

Cheshire East Council

Cabinet

Date of Meeting:	9 th May 2017
Report of:	Kath O'Dwyer, Acting Chief Executive/Mark Palethorpe, Acting Executive Director People
Subject/Title:	Shared Fostering Service
Portfolio Holder:	Cllr Liz Durham, Children and Families

1. Report Summary

- 1.1. The purpose of this report is to seek approval to progress plans for the development of a shared fostering service for Cheshire East alongside Warrington, Halton, Cheshire West and Chester. Further the report seeks approval to explore the feasibility of a single local authority delivering the functions of the fostering service on behalf of the partnership.

2. Recommendations

The report seeks approval from Cabinet for the following:

- 2.1. Agree that Cheshire East should collaborate with Halton, Cheshire West and Chester and Warrington in the recruitment, assessment and training of foster carers.
- 2.2. Agree that one of the partner local authorities will be the host local authority for the initial collaboration phase.
- 2.3. Agree that the feasibility of developing a fully integrated service and a single fostering agency are explored and progressed this if it is deemed viable.
- 2.4. Agree for the development and establishment of the shared fostering services to be delegated to the Deputy Chief Executive and Executive Director for People in consultation with the lead member for Children and Families.
- 2.5. That authority to sign off an inter authority agreement is delegated to the Deputy Chief Executive and Executive Director of People in consultation with the Head of Legal Services.

- 2.6. Require officers to continue developing the shared fostering service in order for collaboration to occur in October 2017 and a fully integrated service, if deemed viable, in 2018.

3. Reasons for Recommendations

- 3.1. In order for Cheshire East to meet its statutory duty to provide sufficient foster placements for children who are coming into or who are in our care it is necessary for a new model/approach to be delivered. Currently demand outstrips provision and there is currently a heavy reliance on costly Independent Fostering Agencies (IFA) placements which is placing an additional financial pressure on the council.
- 3.2. Both collaboration and a fully integrated shared fostering service offer economies of scale that should lead to a more effective and efficient service delivery.

4. Background/Chronology

- 4.1. A shared fostering service presents a number of opportunities. The common services and processes within fostering services are a 'good fit' with both collaboration and the development of an integrated service. Fostering services undertake key functions, namely;

Recruitment	Currently the four local authorities are individually advertising for foster carers across the patch and effectively are trying to attract from within the same pool. The creation of a common brand and a single campaign would present a stronger, more effective approach. Shared resources will improve the quality and targeting of recruitment and will reduce the reliance on IFA placements.
Assessment	Assessment is a common process. All four councils follow the Skills to Foster Framework. Collaboration would enable more frequent introductory training across the services footprint and support the faster recruitment of foster carers.
Panel Process	This is a common process – a shared approach would result in efficiencies and a more effective approval process with speedier decisions.
Family and Friends Assessment	There is commonality in approaches to Family and Friends assessments and the development of a single model of assessment would result in a more efficient process.
Placements	Collaboration and ultimately integration would increase capacity across the patch. Sharing resources across neighbouring authorities will allow children to remain closer to their community and enable children to remain at their existing schools.

- 4.2. Over recent years there has been an unprecedented national rise in the numbers of children coming into care which has resulted in local authority fostering services being unable to meet the demand for foster placements. Increasingly there has been a reliance on independent fostering agencies (IFAs) to provide placements resulting in significant financial pressures for councils. IFA placements cost on average £700 - £900 per week, more than double the cost of an internal LA fostering placement.
- 4.3. The cost of IFA placements across the four partner local authorities in the first half of 2016-17 totalled £6,411,838. From April 16 – August 16 in Cheshire East alone the cost was £1,792,997. In order to become more competitive in the market it is imperative that local authorities adopt a much more business-like approach and mirror the processes adopted by the IFAs in relation to recruitment.
- 4.4. IFAs are usually large organisations focusing solely on the recruitment of mainstream foster carers. In comparison local authorities have relatively small fostering services with competing priorities, as the fostering teams not only recruit and support mainstream foster carers but also assess and support kinship/connected carers (family and friends carers). The connected carers assessments are usually required as part of the court process and have tight timescales for completion.
- 4.5. Currently the four partner local authorities are aiming recruitment campaigns at the same population in the sub-region with competing messages. Operating as a separate entity each local authority is currently not only competing with their neighbouring local authorities but with a strong IFA market. It is therefore not surprising that, to a large extent, the local authorities have lost a section of the market to the IFAs. Collaboration between the local authorities would allow resources to be used more effectively and efficiently through economies of scale and the pooling of resources. As demonstrated by the examples of shared adoption services (e.g. WWiSH) collaboration can result in much improved recruitment processes and an increase in the number of applicants who are assessed and approved without undue delay.
- 4.6. The key aims of the proposal for collaboration and the development of a shared fostering service are to achieve:
 - A more effective service through improved recruitment, assessment and training of prospective foster carers
 - Improved outcomes for children through greater placement choice and the increased availability of placements that can meet their needs.
 - A more efficient service through economies of scale and the pooling of budgets

