

Investing in Fostering and Placement Support Services

Date: 12th May 2023

Report of: Head of Corporate Parenting

Report to: Director of Children and Families

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

As a child-friendly city we have high ambitions for our children and young people; we want to create and support the right conditions for them to be happy, healthy, achieve and thrive throughout their lives. However, for some children and young people the local authority needs to provide care delivered primarily through either fostering or residential placements.

The council has both in-house residential accommodation, as well as in-house foster carers, however these do not provide sufficient capacity to meet current demand and in some cases, need. It is therefore necessary, for some young people to be placed into external residential provision, or into homes through independent fostering agencies (IFA). There is evidence that whilst those children and young people in external placements (residential or IFA) can have good outcomes, the council's in-house provision is better able to meet complex social, emotional, mental health and behaviour needs due to integration with Leeds services.

This proposal would see in-house foster care capacity increased, significantly reducing the current reliance on external residential and IFA placements. Within this increase in capacity will be the introduction of a new higher-level foster carer, specifically aimed at providing placement stability for those young people who, due to their complex needs, have not been able to be matched to current in-house residential or foster placements.

The business case for this investment assumes not only a social value in improving outcomes for these young people, but also that savings will be realised as external placements are more costly than in-house provision.

The case for investment also includes the creation of a range of new staffing posts to effectively manage the increased in-house provision and support placement stability.

Recommendations

The Director of Children and Families is recommended to:

- a) Note the content of the report and invest to save proposition for new capacity within the fostering and placement support services;
- b) Approve the overall business case as described in this report; and
- c) Approve the establishment of the required new posts, as identified at appendix 1.

What is this report about?

- 1 Children undoubtedly do best when they live in family-based care, their outcomes are known to be significantly better, which then translates through into later life with improved opportunities, being happy, healthy and staying well for longer.
- 2 Current fostering placement capacity within the city is not enough to meet demand, and therefore there is a reliance on external Independent Fostering Agency (IFA) provision which is more expensive than the council's in-house provision.
- 3 In addition, there are challenges around stability within foster placements, especially where young people have complex social, emotional, mental health and/or behaviour needs. Placement stability is an essential component in supporting children and young people navigate their often-complex emotions and behaviours, therefore getting it right first time has to be a priority.
- 4 In September 2021, as part of the council's financial challenge response, a proposal was put to Executive Board for investment in increased in-house fostering provision, enabling reduced reliance on IFA and increasing placement stability. The proposal put forward the requirement for increasing the number of foster carers across current skills tiers, introduction of a new higher level (tier 5) able to manage complex needs and behaviours, as well as creating additional staffing capacity to support recruitment and retention of foster carers, placement stability and the administration that would accompany growth of the in-house provision.
- 5 This report articulates the business case for investment to increase in-house fostering capacity and provide improved placement support, which together will not only ensure better outcomes for young people in foster placements, but also generate savings to the authority in respect of the current spend on external provision.
- 6 This proposition sits alongside, and complementary to another invest to save case focused on expansion and diversification of the council's in-house residential home portfolio. These proposals are complex and interrelated, taken together they present an opportunity to change the context Leeds operates in, to have and control more provision, to save significant amounts of money and, most importantly, to improve the outcomes for the city's children looked after.

What impact will this proposal have?

- 7 The expected outcome, once the proposal is delivered, is that as a corporate parent, the council is able to better meet the needs of young people in our care, including those with complex social, emotional, mental health and behaviour needs. Longer term this will result in improved outcomes and better overall life chances for those young people.
- 8 There are currently c.500 children in foster care provided by the council, a higher percentage than nearly all neighbouring and nearby local authorities. The majority do very well, living in long-term and stable placements where they have opportunity to flourish and succeed. Whilst foster care is a success in the city, there are still challenges which if addressed will deliver improved outcomes for young people, as well as having wider benefits for the council and city.
- 9 Due to ongoing demand for children and young people to be placed with medium- and long-term foster carers there is continuing reliance on IFA provision, with 208 current placements. Outcomes for these children can be good, however this provision is often significantly more expensive and frequently distant from Leeds, impacting on children in terms of proximity to wider family, friends and the school they attend. Ideally, placements for Leeds's children and young people should be provided in Leeds.
- 10 In addition to those in IFA placements, there is a group of around 30 young people for whom residential care is the only current option due to lack of fostering capacity, or due to multiple foster placement breakdowns. By increasing capacity through a new tier 5 skills level, fostering would

become a viable option for these young people with more complex needs, leading to better placement stability, intervention and prevention, and ultimately better lifetime outcomes.

