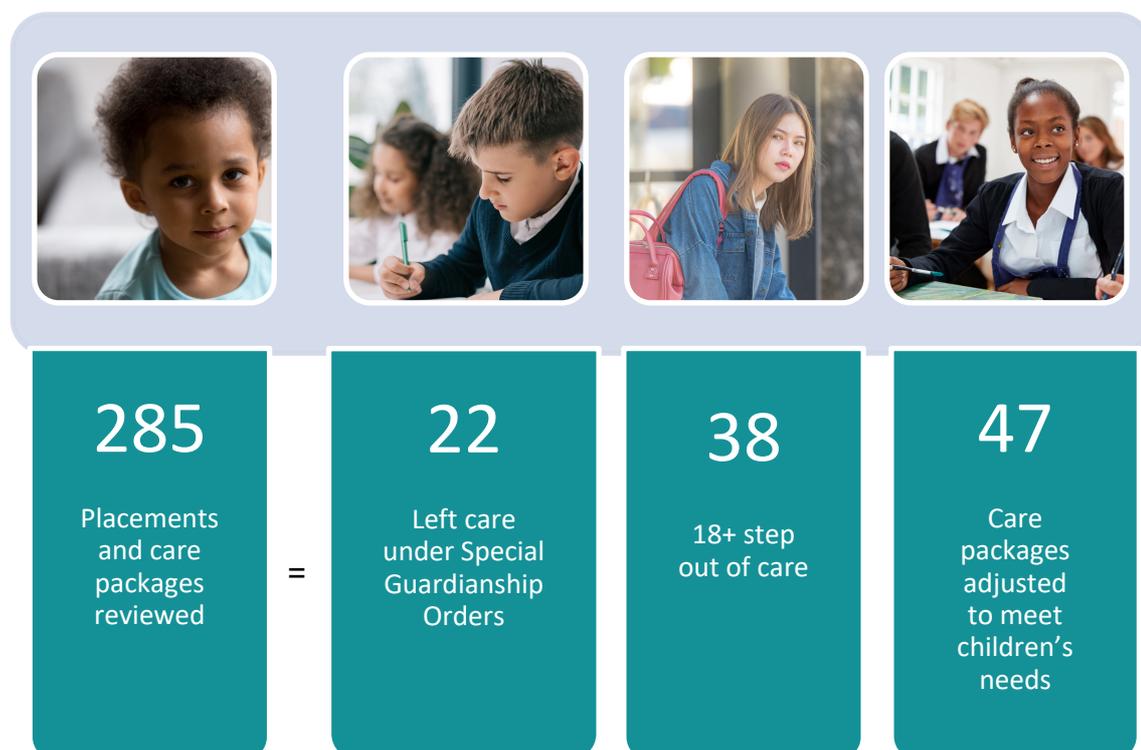
These roles have embedded a more rigorous approach to practice which has contributed to our improved Ofsted rating of 'Requires Improvement to be Good'.

This improvement is also being underpinned by investment in management training across the company and training and development of social workers as well as a more strategic approach in terms of business priorities, working to the business plan as well as a dedicated children's social care improvement plan with evidence of improved outcomes for children and families.

### 4.2 Demand Management

A core strategy of the Transformation Programme is to reduce demand in the children's social care system. This is being achieved by more efficient progression of children looked after to achieve permanence in their placements and by changes to associated care packages that are appropriate to children's needs. The focus is on getting the right support at the right time for all children, young people and families.

During the nine months to December 2019, 285 children's placements and care packages had been reviewed by the placement solutions team and a system of children's progression panels, which has resulted in the following:



An example of an outcome change is given on the following page.