- Efficiency savings through a reduced reliance on costly agency placements
 - A more effective user experience for prospective foster carers.
- 4.7. Collaboration and a shared fostering service will be developed with a focus on providing sufficient foster placements to meet the needs of the four local authority partners. The key objectives are:
- To provide a sufficient range and number of foster carers able to parent children with a wide range of profiles and needs, enabling more children to be placed 'in house'
 - To develop and support carers to enable the placement of sibling groups and older children
 - To deliver a high performing and improved recruitment and assessment service reflected by a reduced reliance on IFA placements
 - To better retain mainstream carers through the provision of high quality support and training
- 4.8. As a consequence of collaborating and establishing a shared service to deliver the aims and objectives set out above, the following benefits will be achieved:
- The service will have a clear focus and sense of responsibility and accountability for recruiting foster carers that meet the needs of the children across the patch
 - Children will be able to be placed either in or close to their local community, school and family networks
 - Improved safeguarding of children as they will be placed in local authority placements with robust monitoring and oversight
 - A comprehensive training programme for prospective and recruited foster carers that is flexible and enables participation
 - A common foster carer allowance and benefits scheme that promotes the retention of carers
 - A reduced reliance on IFA placements that serves to reduce the financial pressure of these costs upon local authorities.

4.9. **PROJECT GOVERNANCE**

4.9.1 In order to ensure the effective governance of the initial collaboration between the four local authorities and the development of an integrated fostering service a project board has been established consisting of the assistant directors of each local authority:

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| • Nigel Moorhouse | Cheshire East |
| • Fiona Waddington | Warrington Borough Council |
| • Tracey Coffey | Halton Borough Council |
| • Emma Taylor | Cheshire West and Chester Council |

- 4.9.2 Project Board members are supported in their work by the respective Heads of Service/Service Managers who have responsibility for fostering services and project management support is being provided by Warrington Borough Council and Cheshire West and Chester councils.
- 4.9.3 A steering group has also been established consisting of the Heads of Service/ Service Managers and the Fostering Team Managers. The steering group's work is focused on identifying commonalities in process and practice and developing a proposed structure and operating model.
- 4.9.4 The proposal is for collaboration to take place and a shared fostering service to be developed between Cheshire East, Halton and Cheshire West and Chester and Warrington. The four partnering local authorities have a strong history of collaborative working in respect of children's services: a shared youth offending service across the four authorities and three of the local authorities are partnering in the establishment of a regional adoption agency.
- 4.9.5 The London Tri-Borough (Royal Borough of Kensington & Chelsea; City of Westminster and Hammersmith and Fulham) has successfully operated a shared fostering service for several years and received Outstanding and Good Ofsted grades for their overall services, including fostering.
- 4.9.6 It is proposed that the development of the service is phased.
- Phase 1 will be through collaboration and the sharing of resources with regard to recruitment, assessment and training with the aim of going live in October 2017.
- Phase 2 will involve the move to a fully integrated service incorporating the carer supervision and support functions.
- 4.9.7 The Tri-Borough has become a single fostering agency in order for the requirements of statutory regulations to be met and the feasibility of the partnership doing so will be explored concurrently with Phase 1. The aim is for a fully integrated service to go live in July/August 2018 as this will involve significant planning as a full service operating model will need to be devised and approved.
- 4.9.8 It is proposed that one of the four local authorities will become the host authority for the initial collaboration phase. The other three local authorities will undertake the governance and quality assurance role through a Partnership Board. The service would be underwritten by an inter-authority agreement based on a detailed business case/service specification.
- 4.9.9 Should the proposal be approved a communications and stakeholder consultation plan will be produced and implemented. Key stakeholders are staff, foster carers, panel chairs and children and young people and

the trade unions. A full staff consultation will be undertaken for each Phase of the development.

5. Wards Affected and Local Ward Members

- 5.1. All wards effected. Foster carers and cared for children are comparatively small in number and reside across Cheshire East.

6. Implications of Recommendation

6.1. Policy Implications

- 6.1.1 A strong and effective fostering service will ensure that more cared for children are placed with foster carers in their local communities.

6.2. Legal Implications

- 6.2.1. There is no separate legal entity being formed and as such there are no procurement implications. However the partnering authorities have to consider how their functions will be performed. As stated above the feasibility of becoming a single shared fostering agency will be explored during Phase 1 in order to ensure that statutory regulations are met. The powers to establish a single shared fostering agency are contained in sections 101, 102, 112 and 113 of the Local Government Act 1972 and sections 19 and 20 Local Government Act 2000. The regulations made under these Acts together with the general powers of competence are contained within the Localism Act 2011, and the powers within section 2 of the Local Government Act 2000 and the supporting provisions within section 111 Local Government Act 1972.
- 6.2.2. Phase 1 involves the collaboration of the four local authorities and the sharing of resources. Each local authority will continue to be registered as a fostering agency and uphold the statutory requirement pursuant to The Fostering Services (England) Regulations 2011, that a local authority must appoint one of its officers to manage the local authority fostering service.
- 6.2.3. In terms of agreements between the partner authorities it is proposed that there will be a detailed inter-authority agreement that will set out the relationship and interface arrangements between the authorities for the collaboration alongside a service agreement which together with the business case and specification will set out the arrangements and standards for service delivery.
- 6.2.4. Consultations with a range of stakeholders will be undertaken should the proposal be agreed. A formal consultation with staff will be undertaken once the service delivery model for each phase has been formally agreed by the four local authorities.

