

Cabinet

Dorset County Council



Date of Meeting	27 th Sept 2017
<p><u>Cabinet Member(s)</u> Cllr Steve Butler: Lead Member for Safeguarding</p> <p><u>Lead Director(s)</u> Sara Tough: Corporate Director for Children, Adult and Community Services</p>	
Subject of Report	Fostering modernisation plan
Executive Summary	<p>Dorset County Council (DCC) has a duty to provide or commission a range of placements sufficient to meet the needs of all children in care locally, including foster care provision. The county council provides a fostering service, recruiting and supporting a range of foster carers as well as commissioning foster placements from Independent Fostering Agencies (IFAs). Over the last 2 years there has been a significant increase in the use of IFAs, which are more expensive than county council provided foster care, and often result in children being placed further from home which can lead to poorer outcomes for children as well as create problems in delivering social work services.</p> <p>Although there has been growth in the number of DCC foster carers this has been limited and a review of foster care services has identified a number of issues hindering service improvement and growth related to meeting quality standards; recruitment activity; assessment and approval; business processes; retention of foster carers; availability of foster carers to provide care for children and young people with complex needs and the competitive environment for fostering services.</p> <p>This report provides a business case to modernise the current fostering service and create a more efficient and effective</p>

	<p>provision. The proposed changes seek to strengthen management and leadership; redesign the fostering team to focus on core tasks; implement a learning and development programme for social workers; implement a learning and development programme for foster carers; develop a 3-year recruitment and retention strategy; improve processes; simplify fees and allowances schemes for foster carers with clear progression routes and to reflect market rates. The report identifies proposals for additional investment to accelerate this service improvement and growth.</p> <p>The benefits of the proposed changes will result in an increase in both the number and capacity of in-house foster care provision; a reduction in the number of children placed with IFAs, increase in number of children placed locally and improved service efficiency and effectiveness of service provision. The financial case for change is strong, with significant budget pressure on the provision of placements. This plan will contribute to a reduction in budget pressure over a 3-year period.</p>
<p>Impact Assessment:</p> <p><i>Please refer to the protocol for writing reports.</i></p>	<p>Equalities Impact Assessment: EQIA 55816770</p> <p>An EQIA was completed beginning of this process and has recently been updated to consider the proposed changes to fees and allowance has been submitted to the Directorate EQIA group for consideration. There are currently no identified negative impacts on any groups, indeed it is anticipated that the proposed changes will have a positive impact.</p> <p>Use of Evidence:</p> <p>There has been an independent commissioned review of Dorset County Council’s Fostering service and residential provision. This review was based upon an investigative analysis of how the current service is delivering, the impact of service delivery regarding care planning and sufficiency using a range of local and national data and management information combined with consultation and engagement with relevant staff, foster carers and looked after children. Recommendations have been informed by an analysis of best practice from within the UK. Staff consultation is informing the proposed redesign of the service and foster carers have been informed of the process. Initial conversations have taken place with the Foster Carer Forum regarding potential changes to fees and allowances.</p>

	<p>If this is approved, then formal consultation with foster carers will be undertaken.</p>
	<p>Budget:</p> <p>The net care and protection budget for 2017/2018 is £33.145m of which £18.880m is for the care and support element. Within this budget area £7.106m is for the provision of in-house residential care and foster care, and £3.813m for the purchase of external residential and foster placements. As at the end of August 2017 the care & support budget is projecting an overspend of £7.829m of which £7.030m relates to the external placements budgets.</p> <p>If the plans in this report are put into place and the numbers currently modelled deliver, then the forecast overspend would reduce to £5.2m in 2018/19 and £3.5m in 2019/20. Following a review of placements to identify a revised realistic base, an ongoing base budget pressure of £3.2m would remain.</p> <p>An additional investment of £363k in 2018/19, £1,238k in 2019/20 and £1,324k on an ongoing basis would be required.</p> <p>This investment is critical to enable the service transformation that will not only deliver better outcomes for children but a reduction in the ongoing overspend of £3.8m per annum.</p>
	<p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: HIGH Residual Risk LOW <i>(i.e. reflecting the recommendations in this report and mitigating actions proposed)</i></p> <p>(Note: Where HIGH risks have been identified, these should be briefly summarised here, identifying the appropriate risk category, i.e. financial / strategic priorities / health and safety / reputation / criticality of service.)</p> <p>Financial: If the fostering service is not modernised, then it is likely that the costs associated with the use of external</p>

	<p>fostering placements will continue to rise and will continue to have a significant impact on the financial viability of the provision and the council.</p> <p>Strategic Priorities: Failure to offer sufficient, high quality local placements results in a failure to adequately fulfil Corporate Parenting Responsibilities to looked after children.</p> <p>Reputation: Failure to meet quality standards and fulfil our duties and responsibilities as set out in legislation, regulations and guidance would have a detrimental impact on the reputation of the local authority.</p> <p>Criticality of Service: This is a statutory service, critical to meeting the needs of children and young people in care. Without modernisation, there is a risk that there will not be sufficient local carers to support the needs of the children placed there resulting in poor short and long term outcomes.</p> <p>Other Implications:</p> <ul style="list-style-type: none"> • There is a need to provide clear, expert leadership and staff development to ensure retention of social workers. Failure to retain social workers in a climate of recruitment challenge could potentially increase the need for agency social workers. • There is a need to ensure that we minimise avoidable loss of experienced foster carers, as poor retention will require a higher investment in both recruitment and development activities.
<p>Recommendation</p>	<p>It is recommended that the cabinet:</p> <ol style="list-style-type: none"> 1. Approve the plan for modernising of the fostering service 2. Approve the investment of £363k in 2018/19, £1,238k in 2019/20 and £1,324k on an ongoing basis 3. Consider an additional one-off investment of £110k in 2017/18 to support transformation 4. Consider within the next update of the Medium Term Financial Plan additional funding of £3.2m to address the base budget issues as set out in this report.
<p>Reason for Recommendation</p>	<p>Without the additional investment then there will be no significant change, and the, overspend on the budget will continue. The proposed investment will lead to a strong focus upon delivering an effective, efficient service which</p>

