

Report of:	Deputy Mayor and Executive Member for Children's Services Interim Executive Director of Children's Care
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Submitted to:	Executive
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Date:	24 January 2023
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Title:	In-House Fostering – PART A
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Report for:	Decision
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Status:	Public
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Strategic priority:	Children and young people
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Key decision:	Yes
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Why:	Decision(s) will incur expenditure or savings above £150,000
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Urgent:	No
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Why:	Not Applicable
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Executive summary

To provide information around the request to seek an investment for the in-house fostering service to retain carers and avoid continued requests for moves to Independent Fostering Agencies (IFA).

Purpose

1. To provide information to Executive in order to support the request for an agreement to invest in the in-house fostering service.

Background and relevant information

2. A primary aim of Middlesbrough Council's Sufficiency Strategy is to have well developed and targeted range of community support arrangements and high-quality placements within and around the Tees Valley area to care for our children and young people.
3. At present there are insufficient numbers of foster placements available either internally or externally to meet our needs and overall, our ambition is to grow our in-house fostering service; in line with our sufficiency ambition to have more children and young people placed in foster care and with a Middlesbrough Council foster carer. At present carers are leaving to move to IFA's and therefore this investment is required in order to stop this happening.
4. The sufficiency ambition for internal fostering growth and us being placement of choice is knowing that children and young people thrive in a family placement and given our current financial position and the continuing increasing costs of external placements that internal services are more sustainable for the Council to continue to deliver the best services to our children and young people.
5. Over the last year we have seen an increasing pressure in finding fostering matches and for some this has resulted in an ask for residential care, which has then made it harder to find residential matches for our complex needs children/young people and seen an increase in our use of unregulated provision at a significant cost.
6. Middlesbrough Council on 5th December 2022 had 510 Children Looked After (CLA) and of those 384 (75%) children/young people were accommodate and this was split as:
 - 53% - External (149 IFA, 7 Block Residential & 47 External Residential)
 - 47% - Internal (158 In-house Fostering & 23 Internal Residential)
7. As shown above the majority are being cared for in an external provision which is growing increasingly more expensive and matching is becoming challenging as the impact of reduced fostering capacity, increase in complex and challenging needs and cost of living pressures continue.
8. Increasing our own internal services is more important than ever not only to ensure we meet our statutory sufficiency duty but also to reduce the increasing costs associated with external residential placements, which are high in cost but low volume.

9. The in-house fostering service provides, or aspires to provide a range of different placement types as follows:

- Connected persons: A connected person is a relative, friend or other person connected with a child. Family and friends carers play a unique role in enabling children and young people to remain with people they know and trust if they cannot, for whatever reason, live with their parents.
- Short-term fostering: Some children initially live with short-term foster carers while decisions are made about their permanent futures, including reunification with their families.
- Long-term fostering: A child will become part of a family until they grow up. Not all children want to be adopted, especially older children or those who continue to have regular contact with relatives.
- Specialist fostering, which includes provision for specific 'remand' placements: Foster carers to support young people in care aged 10-18 years with particularly complex needs, some of whom may be in the youth justice system or disabled. This is a specialist role, and the foster carers need skills and experience of working with these groups to really make a difference and help them turn their lives around and reach their potential. We will also consider the efficacy of introducing a parent and baby foster care resource as a direct alternative to residential provision.
- Mockingbird: This is an innovative new way to support carers and is focused on a Hub Carer that then supports a number of foster carers as part of a satellite, which then becomes its own support network. The carers support each other and rely on the experience of the Hub carer, which can include offering respite where a placement is at risk of breakdown or listening and providing alternative options for dealing with issues. The satellite becomes a family and celebrates together such as birthdays, Christmas or other special events.

10. Middlesbrough Council on 5th December 2022 had 158 children and young people cared for with an internal foster carer and 149 with an independent foster carer and 11 active referrals including 2 sibling groups and ages of children and young people ranging from 3 to 16 years old.

11. Whilst the number placed internally is higher than external, the difference is only 9 (6%) children/young people and we have sadly seen an increase this year in requests for carers to move from in-house to an Independent Fostering Agency (IFA) which not only reduces capacity in the service but costs significantly more, which in these times of financial pressures is not sustainable.

12. Since April 2022 we have had 7 foster carers request a transfer from in-house to an IFA, which can take time, so currently we have lost 3 carers and 4 carers are going through the process with 2 quite far on and 2 only recently requesting a move.