## A child, aged 14, with ASD, ADHD, ODD and pathological demand disorder

Previous placement	Current placement
<ul style="list-style-type: none"> <li>Residential 2 to 1 care</li> </ul>	<ul style="list-style-type: none"> <li>At home with dad</li> <li>31 hours home support. Speech, language and attachment therapy provided in school</li> </ul>
<ul style="list-style-type: none"> <li><b>Cost £7,250 a week</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Costs £750 a week</b></li> </ul>

### Outcome:

Child in home environment

Parent is empowered to lead on support choices

Annual cost saving of £338k

In addition to the improvement in outcomes for these young people the following cost savings have been achieved by similar and associated transformation activity

	Period 9 savings achieved	Stretch target (delivery by March 2020)
<b>2019/20</b>	£3.5m	£4.0m
<b>2020/21</b>	£1.2m	£3.0m
<b>Total savings achieved</b>	<b>£4.7m</b>	<b>£7.0m</b>

## 5. Funding required for 2020/21

The ambition of BFFC is to achieve the savings for all years and to continue to transform and improve services for all children and young people in Reading.

In our first year of the Transformation Programme we embedded the five workstreams (see **Appendix 1**) which pulled together the right expertise to launch each project, identify savings, embed long-term sustainability and the effective evaluation of the projects. The carry forward of £1.857m will continue this work in 2020/21, further reduce demand and produce the consequential cost savings.

A further consideration is that the funding of £2.346m from the DfE for transformation work on Early Help projects during 2020/21 is less than that provided in 2019/20. If there were no further funds for these projects they would have had to cease after six months. However the transferred DfE funding of £0.580m could fund these projects for the full year of 2020/21. By the end of 2020/21 these projects will become self-

sustainable from further savings, resulting from a reduction in demand for services due to the Early Help interventions the projects provide.

We have also identified further opportunities to reduce both the actual number of and the cost of children looked after by increasing expenditure on preventative and innovative services and by redistributing the cycle of preferred options for children and young people in terms of outcomes and costs of placements, shown as follows:



*NB: As a general rule, Option 1 is the least expensive option, with 6 as the most expensive*

This process forms part of the demand management strategy that BfC has developed to meet the significant challenges it has as a result of having significantly more Children Looked After (CLA) per 10,000 children than the national average and its statistical neighbours (17% and 12% higher respectively). We have 39% more than regional neighbours, 50% more than the average of 32 London authorities and 31% more than the average South East authorities.

We are also an outlier in terms of (historic) higher cost social care and lower investment in Early Help as a proportion of total spend.

The funding for 2020/21 will enable the company to continue with the demand management strategy, which more closely meets the needs of children and reduces the number of high cost placements and care packages.

A key factor and issue the company continues to face is reflected in the following children in care average changes in the first nine months of 2019/20 compared with the same period in 2018/19, as shown on the following page.

Entries	April 18 - December 18	April 19 - December 19	Monthly Average 2018	Monthly Average 2019
Interim care order	40	33	4.4	3.7
Single period of accommodation under section 20	24	42	2.7	4.7
Emergency protection order	1	10	0.1	1.1
Other	5	12	0.6	1.3
<b>Total</b>	<b>70</b>	<b>97</b>	<b>7.8</b>	<b>10.8</b>