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	improves sufficiency of placements at pace. It will lead to clear leadership of the service reducing the use of independent fostering agency placements and improve the overall outcomes for children and young people.
Appendices	Appendix 1: Appendix 2: Appendix 3:
Background Papers	None
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1 Background

- 1.1 Dorset County Council has a duty to provide or commission a range of placements sufficient to meet the needs of all children in care locally ([Children Act, 1989](#); [Sufficiency Statutory Guidance, 2010](#); [Care Planning, Placement and Case Review Regulations, April 2010](#)).
- 1.2 This range of placement provision includes foster care provision where there is a mixed market of internally provided, often known as in-house provision, and externally commissioned provision from a range of Independent Fostering Agencies.
- 1.3 Independent Fostering agencies (including commercial, not for profit and charity organisations) are a valuable part of our fostering system ensuring we can support children with a diverse range of needs, and often offer specialist provision that it would be difficult to effectively or efficiently deliver locally. Nationally, concerns have been raised over the costs of Independent Fostering Agencies (IFA) provision, with the [National Audit Office \(2014\)](#) suggesting that the annual cost of an in-house council foster care placement is between £14,000 to £19,000 cheaper than a placement provided by an Independent Fostering Agency.
- 1.4 The use of Independent Fostering Agencies in Dorset has increased (from 28 in April 2015 to 97 in May 2017) due to several factors including: the increase in the number of looked after children; an increase in the complexity of needs of children; inadequate growth of in-house foster carer provision to meet this demand; and a lack of annual increases in these allowances in line with other fostering agencies. The result of this is not only increased expenditure but an increase in children placed far from home which can be detrimental to their outcomes and creates challenges for the provision of

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services as social workers and other professionals must travel across the county to provide support and fulfil their duties.

- 1.5** To ensure that this provision is as cost effective as possible, the county council participates in regional framework agreements. However, the increased use of Independent Fostering Agencies has placed clear financial and care planning pressures on the council. It is desirable, therefore, to increase the supply of in-house provision to help address these pressures and to ensure that children's placements are closer to home.
- 1.6** This report provides a business case to modernise the current fostering service and create a more efficient and effective provision. The business case supports a reduction in the number of children placed with IFAs, increase both the number and the capacity of in-house foster care provision, and identifies proposals for additional investment to accelerate service improvement and growth.

2 The Case for Change

- 2.1** As at 31st May 2017, Dorset had 197 approved foster carers caring for 246 children. This is subdivided into 151 mainstream carers and 46 connected person's foster carers (family & friends approved to foster). There is, as would be expected, constant turnover in the carer population. Whilst there is some recruitment the net gain is insufficient to meet the needs of children entering care, there are also difficulties in recruiting carers for children with more complex needs. The table below shows the changes in the numbers of carers during the period April 2016 to June 2017

Table 1: Turnover of foster carers (April 2016 to June 2017)

	Newly approved	De-registered	Net gain/loss	Comments
Mainstream carers	25	22	+ 3	<ul style="list-style-type: none"> Approval takes on average 8 months, which is too long and can lead to drop out from the process De-registration can be due to retirement and resignation, including lack of career pathways; levels of support provided and competition from other foster agencies.
Connected Persons (family & friends who foster a known child)	40	20	+ 20	<ul style="list-style-type: none"> Approval takes on average 6 months which is outside minimum timescales De-registration is primarily due to change in legal status of returning home
Total	65	42	+ 23	Net gain 23

- 2.2** A review of the Dorset Fostering Service has identified the following set of issues limiting service improvement and growth which have been grouped into themes relating to meeting quality standards; recruitment activity; retention of foster carers; availability of foster carers to provide care for children and young people with complex needs and the competitive environment for Fostering Services both locally and nationally.

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2.3 *Meeting Quality Standards*

- The provision of all foster carer services is subject to a set of [National Minimum Standards](#), (2011) together with Regulations relevant to the placement of children in foster care ([Fostering Services Regulations, 2011](#) & 2013) under the primary legislation [Care Standards Act, 2000](#).
- There is an insufficient understanding of the fostering standards and regulations and a gap in professional knowledge and skills has limited the ability of the team to drive forward and deliver an effective and efficient fostering service, be responsive to changes in legislation and guidance and ensure placement sufficiency.
- There is a need for improved care planning across social work to ensure that fully understood and implemented correctly by all staff teams supporting children where applicable to return home or remain in care beyond 18 years.
- The current approach to Foster Home Annual Reviews does not have sufficient independence and there are capacity issues resulting in failure to complete statutory reviews on time.

