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| CHILDREN AND EDUCATION SCRUTINY COMMITTEE | AGENDA ITEM No. 5 |
| 1 NOVEMBER 2018 | PUBLIC REPORT |

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| Report of: | Wendi Ogle-Welbourn: Corporate Director People & Communities | |
| Cabinet Member(s) responsible: | Councillor Sam Smith, Cabinet Member for Children's Services | |
| Contact Officer(s): | Lou Williams, Service Director, Children & Safeguarding | Tel. 01733 864139 |

UPDATE ON IMPLEMENTATION OF THE PERMANENCY SERVICE

| R E C O M M E N D A T I O N S | |
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| FROM: Cabinet Member for Children's Services | Deadline date: N/A |
| <p>It is recommended that the Children and Education Committee:</p> <ol style="list-style-type: none"> 1. Note the positive comments by OFSTED and others on the quality of the provision offered by the Permanency Service, delivered in partnership with the leading charity, TACT; 2. Note the progress now being made in recruitment of fostering households; 3. Note the proposals to vary the contract in relation to externally purchased placements for children in care and as a result of the requirement to develop Regional Adoption Agencies. | |

1. ORIGIN OF REPORT

1.1 This report is presented at the request of the Children and Education Scrutiny Committee.

2. PURPOSE AND REASON FOR REPORT

2.1 This report provides a summary of the progress of the Permanency Service since implementation in April 2017. This is the first time that any local authority has worked in partnership with a charitable organisation to deliver services of this nature. As would be expected, there has been a range of learning on both sides, but the approach is now delivering where it matters, has been praised by Ofsted, and is in a strong position to deliver real results over the remaining eight years of the contract.

2.2 This report is for the Children and Education Scrutiny Committee to consider under its Terms of Reference Part 3, Section 4 - Overview and Scrutiny Functions, paragraph No. 2.1 Functions determined by Council:

- Children's Services including
- a) Social Care of Children
 - b) Safeguarding
 - c) Children's Health

2.3 This report is relevant to the corporate priority relating to supporting and safeguarding vulnerable people.

2.4 This report is directly relevant to the Children in Care pledge in that TACT is now responsible for sourcing, training, assessing and supporting sufficient high quality fostering and adoption

placements for children and young people in care. TACT is also responsible for supporting carers who have Child Arrangement, Special Guardianship and Adoption Orders for children and young people in their care.

3. **TIMESCALES**

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| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
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4. **BACKGROUND AND KEY ISSUES**

- 4.1. The TACT/Peterborough Permanency Service is the first partnership of its kind in the country. Under the arrangement, TACT [The Adolescent and Children’s Trust] operate fostering and adoption services on behalf of the local authority, as well as providing a range of additional support including through the facilitation of family group conferences and the provision of support to carers of children for whom they have Child Arrangement or Special Guardianship Orders.
- 4.2. The new service ‘went live’ on 1st April 2017, and is provided under a 10 year contract, with the option of an extension of up to a further 10 years.
- 4.3. The principles behind seeking an external partner to operate these services on our behalf were largely based around the likely benefits that an experienced Independent Fostering Agency would bring to improving the recruitment and support for our foster carers, thereby helping to reduce the unit costs of providing placements for children and young people in care.
- 4.4. It was also our view that an independent provider would have more success in offering support to carers who have Special Guardianship Orders, and in facilitating Family Group Conferences. This is in part because of their independence from the local authority. Family Group Conferences, for example, are used where children are subject to child protection plans, and seek to bring extended family members together to develop a support plan that is able to reduce risks facing the child to the extent that they no longer need a child protection plan. In the event that this is not successful, these meetings also help to identify other family members who may be prepared to provide a permanent home for the child or children through Special Guardianship Orders, avoiding children coming into care and maintaining them within their extended families.
- 4.5. While we always undertake to work in partnership with families where children are subject to child protection plans, relations between parents and family members and children’s social care can become strained in these circumstances. Family Group Conferences that are facilitated independently of the Council can therefore have a greater chance of success.
- 4.6. There has been a significant increase in the use of Special Guardianship Orders over recent years, with an accompanied reduction in the use of adoption. Special Guardianship Order carers are also likely to need support in the same way that adoptive carers may require. Again, making this support available through an organisation that is independent of children’s social care and is based around supporting a wide range of carers is likely to deliver better long term outcomes.
- 4.7. The transfer of the service to the new partnership required staff to transfer under TUPE to TACT, a process that was completed prior to the launch. During the first year of operation, Peterborough foster carers also needed to transfer their registration to TACT, a process that requires confirmation through the fostering panel process. It is fair to say that a good deal of time during the 2017/18 financial year was spent on completing this process, and taking the opportunity to cease registration of a number of fostering households who had for various reasons stopped fostering.
- 4.8. While recruitment activity took place in 2017/18, the impact on numbers of approved fostering households was largely cancelled out by the impact of this process of ending registrations for in-house carers.
- 4.9. In the current financial year, however, recruitment is really starting to make an impact, with the expectation that we will achieve an additional 25-30 mainstream foster carers in the current