13. In total those 7 carers are caring for a total of 17 children/young people and at present 6 have moved meaning that there are 9 more children due to move which would potentially see external placements being higher than internal placements.
14. Whilst a more formal exit interview process is being implemented for the in-house service the Fostering Team Manager has confirmed that reasons being cited by carers leaving is the financial package offered by the Council compared to an IFA and in this current climate they cannot afford to stay with the in-house service.
15. Considering this year's numbers moving to an IFA and expected turnover we are predicting a future trajectory of fostering households leaving the in-house fostering service as 15 over a financial year. Using an average fostering household being registered for 2 placements that could mean over a financial year we will lose in the region of 30 placements.
16. The in-house service has a recruitment target of 25 and if the above trajectory is correct then there is little ability for the service to grow as any recruitment would mainly replace those leaving. Feedback from the in-house service is that the target is not being achieved and no full-time carers have been recruited this year, so overall capacity internally is simply decrease, meaning more IFA or residential placements being commissioned.
17. In line with current policy an in-house carer is only entitled to receive the band payment after a year's service and the payment is only made once regardless of how many children are placed.
18. We know that carers with an IFA generally do not have other forms of employment due to the financial offer they receive. This is not the same for in-house and some of our carers need other employment to be financially sustainable. A part of the invest to save this has been something we have recognised and if we were able to closer align our financial offer to the independent market then potentially carers could give up their other employment, which could mean a carer could take another child/young person, or training could be provided during the week as opposed to having to schedule things on a weekend due to carers not being available because they are at work.
19. It is not our stance that carers give up work, but it would be attractive to new carers and current carers if they had that option.
20. We know from feedback that one of the pulls to in-house fostering is the support offer as well as knowing they are working for a non-profit making organisation, so with that in mind we are also working with other areas of the Council in order understand if there are other benefits that would further support them financially as well and as this work develops formal approval will be sought.

Option 1 - Do Nothing

21. If we do nothing, then the in-house fostering service capacity may continue to decrease, more IFA or residential placements will be needed which will further increase costs to the Council and we would be failing in our sufficiency statutory responsibilities.

Option 2 - Agree the Invest to Save Proposal

22. A shift from IFA and residential to in-house fostering placements is our goal as this meets the need of our children and young people but would also be more financially sustainable for the Council, however, we must recognise that this will not happen if we are continuing to lose carers to IFAs.

23. This investment request is about stabilising the in-house service and the financial ask has been based on implementing the new fee structure for all active placements.

Option 3 – Public Private Partnership Future Fostering Arrangements

24. This option would mean that the Council undertakes a formal procurement to establish a public private partnership delivery model.

25. The procurement process would take a minimum of 18/24 months to conclude and would require dedicated resource and time for the development of the procurement documentation prior to going to market.

26. The likely outcome would be more expensive than growing the in-house fostering services and given how resource intensive this could be it would be better for the Council to try growing its own service before considering this option more seriously.

Option 4 – Tees Valley Public Sector Collaborative Fostering Service

27. This option would mean the amalgamation of the 5 Tees Valley Local Authority in-house fostering service to create a Tees Valley Fostering Agency as opposed to having 5 competing in-house services.

28. As with option 3 this would require significant resource as well as requiring formal approval from all 5 Local Authorities that this was an option they wished to consider.

29. This has been implemented already with the Tees Valley Adoption Agency so there is potential that this option would be supported.

30. As with option 3 it would be better for the Council to try and grow its own service before considering this option more seriously.

Funding

31. Please refer to the Part B report for the financial detail.

What decision(s) are being recommended?

32. That Executive be asked to:

- a) note the information contained within Part A of the report; and
- b) take the decision once all the financial or exempt information contained within Part B of the report has been considered.

Rationale for the recommended decision(s)

33. The Council is under significant budget pressure, particularly in children's services. One of the contributing factors is the high cost of external placements, including IFA and residential placements. The basis of this investment is to avoid more in-house carers requesting to move to an IFA which is significantly more expensive meaning further budgetary pressures for the Council.

34. If this investment is not supported then there is a potential for more carers to move to IFA's which not only means a loss of capacity but also a considerable increase in expenditure.

35. If the investment is approved then there is an expectation that this will see an increase in recruitment of in-house carers and whilst more funding will be needed to support this we anticipate being able to reduce reliance on the IFA market and transfer underspend from that budget to in-house fostering to cover this.

Other potential decision(s) and why these have not been recommended

36. We do nothing and remain with the current level of allowances then potentially more carers will move to an IFA increasing costs and reducing internal capacity further.

37. A public private partnership or Tees Valley Fostering service would take considerable resource and time to drive forward and it makes more sense for us to grow our own service initially before considering either of these options more seriously given the continued move of carers to IFAs and use of external residential placements.

Impact(s) of the recommended decision(s)

Legal

38. We have a statutory duty to provide accommodation to children and in house foster carers contribute to meeting that duty.

39. There are no legal implications in respect of the change in banding allowances.

Strategic priorities and risks

40. To meet our legal duty to provide sufficient number of placements for children and young people in our care.

Human Rights, Equality and Data Protection

41. No protected Groups would be affected by this decision.

Financial

42. Please refer to the Part B report for the detail.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
To increase the allowances paid to Middlesbrough Council Foster carers	Paul Rudd	Immediately if agreed
Baseline the IFA placement numbers and report monthly for the next 12 months on the reduction.	Paul Rudd	March 2024

Appendices

1	None
2	
3	

Background papers

Body	Report title	Date
None		

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