

8 February 2021

Agenda Item: 7

**UPDATE REPORT OF SERVICE DIRECTOR – SERVICE DIRECTOR FOR
FINANCE, INFRASTRUCTURE & IMPROVEMENT AND SECTION 151
OFFICER**

**THE DN2 STARS PROGRAMME-SUPPORTING CHILDREN AND YOUNG
PEOPLE TO ACHIEVE RESILIENCE AND SUCCESS**

Purpose of the Report

1. To provide members with an overview of the DN2 STARS Programme which became operational in September 2020.

Information

Background

2. This report explains how Derby City Council, Nottingham City Council, and Nottinghamshire County Council (the Commissioners and collectively referred to as DN2) have jointly commissioned evidence-informed services that support children and young people in local authority care, and on the edge of care, to achieve better social outcomes. DN2 has procured an Investor-Provider consortium to deliver this through a Social Impact Bond.
3. This Social Impact Bond (SIB) was an opportunity for DN2 to establish a partnership that would deliver innovation, and help to move young people away from the trajectories that often take shape alongside challenging behaviour born of challenging circumstances. It is an opportunity to create lasting real life changes for these young people by supporting them to live in the best possible environment for each individual. It is also an opportunity to explore innovative approaches to these challenges, to bring together different combinations of experience and expertise, potentially from different sectors and contexts, and to build local capacity to ensure the sustainability of any positive achievements.
4. Through this programme, DN2 aims to support children and young people to achieve stable family type placements (e.g. stepping down from residential care with new types of support) and to remain at home with their families or primary carers where safe to do so. Appendix One shows the cohorts of young people and the numbers to be supported across the whole life of the contract.

5. SIBs are a model in which socially-motivated Investors fund the upfront costs for a Provider to deliver a public service. Payment to the Investor-Provider consortium is then made by DN2 on the basis of achievement of agreed successful outcomes. The Investor funds the Provider to deliver the service regardless of the achievement of these outcomes.
6. The £3m of government funding supplied by the Life Chances Fund will contribute approximately 25% of the payments made in relation to successful outcomes, which correspondingly reduces the financial risk to the Council. The remaining element of the payment will be made from existing budgets, though these payments – based on young people successfully remaining out of care and / or out of high cost residential placements – will be lower than the cost that the Council’s would otherwise have incurred in bringing these young people in to care and / or in paying for specialist residential care. Appendix Two shows the payment mechanism for the contract, with payments being made after a certain point of stability for the young person and continuing for up to 2 years.
7. A procurement exercise was undertaken during 2018 to secure an Investor/Provider consortium, with Outcomes for Children(Core Assets Group) being the successful Provider. The initial successful Social Investor chose not to engage in a commercial relationship with DN2 before contract signature took place. This caused us to pause the contract until a new Investor could be found.
8. DN2 and Outcomes for Children began discussions with Nottingham, Nottinghamshire Youth Support Ltd (Futures) during 2019, with an intention to start service delivery in the winter of 2019/spring 2020. Decisions were again paused in the Spring of 2020 due to the impact of COVID 19.

Contract Start

9. Operational delivery began in September 2020, with an intensive mobilisation period taking place from the beginning of 2020, and is still continuing as we learn more about how the programme will work in practise.. Each Council has identified a Single Point of Contact (SPOC) responsible for ensuring appropriate referrals are accepted into the STARS programme.
10. Mobilisation and operation of this programme has been impacted by the COVID 19 pandemic and has meant some changes, for example, in the original delivery programme, STARS staff were to be co located with social care teams in a hot desking arrangement. As this cannot happen currently, meetings between professionals are taking place virtually. There is constant dialogue taking place between the SPOCS and social care colleagues about the programme, with some fine tuning taking place in determining an appropriate referral into the STARS programme, and to how the programme functions.
11. A Contract Lead is in place to support the ongoing management of the programme with a monthly Operational Contract Management meeting and a quarterly Strategic Partnership Board whose attendees include Service Directors from across DN2, the Provider and the Investor. Appendix 3 shows the number of active cases as at December 2020, and the referral pipeline across DN2.

Statutory and Policy Implications

12. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That Members consider if any further updates are required and at what frequency.

Nigel Stevenson

Service Director – Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact:

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Constitutional Comments (EP 12/01/21)

The Finance and Major Contracts Management Committee is the appropriate body to consider the content of this report.

Financial Comments (SS 18/01/21)

There is an existing saving attached to the SIB for 2021/22 and 2022/23 reflected in the Council's MTFs of £250,000 and £250,000 respectively. The SIB Project delivery is reported via the monthly project monitoring and any budget implications via the monthly financial monitoring process.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All