- 11 The cost of IFA placements is significantly more than that paid via the council's in-house fostering provision, the differential cost being on average £355 per week, therefore c.£19k more per annum. If 166 of the 208 children and young people in an IFA placement could be brought back into in-house provision this would reduce IFA placements by 80% and deliver the council an annual gross placement saving of c.£3.1m (before additional staffing requirements are taken into consideration).
- 12 Spend on residential placements for 24 children and young people for whom there is currently no viable fostering option is estimated at c.£6.5m per annum. Provision of 30 foster carers for these children at the new higher-level tier 5 rate would cost c.£1.3m per annum, therefore delivering an annual gross saving of c.£5.2m (before additional staffing requirements are taken into consideration).
- 13 The proposal provides opportunity for improving outcomes for the city's children and young people in care, by keeping them nearer to the places and people they know and through more specialised foster carers, as well as delivering significant savings (combined the IFA and tier 5 proposals are projected to reach a net saving of £5.2m per year in 2027/28).
- 14 Underpinning the proposed changes in fostering will be the introduction of a core practice model that enables carers and staff to describe and understand the behaviours of children in foster care, and better access specialist services and disciplines. This practice model will be common across our Children Looked After Services, ensuring that all staff providing interventions to children in the service share a common language and vocabulary with our foster carers in thinking about children.
- 15 The proposal will not significantly impact on other areas of the council. If through the proposal, the number of children and young people in placements outside of Leeds is reduced then Passenger Transport may also see a consequential impact on travel requests, including for school, health appointments and family visits. This proposal could therefore help manage increasing demand and costs for transport.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

Health and Wellbeing

- 16 The health and wellbeing of those young people who will benefit from increased fostering capacity will be improved, due to the greater suitability of their living arrangements and care/support more suited to meet their specific needs. This in turn will have an impact on the future outcomes for those young people, which may include greater educational attainment, continued engagement with learning and/or training, improved employment opportunities and better life circumstances to stay healthy and well for longer.

Inclusive Growth

- 17 Better outcomes for young people will also impact on inclusive growth, with the right support and stability there will be improved opportunity for educational attainment, skills development and therefore future employability and economic activity.

Zero Carbon

- 18 Increased in-house fostering capacity will mean reduced reliance on external provision (IFA or residential) which is often away from young people's family and friends, in some cases placements being necessary many miles away.

19 The need to place young people out of area generally necessitates longer journeys for those young people, their families and social work teams to undertake contact sessions, access education, healthcare appointments and provide required support. By being able to provide living arrangements within the city this will reduce the number and length of vehicle movements.

What consultation and engagement has taken place?

Wards affected: n/a		
Have ward members been consulted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

20 At its meeting on 22nd September 2021 Executive Board considered a service review savings proposal in respect of the matters contained in this report. Proposals were included in the consultation draft of the 2022/23 budget which was approved by Full Council on 23rd February 2022.

21 The Executive Member for Adults and Children’s Social Care and Health Partnerships has been briefed on the recommendations set out and is in support of proposals.

22 The proposals set out in this report have been discussed at Corporate Parenting Board within the Board’s consideration of the priority for stability and sufficiency of placements. Further consideration will take place within the Board’s agenda as implementation progresses.

23 Throughout implementation of the proposals set out in this report engagement will take place with the Foster Carer Liaison Group, the wider foster care community, and with children and young people, whose feedback will inform relevant decisions which flow from this report.

24 The proposed new posts have been discussed with Trade Unions, who are supportive. Ongoing conversations will take place with TU through regular fortnightly meeting with the Head of Corporate Parenting.