6.3. Financial Implications

- 6.3.1. Financial modelling of the shared service will be undertaken once the proposed structure is finalised. This will be based on 'demand' i.e. numbers of children in care in each local authority. The savings that are to be made through collaboration and the establishment of a shared service is through the reduction of spend on IFA placements as more foster carers are recruited and the stock of internal placements increases. Cheshire East has set a savings target within the MTFS of £100,000 from this work.
- 6.3.2. The proposal for collaboration and the development of an integrated fostering service is part of a wider strategy to ensure that cared for children are looked after in local placements. Through reducing the number of children coming into care and increasing the number of internal foster placements the need for IFA placements will reduce. It is estimated that in 2017-18 there will be a 20% reduction in new IFA placements being made and a further 25% reduction in 2018 -19. These estimates take into account the lead in time for recruitment which is approximately 9 months from the point of an enquiry being made.
- 6.3.3. As a shared service it will be necessary to have a common fostering allowance payment and benefits scheme. It is envisaged at this stage that when a foster carer is approved the financial payment will be made by the local authority in which the foster carer resides. If four separate payment schemes were to remain this could impact on recruitment as there would be a lack of parity and fairness between carers with some carers being paid more or less than others. A new aligned payment structure will be developed and consulted on in Phase 1.

6.4. Equality Implications

- 6.4.1. A strong fostering service would support the growth of carers across all sectors of the local community.

6.5. Rural Community Implications

- 6.5.1. A strong fostering service would support the growth of carers across all sectors of the local community, including those in rural areas.

6.6. Human Resources Implications

- 6.6.1. An inter-authority agreement will provide the overall governance framework for the collaboration stage in which one local authority will take the lead in managing the recruitment, assessment and training of foster carers. Staff will be seconded from each of the partner authorities into a joint team in accordance with the powers under s113 of the Local Government Act 1972.

6.6.2. Should the collaboration model move to a fully integrated shared service this would introduce employment law and human resources considerations. There are two options for dealing with staffing arrangements in an integrated service:-

- The transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE);
- The secondment of staff in accordance with the powers under s113 of the Local Government Act.

6.6.3. At this stage the staff whose focus will be recruitment, assessment and training will be seconded from each authority into a joint team. The staffing arrangements for an integrated service will be explored as part of the feasibility exercise to develop a single fostering agency.

6.7. Public Health Implications

6.7.1. No specific public health implications have been identified.

6.8. Implications for Children and Young People

6.8.1. A strong fostering service would enable more cared for children to be placed with our own foster families within our local communities.

7. Risk Management

7.1. The key risks are detailed in the table below:

Risk	Level	Mitigation
Withdrawal of local authority commitment or lack of agreement as to lead authority	Low	There is a history of collaboration between the four local authorities and there is no reason to indicate that any would withdraw or be unable to agree upon the lead authority
Legal – Local authorities must deliver a fostering service	Low	Local authorities will still be delivering a service by commissioning the lead authority to deliver the service on their behalf. In Phase 1 each local authority will continue to register as a fostering agency and have an appointed manager to manage their respective fostering service.
Financial –	Low	Local authorities will not be

Risk	Level	Mitigation
continued reliance on IFAs due to inability to recruit.		competing; a strong brand will improve recruitment alongside a business like approach to recruitment to enhance our position in the market.
Regulatory concerns/Ofsted	Low	<p>The Partnership Board will monitor the performance and quality assure the service provided by the lead authority, including meeting statutory requirements and the national minimum fostering standards.</p> <p>Ofsted currently do not have a framework for inspecting shared services and hence if the collaboration moves to a fully integrated service it will be inspected 4 times. However with the statutory requirement for local authorities to be part of a Regional Adoption Agency Ofsted will most likely be tasked with developing an inspection framework for a shared service.</p>
Governance	Low	The Partnership Board will offer robust governance and performance manage and quality assure the service being provided. The Corporate Parenting Committee in Cheshire East will continue to have a scrutiny role in relation to the fostering service.
Reputation	Low	The government is keen for local authorities to enter into different delivery models in order to improve outcomes for children. This development will be seen as innovative practice.

8. Access to Information/Bibliography

- 8.1. Children Act 1989
<http://www.legislation.gov.uk/ukpga/1989/41/contents>
- 8.2. Fostering Services National Minimum Standards
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192705/NMS_Fostering_Services.pdf
- 8.3. Fostering Services (England) Regulations 2011
<http://www.legislation.gov.uk/uksi/2011/581/contents/made>
- 8.4. Local government 1972
<http://www.legislation.gov.uk/ukpga/1972/70/contents>
- 8.5. Local Government Act 2000
<http://www.legislation.gov.uk/ukpga/2000/22/contents>

9. Contact Information

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