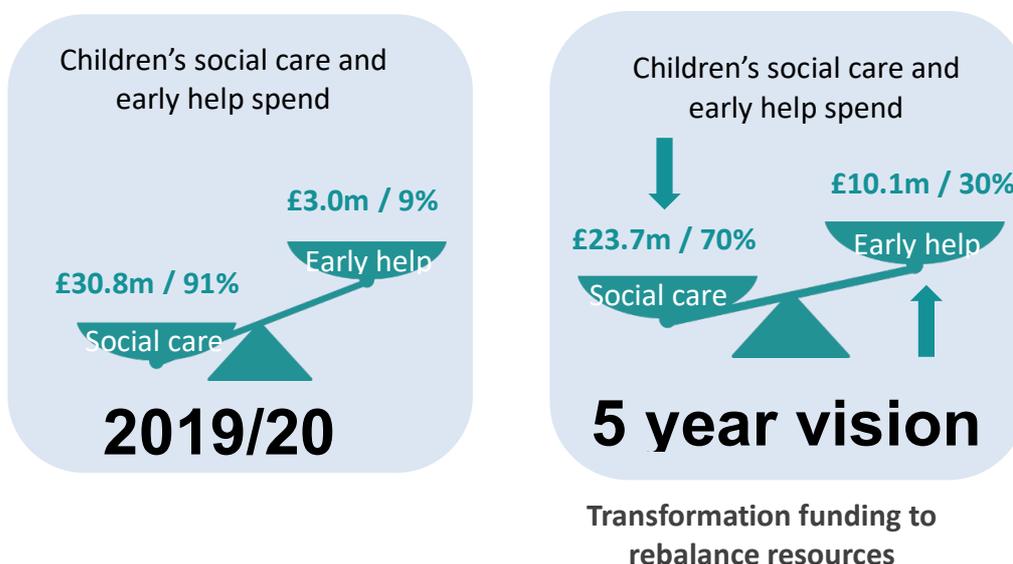
  

Exits	April 18 - December 18	April 19 - December 19	Monthly Average 2018	Monthly Average 2019
Turned 18	24	16	2.7	1.8
Adopted	19	10	2.1	1.1
Reunification	14	33	1.6	3.7
SGO	10	17	1.1	1.9
Other	4	8	0.4	0.9
<b>Total</b>	<b>71</b>	<b>84</b>	<b>7.9</b>	<b>9.3</b>
<b>Net</b>	<b>-1</b>	<b>13</b>	<b>-0.1</b>	<b>1.4</b>

This shows that our average number of children entering care has increased by an average of 3 per month and exits by 1.4 per month, leaving the net increase of 1.4.

To address this, we want to take a more strategic view of our prevention, intervention and children’s social care resources by realigning these budgets and resources to support the BFFC demand management strategy.

The current ratio of spend in early help and social care is represented diagrammatically below left, and is contrasted with our plans to realign resources, right.



This realignment will be supported by a three-year Early Help strategy which is currently being developed and will be completed by the end of March 2020.

A six-month review and evaluation of existing Early Help projects clearly showed the positive direction of travel and the early, positive impact that these Transformation Programme projects have made over a relatively short period of time.

As highlighted in **Section 3** the total funding required for 2020/21 is £2.857m, however this can be mitigated by funds carried forward from RBC funding in 2019/20 of £1.277m and a transfer of DfE funding of £0.580m. These funds have been carried over due to difficulty in recruiting subject matter experts in quarter one 2019/20, restructuring of

our Independent Fostering Agency and delay in implementing a practice model and associated training.

The projects that this funding will be used to implement in the next financial year, in addition to the existing £2.346m funding from the DfE for 2020/21, are listed in the table below.

<b>TRANSFORMATION PROGRAMME GAP FUNDING 2020/21. Existing DfE funding and the 2019/20 overspend.</b>	<b>RBC Funding</b>	<b>DFE Funding</b>	<b>Total Funding</b>	<b>2020/21 savings</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>EXISTING FUNDING FROM DfE FOR IMPROVING PRACTICE STANDARDS, DEVELOPING WORKFORCE EXCELLENCE AND CORPORATE RESOURCES</b>				-
Safeguarding Transformation Team		290	290	
Practice Improvement Leadership		150	150	
Management Skills Training		50	50	
Training and Development of Social Workers		180	180	
Training for Practice Model		50	50	
Corporate Resources		676	676	
<b>SUB TOTAL</b>	<b>-</b>	<b>1,396</b>	<b>1,396</b>	<b>-</b>
<b>EARLY HELP INVESTMENT Continuation of Early Help Projects for full 2 years</b>				
Pre-Birth Team	50	150	200	344
Family Reunification	40	100	140	184
Edge of Care (CAST Team)	30	150	180	184
Expansion of CAST Team to support demand management strategy	200	-	200	184
Reading One Partnership		150	150	-
<b>SUB TOTAL</b>	<b>320</b>	<b>550</b>	<b>870</b>	<b>896</b>

