

CABINET – 16 JULY

OCC'S FOSTERING SERVICE – *TURNING THE TIDE AND BECOMING THE 'PROVIDER OF CHOICE'*

Report by Director for Children's Services

RECOMMENDATION

1. The Cabinet is **RECOMMENDED** to support the Outlined Strategy and service improvement plan at Option 3 of the report; and in doing so:
 - (1) agree that £1.0m of ongoing funding required for 2020/21 and beyond will be included in the proposed Budget for 2020/21 and Medium-Term Financial Plan (MTFP) as part of the Service & Resource Planning process;
 - (2) agree that the profile of savings in the existing MTFP for 2020/21 and beyond will need to be amended in the proposed Budget for 2020/21 and Medium-Term Financial Plan (MTFP) as part of the Service & Resource Planning process.

Executive Summary

2. This paper sets out the options available to the Council as a response to the current challenges regarding the recruitment and retention of foster carers in Oxfordshire, to ensure that our looked after children can remain with local families.
3. The Council's vision for the Fostering Service is to offer children and young people the best start in life, through ensuring that OCC's looked after children (LAC) are placed with local families in our local communities. This will provide them with the best possible outcomes and will be at a reduced cost to the Council. In line with this, OCC aims to strengthen our market position and become the '**provider of choice**' for current and future foster carers across Oxfordshire.
4. The increase in demand related to our looked after children (90% since 2013) coupled with a reduction in the number of our own in-house foster placements has led to an increased use of children being placed with Independent Fostering Agency carers (IFA's). In 2018/19, 131 children were placed in out of county Independent Fostering Agency (IFA) placements, rising to 144 children in April 2019.

5. We have carried out a comprehensive service review using: national research and evidence from the Fostering Network, 'State of the Nation's Foster Care Report', iMPower consultancy, an in-depth interview with Hertfordshire County Council. The service review was co-produced with current OCC foster carers and highlights the areas where service improvement can be made to enhance OCC's offer to foster carers and therefore reverse the decrease in our in-house foster care capacity.
6. This report sets out three options (section 5.3) with option 3 being recommended. Option 3 outlines three areas for improvement, to enhance the 'Fostering Offer', through:
 1. The financial 'reward' offered to OCC's in-house carers is increased to make it comparable with neighbouring local authorities and IFAs.
 2. Service re-design to strengthen the level of support offered to carers and to manage high demand.
 3. Co-production, engagement and relationship building with OCC's foster carers and CEF Services.
7. Implementing **Option 3** will enable OCC to achieve an interim target of 60% of foster placements being made with in-house foster placements in 3 years, with a view to achieving a 67% share in 5 years. This option will require a £1m investment into the service.
8. If the proposed investment is approved, it will significantly improve the outcomes of our looked after children by providing placements nearer to their own communities, maintaining links with their families and reducing the amount of time they spend in care. Option 3 is also expected to save the Council up to **£7.2m** (gross) over the 6 years of this project. This is based on detailed assumptions of reversing the current decline in the numbers our own in-house foster carers and achieving 67% of children's placements with OCC foster carers (which equates to approximately 76 additional in-house foster placements).

Introduction

9. In Autumn 2018, CEF Directorate Leadership Team (DLT) mandated a full review of the fostering service following the exponential increase in demand on that service over recent years. This demand is due to the significant increase of Looked After Children both locally and nationally. This demand has led to a significant increase in the use of Independent Foster Placements

(IFA) which often results in children being placed further from home and is at a higher cost to the Council.

10. Placing children out of area can have a detrimental impact on their outcomes. Additionally, being placed out of county has a negative impact on maintaining children's family and friends' networks, which in turn has a negative impact on the potential for young people to return home. Being placed out of area can also impact on our ability to access support service for the children we place. Whilst we advocate

for our children to receive these services, it can take longer and can prove challenging at times, particularly in relation to securing a school place or accessing Child & Adolescent Mental Health Services (CAMHS).

11. We aim to create a high performing service that provides our looked after children with the best start in life and to provide our foster carers with the support that enables them to work more productively with us, delivering our aims together.

Context

12. On 31 March 2018, just over 53,000 children and young people were placed with foster carers. Two thirds of these were in Local Authority (LA) fostering placements (66% or 35,145) and the remainder (34% or 17,890) were placed with IFAs (Independent Foster Agency).
13. Year on year, there has been a decrease in the number of fostering households since 2014. Mainstream fostering households have decreased each year since 2014 by 2% from 36485 to 35820. Although, mainstream carers are decreasing, they are on average looking after more children.
14. A key challenge in the recruitment and retention of foster carers is to recruit a younger generation of carers. Currently, OCC has a cohort of carers from 27 to over 80 years old. 28 of these carers are aged over 62, of which 7 are over the age of 68. As these carers look to retire OCC is faced with the risk of a net loss of carers. We therefore need to increase our pool of carers to include younger, working families, for whom the financial element of the core offer becomes more salient.