financial year. Recruitment activity has also focused on increasing the number of LINK foster carers, who provide family based short breaks for children with disabilities, including overnight care. Family based short breaks provide children with more personalised and consistent care than is the case where such care is provided in residential provision, which is the usual alternative. Increasingly, residential overnight short breaks are seen as appropriate only where children and young people have some of the most complex disabilities.

- 4.10. Ofsted carried out an inspection of Fostering Services as provided by TACT in February 2018, and while the overall finding was that the service required improvement to be good, inspectors noted that the quality of the service had made very good progress since transferring to TACT in April 2017. It should be noted that this inspection was under the Ofsted Independent fostering agency inspection framework that is more in depth and challenging than the inspections of LA fostering and adoption services that take place as part of LA whole service inspections
- 4.11. Following this inspection, TACT put an action plan in place to address areas identified for improvement; progress against this was assessed as part of the inspection of children's services in Peterborough that took place in June/July 2018, and published in August 2018. Inspectors were very complimentary about the further progress made by TACT since the fostering inspection earlier in the year. In verbal feedback during the inspection, inspectors said that foster carers had told them that they had experienced much better support and access to much improved training since TACT took over the operation of the service. This inspection rated the service as Good.
- 4.12. Adoption services have always been an area of strength in Peterborough, a position that has continued since TACT began delivering them on behalf of the local authority. Recruitment of adopters has continued, as has the provision of post adoption support, and Peterborough has continued to perform very well in relation to securing early permanency through schemes including fostering for adoption.
- 4.13. Under fostering for adoption, very young children [often newborn babies] are placed with carers who are approved as both foster carers and adopters. The initial placement is made under fostering regulations, and remains a foster placement until the case has progressed through court proceedings, and final orders made. At the appropriate point in the legal process, the child becomes formally placed for adoption, becoming adopted once the court makes the final adoption order.
- 4.14. The benefit for the child in these circumstances is that they experience no change of carers, and are able to develop a secure attachment to their future legally permanent carer from the first day of placement.
- 4.15. While fostering for adoption carers are always prepared for the possibility that final orders may not be made, it is obviously important that these arrangements are only used where we are very confident of the likely outcome. Most often, these arrangements are put in place where previous children have been removed from a parent or parents, and there has been no significant change in circumstances.
- 4.16. Adoption services were also inspected by Ofsted earlier this year [the week before the fostering inspection as noted above] and their findings confirmed that adoption services in the City continue to be good overall. In verbal feedback, inspectors suggested that there are a number of potentially outstanding features, and TACT is working towards the aim of this being confirmed in future inspections.
- 4.17. As can be seen from the above, there are many reasons to be proud of the success of the approach in delivering real improvements in quality, and it is clear that there is a firm basis for continued success in future years.
- 4.18. That said, we are in the process of reviewing certain elements of the contract. Of most significance is the decision to bring back budgets associated with the purchase of external placements for

children in care. These include budgets associated with the purchase of specialist residential care, independent fostering agency placements and supported lodgings placements.