2.4 *Recruitment Activity*

- Although the service has recruited new foster carers, this has been at a very slow pace and they have struggled to maintain the recruitment of mainstream foster carers.
- There is no clear recruitment strategy.
- Recruitment campaigns to date, including the BBC programme that featured Dorset in 2014, has not resulted in significant increase in the number of foster carers.
- The fees and allowances offered by Dorset are significantly lower than other fostering agencies (by about 25%) potentially reducing the attractiveness to potential new carers.

2.5 *Assessment and approval*

- Enquiry and assessment processes take too long, resulting in the loss of or withdrawal from the processes by potential carers who may then choose to foster with a different agency.
- The rise in demand for assessment of family and friend's carers (connected person's fostering), which has a challenging assessment to approval timescale of 16 weeks, has limited the ability of the service to assess and approve mainstream foster carers.
- The competing demands within the service are leading to delays in following up enquiries and resulting in loss of potential carers.

2.6 *Business Processes*

- There are underdeveloped business processes leading to inefficiency such as failure to maximise vacancies, plan for placement moves and match for long-term care placements.
- The service has not maximised business processes to offer clear and consistent practice to other teams, resulting in reputational challenges for the team as well as failure to ensure that foster carers receive the recognition they deserve.

2.7 *Retention of Foster Carers*

- There is no clear retention strategy.
- There is no clear training and development pathway.
- Competition from Independent Fostering Agencies and other local authorities in the area offering higher fees and allowances can lead to loss of carers.

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- The competing demands within the service are leading to challenges in providing regular supervision and support to existing foster carers.

2.8 *Availability of foster carers to provide care for children and young people with complex needs*

- The complexity of the current fostering allowance scheme and the level of fees offered does not support or sufficiently reward the development of foster carers who acquire additional skills needed to care for children with very complex needs.
- There is no clear learning and development pathway for foster carers.
- The lack of foster carers that can care for children with complex needs has contributed to the rise in the use of residential placements for some children and young people (from 15 in April 2015 to 34 in May 2017).

2.9 *The competitive environment for Fostering Services*

- There is a national shortage of foster carers, with latest estimates by the Fostering Network suggesting that is that England is short of 7,000 foster carers ([LGA, Fostering stocktake, 2017](#)).
- There are numerous independent fostering agencies operating in the Dorset and surrounding areas, all seeking to recruit and retain local Dorset foster carers. (There are 58 agencies on the regional framework that we participate in.)
- Dorset is also competing with the fostering services of our neighbouring authorities of Poole, Bournemouth, Wiltshire, Devon and Somerset for the recruitment and retention of local carers.
- It is therefore important to ensure that the local authority has an attractive offer to current and potential carers.

2.10 In summary, to attract and retain foster carers, it is essential that Dorset modernises the service and operates a competitive business model with clear targets, timescales and expectations.

3 **Proposed changes**

3.1 A number of options were considered during the review of the fostering service which are outlined in the table below:

Table 2: Options Appraisal

Option	Advantages	Disadvantages
1: Do nothing	<ul style="list-style-type: none"> • No additional investment required 	<ul style="list-style-type: none"> • Challenges identified in the case for change will not be addressed quickly enough resulting in failure to meet statutory requirements and/poor outcomes for children • Continued use of Independent Fostering Agencies with associated budget and care planning challenges
2: Outsource the service	<ul style="list-style-type: none"> • Potential for new service provider to improve services 	<ul style="list-style-type: none"> • Limited evidence nationally that this approach is effective • Challenges identified in the case for change will not be addressed quickly enough and budget

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		<ul style="list-style-type: none"> • Cost and time required to outsource prohibitive • May lead to increased costs • TUPE considerations • Upheaval for existing foster carers which could result in loss of carers
3. Modernisation Programme for the current service	<ul style="list-style-type: none"> • In-house fostering services considered most cost-effective nationally • Ability to begin improvement journey immediately • Ability to maximise opportunity to improve practice offered by the Reinvigorating Social Work programme • Maintains relationship with existing foster carers 	<ul style="list-style-type: none"> • Will require additional investment • Will require service re-organisation

3.2 The Preferred Option is Option 3: Modernisation Programme for the current service. This option is considered the most viable and will be implemented through a planned programme of change management including training, workshops and shadowing; incrementally delivered for the fostering service and childcare teams to ‘modernise’ care planning.

3.3 The table below sets out the proposed changes required to deliver the preferred option and address the issues identified in the case for change.

Table 3: Proposed changes

	Proposed change	Area for development addressed
3.1.1	Strengthen specialist management and leadership of the Fostering Service to ensure that minimum standards are being met and the service is delivered in line with regulations through the creation of a new manager post	Meeting Quality Standards
3.1.2	Learning and development programme for social workers across children’s services on care planning	Meeting Quality Standards
3.1.3	Redesign of fostering team to ensure that all tasks to create distinct, dedicated teams for pre- and post- approval tasks: <ul style="list-style-type: none"> • Improve conversion rates of enquiries to approval • Improve timescales for approval • Ensure foster carers have regular support and supervision from social workers • Ensure there are appropriate review processes 	Meeting quality standards, Assessment and Approval; Recruitment and Retention of foster carers