15. Locally, there has been a 90% increase in Looked After Children since 2013. Currently only 46% of our Looked After Children currently reside in a foster placement, including both OCC foster carers (in-house) and IFA's. Since 2013, the number of IFA placements has increased, whilst the Council's share of in-house placements has decreased, year on year. For children placed with foster carers (April 2019), 54% were in IFA placements, with the majority being placed out of county (144 as of April 2019). In April 2019 46% of children were placed with OCC carers, compared to 69% in 2012/13. National best practice suggests a local authority should aim to have 70% of their mainstream carers in-house and 30% using external foster placements.
16. The Council is now overly reliant on IFAs to provide foster carers for our Looked After Children. The national benchmark ratio for in-house vs IFA placements is 70:30. In Oxfordshire in 2012/13 the ratio was 69:31, by March 2019 this had dropped to 46:54. Investment will be required to reach these targets (Section 7). Investment to fund: enhanced and additional payments to carers; additional staffing to recruit, assess, train, supervise and support additional carers and enhanced marketing and engagement functions.
17. Following significant levels of transformational change in 2017-2019 across Children's Services, demand is now being effectively managed at the Front Door, to ensure that children and families are supported by the service at the right time, preventing escalation of needs.
18. Children's Services are currently developing a new safeguarding practice model, known as 'Family Safeguarding Plus' (FSP) model, which has strong buy-in from OCC's partner agencies. This is a model that has been developed by Hertfordshire County Council, in conjunction with the Department for Education (DfE), which has over time evidenced a reduction in children becoming looked after.
19. The FSP model would support this fostering initiative and vice-versa, as these two critical transformation projects have interdependencies and strengthen each other's service delivery. If adopted together, they would support a reduction in demand in future years, ensuring that the right local placements are available for our children at the right time.
20. Spending on fostering is currently broken down as: staffing £3.2m, OCC foster carers c.£5m, £1.25m (family & friends placements) and £8.6m on IFA's.

Options appraisal

21. The service has researched three potential options for consideration, with the RECOMMENDATION, to implement Option 3:

Option 1 – Continue as per current practice

22. If no action is taken to improve our in-house service, it is likely that the net loss of carers will continue. This will result in more children will be placed out of county, having a detrimental impact on their outcomes and their ability to maintain family, friends and local networks. For every 20 children OCC places with IFA's, the average annual cost is £0.925m. Additional costs are incurred on staff resources and increased travel costs for children's Independent Reviewing Officers (IRO) and social workers.
23. The Oxfordshire spend on IFAs in 2018/19 is c.£8.6m. There is currently a net loss of 14 OCC foster carers per annum, therefore, this spend on IFA's is forecast to increase. An enhanced offer to OCC carers is required to reverse this trend.
24. Strengths:
- Initial investment would not be required however this is a short-term view.
25. Weaknesses:
- It is likely to result in poorer outcomes for looked after children.
 - Not investing in the service and the offer to carers would have a negative impact on our ability to recruit new in-house foster carers.
 - The number of children with IFAs both in-county and out-of-county would continue to increase.
 - Carers will not feel valued and the net loss of in-house mainstream carers would continue to rise year on year and potentially cost OCC an additional £4.2m over the next 4-5 years
 - It is likely to result in increased pressure on the IRO service and social work teams.
26. Risk:
- As stated, in April 2018, the ratio for in-house: IFA was 49:51. As of March 2019 the ratio was 44:56, due to an increase in our Looked After Children from

685 in February 2018 to 775 in March 2019. If this option was chosen, this downward trend in our ratio of in-house carers would continue.

- The number of Oxfordshire's Looked After Children has reached a steady state. If no service improvement or offer enhancement is delivered, evidence suggests that OCC's trajectory will continue to rely heavily on more expensive, in and out of county IFA placements.

