Cabinet Office

Children's Services

Why Children's Services?

There are currently approximately 70,000 children in care in England. This number has been increasing steadily over the past seven years and is now higher than at any point since 1985. The long-term impact of the poor outcomes experienced by this group of young people has a broader impact on society and the tax-payer. For example, residential care costs approximately three times more than foster care and there is the potential for significant cashable savings - in the region of £190,000 per child per year - to be achieved by supporting successful transitions from residential care to foster care.

- Outcomes for those who spend significant periods of their childhoods in care, especially residential care, are poor in terms of education, employment, and other areas. Among children who have been in care for at least 12 months, 18% of children in foster care and just 3% of those in residential care achieve 5 GCSEs A*-C including English and Maths - compared to 58% of their peers.

- Based on 2015 data, 45% of care leavers aged between 19 and 21 years old were not in education, employment or training (NEET) compared to 13% of 18 year olds in the general population. Children in care are also four times more likely than their peers to be affected by mental health challenges. Furthermore, 23% of the adult prison population has spent time in care

- Social Impact Bonds (SIBs) in children's services aim to protect vulnerable young people from life-long disadvantage by preventing entry into care, by reducing the amount of time spent in care, or by supporting young people to transition from residential care to stable, long-term foster placements.

What kinds of proposals is the Life Chances Fund looking for?

Five children's services SIBs have already launched across the UK and several more are currently in development. The Life Chances Fund is supportive of proposals that seek to replicate existing models as well as those that aim to explore new approaches.

What is a social impact bond?

A SIB is a subset of outcomes-based contracts where a social investor, seeking social as well as financial returns, provides the up-front funding required to deliver the service. The outcomes-based contract will therefore involve a commissioner (government), a provider (usually a charity or a social enterprise) and a social investor.

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Cohort

SIBs require a clearly defined cohort for whom outcomes are expected to be poor and which can be easily identified and referred to a suitable intervention. Local commissioners will be best placed to determine which children they wish to prioritise for a potential SIB. However, there are two cohorts for which there is both a strong theoretical case and an already emerging evidence base that SIBs work well:

1. Supporting the families of children considered to be on the edge of care, due to their behavioural or emotional issues, to reduce the amount of time they spend in care
2. Placing children previously in residential care with foster parents and providing additional support to those foster parents to help make that placement sustainable

- The children's services theme of the Life Chances Fund is intended to focus on improving the life chances of young people who are currently in care or on the edge of care. In addition to the cohorts described above, other potential areas of interest may also include: supporting children who have experienced multiple disruptions to foster placements and providing support to foster parents to help make the placement sustainable; supporting unaccompanied asylum seekers under the age of 16 to find stable foster placements; or providing additional support to foster parents of children with disabilities to help ensure more sustainable placements.

- SIBs that aim to support care leavers (and other young people who have had frequent contact with children's social care) aged 16 and over as they transition from the social care system to adulthood would not be considered as part of this theme, as there is a parallel application process through DfE's Children's Social Care Innovation Programme to obtain funding for this cohort.

Interventions

A range of different interventions exist to support children in care and/or their families. A non-exhaustive list of available interventions is provided below and we would encourage all applicants to investigate the options in detail.

- **Multidimensional Treatment Foster Care (MTFC):** an intensive foster care programme for young people who have engaged in serious, chronic antisocial behaviour, youth offending and conduct problems.

- **Multi-Systemic Therapy (MST):** an intensive family and community based intervention that targets the multiple causes of serious conduct problems and offending in young people, aiming to increase the skills of parents and caregivers and to change the behaviour of the young person.

- **Functional Family Therapy (FFT):** a family therapy intervention for young people with a strong history of offending (or violent, behavioural problems), focusing on family behavioural therapy that includes parent training and communication training.

- **Community Trust Early Intervention Programme:** a holistic intervention to reduce the risk of anti-social behaviour and improve life chances of children from dysfunctional families who may have acute needs and issues including neglect and low attainment

- **Positive Parenting Programme:** a parenting programme that gives parents simple and practical strategies to help them confidently manage their children's behaviour, prevent problems developing and build strong, healthy relationships

- **Conflict Resolution Uncut:** an intervention for boys to increase awareness of alternatives to resolving conflict through violent means and prevent pathways into offending

- **Respect Young People's Programme:** an intervention for families experiencing or propagating aggressive behaviour to prevent progression to offending

- **LifeSkills Training:** an intervention to prevent substance abuse and youth violence in a personal and social skills setting

Live SIBs in UK Children's Services

Please go to the Centre for SIBs website for more detailed [case studies](#) on some of these projects.

Essex County Council is funding MST over five years for 380 young people on the edge of care, working with them and their families to reduce the amount of time they spend in care. Outcome payments are capped at £7m, and the SIB should generate £10.3m net savings for the council.
Manchester City Council is funding MTFC-A over five years (eight years including the roll-off period) to help at least 95 young people with emotional and behavioural problems in residential care to transition to stable family placements. The maximum outcome payment per child is set at £148,600 per child. This compares to a cost of £546,000 for an average looked-after young person who enters residential care and remains there for 182 weeks (3.5 years) at approx. £3,000 per week.

Birmingham City Council is funding Core Assets' Residential Migration Model over four years (up to seven years including the roll-off period) to help up to 115 young people who have spent at least 20 weeks in residential care transition to family placements. Payments for maintaining stable family placements are set at £1,190 per week and a bullet payment is made at graduation after 52 weeks for the completion of the placement of £29,050.

Evidence-Based Social Investment (EBSI) is supporting multiple local authorities to commission services, including MST and MFTC, to divert children and young people from residential care, support them to remain with their families, or to help them to live in family-based placements such as fostering.

It's All About Me (IAAM) is a SIB developed by voluntary adoption agencies and operating as a network under which they are funded to find and support adoptive families for harder-to-place children. It was targeted to be able to deliver families for up to 650 children over ten years. The total outcome payment per child of £54,000 represents around half the amount it would cost to keep a child in care over the same two year period.