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<p>Enable the Fostering social work team to focus on core tasks by creating capacity in:</p> <ul style="list-style-type: none"> • Commissioning and contracts team to maintain vacancy lists and undertake placement searches in line with external fostering arrangements • Independent Review Officer Service to undertake Foster Home reviews • Recruitment Coordination: to organise and lead fostering recruitment and retention activities, and to respond to and follow up initial enquires 	
<p>3.1.4 Programme of specific learning and development for staff in the fostering service. There are two potential options for delivering this piece of work</p>	<p>Meeting Quality Standards, Improve Recruitment and Retention of Foster Carers</p>
<p>3.1.5 Implementation of learning and development programme for foster carers to ensure:</p> <ul style="list-style-type: none"> • Clear development path for carer progression • Skills and knowledge development • Increase in foster carers who can care for children with complex needs • Clear competency framework to reflect carers' skills 	<p>Recruitment and retention of foster carers; availability of foster carers to provide care for children with complex needs;</p>
<p>3.1.6 Development of a 3-year recruitment and retention strategy:</p> <ul style="list-style-type: none"> • Growth in numbers of foster carers • Minimise avoidable de-registrations • Increase number and diversity of placement options • Succession planning 	<p>Recruitment and retention of foster carers; availability of foster carers to provide care for children with complex needs</p>
<p>3.1.7 Process Improvement:</p> <ul style="list-style-type: none"> • Improve management information to maximise vacancies • Create a more efficient approval process and improve the timeliness of enquiry and assessments for new foster carers (often taking 8 months) to 4-5 months • Create more consistent post-approval service that supports the development of carers and ensures statutory requirements are being met • Improve the co-ordination of recruitment activity and response to enquiries through creating capacity for this activity 	<p>Business Processes; Assessment and Approval; Recruitment of foster carers.</p>

<p>3.1.8 Changes to fees and allowances to provide a simplified scheme with clear progression routes linked to competency and to reflect market rates</p>	<p>Recruitment and Retention of foster carers; Availability of foster carers to provide care for children with complex needs; Competitive</p>
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3.4 Additional Support to deliver this proposal

- The proposed changes above could be delivered using current management arrangements. However, there is an opportunity to work with an external organisation, iMPower, to support this approach using an evidence based approach which could provide external assurance and add value, particularly in relation to their knowledge around behaviour science and motivation for individuals to become carers.
- Family Values is a programme of councils working and learning together with peers and with iMPower. It has been developed with more than 20 councils and through projects commissioned by the DfE, working with the Fostering Network and other sector leaders.
- This would build on the work already completed and in progress over a 3 to 4-month period to transform the service using behavioural insight to change the relationship between the council, the community and carers.
- Indicative costs for this proposal are between £99,000 and £110,000.

4 Benefits of the proposed changes

4.1 The proposed changes will lead to the following qualitative benefits:

- Increase in the number of children placed with Dorset Foster Carers by approximately 60 per year
- Reduce the number of children placed in Independent Fostering Agencies by approximately 25 per year
- Increase the number of in-house foster carers (inclusive of connected person's carers) of between 70 to 80 per year (further detail of the assumptions underpinning this growth is provided in appendix 1)
- Reduction in the average time taken from enquiry to approval for mainstream foster carers from 8 months to 4-5 months
- Reduction in the average time taken to assess and approve connected person foster carers from 6 months to between 16 and 24 weeks
- Minimise avoidable de-registrations
- Improved diversity and skills of foster carers to meet a wide range of children's needs
- Fostering service delivered in line with minimum standards and fostering regulations
- Improved outcomes for children and young people through:
 - Increased local placement choice
 - Maintaining local connections and relationships
 - Skilled foster carers offering high quality care and support
 - Skilled social workers offering high quality care and support
- Improved outcomes for foster carers through:
 - High quality support
 - Career development
 - Remuneration at market rate

5 Risks of proposed changes

5.1 The table below provides a summary of the key risks associated with this proposal and suggested mitigation

Table 4: Risks and mitigation

Risk	Suggested mitigation
Recruitment activity leads to high level of enquiries that the service does not have capacity to respond to	Increase capacity to respond to initial enquiries
Insufficient capacity at Fostering Panels to meet increased demand	Increase number of panel meetings
Insufficient marketing budget/capacity to raise awareness or attract new carers	Increase marketing budget, use targeted social media campaigns, specific recruitment coordinator post to lead on this, work with corporate communications team to maximise opportunities for engagement
Loss of staff during re-organisation	Ongoing staff consultation and engagement to address areas of concern
Resistance to change during implementation phase	Ongoing engagement activity, strong leadership and management, investment in learning and development to support culture change

6 Financial Case for Change

6.1 The net care and protection budget for 2017/2018 is £33.145m of which £18.880m is for the care and support element. Within this budget area is £7.106m for the provision of in-house residential care and foster care, and £3.813m for the purchase of external residential and foster placements.

6.2 The 2017/2018 budget was built based on a level of 400 looked after children (LAC) by October 2017. This was a best-case scenario. Chart 1 below shows progress is tracking on the middle case scenario line, with the number of looked after children at the end of August 2017 being 436 (447 including unaccompanied asylum seeking children). Table 5 shows how this budgeted number of 400 was split out across types of placement and then the actual numbers of placements as at the end of August 2017.

