

Children and Families (Wales) Measure

Response to the request from the Chair of the Finance Committee for further information (dated 07 May 2009)

Explanation of the compliance costs for those Welsh authorities who can not discharge the duty to prepare and publish a strategy (Section 2(1)) through the arrangements set out in Section 5(5) of the Measure.

The Explanatory Memorandum states that the compliance costs will be minimal and can be accommodated within their existing allocations. It is anticipated that these additional demands will be proportionate to the size of the organisation and reflect the likely contribution the Welsh authority could make to tackling child poverty.

The five bodies, excluding local authorities and local health boards, listed in Section 12 currently have arrangements in place, through an annual remit letter or strategic grant letter, which sets out their role and key priorities in relation for the Assembly Government's strategic agenda - *One Wales*. They are currently required to produce operational plans in respect of relevant objectives and their performance against these is monitored.

Costs will vary according to the size of the organisation but it is estimated that to prepare and publish a strategy for contributing to the eradication of child poverty which sets out objectives against one or more of the broad aims, and to ensure that all reasonable steps are taken to perform the actions and exercise its functions in accordance with the strategy, would amount to no more than 10% of one FTE at Band E / SEO grade in the first year. This calculation assumes that normal governance arrangements would be in place for approving the strategy at senior level.

It is also estimated that in future years, where regulations make provision, the strategy would be reviewed and less than 10% one FTE at Band E/ SEO grade would provide this ongoing administrative role.

Based on a cost of £55K per year for one FTE at Band E/ SEO grade, it is estimated that the cost equates to £5.5K in the first year and in each year thereafter.

As the organisations listed in Section 12 already have a requirement to take action on a range of child poverty related areas through the remit letters, the strategy would provide an alternative arrangement for setting out and reporting against this requirement. The Measure does place a statutory requirement on these bodies and therefore it is anticipated that the strategy would be seen as being an important responsibility for the organisation but one that closely mirrors that already being addressed in their organisation plans. Potentially the official responsible for satisfying the arrangements set out in the remit letter could provide the role in respect of the Measure provision.

Explanation of the additional 'minimal' demands which may be placed on parts of the Assembly Government who work with or support AGSBs.

The Explanatory Memorandum states that where AGSBs are included in Section 12, then the duty may have limited resource implications for those parts of the Assembly Government who work with or support AGSBs either in terms of funding or implementation of policy.

These additional demands will be minimal and it is estimated that they can be accommodated within existing allocations as the additional demands will be limited to acquiring awareness and understanding of the relevant sections of the Measure and any impact that these sections would have on the sponsored body.

It will be for the Child Poverty Unit to provide advice and produce guidance to allow the bodies to fulfil their statutory duty and those parts of the Assembly Government who work with or support AGSBs will sign post the bodies to the relevant guidance or seek advice from the Child Poverty Unit.

The cost for the provision of advice and production of guidance for these bodies is included in the additional resource costs for the Child Poverty Unit (total cost estimated as £55K). It is considered that the general liaison role between Assembly Government Departments and the AGSBs, and handling of queries and requests for advice in respect of the Measure provision is routine Assembly practice.

Integrated Family Support Teams

Explanation of the cost of rolling out the IFST across all Local Authorities and for circumstances beyond substance misuse at £10m - £15m.

To clarify matters, the estimated cost of £10m - £15m is for the full annual cost of IFST when implemented across all of Wales and operating in the full range of circumstances listed in section 50(6) (a - d) such as domestic violence, mental health, learning disability and drug and alcohol abuse.

A budget of up to £0.6m will be available annually to each of three IFST pioneer areas who will initially focus on the area of substance misuse. The cost allows sufficient funds for a well resourced team of multi-disciplinary professionals and support administrators. It also provides for team members to have delegated budgets to allow them to buy-in key services using their professional judgement, for example, a mothers' emergency placement for residential rehabilitation.

Costs are also sensitive to the potential disruptions and the changes which implementation of the new arrangements will bring and in particular in relation to the task of operating within, and developing an interface with, the existing children and family service structures in social services and health.

The IFST consultation also sought views on a new career structure and pathway for modernising the role of social workers and other related staff working with children and families. This is being developed under the umbrella of the Workforce Action Plan (*Fulfilled Lives, Supportive Communities*) but the intention is to develop and pilot some of the new arrangements as part of the IFST pioneers, in particular the role of the consultant social worker. The £0.6m resource therefore takes into account these additional requirements through the pioneer phase.

In the national roll out of IFST there may be a consequential impact in terms of increased referral and earlier interventions required of other services such as community mental health teams. It is also important that these estimates are not considered in isolation of the impact that policy may have in terms of current expenditure by local authority social services for children in need and in care, and the expenditure across adult health and social care services for parents with the prescribed problems. The upper estimate of £15m for a national roll out of IFST recognises this potential impact.

The key attribute of IFST pioneers is that they will be established and governed by legislation. Legislation and statutory guidance will set out the framework of the functions of an IFST and the role of the IFS Board. To reflect the fact that substance misuse is a factor in over 60% of child welfare referrals to social services in Wales, the initial focus of the pioneers will be on families where the main presenting problem is the child being at risk or in need because of parental substance misuse. There is also a significant body of evidence on effective intervention in this area and established workforce and service networks.

Extending IFST beyond Substance Misuse

For many families there will be co-morbidity with substance misuse, mental health problems/ illness and domestic violence. Substance misuse can be both a symptom and cause of a range of inter-related problems including mental health, poverty, homelessness, domestic violence, criminal and anti-social behaviour. The cumulating circumstances can have a detrimental effect on a child's welfare. It is therefore inevitable that the IFST will address the multiple difficulties faced by these families and the resource allocation of £0.6m per year to the pioneers takes this into account.