<b>DEMAND MANAGEMENT STRATEGY</b>				
Reimagining Foster care		200	200	448
Continuation of Placement Solutions Team	100	200	300	559
Education and Placement Therapy support. NB. No direct savings but supports demand management strategy through support to children in their homes.	255		255	-
Principal Social Worker. NB. No direct savings but supports demand management strategy through practice improvement decisions.	100		100	-
Family Group Conferencing – internal or commissioned model	75		75	130
Legal Practitioner	50		50	270
Review of direct payments, transport and other threshold related payments	125		125	351
Exploration of Children’s Home.	82		82	200
<b>SUB TOTAL</b>	<b>787</b>	<b>400</b>	<b>1,187</b>	<b>1,958</b>
<b>TRANSFORMATION INFRASTRUCTURE</b>				
Transformation Delivery Team. No direct savings but responsible for the delivery of a £4.0m savings	500		500	-
Business Process Improvement and Digitalisation. No direct savings but improved invested across the improved operational performance.	250		250	-
<b>SUB TOTAL</b>	<b>750</b>	<b>-</b>	<b>750</b>	<b>-</b>
<b>OVERALL TOTAL OF TRANSFORMATION FUNDING GAP 2021/22</b>	<b>1,857</b>	<b>2,346</b>	<b>4,203</b>	<b>2,854</b>

In addition to the existing projects funded by DfE in practice improvement, other resources and Early Help, the further investment of £0.787m in the company's demand management strategy projects listed above include Family Group Conferencing, which will produce annual savings of £0.130m by supporting families and children to resolve issues before escalating to expensive statutory services.

Also included is a project to fund a legal practitioner, which will produce annual savings of £0.270m by improving Court proceedings work, leading to fewer children and time in legal proceedings.

The project to review transport and other threshold-related payments will produce annual savings of £0.341m by applying consistent thresholds and effective commissioning of transport provision.

Also included in the funding requirement is the existing resources need to deliver change and cost reductions through programme and project management, business process improvement and digitalisation. These are key for the long-term sustainability of all improvements made to children's services. This is achieved through identification and mapping of current inefficient practices and the creation of new lean processes, which help staff to do their jobs more effectively and efficiently, producing better outcomes for children, young people and their families.

With the right specialists in the Transformation Programme team, we have come a long way in a short space of time. The team has supported senior practitioners in developing a practice end-to-end review framework from initial child contact to leaving care which has identified all decision points that result in demand for social care entering and progressing through the system.

This framework will be used to undertake a systematic and forensic review of all relevant data, processes and existing practice with the objective of reducing demand for services by the introduction of consistent and effective practice and decision-making in addition to lean process engineering.

The review will develop action planning for appropriate interventions at each potential decision point and result in a reduction in the number of placements, their duration and a reduction in the overall cost of care packages.

We will also use the requested funding to carry out a review of demand for transport and other threshold-related payments such as direct payments.

The company must produce a business case for capital funding through the Strategic Assets Group to help meet the needs identified in its sufficiency strategy and to help reduce unit costs of provision.

The immediate requirement will be for the development of an emergency provision/children's home. This could range from £0.2m for refurbishment of an existing asset to £1.2m to purchase a new property. Other capital requirements are for the relocation of three of our services at a cost of £1.3m in total.

The three services that will be relocated during 2020/21 are the Youth Offending Service at a cost of £0.3m, Whitley Wood at a cost of £0.5m and the relocation of the Contact Centre at an estimated cost of £0.5m.

The capital funding proposal is not included in this paper and further discussions will be held with RBC, including the option of an RBC loan.

The projects which require the additional funds of £1.0m are listed in a table on the following page.