Figure 1: LAC scenario projections and budget 2017/18

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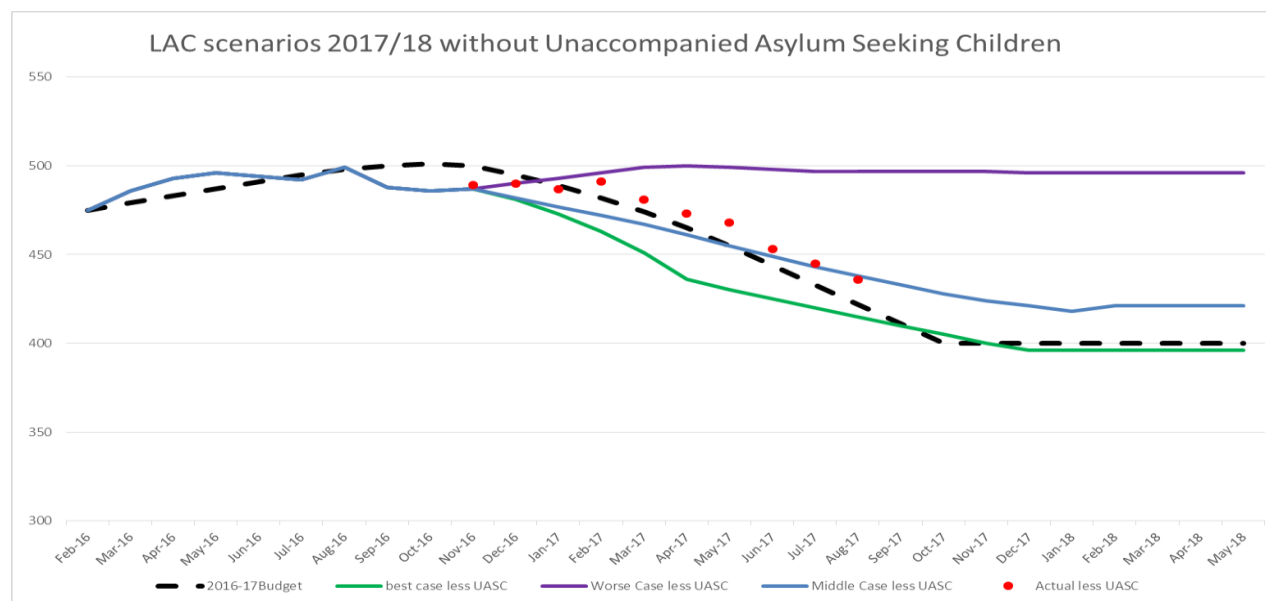


Table 5: Number of children by placement type: Budgeted and Actual (Aug 17)

Placements Budget 2017/2018	Budget	Actual August
In House Foster Carer - Care & Support (C&S)	294	205
In House Foster Carer - Children with a disability (CWAD)	17	18
In House residential (C&S)	8	4
In House residential (CWAD)	5	5
External residential (C&S)	9	26
External residential (CWAD)	2	11
External secure placement	1	1
External Independent Fostering Agency (C&S)	37	92
External Independent Fostering Agency (CWAD)	4	9
External Parent/Child placement	0	3
High Cost Supported Accommodation	0	8
Low Cost Supported Accommodation	16	17
LAC with parent – minimal cost	7	37
Unaccompanied Asylum seeking children (UASC)	0	11
Total LAC	400	447

- 6.3** As at the end of August 2017 the care & support budget is projecting an overspend of £7.829m of which £7.030m relates to the external placements budgets.
- 6.4** Analysis of the make-up of children in care is showing that lower cost placements (in house foster care) have been replaced by higher cost placements with external providers.
- 6.5** All external placements are under review and alternative (lower cost) placement options or price reductions are being sort. Implementation of the modernising fostering programme will be imperative to ensure there is the capacity and skills to move these placements and reduce the need to purchase high cost placements from the Independent Sector.
- 6.6** Officers have reviewed the current placement numbers and identified and agreed a long term sustainable base that should be achievable if the in-house provisions can

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be strengthened. This is illustrated in the table below. This revised number now reflects the unaccompanied asylum seeking children where the majority of costs are funded from a central government grant, and a more realistic number of external placements in particular for those children with a disability. Based on average costs of placements the increase in base from 400 to 440 is expected to cost £3.2m per annum, and is an ongoing pressure on the care & support budget.

Table 6: Current placement budget, actual number of placements and revised proposed base

Placements Budget 2017/2018	Budget	Actual August	Proposed Base	Increase
In House Foster Carer - Care & Support (C&S)	294	205	294	0
In House Foster Carer - Children with a disability (CWAD)	17	18	17	0
In House residential (C&S)	8	4	8	0
In House residential (CWAD)	5	5	5	0
External residential (C&S)	9	26	15	6
External residential (CWAD)	2	11	15	13
External secure placement	1	1	1	0
External Independent Fostering Agency (C&S)	37	92	37	0
External Independent Fostering Agency (CWAD)	4	9	10	6
External Parent/Child placement	0	3	3	3
High Cost Supported Accommodation	0	8	0	0
Low Cost Supported Accommodation	16	17	16	0
LAC with parent – minimal cost	7	37	7	0
Unaccompanied Asylum seeking children (UASC)	0	11	12	12
Total LAC	400	447	440	40