People with personality disorders represent a large number of the mental health service population that receive secondary health care services. Statistics also suggest that increasingly users of mental health services are parents with dependent children. IFST (directly or through supported community and other specialist services) will provide a range of interventions with children and their families that will inevitably deal with the parents secondary needs such as mental health and domestic violence. The IFST has broader scope than Option 2, one of the research studies on which the model is based, and there is an element of the unknown in its overall impact on wider services.

Before we extend IFST to wider groups, beyond the primary referral of substance misuse, we need to build capacity and commission more research in terms of what works best with families whose main issues are mental health and domestic violence for example. The IFST will be a catalyst to drive forward improvements on a number of fronts in particular research and evidence including the development of workforce skills and service standards. The £0.6m to be made available to each pioneer area per annum takes into account these varying elements including building capacity within the service offered by IFST.

The assumptions underpinning the estimate of the roll out of IFST across Wales have been calculated on the basis of the current population levels of children in need and in local authority care, and the establishment of up to 16 IFS teams (with smaller areas working together under a collaboration, as provided for in section 49(2)). The allocation assumes a final cost in the order of £10m to £15m for IFS teams to be accessible on an all Wales basis, and to all client groups listed in section 60. The upper limit of £15m takes into account the potential impact on other service demands. The pioneers should allow for a more robust evaluation of the consequential costs that will be considered as part of the final business case to roll out IFST.

IFS teams will work with the current legal and practice framework for child and adult social services but the team will have delegated budget to allow them to purchase some emergency services that may be critical to support the family and are not readily available or accessible through existing referral arrangements for targeted and universal services.

A key evidence base for IFST is the operations of Option 2 in Cardiff, Vale of Glamorgan and a similar scheme in Middlesbrough. The Explanatory Memorandum (Paragraph 9.2 refers) sets out the robust evidence base on which IFST has been developed. The published report (**An Evaluation of Option 2 in Cardiff and the Vale of Glamorgan - University of Bedfordshire, Brunel University and Birmingham**) is accessible on <http://wales.gov.uk/dsjlg/research/option2/reporte.pdf?lang=en>

The results show:

- a much valued service that had changed their family life; for some these have been permanent;
- skilled workers trained to engage families with highly intractable problems where mainstream services had failed;
- higher proportion of children return home from care;
- significantly reduced the time children spent in care;
- built capacity and confidence in families to self advocate and access mainstream services.

The conclusion of the independent evaluation of Option 2 suggested that:

“Wales appears to have a ground-breaking asset of national and potentially international significance. The Option 2 model has potential to be developed and expanded to address the needs of the most vulnerable families in society“

The mix of professionals in the teams and their operations will vary depending on the final model to be adopted. For example, the Middlesbrough scheme has an annual running cost of around £0.5m and Cardiff and Vale of Glamorgan Option 2 of £0.3m. It is envisaged that the core team will consist of at least five professionals and will have a much broader focus than Option 2. The Measure will provide the legislative framework and the detailed model will be further developed and refined with stakeholders from the successful pioneer areas.

Family Social Work Standards Officer

Explanation of the additional costs of the Family Social Work Standards Officer – estimated at £0.5m- £1m.

Committee members will note that there is no national pay structure for social workers. The harmonisation of social workers pay, conditions and career structure has been considered within the Social Care Workforce Development Programme and others. The arrangements are made at local government level, any differing pay and conditions exist across local authorities.

The assessment of cost of £0.5m - £1.0m for implementation of section 59 to require local authorities to appoint designated standards officer(s) is based on an average cost of £30k¹ per social worker being available in each of the 22 local authority areas. The cost does not take into account local authorities' salary on costs or overheads. The cost will vary depending on local pay scales, skills, qualifications and the experience of the social worker and any requirement that may be set in regulation under section 59. The range of up to £1m therefore attempts to make allowance for the number of variables. For example if it is decided that the role is more suited to a senior practitioner salaries can be up to £40k per year². It is also likely that smaller areas may share a designated person. It is our intention to consult on the detailed role of the standards officer and which will provide an opportunity for a refinement of the costs.

Explanation of why the costs of administering the system of fixed penalty notices is considered negligible.

The Care and Social Services Inspectorate (CSSIW) Annual Report 2007-08³ identifies the number of prosecutions that the Welsh Assembly Government has taken across the social care and early years services. In 2007-08, there

¹ Unit Costs of health & Social Care (2008) , PSSRU

² Pay levels of Rhondda Cynon Taff to Senior Practitioner in line with recommendations of **Social Work in Wales: A Profession to Value (2005)**

³ Care and Social Services Annual Report 2007-08 report – published October 2008

were two prosecutions. CSSIW has advised that in the 2008-09, there were three prosecutions. In determining the negligible additional cost of administering the fixed penalty scheme we have taken the number of prosecutions into account. The pattern of prosecutions indicates that the use of a penalty notice, as a regulatory enforcement option, will be exceptional in nature, in 2007-08 maximum of 2 prosecutions and in 2008-09 maximum of 3 prosecutions. Any additional costs in relation to penalty notice activity will be modest given the pattern of prosecutions and CSSIW has advised that they will be absorbed within existing budgets.

The evidence that has been used is the Care and Social Services Annual Report 2007-08 published October 2008 and information direct from CSSIW with regard to the number of prosecutions in 2008-09 across the social care and early years services – not yet published.

Estimates are based on CSSIW Annual Report 2007-08 (2 prosecutions) and CSSIW advice that there were 3 prosecutions in 2008-09. This information indicates modest number of prosecutions over these years.