25 Existing staff will be engaged throughout implementation.

26 Internally, both HR and Finance have been party to the development of this proposal and are supportive of it being put forward at this time.

What are the resource implications?

Human Resources

27 Careful consideration has been given to ensure creation of the right staffing capacity, including essential leadership and oversight, to support expansion of the service. It is proposed that 42 new posts, all based on existing job descriptions, be created, shown in the table below, with further detail at appendix 1.

Role	No.
Service Delivery Manager	1
Team Manager	4.5
Panel and QA Manager	1
Fostering Reviewing Officer	2.5
PACE Practice Manager	1
Restraint Training Officer	1
Social Worker	22
Placement, payment, panel and admin support	9

28 The recruitment of staff has been profiled to align with the programmed increase in foster carers over a 4 year period, ensuring that the right resource is available, at the right time to support effective delivery and efficient resource management.

29 Similarly, it is recognised that the increased staffing cohort within the service will lead to increased need for training and development, and therefore cost has been built in for this purpose.

30 The annual staffing costs are shown in the table below, these figures assume:

- i. New foster carer recruitment is achieved as per the delivery programme; and
- ii. Staffing costs increase by the budgeted 4% in 2023/24 and 2% per annum thereafter.

	2023/24	2024/25	2025/26	2026/27	2027/28
Annual cost (£000s)	886	1,636	2,070	2,321	2,486

Gross Savings on placement costs

31 The children looked after placements budget for 2022/23 was £68.4m, as at period 11 the projected year end spend was £81m, an in-year overspend of £12.6m. The overspend, in some part, can be attributed to the increase in children entering care over the course of the year. Due to constraints of in-house fostering capacity, there is reliance on high-cost external IFA and residential placements to meet the accommodation and support needs of some of these young people.

32 For this business case there are 2 elements where savings would be realised, IFA placements and residential provision (ref. para 11 and 12).

IFA

- Gross saving of £2.2m per annum by 2027/28 before new staffing costs. This assumes 80% of all IFA placements could be met by in-house foster carers and on average 13 new foster carers per quarter are ready to take placements, starting from Q2 2023/24 and reaching the target number in Q2 2026/27.
- The gross saving is based on 166 placements x £19k current cost difference between IFA and in-house foster provision.

Residential

- Gross saving of £5.6m per annum by 2027/28 before new staffing costs. Based on:
 - 10 placements for primary aged children, with an average current cost difference of £232k per placement per year
 - 14 placements for teenagers, with an average current cost difference of £225k per placement per year
- This assumes an average of four new higher tier foster carers per quarter are ready to take placements, starting from Q4 2023/24 and reaching the target number in Q3 2025/26.

33 Combined the 2 elements would deliver a gross saving of c.£7.8m per year by 2027/28, and net saving of c.£5.2m after staffing costs are deducted.

Net Savings

34 The table below provides detail of the savings across the next five years, shown as the change in the budget each year. This assumes the new foster carers will have placements 80% of the time, which allows for downtime during placement changeover and training.

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£000	£000	£000	£000	£000	£000
Costs						
Foster carer fees	474	2,213	2,858	1,764	271	7,580
Staffing	886	750	434	251	165	2,486
Other (marketing, equipment, training)	165	3	-2	0	-1	165
Total Costs	1,525	2,966	3,290	2,014	435	10,230
Savings						
IFA placements	-583	-2,431	-2,876	-2,160	-330	-8,380
Residential placements	-272	-2,428	-3,504	-671	-138	-7,013
Total savings	-855	-4,859	-6,380	-2,830	-468	-15,392
Net costs/(savings)	670	-1,893	-3,090	-816	-33	-5,162

35 Further to the above scenario, if foster carers had placements more than 80% of the time then savings would increase from the anticipated £5.2m to an upper limit of £7.3m, if foster carers had placements 100% of the time.

36 Based on Financial Challenge proposals taken to Executive Board in September 2021, the Medium-Term Financial Strategy (MTFS) already assumes this proposal would contribute, along with savings generated through the proposal to diversify the children's residential portfolio to include small group living homes, towards net savings of £5.7m over the three-year period 2022/23 to 2024/25.