- 6.7** Having agreed a more realistic base, the focus now moves to the transition to it. In essence we need to increase our in-house capacity which will reduce the need to use as many external residential and IFA placements.
- 6.8** Based on the proposed net gain of carers per annum as outlined in Appendix 1 it would be realistic to assume that we could reach the proposed mix, and specifically the reduction in IFA placements, by September 2019. The change in this mix has been modelled on a straight-line basis from April 2018, and equates to an increase of 5 additional in house foster placements and 2 to 3 less IFA placements per month. The reduction in the external residential placements is also set to be achieved by September 2019 based on known care leavers (18 years old) and minimal growth.
- 6.9** The table below shows the effect on the current level of overspend. The projected overspend in 2017/2018 is £7.0m, this is projected to reduce to £5.2m in 2018/2019 and £3.5m in 2019/2020.
- 6.10** In summary £3.8m of savings will be released over the two-year period and £3.2m would remain as a base budget problem still to be addressed.

Table 7: Changes to budget overspend over time

Budget Overspends – 2017/18 through to 2019/20 and ongoing				
	17/18	18/19	19/20	ongoing
	£'000	£'000	£'000	£'000

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IFA Placements – based on reduction to 47 by Sept 2019	2,625	1,652	504	334
Parent & Child placements		234	234	234
External placements- based on reduction to 30 by Sept 2019	4,405	3,289	2,750	2,605
Level of overspend	7,030	5,175	3,488	3,173
Breakdown of overspend				
Base budget/ongoing issue	3,173	3,173	3,173	3,173
Transitional overspend	3,857	2,002	315	-

6.11 Additional Funding: In order to deliver the modernisation programme additional funding is requested. There has already been one off investment from the transformation fund of £100k of which £55k has been committed to date. An additional £242k per annum is requested to enable the transformation, as per section 7 of this report. Appendix 2 reviews the existing fees and allowances currently paid to carers. It demonstrates that Dorset's current levels are well below that of our statistical neighbours, and suggests a revision to the allowances and fees structure that is comparable to our neighbours and better matched to recognizing the development and skills of the carers. The financial implications of the new fee structure is detailed in table 8 below. It is largely self-funding in 2018/19 due to the time-frame in which new carers come on board.

Table 8: Additional costs related to proposed changes to fees and allowances

Additional costs – Fees & Allowances			
	2018/19	2019/20	Ongoing
	£'000	£'000	£'000
Allowances	126,548	630,012	684,092
Fees	39,660	365,700	397,940
	166,208	995,712	1,082,032

6.12 Return on Investment: On an ongoing basis, this proposal requires in total an additional £1.3m per annum (see table 9 below), it will however deliver a reduction in the current levels of overspend of £3.8m per annum.

Table 9 : Return on Investment:

Return on Investment	2017/18	2018/19	2019/20	Ongoing
Investment	£	£	£	£
Fees & Allowances		166,208	995,712	1,082,032
Staffing	55,000	242,000	242,000	242,000
Less Transformation fund funding	-55,000	-		
Total Investment	0	363,208	1,237,712	1,324,032
Return				
Reduction in Overspend	-	1,855,000	3,542,000	3,857,000
Total Return	0	1,855,000	3,542,000	3,857,000

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Net return on investment	-	1,491,792	2,304,288	2,532,968
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6.13 Continued pressures: Whilst this proposal seeks to reduce significantly the current overspend on the care and protection budget, the following points must be noted: A base budget issue of £3.2m will still remain on the external placements budget. The current underutilisation of the in-house foster carer's budget has been supporting pressure in the in house residential care homes and the special guardianship orders (SGO's) budgets. Any ongoing pressures on these budgets would now need to be resolved.

7 Proposed Investment

7.1 The table below outlines the investment required to deliver this proposal. There has already been a one-off investment from the Transformation Fund of £100k, of which £55k is committed. It is assumed that the uncommitted £45k will be carried over into the financial year 2018/19.

7.2 If the option to take up additional support from an external organisation is taken up this would require an additional one-off investment of approximately £110k.

Table 10: Revenue costs of proposed investment

	2017/18	2018/19	2019/20	Notes
Proposed minimum investment				
Review of fostering service and project management	£30k	Nil	Nil	Funded from Transformation Fund
Fostering Services Manager (G14)	£15k	£61k	£61k	Year 1 funded from transformation Fund
Recruitment Coordinator (1FTE)	Nil	£36k	£36k	
Reviewing Officer Posts x 2	Nil	£95k	£95k	
Increase in marketing budget	Nil	£11k	£11k	
Additional fostering panel resources	£10k	£39k	£39k	Year 1 funded from transformation plan
Sub-total	£55k	£242k	£242k	
Estimated costs of review of fees and allowances	Nil	£166k	£996k	See Appendix 2
Total Proposed Minimum Investment	£55k	£408k	£1238k	
Increase in commissioning and contracting capacity	£20k	£53k	£53k	Funded from reallocation of existing resources.
Potential Additional Investment				
Additional support from iMPower	£110k	Nil	Nil	Optional

8 Management Arrangements

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- 8.1** This project will be led by a Senior Manager for Children's Services and be overseen by the Assistant Director for Care and Protection.
- 8.2** It will form part of the Forward Together for Children Programme which has a process in place for project management, benefits realisation, and risk management. The Forward Together for Children Programme reports directly to the county council's wider transformation programme: Forward Together.
- 8.3** A high level detailed project plan is provided in Appendix 3.
- 8.4** The project has connections/interdependencies with the following Forward Together for Children projects which will be managed through the Programme Team:
- Establishing Care and Protection – LAC;
 - Great Local Provision and the role of the LA - Sufficiency - Care project;
 - Integrated SEND 0-25 Strategy and Operating Model;
 - Reinvigorating Social Work.
 - Safeguarding and Standards Review.

