

EXECUTIVE DECISION 23/00065

From: Sarah Hammond, Corporate Director of Children, Young People and Education

To: Sue Chandler, Cabinet Member for Integrated Children's Services

Subject: Decision – 23/00065 – Regional Care Co-operatives - Pathfinder

Key decision: Affects more than two Electoral Divisions

Classification: Unrestricted

Past Pathway of report: Children, Young People and Education Cabinet Committee – 12 September 2023

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Summary: This report provides the Cabinet Member with developments from the Department for Education whereby KCC would participate in regional arrangements and become part of the two Pathfinder Projects – 1) Regional Care Cooperative and 2) Fostering Recruitment and Retention.

Further, the report provides an example of where regional arrangements work well and how experienced KCC is in partnership with other local authorities.

Recommendation(s):

The Cabinet Member for Integrated Children's Services is asked to agree to the proposed decision (subject to selection by the DfE as an appropriate Pathfinder region) to:

- A) Agree to become a Regional Care Co-operatives Pathfinder authority (if selected)
- B) Enter into relevant agreements with the DfE to join/lead a Pathfinder Region for the delivery of a Regional Care Co-operative (Agreement to include the acceptances of relevant Memorandums of Understandings and associated funding and partnership agreements)
- C) Delegate authority to the Corporate Director of Children, Young People and Education, in consultation with the Cabinet Member for Integrated Children's Services, to take other relevant actions, including but not limited to, finalising the terms and entering into required contracts or other legal agreements, as necessary to implement the decision.

1. Introduction

- 1.1 The Department for Education (DfE), published Stable Homes, Built on Love – an Implementation strategy and consultation on 2 February 2023, the consultation was backed by £200m additional investment. DfE have engaged with each of the Regions and are seeking Local Authorities (LAs) to be engaged in designing and piloting the Regional Care Co-operatives (RCCs)
- 1.2 The Stable Homes, Built on Love Strategy sets out a vision to re-balance children’s social care away from costly crisis intervention to more meaningful and effective early support. It sets out actions that seek to:
 - Address urgent issues facing children and families now
 - Lay the foundations for whole system reform
 - Set national direction for change
- 1.3 DfE state it will reform in phases, investing £200m over the next two years. After two years they will refresh the Strategy, scaling up new approaches that have been tested, and bring forward legislation (subject to parliamentary time).
- 1.4 DfE are looking to run two regional Pathfinders to test Regional Care Cooperatives. The regions taking part will play a key role in shaping future delivery. DfE want the region to be big enough to start seeing savings through economies of scale and anticipate an appropriate size would be eight to 12 LAs, although LAs with large Children in Care populations, the number of LAs might be smaller.
- 1.5 DfE believe it would be helpful to have synergy with other regional structures such as Integrated Care Systems, however will consider best fit for areas and want the Pathfinders to test the regional delivery of range of services outlined; fostering, children’s homes, secure homes.
- 1.6 Pathfinders are voluntary and confirmation of interest is required. Financial support will be provided to support Pathfinder regions to get started.

2. Description

- 2.1 Regional Care Co-operatives are viewed as a radical shift in the care system and are part of a broader package of measures the DfE is beginning to deliver to transform the care placement market. Further measures include investing £259 million to support areas maintain capacity and expand provision in both secure and open children’s homes, and £27m to recruit and retain more foster parents. In line with the Competition and Market Authority report recommendations, it is intended there will be national forecasting, procurement, and market shaping support; introducing a financial oversight regime; and reforming care standards. DfE are also considering changes to ensure that planning requirements, or local interpretation of them, are not a barrier to the creation of more homes for children.
- 2.2 Regional Care Co-operatives will:
 - Establish specialist data capabilities – the RCCs would analyse the LAs’ data to improve the forecasting of demand across the region.

- Develop a regional sufficiency strategy – using their improved forecasts, the RCCs would develop robust plans for ensuring sufficiency across the region.
 - Gain greater negotiating power with providers and, with greater confidence in its forecasts, be able to better shape the local market.
 - Plan, commission and deliver children’s care places in foster care, children’s homes and secure children’s homes. As new care places are required, the LA social workers will provide the RCC with their matching requirements. The RCC will conduct the placement search and provide the social worker with the available options.
 - Invest in new public provision – by pooling placement budgets and securing better value for money, the RCCs will have greater financial confidence to invest in more public provision to meet local needs.
 - Recruit, train and support foster carers across the region – LA fostering services would transfer to the RCC which would harness its larger scale to provide specialist marketing, recruitment, training and support for foster carers across the region.
- 2.3 Joining a partnership to develop a regional focus on the recruitment and retention of Foster Carers involves the development of a national hub where all enquiries will be directed to Local Authorities.
- 2.4 DfE has confirmed that, following an Expression of Interest in joining the Fostering Recruitment and Retention programme, KCC has been accepted at Stage 1 of the process. Partners are required to develop a full proposal for submission in the second week of September 2023. KCC will need to work with the assigned improvement partners, and in line with the funding allocation to develop a fully costed proposal which is to be implemented by April 2024. At this stage no LA is bound to be part of the bid, however from when the fully costed proposal is submitted in September, final membership will need to be confirmed.
- 2.5 Currently, it is proposed that the cluster will include Portsmouth (Lead LA), Brighton and Hove, Kent, Oxfordshire, West Berkshire, Medway, Wokingham, Slough, Bracknell Forest, Surrey, Hampshire, Southampton, Isle of Wight, West Sussex and East Sussex, Achieving for Children and Brighter Futures which equates to 15 LA Partners and two Children’s Trusts.
- 2.6 There will be funding for successful Local Authorities that become part of the programme; it has been calculated that the South-East Region could bid against funding in the region of £4.3m for the Fostering Recruitment and Retention Project. It has been indicated that the Fostering Hub would ultimately sit within the Regional Care Cooperative, and therefore it would make sense that the same Local Authorities/Children’s Trusts would align with the regional clusters. KCC has sought support from the South-East Sector Led Improvement Partnership (SESLIP) to identify willing partners for the RCC partnership.
- 2.7 KCC has well established partnership working as evidenced through the Adoption Partnership South-East where it is the authority of the Regional

