

CREATING OPPORTUNITIES AND TACKLING INEQUALITIES	AGENDA ITEM NO. 9
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Report of the Corporate Director for People and Communities

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PROPOSAL TO DEVELOP A PERMANENCY SERVICE IN PETERBOROUGH

1. PURPOSE

- 1.1. This report provides details of proposals to develop a 'Permanency Service' in Peterborough, which would be delivered under contract by a partner provider.
- 1.2. The concept behind the permanency service is to improve outcomes for children and young people and in particular those who are in care, while enabling the Council to reduce the cost of providing services to this group of children and young people.
- 1.3. This report is being presented to scrutiny committee in advance of any report for Cabinet, offering Members the opportunity to comment in detail on the proposals at an early stage.

2. RECOMMENDATIONS

- 2.1. Committee is asked to note the contents of this report, and to support the continuing development of proposals for establishing a permanency service through a formal tender process.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1. Creating Opportunities - Tackling Inequalities
 - Supporting vulnerable people

4. BACKGROUND

- 4.1. The proposal to develop a permanency service is based upon the need to invest in a number of service areas in order to improve outcomes for children and young people in care and on the edge of care, while protecting prevention and early help services.
- 4.2. In common with many local authorities, we continue to rely quite heavily on higher cost placements for children and young people in care provided by external Independent Fostering Agencies [IFAs]. This is problematic because:
 - These placements are made with carers we know less well, and so we are less able to match our children as effectively as we can with our own carers;
 - These carers tend to live further from Peterborough, making it more difficult for children and young people to maintain links with family, friends and schools, and;

- These placements cost considerably more than our own placements and we are currently spending around £2M per annum more on these placements than if we were able to place all our children and young people with our own carers.
- 4.3. The Fostering Service re-launched its recruitment process in 2014 and achieved a significant net gain of new carers in 2014/15 [more than 30 mainstream foster carers]. However progress has slowed more recently, and our reliance on IFA placements has not therefore reduced as quickly as we would wish. That said, the proportion of children and young people placed with in-house carers in Peterborough has grown and is now in line with national averages.
- 4.4. Meanwhile, our foster carers have told us that in order to meet the needs of some of our more challenging children and young people, they need access to better training and support. They have particularly said that they need:
- Access to a psychologist who can provide them with insight into some of the causes of the behaviour of children and young people and support them in developing approaches that help children and young people develop more positive behaviour patterns;
 - Access to a much improved training programme than the one currently available, and;
 - Access to support on a 24/7 basis, including practical support in the home where needed.
- 4.5. Alongside these issues, we have identified areas where we could improve outcomes for children and young people if we are able to identify some additional resources for investment. These include supporting more children and young people to experience successful permanency by:
- Developing evidence based approaches for supporting children and young people who return home to their parents from care;
 - Improving the support offered to children and young people who are made subject of Special Guardianship Orders and bringing this in line with the support offered to children and young people who are adopted;
 - Ensuring that for those children and young people who will remain in foster carer for the whole of their time in care, that they are placed with well-matched, local carers who are offered the best quality of support, and;
 - Developing new ways of supporting our most complex children and young people and reducing our use of residential placements wherever possible. These placements are very high cost, usually far from the City, and often associated with poor long term outcomes.
- 4.6. One way in which we can achieve the improved outcomes for children and young people while protecting prevention and early help services is to find ways of unlocking a significant proportion of the money we currently use to fund the IFA and some high cost residential placements.
- 4.7. We are, however, in something of a chicken and egg situation at present. Our carers would be willing to provide some placements for our more challenging children and young people, but only if we can improve our offer of support. In order to improve our support, we need to make significantly lower numbers of higher cost placements.
- 4.8. The proposal is therefore to explore whether a contract with a partner provider with clear quality and financial targets is the way in which we are most likely to achieve our ambitions

in these areas. The right provider will bring with them the experience of supporting foster carers to care for the higher need and more challenging children and young people. Incentivising the provider to reduce the reliance on high cost placements provided by an external third party provider will help to drive innovation in this area, ensuring that as many of our children and young people are placed within our provision and close to Peterborough as possible.