9 Summary and Recommendations

- 9.1** Dorset County Council (DCC) is required has a duty to provide or commission a range of placements sufficient to meet the needs of all children in care locally, including foster care provision. The county council provides a fostering service, recruiting and supporting a range of foster carers as well as commissioning foster placements from Independent Fostering Agencies (IFAs). Over the last 2 years there has been a significant increase in the use of IFAs, which are more expensive than county council provided foster care, and often result in children being placed further from home which can lead to poorer outcomes for children as well as create problems in delivering social work services.
- 9.2** Although there has been growth in the number of DCC foster carers this has been limited and a review of foster care services has identified a number of issues hindering service improvement and growth related to meeting quality standards; recruitment activity; assessment and approval; business processes; retention of foster carers; availability of foster carers to provide care for children and young people with complex needs and the competitive environment for fostering services.
- 9.3** This report provides a business case to modernise the current fostering service and create a more efficient and effective provision. The proposed changes seek to strengthen management and leadership; redesign the fostering team to focus on core tasks; implement a learning and development programme for social workers; implement a learning and development programme for foster carers; develop a 3-year recruitment and retention strategy; improve processes; simplify fees and allowances schemes for foster carers with clear progression routes and to reflect market rates. The report identifies proposals for additional investment to accelerate this service improvement and growth.
- 9.4** The benefits of the proposed changes will result in an increase in both the number and capacity of in-house foster care provision; a reduction in the number of children placed with IFAs, increase in number of children placed locally and improved service

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efficiency and effectiveness of service provision. The financial case for change is strong, with significant budget pressure on the provision of placements. This plan will contribute to a reduction in budget pressure over a 3-year period.

9.5 It is recommended that the cabinet:

9.5.1 Approve the plan for modernising of the fostering service

9.5.2 Approve the investment of £363k in 2018/19, £1,238k in 2019/20 and £1,324k on an ongoing basis

9.5.3 Consider an additional one off investment of £110k in 2017/18 for support from an external organisation support transformation.

9.5.4 Consider within the next update of the Medium Term Financial Plan additional funding of £3.2m to address the base budget issues as set out in this report

Appendices

Appendix 1: Assumptions underpinning the anticipated growth in the number of in-house foster carers

Number of foster carers				
Proposed Practice	2018-2019	2019-2020	2020-2021	Notes
<p>Newly Approved Carers: Timescale for assessment to approval 4 to 5 months (based on national benchmarking)</p>	50	50	40	This will require: <ul style="list-style-type: none"> • Ongoing recruitment activity which includes: <ul style="list-style-type: none"> ○ Marketing (range of channels) ○ Face to face events • A dedicated team of 6 FTE Social Workers completing: <ul style="list-style-type: none"> ○ average 6 assessments (all types) over 4-5month period ○ Initial Parent/carer assessments ○ Initial visits to prospective carers. ○ Targets would be adjusted annually dependent on need.
<p>Newly Approved Connected Persons: Timescale for approval 16 to 24 weeks (based on Fostering Regulations)</p>	40	40	40	This number could be lower or higher as dependent the needs of individual children and young people.
<p>Total Recruited</p>	90	90	80	This could be higher dependent on public response to recruitment activity and changes to fees and allowances.
<p>Potential Loss – (De-registrations)</p>	16	16	16	It is assumed that, on average 20% of foster carers will be deregistered (retirement and resignation). This may fluctuate depending on the number of and needs of connected persons' carers
<p>Potential Net Gain (i.e. annual increase in new carers)</p>	74	74	64	There will be a need to ensure higher supervision frequency and professional development programme for foster carers to improve retention Increased recruitment of foster carers will require additional capacity to provide post approval support.

Appendix 2: Proposed changes to fostering allowances and fees

1 Current Foster Carer Payment Structure

1.1 The current system for paying foster carers has been in place for a number of years. Carers currently receive allowances and fees based on the age of the foster child. There are also specialist fees available for foster carers supporting children with more complex needs.

1.2 Current allowance structure

Age	Weekly Payment (£)
0-4	126.00
5 plus	139.00
11 plus	159.00
16 plus	185.00

1.3 In addition to the above allowances, birthday, festival and holiday payments are paid for each child. There are also numerous discretionary allowances that can be paid to foster carers, for example school uniform, mileage and public transport.

1.4 Current fee structure

Fee Type	Weekly Payment (£)
0-10	79.90
11 plus	91.30
Project 1	193.95
Project 2	293.95
Project 3	393.95
Project 3+	493.95
Parent & Child Support	293.95
Parent & Child Assessment	393.95
CWAD 1	119.85
CWAD 1+	136.95
CWAD 2	193.95
CWAD 3	387.90

2 Proposed Foster Carer Payment Structure

2.1 Nationally there is a shortage of foster carers and with competition from neighbouring authorities and independent fostering agencies it is imperative that our allowance and fee offer is attractive to current and potential carers.