<b>TRANSFORMATION PROGRAMME FUNDING GAP 2020/21 . Further £1.0m required to support Demand Management Strategy.</b>	<b>DFE Funding Required</b>	<b>2020/21 savings</b>	<b>Annualised savings</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>PROJECTS THAT ARE AT RISK IF £1M FROM DfE NOT SECURED</b>		-	
Children in Need	320	228	456
Family Resilience Workers	330	228	456
Strengthened Commissioning Team	250	295	295
SEND Commissioners	100	250	250
<b>SUB TOTAL</b>	<b>1,000</b>	<b>1,001</b>	<b>1,457</b>

The further investment of £1.0m in the company's demand management strategy includes the Children in Need project, which will replace 12 qualified social workers with family support workers who will provide intense targeted support for children and families at home. The project is strongly supported by our Children's Commissioner.

The funding also includes a team of family resilience workers to support social workers by working alongside children and families in a trauma informed way, to prevent children entering care.

Also included is funding to continue to strengthen the commissioning team which is developing a business case (the sufficiency strategy) to address several of our challenges regarding the increasing number of emergency placements, particularly for adolescents in crisis entering care.

It will also address our ability to maintain placement sustainability as well as the challenge in sourcing placement provision locally, which requires intensive engagement with the market.

The business case includes the need to develop a crisis respite unit. Working closely with RBC, we will look at ways to help a child/young person have 'time out' from their family/carers, which subsequently helps promote better placement stability. This would include adoptions at risk of breakdown and children at home but on the edge of care.

We also need SEND commissioners to improve and enhance our SEND offer and further improve our operational practice through the employment of a principal social worker.

All the projects identified in the preceding pages identify the projects necessary to fund the transformation programme across BfC in 2020/21.

If the funding carry over from 2019/20 is agreed, in addition to a further £1.0m from DfE, the second year of the Transformation Programme will realise its full potential from April 2020 through to the end of March 2021.

## Appendix 1: Our Five Transformation Programme Workstreams

### **Workstream A - Improving Practice Standards**

The aim of this workstream is to improve the inadequate practice and high turnover of staffing which have been highlighted for improvement by both Ofsted and Achieving for Children. The investment in this workstream will lead to recruiting experienced specialists to model high quality practice, coach and mentor social workers and managers.

### **Workstream B – Developing Workforce Excellence**

The aim of this workstream is to reduce the number of agency social workers that are currently employed and to introduce a Practice Framework which becomes Brighter Future for Children’s model of practice. The investment in this workstream will lead to a stable and skilled workforce following a Practice Framework which will result in consistent and good practice for all social workers.

### **Workstream C – Building Community Capacity**

The aim of this workstream has two strands; the first is to coordinate partnership support in Reading to deliver the Preventative and Early Intervention Strategy. The second is the development of Edge of Care projects to address the number of Children Looked After (CLA) within Reading.

The first aim will result in a partnership approach ensuring all partners are engaged in the programme which will reduce the demand on children’s services. The second aim will be the successful reduction in CLA numbers by embedding three new teams: Pre-birth Team, Family Reunification Team and the additional Community Adolescent support Team.

Significant savings can be achieved with effective Preventative and Early Intervention Services, which ensure young people and their families are supported to enable them to improve outcomes outside of the looked after care system.

### **Workstream D – Stronger Stability for Children**

The benchmarking exercise which was undertaken as part of the transfer of children’s services to Brighter Futures for Children highlighted Reading as an outlier both in terms of cost and number of CLA.

This statistic applies both in terms of regional neighbours, statistical neighbours and the national average. Our aim is to address this and reduce costs and numbers through two key projects - introducing a Placements Solution Team and Re-imagining Foster Care. The success of these will be measured by achieving significant savings and a reduction of CLA placements by ensuring children and young people are safely and appropriately returned to immediate or extended birth families or placed with a greater number of local Brighter Futures for Children’s foster carers.

### **Workstream E – Consolidating Corporate Resilience**

For Brighter Futures for Children to succeed long-term it is essential to develop an entrepreneurial culture and to have a properly resourced and experienced commercial team. The benefits of investing in this will enable us to have an improved and innovative commissioning and procurement function which will achieve value for money in the contracts it negotiates to realise cost savings.