Option 2 – To commission an external company/organisation to provide the service

27. Desktop research has been undertaken to review other local authorities that have chosen to outsource permanency services. This research has shown that one Local Authority outsourced their permanency services to a voluntary, not for profit charity. It was at a substantial cost (over £135m over 10 years), however this has not been sustainable as the provider has been unable to recruit the required number of carers. This is not a recommended option for OCC.
28. Strengths:
 - The logistics of running the service would be managed by a 3rd party
29. Weaknesses:
 - Any increase in demand would entail increased costs over and above any agreed contract value.
 - Where this has happened, research has indicated that the Local Authority brought the external placements budget back in-house due to the increase in demand and rise in Looked After Children.
30. Risk:
 - OCC has developed strong community engagement regarding the placement needs of our families and children, which is crucial. A third party is less likely to understand and adapt bespoke responses for our communities.
 - If this failed to deliver it would result in OCC having even weaker relationships with providers resulting in an underdeveloped supply.
 - There is a risk that OCC would retain too little capacity/expertise to re-commission and negotiate effectively.
 - This approach has only been trialled by one Local Authority.

Option 3 – To implement the complete business improvement plan

31. Should the full business plan be approved, this would enable OCC to attract new carers and value and retain carers. This would also enable OCC to keep

our children in local placements, where they can maintain their family, friends and local networks, receive better support and improve their outcomes.

32. Strengths:

- Implementing a new, enhanced, simplified tiered model of fee payments will strengthen our ability to recruit and retain foster carers and compete with IFA's, to increase OCC's market share.
- Strategically supports the corporate design principles for self-service, digital by default, through the implementation of online portals, co-designed with foster carers.
- Increased levels of support offered to foster carers and our children. IFA's currently visit their foster carers 35% more frequently than OCC are currently able to visit their carers.
- Increased levels of clinical and therapeutic services available to support our carers.
- Enhancing the holiday payment for children's activities/play schemes in school holidays will attract and support carers who are in employment.
- Enables the Fostering Service to re-engage with our current carers through co-production of a refreshed Fostering Charter. The Charter will strengthen the relationship between OCC and foster carers, enabling carers to feel valued.
- Initiatives will be explored to enable OCC to become a *Foster Friendly Employer*

33. Weaknesses:

- Initial increase in outlay by enhanced fees and rewards to current and future carers.
- Should the strategy not result in an increase in in-house foster carers then the initial outlay would have limited positive impact for the service. However, this would help OCC retain current carers, which is presently reducing in numbers year on year.

34. Risk:

- The proposal fails to result in a net increase in in-house carers.
- The proposal would be impacted by any delay in the procurement and implementation of the 'portals'.

Summary for Option 3:

35. Recruitment, retention and reward

- Additional funding to implement a clear tiered model of foster care payments that include a fee to foster carers. On average, for parity with other local authorities and IFAs, OCC would need to pay to each carer, an additional £120/wk per child.
- An increase to the school holiday activity payment for carers to support children from £100 per annum to £300 per annum.

36. Support, training & culture

- An increase in staffing to assess, train and provide enhanced support to an increased number of foster carers.
- Development of a clear strategy and commitment to strengthen engagement and working relationships with foster carers.
- Working closely with corporate colleagues and members to drive this strategy forwards and make this a high priority across the Council.

37. Process, technology and customer experience

- Increased levels of self-service by foster carers, by implementing online 'portals' within the fostering service. These portals will enhance data collection and business intelligence, release capacity of supervising social workers (through leaning financial processes) and provide a 'one-stop' shop for foster carers.

38. Marketing

An enhanced ability to develop targeted digital marketing campaigns to attract more carers that match the needs of Oxfordshire's children.

Financial and Staff Implications

39. During 2019/20 it is expected that any additional costs associated with the initiative can be funded within the existing budgets. From 2020/21 an investment in the service of £1.013m is required. This is made up of £0.690m to uplift foster fee structures to be comparable with other local authorities and independent agencies, and £0.323m to fund additional payments to foster

carers for holiday activities, along with a small increase in social work staff to assess and support the increased number of foster carers.

40. The above investment is expected to deliver an increase in the number of in-house foster carers, and therefore a reduction in the use of independent agencies, which incur a higher cost to the council.

	2019/20	2020/21
	£'m	£'m
Fees		0.690
Additional Staffing		0.323
Total Investment Required	0.000	1.013

41. As a result of the review it is now possible to more accurately forecast the savings this is expected to generate. If successful by 2024/25 this will deliver the majority of the required savings, although this won't be as quickly as currently budgeted.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'m	£'m	£'m	£'m	£'m	£'m
Current MTFP Savings	-0.088	-1.016	0.000	0.000	0.000	0.000
Anticipated Savings	0.000	-0.413	-0.502	-0.496	-0.335	-0.235
Variance to current MTFP	0.088	0.603	-0.502	-0.496	-0.335	-0.235

Equalities Implications

42. N/A

LUCY BUTLER
Director for Children's Services

Contact Officer: Dan Ruaux – Head of Service, Corporate Parenting