2.2 Allowances

- Most authorities pay allowances based on the age of a child and the table below details the rates currently paid by other local authorities. Averages of these rates have been calculated and Dorset is currently paying between 14 %and 27% less per week although additional discretionary payments are made to our foster carers.
- The proposal is to introduce an All Inclusive Allowance (AIA) which is designed to meet all the usual expenses incurred caring for a child in foster care

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	Somerset	Wiltshire	West Sussex	Southampton	Hampshire	Devon	Average
	£	£	£	£	£	£	£
0-4	144	146	153	143	147	143	146
5 plus	164	166	182	163	168	163	168
11 plus	204	207	208	203	209	203	206
16 plus	248	265	251	246	254	247	252

2.3 Fees

- The current fee structure is complex and does not encourage or reward foster carers for developing their skills. It is proposed that a skills based scheme is introduced to enable this to happen.
- The table below details the skill based fees currently being paid by other local authorities and averages of these rates have been calculated.

Skill Level	Somerset	Wiltshire	West Sussex	Southampton	Hampshire	Devon	Gloucester	Shropshire	Average
	£	£	£	£	£	£	£	£	£
Level 1	50	70	88	68	n/a	100	66	58	70
Level 2	75	90	121	136	99	150	111	115	110
Level 3	125	140	232	n/a	n/a	n/a	166	225	180
Level 4	375	n/a	319	n/a	308	379	309	n/a	340

3 Financial Implications of a new allowances and fee structure

3.1 Revised allowances and fees have been calculated based on the current average of our statistical neighbours. The effect on the budget for 18/19 19/20 and ongoing is detailed in the tables below.

3.2 Fees: The following table illustrates the cost implications of introducing the new allowance structure over the next two years.

	Weekly	Average No. 2018/19	Annual 2018/19	Average No. 2019/20	Annual 2019/20	Target Children	Annual Children
	£		£		£		£
0-4	146	57	432,744	68	516,256	70	531,440
5 plus	168	73	637,728	87	760,032	89	777,504
11 plus	206	85	910,520	103	1,103,336	105	1,124,760
16 plus	252	39	511,056	47	615,888	47	615,888
Total Number		254		305		311	
Total Cost			2,492,048		2,995,512		3,049,592
Annual Budget			2,365,500		2,365,500		2,365,500
Forecast overspend			126,548		630,012		684,092

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3.3 Allowances:

	Weekly Allowance	Average No. of Children 2018/19	Annual Cost 2018/19	Average No. of Children 2019/20	Annual Cost 2019/20	Target No. of Children	Annual Cost of Target Children
	£		£		£		£
Level 1	70	33	120,120	39	141,960	40	145,600
Level 2	110	191	1,092,520	230	1,315,600	235	1,344,200
Level 3	180	14	131,040	17	159,120	17	159,120
Level 4	340	16	282,880	19	335,920	19	335,920
Total Number		254		305		311	
Total Cost			1,626,560		1,952,600		1,984,840
Annual Budget			1,586,900		1,586,900		1,586,900
Forecast overspend			39,660		365,700		397,940

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Appendix 3: Project Plan (Jul 2017- Mar 2019)

Key:

* all activity marked with an asterisk is subject to decision regarding additional investment

	2017/18								2018/19												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Redesign fostering service																					
Develop case for change																					
Staff engagement and consultation																					
Trade Union engagement																					
Information provision to foster carers																					
Consultation with looked after children																					
Recruit Contract Officer Posts																					
Seek cabinet approval for additional investment																					
Develop Job Description for recruitment coordinator																					
Post preference and selection process																					
Recruit to Reviewing Officer Posts*																					
Recruit to Fostering Manager position*																					
Recruit to Recruitment and Coordinator Post*																					
Launch new structure																					
Transfer of cases																					
Changes to fees and allowances																					
Benchmark/comparator analysis																					
Develop proposed scheme																					
Model costs of proposed fees and allowances																					
Complete EQIA																					
Seek cabinet approval for additional investment																					
Consultation with foster carers on proposed scheme*																					
Finalise scheme*																					

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	2017/18										2018/19										
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Implement scheme*																					
Evaluate impact of scheme*																					
Learning and Development social workers																					
Care Planning training offer as part of Reinvigorating Social Work (RSW)																					
Permanency Planning Training as part of RSW																					
Learning and Development Fostering Service																					
Team Away Day – whole team change management and setting the scene																					
Manager subject specific training (2 hour session)																					
Whole team training – Regulations (session length to be agreed)																					
Pre-approval team training – roles and expectation (2 hour sessions)																					
Post approval team training – roles and expectations (2 hour)																					
Business support team training																					
Additional support from iMPower*																					
Seek quote from IMPOWER																					
Decision on additional investment from cabinet																					
Implement culture change programme*																					
Recruitment and Retention																					
Develop recruitment and retention strategy																					
Marketing campaigns																					
Face to face recruitment activity																					
Business processes																					
Develop work flow processes for new fostering team																					
Develop processes for fostering placement searches by contracts team (Duty)																					

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	2017/18									2018/19												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Inform all social workers of new processes																						
Implement new processes																						
Implement new ICMS Case Management System																						
Develop Performance Reports for monitoring																						
Learning and development programme for Foster Carers																						
Review current learning and development programme																						
Develop new programme linked to fees and allowances scheme																						
Implement new training pathways																						