- 4.9. In addition to our fostering and adoption services, there are a small number of other areas of current service delivery which we think would be sensible to include in this proposal. These include:
- The Placement Matching Service;
 - Some social work functions including assessments of carers for children under Special Guardianship Orders and some social work functions for children and young people placed in long-term 'permanent' fostering placements, and;
 - The Family Group Conferencing Service.
- 4.10. Budgets associated with children looked after services would also be likely to transfer to any new Service.
- 4.11. There are no plans for any members of staff to move their office location as a result of these proposals.
- 4.12. These areas are considered in detail in the sections below.

Fostering and Adoption Services

- 4.13. In the event that a suitable delivery partner is identified as a result of these proposals, services currently delivered by the Fostering and Adoption service would transfer to the new provider. Members of staff would transfer under the terms of TUPE, although for qualified social workers and managers, there may be opportunities for them to apply for other posts in Children's Services should they not wish to transfer.
- 4.14. The new service would continue to be responsible for the recruitment, training and assessment of adopters and foster carers. The service would be responsible for carrying out Supervising Social Worker functions in respect of foster carers, and for providing post adoption support for adoptive placements and adults affected by adoption who live in Peterborough.
- 4.15. Current foster carers and prospective adopters would become the responsibility of the new service. Carers recruited by the new service would remain 'Peterborough' foster carers and adopters.
- 4.16. Foster carers would receive at least the same fees and allowances as currently, although there is potential for some to attract higher fees as the new service develops new approaches such as alternative to residential schemes.
- 4.17. Any foster carers who are recruited by the new service during the contract period would remain 'Peterborough' carers. They will only have Peterborough children and young people placed with them and will return to the Council's responsibility in the event of the contract ending for any reason.
- 4.18. The new service will be required to offer foster carers:

- The increased training and access to psychological support that carers tell us they need, and;
- Access to support on a 24/7 basis, as again they tell us they need if they are to be able to meet the needs of more complex children and young people.

4.19. The new service will also be required to offer evidence-based support to adopters, responding to their needs as they provide permanent loving homes to children and meet the differing challenges of looking after children as they mature and develop.

4.20. The new service will have targets to achieve in terms of the recruitment of foster carers and adoptive carers. These will include specific targets that reflect the diversity of children and young people in Peterborough while enabling Peterborough to continue our strong tradition of recruiting adopters who can also provide permanent homes for children across the region as well as nationally.

Placement Matching Service

4.21. Requests for placements for children and young people who need to come into care are currently managed by the Access to Resources Team. It is likely that these functions would transfer to any new service, since this will mean that matching children and young people to carers remains seamless.

4.22. In the event that these responsibilities are transferred, this would directly affect approximately 2 full time members of staff.

Social Work Functions

4.23. A number of children are made subject of Special Guardianship Orders each year and leave the care system to become permanently looked after by carers under these orders. These carers are usually related to the child. In the last financial year, around 30 children became subject of Special Guardianship Orders, similar to the number adopted each year.

4.24. When initially conceived, Special Guardianship Orders were intended to provide a means for relatives or carers of older children and young people to secure permanency and parental responsibility for them. In most such cases, adoption would not have been an option because, for example, birth parents remain involved in their children's lives and so any order that removes parental responsibility from birth parents – as adoption does – would not be appropriate.

4.25. More recently, Special Guardianship Orders have become more common in respect of much younger children which means that the number of children living with carers under a Special Guardianship Order has increased significantly.

4.26. Because these orders are now being more commonly used in relation to much younger children, the challenges that carers are likely to encounter as children placed with them are likely to more closely match those faced by adopters. It therefore makes sense to locate the function of the assessment of carers for Special Guardianship Orders within the service where the expertise of assessing potential adopters is located.

