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(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

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| Title of meeting: | Cabinet Member Meeting Children, Families and Education |
| Subject: | Regional Care Co-operative |
| Date of meeting: | 25 July 2024 |
| Report by: | Sarah Daly Director Children, Families and Education |
| Cabinet Member: | Councillor Suzy Horton |
| Wards affected: | None |

1. Purpose

1.1 This report will provide information about the development of the Regional Care Co-operative (RCC) Pathfinder. This is a Department for Education (DfE) funded project to encourage local authorities (LAs) to work together more closely on the commissioning and procurement of placements for children we care for.

2. Introduction

2.1 The DfE published Stable Homes, Built on Love – an Implementation strategy and consultation on 2 February 2023. The consultation was backed by £200m additional investment. DfE launched a competition for regions to bid for the opportunity to be funded to implement an RCC. We committed to the successful regional bid and are working with the other 18 LAs involved to design and develop our RCC. Over time all English LAs will be required to be part of an RCC.

2.2 The Stable Homes, Built on Love Strategy sets out a vision to re-balance children’s social care away from costly crisis intervention to more meaningful and effective early support. It sets out actions that seek to:

- Address urgent issues facing children and families now
- Lay the foundations for whole system reform
- Set national direction for change

2.3 DfE state it will reform in phases, investing £200m over the next two years. After two years they will refresh the Strategy, scaling up new approaches that have been tested, and bring forward legislation (subject to parliamentary time).

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2.4 DfE are running two regional Pathfinders to pilot RCCs. The South East region was successful in bidding for one of the pathfinder projects and has been awarded a grant of £1.95m of revenue funding and up to £5m of capital funding for the 19 authorities in the region. As one of two regions taking part, we will play a key role in shaping future delivery of this key development in children's services.

3. Description

3.1 RCCs are viewed as a radical shift in the care system and are part of a broader package of measures the DfE is beginning to deliver to transform the care placement market. Further measures include investing £259m to support areas to maintain capacity and expand provision in both secure and open children's homes, and £27m to recruit and retain more foster parents. In line with the Competition and Market Authority report recommendations, it is intended there will be national forecasting, procurement, and market shaping support; introducing a financial oversight regime; and reforming care standards. DfE are also considering changes to ensure that planning requirements, or local interpretation of them, are not a barrier to the creation of more homes for children.

3.2 RCCs will:

- Establish specialist data capabilities – the RCCs would analyse the LAs' data to improve the forecasting of demand across the region.
- Develop a regional sufficiency strategy – using their improved forecasts, the RCCs would develop robust plans for ensuring sufficiency across the region.
- Gain greater negotiating power with providers and, with greater confidence in its forecasts, be able to better shape the local market.
- Plan, commission and deliver children's care places in foster care, children's homes and secure children's homes. As new care places are required, the LA social workers will provide the RCC with their matching requirements. The RCC will conduct the placement search and provide the social worker with the available options.
- Invest in new public provision – by pooling placement budgets and securing better value for money, the RCCs will have greater financial confidence to invest in more public provision to meet local needs.
- Recruit, train and support foster carers across the region – LA fostering services would transfer to the RCC which would harness its larger scale to provide specialist marketing, recruitment, training and support for foster carers across the region.

3.3. Authorities that have indicated that they will be part of the RCC are set out below.



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| Bracknell Forest Council |
| Brighton and Hove City Council |
| Buckinghamshire County Council |
| East Sussex County Council |
| Hampshire County Council |
| Isle of Wight Council |
| Kent County Council |
| Medway Council |
| Milton Keynes City Council |
| Oxfordshire County Council |
| Portsmouth City Council |
| Reading/Brighter Futures for Children |
| Slough Borough Council /Slough Children First |
| Southampton City Council |
| Surrey County Council |
| West Sussex County Council |
| West Berks Council |
| Wokingham Borough Council |
| Royal Borough of Windsor and Maidenhead Council /Achieving for Children |

3.3 In addition to LAs, the partnership will include the NHS through Integrated Care Boards, the Youth Justice sector and others involved in providing placements and supporting looked after children and young people.

3.4 A project team is being set up to create the capacity required to design and implement the RCC. This is made up of a combination of people seconded from South East LAs and additional capacity recruited to support the project. The work will be led a Director of Children’s Services who will be seconded to the programme (this has now been confirmed as Lucy Butler West Sussex).

3.5 The project is being broken down into two phases. The first is an intensive design phase (between now and the end of July 2024) and the second is a longer implementation phase from the end of July to go live on 30 June 2025.

3.6 The design phase will be led by a small group of four DCSs and key partners representing NHS (ICB) and Youth Justice, supported by the project team. This

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group will meet on multiple occasions between June to the end of July 2024 to develop the outline design for the RCC. This will include the structure, terms of reference and governance arrangements.

3.7 On completion of the design phase, this group will continue to act as an executive group for the governance of the SE project as it moves to implement the agreed RCC model. It will continue until completion of the project in June 2025.

4. Financial background

4.1 DfE will support the Pathfinder regions to get started as follows:

Up to £1.95m for the RCC to set up the new arrangements:

- Funding is to cover legal due diligence, HR, finance and project management costs plus evaluation of the pathfinders.
- The DfE have also procured a delivery partner to work with RCC regions to support their successful implementation. This will include intensive support and access to a wide range of skills and knowledge to help set up the RCC.

Up to £5m capital funding per RCC to develop new provision:

- It will be for the region to decide what their priorities are. DfE want to discuss with the region what they intend/how they plan to deliver.
- There is a tight deadline to spend the money: funding is only available until March 2025.
- DfE are not asking regions to match-fund the money, although if any region is able to the money will go further.

4.2 This funding is not being awarded to individual authorities, it is to the whole region. West Sussex County Council will be hosting the revenue grant and will be accountable to the DfE for how it is used. Funding will be forthcoming for authorities who make significant contributions to the project (e.g. completing delegated pieces of work on behalf of the project or seconding a member of staff to the project team).

4.3 Following the design phase of the RCC project (which is scheduled to be completed in late July), we will have more information about the specific cost and staffing implications of the RCC. We will also have the business case which will set out the expected benefits of the RCC.

5. Options considered

5.1 An alternative option is not to consider participating as a Pathfinder for the RCC, – however as the current market remains in fragile position it is evident that we



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need to look to do things differently. The RCC represents the best prospect of developing new and innovative ways to secure the placements needed for looked after children. The DfE are providing generous funding to design a new approach and access to capital grants that are not available to authorities who are not part of an RCC pathfinder.

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Signed by (Director)

Appendices:

- A. Independent review of children's social care: final report
<https://www.gov.uk/government/publications/independent-review-of-childrens-social-care-final-report>
- B. Children's Social Care: Stable Homes, Built on Love
https://assets.publishing.service.gov.uk/media/650966a322a783001343e844/Childrens_Social_Care_Stable_Homes_Built_on_Love_consultation_response.pdf
- C. South East Regional Care Co-operative Pathfinder Bid (attached)

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

| Title of document | Location |
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