

FINANCIAL OBSERVATIONS – ESTABLISHMENT OF MST-CAN

This decision requests approval to:

- Establish an MST-CAN team which will consist of a, Supervisor, 4 Therapists, a 0.3 FTE Psychiatrist and an administration officer and
- Incur employee and non employee expenditure.

The team will specifically respond to Children & Young People who are suffering from abuse and/or neglect which can result in around 70% of them ending up in care.

The care budget for Children in Nottingham is £32m and is **currently forecast to over spend in 2015/16 by £2.8m**; this is due to increased levels of need and demographic growth within the City.

Costs

Assuming an implementation date of 1 December 2015, the cost of the service will be **£0.174m in 2015/16 and £0.400m in a full year** and is set out below in **Table 1**:

TABLE 1: COST ANALYSIS					
Post	Grade	No	2015/16 £m	2016/17+ £m	Comments
Supervisor	J + £5k supplement	1	0.020	0.059	
Therapist	H	4	0.056	0.169	
Uplift			0.010	0.030	For 24/7 cover if required
PT Psychiatrist		1	0.012	0.035	£450 per day @ 1.5 days per week.
Admin Officer	D	1	0.007	0.022	
Running costs			0.055	0.049	licence, training, recruitment etc.
Contingency			0.016	0.036	10%
TOTAL			0.176	0.400	

These costs are comparable to those incurred by Leeds and Cambridge Councils.

Funding

Funding streams to support the costs in 2015/16 are:

1. £0.090m Department for Education grant;
2. £0.010m Adults Services
3. £0.040m Safeguarding Board
4. £0.036m Priority Families

Resulting in 2015/16 being fully funded.

At present there are no contributions to the service identified for 2016/17+ however, further negotiations are ongoing with other agencies and a review of the Priority Families commitments later in 2015/16 may release a further contribution.

Once these are confirmed the business case will be refreshed and could increase pressure mitigation to the budget.

The net pressure relief based on current funding contributions and based on realistic modelling could be between **£0.372m - £0.758m in a full year**.

This net pressure mitigation is based on:

1. Each Therapist having 4 family cases a year.
2. Each family having 2-3 children, this range is factored in to the modelling of savings.
3. An average rate of £580 per week for foster care if the children were taken into care.
4. A 20% failure rate – this rate has been used on other business case models within Children’s and monitoring shows it as a realistic assumption.

The detailed pressure relief is set out in **Table 2** below:

TABLE 2: NET BUDGET PRESSURE RELIEF		
	2015/16 £m	2016/17+ £m
Scenerio 1 – 2 Children Per Family		
Placement Relief	(0.257)	(0.772)
Less unfunded costs	0	0.400
Net pressure mitigation	(0.257)	(0.372)
Scenerio 2 – 3 Children Per Family		
Placement Relief	(0.385)	(1.158)
Less unfunded costs	0	0.400
Net pressure mitigation	(0.385)	(0.758)

The pay back of the investment occurs in less than 1 year.

Monitoring of this scheme will be undertaken and presented back to the Big Ticket Programme Board however, some benefits associated with this scheme for example, improved school attendance, will be difficult to identify in isolation from other central monitoring.

Other internal approval processes required to support this decision will need to be undertaken and appropriate procurement processes where applicable.

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