4.27. This change would improve the quality of assessments, of our advice to the courts and ultimately, to long term outcomes for the children concerned. Should this change go ahead, it would be likely to have only minimal impact on current employees because the volume of work is small compared with the overall activity of the service.

- 4.28. The new permanency service will be tasked with securing permanency for as many children and young people as possible. For the majority of children and young people, this is achieved by a return to parents or carers, through Adoption or Special Guardianship.
- 4.29. However, for a number of children and young people, permanency is achieved through a formal matching with long term 'permanent' foster carers.
- 4.30. These placements are supported by two social workers – one supports the foster carers and one the child. This would not change in the event that we move to a new service. However, we are considering whether the social work functions associated with children and young people permanently placed with our own carers should sit with the new service. This arrangement would be likely to lead to more streamlined decision making than is the case at present, where the workers report to different service areas within Children's Social Care.
- 4.31. This reflects an ambition to make family life for this group of children and young people as similar to that experienced by all children. This requires close communication between the child's social worker and the foster carer's social worker, making it sensible that both officers are part of the same service.
- 4.32. This would be the initial stage in developing new ways of ensuring that children and young people living in these arrangements are supported effectively to achieve the best possible outcomes. Any new service would be expected to develop new approaches to enabling children and young people to live with carers who are empowered to make as many decisions as they can about day to day care matters without the need for overly bureaucratic oversight and delays.
- 4.33. If social work support functions for children and young people permanently matched with our own foster carers transfers in this way, then it may make sense for leaving and after care services for this small group of young people to also transfer.
- 4.34. It is unlikely that this element of the proposal would affect more than the equivalent work of around 2 – 3 qualified social worker posts within the children looked after social work teams, and possibly the equivalent work of one personal adviser role within the leaving and aftercare service. The great majority of roles within these teams would be unaffected by these proposals.
- 4.35. There are currently vacancies in this part of the service, meaning that this area of the proposal may not involve the transfer of staff.

Family Group Conferencing Service

- 4.36. As currently configured, the Family Group Conferencing service consists of one full time coordinator and administrative support. This is an area of service where further investment is needed, particularly if Family Group Conferences are to be used earlier in the journey of the child, which would be helpful.
- 4.37. Family Group Conferences bring together key members of extended families and friendship networks. The meetings consider the concerns agencies have about the child or children in the family, and the extended family and friendship network is asked to develop a sustainable plan that will promote the best interests of the children.
- 4.38. This approach can be particularly helpful when used relatively early in the child's journey, and particularly when they first become subject to Child Protection plans. In Peterborough,

however, greater priority tends to be given to family situations where children are at risk of coming into care. While this approach can also be very helpful at this stage, it would be clearly better if investment enabled the focus of the service to prevent matters escalating to this point.

- 4.39. There are a number of other advantages in moving this service to a contracted provider. For example, the fact that the service would then have some independence from 'Children's Social Care' means that it is more likely to be able to work cooperatively with families and be seen as independent from the child's social worker.
- 4.40. Second, these conferences often result in the identification of family members who may be able to offer permanent care to the child through a Special Guardianship Order in the event that the child cannot remain with their birth family. It therefore makes sense to link the Family Group Conferencing service with the part of the service that will undertake assessments of carers who are seeking to offer permanent homes to children and young people under a Special Guardianship Order.

Supporting Special Guardianship Order Carers

- 4.41. As noted above, more children and young people are being placed with relatives under Special Guardianship Orders across the country as well as in Peterborough than has previously been the case.
- 4.42. Special Guardianship Order carers are not entitled to the same level of support as that enjoyed by adopters. Current funding means that we have not been able to match the support we provide to adopters.
- 4.43. Offering an entitlement to support that matches that offered to adopters will result in there being less likelihood of Special Guardianship Order arrangements breaking down, which results in serious consequences to the child or young person concerned.
- 4.44. For this reason, any provider would be required to develop proposals for bringing the support offered to carers of children under Special Guardianship Orders to a similar level as that enjoyed by adopters.

