

Soft Market Testing

SUMMARY

- 1.1 Children in Care are very important to the Council. As a Corporate Parent, the Council is duty bound to delivering good outcomes for all children in care. However, increasing reliance on external placements is becoming a significant budget pressure for the Council and partner agencies. The Council currently has minimal influence over this.
- 1.2 Significant corporate resources, time and energy over the last three years has been focussed on increasing the number of foster carers and decreasing the reliance on the independent and private sector fostering (Independent Fostering Agency) market. The Family Values project in partnership with iMPower was a significant change programme for the service and has yielded service improvements. However despite this focus, the current statistics show no improvement in the overall number of foster carers recruited:
 - 60% Children in Care with an Independent Fostering Agency
 - 40% Children in Care with in house foster carers.
- 1.3 The Council needs to adopt a mature approach for the current fostering position but also acknowledge that decisive action is required to manage and plan for the future. The preferred situation will always be to have a sufficient number of in house foster carers. However, the current position requires us to begin considering alternative delivery models for the recruitment of foster carers.

RECOMMENDATIONS

- 2.1 To consult with external market providers of fostering placements to determine if there is an appetite for a different commissioning arrangement for delivering foster carer placements in Derby.
- 2.2 If this is the case, to take this further and establish if there are financial benefits for the Council in doing so.

REASONS FOR RECOMMENDATION

- 3.1 Most Children in Care live with foster carers. However there is a national shortage of them which has seen the growth of the private and independent sector market. Significant corporate resources, time and energy over the last three years has been focussed on increasing the number of in house foster carers and decreasing the reliance on the (Independent Fostering Agency) market. This has included employing

a specialist marketing consultant, an 18 month project with iMPower and a Scrutiny Topic review. However despite this focus, the current statistics show no improvement in the overall number of foster carers recruited:

- 60% Children in Care with an Independent Fostering Agency
- 40% Children in Care with 'In house' foster carers.

- 3.2 The reasons for this are complex but do include legislation that now allows for children aged 18 years to "Stay Put" with their foster carer plus Derby has a number of foster carers who go on to adopt their fostered children.
- 3.3 As well as cost considerations, the quality of outcomes for Children in Care is also an important consideration. The most recent performance information for children in care placed in Independent Fostering Agency placements shows good quality outcomes in relation to both health and personal education plans. An internal thematic audit in August 2016 found evidence of good quality placements and outcomes for Children in Care placed at a distance to Derby and in an Independent Fostering Agency placement.

SUPPORTING INFORMATION

- 4.1 One other Council-Peterborough has recently awarded a ten year contract to TACT (The Adolescent and Children Trust) starting on 1 April 2017; to provide on the Councils behalf a permanency service including both fostering and adoption services. They are a fostering and adoption registered charity.
- 4.2 What the Council needs to do before making a decision on next steps is to 'test the market'. This means make contact with providers to see if there is interest in a different contractual arrangement with the Council that is mutually beneficial. There are already strong relationships between the Council and the different providers that currently look after Derby's children in care. When this is completed recommendation will be made for cabinet members to consider.

OTHER OPTIONS CONSIDERED

- 5.1 The Council will continue to actively recruit local foster carers for Derby's Children in Care.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Alison Parkin: HOS Finance Andy Smith: Strategic Director of People
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IMPLICATIONS

Financial and Value for Money

- 1.1 Payments for placements in the IFA market cover the infrastructure costs of the agency, payments to the carers and an element of profit. A contractual arrangement with an IFA would need to offer a profit margin; this is the reality of the provider market. However what a different delivery model could offer to the Council is a substantial saving against current IFA expenditure if all elements of the payment mechanism were reviewed.

Legal

- 2.1 To be determined in scoping.

Personnel

- 3.1 To be determined in scoping.

Equalities Impact

- 4.1 To be determined in scoping.

Health and Safety

- 5.1 To be determined in scoping.

Environmental Sustainability

- 6.1 To be determined in scoping.

Asset Management

- 7.1 To be determined in scoping.

Risk Management

- 8.1 To be determined in scoping.

Corporate objectives and priorities for change

- 9.1 The service supports the Councils priorities of
- inspiring start in life
 - inspiring start in life by improving educational attainment
 - inspiring working life by improving skills and creating jobs