

Report to: Lead Member for Children and Families

Date: 10 September 2024

By: Director of Children's Services

Title: Regional Care Cooperative Pathfinder Projects

Purpose: This report provides the Lead Member with information about the development of the Regional Care Cooperative (RCC) Pathfinder. This is a Department for Education funded project to encourage local authorities to work together more closely on the commissioning and procurement of placements for looked after children.

RECOMMENDATIONS: The Lead Member is recommended to:

- 1) Endorse for East Sussex County Council continuing Regional Care Cooperative Pathfinder activity and in doing so agree for East Sussex County Council to enter into relevant agreements with the Department for Education and other Local Authorities as appropriate;
 - 2) Delegate authority to the Director of Children's Services, in consultation with the Lead Member for Children and Families, to take other relevant actions, including but not limited to: finalising the terms of and entering into required contracts or other legal agreements, as necessary to implement the decision including negotiating, finalising and entering into relevant legal agreements such as Partnership Agreements or award of contract(s), as required to implement this decision; and
 - 3) Agree to receive a further report on the development of the Regional Care Cooperative later in the year when more detailed information about the implications of the project for East Sussex County Council are available.
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1 Background

- 1.1 The Department for Education (DfE) published Stable Homes, Built on Love, an implementation strategy and consultation, on 2 February 2023. The consultation was backed by £200m additional investment. The DfE launched a competition for regions to bid for the opportunity to be funded to implement a Regional Care Cooperative (RCC). East Sussex County Council (ESCC) committed to the successful regional bid and are working with the other 18 Local Authorities (LAs) involved to design and develop the RCC. Over time all English LAs will be required to be part of an RCC.
- 1.2 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

- 1.3 The DfE state that 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).
- 1.4 The 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, ESCC will play a key role in shaping future delivery of this key development in children's services.

2 Supporting information

- 2.1 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.
- 2.2 The Department for Education have set out minimum requirements for RCCs, they are:
 - Carrying out **regional data analysis** and **forecasting future needs** of homes for children in care, in partnership with health and justice.
 - Developing and publishing a **regional sufficiency strategy** setting out current provision and action to fill gaps.
 - **Market shaping**, working as one customer with providers to address local needs, **improve value for money** and commission the care places required from external providers.
 - Developing **new regional provision** where gaps have been identified.
 - The Department will want to see evidence of **appetite for shared spending** through the RCC as part of the application process. Examples of new regional provision could include:
 - Developing **new children's homes / expanding existing homes** or developing **new models of fostering**.
 - Piloting integrated models of safe, **therapeutic care for children** who are currently (or who are at risk of) being **deprived of their liberty** and who are in the most **complex situations**.
 - Developing innovative approaches to supporting children who are looked after and in touch with the **criminal justice system**.
 - Delivering new provision for **unaccompanied asylum-seeking children** (UASC), which could include supported lodgings and short-term transitional accommodation at a regional level.
 - Delivering a new regional approach to running **secure children's home(s)**, if there is one in the area.
 - Create the **leadership and governance** arrangements necessary to allow the RCC to make **swift decisions** and **invest sums of money** over the long term.

- 2.3. The £1.95m of grant revenue funding is being provided to the South East region to help develop a model that delivers these requirements and works well for all the authorities in the region. This work will also include key partners most notably health and youth justice agencies. The project will be led by Director of Children's Services (Lucy Butler – West Sussex County Council) from the South East who has been seconded from her role to lead the work. The RCC will be co-produced and designed by the 19 authorities in the region. At this stage the commitment being asked for is to join the project and to participate in the planning and design of the new service. Once this process is complete authorities will have a further opportunity to consider the plans developed and decide if they want to be a member of the RCC.
- 2.4 Authorities that have indicated that they will be part of the RCC project are set out below.
- 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
- 2.5 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.
- 2.6 A project team has been 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 by a Director of Children's Services who will be seconded to the programme.
- 2.7 The project is being broken down into two phases. The first is an intensive design phase completed during the summer of 2024 with the second a longer implementation phase from now, to go live on the 30 June 2025.
- 2.8 The design phase will be led by a small group of four Directors of Children's Services and key partners representing NHS Integrated Care Board (ICB) and Youth Justice, supported by the project team. This group will meet on multiple occasions over the summer to develop the outline design for the RCC. This will include the structure, terms of reference and governance arrangements.

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

Financial Implications

- 2.10 The 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 (this support also has a significant value).

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

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

- 2.11 This funding is not being awarded to individual authorities, it is to the whole region. West Sussex County Council have agreed to host 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).

- 2.12 Following the design phase of the RCC project (which was completed over the summer 2024), more information will be available about the specific cost and staffing implications of the RCC for ESCC. A business case will set out the expected benefits of the RCC. At this stage, the implications will be analysed and if they are significant for ESCC a further report setting out the full implications will be presented and request agreement to make the changes if needed. This may include some financial and staffing implications (e.g. a possible requirement to contribute funding or staff to the RCC in exchange for specific services).

Options considered

- 2.13 An alternative option is not to consider participating as a Pathfinder for the RCC. ESCC has significant pressures and challenges finding affordable placements for Children in Care and have attempted a number of initiatives to develop access to affordable placements. This market is extremely difficult to engage with, and [the reports of the collapse of a framework in the North-East](#) is further evidence that something different is required urgently. 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.

Legal Implications

- 2.14 Partnership Agreements will be required in establishing an RCC. It is assumed a lead LA will be required to manage the funding and employ staff to deliver the RCC Project. It is likely that when developed the RCC will operate as a hosted service in one of the South East local authorities.
- 2.15 Legal advice will be sought in relation to any subsequent contractual activity in developing the pilot projects.
- 2.16 A further report will be presented in Autumn 2024 when the full design of the RCC has been agreed. This will provide further detail of the agreements reached and the legal and financial implications.

Equalities Implications

- 2.17 An Equalities Impact Assessment (EqIA) screening has been completed and no high negative impacts have been identified. The EqIA will continue to be developed and reviewed as this project progresses.

Other Corporate Implications

- 2.18 In the development of the Pathfinders, there will be a limited need for support from Finance, Legal and ICT. Longer-term there is likely to be a need for support from HR. Most of this work will be done within the project, ESCC will be required to scrutinise how proposed changes will impact on delivery of services to children and young people.

Governance

- 2.19 Oversight of the development and successes of the Pathfinder programme would be by the Director of Children's Services. All the participating authorities will be part of an RCC project governing body.

Data Protection implications

- 2.20 The Data Protection Impact Assessment will be completed once the implications of being a potential member of the RCC are clear (likely to be Autumn 2024).

3. Conclusion and reasons for recommendations

- 3.1 As outlined in this report the placements market is in a fragile position, Local Authority budgets are under extreme pressure, a significant factor is the current sufficiency of and spend on placements. There is a clear need to do something 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.

CAROLYN FAIR
Director of Children's Services

Contact Officer: Kathy Marriott
Tel. No. 01273 481274
Email: kathy.marriott@eastussex.gov.uk

Local Member:

All

Background Documents:

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