Budgets

- 4.45. In the event that a suitable partner can be identified to operate the permanency service, it is likely that most budgets associated with child in care placements would be delegated to the service. Savings reductions will be applied year on year, based on the target for reducing numbers of higher cost placements, while recognising the need for some areas of investment in the areas noted above.
- 4.46. This would mean that we would effectively be sharing risks with the partner. In the event that high cost placements do not reduce as envisaged, additional costs would be required to be met by the partner. Where costs reduce more quickly, any additional surplus would be required to be used to benefit services for vulnerable children and young people in Peterborough.
- 4.47. Budgets associated with these activities are significant. Current spend associated with in-house and IFA fostering amount to a total of £2.2M and £3.8M per annum, while costs associated with residential placements are in the region of £2M per annum.
- 4.48. The service specification will require that any provider agrees to full disclosure of all accounts related to operating the service.

- 4.49. Delegating the budgets would provide the incentive for any provider to reduce costs and exceed the savings targets by developing innovative approaches to reducing spend on the higher cost placements. This will also lead to fewer children and young people being placed far from the City, where the more expensive placements tend to be located.

Decision Making

- 4.50. Any provider would need to be empowered to make all decisions relevant to operating the service. There would however be a rigorous monitoring and compliance framework in place to ensure that decision making is in line with regulatory and best practice requirements.
- 4.51. Decision making in relation to the care planning of individual children and young people would remain with the local authority. It will also be the local authority that will make the final agreement on the suitability of a match between a child and a foster placement or an adopter, for example.
- 4.52. There will also continue to be other arrangements where the quality of decision making would continue to be subject to independent and external scrutiny. Independent Reviewing Officers have oversight of all children and young people who are looked after through regular statutory reviews. They will remain employed by the local authority and have significant powers to raise disputes where they find evidence of poor decision making.
- 4.53. All children and young people looked after will continue to have access to the National Youth Advisory Service [NYAS]. This organisation provides independent advocacy for children and young people who may wish to make a comment or a complaint about any aspect of the service they receive.
- 4.54. A number of key performance indicators will also be used to ensure that any provider is offering a good quality service. Many of these require delivery of high quality services and good decision making if they are to be achieved. Placement stability indicators for children and young people in care, for example, are only going to be good where high quality placements are well-matched to the individual needs of children and are supported by highly skilled social workers and other support services. Further information about performance indicators and quality assurance follows below.

Performance Monitoring and Quality Assurance

- 4.55. Any credible provider identified following a tendering exercise will be required to submit detailed performance management information at regular intervals appropriate to the data concerned. Information on unplanned placement endings for children and young people looked after will be required on a monthly basis, for example, while data relating to school attainment and progress is usually available on an annual basis.
- 4.56. In addition to shorter term outcomes such as the number of children adopted or successfully returning home, the number of adoptive and fostering households recruited and so on, we will also be consulting on whether there are long term indicators that can be used to help drive improved outcomes. Such indicators could include the number of young people who successfully manage their tenancies having left care, alongside other longer term measures of employment and learning outcomes.

- 4.57. In addition, the service would be required to allow the Quality Assurance Service to undertake themed audits of the quality of case files and recording of direct work and the effectiveness of direct work in achieving the outcomes of plans for individual children. Where there are areas for development, the service will be required to develop an improvement plan on which it would have to report regularly. Progress against such improvement plans is also likely to be measured through repeat audits.
- 4.58. The permanency service would also be required to provide details of responses to any disputes raised by Independent Reviewing Officers, which will also be monitored by the Quality Assurance Service, along with the monitoring of complaints.
- 4.59. The permanency service would be required to present regular performance reports to the Corporate Parenting Panel as well as to this scrutiny committee, and to the Cabinet Member and Advisor.
- 4.60. The service specification will also set out the requirement for any provider approved through the tendering process to deliver new ways of engaging with children and young people in care, helping to ensure that they are able to influence service development and improvements on a continuous basis.