Adoption Agency. As detailed below, we have been successful in securing additional funding from the DfE through grants for programmes as follows:

Grant income	Early Permanence Project	Family Finding (Matching Needs Project)	Centre of Excellence	Total
2022/2023	£48,610.00	£43,725.00	£ -	£92,335.00
2023/2024	£100,565.00	£119,952.00	£103,050.00	£323,567.00
2024/2025	£72,565.00	£119,952.00	£95,400.00	£287,917.00
Total	£221,740.00	£283,629.00	£198,450.00	£703,819.00

2.8 KCC, working with the London Borough of Bexley and Medway Council, through the partnership, is looking to bid for funding as part of a pan regional commissioning programme. The National Adoption Commissioning Programme will use DfE grant funding (£1.5m in 23/24 and £2m in 24/25) to explore national and pan-RAA commissioning arrangements for adoption support over the next two years. The overall programme is managed by a dedicated team that sits within Leeds City Council.

2.9 The challenges identified by the National Commissioning Programme team include:

- The provider market is under-developed
- There is limited understanding of provider quality and quality assurance processes
- There is limited commissioning capacity available to support RAAs

2.10 The potential pan RAA opportunities identified are:

- Understanding regional need
- Understanding and improving quality of provision
- Market engagement and development at pan-RAA level
- Pump priming a commissioned service at a pan-RAA level
- Identify differences across the RAA's and on links with Health

2.11 KCC, on behalf of APSE, is keen to participate in this programme and is developing a bid for additional commissioning capacity, to be submitted by 18 August 2023. This is expected to be for one FTE commissioning resource, and therefore is not subject to Key Decision.

3. Financial Implications

3.1 DfE will support Pathfinder regions to get started as follows:

Up to £5m per RCC to set up the new arrangements:

- Funding is to cover legal due diligence, HR, finance and project management costs plus evaluation of the pathfinders.
- Funding will depend on the size of the RCC (number of LAs/size of staff teams involved); DfE will discuss this with selected regions accordingly.

- DfE will procure a delivery partner to work with RCC regions (similar to children's services trusts and Regional Adoption Agencies) and procure evaluation.

Up to £5m capital funding per RCC to develop new provision:

- Will be for the region to decide what their priorities are, DfE want to discuss with the region what they intend/how they plan to deliver.
- Tight deadline to spend the money: funding only available until March 2025 (SR period).
- DfE are not asking regions to match-fund the money although if any region is able to, the money will be able to go further.

3.2 It is unlikely that KCC will receive significant amounts of funding, however, the ability to quickly respond and enter into agreements, should we be successful in our allocations, would be required.

4. Options considered

4.1 An alternative option is not to consider participating as a Pathfinder for the RCC, Fostering or both – KCC has significant pressures and challenges finding affordable placements for Children in Care and have attempted a number of initiatives to develop access to affordable placements. The Regional Residential Project involved three Local Authorities tendering for placements for Children with Complex Lives and no providers bid for any of the contracts. The reasons for this are being explored. This market is extremely difficult to engage with, and the reports of the collapse of a framework in the North-East¹ is further evidence that something different is required urgently.

5. Legal Implications

5.1 Partnership Agreements will be required in establishing an RCC. It is assumed a lead Local Authority will be required to manage the funding and employ staff to deliver the programme.

5.2 Legal advice will be sought in relation to any subsequent contractual activity in developing the pilot projects.

6. Equalities Implications

6.1 An Equalities Impact Assessment (EQIA) screening has been completed and no high negative impacts have been identified. The EQIA will continue to be developed and reviewed as this project progresses.

7. Other Corporate Implications

¹ [North East regional procurement framework for residential care collapses | CYP Now](#)

7.1 In the development of the Pathfinders, there will be a need for support from Finance, Legal and ICT. Longer-term there is likely to be a need for support from HR.

8. Governance

8.1 Oversight of the development and successes of the Pathfinder programmes would be by the Director for Countywide Children's Services within the CYPE Directorate.

9. Data Protection implications

9.1 The Data Protection Impact Assessment will be completed once it is known whether we are successful as participants/leaders in the Pathfinder programmes.

10. Recommendation(s):

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Background Documents

None

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