37 The latest residential and fostering proposals continue to deliver the long-term savings, with some changes to the profile of savings in individual years. Any temporary cashflow needs will be managed through the use of reserves. Due to the scale and complexity of the proposals, the delivery of savings will be monitored closely and reported throughout the implementation period.

What are the key risks and how are they being managed?

38 The key risks of the proposal are:

- i. Failure, or delays to recruitment of new foster carers will mean continued reliance on IFA placements, leading to savings not being realised as profiled and ongoing pressure within the Children and Families budget.
- ii. Applicants for the new tier 5 foster carers do not have the right skills set to fulfil the roles as envisaged, leading to those children and young people with complex needs remaining in residential care, with higher costs and less favourable outcomes.
- iii. Challenges in recruitment of new staff to the service aligned with foster carer recruitment, leading to increased pressure on current staff and reduced placement support, resulting in low staff morale, placement breakdown and reputational damage to the council.
- iv. New staff roles are filled by existing staff (promotion or sideways move), creating vacancies and pressures elsewhere in Children and Families.

39 Risks will be managed, and further identified, by a project delivery team established to oversee implementation of the proposal. Where appropriate mitigating actions will be put in place and be actively monitored throughout the duration of the implementation programme.

What are the legal implications?

40 The Children Act 1989 introduced a 'sufficiency duty' on local authorities, requiring them to take steps to secure, as far as practicable, sufficient accommodation within the local authority area to meet the needs of its children looked after.

41 Section 22C of the Children Act considers the types of placements local authorities should use for children looked after, with the expectation that the authority will place the child in 'the most appropriate placement available', i.e. the one that they consider will best promote and safeguard the child's welfare. This section states that, as far as reasonably practicable, the placement should: allow the child to live near his/ her home; not disrupt their education; enable the child to live with their sibling(s) if they are also looked after; provide accommodation suitable for the needs of disabled children, where relevant; and be within the local authority area. This report outlines circumstances in which it is difficult to achieve some of these criteria.

42 It is clear from the Children Act and the 2010 regulations that the primary focus for local authorities must be safeguarding and promoting the welfare of looked after children and young people. In this way, the legislative framework sets an expectation that the provision of accommodation and care for children and young people who cannot remain at home should be needs-led, and there is a duty on the local authority to ensure they have or commission sufficient accommodation to meet these needs.

43 These plans support the authority to meet its legal duties to sufficiently provide for children in the care of the authority through delivering appropriate regulated accommodation options to meet demand.

Options, timescales and measuring success

What other options were considered?

44 Following identification of the benefits associated with increasing the council's in-house fostering capacity a number of options were considered:

- i. Do nothing – not an option when considering the high cost of, and lower outcomes for children and young people in IFA and residential care when foster placements would be a more suitable option;
- ii. More of the same (tier 1-4 foster carers) – would improve outcomes for some children and young people (those in IFA placements), as well as delivering some financial savings but would not give opportunity to improve outcomes for those children and young people in residential placements for who fostering would be an option with a higher tier foster carer; and
- iii. New tier 5 foster carers only – would improve outcomes for a relatively low number of children and young people, as well as deliver some savings but would not address the issue of reliance on high-cost IFA placements.

How will success be measured?

45 As described in the body of this report success will be measured in terms of:

- Recruitment of foster carers
- Reduction in IFA placements
- Reduction in children and young people cared for in residential settings

- Reduction in placement breakdown
- Timely and appropriate intervention to protect and support successful placement
- Delivery of savings as projected in this proposal

What is the timetable and who will be responsible for implementation?

46 The proposal has 2 essential and inter-dependent strands: foster carer recruitment and staff recruitment. Activities on both strands will commence immediately following business case approval, with the programme assuming phased and aligned recruitment across both strands commencing 2023/24, running through to 2026/27.

47 The Head of Corporate Parenting will be responsible for implementation of the decision.

48 Further decisions necessary to implementation of the business case which will be taken as Significant Operational Decisions (if not administrative), as a direct consequence of this decision.

Appendices

- Appendix 1 – Proposed new posts
- Appendix 2 – EDCI assessment

Background papers

None