Information Sharing and Engagement

- 4.61. Initial information sharing events with staff and carers took place on 3rd November – too late for detailed reporting to be included within this report. A verbal update can be provided for scrutiny. Unions have been informally consulted on the proposals.
- 4.62. Staff and carers will be offered opportunities to be involved in thinking about how we evaluate tenders that are submitted, and dates for a number of workshops have been organised to take place in November and December 2015 and January 2016.
- 4.63. Children and young people will be consulted through NYAS.
- 4.64. The focus for these engagement events will be to obtain views about key areas of the service specification and for questions for the tender evaluation process. A dedicated email address has been set up – permanency@peterborough.gov.uk – for stakeholders to email comments and questions, and regular news updates will be provided.
- 4.65. Formal consultation with staff and unions will take place in line with agreed Council procedures in the event that the tender process leads to a credible provider and so to contracts being considered.
- 4.66. A report will be presented and discussed at Cabinet in due course, and these discussions will also be informed by the discussion and feedback from this scrutiny committee.
- 4.67. These proposals represent significant potential change, and one with which many stakeholders will need to be involved for a lengthy period – from thinking about tender evaluation questions through to mobilising the contract and beyond as any new service settled down and becomes established.
- 4.68. Engagement with stakeholders will continue throughout the process so that questions can be answered and approaches changed where it is clear that such actions are necessary. It will be important to keep staff, carers and children and young people fully involved in order to achieve any delegation of functions following a successful tender process.

- 4.69. It is clearly in the interests of children and young people looked after that any provider contracted to operate the above services is supported to work as effectively as possible, and this will always be the aim of quality assurance, audit and performance monitoring. However, in the event that any provider awarded the contract is unable to deliver a quality service, the Council will retain to the right to immediately resume control of service delivery.

Legislative Background

- 4.70. Adoption services can only be delegated to agencies already functioning as registered adoption agencies. Such agencies are prohibited by statute to be operated on anything other than a not for profit basis.
- 4.71. We will set out in the tender documentation that our preference is for a single bid from a single organisation as this will reduce any likelihood of complications arising from communication issues between or different priorities of partners within a consortium bid. Nevertheless it is possible that consortium bids will be received, with an adoption agency partnering with a fostering provider, for example, and all such bids will be assessed fairly and on their merits through the tendering process.
- 4.72. The Service Specification will also set out requirements for full disclosure of financial information associated with operating the service, and will impose a maximum to any levies applied by a not for profit provider that may be charged to any parent company.
- 4.73. The legislative framework combined with the requirements of any service specification will ensure that any additional surplus generated as a result of better performance against targets to reduce high cost placements will need to be re-invested in service developments in the City.

Governance Arrangements

- 4.74. Although functions and budgets relating to the above service areas and outcomes would be delegated to a provider in the event of a successful tender process, the reality is that in order to ensure success, there would need to be continuing close relationships between the Council and the provider.
- 4.75. The service specification will therefore set out detailed arrangements for governance arrangements, which are likely to include the requirement for a joint board that includes the Director of Children's Services and Service Director, together with appropriate senior officers from the provider organisation. This Board will jointly oversee delivery of the outcomes.
- 4.76. Accountability for delivery of a high quality service will remain with the Local Authority, despite the delegations of functions. Members would therefore continue to exercise scrutiny functions and the provider would be required to attend scrutiny as requested by the committee.

Outline Timeline

- 4.77. Service specifications are currently being developed and these will inform the tender documentation and evaluation processes. Consultation and engagement with staff, carers and children and young people will continue to take place around these areas.

- 4.78. The aim is to publish a tender in around March 2016, offering a period of time for potential partners to ask questions about the tender so that they can develop their responses.
- 4.79. In the event that there is a successful applicant, it is likely to be advantageous to move towards contracts being in place relatively quickly, so that any lengthy periods of uncertainty that may have an impact on service delivery are avoided.
- 4.80. Any contract issued is likely to be of 10 years duration with usual break clauses. This is so that any successful provider is confident that they can invest in service delivery over the longer term.