- 4.19. As initially envisaged, the whole budget associated with providing placements for children and young people in care transferred to the Permanency Service. The idea behind this was that as the new partner recruited more foster placements, total costs would reduce. The savings accrued would then be subject to a savings share, whereby 66% of savings against budget would be used by the Council to support early help and prevention services and contribute to required overall savings, and 33% would be retained by TACT to re-invest in development of services. As a charity, TACT has no interest in making profits.
- 4.20. In the event, between the service specification and contract being prepared and the launch of the new service, there were very significant changes in the children's placement market. During 2016 and 2017, numbers in care nationally increased at their fastest rate for many years. Locally, numbers in care across eastern region authorities also increased significantly, as they did in Peterborough.
- 4.21. This dramatic increase in numbers nationally resulted in the independent fostering agency market becoming saturated, with fostering agencies effectively able to pick and choose which children referred to them to place with carers. In turn, locally, this has resulted in small but significant increases in Peterborough children and young people being placed within residential placements. During 2016/17, for example, numbers in sole funded residential placements increased from 7 to 13. Given that these placements cost on average £180,000 per annum, this seemingly small change resulted in full year impact of over £1M.
- 4.22. During 2016/17 and since, overall numbers in care in Peterborough have also increased and are significantly above the numbers on which budgets were calculated, which was based on the 2015/16 financial year. In that year, overall numbers in care varied between 335 and 345. In 2017/18 and the current financial year, numbers have consistently been around 370 and have peaked as high as 390.
- 4.23. The combined effect is that budgets transferred to meet placement costs are not adequate. This resulted in TACT making a significant contribution to overall costs in 2017/18. It is clearly not appropriate for a charity to use their funds to contribute to the cost of placements for children in care in circumstances where they have no control over the position.
- 4.24. In July 2018, Cabinet agreed to make additional funding available to meet additional pressures in the current financial year, and agreed in principle to bringing budgets for external placements back to within the Council.
- 4.25. This change means that we have had to look at how we can continue to incentivise TACT to achieve the best possible results. Under the proposals agreed in principle by Cabinet a revised savings share will operate once TACT has increased numbers of children placed in 'in-house' mainstream foster care above a certain level. The savings share will apply to the difference in cost of an Independent Fostering Agency placement compared with an in-house foster placement for each additional child placed in an in-house placement over and above this baseline. For reference, the average external foster placement costs around £900 per week, with the average in-house placements costing less than half this amount.
- 4.26. There are other reasons to promote in-house foster placements over and above cost, however. Placement disruption rates are significantly lower among in-house placements than external ones, for example. This is partly because we know our own carers well, meaning we can match children more effectively. We are also responsible for supporting carers, and can act more decisively where there are emerging signs of difficulty than is sometimes the case with external fostering agency placements. Finally, our carers live in or close to Peterborough, meaning that children are placed closer to their home communities, friendship groups, school and of course, family. External Independent Fostering Agency placements can be anywhere in the country, although we of course seek local placements whenever we can.

- 4.27. Part of the reasoning for passing the whole budget to TACT was to provide motivation to minimise use of residential placements and to encourage recruitment of carers able to provide care for older children and young people with more challenging care needs. In order to maintain such momentum, we are also proposing to enact a savings share for a period of up to twelve months when a child or young person is supported to move from residential to an 'in house' foster placement. As noted above, the costs of residential placements are very high and, particularly for younger children, do not generally deliver the best long term outcomes when compared to a stable family placement.
- 4.28. The maximum amount of savings share achievable by TACT in any one financial year is proposed to be £200,000. The Council will have avoided costs of at least a further £400,000 in that year for TACT to achieve that maximum. TACT will also forego savings share where performance in relation to fostering recruitment is less good than the target, up to a maximum of £100,000 in any one financial year, thus maintaining an element of risk share.
- 4.29. By making these changes, we retain the advantages of the original model – i.e. engaging an expert partner to add value to our fostering, adoption and allied services – while continuing to provide some risk and savings share, while avoiding exposing TACT to the high risk of significant variations in external placement budgets.
- 4.30. At the time of preparing this report, the necessary contract variations were in the process of being drafted, with the aim for all changes to be in place by the end of the calendar year.
- 4.31. A further area where we need to make changes is in respect of the Government's requirement that local authorities become part of regional approaches to adoption through the development of Regional Adoption Agencies.
- 4.32. While Regional Adoption Agencies were being discussed when the Permanency Service was being developed, it was not then expected that these would become a firm requirement.
- 4.33. We have successfully negotiated with the Department for Education that Cambridgeshire and Peterborough are of sufficient combined size to together constitute a Regional Adoption Agency. Adoption arrangements in Cambridgeshire are operated on behalf of the local authority by Coram Cambridgeshire Adoption under a contract that expires in July 2019 and contains no provision for extension.
- 4.34. We are therefore proposing to seek invitations to tender from Voluntary Adoption Agencies to operate a Regional Adoption Agency on behalf of the two local authorities in due course.

5. CONSULTATION

- 5.1 Consultation has taken place with TACT in preparation of this report.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 We anticipate that the partnership with TACT will continue to go from strength to strength, improving outcomes for children and young people while contributing to demand management.

7. REASON FOR THE RECOMMENDATION

- 7.1 TACT are less than two years into a ten year contract, which is the first of its kind anywhere. This has inevitably resulted in a need to learn lessons and review arrangements, particularly in the light of increasing numbers in care locally and nationally, and the impact this has had on the independent fostering market.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 There are no realistic alternatives available at this time.

9. IMPLICATIONS

Financial Implications

- 9.1 The revised gain shared arrangements will be funded from savings made by using the increased in-house fostering capacity.

Legal Implications

- 9.2 There are no specific legal implications associated with the content of this report.

Equalities Implications

- 9.3 There are no specific equalities implications associated with the content of this report.

Rural Implications

- 9.4 There are no specific rural implications associated with the content of this report.

10. BACKGROUND DOCUMENTS

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

- 10.1 None

11. APPENDICES

- 11.1 None