5. KEY ISSUES

5.1. Key issues arising from the above include:

- This is a significant proposal and will have an impact on a number of members of staff and in particular the 30 qualified staff and managers in the Fostering and Adoption Service. Formal and informal consultation will take place to ensure that their views inform the planning processes and any subsequent development of the new service;
- There will also be some implications for foster carers and while we are developing these proposals in order to be in a position to improve the offer for our carers, it is recognised that some may have misgivings about this approach;
- The key aim in pursuing this approach is to improve outcomes for vulnerable children and young people by identifying additional resources that can be invested in the areas outlined above. The success or otherwise of this approach will be measured by indicators such as the proportion of children looked after and placed closed to the City with foster carers we know well, on the proportion of children and young people coming into the care system for whom permanency is achieved, for the quality of support to adopters and carers under Special Guardianship Orders as measured by the proportion of such arrangements that remain in place throughout childhood and adolescence and into adulthood and by the proportion of children and young people who successfully return home after being in care, and;
- Investing in approaches to improve the support for our own foster carers outside of an approach such as this does not enable the local authority to share risk with another provider. Our current fostering service has worked hard to recruit carers and we are now in line with national averages in terms of placement mix, but continue to struggle to place children with more complex needs and older adolescents within our own provision. If we invest in additional support to our carers outside a risk sharing scheme we risk this investment against the possibility that use of higher cost placements will not reduce and overall costs will increase.

5.2. It is likely that there will be some media attention should this approach go ahead. These proposals are likely to be among the first to take forward a significant partnership in Children's Services as a way of improving outcomes by releasing resources for investment in this way.

5.3. In the event that the tender process is successful, new developments in delivering these services will follow, supported by an organisation able to focus on service delivery in these areas alone. This is in contrast to the position of the current Children's Social Care service, which must also be concerned about assessing risks to children and young people in their homes and communities, and ensuring that action is taken to protect them from harm. These safeguarding responsibilities are always going to take priority over attention to

strategic development of services that encourage permanency for children already protected within the care system.

6. IMPLICATIONS

- 6.1. In the event that the proposals are taken forward and a contract is awarded, there would be implications for a number of members of staff in the service and in particular for the approximately 30 qualified social worker and management posts in the Fostering and Adoption Service, the two posts working in the Access to Resources Team and the Family Group Conference coordinator.
- 6.2. These members of staff will all be offered formal and informal opportunities for consultation about the proposals and to become involved in considering how and tenders received are evaluated. Other members of staff will also be invited to contribute to the development of the proposals.
- 6.3. There are also potential implications for our foster carers and adopters. While we are exploring these proposals because it is our view that this is how we can identify investment in order to provide foster carers with more of the support they would value, we recognise that this would still represent a significant change for them, and we will therefore be continuing to consult and involve carers in the development of the proposals. There should be fewer implications for adopters; those who have been approved already will continue to be matched in the same way as previously, with priority being given to identifying suitable Peterborough children in the first instance, but also being flexible and offering matches to children from other areas in need of permanent homes.
- 6.4. There will be significant legal, HR and Finance implications in ensuring that service specifications, the tender process and any subsequent contracts are fully developed and ensure that the service is able to deliver the best possible outcomes for children and young people while securing value for money.

7. CONSULTATION

- 7.1. The content of this report has been consulted upon with senior legal and HR officers, as well as senior officers within Children's Services.
- 7.2. Information sharing and engagement events with a wide range of stakeholders including Members, members of staff and foster carers has commenced and will continue. Consultation on the proposals with children and young people will also take place in due course.

8. NEXT STEPS

- 8.1. A report based on the above but informed by the discussion at Scrutiny will be presented to Cabinet in the near future.
- 8.2. The service specification and tender documentation need to be completed by early January, in preparation for publication of the tender in February or March.
- 8.3. In the event that tenders are received for the service, the next stage will be to evaluate these and assess whether any of those received are of the quality required to take the process further.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985:

9.1. None.

10. APPENDICES

10.1. None.